



PALISADES

CHARTER HIGH SCHOOL

CBO Report
Board of Trustees Meeting
March 15, 2022

2021-2022 BUDGET UPDATE

- The second interim financial report was submitted to LAUSD on 3/2/22. LAUSD will review and submit to the CDE. The report will be presented as a separate agenda item.
- PCHS is projecting a deficit of -\$749,953. Please note, -\$1,025,890 of that deficit is due to our ELO allocation being received in the 2020-2021 year. If you recall, we accounted for that revenue last year and are now reflecting the -\$1,025,890 as part of our beginning balance.

COMPLIANCE

- The 2020-2021 audit was finalized and submitted on 1/31.
- The audit report, finding and corrective action will be covered as a separate agenda item.
- We are also required to select our auditor for next year, by April 1, 2022. The audit engagement proposal from Christy White audit firm has also been added as a separate agenda item.

EMPLOYMENT BENEFITS

- We are still working with Arthur J. Gallagher & Co (our insurance broker) to explore options for alternative employee benefits coverage (medical, dental, vision, life, etc.). This includes coverage for active employees, retirees, and eligible dependents. This was discussed in the LTHB committee meeting, and we have asked Gallagher to explore the following options:
 - Explore matching the exact LAUSD benefits
 - Explore options with a Health Savings Account (HSA), Health Retirement Account (HRA) or comparable coverages
 - Explore a non-composite plan.
- We will share high level information at the next LTHB meeting. However, this is a negotiable item and further discussions will happen with our union partners.

INVESTMENT OF RETIREE FUND

- As communicated previously, the investment management team at Merrill Lynch has already invested \$1,125,000 into the market and will dollar-cost-average the remaining amount, on a monthly-basis. Meaning, each month the investment manager will put another \$1.125 Million into the market, until we are fully invested.
- The investment manager put our March investment on hold given the market volatility. Unfortunately, the current war, inflation, and the March Federal Reserve meetings (rate hike) are increasing volatility.
- Our long-term strategy remains unchanged. In-fact, dollar-cost averaging in this instance is beneficial because we are now buying at a “value” compared to prior months.
 - For instance, year-to-date (01/01/2022 – 03/11/2022) the S&P 500 is down approximately -11.79%, while the Dow Jones Industrial Average is down -9.34%.



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CAFETERIA/NUTRITION

- The cafeteria Request for Proposal (RFP) has been submitted to the CDE and is being covered as a separate agenda item. This is a public bid, and we are following all bidding requirements.
- We have reassigned one of our Chartwells staff members from Pali Academy to the main campus to help with meal distribution. The additional point-of-sale has significantly improved meal serving times.
- To backfill the need at Pali Academy, we are having a PCHS staff member help distribute food during nutrition/lunch.
- Additionally, the cost to replace our 4 door refrigerator with two 2 door refrigerators is approximately \$13,000. We need to replace them and are evaluating the use of our “cafeteria infrastructure grant” of \$25,000. This has been approved by the State but the allocation is not final and we have not received the funds.

PAYROLL

- PCHS is in the process of transitioning to a new Human Capital/Payroll vendor: Paycom.
- We received some concerns regarding the timing of the transition and the new processes.
- We will continue discussions with our union partners and communicate the launch date once we have addressed all concerns.
- For now, we are remaining with ADP until further notice.

A-G COMPLETION GRANT

- As of October 2021, PCHS’ preliminary allocation was \$816,034. In February 2022, the CDE then revised the allocation to an amount just over \$1 Million. As of March 7th the final allocation was set at \$645,524.
- The A-G Completion Grant Plan was discussed at the 3/14/22 budget committee meeting and the spending proposal can be found [here](#):
- Please note, there is no formal plan submission to the CDE. However, we are required to discuss the plan and vote on the plan at a subsequent meeting.
- More information regarding allowable can be found [here](#).

LOOKING AHEAD

- The 2022-2023 budget development process has started. We have provided budget buckets to all departments and will be hosting various meetings to solicit feedback, understand needs and propose a budget that (1) reflects stakeholder feedback, (2) supports our LCAP/goals and (3) is balanced.
- The Governor will provide his May budget revision and we will learn more information about revenues, expenses, and assumptions for our 2022-2023 budget. The items of concern are (1) cost-of-living adjustment (COLA), (2) enrollment/ADA funding legislation, (3) STRS/PERS pension buy-downs and (4) categorical one-time funds.