



## LAS VIRGENES UNIFIED SCHOOL DISTRICT FINANCE COMMITTEE

**March 5, 2021**

Present: Angela Cutbill, Board Representative  
Dallas Lawrence, Board Representative  
Karen Kimmel, Assistant Superintendent, Business  
Steve Scifres, Assistant Superintendent, Human Resources  
Clara Finneran, Assistant Superintendent, Education  
Jim Klein, Chief Technology Officer  
Kristine Torres, Director of Accounting  
Ryan Gleason, Director of Education and Leadership  
Craig Hochhaus, LVEA President

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

### **Second Interim Budget**

Ms. Torres began by sharing an overview of the second interim budget which will focus on the Governor's 2020-2021 budget proposal, the District's 2020-2021 budget review, and budget efficiencies. Ms. Torres noted that budget assumptions will change over the next few weeks and months due to the re-opening of on-campus learning, evolving information regarding public health guidelines and possible federal stimulus packages. Ms. Torres again shared the state of the economy, reiterating that growth continues from the "Big 3" taxes: personal income, corporation and sales. Unemployment remains high for low income earners, hospitality, leisure and small business. Ms. Torres reiterated that the state is looking at \$1B in operating deficits starting in 2021-2022 growing to \$17B in 2024-2025.

Ms. Torres also provided a recap of what was shared at the January Finance meeting regarding the Governor's proposal which main component was the compound COLA for our LCFF funding. Previously, there was a 0% COLA this year with zero projected in all future years. The Governor is proposing a 3.86% COLA on the LCFF for next year. This is made up of 2.36% for this year and 1.5%

for 2021-22. The proposal also has a 1.5% COLA on special programs. Ms. Torres again shared that the state is also looking at expanding Transitional Kindergarten to all four-year-olds (doing away with the cutoff dates). The proposal spoke about paying down the deferrals and one time restrictive grants which will be explained later in more detail.

Ms. Torres also again shared items that were not included in the Governor's budget proposal such as:

- COVID liability protection
- UPP hold harmless
- ADA hold harmless for 22/23
- Additional CalSTRS and CalPERS employer rate reduction
- More discretionary dollars versus restrictive programs
- Detailed plans on how GEER II money will be spent
- How the remaining 10% of ESSER funds will be spent

Lastly, Ms. Torres recapped the new federal stimulus known as the CRRSA Act or the Coronavirus Response and Relief Supplemental Appropriations Act. This bill, which was signed into law on December 27, 2020 will provide \$82B for education. One component of this bill is ESSER II which will allocate \$6.8B to California. Allowable uses of ESSER II include: summer and intervention instruction, educational technology and curriculum, support of student mental health needs, facility repairs and improvements to reduce virus transmission and cleaning/disinfecting supplies.

Ms. Torres shared that revenue for the current school year included \$5.2M in previously granted one-time funds. The district received \$185K from SB 117 which was used for PPE, \$539K from ESSER which was also used for PPE, \$537K from GEER and \$4M from LLM which were used for accelerated learning during the current year.

Mr. Lawrence asked if these one-time funds include SB86 and Ms. Torres replied that no funds from SB86 are in the budget at this time.

Ms. Torres then shared budget assumptions for 2020-2021 which revolve largely around the gradual return in March to on-campus learning. Additional staff will be hired including custodians, campus supervisors, office support at secondary schools and instructional assistants. Also noted, is that there will be minimal parent funded expenses.

Mrs. Torres also spoke about the 2020-2021 budget and stated that total revenue for the year is decreasing \$700K largely due to reduced interest revenues and parent support. She also spoke about critical factors impacting projections which include the ability to manage declining enrollment, financial impacts from COVID-19, rate increases to PERS and STRS retirement programs and the expiration of SELPA's mental health grant that previously funded the residential portion of non-public school placements (this will add \$1.2M to the general fund).

Ms. Kimmel shared multi-year projections and estimates for future budget efficiencies. She spoke of the need for the district to address the structural deficit over time with a target of \$12M over the next three years. Broken down, it would be \$2M next year, \$4M the following year and \$6M in year 3.

## **New Grants**

Ms. Torres spoke about the recently enacted AB 86/SB 86 which provides \$2B to school districts based on 2019-2020 attendance. Funds will be received in May and August 2021 and allows for expenses through August 31, 2022. A contingency of this grant is that districts must offer in-person instruction for all grade levels by April 1, 2021, a stipulation the district will meet.

Allowable uses for these funds include:

- COVID Testing
- Salaries for in-person instructional staff
- Social and Mental Health Support
- Cleaning, disinfection and PPE
- Site upgrades for ventilation, health and safety

Mr. Hochhaus asked if the district would lose money if the secondary schools did not return in-person by April 1. Ms. Torres replied that if we are in the red tier and do not have all grades back, we will lose 1% of funding each day.

Ms. Kimmel shared information about the Federal – American Rescue Plan. This could provide \$6.2m in potential grant funds and would be focused on learning loss mitigation.

## **Transportation RFP**

Ms. Kimmel shared that the Transportation RFP was issued on February 25, 2021 and sent out to eight other providers. The RFP was posted on the website and advertised in the Daily News. Ms. Kimmel shared the evaluation components and criteria that all bidders will be measured on. These include price, reliability, experience, personnel expertise, operational plan and financial stability. Mr. Lawrence asked how reliability is gauged. Ms. Kimmel replied that the companies will give reports and the district will conduct reference checks. Mr. Lawrence also asked if our previous company was surprised when the district went with an RFP and Ms. Kimmel shared that they were very understanding.

## **MUSE Property**

Ms. Kimmel shared information about the MUSE property that is still vacant. The window closes March 19 for bids to be sent and at that time, they can decide whether or not to extend it. The district has shown the property about 15 times and has a serious bidder.

Ms. Cutbill asked if there were any plans for how the space could be used if it wasn't rented. Mr. Gleason shared that the district could use the space to consolidate a campus or it could be used as the campus for LVIS, the Las Virgenes Virtual Institute. Mr. Lawrence asked if there was a student population that could be moved to the space to expand cohorting options and Mr. Gleason replied that the space is not ready for that yet as it does not have wireless or furniture. Mr. Klein stated that there are no

connections to the internet and the classrooms are not yet set up for it. It would take a few weeks to complete that.

Mr. Lawrence then inquired about using the property as a space for at-risk students and Dr. Finneran replied that staffing could be an issue. Ms. Kimmel stated that it was up to the Board to make the determination to extend the timeline or take the property off the market completely. Mr. Lawrence feels it would be more valuable if it were equipped with WIFI. Ms. Kimmel replied that if this bidder falls through, the space can be ready for student use after Spring Break.

### **Oversight Committee Vacancies**

Ms. Kimmel shared with the committee, the current vacancies in the Measure E and Measure G Oversight Committees. It was recommended that Measure E continue with a current incumbent serving another term and an alternate member serving a two-year term in a full-time capacity.

Measure G has three vacancies, one for a “parent member”, one for a “member of a taxpayer’s association” and one “senior citizens’ member”. Advertisements for applications will run in the ACORN and Parent Square. The committee will review and select applicants.

The meeting adjourned at 10:00 a.m.