



LAS VIRGENES UNIFIED SCHOOL DISTRICT FINANCE COMMITTEE

May 21, 2021

Present: Angela Cutbill, Board Representative
Dallas Lawrence, Board Representative
Dan Stepenosky, Superintendent
Karen Kimmel, Assistant Superintendent, Business
Steve Scifres, Assistant Superintendent, Human Resources
Clara Finneran, Assistant Superintendent, Education
Kristine Torres, Director of Accounting
Ryan Gleason, Director of Education and Leadership
Kelly Beder, Business Manager
Craig Hochhaus, LVEA President

The meeting was called to order at 9:00 a.m. via teleconference/video conference.

May Revise

Ms. Torres shared highlights of the Governor's Budget Proposal sharing that there is a big surplus in California. The California Comeback Plan includes a \$75.7B state surplus and \$25B in federal relief. Total K-12 funding is \$121.7B which is the highest in CA state history. The proposal also includes a 4.05% compound COLA plus 1.02% mega COLA in LCFF base funding.

Ms. Torres shared that there was also discussion of early intervention preschool grants which would be a one-time grant and Early Intervention Preschool, which would be ongoing. Ms. Torres also commented that there are over 400 various programs and grants which would provide

significant funds for low socio-economic districts. Ms. Kimmel stated that much is on the table with the 400 new programs. From a big picture, the district is looking at 5.07% mega COLA in LCFF base funding and 4.05% for special education. Mr. Hochhaus asked if the district was starting to factor in students returning from last year. Ms. Kimmel replied that they were not just yet. The district is looking at enrollment numbers and have not seen any large pops anywhere.

Ms. Torres went on to share items that were not included in the May Revise. These include:

- No COVID-19 liability coverage
- No ADA hold harmless for 22-23
- No additional CalSTRS and CalPERS employer rate reduction
- No elimination of deferrals
- More discretionary dollars versus restrictive programs

Dr. Stepenosky asked how much in deferrals remain and Ms. Torres replied \$2.6B.

Ms. Kimmel shared the LCFF Growth – Concentrated Grant Proposal sharing that LVUSD’s projected LCFF/student equals \$9,527 in funding compared to \$13,977 in funding for the average CA school district. Mr. Lawrence commented that the funding the district is receiving is nearly 50% less than other districts in California. He commented that this is not going to be sustainable and feels it is a very difficult narrative for the district as it appears they receive more funding than they actually do.

Ms. Cutbill stated there is a lot of frustration as the district incurs the same costs as others but does not get anywhere near the same amount of funding. There is a lot of money in the state budget, but we cannot get the funding. Mr. Hochhaus shared that he has spoken with the offices of Henry Stern and Jesse Gabriel but to no avail.

Ms. Kimmel went on to share that the LCFF is 83% of district revenue. The impact of the proposed COLA on overall revenue is 4.21%. Special Ed is 6.5% of district revenue which has a .26% impact on overall revenue. Other revenues such as facility use fees don’t have additional revenue so the weighted average increase is 4.47%. Ms. Kimmel also shared impacts to payroll such as pension increases for both CalSTRS and CalPERS, unemployment insurance and workers comp insurance. With these increases factored in, the net available is 2.01%.

Ms. Torres recapped information on one-time funds which the district is expected to receive \$16.5M from. The district is expected to receive \$3.1M from AB 86 – In-person Instruction, \$6.6M from AB 86 - Expanded Learning, which requires 85% of the funds to be directed for in-person services and a minimum of 10% must be used to hire paraprofessionals. The district is expected to receive \$2.1M from CRRSA (ESSER II) and \$4.7M from the American Rescue Plan (ESSER III). For the ESSER III, Ms. Torres shared that the district still has not received the preliminary award and that this number is based off estimates.

Ms. Torres shared that the Board of Education approved the strategic plan program costs. The plan focuses on accelerated learning, social, emotional support, professional development and infrastructure/safety. Ms. Torres also proposed a budget adjustment from the second interim budget to reflect this year as a large portion of the revenue will be received in the 20-21 school year. The proposal includes early receipt of \$10M in grant revenue. The allocation previously was \$1M so the net change from the second interim is a \$9M increase in restricted fund balance.

Ms. Torres also spoke about factors for multi-year projections which include enrollment decreases, LCFF increase in average funding per ADA, certificated and classified step and column, STRS and PERS retirement, one-time grant funds and budget efficiencies.

Dr. Scifres asked if there was a certain point where some of these factors may plateau and Ms. Torres stated that STRS seems to plateau and that the district is constantly re-evaluating commitments and making adjustments.

Ms. Torres shared the 21-22 budget efficiencies which are made up of the following:

- Staffing adjustments 21-22
 - 9 FTE Elementary Teachers: \$0.7M
 - 16 FTE Secondary Teachers: \$1.2M
 - SERP – net savings: \$0.5M
 - 1 FTE – VA Administrator: \$0.1M

Ms. Torres stated the need to address the structural deficit over time and staff will continue to review core services and strategically utilize one-time grants.

Ms. Torres also noted that there is an impact to the budget with the full-time return to campus. Areas impacting the budget are:

- Increased clerical support at secondary schools
- Increased elementary campus supervisor/ instructional aides
- Fill vacancies (M&O, Sped, Buttercup typical program)
- Transportation services & bus pass revenues
- Increased utilities usage
- Gradual return to facility rentals

Ms. Kimmel spoke about fund commitment – Other Post Employment Benefit Liability or (OPEB). She spoke about the cap on district reserves and that committed funds do not count toward the 10%. She spoke about language options for OPEB liability.

Ms. Kimmel shared options for recognizing the OPEB Liability. In Option 1, the liability stays in the general fund but the board will take action to make a commitment to set aside a portion of the general fund to start saving for the actuarially determined OPEB liability. In Option 2, a

separate fund can be set up to accomplish the same goal. Language for the two options is as follows:

- Option 1: The Board hereby commits a portion of the district's ending fund balance towards the OPEB liability. The intent is to set aside a minimum of 10% of the actuarial determined valuation, based on available funds.
- Option 2: The Board hereby opens Fund 71, Retiree Benefit Fund, to set aside funds for the OPEB liability. The intent is to set aside of minimum of 10% of the actuarial determined evaluation, based on available funds.

The committee will revisit this topic once the books are closed.

Transportation Program

Ms. Kimmel shared the City of Westlake Village's intent to cease bus service for the 21-22 school year. They had been subsidizing the transportation for their residents. This will impact 159 students (based on 19-20 data) from three schools, White Oak, Lindero and Agoura. Fees collected by the city for 19-20 were \$34.5K.

The District's Administrative Regulation Policy, AR 3541, states that the maximum allowable distances between transportation routes and students homes are the following:

- K-5: 2.5 miles
- 6-8: 3.5 miles
- 9-12: 5 miles

Special consideration is taken if students are walking in hazardous conditions to a transportation stop.

To meet the needs of the district and stay in compliance with district policy, four routes would need to be considered. This is estimated to cost approximately \$380K a year. Options in the short term include analyzing savings to align with Board Policy. For the long term, a request for R&D Transportation to conduct a study can be done. Combination routes may also be considered as well as considering reducing services districtwide.

Ms. Cutbill emphasized that transportation needs to be looked at and analyzed so that improvements can be made. Dr. Stepenosky asked if the district would need professional help to conduct studies and Ms. Beder stated that it would be beneficial because those companies have access to certain technology that the district does not.

Property Lease: 4345 Las Virgenes Road

Ms. Kimmel shared an update on the property at 4345 Las Virgenes Road. The assignment of lease has been fully executed to Arete Preparatory. Next steps include the receipt of 1st month's rent, receipt of 50% security deposit, commission invoice of \$72k payable after security deposit received (covers 4 years), insurance/utility transfer. They will have access as of June 14.

The meeting adjourned at 9:50 a.m.