



## LAS VIRGENES UNIFIED SCHOOL DISTRICT FINANCE COMMITTEE

**February 4, 2022**

Present: Kate Vadehra, Board Representative  
Angela Cutbill, Board Representative  
Dan Stepenosky, Superintendent  
Karen Kimmel, Assistant Superintendent, Business  
Kristine Torres, Director of Accounting and Finance  
Steve Scifres, Assistant Superintendent, Human Resources  
Ryan Gleason, Assistant Superintendent, Administrative Services  
Clara Finneran, Assistant Superintendent, Education  
Kelly Beder, Business Manager  
Susana Baird, Principal, A.C. Stelle Middle School  
Jim Stone, R & D Transportation  
Myra Montejano, R & D Transportation

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:

- Governor's Budget Workshop
- Transportation Study Update
- 2021-2022 Budget Review
- Ballot Measure – Potential November Bond
- Oversight Committee Members
- Professional Development Plans
- Other Updates

## **State of the Economy**

Ms. Torres shared the state of the economy noting that it continues to be strong. Revenue growth continues as there is an estimated \$45.7B surplus in 2022-2023. Ms. Torres continued that inflation is a major concern as the cost of everyday goods and services continues to rise. Ms. Torres also stated that the Federal Reserve's response to the inflation could impact the stock market. Labor constraints and supply challenges continue to present themselves as well.

## **Governor's Budget Workshop**

Ms. Torres shared proposals from the Governor's Budget Workshop. These include:

- Statutory COLA on LCFF and Special Ed, 5.33% for 2022-23
  - 3.6% COLAS projected in the two out-years
  -
- Year 1 of TK Expansion Program to all 4-year olds
  - adult to student ratio of 1:12 (1:10 beginning in 2023-24)
- Ramp up the Expanded Learning Opportunity Program (ELO-P), ongoing funding
- Infrastructure funding for school facilities
- Universal meals, 2 per day. This will include a breakfast/lunch component that the state will fund.

Ms. Kimmel commented that universal meals will be challenging as there will not be an incentive for families to complete the Household Income Form which provides funding to the schools. The District can lose \$3-\$4M if families do not comply.

Ms. Cutbill asked how we can best communicate this to families. Ms. Kimmel noted that the state understands that this is an issue. She suggested looking into school site competitions with incentives for those who participate.

Dr. Vadehra asked if the TK Expansion Program needs two times as many teachers in order to meet the ratio of teachers to students. Ms. Kimmel stated the increase can be teachers or Instructional Assistants. Dr. Scifres stated that there will be extra costs either way.

Ms. Torres went on to speak about what is not in the proposed budget. This includes:

- NO Additional pension relief
  - STRS & PERS projecting employer increases equal to 2-3% of salaries for 2022-23
- NO Augmented COLA
  - only includes minimum required by law

- NO Unduplicated Pupil Solution
  - Universal meals will likely have an immediate and direct impact on UPP
  - Lower # = lower Supplemental, Title I, Title III, and any future federal grants

Ms. Torres also shared options for what lawmakers may do with the state surplus. These include:

- 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

**R & D Transportation Study**

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

LVUSD	WLV	Total
506 Riders	96 Riders	602 Riders
11 Routes	2 Routes	13 Routes
\$230k bus pass revenue \$805k LCFF HTS program	\$30k bus pass revenue	\$260k bus pass \$805k LCFF HTS program
\$1,060k Durham cost	\$ 193k Durham cost	\$1,253k Durham cost

The goal of the study was to evaluate the most efficient routing options and to be creative and consider all options. Ms. Kimmel noted that ridership is down about 20% this year because of COVID.

Mr. Stone and Ms. Montejano from R & D Transportation then shared an optimization overview for the study.

Mr. Stone explained that LVUSD currently has 13 routes. 11 are funded by LVUSD and two are funded by Westlake Village Transit. He also noted that there should be 15 routes, but they were consolidated to 13 because of driver and staffing shortages.

Various routing scenarios were studied including plans for 12, 11 and 10 routes. Different parameters were used in devising these scenarios such as:

- Extended school day
- Consolidating grade levels on vehicles
- Extended ride time limits
- Enforcing walking distance guidelines
- Redrawing boundaries
- Eliminating services for certain grade levels

Dr. Vadehra asked how many students can fit on a school bus. Mr. Stone replied 60 high school students.

Mr. Stone spoke about the 12 route scenario and the measures exercised which included mixing grade levels and extended ride time limits. In this scenario, one CHS route will be dissolved and students living in Lost Hills, Las Virgenes and Calabasas will be transported with students attending A.C. Stelle Middle School. Dr. Vadehra noted that one route would have students on the bus for one hour. Mr. Stone stated that that particular stop is the first on the route and currently, no one rides it in the morning and one student rides it in the afternoon.

Ms. Cutbill noted that this scenario is adding ride time and combining middle and high school but not cutting service. Mr. Stone confirmed that service is not cut in this scenario.

Mr. Stone went on to speak about the 11 route scenario and the measures exercised which include mixing grade levels, extended ride time limits and enforcing walking distances. Like the previous scenario, one CHS route will be dissolved and students living in Lost Hills, Las Virgenes and Calabasas will be transported with students attending A.C. Stelle Middle School. Walking distances will be enforced which are 3.5 miles for middle school and 5 miles for high school students except in cases where crossing the freeway would be required. In this plan, 68 students would become ineligible for service.

Mr. Stone then shared the 10 route scenario and the measures exercised such as eliminating service for high school students. Ms. Cutbill expressed concern for cutting these routes feeling they could result in families moving their children to other schools. Dr. Vadehra agrees.

Ms. Montejano shared the fiscal impact of the multiple scenarios:

Scenarios	# of Routes	# of Students Served	# of Students Impacted	Projected Cost	Description
A	13	602	0	\$1,253,237	Reflects Current Service Model
B	12	602	0	\$1,156,834	Extended Ride Time Mixing Grade Levels
C	11	534	68	\$1,060,431	Extended Ride Time Enforce Walking Distance Mixing Grade Levels
D	10	463	139	\$ 964,028	Discontinuing HS Transportation

Ms. Kimmel asked the committee for feedback on the information presented. She noted that a decision can be made for one year and then re-evaluated again if need be. The committee feels strongly about going with scenario B as they do not want for any student to lose service. The committee appreciates R&D's thoroughness in putting together this report.

### **2021-2022 Budget Review**

Ms. Kimmel spoke about declining enrollment, noting that in a span of 10 years, it is projected that the District will have 2K less students enrolled than it does now. Ms. Kimmel also shared the 5.33% LCFE COLA scenarios with the same enrollment versus declining enrollment. For school year 22-23, revenue change will result in \$2.7M less due to declining enrollment than if enrollment remained the same.

Ms. Kimmel spoke about impacts to the budget which include ADA loss, inflation, increase to PERS/STRS and step and column increases. She noted that the Governor's proposal of using the three previous year's average rolling ADA would be very beneficial to the District.

Ms. Torres spoke about potential impacts to revenue and expenses. The District is expecting lower attendance as a percentage of enrollment due to quarantines and Independent Study. An educator effectiveness grant is being added as well. These will both impact the revenue for the District. The District currently has staffing vacancies which will impact expenses.

Ms. Torres noted that pensions keep increasing, going up 16.9%-19.1% for certificated staff over the next year. Classified pensions keep increasing steadily as well.

Ms. Kimmel spoke about multi-year projections. She spoke about items in the budget the District does not have control over, such as PERS and STRS. Ms. Kimmel reiterated that a three year ADA factor in the LCFF calculation will positively impact the District.

Ms. Kimmel spoke about budget efficiencies and the need to address the structural deficit to make the District more sustainable. This will amount to \$15M over the next three years (prior to salary increases). The breakdown is:

- \$1 million next year
- \$8 million the following year (\$7.0m new)
- \$15 million in year 3, 2024-25 (\$7.0m new)

The committee asked for data on core services along with estimated costs for those services.

Other areas for finding budget efficiencies include:

- Certificated staffing
  - Right size staff to match enrollment
  - Class size considerations
- Program evaluation
  - Core program
  - Strategic Plan
- Revenue enhancement
  - Grants to offset existing programs
  - Center EdX expansion
  - Bond to reduce deferred maintenance needs

Ms. Kimmel also shared the strategic plan for funding, programs and commitments, noting that almost 39 additional positions to assist with students were added during the pandemic and that funds for these positions will expire in the next few years. The District will need to evaluate and decide how to proceed. Dr. Stepenosky also noted that he anticipates the associations will have demands.

Ms. Torres shared the County's requirement for a Fiscal Stabilization Resolution which will need to be part of the 2<sup>nd</sup> Interim package. This resolution provides general intent to do what is

necessary to balance the budget. Ms. Torres also spoke about the 10% cap on District reserves, which is expected to be triggered for 2022-2023. The District is currently projected to exceed the cap by 1-6% (depending on COLA) for 2022-2023.

Funds which are formally committed by the Board are not included in the reserve cap calculator. Ms. Kimmel presented options for commitment language for the resolution:

Option #1:

The Board hereby commits a portion of the district's ending fund balance for the following future expenses:

- Vacation accrual, \$0.9m
- Early retirement incentive, \$0.4m
- LVUSD contributions to retiree medical insurance (OPEB), \$5m

Option #2:

The Board hereby commits a portion of the district's ending fund balance to offset the impact of declining enrollment. The intent is to set aside reserves based on available funds in excess of 10% cap.

Dr. Stepenosky stated the committee will discuss the language further for action in June.

### **Ballot Measure – Potential November Bond**

Ms. Kimmel went on to share the timeline for a potential November 2022 Bond Measure:

Jan-Jul 2022	Board/Staff subcommittee work/ District community outreach
Jun-Jul 2022	Board discussions/decisions on bond list & ballot language
Aug 2, 2022	Estimated deadline for Board Resolution
Aug-Nov 2022	Volunteer effort
Nov 8, 2022	Potential election

Dr. Vadehra asked if the ballot letter needed to be filed in Ventura County as well as Los Angeles County. Ms. Cutbill said it only needs to be filed in the main agency, which is Los Angeles County.

Ms. Kimmel shared that the District has compiled a list of consultants and can set up meetings for the Board representatives to meet with.

## **Oversight Committee Members**

Ms. Kimmel shared the vacancies or expected vacancies on the Measure E and Measure G Oversight Committees:

**Measure E** - 1 member term expires February 2022:

- Finishing 2nd term
- No limit on reappointments

**Measure G** - 4 member terms expire June 2022.

Members may serve 3 consecutive terms

1 member must be replaced:

- Member of a Business Organization
  - current member will have served 2 consecutive terms
- Community at Large Member
  - current member will have served 3 consecutive terms
- Community at Large Member
  - current member will have served 2 consecutive terms
- Parent/PFA/C Member
  - current member will have served 2 consecutive terms

The committee agreed to move forward with filling the vacancies.

## **Professional Development Plans**

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

- Early Childhood Education Permit
- Micro-credential Pathways – will launch in June 2022

Dr. Gleason shared that there is also a potential \$1.3M TK Teacher Development Grant as well as a \$1.3M Reading Instruction and Intervention Grant.

Dr. Gleason gave updates on other grants the District has in the works:

- Expanded Learning Opportunities Pathway Grant
  - Find My Genius - Double the Enrollment
  - VAPA/PAEC component of the program
  - Scholarship Partnership with Child Care
- CTEIG
  - Allocation posted February 10<sup>th</sup>
- Proposition 56 Grant
  - Working on a contract with LASPD/LAUSD

- UC A-G Grant
  - Focus on supporting A-G completion
  
- TK Transition Grant
  - Supporting the TK Transition

Dr. Vadehra noted that it is important to let the community know once the grants have been secured.

**Other Updates:**

Ms. Beder shared updates regarding document scanning and content management. The warehouse is currently at capacity and the District is looking at options to digitize all permanent employee records, permanent student records, construction documents and blueprints to alleviate space. There is currently \$500K set aside from Measure G to assist in funding this project. Ms. Beder shared that the District is requesting board approval of an RFP at the February 15 board meeting. The District recommends using the RFP instead of going out for a flat bid so that they may award the contract based on a number of different factors (in addition to cost).

The meeting adjourned at 10:50 a.m.