

LAS VIRGENES UNIFIED SCHOOL DISTRICT  
4111 LAS VIRGENES ROAD  
CALABASAS, CALIFORNIA 91302  
Telephone: (818) 880-4000  
Fax: (818) 880-4200  
www.lvusd.org



BOARD OF EDUCATION  
ANGELA CUTBILL  
DALLAS LAWRENCE  
LINDA MENGES  
LESLI STEIN  
DANIEL STEPENOSKY, Ed. D.  
SUPERINTENDENT

**LAS VIRGENES UNIFIED SCHOOL DISTRICT  
MEASURE E OVERSIGHT COMMITTEE MEETING**

December 15, 2022

---

Present: Dr. Ryan Gleason, Assistant Superintendent, CBO  
Ms. Brenda Cho, Director of Finance/Accounting  
Fawn Binford, Committee Member  
Mike Budnitsky, Committee Member  
Stefania Dodd, Committee Member  
Jay Esban, Committee Member  
Jody Guthrie, Committee Member  
Thomas Liu, Committee Member

The meeting came to order at 5:00 p.m.

**Budget Update and Forecast:**

Dr. Gleason shared that tax withholdings continue to be well below forecast. The “Big Three” (corporate, sales, and personal income) are \$42 Billion below forecast from the state-adopted budget this past summer. The Legislative Analysts Office (LAO) is forecasting a \$25B deficit for the 2023-24 fiscal year. These projections have the LAO projecting a statewide economic rebound that is much more delayed than the 2022 budget forecast.

Dr. Gleason shared that in addition to the forecast, the LAO has projected the statutory COLA to be 8.73% for this fiscal year. The COLA rate is determined by a national price index for state and local government and finalized in late April before the start of the fiscal year. The current estimated COLA represents the highest statutory rate since 1979-1980. This reflects price increases throughout the economy along with an especially large surge in energy prices.

Dr. Gleason went on to share the embedded projections for Proposition 98. These include:

- **One-Time Allocations Expiring**
  - The 2022-23 budget allocated \$5.7 billion in ongoing Proposition 98 funds to one-time activities (including programs and reserve deposits).
  - These allocations expire in 2023-24, freeing-up the underlying funds.
- **Attendance-Related Changes**
  - District funding based on pre-pandemic attendance levels in 2021-22.
  - Gradual ramp down (through the three-year rolling average calculation) generates \$2.7 billion in savings in 2023-24.
- **Proposition 98 Reserve Withdrawal**
  - \$2.4 billion withdrawal required due to weakness in the guarantee

Dr. Gleason also shared that the current-year state budget includes a significant (\$5.7 Billion) cushion of 2022-23 ongoing revenue being spent on one-time expenditures within Proposition 98. This means when revenues fall in the Budget Year, that \$5.7 Billion will be freed up in budgetary bandwidth since there will be no necessity to continue these one-time expenditures.

### **K-12 Attendance**

Dr. Gleason noted that while the LAO projects slow growth in statewide ADA through 2026 (about 1.6% on average, about half due to Transitional Kindergarten growth), it will be years before the 550,000 students – 9.3% of the total population – lost during the COVID pandemic are replaced. This presents budget savings as there are fewer students to fund as the hold-harmless ADA relief that was in place sunsets.

Dr. Gleason shared that most forecasters expect inflation to moderate somewhat after 2022-23. He stated that there is some evidence inflation could remain above the historical average for another couple years, but it depends on Federal Reserve action. Dr. Gleason also stated that in California, the majority proportion of Prop 98 funding is based on the capital gains income tax for the top 1% of earners.

Dr. Gleason went on to share information about California Labor Force Projections, noting the importance of having competitive wages to compete with other districts for employees. Dr. Gleason noted that the biggest gap in hiring is with Special Education.

## **First Interim**

Dr. Gleason shared that in regard to the First Interim Budget, it is certain the budget assumptions will change over the next few weeks and two months as they await the January Budget and May Revise from the Governor's office.

Ms. Cho shared that revenues have increased in excess of \$7M. Dr. Gleason noted that a lot of the revenue is restricted. Ms. Cho also shared that total expenditures have decreased \$108K but have increased in the areas of textbooks and technology. Ms. Cho also shared that \$14M has been transferred to Fund 17. Dr. Gleason commented that the surplus is misleading because of all of the one-time funds.

Dr. Gleason went on to share critical factors affecting projections which include:

- The community's overwhelming support for Measure E has secured \$2.3m in annual funding for the next six years.
- State's contribution to fund future LCFF with approximate 8% projected COLA.
- The ability of the District to manage changes in enrollment.
- Impact of one-time funded program funding at the state level.
- Statutory rate fluctuations to state PERS/STRS retirement programs without any new state or federal offset
- Passage of Measure S and General Fund Savings.

## Multi-Year Projections: Revenues

Ms. Cho shared that expenditures are greater than revenues in multi-year projections. She noted that the District takes a conservative approach. Dr. Gleason also noted that the District will meet the 3% reserve threshold.

Dr. Gleason went on to share important next steps which include identifying opportunities to increase enrollment while we await a potential statewide rebound and identifying areas to right-size staffing in the absence of an enrollment rebound. The current Efficiency Projection for TK-5 is \$1.25M. The current Efficiency Projection 6-12: \$4.5M. Dr. Gleason stated that the ideal scenario is to enhance enrollment and allow for staffing attrition.

## **Proposition 28**

Dr. Gleason shared that Proposition 28 requires the state to spend 1% of the Proposition 98 guarantee on public education that is restricted for music and arts education. The measure will require the state to add an amount equal to 1% of Prop. 98 funding to the state's guarantee, but there are no tax increases meaning somewhere the state will have to leverage funding in a reserve account or find efficiencies

elsewhere to fund this program. Dr. Gleason shared that schools with higher proportions of unduplicated students (low-income, foster youth, English Learners) will receive a high proportion of funding. (70/30 split). It is anticipated that LVUSD will receive approximately \$1.3 Million in restricted Proposition 28 funding intended to enhance visual and performing arts education.

### **Parcel Tax Budget Update**

Ms. Cho shared the Measure E Report as of June 30, 2022 sharing the actuals and revenues from LA and Ventura Counties. Ms. Cho also shared the projected numbers for the 22-23 school year.

### **Donation Letter**

The committee discussed the Measure E Donation letter that is sent to out-of-district families every February. To garner more support, the committee would like to utilize QR codes instead of links and utilize ParentSquare for donations if possible. Ms. Cho will research this further. The committee also recommends adding the Donation Letter to the weekly update newsletter that is sent out by the District. The committee hopes these changes will garner more participation from families.

The meeting adjourned at 6:30 p.m.