



LAS VIRGENES UNIFIED SCHOOL DISTRICT FINANCE COMMITTEE

December 3, 2021

Present: Angela Cutbill, Board Representative
Dallas Lawrence, Board Representative
Dan Stepenosky, Superintendent
Karen Kimmel, Assistant Superintendent, Business
Steve Scifres, Assistant Superintendent, Human Resources
Ryan Gleason, Assistant Superintendent, Administrative Services
Clara Finneran, Assistant Superintendent, Education
Darci Miller, LVEA President
Elaine Gottfried-Ullman, LVCA Vice President

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

Ms. Torres went over the agenda for today's Finance Meeting noting that the following topics would be covered:

- 2021-22 Budget Review - 1st Interim
- State of the Economy
- Transportation Study, update
- Professional Development Plan
- Educator Effectiveness Grant, 2021-2026
- Center EdX
- Other Updates

First Interim Budget Review

Ms. Torres noted that certain budget assumptions will change over the coming weeks and months. The District is awaiting the state budget proposal in January with revised historic surplus revenue projections to see how it will be allocated.

Ms. Torres shared the budget assumptions for 2021-2022 which include a full return to on-campus learning. With this return, there is a need for slight certificated staffing adjustments, additional maintenance and custodians as well as additional office support to return to normal staffing levels. Other assumptions include:

- Higher than expected parent funded expenses
- No additional state or federal support
- Potential grants not included (unless the award has been received with approved expenditure plan)

Ms. Torres shared that the overall revenues are going up \$11M with half of that based on the requirement to book STRS “on-behalf”. STRS “on-behalf” is the state’s contribution to our staff’s pension. Expenses for the year will be increased \$7.6M. A significant area of reduction is classified staffing where the District continues to have vacancies. Ms. Torres also noted that there are some changes that have zero financial impact. These include the state’s STRS on behalf which has a \$5.5M revenue increase as well as a \$5.5M expense increase. The new COVID testing grant has a \$1.2M revenue increase as well as a \$1.2M expense increase. Also included are parent funded and site program carryover. In all, these areas bring in \$8.2M in revenue and \$8.2M in expenses producing a net zero financial impact.

Ms. Torres went on to share other changes that impact revenue:

- | | |
|------------------------------------|----------------|
| • NEW COVID Grants - Special Ed | \$0.8M |
| • Strategic Plan adjustments | |
| ○ Increased In-Person grant award | \$ 0.5 M |
| ○ Timing | \$0.3 M |
| • Higher lottery | \$0.7 M |
| • Foreign Exchange Student Program | \$0.2 M |
| • Facility Use / Long-term Lease | \$0.1 M |
| • Agoura Redevelopment Agency | \$0.1 M |
| • Buttercup preschool | <u>\$0.1 M</u> |
|
 | |
| • Subtotal | \$2.8M |

These areas, coupled with the \$8.2M in zero impact revenue results in an \$11M First Interim Revenue increase. Ms. Cutbill asked how many foreign exchange students does the District have in all and Ms. Torres replied 31.

Ms. Torres went on to share other changes that impact the expense budget noting that there are increases in cost in the form of the New COVID Grant for Special Education, timing for the strategic plan, Special Education services and placements and deferred maintenance transfers. There are savings in the form of staffing vacancies, timing of student acers, software licenses and consolidated routes for transportation. Overall, expenditures are going down to \$0.6M.

Ms. Torres shared that the following critical factors have impacted projections.

- The community’s overwhelming support for Measure E has secured \$2.3M in annual funding for the next seven years.
- The state’s contribution to fund future LCFF with 2.5-3.5% COLA.
- The ability of the District to manage declining enrollment. The fiscal cliff will hit the District next year as a 7.5% reduction in enrollment reduces revenue \$7.5M.
- The financial impacts from the COVID-19 pandemic.
- The statutory rate increases to state PERS/STRS retirement programs without any new state or federal offset

Ms. Torres also shared that next year will be the last big increase to the annual district pension expense which has been increasing for years. Ms. Kimmel spoke about multi-year projections and noted that they are continuing to predict enrollment decreases.

State of the Economy

Ms. Torres stated California is projecting surplus revenue in 2022-23, with an expected \$31B over budget. This translates to a possible \$13B in funding to K-14 over the next three years.

Ms. Torres shared that the legislative analyst office is also projecting higher COLA over the next three years. The current and estimated projections are as follows:

	Current	Estimated
2022-23	2.48%	5.35%
2023-24	3.11%	3.50%
2024-25	3.54%	3.00%

Mr. Lawrence asked if the COLA was a one-time increase and Ms. Kimmel stated that it is something we can build off of. Ms. Torres also shared some possible options for the surplus that lawmakers could utilize:

- Equalize LCFF add-ons to increase general purpose funding
- Fund the implementation of Special Education reforms
- Accelerate paying down pension liabilities
- Make a discretionary deposit into the Prop 98 reserve
- Invest in climate resiliency and emergency preparedness efforts

Ms. Kimmel also shared that various multi-year projection scenarios were studied with the different increases in COLA but the District will continue to use the more modest formal

estimates for first interim.

Lastly, Ms. Torres shared the timeline for upcoming finance dates:

December 14th First Interim Budget Report Approval

A Positive Approval certified that the district will meet its financial obligations for the current and two subsequent years based on current projections

A Qualified Approval certified the district may not meet its financial obligations for the current and two subsequent years

January 10th, Governor announces 22-23 Budget Proposal

January 18th & 21st, Budget Workshops

January 21 Finance Committee Meeting rescheduled to **February 4, 2022**

March 4th, Finance Committee

March 15th, Second Interim Budget Report

Update – Transportation Study

Ms. Kimmel shared R&D is conducting a district-wide transportation study for LVUSD. The current program has:

- 645 students
- 11 LVUSD & 2 WLV routes
- \$230K bus pass revenue
- \$1.2M general education bus contract

The goal of the study is to evaluate the most efficient routing options.

Mr. Lawrence asked if the District would look at buying vehicles and running their own program. Ms. Kimmel stated that this would be very expensive and difficult to do. Mr. Lawrence also asked what the cost for a bus pass is for the year and Ms. Kimmel replied it is \$660 for the year but free for those who qualify for the lunch program

Ms. Kimmel shared that initial takeaways from the study show that the driver shortage has forced many efficiencies. Re-routing could eliminate one route next year and program changes could eliminate a second route next year. Next steps include gathering information on Calabasas shuttle ridership, completing detailed routing sheets for proposed 2022-2023 school year and meeting again in January.

Ms. Kimmel also noted that Ventura Transit will be bringing a new contract to the Board of Education in January and LVUSD will be assigning one route.

Professional Development Plan

Dr. Gleason shared information on the \$2.2M Educator Effectiveness Grant which will be effective between 2021-2026. This grant can be used for the following:

- Early Childhood Education Permit
- Curriculum Adoption Support
- Social Emotional Learning
- Diversity, Equity, Inclusion
- Coaching and Collaboration

Dr. Gleason also spoke about the Center EdX Expansion. They are ready to submit the Special Education Credential program for accreditation. Components of this program include:

- 2 Year Program
- Tuition: \$10,000
- Grant Funded
- Net Annual: \$100k to General Fund
- Researching other Universities to Finalize

Lastly, Dr. Gleason spoke about the Prop 56 grant which is for \$700K. \$450K will be for law enforcement and \$250K will be for grant coordination and education. This grant will go before the Board for approval on December 14.

Mr. Lawrence asked for clarification regarding the \$450K for law enforcement. Dr. Gleason noted that they will be meeting with the Sheriff's office to ensure all are on the same page. Ms. Cutbill asked if a meeting had been set up and Dr. Gleason replied that it is in the process of being set up.

Other Updates:

Ms. Kimmel shared that the District has received the Lupin Hill Modernization Grant. The application was submitted in August, 2017 and the District received approval in November, 2021 that they were awarded \$985,905. The grant is contingent on the next round of state funding. Receipt of the grant is estimated in late spring, 2022.

The meeting adjourned at 9:45 a.m.