APPROVED

El Camino Real Charter High School

Minutes

Finance and Investment Board meeting

May 14, 2025 Finance and Investment Board meeting

Date and Time
Wednesday May 14, 2025 at 5:30 PM

Location
El Camino Real Charter High School - (Principal's Conference Room)

5440 Valley Circle Woodland Hills CA 91367

Meeting can also be seen and heard at:

North Campus - 7401 Shoup Ave. West Hills CA 91307

The Finance and Investment Committee is a standing committee of the Board of Directors of El Camino Real Alliance.

For committee meeting materials, please go to the school's main office, or call (818) 595-7500. Some board meeting materials are also posted in the school's website (https://ecrchs.net - click the ECR Board tab).

ATTENTION:

WE HAVE RETURNED TO "IN-PERSON" FINANCE AND INVESTMENT COMMITTEE MEETINGS.

INSTRUCTIONS FOR PRESENTATIONS TO THE BOARD BY PARENTS AND OTHER MEETING ATTENDEES:

El Camino Real Alliance ("ECRA") welcomes your participation at ECRA's Board meetings. The purpose of a public meeting of the Board of Directors ("Board") is to conduct the affairs of ECRA in public.

Your participation assures us of continuing community interest in our charter school. To assist you in the ease of speaking/ participating in our meetings, the following guidelines are provided:

1. Agendas are available to all audience members at the door to the meeting.

2. "Request to Speak" forms are available to all audience members who wish to speak on any agenda items or under the general category of "Public Comments."

"Public Comments" is set aside for members of the audience to raise issues that are not specifically on the agenda.

However, due to public meeting laws, the Board can only listen to your issue, not respond or take action.
These presentations are limited to ***two (2) minutes*** and total time allotted to non-agenda items will not exceed thirty (30) minutes. A member of the public who requires the use of a translator, in order to receive the same opportunity as others to directly address the Board, shall be permitted twice the allotted time to speak.

The Board may give direction to staff to respond to your concern or you may be offered the option of returning with a citizen-requested item.

3. You may also complete a "Request to Speak" form to address the Board on Agenda items. With regard to such agenda items, you may specify the item(s) on your "Request to Speak" form and you will be given an opportunity to speak for up to three (3) minutes before the item is addressed, and total time allocated to agenda items will not exceed six (6) minutes for a Discussion item and nine (9) minutes per Vote item.

A member of the public who requires the use of a translator, in order to receive the same opportunity as others to directly address the Board, shall be permitted twice the allotted time to speak, and the total allocated time shall be appropriately increased as well.

4. When addressing the Board, speakers are requested to state their name and adhere to the time limits set forth. In order to maintain allotted time limits, the Board Chair may modify speaker time allocations or the total amount of allotted time for an item.

5. Any public records relating to an agenda item for an Open Session of the Board which are distributed to all, or a majority of all, of the Board members shall be available for public inspection at 5440 Valley Circle Blvd., Woodland Hills, California, 91367.

IMPORTANT NOTE REGARDING PUBLIC COMMENTS:

Effective September 2022, public comments presentations at all ECRA Regular and Special Board Meetings and Committee Meetings must be made in person.

There is no obligation on the part of the school to have a school official read public comments during in-person Board Meetings.

A member of the public is welcome to appear at the Board meeting to make a public comment or make arrangements with another person in attendance to speak on the person's behalf.

Consent Agenda: All matters listed under the consent agenda are considered by the Board to be routine and will be approved/enacted by the Board in one motion or more motions in the form listed below. Unless specifically requested by a Board member for further discussion or removed from the agenda, there will be no discussion of these items prior to the Board vote(s) on the Consent Agenda item(s). The Executive Director recommends approval of all consent agenda items.

In compliance with the Americans with Disabilities Act (ADA) and upon request, El Camino Real Alliance may furnish reasonable auxiliary aids and services to qualified individuals with disabilities. Requests for disability related modifications or accommodations shall be made 24 hours prior to the meeting to David Hussey, in person, by email at comment@ecrchs.net, or by calling (818) 595-7500.

Committee Members Present
Alexandra Ramirez, Steven Kofahl

Committee Members Absent
Gregg Solkovits

Guests Present
David Hussey, Gregory Wood, Ryan Guinto

I. Opening Items

A. Call the Meeting to Order

Alexandra Ramirez called a meeting of the Finance and Investment Committee Committee of El Camino Real Charter High School to order on Wednesday May 14, 2025 at 5:31 PM.

B. Record Attendance and Guests

C. Pledge of Allegiance to the United States of America (USA)

Mr. Gregory Wood led the Board members and guests in the Pledge of Allegiance to the United States of America (USA).

D. Public Comments

No public comments were received for this meeting.
Ms. Ramirez announced that due to time constraints, the following agenda items will be tabled until the next committee meeting:

- Consent item number two (both A and B)
- School business items B and C

These items will not be discussed in the current meeting and will be deferred to the next committee meeting.

E. CBO Report

Mr. Gregory Wood, discuss his CBO report.

Topic 1: Employee Health & Life Insurance Updates / Budget Implications

1. Health Insurance Rate Updates (Effective October 1)

- Provider: Self-Insured Schools of California (SISC)
- Medical Premium Increase:
  - General monthly premium increase: ~7%
  - Kaiser plan increase: ~8%
- Dental Insurance:
  - No change in rates (flat)
- Vision Insurance:
  - No change in rates (flat)

2. Basic Life Insurance Plan

- Coverage Provided:
  - First $50,000 in basic life insurance per full-time employee
  - All full-time employees (~225 individuals) are covered

- Premium Increase:
    - 34.5% rate increase
- Issue Identified:
    - To receive matched rates on basic life insurance, SISC requires 25% of employees to be enrolled in voluntary life insurance.
    - Current participation: 21%
    - Need: 6 additional participants to reach the threshold
- Voluntary Enrollment Info:
    - Employees or family members may enroll via HR
    - No medical disclosures for current employees if enrolled within the summer enrollment window

3. Options for Managing Life Insurance Costs

- Path 1: Attempt to increase voluntary participation to 25% to retain current basic life insurance pricing
- Path 2: Explore quotes from other life insurance carriers and potentially opt out of SISC for life insurance (while retaining health, dental, and vision coverage)

4. Additional Benefits Offered

- Other Voluntary Plans:
    - Aflac
    - Long-Term Disability Insurance
- Medical Plan Structure:
    - School pays for Basic PPO (80% coverage)
    - Employees may opt into PPO High or enhanced dental plans at their own cost

5. Budgetary Impact

- Total Annual Premiums (Combined): ~$4 million
- Projected Increase (due to rate hikes): ~$300,000
    - Offset potential: employee headcount reductions or slow Q1 rate increases
- Timing of New Rates:
    - New premiums effective October 1, 2025
    - Q1 of FY25–26 will still use current rates, so the full-year impact is partially delayed

6. Historical Context

- Previous years' premium increases have ranged from 4–6%
- Current projected increase (~7–8%) is one of the highest in recent years
- SISC remains competitive compared to other insurance providers

Topic 2: Cafeteria Program

- Annual Administrative Review (AR) conducted by CDE.
- Reviewed:
  - Meal preparation (recipes, ingredients)
  - Sales compliance (cafeteria, vending machines, student store)
  - Signage and messaging (e.g., Equal Opportunity signage)
  - On-site observations of breakfast and lunch services.

Findings

- Non-Compliant Meals Identified:
  - 2 meals (out of ~1,000 breakfast servings) observed as non-compliant.
  - Main issue: students exiting without required meal components (e.g., fruit).
- Corrective Measures Taken:
  - Reinforced policy: students must take all components, including fruit.
  - Use of “Share Box” allows students to leave unwanted items, still fulfilling compliance.

Commendations

- CDE provided positive feedback on overall cafeteria operations.
- Low error rate was praised, especially considering high volume.

Potential Financial Impact

- Formal report expected by May 25.
- If total financial finding is < $600, no repayment required.
- Current surplus in cafeteria fund noted; no immediate financial threat.

Topic 3: Wellness Policy Compliance

- Wellness Policy exists but likely outdated (last updated pre-COVID).
- Requirement: Active wellness committee and ongoing updates.

CBO Acknowledgment

- CBO agreed with CDE's finding.
- Plans to reinvigorate the wellness committee and update the wellness policy accordingly.

Topic 4: State Budget Update

- Governor's may revise summary received from School Services of California.
- State revenues projected to be $10 billion lower than January estimates.

Impact on Education Funding

- Prop 98 Funding (which governs K–12 education):
  - Down by $4 billion from earlier projections.
- LCFF (Local Control Funding Formula) per-pupil funding not expected to be significantly impacted.

Deferral of State Payments

- State to defer ~$1.8 billion in payments from June to July 2025.
  - Districts will report the deferred funds as receivables.
  - This maneuver is to help the state balance its 2024–25 budget on a cash basis.
- Impact on District: Minimal due to strong reserves.

Accounting Notes

- State operates on cash accounting, while school districts operate on accrual accounting.
- Deferred payments allow state to reflect a balanced budget for FY 2024–25 without affecting district cash flow in practice.

Key Dates and Anticipated Updates

- Formal Administrative Review Report: Expected by May 25
- Governor’s Budget Workshop/Drill Down Session: Scheduled for May 21
- Wellness Policy Updates: To be addressed during summer/fall planning

Topic 5: **FY 2025–2026 Budget and Funding Updates**

1. Cost-of-Living Adjustment (COLA) for LCFF Funding

- **Initial Estimate (January 2025):**
  - The Governor's proposal included a **2.43% COLA** to the **Local Control Funding Formula (LCFF)**.
- **Revised Estimate (May 2025):**
  - Due to state revenue shortfalls, the COLA was **revised downward to 2.3%**.
  - This revised rate will be used in the district's **FY 2025–26 budget forecast** and planning submitted to the Board.

2. LCFF Base and Supplemental Funding

- **Grade Span Adjustment (GSA):**
  - High schools will continue to receive an **additional $280 per student** as part of the GSA allocation.
- **Per Pupil Funding (Base):**
  - For students not qualifying for Free or Reduced-Price Meals (FRPM), the **base per pupil funding is approximately $12,400**.

3. Universal Meals Program

- **Program Overview:**
  - The Universal Meals Program has allowed **all students to receive free meals**, regardless of income status, for the past **three years**.
- **Federal and State Funding Split:**
  - Previously co-funded by **federal and state governments**.
  - Ongoing **federal funding levels remain uncertain** due to policy shifts.
- **State Commitment for 2025–2026:**
  - The **Governor reaffirmed** that **California will fully fund universal meals** even if federal support decreases.
  - The state will **backfill any shortfalls in federal contributions**, ensuring continuity of the program statewide.
- **District Perspective:**
  - Mr. Wood noted the **positive impact** of the Universal Meals Program on **student well-being and access to nutrition**.
  - The district is **excited and supportive** of the state's continued commitment to this program.

Board Member Comment – Mr. Kofahl on Cafeteria Operations

- **Positive Acknowledgment of Cafeteria Efficiency:**
  - Mr. Kofahl expressed that it was **impressive to observe cafeteria operations in action**.
  - Highlighted that the food service team is able to **efficiently move 3,400 students through the line**, serving over:
    - **1,000 students at breakfast**
    - **Nearly the same number at lunch**
- **Commentary on the Share Box:**
  - Noted the **Share Box is consistently utilized and never empty**.
    - Example: It may be briefly full of apples, but within moments, multiple students take from it, and new items soon appear.
  - Emphasized that the Share Box **ensures ongoing access to food**, especially for those still hungry after their initial meal.

- Mr. Kofahl praised the **practicality, efficiency, and thoughtfulness** of the current food service operations, particularly the **Share Box as a sustainable and student-centered solution** to both food waste and food insecurity.

Ms. Ramirez announced that due to time constraints, the following agenda items will be tabled until the next committee meeting:

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- School business items B and C

These items will not be discussed in the current meeting and will be deferred to the next committee meeting.

II. Investment

A. April 2025 Investment Update

Presenters: Mr. Gregory Wood (CBO) and Mr. Mike Breller (Beacon Pointe; presented remotely).

2. Market Commentary and Economic Conditions

- **Volatility**: Heightened during Q1 due to tariff announcements and subsequent policy shifts.
- **Equity Market Trends**:
  - S&P 500 declined ~10% between Feb 19 – Mar 31.
  - Worst drop: April 2–8.
  - Rebounded post-announcement of delayed tariffs and international agreements (UK, China).
  - As of latest data: S&P 500 slightly positive YTD.
- **Federal Reserve Impact**:
  - Fed likely to maintain current rates in June due to better-than-feared economic outlook.
  - Focus remains on inflation control and full employment.

3. Portfolio Performance Review

- **As of Q1 2025**:
  - **S&P 500**: Down 4.3%.
  - **Growth Strategies**: Down ~10%.
  - **Value Strategies**: Up ~2%.
  - **International Equities**: Outperformed domestic; positively impacted by weaker USD.
  - **Bonds (U.S. Aggregate Index)**: Up 2.8% YTD.
  - **Portfolio Total Return**: Down only 0.1% for the quarter (flat overall).

4. Portfolio Volatility & Strategic Response

- **Volatility Index (VIX)**: Spiked significantly during market stress.
- **Historical Reference**: Similar spikes in 2020 during the pandemic.
- **Strategic Guidance**:
  - Remain invested during market shocks.
  - Long-term returns generally recover substantially (20%–40%) over 1–3 years.
  - Beacon Pointe rebalances portfolios in response to valuation shifts—not panic-driven selling.

5. Asset Allocation & Policy Compliance

- **Slide 18 Review**:
  - Portfolio allocation remains within Investment Policy Statement (IPS) guidelines.
  - **Key Allocations**: U.S. equity, international equity, fixed income, and alternatives.
  - Rebalancing done when allocations move out of set ranges.
- **IPS Guidelines**:
  - U.S. Equity Range: 20%–50%.
  - Rebalancing triggers only when allocations breach range, not for small deviations.
  - Current asset mix supports moderate growth with capital preservation.

6. Liquidity and Cash Flow Strategy

- **Liquidity**:
  - Majority of assets are **daily liquid**.
  - Only two alternative holdings (~8% total) are **quarterly liquid**.
- **Cash Flow Management**:
  - Withdrawals managed through general asset sales, not cash reserves.
  - Portfolio remains fully invested for long-term growth.

- Different strategy would apply if account had short-term funding goals.

7. Diversification Impact

- **Performance by Asset Class**:
  - U.S. Equities: -4%.
  - International Equities: +4%.
  - Fixed Income: +2.7%.
- **Takeaway**: Diversification protected the portfolio; losses in one area offset by gains in others.

8. Active vs Passive Management

- **Mix of Strategies**:
  - Passive in efficient markets (e.g., U.S. large-cap).
  - Active in mid-cap, value, and international equities.
- **Manager Review**:
  - **Virtus (mid-cap)**: Underperformance due to exclusion of large index-dominating stocks like Palantir (no longer mid-cap).
  - **Change Example**: Underperforming active growth manager replaced by growth index in late 2024—now performing strongly (23% annualized since inception).

9. Fixed Income Manager Transition

- **Change in Bond Managers**:
  - Replaced **MetWest** with **PGIM Total Return Bond Fund** due to team changes and inconsistent performance.
  - Timing: Executed during a quarter of MetWest outperformance to avoid locking in losses.
  - Existing Manager: **Dodge & Cox** retained.
  - Goal: Enhanced diversification and stability within fixed income.

10. Alternatives Portfolio

- **Components**:
  - **Swan Hedged Equity** (daily liquid).
  - **PGIM Global Real Estate** (daily liquid).
  - **Cliffwater Direct Lending** (quarterly liquid): Higher yields through direct lending.
  - **Apollo Diversified Real Estate** (quarterly liquid).

- **Performance**: Stable; some alternative positions flat for the quarter, but strong long-term contribution to diversification and income.

11. Closing Remarks and Summary

- **Overall Portfolio Performance**: -0.1% for Q1; now positive as of early May.
- **Key Success Factors**:
  - Strategic asset allocation.
  - Staying fully invested.
  - Rebalancing aligned with IPS, not short-term market shifts.
- **Mr. Wood's Comment**: Emphasized the success of the diversified, policy-aligned investment strategy in buffering volatility and protecting capital.
- **Mike Breller's Conclusion**: Highlighted the long-term orientation of the strategy and ongoing monitoring to ensure risk-adjusted performance.

12. Follow-up Items / Action Points

- No immediate changes required to asset allocation.
- Continue to monitor mid-cap and alternative managers.
- Await Q2 performance for further manager evaluations.

Mr. Wood continues to discuss.

1. OPEB Account Overview

- **Beginning Balance (Start of April 2024):**
  $30.8 million
- **Retiree Benefit Payments (YTD):**
  $530,000 (approximate)
- **Investment Gains (YTD through April):**
  $1.2 million
- **End-of-April Balance:**
  $31.5 million
- **Mid-May Balance (as of date of meeting):**

  $32.0 million
  - **Monthly Increase:** Approximately $500,000
  - **Reason:** Positive market performance despite benefit payouts
- **Performance Summary (10-month period):**
  - **Investment Return:** +3.7%
  - **Net Account Growth (after OPEB payments):** +2.1%

2. May Performance Outlook

- Market performance is trending positively during the first half of May.
- Anticipation of continued growth and stability in the OPEB account if the trend sustains.

3. General Investments Overview

- **Current General Investment Account Balance:**
  Slightly over $7.1 million
- **April Performance:**
  Slight decrease in market value
- **Fixed-Income Holdings:**
  - **T-Bill:**
    $400,000 investment; expected to mature regardless of market fluctuations
  - **Annuity Investment:**
    Generates a fixed return; serves as a stabilizing asset in the portfolio

4. Summary Remarks

- Despite market volatility in Q1 2024, the OPEB account showed positive gains.
- Account management strategy includes a mix of market-driven and fixed-return investments to balance risk and ensure consistent payouts.
- The financial health of both OPEB and general investment accounts remains stable with cautious optimism for continued performance.

III. Finance

A. April 2025 Financial Update

Presenter: Mr. Gregory Wood, CBO

1. Importance of April ADA Report

- April marks the **end of Month 8**, which determines **funding eligibility** from the state.
- **P2 Report** was submitted to the California Department of Education (CDE), which uses cumulative ADA to calculate funding levels.

2. ADA (Average Daily Attendance) Key Data

- **Final Funded ADA for 2024–25:**
  - **2,687.04 ADA** (Combined for all programs including NPS and ESY)

- **ADA Projection from Second Interim (January):**
  - **2,712.15 ADA**
- **Shortfall in ADA:**
  - **25.11 ADA**
  - **Monetized Impact:** Approx. **$411,000** decrease in projected funding

3. Enrollment & Attendance Rates

- **Combined Enrollment at End of Month 8:**
  - **2,856 students**
- **ADA Rate:**
  - **92.3%**, slightly down from prior years
- **Impact of February Strike:**
  - Notable decline in ADA during the strike month, contributing to lower cumulative average

4. Year-Over-Year Enrollment Comparison

- **Enrollment in April 2024:** 3,086 students
- **Enrollment in April 2025:** 2,856 students
- **Net Decline:** 230 students
  - Equivalent to ~7.5% enrollment drop
  - **Lost Revenue Potential:** Approx. **$2.8 million** if enrollment had remained level with prior year

5. Future Enrollment and Grade-Level Trends

- **Current Grade 12 Enrollment:** 760 students
- **Incoming Grade 9 Enrollment:** 643 students
  - If trends continue, this reflects a projected net loss of **120 students** for the 2025–26 year
- **Projected Enrollment Decline Rate:** Approx. **4–5%**
- This decline presents a **financial risk**, even with a **2.3% COLA** increase in state funding
  - **Net Effect:** Revenue will still decline due to enrollment drop outpacing COLA increase

6. Long-Term Enrollment Trend

- **Historical Enrollment (5 Years Ago):**
  - Peaked at **3,500 students**
- **Current Enrollment:**

- Down **~20%** from the peak
- Financial consequences are becoming **unsustainable without staffing adjustments**

7. Staffing and Budget Implications

- Despite the enrollment loss over 5 years, **no effective staff reductions** had been made until now.
- **Class sizes have shrunk**, but staffing levels remained flat, causing budget strain.
- **Salaries and Benefits** represent the largest portion of the budget.
  - Financial viability going forward requires **"right-sizing"** staffing levels to align with current and projected enrollment.

8. Budgetary Challenges for 2025–26

- Reduced ADA and enrollment mean **lower revenue** and **tougher budget decisions**.
- Funding loss combined with rising costs (salaries, benefits) necessitates **cost containment** and **resource optimization**.
- This marks the **first year of significant restructuring** to reflect actual student population and funding trends.

9. Key Messages for Stakeholders

- Transparency is essential: All stakeholders must understand the link between **enrollment**, **ADA**, and **financial health**.
- The district is proactively addressing challenges through **data-driven planning**.
- **Sustainability efforts** will focus on aligning staffing, operations, and programming with available resources.

B. Discussion and Vote to Recommend to the Full Board Approval of the April 2025, Check Registers

Presenter: Mr. Gregory Wood, Chief Business Officer (CBO)

1. Checking Account Register

- **Total Payments Issued: $1,250,984.10**
- **Payment Methods:**
  - **SP (Special Processing):** Electronic Payments (EFT)

    - Others: Physical (live) checks
- **Purpose:**
    - Routine operational disbursements including vendors, services, and reimbursements

2. General Account Disbursements

- **Total: $483,791.16**
- **Key Payments:**
    - **Self-Insured Schools of California (SISC) – Health Bill**
        - **Amount:** $350,904.52
        - **Purpose:** Monthly employee health benefit premiums
    - **CharterSAFE** – Workers' compensation and insurance
    - **LegalShield** – Legal service deductions
    - Other recurring monthly ECH/wire disbursements

3. Associated Student Body (ASB) Trust Fund

- **Account Type:**
  ASB Trust Fund – Student-run accounts for clubs and activities
- **Total Balance:**
  $159,252.38
- **Funding Source:**
  Grand G&G Inc.
- **Key Transactions:**
    - **Grad Night Event (Class of 2025):**
        - **Initial Deposit (April 2):** $110,870
        - **Purpose:** Securing venue and vendor deposits for senior Grad Night celebration
    - **Chartwells Division (Catering Services):**
        - **April Invoice:** $1,122.78
        - **Description:** Catering for Wednesday morning events – includes bagels, cream cheese, juice, and coffee

4. Oversight & Management of Trust Funds

- **Trust Account Lifecycle:**
    - Accounts roll over year to year unless formally closed
    - Inactive accounts are monitored by ASB leadership
    - Closure of inactive clubs (e.g., K-Pop Club) results in fund reallocation to ASB General Fund
- **Example of Repurposing Inactive Funds:**
    - **Water Polo Trust Account:** ~$12,000 currently unused
    - **Proposed Use:** Scholarships for student-athletes in aquatics programs

- **In Progress:** Collaboration between Mr. Hussey and parents to create a scholarship program

Steven Kofahl made a motion to recommend to the full board the review of April 2025, check registers.
Alexandra Ramirez seconded the motion.
The committee **VOTED** unanimously to approve the motion.

C. Discussion and Vote to Recommend to the Full Board Approval of the April 2025, Credit Card Charges.

Presenter: Mr. Gregory Wood, Chief Business Officer (CBO)

Overview of School-Issued Credit Cards

- **Cardholders:**
  - Mr. Gregory Wood
  - Mr. David Hussey
- **Billing Cycle End Date:** April 25, 2025
- **Combined Total Charges: $26,091.93**

1. Mr. Hussey's Charges

- **Total: $9,512.62**
- **Details Include:**
  - **Vendors:** Home Depot, Amazon, educational supply vendors, and maintenance services
  - **Types of Charges:**
    - Facility repair and maintenance supplies
    - Event-related expenses
    - Classroom resources
  - **Funding Sources:** Varied by charge, including site maintenance budget, trust accounts, and general operations
  - **Purpose:**
    - All purchases were requested by department leads or event coordinators and approved by Mr. Hussey

2. Mr. Wood's Charges

- **Total: $16,579.31**
- **Details Include:**
  - **Major Expenses:**

        - **Drama Competition Travel & Fees** – Student participation in competitive events
        - **Special Education (SPED) Conference** – SPIKE Conference attendance costs
        - **Cafeteria-Related Supplies** – Non-food equipment and service-related items
        - **Lighting Equipment for Football Stadium**
            - **Purchase:** $3,000 worth of LED industrial lighting shades
            - **Purpose:** Mitigate light dispersion into surrounding residential areas
            - **Note:** Installation delayed pending MUSC and district approvals due to neighborhood complaints
            - **Vendor:** Industrial lighting distributor
            - **Current Status:** Seeking alternate installation solutions per OSD and MUSC requirements
    - **All transactions documented by vendor, date, requesting department, and funding source**

3. Oversight & Approvals

- All credit card purchases:
    - Were pre-approved by respective administrators or department leads
    - Tied to either specific trust funds, general fund accounts, or designated department budgets
    - Backed by full documentation including:
        - Date of purchase
        - Vendor name
        - Purpose/description of items
        - Budget code or funding source
        - Requestor identity

Conclusion

- The **April 2025 credit card statement** reflects responsible use aligned with school operational, academic, and extracurricular needs.
- **Total Monthly Credit Card Charges: $26,091.93**
    - **Mr. Wood:** $16,579.31
    - **Mr. Hussey:** $9,512.62

Steven Kofahl made a motion to recommend to the Full Board Approval of the April 2025, Credit Card Charges.
Alexandra Ramirez seconded the motion.
The committee **VOTED** unanimously to approve the motion.

IV. School Business

A. Discussion and Vote to Recommend to the Full Board Approval of the renewal 2025-2026 Food Service Contract with Chartwells

Presenter: Mr. Gregory Wood

1. Contract Background

- Current contract with Chartwells is a **five-year agreement**.
- The 2025–2026 school year represents the **third year of the contract**.
- Annual updates/renewals are required by the California Department of Education (CDE).
- This renewal is the **third extension of five** total possible extensions.

2. Contract Renewal Details

- Renewal includes a **~5% increase** in meal service rates.
- Increases are based on Consumer Price Index (CPI) for Los Angeles food consumers.
- Charges from Chartwells are based on **actual meals served (breakfasts and lunches)**, not meals prepared.
- Chartwells retains ownership of leftover food.

3. Financial and Operational Overview

- Despite the rate increase, the cafeteria continues to generate **nearly five-figure monthly profits** under the Universal Meals Program.
- Billing depends on meals served, so fluctuations in enrollment directly affect revenue.
- Chartwells provides cafeteria staff including cooks and cleaning personnel.
- Equipment used by Chartwells is school-owned; Chartwells requests quotes for repairs or replacements (e.g., turbo vocabulator).
- The school has the option to accept or seek alternate vendor quotes for equipment and repairs.
- Recent improvements include installation of new ovens and outdoor seating funded by school grants.

4. Compliance and Approval Process

- Contract amendment has been reviewed and preliminarily approved by the CDE.

- Amendment primarily updates:
  - Contract time frame
  - Requirement for use of **domestic products** (compliance with state nondiscrimination and procurement policies).
- Final contract amendment requires **board approval** before submission to CDE.
- Both Chartwells and the school must sign the amendment prior to final submission.

5. Management and Oversight

- All cafeteria staff are employees of Chartwells, not the school district.
- The school retains responsibility for:
  - Oversight of the food service system and Point of Sale (POS) system.
  - Double-checking and securing funds collected.
  - Submitting accurate meal reimbursement claims to the state.
- Shared responsibility ensures compliance with state regulations and proper reporting.

Alexandra Ramirez made a motion to recommend to the Full Board Approval of the renewal 2025-2026 Food Service Contract with Chartwells.
Steven Kofahl seconded the motion.
The committee **VOTED** unanimously to approve the motion.

B. Discussion and Vote to recommend to the full board the 2025-2026 Piece of Mind Special Education Services Contract

C. Discussion and Vote to Recommend to the Full Board Approval of the 24-25 Instructional Materials (IMA) Budget

D. Discussion and Vote to Recommend to the Full Board the 2025-2026 Textbook Budget

Items B and C Tabled

- Items B and C were tabled as discussed earlier in the meeting.

Presenter: Mr. Gregory Wood

1. **Overview of Textbook Budget Process**
   - Budget requests collected from all departments.
   - Presentation includes:
     - Approved textbook budget for 2024-2025 (current year)
     - Actual department requests for 2025-2026
     - Administrative recommendations for 2025-2026
   - Aim to maintain integrity of department requests while managing budget constraints.

2. **Subscription vs. Textbook Purchases**
    - Some departments, e.g., English and Math, rely on online textbook subscriptions amortized over six years.
    - English department did not request new textbooks, but amortized subscription costs (~$65,000) included in budget.
    - Math requested textbooks primarily for Algebra 1 and Algebra 2; Geometry deferred due to pending state adoption.
3. **Budget Figures**
    - 2024-2025 approved textbook budget: approximately $328,000
    - 2025-2026 textbook requests from departments total approximately $88,393 (excluding subscription amortization)
    - Including amortized subscriptions, the recommended budget is approximately $167,353.
    - This includes a contingency amount (~$21,826) to allow administrative flexibility for changes.
4. **Administrative Review and Adjustments**
    - Department requests prioritized as high, medium, or low by department chairs.
    - Low-priority items generally not funded in recommended budget.
    - Example: Backup department requested $15,180; only $6,800 approved due to many low-priority items.
    - Departments can adjust priorities if needed; late changes were noted from the backup department.
5. **Contingency and Flexibility**
    - Contingency funds allow shifting funds between departments without returning to the Board for approval, within the $21,826 limit.
    - Designed to accommodate enrollment changes or emergent needs during the year.
6. **Departmental Highlights**
    - English Department: Online subscriptions amortized over six years ($65,400) included in budget.
    - Math Department: Requested $28,723 primarily for Algebra texts; Geometry funds deferred pending state standards.
    - World Languages did not submit textbook requests this cycle.
    - Visual and Performing Arts (VAPA) budget notably reduced due to many low-priority items; reconsideration suggested.
7. **Budget Execution and Rollover**
    - Textbook budget does not roll over; unused funds revert to school reserves for future use.
    - The school manages textbook purchases as a living document, with flexibility to adjust throughout the year.
8. **Funding Sources**
    - Budget can include restricted funds such as lottery money and Proposition 28 funds, supplementing unrestricted funding.

- This broad funding base supports textbook needs across departments.

9. **Next Steps**
    - Caveat: VAPA budget to be revisited and potentially funded using contingency or Proposition 28 funds.
    - Motion allows for specificity in budget allocation and administrative flexibility.

Alexandra Ramirez made a motion to recommend to the Full Board the 2025-2026 Textbook Budget.
Steven Kofahl seconded the motion.
The committee **VOTED** unanimously to approve the motion.

V. Closing Items

A. Adjourn Meeting

Steven Kofahl made a motion to Adjourn Meeting.
Alexandra Ramirez seconded the motion.
single voice vote
The committee **VOTED** unanimously to approve the motion.
There being no further business to be transacted, and upon motion duly made, seconded and approved, the meeting was adjourned at 7:34 PM.

Respectfully Submitted,
Ryan Guinto