



LAS VIRGENES UNIFIED SCHOOL DISTRICT FINANCE COMMITTEE

April 24, 2020

Present: Dallas Lawrence, Board Representative
Lesli Stein, Board Representative
Dan Stepenosky, Superintendent
Karen Kimmel, Assistant Superintendent, Business
Rose Dunn, Assistant Superintendent, Human Resources
Clara Finneran, Assistant Superintendent, Education
Steve Scifres, Director of Curriculum and Athletics
Ryan Gleason, Director of Education and Leadership
Robbie Amodio, Director of Classified Personnel
Angie Falk, Director of Pupil Services
Jim Klein, Chief Technology Officer
Kristine Torres, Director of Accounting
Kelly Beder, Business Manager
Gilles Chiasson, Director of Theater Operations
Julie Pescetto, Director of Maintenance, Operations and Facilities
Craig Hochhaus, President – LVEA

The meeting was called to order at 9:15 a.m. via teleconference/video conference.

Dr. Stepenosky expressed that this is a difficult time for all school districts. He stated it is important to share an understanding of the financial picture and the impact of the coronavirus. Ms. Kimmel stated the state is officially in a recession and the recovery timeline is uncertain.

State/Fed COVID Financial Assistance Available to School Districts

Ms. Kimmel shared that LVUSD received \$185K from the state in April under SB 117. It is estimated the district will receive approximately \$400K from the Federal government as part of the CARES act. Ms. Kimmel shared that a request for public assistance was filed through FEMA on March 31, 2020 though the district is unsure of what funding they will provide.

Ms. Stein asked if a meeting could be scheduled with U.S Representative Ted Lieu's office who represents other districts like LVUSD. Dr. Stepenosky said that they would like to schedule a meeting and is being worked on.

Ms. Stein also inquired about ASCIP. Ms. Beder shared that they have been silent so far but that there is potential for reimbursement for two weeks of rental income loss as well as disinfecting costs.

COVID-19 Expenditures/Savings

Ms. Torres shared expenses reduced and incurred as a result of the pandemic. Expenses that were reduced include: transportation, waste pickup and utilities. Expenses that were incurred include: disinfecting supplies, masks, office supplies and laptops for staff and students.

Mr. Lawrence asked if there were any other areas that the district can scale back on right now. Ms. Kimmel responded that they have stopped overtime and conferences.

Dr. Dunn shared that the district will have some reductions. Ms. Amodio shared that the PFC's are feeling the strain due to fundraising being cancelled. Most sites, if not every site, will be impacted. Ms. Stein would like information about reductions shared with the Board. Mr. Lawrence asked what the plan for deferred maintenance was during the school shutdown. Ms. Pescetto shared that the Maintenance team is working on projects that had been previously set aside: painting, interior doors, etc. Ms. Stein commended Ms. Pescetto and her team's work during this time.

COVID-19 Losses & Donations

Ms. Kimmel shared that total revenue lost from March to June as a result of COVID-19 is \$754,966. Revenue was lost from Outdoor Education, preschool tuition, long term rentals, short term facility use, PAEC rentals, parent paid meals, fewer government reimbursement meals and bus pass refunds. The district did, however, have \$12K in donations from families donating their bus pass refunds.

Potential Financial Impacts 20-21

Ms. Kimmel shared potential financial impacts for the 20-21 school year which include fluctuations in attendance, transportation, custodial increases, distance learning costs and lost booster fundraising and support. Additionally, the district is at additional risk of losing money in the following areas: short term facility rentals, long term facility rentals, PAEC rentals, the Foundation donation and foreign exchange student tuition.

Ms. Kimmel also shared the 2nd Interim budget that was presented to the committee during the last in-person meeting. The fiscal stability plan that was approved in March now has a few areas of concern. Among them are restructuring technology support, deferring maintenance projects and new grants. Ms. Stein asked how much money was left in the bond fund after the Lupin Hill MPR is complete. Ms. Kimmel replied there will be about \$3M but half had been earmarked for future technology infrastructure.

Ms. Torres also shared the budget scenario with a 0% COLA for 20-21, which would be in addition to \$665K in lost local revenue. Loss of COLA for the budget

year would increase the required budget efficiencies over the next three years to \$18 million.

Ms. Kimmel commented that the budget is mostly personnel and many changes would have to be negotiated. She also addressed some cash flow concerns. Due to their reserves, the district has some time to work through budget efficiencies which will create fiscal stability. Mr. Lawrence commended Ms. Kimmel and her team for their sound financial discipline.

Ms. Kimmel went on to share program costs broken down by: Tier I Core Functions (legal requirements), Opportunities for Revenue Generation and Tier II Functions/ Support and Enhance. Ms. Stein proposed a board study session for the end of August/ beginning of September to examine these areas in depth. Dr. Finneran asked what the vision of the Board is critical for the next steps of this process. Additional data was requested with further breakdown of program costs, and which items require negotiation or changes to state legislation.

Budget Development

Ms. Kimmel shared some upcoming dates that will help shape next year's budget. These include:

- May 19, 2020, Governor 20-21 Budget Revision - School Services Workshop
- June 9, 2020 Public Hearing, 2020-21 Budget Report
- June 23, 2020 Adoption, 2020-21 Budget Report
- July 2020, State Tax Receipts Received & Budget Revise
- August 2020, District Budget Revise

Waste Disposal RFP Results

Ms. Kimmel shared that the district's current waste management contract expires in June 2020. She stated that state law requires separation of recycling and green waste. The district went out to bid on a new vendor and received a compliant bid package of \$220K. While this was the lowest bid, it is also \$100k more than the current contract. Recycling pickup was previously offered at no cost, but the new reality is that providers have to now pay for this service (which is passed on to the customer). Next steps will be working with the bidder to reduce number of pick-ups at each site and bring the cost down as much as possible.

Solar Projects

Ms. Kimmel shared potential pricing and savings should the district pursue solar through a Power Purchase Agreement (PPA). This project will be looked at in further depth.

Booster Club Support

Ms. Kimmel shared that the budgets of booster clubs have been impacted since many fundraisers have been canceled. Ms. Amodio is working with the groups to determine how their budgets will impact positions in the upcoming year. The district is also working with booster clubs to transition to "flat rate" costs per position in order to provide consistency and budget reliability.

Future Meetings/ Scheduling

The next meeting will be held Friday, May 22, 2020. A date for the study session will be finalized.

The committee also approved dates for the 20-21 fiscal year which include:

- Friday, August 14 - 9:15 am
- Friday, September 11 - 9:15 am
- Friday, October 9 - 9:15 am
- Friday, November 20 - 9:15 am
- Friday, January 15, 2021 - 9:15 am
- Friday, March 5, 2021 - 9:15 am
- Friday, April 23, 2021 - 9:15 am
- Friday, May 21, 2021 - 9:15 am

The meeting adjourned at 11:18 am.