EXECUTIVE DIRECTOR'S REPORT

May 24, 2021

The mission of the YPI Charter Schools (YPICS) is to prepare students for academic success in high school, as well as post--secondary education; prepare students to be responsible and active participants in their community; and enable students to become life-long learners. Students at YPI Charter Schools will become active citizens who characterize the ideals of a diverse and democratic society. Students will provide service to their community, take responsibility for their own learning, and develop the habits of mind and body that will empower them to be successful in high school and beyond.

<u>State:</u>

From School Services of California –

"CalSTRS Contribution Rate Increase Expected for 2021–22"

posted April 20, 2021

As part of the 2014–15 State Budget, the California State Teachers' Retirement System (CalSTRS) Full Funding Plan (AB 1469) was put in place to propel the retirement system to be fully funded in 32 years. The plan included statutory employer and state contribution rates initially, and then gave authority to the CalSTRS Board—for the first time—to increase contribution rates (with some constraints) to fully exhaust the unfunded liability by 2046.

Initially, the employer contribution rate was set to increase evenly over a seven year period, with equal increases detailed in statute; at the end of that ramp up period the CalSTRS Board could increase or decrease the contribution rate by a percentage point each year, with a maximum employer contribution rate of 20.25% as follows:

"For fiscal year 2021–22 and each fiscal year thereafter, the board shall increase or decrease the percentages . . . to reflect the contribution required to eliminate by June 30, 2046, the remaining unfunded actuarial obligation . . . as determined by the board based upon a recommendation from its actuary."

The steady statutory increase was disrupted—in a positive way—for several years as the state subsidized the employer contribution rate by sending funds to CalSTRS on behalf of school districts, and thereby lowering the employer contribution rate. The 2021–22 employer contribution will enjoy a state subsidy but is unlikely to be sufficient to mitigate the need for an employer contribution rate higher than in 2020–21.

The need for an increased rate is due to a statewide shrinking CalSTRS-eligible payroll as teachers left the profession in 2020–21 and have not been replaced. Because the payroll upon which the employer contribution rate is applied has shrunk, so too has the contribution sent to CalSTRS by employers shrunk. This exacerbates the unfunded liability.

The CalSTRS Board is set to exercise its new rate-setting authority in an action at its June 2021 meeting. Unfortunately, that will provide less than a month for local educational agencies (LEAs) to make budget adjustments for the new fiscal year. Therefore, we are recommending that LEAs begin to anticipate a CalSTRS employer contribution rate in 2021–22 based on what will be the recommendation of the actuary: 16.92%. The rate of 16.92% would be the net value of the employer contribution rate when applying the state subsidy of 2.18% to the employer contribution rate likely adopted by CalSTRS of 19.1%. This is an increase compared to both the current year rate of 16.15% and importantly against what LEAs are currently expecting in 2021–22, at 15.92%.

There is uncertainty in this rate: the CalSTRS Board could choose to adopt a lower contribution rate or the state could provide an additional subsidy for 2021–22. However, the conservative approach would be to expect this increase based on the best information available to date from CalSTRS.

The official action of the CalSTRS Board will take place on June 10, 2021, and will be reported to the field as soon as it is finalized.

"USDA Waivers Granted Through 2021–22"

posted April 22, 2021

Local educational agencies (LEAs) received good news from the United States Department of Agriculture (USDA) this week with the announcement that many flexibilities for child nutrition programs will continue through the 2021–22 school year. LEAs have come to rely on these waivers to ensure access to school meals in their communities, and the extension granted by the USDA should help LEAs with planning for next school year.

The waivers granted through June 30, 2022, accomplish the following:

- Allow the Seamless Summer Option (SSO) to operate when school is open during the regular school year. Under this waiver, LEAs may choose to serve meals through the SSO, or may opt to participate under the school meal programs
- Reimburse meals served through SSO at the higher reimbursement rate typically reserved for the Summer Food Service Program
- Non-congregate feeding to allow schools to provide meal pick-up options for students learning remotely and to facilitate grab-and-go meals for students in school

- Mealtime flexibility so that LEAs may implement appropriate safety measures such as physical distancing with alternative meal service models
- Distribution of meals to parents or guardians to take home to their children
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- School meal pattern flexibilities as detailed here
- Waive offer versus serve requirements at high schools
- Allow schools that provide afterschool snacks through the National School Lunch Program to claim all snacks at the free rate by waiving area eligibility requirements
- Suspends on-site monitoring requirements in the school meals program until 30 days after the end of the public health emergency

While the waivers have been granted though June 30, 2022, the USDA also indicates that schools are expected to use the flexibilities for only the duration and extent that they are needed.

These flexibilities will be helpful in ensuring that all students are able to receive high-quality, nutritious meals next school year. However, as happened early in the current school year, this may hamper LEA efforts to collect needed information for the unduplicated pupil percentage (UPP), which is a significant component of an LEA's Local Control Funding Formula apportionment. LEAs are advised to start planning early to help mitigate any negative impact to their UPP.

<u>LAUSD:</u>

Superintendent Beutner announced he will be leaving the LAUSD when his contract expires on June 30, 2021. Deputy Superintendent Megan Reilly will become the Interim Superintendent on July 1 as the LAUSD Board of Education begins a national search for the next Superintendent.

<u>YPICS:</u>

YPICS continue to focus on providing in-person instruction for subgroups (students with IEPs, ELs, homeless students and students needing additional support), grades 5 & 6^{th} at BCCS, grade 6 for MORCS, and all grades for the high school. Each week more students are participating in in-school instruction or more activities on campus for specialized small groups in various grade levels. All schools are busy with parent surveys and engagement, enrollment and outreach, year-end testing, 8^{th} & 12 grade special activities and preparation for promotion, culminations, and graduations.