



## Measure E Oversight Committee

February 7, 2022

### MINUTES

**Committee Members Present:** Mike Budnitsky  
Jay Esban  
Jody Guthrie  
Jay Lieberman  
Adam McArthur

**Committee Members Absent:** Fawn Binford  
Catherine Nelson

**Also Present:** Karen Kimmel, Assistant Superintendent – Business  
Kristine Torres, Director of Accounting

The meeting was called to order at 5:00 pm.

### State/District Budget

Ms. Torres shared the state of the economy noting that it continues to be strong. Revenue growth continues as there is an estimated \$45.7B surplus in 2022-2023. Ms. Torres continued that inflation is a major concern as the cost of everyday goods and services continues to rise. Ms. Torres also stated that the Federal Reserve's response to the inflation could impact the stock market. Labor constraints and supply challenges continue to present themselves as well.

Ms. Torres shared proposals from the Governor's Budget Workshop. These include:

- Statutory COLA on LCFE and Special Ed, 5.33%
  - 3.6% COLAS projected in two out-years
- Year 1 of TK Expansion Program to all 4-year olds
  - adult to student ratio of 1:12 (1:10 in 2023-24 on)

- Ramp up the Expanded Learning Opportunity Program (ELO-P), ongoing funding
- Universal meals, 2 per day. This will include a breakfast/lunch component that the state will fund.

Ms. Torres also shared options for what lawmakers may do with the state surplus. These include:

- Equalize LCFF add-ons to increase general purpose funding
- Fund the implementation of Special Education reforms
- Accelerate paying down pension liabilities
- Make a discretionary deposit into the Prop 98 reserve

Ms. Kimmel spoke about declining enrollment and how it has a significant impact on the budget. Ms. Kimmel also shared the 5.33% LCFF COLA scenarios with the same enrollment versus declining enrollment. For school year 22-23, revenue change will result in \$2.7M less due to declining enrollment than if enrollment remained the same.

Ms. Kimmel spoke about impacts to the budget noting that the base funding with flat enrollment would be a \$5.3M increase but declining enrollment brings an \$8M ADA loss. Also noted are cost increases of \$3.1M for PERS/STRS and \$1.2M step and column.

Ms. Kimmel also shared an LCFF comparison using the current statute of one year ADA hold harmless compared with the Governor’s proposal of three prior year rolling ADA:

**Current Statute – 1 Year ADA hold harmless**

**Governor’s Proposal – 3 PY Average rolling ADA**

	ADA Used	LCFF Funding	ADA Used	LCFF Funding
21-22	10,418	\$ 99.3m	10,418	\$ 99.3m
22-23	9,527	\$ 96.0m	10,101	\$101.8m
23-24	9,285	\$ 97.2m	9,723	\$101.8m
24-25	9,123	\$ 98.9m	9,292	\$100.7m

Ms. Kimmel spoke about factors for multi-year projections which include enrollment, step and column and pension increases. Ms. Kimmel noted that the operating deficit is significantly impacted by pension costs.

## **Parcel Tax Budget**

Ms. Torres shared the Measure E Parcel Tax report as of December 31, 2021. She shared a summary of revenue received from historical years and noted that the District is more on pace with historical levels than last year. Ms. Torres shared that the district collected \$32K in out-of-district donations. Overall, total revenue was approximately \$2.3M.

Ms. Torres shared that the District predicts \$2.34M in expenditures while continuing with the agreed upon plan to spend down the reserves. Ms. Torres shared that the revenues to date that have been received are: \$963,515 for LA County and \$4,701 for Ventura County.

Mr. Lieberman asked how enrollment is looking for next school year. Ms. Kimmel replied that the District is beginning to build classes and look at permits, but that they will be experiencing lower enrollment.

Ms. Torres went on to speak about the general ledger and details for how funds were used. She shared year to date expenses through December 31 and noted how much was remaining in those accounts. The accounts are grouped in the following categories: teachers' salaries, coaches, certificated pupil salaries, instructional aides, other contracted services and the general fund.

Mr. Budnitsky commented that the reserves are dwindling with projections of \$15K. He asked if anything needed to be done to bring them back up. Mr. Lieberman stated that he feels the reserves should be \$0 so that all money is being spent for the District. Mr. McArthur commented that the committee has made a conscious effort to keep spending the reserves down.

Mr. Budnitsky commented that it seems the District is spending more than they are getting. Mr. Lieberman noted that it depends on the amount of out-of-district donations received. Ms. Guthrie asked if the reserves were enough to cover emergency expenses and if they needed to. Ms. Kimmel stated that modest reserves make sense but it is up to the committee and their level of comfortability. The direction of the committee was to spend the reserves down to \$0, but the committee can propose a reallocation if they would like. The committee would like to keep the reserves at \$15K.

## **Donation Letter**

Ms. Kimmel shared the proposed language for the out-of-district donation letter and asked if there were any changes. The committee approved the letter. It will be sent out in the next few days.

## **Future Meeting Dates**

Dates for future meetings will be sent out but will likely be in October 2022 and February 2023.

The meeting adjourned at 5:50 pm.