

4/2/2026

Baca Board Report

Director of Business Training:

Shelby is coming along well in her DOB training. She has weekly tasks that she completes without assistance. We work through new situations as they arise. She frequently asks to complete new tasks with minimal assistance to help secure the understanding.

Our main effort from now until end of year will be budget building. Many of the tasks associated with budget are similar to interim reporting which will help to reinforce the processes learned so far.

We have begun the budget process by reviewing all POs to determine those that are recurring so we can have them available for use on July 1. We have created a workbook with this information which will ensure consistency and provide a roadmap for the future.

We have met with admin to review educationally-related expenses and will meet with the other departments as well. Our goal is to involve lead staff as much as possible to determine actual needs vs wants. This will help streamline operations and allow the leads to feel ownership and responsibility for their departments.

We will soon be working with Michelle O'Dell on the 2026-27 LCAP. We are in Year-3 of a 3-year plan so it will just be an update. We will be attending meetings hosted by the county for LCAP training.

Special Education:

We are using the most recent allocation model for budget-building, however, it has not yet been presented for final adoption. The current model for 2026-27 shows a net increase of \$387,048.47. We will continue to advocate for cost containment.

Solar report and repairs:

- The inverter that was replaced in early January WIS inverter has failed but is still under warranty. The new replacement was installed on March 10. We hope to bring a solar energy report to the next board meeting.

Transportation:

- We have one current employee and one non-employee who have both started the process to becoming a bus driver. We currently have three regular bus routes and two bus drivers. Therefore, if the employee successfully completes the training, they will be assigned the third route. It's a lengthy process but we hope to have them ready to drive in early 2026-27.

Facilities:

- 5-Year Master Plan
 - We met with Jeff Grau (HMC) on March 4.
 - Jeff and Steven Permann are working closely on the details of this plan.

- We have met with the MES admin, ELOP coordinator and a PTO member to discuss the possibility of installing a shade structure, or structures, on the MES campus. The cost will be shared with ELOP and the PTO. We are working with Jeff Grau on placement of these structures and the DSA submittal package.

State Allocation Board (SAB) Funding Status as of December 31, 2025:

- The State Allocation Board (SAB) maintains a list showing the status of funding for modernization and construction reimbursements. The following is our current standing on the lists:
 - Modernization - WIS Office: There are 503 applications ahead of us with funding anticipated in Spring 2028.
 - New Construction - WIS Modulares: There are 23 applications ahead of us. We have received notification from the state that they will be processing this application in the near future. They will be requesting information from us as we move through this process. This funding is anticipated in Spring 2027.
 - New Construction - MES Modulares: There are 122 applications ahead of us with funding anticipated in Spring 2028.
- The total amount of reimbursement anticipated for these three projects is \$6,031,627 and has been built into the multi-year projections.

Audits:

- The 2024-25 audit is complete and will be available for review and approval for the April 2, 2026 board meeting. We had two findings:
 - 1) The early 2024-25 projects that were reviewed by the auditors did not follow proper bidding procedures. This was a repeat finding that was corrected with new projects that were started from September 1, 2024 onward. The District now requires three quotes for each project over \$15,000 which is consistent with Public Contract Code Section 20111(a). However, as the District is a CUPCAA member, we may use only a PO for projects up to \$75,000, and we may utilize an informal bid process up to \$235,000.
 - Should the District not be able to acquire three bids after reasonable attempts are made, a note to this effect will be placed in the project file for future audit questions.
 - 2) We did not meet the Current Expense Formula threshold. At the end of the year, we are required to calculate the cost of classroom salaries and benefits (numerator) and compare the total to all general fund expenditures (denominator). There are allowable exclusions. Once the exclusions are considered, the result of the calculation checks to be sure that we spent 55% or more on teacher salaries compared to the overall total of general fund expenditures. For 2024-25, we were short by 2.21% which in dollars was \$479,341.32. The penalty for this is to either pay out this “shortfall” to teachers in the subsequent year, or file a waiver with the county. We filed the waiver with the county and it was approved.
 - School Services of California notes that more and more districts are having trouble meeting this threshold given the extraordinary funding resources that

districts have enjoyed over the last few years. The current threshold has been in effect since 1976, never being adjusted to evolving fiscal climates. That said, we are reviewing our 2025-26 current expense formula status with the hope that we will not have this problem again.

- One final note, on the Board Communication letter provided with the final audit report, there is a statement under “Significant Audit Matters” that Willows USD changed an accounting policy related to compensated absences. I’d like to clarify that this change was imposed upon us with a new GASB ruling, GASB 101. This was not a voluntary change. What this new GASB ruling does is require us to calculate not just unused sick time as a liability, but unused vacation time as well.
- Our bond project audit is still delayed, however the county has received a quote from QSS/Harris which would provide us access directly from them rather than through the county as host of the program. We do not have all of the details of this quote but it would mean an additional cost to all of the districts in the county who need this access. GCOE is also looking at the possibility of continuing to host the program, however, it was their server that failed initially so we would need to be assured of an improved hosting environment.

Wellness Committee:

- We have the last meeting of the year scheduled for April 23, 2026 at 3:30, in the District Office Conference Room.