



## LAS VIRGENES UNIFIED SCHOOL DISTRICT FINANCE COMMITTEE

**May 22, 2020**

Present: Dallas Lawrence, Board Representative  
Lesli Stein, Board Representative  
Dan Stepenosky, Superintendent  
Karen Kimmel, Assistant Superintendent, Business  
Rose Dunn, Assistant Superintendent, Human Resources  
Steve Scifres, Director of Curriculum and Athletics  
Ryan Gleason, Director of Education and Leadership  
Robbie Amodio, Director of Classified Personnel  
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  
Waleska Cannon, Director of Child Nutrition  
CJ Foss, Principal – Calabasas High School  
Sara Exner, Assistant Principal – Calabasas High School  
Courtney Johnson, Assistant Principal – Calabasas High School  
Nicki Goldstein, Dean of Students – Calabasas High School  
Liberty Logan – Sumac Elementary School  
Jackii Duncan – Administrator of Data and Teacher Support  
Craig Hochhaus, President – LVEA  
Jake Anderson, CTA

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

### **Measure G Oversight Committee Openings**

Ms. Kimmel shared that five of the seven members of the Measure G Oversight Committee have their appointments expiring in June. Committee bylaws state that

members may serve no more than three consecutive terms. Of these five members whose terms are expiring, three are currently in their first term and two are currently in their second term, making all eligible to be considered for another term. Ms. Stein would like to gauge the current members' interest in serving another term and would like to move forward with posting the openings in the Acorn and discussing interview dates.

### **State Budget/ May Revise**

Ms. Kimmel shared information received from the Governor's State Budget/ May Revise. She shared that state revenue is generated by these top three taxes: Personal Income Tax, Sales Tax, and Corporate Income Tax. According to the Governor's report, the State of California lost \$9B in revenue in 2019-20 and are projecting a loss of \$32B in 2020-21. The Governor has a \$54B solution which includes baseline adjustments, reserves, increasing revenues, adjusting K-14 spending, reducing spending, shift costs and the use of federal funding.

Ms. Kimmel shared that the May Revision suspends the 2.31% COLA and then layers on a 10% cut to the LCFF. This translates into a total \$7.1M LVUSD loss in per student funding for the 2020-2021 year.

Ms. Kimmel spoke of some areas of flexibility that were not included in the Governor's plan such as reducing the instructional year and minutes without penalty, extending the ADA hold harmless through 2021 and flexibility in the use of supplemental and concentration grant funds. Ms. Kimmel noted that many of these were available during the Great Recession and the district is still waiting on directives from the State.

Ms. Kimmel shared that the Governor's budget does include \$900K for Special Education equalization and \$1.8M in pension contribution reductions. Ms. Kimmel also shared information on the CARES Act and how the government is not distributing the funds equally as most is based on Title 1 allocation. LVUSD would receive \$50/student while LAUSD would receive \$697/student. If LVUSD received the same funding rate, it would be an additional \$7m for our district.

Before COVID-19, the district was facing challenges due to declining enrollment, pension costs tripling and the uncertainty of Measure V. Now, due to COVID-19, the district is facing the following challenges: severe reduction in state funding, attendance uncertainties, distance learning costs, transportation, custodial expectations, personal protective equipment, reduced booster fundraising and support, and reduction in rental income.

Mr. Lawrence asked if the district's insurance allows them to recoup the losses due to COVID-19. Ms. Kimmel replied it is minimal - they may be able to recoup two weeks of loss rental income but that has not yet been confirmed.

Ms. Torres shared enrollment information which shows a five year decline of 985 students. In the 2016-2017 school year, enrollment was 11,547. The projected enrollment for 2020-2021 is 10,562. The revenue lost is \$9,081 per student with a cumulative loss of \$8.9M.

Ms. Stein stated that she understands the sensitivity with permits, but with the current crisis, is a plan in place for increasing permit numbers? Ms. Kimmel responded that this is something the district is carefully evaluating at each school site, by grade level.

Ms. Torres also spoke about the impact of pensions on the district budget and how there has been an \$8M increase from FY 13-14 to FY 20-21.

Ms. Beder shared a list of products ordered in response to COVID-19 for the district and the status of whether or not those have been received. Ms. Kimmel also shared that plans are in place for installing plexi-glass in health offices and front offices of schools. Ms. Stein asked what the thought process was for face coverings. Ms. Beder said the district is looking at reusable masks and providing each student and staff member with two. Mr. Lawrence suggested branded facemasks with school logos and Ms. Kimmel shared that some booster groups are exploring those options.

Ms. Kimmel went on to share budgeted local losses for 20-21. They include:  
Short Term Facility Rentals: \$250,000  
Long Term Facility Rentals: \$400,000  
PAEC Rentals: \$200,000  
Reduction in Parent-Pay Meals: \$400,000  
Foundation and Booster Donations: \$500,000  
Foreign Exchange Students Tuition: \$162,000

Ms. Stein asked if there was any update on the status of foreign exchange students returning. Ms. Kimmel replied that because of the travel bans, everything is on hold.

Ms. Torres also shared the district's sources of revenue for 20-21. Almost 90% of revenue comes from the state, followed by 8% local and 3% federal. She also shared the expenditures for 20-21. 84% of the budget is in personnel. Ms. Torres stated that the district has been responsible in its approach to declining enrollment having \$4.3M in budget efficiencies over the past 3 years and has budgeted an additional \$4.4M in 20-21.

Ms. Torres shared the draft budget for 20-21 with multi-year projections. Mr. Lawrence asked if the budget assumes no raises for the next 3 years and Ms. Kimmel stated that it does.

### **Program Cost List**

Ms. Kimmel shared a list of every component of district cost along with the following codes: F (Flexible), N (Negotiable) and L (Requires change in law). Ms. Kimmel also stated that by FY 23-24, the district will need \$28.5M in cuts. Dr. Dunn stated that staff would need to be noticed that reductions may be needed. This step would be in preparation and not necessarily implemented. Mr. Lawrence stressed the importance of advance notice to any potentially impacted employee. He also asked if the district was looking at an early retirement incentive for this year. Dr. Dunn replied that this has been looked at and explained it is more likely

successful for next year due to timing and the lack of runway for staff to investigate and plan options with STRS.

Ms. Kimmel and Dr. Dunn spoke about early retirement programs and the cost savings and variables - such as not replacing positions and needing a break-even number of participants. A plan would ideally be part of a tentative agreement and partnered with a need to reduce staff. It would ideally be announced in the fall with a deadline for mid-year and a separate deadline for end-of-year retirements.

### **Future Budget Considerations**

Mr. Gleason shared a new source of revenue - the TUPE (Tobacco Use Prevention & Education) \$400K grant that is being paid over 3 years. Another innovative program would be it to develop a SPED credentialing program through Center EdX which could be funded through an existing (yet underutilized) grant. This proposal will be an information item on the May 26 board agenda.

Dr. Dunn shared the possibility of a certificated second layoff window which could impact every level. Ms. Amodio shared information pertaining to classified vacancies, sharing what areas will remain vacant, what areas will need to be reduced and which areas with vacancies will have to be filled. Dr. Dunn also stressed the importance of identifying what sites want versus what they need.

### **Child Nutrition Budget – School Year and Summer**

Ms. Kimmel shared that the current waiver given to the district expires August 31. The district could choose the following options for meal service:

- End meal service June 12
- Continue meal service through June 30 (cost \$1,092)
- Continue meal service until next school year starts (cost approx. \$4,186)

The committee would like to continue the program through the summer.

### **Budget Development**

Ms. Kimmel shared cash flow concerns which include June 2020 apportionment deferrals. She also shared some upcoming dates that will help shape next year's budget. These include:

- 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

Ms. Kimmel also shared upcoming Finance Committee meetings as well as a Board Study Session. The dates of these meetings are as follows:

**Committee Meetings**

August 14, 2020

September 11, 2020

October 9, 2020

November 20, 2020

**Budget Study Session**

September 10, 2020

The committee would like to schedule a meeting in late June or July. They also feel a Board Study session should be scheduled in the summer. Options for dates will be sent to the committee.

The meeting adjourned at 12:06 pm.