



# Gorman Joint School District

49847 Gorman School Road  
P.O. Box 104  
Gorman, CA 93243  
(661) 248-6441  
FAX (661) 248-0604

## **NOTICE OF PUBLIC MEETING**

Special Board Meeting  
June 19, 2018

3:00 P.M. Closed Session  
3:30 P.M. Regular Session

A Public Meeting will be held at this time on the Adoption of the Gorman Joint School District 2018-19 Local Control Accountability Plan (LCAP).

A Public Meeting will be held at this time on the Adoption of the 2018-19 Gorman Joint School District budget and the 2017-18 estimated actuals.



# Gorman Joint School District

49847 Gorman School Road  
P.O. Box 104  
Gorman, CA 93243  
(661) 248-6441 – FAX (661) 248-0604

## BOARD OF TRUSTEES

### NOTICE OF SPECIAL MEETING

#### AGENDA

**June 19, 2018**

#### **Gorman School**

*Closed Session: 3:00 P.M.*  
*Regular Session: 3:30 P.M.*

#### **I. CALL TO ORDER**

Salute the flag

Roll Call – Members:

Steve Sonder, President  
Patricia Edwards, Clerk  
Julie Ralphs, Member

Roll Call – Administration:

Johannis Andrews, Superintendent/Principal  
Jean Cummings, Business Manager/Consultant  
Lise Wastafarro, Accounting/Data Processing Technician

#### ITEMS FROM THE FLOOR

Please submit a "Request to Speak to the Board of Trustees" for agenda and non-agenda items to the Secretary of the Board prior to the meeting. Not more than three (3) minutes are to be allotted to any one (1) speaker, no more than twenty (20) minutes on the same subject. This portion of the agenda is for presentations to the Board and not a question and answer period where the Board enters into dialogue. If you have questions for the Board, please provide the Board President with a copy and an administrator will provide answers at a later date.

**II. AGENDA**

1. Approve the Agenda as presented for June 19, 2018.

Moved by \_\_\_\_\_ Seconded by \_\_\_\_\_ Vote: yes \_\_\_no\_\_\_

**III. PUBLIC MEETING**

Notice of Public Meeting on the Adoption of the Gorman Joint School District 2018-19 Local Control Accountability Plan (LCAP) and the Adoption of the 2018-19 Gorman Joint School District budget and the 2017-18 estimated actuals.

- A. The Governing Board of the Gorman Joint School District will hold a Public Meeting on the Adoption of the 2018-19 Local Control Accountability Plan (LCAP).

Hearing opened at \_\_\_\_\_ P.M. Hearing Closed at \_\_\_\_\_ P.M

1. Approve the Adoption of the 2018-19 Gorman Joint School District Local Control Accountability Plan (LCAP)

Moved by \_\_\_\_\_ Seconded by \_\_\_\_\_ Vote: yes \_\_\_no\_\_\_

- B. The Governing Board of the Gorman Joint School District will hold a Public Meeting on the Adoption of the 2018-19 budget and the 2017-18 estimated actuals.

Hearing opened at \_\_\_\_\_ P.M. Hearing Closed at \_\_\_\_\_ P.M.

2. Approve the Adoption of the Gorman Joint School District 2018-19 budget and the 2017-18 estimated actuals.

Moved by \_\_\_\_\_ Seconded by \_\_\_\_\_ Vote: yes \_\_\_no\_\_\_

**IV. ADJOURN TO CLOSED SESSION**

Adjourn to Closed Session at \_\_\_\_\_ P.M. to discuss personnel, employer/employee relations. (Govt. Code 54957, 54957.6):

- 1. Personnel (Govt. Code 54957)
- 2. Employer/Employee Relations (Govt. code 54957.7)
- 3. Public Employee Discipline/Dismissal/Release/Appointment (Govt. Code 54957)

Moved by \_\_\_\_\_ Seconded by \_\_\_\_\_ Vote: yes \_\_\_no\_\_\_

**V. RECONVENED TO REGULAR SESSION**

Reconvened to Regular Session at \_\_\_\_\_ P.M.

Moved by \_\_\_\_\_ Seconded by \_\_\_\_\_

Vote: yes \_\_\_ no \_\_\_

**ACTION FROM CLOSED SESSION (IF ANY)**

**VI. PRESENTATIONS/INFORMATION/DISCUSSION**

A. Presentation

B. Information

1.

C. Comments

1. Board

2. Staff

3. Public-Items from the floor.

D. Discussion

**VII. ACTION ITEMS**

A. Administrative and Business Office Items:

1. Approve to change the Tuesday, July 10, 2018 board meeting to Tuesday, July 17, 2018.

Moved by \_\_\_\_\_ Seconded by \_\_\_\_\_

Vote: yes \_\_\_ no \_\_\_

2. Approve Property Management Agreement between the Gorman Joint School District and Wendy Nierhoff, at a monthly rate of \$90.00, up to a maximum of \$1,080.00 per fiscal year, effective July 1, 2018-June 30, 2019.

Moved by \_\_\_\_\_ Seconded by \_\_\_\_\_

Vote: yes \_\_\_ no \_\_\_

B. Personnel:

3. Approve Employment Agreement for Superintendent/Principal, Johannis Andrews, effective July 1, 2018-June 30, 2021.

Moved by \_\_\_\_\_ Seconded by \_\_\_\_\_

Vote: yes \_\_\_ no \_\_\_

**VIII. ADVANCE PLANNING**

The next regular meeting of the Board of Trustees will be held Tuesday, July 10, 2018 at 3:00 P.M. closed session and 3:30 P.M. regular session.

Items for next meeting

1. \_\_\_\_\_ 2. \_\_\_\_\_

**IX. ADJOURNMENT**

Approve adjournment at \_\_\_\_\_ P.M.

Moved by \_\_\_\_\_ Seconded by \_\_\_\_\_

Vote: yes \_\_\_ no \_\_\_

# GORMAN SCHOOL DISTRICT

## 2018-2021 Adopted Multi-Year Budget Projections 2017-18 Estimated Actuals

*Public Hearing & Presentation (LCAP & Budget) – June 12, 2018  
Board Adoption – June 19, 2018*

### Summary – General Fund

As was reported with the 2017-2018 Budget Reports and during budget presentation, revenues have been projected with student enrollment between 85 to 90 and with ADA of approximately 85. However, during the 2017-18 school year, the ADA **dropped again to 74**. Therefore the Adopted Budget ADA has been prepared to maintain a constant 74 ADA for the coming three years. This projection for the ADA has been adjusted again down to project ADA for 2018-19 and subsequent years to be **74** due to the current year declining enrollment and student withdrawals. Even with the consideration of School of Choice five-year renewal, the District staff must work to not only enhance enrollment, but to maintain the current student enrollment and increase the attendance rates.

As the revenues have been projected based on the Local Control Funding Formula (LCFF) for the last seven years, one of the provisions in the LCFF calculations is that the District is funded on the better of the current year ADA or the prior year. This was beneficial for last year, however, as the ADA has continued to decrease the past two years, the impact of lost revenues is being seen in 2017-18 and 2018-19. The District can choose this year between the LCFF calculations or the Necessary Small School (NSS). Based on the revenue and ADA calculations shown here which were done earlier in 2018 with a projected ADA of 79, it is more beneficial for the District to stay with the Local Control Funding Formula.

<b>Year</b>	<b>2018-2019</b>	<b>2019-2020</b>
ADA Calculation	79	79
Base Grant LCFF	\$593,062	\$607,538
Base Grant NSS	\$533,329	\$533,329

Prior to the LCFF revenue calculations, the District received the Necessary Small School funding as well as additional funding for the K-3 CSR, Targeted Instructional Improvement Grant and Home to School Transportation. These funding sources are now built into the LCFF funding model and no longer received separately as categorical funding.

The state aid unrestricted funds have been adjusted with the Prop 30 - Education Protection Account (EPA) which is the vehicle to collect and disburse funds generated by the tax increases which was approved in November 2016 by the voters for the additional increase in the income tax rate for CA's wealthiest taxpayers.

The restricted revenues are not expected to increase for the categorical Federal and Special Education for these three years. The District has projected the one-time funds for the Forest Reserve for the 2018-19

Adopted Budget and subsequent years. Without this one-time funding source, the District will have to reduce staff, supplies and operating expenditures by \$70,000 in these years. These revenues have been projected in the subsequent two years as long as the District is able to apply for this entitlement to report those enrolled students who live in a federal forest.

In the 2018-19 year, there will be current plans for major facility repairs with the use of the Deferred Maintenance fund. Necessary repairs and maintenance must be completed for the safety of the students, staff and the District. However, as both routine maintenance and capital improvements must be funded with the unrestricted General Fund revenues from LCFF, there will still be funds planned for these.

The current administration is working to provide the best services and materials for the students for much needed instructional materials and programs with the use of the Supplemental and Concentration Grants within the LCFF. These services and supplies for the student programs are outlined for this three budget years in the Local Control Accountability Plan (LCAP) which was presented in conjunction with the proposed Adopted Budget.

## ADA

ADA projections for the 2018-19 Adopted Budget year and two subsequent years have declined substantially from the last six years. With the current number of students planned, the District staff and families have to be more proactive in attendance and providing class time programs that will increase participation and therefore decrease the days of non-attendance. The District is continuing to work on moving the enrollment to ADA ratio to stay between 90% - 95%. The projected enrollment and ADA for these budget years are very conservative.

- 2014-15 Projected ADA was at 100.18 with enrollment at 105
- 2014-15 P2 Report of ADA was at 101.20
- 2015-16 Projected ADA is at 101.14 with enrollment at 104
- 2015-16 P2 Report of ADA was at 96.50
- 2016-17 Projected ADA was at 99.00 with enrollment at 103
- 2016-17 P2 Report of ADA was at 80.65
- 2017-18 Projected ADA is at 79 with enrollment at 85
- 2017-18 P2 Report of ADA was at 74.54
- 2018-19 Projected ADA is at 74 with enrollment at 83
- 2019-20 Projected ADA is at 74 with enrollment at 83
- 2020-21 Projected ADA is at 74 with enrollment at 83

## STATE AID - LOCAL CONTROL FUNDING FORMULA

The statutory COLA for 2018-19 is projected at 2.71%, 2.56% for 2019-20 and 2.67% for 2020-21 and has been incorporated into the LCFF projections. ***COLA affects only the calculation of the LCFF Target and does not describe the net increase in funding for the district.***

In the LCFF calculations, the districts are to receive their revenues based on the greater of the prior or current year ADA. The 2016-17 ADA was revised to 80.65 from 84.65 and the 2017-18 ADA is reported at 74.54. As the 2017-18 year is currently using the prior year ADA of 84.65 for the calculated

LCFF revenues, the District will see a material decrease in the LCFF revenues by approximately (\$45,000) which will need to be repaid to the State. For the 2018-19 Adopted Budget and subsequent years, the ADA projection was held at 74.

	<b>17-18 Est Actuals</b>	<b>18-19 Adopted Budget</b>
• LCFF Base Grant	\$ 618,847	\$ 595,802
• Augmentation Grant	22,816	22,346
• Supplemental Grant	86,932	86,195
• Concentration Grant	40,874	45,496
• HTS & TIIG	<u>56,762</u>	<u>56,762</u>
Total LCFF Target	\$ 826,231	\$ 806,601

The District can still take advantage of the Augmentation Grants for the K-3 CSR without losing the K-3 CSR state funding that has been received in the past. The District maintains the classes at the state approved size of 24. However, with the new enrollments decreasing, the Augmentation Grant will decrease in the projections for 2018-19 and 2019-20.

To calculate the LCFF Supplemental and Concentration Grants, Gorman’s Unduplicated Count for 2018-19 is projected 59 students for the low income, English learners and foster youth resulting in a three-year average unduplicated percentage of 69.72%. These two grants add approximately \$141,691 to the base to calculate the target revenues with the District being over 55% of low income.

The 2018-19 LCFF Floor revenue projection is planned for \$763,944 for the Adopted Budget, which is an (\$38,000) decrease from the 2017-18 Adopted Budget projection. The gap between the LCFF target and LCFF floor is \$42,657, which is to be adjusted this year when it is planned that all schools will be at full funding.

The LCFF revenues estimated for 2018-19 is approximately \$678,000 of the state aid portion. The property tax rate used by the district for this proposed Second Interim Budget Report is \$12,043, which is a slight increase from the 2017-18 projections.

The total State Aid which also includes the EPA funds is projected for 2018-19, 2019-20 and 2020-21 to be \$794,558, \$780,476 and \$800,100, respectively. As noted in the 2017-18 budget reports, there will be a net decrease of (\$70,000) due to the drop in the ADA of 11 students from the prior years. As this has been a material drop in revenues, it will be noted further in the assumptions that substantial reductions are being held to maintain a balanced budget, **except for the expenditures related to one-time grant funds.**

The estimated EPA funds calculated on the FCMAT worksheet projects these revenues decreasing over these next three years as noted – from a projected \$146,387 to \$137,795 for 2017-18 and \$116,516 for 2018-19, 2019-20 and 2020-21 and are included in the total state aid; however, the EPA funds are paid separately at the end of each quarter. The EPA funds are the result of the income tax rate for the higher income taxpayers. The EPA funds are not additional funds above the state, but instead reduce the same amount of the EPA entitlement from the state aid.



## FEDERAL REVENUES

Unrestricted Federal revenues for 2017-2018 have been projected on this Adopted Budget for the Federal Reserve funds with a conservative projection of approximately \$70,000 due to the decrease in the enrollment. The Forest Reserve was original applied for during the 2015-16 year and at this time, it is not known if the District will meet the requirements for the coming years, although we will continue to apply for the program funds. The Small Rural School funds are planned along with a small amount of Title II and Special Education IDEA totaling \$23,100. The District 's restricted federal amount of projected revenues has been projected for the two subsequent years with little to no difference.

The programs that the District does receive funds that may be affected are Title II – Improving Teacher Quality, Title VI – Rural Education, and Special Education IDEA. Any reduction on these projected revenues for 2017-18 and subsequent years will continue to be reflected upcoming Interim and Adopted Multi-Year Budget reports.

## OTHER STATE REVENUES AND OTHER LOCAL REVENUES

Lottery revenues for this coming year are projected at \$194 per ADA - \$146 for unrestricted and \$48 for restricted lottery expenses. As the lottery is paid on the prior year ADA, a slight increase in the lottery revenues began in 2017-18 and will see no increase in subsequent years.

The Mandated Block Grant which allows a district to participate in the mandated claiming process is at \$31.16 per ADA with projected revenues of \$2,500. In the May Revision of the Governor's Budget, it was stated that one-time discretionary funds for the prior year Mandated Cost Reimbursements debt repayment to the schools. These funds will be paid at \$147 per ADA in 2017-18 whether the district had any prior year claims.

One-time discretionary funds for Mandated Cost Reimbursement are planned to be distributed in 2018-19 at \$295 per ADA was increased in the Governor's May Revise to \$344 for a projected total of \$27,520. As these are one-time funds, the District has not planned any on-going expenditures.

The District continues with one charter with a five-year agreement to end in 2019-2020. *However, the administration is aware that the oversight fees will be materially impacted as the ADA of the Charter has decreased substantially by almost 50%.* The District has planned for this decrease in the subsequent years of 2018-19 and 2019-20, with the projected Charter ADA to be approximately 1,400 ADA. This will result in oversight revenues in 2018-19, 2019-20 and 2020-21 to decrease by \$70,000 to \$100,000, respectively.

The rental property has been rented and is projected to generate approximately \$10,800 in the subsequent years. No increase in rental income has been discussed.

Interest income is projected to increase due to the steady interest rates even and with the District's more conservative use of cash during the economic cut backs.

## LOCAL CONTROL AND ACCOUNTABILITY PLAN (LCAP)

The Administration has been working with the stakeholders since the inception of the Local Control and Accountability Plan who include the Board, the staff, parents and students. Meetings continue to be held throughout the year to garner information from the stakeholders for suggestions, recommendation and comments for the improvement of the educational programs for the students and their safety in the District's facility.

The LCAP report has a comprehensive review of the District's actions and plan for implementing the recommendations and comments from the stakeholders. In addition, the LCAP reflects the programs that will be funded by the Supplemental and Concentration Grants from the LCFF of approximately \$131,690.

New and revised programs include Robotics, math programs for enrichment and tutoring, materials for science fairs, on-line instructional software for Pupil Outcome. Additional expenditures for the Conditions of Learning will include student iPads, PE equipment, math manipulative, increased online student software and science equipment. Additional services and professional development have been planned for the teachers to include bullying, language arts, efficiency and student engagement. New programs for the Arts Program, science research and technology upgrades to existing student tablets.

## EXPENDITURES

### CERTIFICATED SALARIES

For the 2018-19 and subsequent years, certificated salaries are budgeted with the step adjustments of approximately \$7,000 for four teachers and one superintendent/principal. These same four certificated spots are projected for the future years.

A technology stipend has been approved by the Board for one teacher to take on additional duties to monitor and address technology concerns for the District. An Administrative stipend has been approved for one teacher who has completed the Administrative Certification to oversee the needs of the students and teachers when the Superintendent/Principal is not on campus.

A part-time Special Education Director completed her contract in the 2017-18 year to help oversee and coordinate the needs of the District students as well as oversee the Special Education students for the Charter. This position has not been projected in the 2018-19 and subsequent years.

Day subs are projected in the 2017-18 through 2019-20 school years as prudence would dictate that instructional needs still must be met for the students' daily instruction. Long-term substitutes are not specifically planned in separately from the short-term day substitutes.

### CLASSIFIED SALARIES

For the 2018-19 and subsequent fiscal years, the District will continue the classified staff which include one special education resource aide, two classroom aides (one full-time and one part-time), two clerical staff and one custodian, are in the current year salaries and are continued to be in the projected costs through 2020-21. Three classified substitutes are projected for a limited number of hours and days

based on the potential need to assist when a staff member is out sick and to be in place during the recess and lunch hour.

The classified salaries are projected to increase in the subsequent years by approximately \$10,000 due to the continuing annual increases for the hourly wage rate, along with the annual increases. LA County Board of Supervisors approved the minimum wage increase starting at \$10.50 on July 2017, \$12.00 in July 2018, \$13.25 in July 2019, \$14.25 in July 2020 and \$15.00 in July 2021. These increases are reflected in the projected budgets.

## **EMPLOYEE BENEFITS**

### **Health Coverage**

As noted in the past budget reports, the District will plan to continue to pay the full costs of employer paid medical health benefits. The employee contribution of \$100 per month for each employee enrolled in the program is projected for the current and subsequent budget years. Health benefit costs are projected to be approximately \$90,000 for the three budget years. This does not include the additional health stipend paid to those staff member who are on the District’s health plan. This is an additional \$30,000. Health costs are approximately 44% of staff benefits, and approximately 11% of total staff costs.

As recommended in prior reports, both the employer cost and the employee contribution will continue to be reviewed in the coming months to comply with the Health Care Act and probable increases that will continue to impact the total budget. Eligible employees not enrolled for health benefits will receive a monthly stipend that is projected to remain at \$500 to offset their health insurance benefit costs

### **California State Teachers’ Retirement System (CalSTRS)**

The Governor proposed a plan beginning in 2014-15 to eliminate the estimated \$74 billion CalSTRS outstanding liability within the next 32 years. This plan would require increased contributions to CalSTRS from the State, educational agencies and the members. Below are the proposed increases for the employer and the employee contribution rates, with the employer rates increasing approximately 1.60% each year until 2020-21 which is expected to bring the under-funded retirement system to full funding in 30 years. Of the \$74 billion liability, the burden is clearly on the employers for \$47 billion.

	<b>Year</b>	<b>Employer</b>	<b>Employee</b>
Prior Year	2013-14	8.25%	8.00%
Prior Year	2014-15	8.88%	8.15%
Prior Year	2015-16	10.73%	9.20%
Prior Year	2016-17	12.58%	10.25%
Prior Year	2017-18	14.43%	10.25%
Current	2018-19	16.28%	10.25%
Proposed	2019-20	18.13%	10.25%
Proposed	2020-21	19.10%	10.25%

The employer portion of the retirement costs have increased from 8.25% to an average of 1.5% to 2.0% each year through 2020-21 at which time approximately 20% of certificated costs will be for retirement.

Certificated retirements costs for the 2018-19, 2019-20 and 2020-21 budget years are \$66,252, \$74,690 and \$79,009 will be approximately 35% of employee benefits and 10% of total staff costs.

**California Public Employees Retirement System (CalPERS)**

PERS employer contribution rate is planned to increase from 15.531% to 18.62% in 2018-19 Classic members will continue to pay 7%, while new members will pay 6% with a possible fluctuation year to year. The projected PERS rates have been included in the projected multiyear budget benefits, which have been projected by School Services to be:

Actual				Projected		
2014-15	2015-16	2016-17	2017-18	2018-19	2019-20	2020-21
11.771%	11.847%	13.88%	15.531%	18.62%	20.80%	23.50%

The increases in the employer contribution for PERS is an average of 2.0% to 3.0% year through 2020-21 at which time approximately 20% the eligible classified staff costs will be for retirement. The PERS retirement costs for these three budget years are \$17,968, \$21,509 and \$24,301, which is approximately 9.0% of employee benefits and 3.0% of total staff costs.

Other employer paid benefits include Social Security (OASDI), Medicare, State Unemployment Insurance (SUI) and Workers' Compensation.

Due to the increased costs of salaries and benefits total projected costs are increasing each year compared to total revenues, at 67% for 2018-19, 72% for 2019-20 and 73% for 2020-20 with the proposed staff changes/reductions.

**BOOKS, MATERIALS AND SUPPLIES**

Supplies and materials have been planned for the 2018-19 Adopted Budget based on necessary textbook replacements, materials to meet the requested programs planned to be put into place as identified in the Local Control Accountability Plan (LCAP) using the Supplemental and Concentration Grant funds. These expenditures are reflected in student materials for intervention programs, additional on-line instructional software, classroom equipment, science fair supplies and library resource materials. The Science Adoption was planned to start in 2018-19.

Decreased costs are planned for the school vans maintenance and fuel to help transport the students in the mountain areas as there will only be one van running along with the regular school bus. As well, supplies for maintenance and custodial were decreased for the facility.

**SERVICES AND OPERATING EXPENSES**

Mileage reimbursements have been projected for the subsequent budget years based on projected IRS mileage rates. Conference budgets have been reviewed to be equitable to the needs of the Superintendent and for teacher trainings. Increased training will be in process for staff to stay current with regulations and changes and for the teachers to have professional development to educate themselves with enhancing

classroom management and efficiency techniques and to replace the previous professional development provider with PBIS.

Utilities are projected to have little change to the District with the help of the staff to conserve use of these utilities. It is planned that the District's electric bill will be able to remain the same with the completion of the light replacement project last year. Repair and replacement costs have continued to be budgeted to maintain the safety and cleanliness of the facility with needed increases. Communication services are planned to increase due to the monthly internet contract amount projected with AT&T.

The transportation contract is planned for \$90,000 for the Home to School and it is in the last year of the contract. Transportation revenue of \$56,752 is included in the LCFF add-ons. Additional funds from the unrestricted EPA funds and LCFF revenues will help defray the costs of the student transportation.

Legal costs are projected to be increased in 2018-19 due to current concerns that the District must address. The consultant contracts are being maintained at current levels to allow more funds for services to be maintained with the District staff and business office providing the necessary services, except for psychologist, speech and resource providers that are provide services to the special education students.

Any increase in the Special Education costs for student needs have been budgeted for the 2018-19 and subsequent years for the current student needs for services and materials.

#### **CAPITAL OUTLAY – OTHER OUTGO**

The HVAC replacement and equipment upgrades was paid from the Prop 39 California Clean Energy grant. The project has been completed and the revenues will be requested from the State and report will be completed. The lighting replacement and upgrade was sponsored by the Southern California Edison Energy Grant and Eco-Green Solutions and completed in the previous year.

Since 2014-15 and subsequent years, the deferred maintenance funding has been folded into the LCFF base grant with no restrictions; funds that were previously specifically ear-marked for deferred maintenance are now included in the LCFF allocation. To comply with the Williams requirements and to maintain safe, clean and functional environments for student success the district will be setting aside funds from the LCFF for deferred maintenance. As specified in AB 104, there is a gradual increase in the required contribution for the RRM to 3 percent. For 2016-17, the RRM contribution is the lesser of 3 percent of the total General Fund expenditures or the amount deposited in 2014-15. For 2018-19 and subsequent years, the RRM contribution is the greater of (1) the lesser of 3 percent of the total General Fund expenditures or the current amount deposited in 2014-15 or (2) 2 percent of the total General Fund expenditures. In 2020-21 and beyond, at full LCFF implementation, the minimum RRM contribution is 3 percent of the total General Fund expenditures.

Planning for the smaller facility projects will include the transfers to the Deferred Maintenance Fund, however due to the decreased funding, no projects are being projected from the General Fund for 2018-19 through 2020-21.

## **DIRECT SUPPORT/INDIRECT COSTS-TRANSFERS**

Oversight allowance from the one charter school has been projected to continue through 2019-20 in Local Revenues with the approved MOU between the District and Charter approved a five-year charter renewal which includes the agreement for oversight fees of 1% which expires in the 2019-2020 school year. With the projected Charter ADA to be approximately 1,400 ADA, a reduction of 50% of their student ADA, the District has planned for a decrease of oversight fees in the subsequent years starting with 2018-19. This will result in an oversight revenue reduction of approximately \$70,000 to \$100,000.

The District will also be passing through the In Lieu of Property Tax. The pass-through for the Special Education will no longer be projected on the 2018-19 Adopted Budget and subsequent years as the Charter has become a member of El Dorado SELPA. This will also be a loss to the District of the Special Education costs that were handled by the district and reimbursed by the Charter resulting in a loss of reimbursement revenue approximately \$35,000.

Transfers are projected at \$30,000 to the Cafeteria fund only in 2018-19 and reducing transfers in the subsequent years. Until the District is able to stabilize from the impact of the Charter ADA and withdrawal from the Selpa, there are no planned transfers for the Deferred Maintenance.

## **ENDING FUND BALANCE AND DEFICIT SPENDING**

### **Deficit Spending**

It is anticipated that the current year 2017-18 Estimated Actuals will have a surplus of \$33,070. However, due to both the declining enrollment of the District which affects all the funding sources and the split of the charter which reduces the charter oversight revenues, the District is projecting deficit spending. The administration is working to reduce any deficit spending as much as possible so as not to reduce the District's reserves.

For the 2018-19 Adopted Budget Report for 2018-19, 2019-20 and 2020-21, the net surplus (deficit) is projected to be (116,348), (\$137,295) and (\$116,466), respectively.

Any restricted programs that show a deficit fund balance before year-end closing will reflect the proper unrestricted-restricted transfers to make the program fund balance zero.

## **FUND BALANCE RESERVES**

For the 2018-19 Adopted multi-year projections, the Reserve for Economic Uncertainties (REU) are required a minimum of 5%, however with the increased monthly costs of operations, the REU is being estimated at approximately \$70,000 for 2018-19 which is 5.4% of projected expenditures. There will still be a positive Unrestricted Fund Balance for each of these years.

Included in the fund balance reserves for the General Fund are the Restricted balances for the restricted programs and the Non-spendable revolving cash and prepaids. As well, there are committed reserves for the GAP Funding for 2018-19 as calculated in the LCFE for \$42,656. A reserve assignment for the District's rental property has been included for any unforeseen repairs or improvements for each of the

budget years of \$35,000, facility costs of \$100,000, reservation for the science curriculum adoption of \$35,000 and for unrestricted lottery of \$37,000 for 2018-19. Only reservations for the facility, rental and lottery have been assigned for 2019-20 and 2020-2021.

## **OTHER FUNDS**

The Cafeteria Fund is projected for no increases in revenues for the federal or state lunch program reimbursements or the lunch sales. Expenditures for the Cafeteria Funds are projected to decrease with less staffing costs charged to the program. The General Fund contribution for 2018-19 is projected to be no more than \$30,000 for current year.

There have been several deferred maintenance projects completed from Fund 14 which include the roof replacement in the prior year. Large facility improvements have been completed the past two years and were not initially planned for the coming year. However, with the replacement of the kitchen sink to be compliant for the school lunch program needs, it has been found that the plumbing replacement of old galvanized pipes and connections have to be replaced from the kitchen to the restrooms. This plumbing project is planned to be completed during the Spring break. The projected ending fund balance for the Deferred Maintenance Fund will be \$72,000 for the continued maintenance of the facility as outlined in the Capital Outlay and Transfers notes above.

All other funds of the District will remain positive as little or no activity is planned for 2018-19 and subsequent years.

## AGREEMENT FOR PROFESSIONAL SERVICES

This Agreement is entered into between the Gorman Joint School District and Wendy Nierhoff ("Contractor"), for the 2018-2019 school year.

The parties agree as follows:

1. **Contractor Services.** Contractor agrees to perform during the term of this agreement, the tasks, obligations and services of rental property manager. Job responsibilities will include:
  - Collect monthly rent by 3<sup>rd</sup> day of each month.
  - Respond to tenant calls
  - Arrange for rental property repairs.
  - Liaison for the District with the tenant as necessary.
  - Other agreed upon services as needed for rental property.
2. **Payment for Services.** Contractor agrees to undertake this work at a monthly rate of \$90.00, up to a maximum of \$1,080.00 per fiscal year. All payments will be based on rents collected and turned into District by Contractor and approved by District's authorized representative. Contractor is an employee of District and in performing services as an employee under this agreement, Contractor will be compensated through the District's payroll system.
3. **Term of Agreement.** This Agreement begins on July 1, 2018 and ends June 30, 2019. Extension or renewal requires approval of District's Governing Board or its authorized representative. This agreement may be terminated by either party at any time on 30 days prior written notice.
4. **Time for Performance.** All services required of the Contractor will be completed on or before the specified end of the term. Services will be provided remotely and on-site at the District office as needed for up to four days or more that may be necessary given the particular reports or work that is to be completed.
5. **Records.** Contractor will maintain full and accurate records in connection with this Agreement and will make them available to District for inspection at any time. Contractor's work product produced under this Agreement shall be the property of the District.
6. **Status of Contractor.** Contractor will not accept such engagements which interfere with performance under this Agreement. Contractor is an employee of District and in performing services as a contractor under this agreement will be compensated through the District's payroll system.
7. **Hold Harmless.** Contractor shall hold District, its officers, agents and employees harmless from all suits, claims and liabilities resulting from negligent acts or omissions of Contractor, its officers, agents or employees taken under this Agreement. District shall hold Contractor, its officers, agents and employees



harmless from all suits, claims and liabilities resulting from negligent acts or omissions of District, its officers, agents or employees taken under this Agreement.

- 8. **Compliance with Laws.** Contractor shall comply with all applicable federal, state and local laws, rules, regulations and ordinances involving its employees, including workers' compensation and tax laws.
- 9. **Modification or Assignment.** This Agreement may not be assigned by either party without the express written consent of the other. No modification shall be effective unless approved in writing by District's Governing Board or authorized representative.
- 10. **Designation of Representatives.** For purposes of performance and notifications, the representatives of the parties and their business addresses are as follows:

A. Contractor: Wendy Nierhoff  
28938 Benjie Way  
Lancaster, CA 93536  
661-724-1966

B. District: Gorman School District  
Johannis Andrews, Superintendent  
49847 Gorman School Road  
Gorman, CA 93243  
661-248-6441

Approved by the Board of Trustees, Gorman Joint School District, Gorman, California on June 19, 2018.

Contractor

District

\_\_\_\_\_  
Signature                      Date  
Contractor

\_\_\_\_\_  
Signature                      Date  
Superintendent

# **SUPERINTENDENT/PRINCIPAL CONTRACT**

## **FOR**

**JOHANNIS L. ANDREWS II**

## **EMPLOYMENT AGREEMENT**

This agreement is entered into as of the 1st day of July 2018, by and between the Governing Board (hereinafter referred to as "BOARD") of the Gorman Joint School District of Los Angeles County, California (hereinafter referred to as "DISTRICT") and Johannis Andrews (hereinafter referred to as "SUPERINTENDENT/PRINCIPAL").

In consideration of the mutual promises set forth below, DISTRICT and SUPERINTENDENT/PRINCIPAL hereby agrees as follows:

### **1. EMPLOYMENT AGREEMENT**

Board hereby agrees to employ SUPERINTENDENT/PRINCIPAL and the SUPERINTENDENT/PRINCIPAL hereby accepts employment and agrees to serve as SUPERINTENDENT/PRINCIPAL OF DISTRICT upon the terms and conditions hereinafter set forth. No modification or change of the position, duties, salary, benefits or job description of SUPERINTENDENT/PRINCIPAL shall otherwise modify, change or revoke any provisions of this Agreement.

### **2. TERM**

This multi-year Agreement shall commence on July 1, 2018 and shall continue in full force and effect through and including June 30, 2021. A "contract year" or "annual" refers to the period July 1 through June 30.

Each year upon the SUPERINTENDENT/PRINCIPAL receiving a satisfactory performance evaluation, the term of the Agreement shall be continued by one school year. The unexpired term of the Agreement shall never exceed three (3) years.

### **3. SALARY**

SUPERINTENDENT/PRINCIPAL shall be compensated as follows: Salary for the 2018-2019, 2019-2020 and 2020-2021 school years shall be \$150,000.00 annually paid over twelve (12) months.

Board reserves the right to increase the annual salary rate of any or all years of the Agreement with consent of SUPERINTENDENT/PRINCIPAL. Any

increase in salary shall not be deemed a new agreement or an extension of the term of this agreement. In no event shall the SUPERINTENDENT/PRINCIPAL be paid less than the annual salaries set forth in this paragraph.

#### **4. POSITION DESCRIPTION (DUTIES)**

The SUPERINTENDENT/PRINCIPAL shall perform the duties of SUPERINTENDENT/PRINCIPAL as prescribed under California law and Board policy 2121 and 2136. The SUPERINTENDENT/PRINCIPAL shall have the following authority and responsibility: to organize, reorganize and/or employ such management/supervisory personnel as are necessary to best serve the DISTRICT (using appropriate employment processes); to recommend hiring, placement, transfer and reassignment of all personnel, to review criticisms, complaints or suggestions referred to the SUPERINTENDENT/PRINCIPAL by the BOARD and to make appropriate recommendations for disposition to the BOARD to administer the instructional and business affairs of the DISTRICT; to award and/or execute contracts on behalf of the DISTRICT in accordance with law.

#### **5. GOALS AND OBJECTIVES**

The BOARD shall annually review the performance of the SUPERINTENDENT/PRINCIPAL based upon DISTRICT goals and objectives mutually determined by the SUPERINTENDENT/PRINCIPAL and the BOARD.

#### **6. EVALUATION**

The BOARD shall evaluate the performance of the SUPERINTENDENT/PRINCIPAL and the working relationship between the SUPERINTENDENT/PRINCIPAL and the BOARD by April 1 of each contract year. The format for this evaluation will be the Superintendent Evaluation form previously approved by the BOARD.

The evaluation will occur during a properly noticed closed session of the Governing Board meeting. The BOARD shall provide an annual written evaluation based upon the position description, the Superintendent Evaluation Form, and the mutually agreed upon and specified DISTRICT goals and objectives.

#### **7. FRINGE BENEFITS**

The SUPERINTENDENT/PRINCIPAL shall be afforded each of the fringe benefits of employment which are granted to certificated employees in the DISTRICT.

**8. SICK LEAVE**

The SUPERINTENDENT/PRINCIPAL shall receive twelve (12) days of annual sick leave. Earned sick leave shall be accrued according to the Education Code Section 44978 and transferred according to Education Code Section 44979. The SUPERINTENDENT/PRINCIPAL shall not be compensated in cash for unused and accrued sick leave at the expiration or termination of this Agreement.

**9. EXPENSES/ALLOWANCES**

The District shall provide the Superintendent an allowance of \$500.00 per month for automobile expenses incurred in the conduct of his duties on behalf of the District. In exchange, the Superintendent shall make his personal car available for travel in and around the District and within Los Angeles County and Kern County. This monthly allowance shall be treated and considered as part of the Superintendent's compensation/salary for tax purposes and for purposes of the State Teachers Retirement System Defined Benefit Plan to the maximum extent permitted by law. Additionally, the Superintendent shall be entitled to mileage reimbursement at the maximum allowable (non-taxable) rate, as established by the IRS standard mileage rate, for travel in a personal automobile outside of Los Angeles County and Kern County.

**10. EXPENSE REIMBURSEMENT**

The District shall reimburse the SUPERINTENDENT/PRINCIPAL for all actual and necessary expenses incurred by the SUPERINTENDENT/PRINCIPAL within the scope of employment and while representing the DISTRICT. The SUPERINTENDENT/PRINCIPAL will have access to a gas card and American Express card for the sole use of conducting DISTRICT business. The SUPERINTENDENT/PRINCIPAL agrees to provide receipts for all expenses submitted on a request for reimbursement.

**11. PROFESSIONAL ORGANIZATIONS AND MEETINGS**

The SUPERINTENDENT/PRINCIPAL is encouraged to join appropriate organizations. The DISTRICT will pay the SUPERINTENDENT/PRINCIPAL'S monthly dues for membership in the Association of California School Administrators (ACSA"). Expenses of joining ACSA and/or organizations and attendance shall be paid in advance by the DISTRICT or, where appropriate, reimbursed upon the submission of proper receipts from the SUPERINTENDENT/PRINCIPAL. The SUPERINTENDENT/PRINCIPAL shall periodically report to the BOARD on his/her participation in organizations and attendance at meetings.

## **12. WORK YEAR**

The SUPERINTENDENT/PRINCIPAL shall render twelve (12) months of full and regular service to the DISTRICT during each contract year covered by this Agreement, except for annual vacation and exclusive of holidays referred in Education Code Section 37110, including those days designated by the BOARD as legal holidays for classified and certificated personnel. The work year will be 215 days.

## **13. OUTSIDE PROFESSIONAL ACTIVITY**

The SUPERINTENDENT/PRINCIPAL shall give exclusive professional services to the DISTRICT during the term of this Agreement except as otherwise provided herein. Notwithstanding the foregoing, the SUPERINTENDENT/PRINCIPAL may undertake consultative professional work, engage in speaking, writing, lecturing or other professional undertakings, either with or without compensation, provided such activities do not, in the exclusive judgment of the BOARD interfere or conflict with the SUPERINTENDENT/PRINCIPAL'S performance of his/her duties under this Agreement.

## **14. TERMINATION**

A. This Agreement may be terminated by mutual consent of the parties provided that the party seeking such termination shall give written notice to the other party not less than thirty (30) calendar days prior to the proposed effective date of such termination unless such notice is waived by the other party.

B. In the event the BOARD determines that the SUPERINTENDENT/PRINCIPAL is not to be re-elected or re-employed as SUPERINTENDENT/PRINCIPAL on the expiration of the term of this Agreement, the BOARD shall give the SUPERINTENDENT/PRINCIPAL written notice that he is not to be re-employed as SUPERINTENDENT/PRINCIPAL no later than March 15 of the year this Agreement, or any extension thereof, expires.

C. This Agreement may be terminated prior to expiration by the DISTRICT for breach of contract or for cause according to Education Code Section 44932.

D. Should the SUPERINTENDENT/PRINCIPAL be unable to serve in the position of SUPERINTENDENT/PRINCIPAL due to a physical or mental condition as certified by written evaluation by a licensed physician designated by the BOARD, this Agreement may be terminated by the BOARD prior to its expiration, after the SUPERINTENDENT/PRINCIPAL has exhausted accrued sick leave or any other paid leaves to which he is entitled by law or DISTRICT

policy. The BOARD is authorized to appoint an acting SUPERINTENDENT/PRINCIPAL upon certification of SUPERINTENDENT/PRINCIPAL'S inability to serve. The SUPERINTENDENT/PRINCIPAL agrees to submit to a physical or medical examination at the DISTRICT'S direction.

E. Notwithstanding Section A, the BOARD may terminate this Agreement at any time by serving upon SUPERINTENDENT/PRINCIPAL at least (3) months' advance notice of the BOARD'S intention to terminate. The termination shall be effective on the date set. In consideration for right to terminate this Agreement without cause and before its natural expiration, the DISTRICT agrees to the following:

1. Compensation: The DISTRICT will pay the SUPERINTENDENT/PRINCIPAL monthly sums equal to the difference between his/her gross monthly compensation package at the time of termination and any amount he/she may earn in other employment for the remainder of the term of this Agreement. However, such differential pay shall not, under any circumstances, exceed the equivalent of twelve (12) months total compensation.

2. Health and Welfare Benefits: The DISTRICT will compensate the SUPERINTENDENT/PRINCIPAL for the difference between the agreed upon total monthly DISTRICT contributions to his/her health and welfare benefits and the amount he/she receives for health benefits shall not exceed the equivalent of twelve (12) months of DISTRICT total contributions.

F. In the event of termination of this Agreement under paragraphs A, B, C, the SUPERINTENDENT/PRINCIPAL shall be entitled to salary earned prior to the date of termination of the Agreement. SUPERINTENDENT/PRINCIPAL shall be entitled to no further compensation after the date of termination. In the event of termination under paragraph E, the provisions of that paragraph shall apply.

## 15. **AMENDMENT**

This Agreement may be altered or amended by mutual consent of the parties hereto, provided, however, and subject to waiver, that the party seeking such alteration or amendment shall give written notice thereof to the other party not less than thirty (30) calendar days prior to the proposed effective date of such alteration or amendment.

Additional amendments may be added to this Agreement by mutual consent of the SUPERINTENDENT/PRINCIPAL and the BOARD at any time during the period of this Agreement.

**16. WAIVER**

The waiver of any one part of this Agreement shall no invalidate this Agreement.

**17. SEEKING OTHER EMPLOYMENT**

Should the SUPERINTENDENT/PRINCIPAL apply for and be granted a final interview for other employment during the term of this Agreement, he/she shall immediately notify the BOARD in writing.

**18. REVIEW OF AGREEMENT**

At the request of the SUPERINTENDENT/PRINCIPAL, the parties shall meet to review the entire Agreement and mutually consider proposed modifications or additions.

**19. SUPERINTENDENT/PRINCIPAL'S / BOARD'S RESPONSIBILITY**

The BOARD is responsible for developing DISTRICT policy and general goals. The SUPERINTENDENT/PRINCIPAL is responsible for executing policies and implementing identified goals. The parties agree to cooperate fully and to assist each other in satisfying these responsibilities.

**20. CREDENTIALS**

The SUPERINTENDENT/PRINCIPAL shall possess throughout the life of this Agreement a valid and appropriate credential to act as SUPERINTENDENT/PRINCIPAL in the State of California.

**21. ENTIRE AGREEMENT**

This Agreement contains all the understandings and agreements between the parties. The SUPERINTENDENT/PRINCIPAL acknowledges that there are no other written or oral understandings, agreements, covenants or provisions governing the relationship between SUPERINTENDENT/PRINCIPAL and BOARD. Any amendment, modification or waiver of this Agreement must be expressly made in writing signed by both parties.

22. **SEVERABILITY**

In the event that any provision of this Agreement is held invalid or unenforceable by a court of competent jurisdiction, no other provision of this Agreement will be affected by such holding and all the remaining provisions of this Agreement school continue in full force and effect.

23. **APPLICABLE LAW**

This Agreement is subject to the laws of the State of California, the rules and regulations of the State Board of Education, and the policies, rules and regulations of the DISTRICT, all of which are made a part of the terms and conditions of this Agreement as though set forth herein.

24. **ACCEPTANCE OF OFFER**

SUPERINTENDENT/PRINCIPAL hereby accepts the above offer of employment and agrees to comply with the terms and conditions thereof and to fulfill all of the duties of SUPERINTENDENT/PRINCIPAL and Secretary to the Governing Board of the Gorman Joint School District during the term specified in the foregoing Employment Agreement.

The BOARD President shall execute this Agreement. This Agreement is thereafter subject to ratification by BOARD action at a public meeting prior to being complete and binding upon both parties.

**IN WITNESS WHEREOF**, the parties hereto have entered into this Agreement as of the day and year first above written and have executed this Agreement on the 19th day of June 2018.

---

Steve Sonder, Board President  
Gorman Joint School District

---

Johannis Andrews, Superintendent/ Principal