SAN LEANDRO UNIFIED SCHOOL DISTRICT
BUSINESS AND OPERATIONS

To: SLUSD Governing Board

From: Kevin Collins, EdD – Assistant Superintendent of Business and Operations

Date: May 12, 2020

Re: IT and Food Service Project Funding from Measure J1

The Governing Board has approved the construction of facilities for the district's Technology and Food Service departments located at 1139 Aladdin Avenue. The space is now fully occupied by both departments and final Notice of Completion is being filed.

It was originally decided that the project would not be funded by Measure J1 to ensure that the district had adequate funding to complete school site projects, including portable replacement, HVAC installation, electrical upgrades, and library renovation. Since those projects are now complete or underway with known budgets, district staff is recommending that the IT and Food Service facility expenditures now be moved to Measure J1.

The total cost of the project was $2,140,528. Original project funding came from three sources:

- General Fund / Redevelopment Agency (Fund 01): $1,744,858
- Capital Facilities Fund (Fund 40): $159,660
- Child Nutrition (Fund 13) : $236,010

Redevelopment Agency funds are restricted and can only be spent on facilities projects. The district received CDE approval to use Child Nutrition funds for a portion of the project.

District staff is now recommending that the General Fund and Capital Facilities Fund be reimbursed for project costs from Measure J1 funds. The project directly serves staff that support students and teachers at all sites, and is an appropriate bond expenditure that fits within the original intention and wording of Measure J1. Furthermore, the restricted Redevelopment Agency funds would then be available within the General Fund to help the district with cash flow issues as it appears likely that the state will begin cash deferrals as it did during the recession in 2008-09. Deferrals allow the state to postpone payments to districts from one year to the next, but leave districts to struggle with adequate cash reserves to make payroll and pay vendors.

Staff is seeking approval to move all project costs incurred in Funds 01 and 40 to Measure J1. Measure J1 funding for the project would be covered by interest that has accrued to the bond fund ($2,008,693 to date) rather than from the original $104,000,000 in Measure J1 funding. Child Nutrition expenditures would remain in Fund 13.