



LAS VIRGENES UNIFIED SCHOOL DISTRICT FINANCE COMMITTEE

June 3, 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

The meeting was called to order at 10:00 a.m. via teleconference/video conference.

Ms. Torres began the meeting by discussing the agenda which is comprised of the draft 2022-2023 budget, reserve commitments, RFP/RFQ updates and the meeting schedule for next fiscal year.

2022-2023 Budget

Ms. Torres shared proposed 2021-22 budget adjustments, noting that estimated actuals for the 2021-22 school become a foundational starting point for the 2022-23 budget. Significant updates to the current year since the Second Interim include:

- Unfilled classified vacancies, \$0.7M savings
- Delay in receiving goods, \$1.1M savings
- Timing of revenue, (\$1.9M) revenue moved to future years

There is a net change of (\$0.1M).

Governor's Proposed Highlights

Ms. Torres shared proposed highlights of the state budget. She noted that a statutory COLA of 6.56% for 2022-23 was announced by the Governor, plus a 3.29% augmentation to LCFF base funding only. Ms. Torres shared that Special Education funding is based on the 6.56% COLA. Other highlights include:

- One-time discretionary funds, \$8 billion block grant
- ADA using three years' average
- Apply 2019-20 ADA % to 2021-22 enrollment
- Increased Expanded Learning Opportunity Program funding (with increased requirements)
- Universal TK funding "Add-On" per ADA (with requirements)

Ms. Torres did note some items that were not included in the proposal which include:

- No pension relief as STRS and PERS rates are increasing
- No increase to transportation funding
- No unduplicated pupil solution

Ms. Torres stated that the budget adoption will change over the next few weeks as the legislature negotiates with the governor. Key differences include:

- LCFF COLA augmentation %
- Block Grant amounts, allocations, and allowable uses
- Solution to declining enrollment/ADA cliff
- Facilities funding
- Transportation funding

2022-2023 Budget Assumptions

Ms. Torres shared budget assumptions for 2022-23 which include:

- Certificated staffing:
Reduced 19 FTE (2 Buttercup, 11 ES, 6 secondary)
- Classified staffing:
Fill classified vacancies:
SpEd para-educators (13.8 FTE)
Instructional Aides, Campus Supervisors
M&O (6.5 FTE)
District office, site clerical support
- Add TK aides for UTK expansion
- STRS - 19.1% (increase 2.2% of salary)
- PERS - 25.8% (increase 2.5% of salary)
- Workers Comp - 4.4% (increase 0.6% of salary)

- Transportation
 - Routes updated
 - Rate increased 7.4% CPI
- Increased utilities
- Return to pre-COVID supplies/equipment
- Include new programs
 - ELOP
 - Expanded TK
 - Center EdX (SpEd Mild-Moderate, ECE, Micro-credential)
- PAEC gradual return to normal
 - \$340k rental income
 - \$1.35m operating expense

Ms. Torres stated that the total revenue for 2022-23 is expected to be \$143.7M while total expenses expect to be \$144.9M which results in a decrease in the fund balance of \$1.2M. Ms. Torres noted that changes in revenue can be attributed to the COLA of 6.56% plus 3.2% augmentation, the timing of ELO and ESSER. The revenue also includes \$6.5M COVID relief grants for 21-22 and \$6.4M COVID relief for 2022-23. Contributing to total expenses are hiring vacancies, increased STRS and PERS rates, worker’s compensation insurance, new grants such as ELOP and DOJ and higher transportation costs and utilities.

Ms. Kimmel shared information pertaining to enrollment and ADA, noting that using the Governor’s proposal of the three year average will help the District.

Ms. Kimmel went on to discuss multi-year projections noting that enrollment relays into an ADA number which makes a big difference in the financial outlook. She also noted that no budget efficiencies were layered in for 22-23 and 24-25 yet due to the increase of the LCFF funding. Ms. Kimmel also shared that these numbers do not include raises and that those will be addressed in negotiations. Once those are in place, budget cuts needed for the future can be examined.

Ms. Kimmel noted that the operational deficit has not been solved and that the District needs to keep maneuvering operations so it is cost-neutral.

Ms. Torres spoke about the upcoming budget timeline:

June 14	Public Hearing, 22-23 Budget Report
June 15th	Legislative Deadline, Approved Budget
June 28	Adoption, 22-23 Budget Report
June 30th	Governor’s Deadline, Signed Budget

July 15
Aug 9th

Schools Services Finance Conference
45 Day Budget Revision

Ms. Torres went on to speak about the reserve cap and Senate Bill (SB) 751 which sets the threshold for triggering the cap on district reserves which is a 10% cap on assigned/unassigned ending balance starting in 2022-23.

Ms. Torres shared tools to address the reserve cap which include:

- Commit Fund Balances
- Transfer to Other Funds
- County Office Exemption
 - may be granted for two consecutive years in a three-year period

Ms. Torres stated that the reserve cap recommendation is to open a fund and commit balances which would consist of the following actions:

Action 1: Establish Fund 17, Special Reserve Fund for Other Than Capital Outlay Projects, with the intent to set aside financial resources up to two months of operating expenditures, based on available funds.

Action 2: Commit all amounts deposited into Fund 17 to protect against unforeseen revenue shortfalls and/or unanticipated expenditures.

Ms. Torres shared that two action items, establishing Fund 17 and making a commitment to transfer funds, will be on the agenda for the June 14 Board Meeting.

RFP/RFQ Updates

Ms. Kimmel shared updates on the RFP/RFQ process. These will go before the Board at the June 14 meeting.

Yearbook RFP

- Three vendors responded timely
- Five sites scored each proposal
- Yearbook advisors & Assistant Principals interviewed the three vendors
- Two vendors were scored as approved vendors
 - Cornerstone
 - Walsworth
- Board action
 - Approve selected vendors
 - Approve five contracts (future meeting)

Professional Services RFQ

Category	Proposals Received	Proposals to be Accepted
Project Management	2	1
Construction Management	4	3
Inspection Services	3	3
Geotechnical Services	3	2
Architect	16	13

Booster Group Update

Ms. Torres shared an update on the booster groups noting that there are currently 31 total groups. Applications were due March 31 to be approved for next year. Approval is going before the Board on June 14.

The Booster Application includes:

- Application form (8-pg fillable pdf)
- Next year's list of board members
- Next year's budget
- Bank & signer information
- Prior year's financials (balance sheet, P&L, bank reconciliation, bank statement)
- Prior year's federal & state taxes

As of March 31st:

- 9 of 31 (29%) submitted their complete application

As of June 1st:

- 22 of 31 (74%) have submitted their complete application
- 9 of 31 have extensions on their prior year tax returns
- 4 of 31 have submitted zero paperwork (Agoura PFC, Willow PFC, CHS Alumni Association, Agoura Lacrosse)

27 organizations will be submitted for Board approval on June 14. Ms. Cutbill emphasized the importance of transition between members of PFA/PFC groups and noted that this should be discussed in detail at the September Booster Meeting. Ms. Cutbill also wants to make sure all

appropriate parties are aware if a group is close to losing its recognition and this includes notifying the ingoing and outgoing president and site principal.

2022-23 Finance Committee Meeting Dates

Ms. Torres shared potential meeting dates for next fiscal year. Meetings will be held on Fridays at 10 am on the dates below:

- Sep 2
- Oct 14
- Dec 2
- Feb 3
- Mar 3
- Apr 28
- Jun 2

The meeting adjourned at 11:00 a.m.