

*Journey School  
A California Public Charter School*

*May 21, 2020*

***SPECIAL MEETING MINUTES***

*Approved May 28, 2020*

**6:00 p.m.**

*Via Zoom (including call in to Zoom Teleconference)*

*This meeting is noticed and will be held in accordance with the guidelines and flexibility from the Governor's Executive Orders N-25-20 and N-29-20, due to a statewide public health emergency.*

[www.journeyschool.net](http://www.journeyschool.net)

***NOTE: The meeting was conducted via Zoom and Zoom teleconference. Members of the public had the opportunity to participate in the Zoom meeting by calling in to the Zoom teleconference number listed on the posted agenda.***

**BOARD MEMBERS:**

*Anna Brown, Council President: Present  
Julie Chiaverini, Council Vice President: Present  
VACANT, Council Treasurer  
Richard Martin, Council Secretary: Present  
Jeannie Lee, Educational Trustee Member: Present  
Meggan Bunce, Parent Cabinet Member: Present*

	<b>AGENDA ITEM</b>
<b>1</b>	<b><i>Call to Order and Roll Call and review of teleconference procedures</i></b>  <i>The meeting was called to order at 6:05 pm. All participants were able to hear each other. The board reviewed the procedures for conducting the board meeting via Zoom.</i>
<b>2</b>	<b><i>Approval of Agenda</i></b>  <b><i>NOTE: The order of the agenda may be changed without prior notice to the public.</i></b>

	<p>There was a motion to approve the agenda, which was seconded and approved unanimously by roll call vote.</p>
3	<p><b>PUBLIC COMMENT:</b></p> <p>No members of the public were present and no comments were submitted.</p>
4	<p><b>School Operations:</b></p> <p><i>A. Preliminary Budget for 2020-21*: Discussion of preliminary draft versions of budget scenarios.</i></p> <p>Gavin and Larry reviewed the initial draft budget that the administrative budget committee has been working on, including cuts in expenditures to classified salary and supplies. Larry reported on the status of the state budget and revenue projections for charter schools. There are significant cuts expected since the state must pass a balanced budget and public schools are a large amount of part of the state budget. LCFF would be reduced 10% from the original estimates in January. There are additional funds that may come from federal sources and for Special Education. For future years, the experts are saying to assume zero increase in the next several years. ExED is recommending Journey use the estimates from School Services of California, which is a more conservative estimate. There will be some savings for STRS and PERS costs. Revenue deferrals will also be implemented immediately, starting as early as next month. And for 20-21, three months of deferrals may take place and may not come in until the following fall. This affects cash flow and so the school needs to look for additional sources of cash, such as loans to support paying expenditures. One thing that will help offset these deferrals is that the in-lieu of property tax revenue is currently expected to come on the same schedule as usual. The impact on the multi-year budget projections is significant and with expenditures expected to go up, but no additional revenue, the forecast gets more and more negative each year. The Board had several questions regarding aspects of the budget which were discussed. Another positive is that the school does have a healthier reserve than last time there was a recession. If the school was able to access the PPP loan and it was able to be converted to a grant, the multi-year forecast would be much better, depending on how much was grant vs. loan. Gavin reminded the board that there would be a more in depth discussion of the budget at the regular May meeting and then the budget would be presented for approval at the June meeting.</p> <p><i>B. CARES Act – Paycheck Protection Program*: Review and consideration of various aspects of entering into a loan with Wells Fargo Bank, under the federal PPP program, due to fiscal uncertainty, to assist with cash flow and to help cover operating expenses</i></p> <p>Gavin informed the board that until the May guidance came out, this program seemed less attractive, however, now that the guidance about certification and loan forgiveness has been further clarified, and given the budgetary and economic issues facing the school, he is now recommending that the school does accept the available PPP funds. Gavin reported that the total compensation costs which are incurred over the 8 week period that the loan is supposed to cover will determine the amount of loan forgiveness available. Gavin reported that he did hear back from CUSD regarding their opinion on the school accessing this program. Their concerns are focused on whether it may conflict with the 2019-20 SB 117 funding guarantees for public schools and if there are implications are for the school’s solvency. However, on</p>

	<p>discussion of these concerns, it seems that these could be addressed with CUSD with further discussion and education about the PPP. Having extra funds might support the staffing for next year if the PPP can cover some costs for 20-21 and/or be used as a loan. There was a discussion about the various pros and cons of accessing the PPP.</p> <p>There was a motion to approve entering the PPP loan and authorizing Gavin as Executive Director to execute the promissory note and any other required documents. The motion was seconded and approved by roll call vote unanimously.</p>
6	<p><b><i>Adjournment</i></b></p> <p>The meeting was adjourned at 7:04 pm.</p>

***\*Items that are expected to have back up materials are indicated with an asterisk.***