



## LAS VIRGENES UNIFIED SCHOOL DISTRICT FINANCE COMMITTEE

July 17, 2020

Present: Dallas Lawrence, Board Representative  
Lesli Stein, Board Representative  
Dan Stepenosky, Superintendent  
Karen Kimmel, Assistant Superintendent, Business  
Steve Scifres, Assistant Superintendent, Human Resources  
Clara Finneran, Assistant Superintendent, Education  
Ryan Gleason, Director of Education and Leadership  
Jim Klein, Chief Technology Officer  
Kristine Torres, Director of Accounting  
Kelly Beder, Business Manager  
Julie Pescetto, Director of Maintenance, Operations and Facilities  
Joanne Kress – White Oak Elementary School  
Ian Godburn – Calabasas High School  
Darci Miller – A.E. Wright Middle School  
Craig Hochhaus, President – LVEA

The meeting was called to order at 2:30 p.m. via teleconference/video conference.

### State Adopted Budget

Ms. Torres shared an update on the state adopted budget which the Governor has signed. She shared that there will be a 0% COLA, which was compared to the May projections which included losing the 2.3% COLA + a 7.7% cut (total 10% loss). There is a reduction to the new STRS and PERS contribution rates, and an increase to Special Education base grant was committed to as an ongoing cost. Another component of the bill the Governor signed into law was the protections to certain classifications of employees, which prohibited layoffs to certificated, custodial and child nutrition workers. This will result in the district rescinding approximately 30 child nutrition part time layoffs. The state balanced the budget using an extensive

amount of deferrals. Ms. Torres shared that if the federal government provides additional support to schools of \$5.8B by October 15, then there is a possibility of reduced deferrals for 20-21.

Ms. Torres shared some possible budget risks which include the possibility of a revised state budget if tax revenues in July are less than expected. This is a potential scenario due to sustained economic downturn with business shutdowns and continued unemployment.

Ms. Torres shared that the district received a “hold harmless” on attendance for two years, where the district will be funded based on 19-20 attendance. For this school year, the requirements have been waived for annual instructional minutes and PE. The state has *maintained requirements* for the number of instructional days and daily instructional minutes. There is flexibility on how these are met, such as by distance learning, hybrid or mixed-delivery models. The LCAP was suspended but the new Learning Continuity and Attendance Plan must be adopted by 9/30/2020.

Items that were not in the state budget include:

- Relief from TK-3 grade span requirements
- Change in independent study regulations
- Change in required instructional days
- Suspension of transportation MOE
- Flexibility in Routine Restricted Maintenance Contribution
- ADA for COVID-19 related absences
- Sweeping of ending balances.

Ms. Stein asked about the transportation budget, if the district is not transporting anyone. Ms. Kimmel replied that when the budget was adopted in June, schools were planning to reopen in the fall. The first plan is to cover Special Education routes. Should in-person classes resume, the money budgeted would cover critical routes, with potential savings if distance learning continues.

### **One-Time Restricted Funding**

Ms. Kimmel shared the most important win for the budget was the flat funding for the LCFF. This, combined with the district’s declining enrollment, results in a LCFF reduction of \$2.5m from the prior year. We had initially braced for a \$10M drop, based on the Governor’s May Revise.

Ms. Torres shared in-depth information pertaining to one-time funds. She spoke of State Senate Bill 117 which is based on ADA. LVUSD is to receive \$185K which can be spent on PPE and must be used by December 2020.

The Cares Act (ESSER) is for elementary and secondary education relief. This fund is based on Title I and LVUSD is to receive \$539K which can be spent on PPE and must be used by September 2022.

The Cares Act (GEER) is the Governor's discretionary fund and is based on Students with Disabilities (SWD). LVUSD is to receive \$537K. It is to be used for learning loss mitigation and must be used by September 2021.

Lastly, the Cares Act (LLM) is for learning loss mitigation. It is based on SWD, Supplemental and LCFF student numbers. LVUSD is expected to receive \$1.7M, \$0.8M and \$1.5M respectively. This money must be spent on learning loss mitigation and must be used by December 30, 2020.

Mr. Lawrence asked how wide the definition of PPE is. He asked if the funds could be used to pay for disinfecting machines. Ms. Kimmel and Ms. Torres confirmed that it could.

Ms. Kimmel shared that the money from the Cares Act (LLM) is contingent upon the adoption of the Learning Continuity and Attendance Plan by September 30, 2020. Funds can be used for the following: student learning supports, mental health, student nutrition, professional development and student and staff technology.

Ms. Kimmel shared that the funding is being used towards expenses that the district was already committed to, but are being re-purposed to meet the requirements of the grant. One example is the administration for the Virtual Academy. Two administrators who were previously funded by the general fund will switch roles to the Virtual Academy and be funded by the grant.

Mr. Lawrence expressed concern regarding use of the one-time grant money. He feels the money should be invested in new teaching practices and resources. Ms. Kimmel explained that the fiscal relief is critical, and in addition to refocusing staff resources, funds would be directed toward professional development, software licensing and instructional materials for the distance learning platform.

Mr. Lawrence would like a list compiled of the money being put into the Virtual Academy stating that teachers need more support in this environment. Mr. Hochhaus shared that teachers want support but also need stability. He discussed turning a staff development day into a unique learning opportunity. Ms. Kimmel shared that this is what Mr. Gleason and the district is proposing. Ms. Stein agreed that more structure is needed in the fall.

Ms. Kimmel shared an update on PPE purchases the district has made. The district has spent approximately \$962K on equipment and are receiving PPE grants for \$724K. Ms. Kimmel also shared information on HVAC upgrades. The district will be soliciting quotes over the next few weeks to install UV-C air purifying systems in all of the HVAC systems. This would be a Measure G Bond investment.

## **LVUSD Budget Revision Draft**

Ms. Kimmel shared some staffing additions once we return to campus, such as custodians and campus supervisors. We are expecting budget efficiencies to include site clerical staff, instructional aides, para educators and PAEC staff. While distance learning is still in place, those additions are on hold and provide \$330K cost avoidance.

Ms. Torres spoke about 2020-2021 Fiscal Year changes. The original budget adoption included a \$13.1M projected deficit, which has been reduced by \$11M, resulting in a \$2.1M projected deficit. These updates will be finalized and brought to the Board for the 45-Day Budget Review.

## **Multi-Year Projections**

Ms. Kimmel shared factors for multi-year projections which include a decrease in enrollment, certificated and classified step and column, STRS and PERS contributions, one-time funds and budget efficiencies. Mr. Lawrence asked about a possible retirement incentive plan and Ms. Kimmel shared that there will be a discussion regarding early incentives.

Ms. Torres also shared that there is potential new revenue for education in the form of Proposition 15 and Assembly Bill 398. Prop 15 would tax commercial and industrial properties at fair market value and would raise \$6.5B to \$11.5B annually with schools receiving 40% of the funds. She did note that Prop 15 is challenging to pass due to the economic environment and opposition. AB 398 would tax private for-profit businesses with more than 500 employees at \$275 per employee for five years beginning January 1, 2021. 50% of revenue would be allocated to schools.

Ms. Kimmel also shared a facilities and rental update. She noted that Muse abandoned their lease with five years remaining. This will result in a loss of \$360K in annual revenue. The district is exploring other options for the site.

The meeting adjourned at 4:25 pm.