

**LAS VIRGENES UNIFIED SCHOOL
DISTRICT**
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SUPERINTENDENT

**LAS VIRGENES UNIFIED SCHOOL DISTRICT
FINANCE COMMITTEE MEETING**
June 26, 2023

Present: Ms. Lesli Stein, Board President
Ms. Linda Menges, Board Member
Dr. Dan Stepenosky, Superintendent
Dr. Ryan Gleason, Assistant Superintendent/CBO
Dr. Steve Scifres, Assistant Superintendent, HR
Ms. Diane Hawe, Accounting Supervisor
Mr. Andrew Lacson, Accounting Supervisor
Ms. Tammy Ventry, Senior Accountant, Bond and Maintenance
Ms. Dawn Quevedo, Accounting Technician, Categorical Grants
Ms. Barbara Diaz, Accounting Technician, Site and ASB Budgets
Ms. Tina Wilkie, Accounting Technician, Child Nutrition

The meeting came to order at 10:02 a.m. Dr. Gleason shared the agenda with the committee.

Adopted California Budget and Multiyear Projections

Dr. Gleason provided an update on the state budget proposal. The budget bill, contained in AB 101 and SB 101, is now in print and awaits agreement between the Governor and Legislature, with additional budget bills and trailer bills expected in early July.

In terms of TK-12 public education, there is agreement on an 8.22% Cost of Living Adjustment (COLA) for the Local Control Funding Formula (LCFF) and specified categorical programs, including special education. Approximately \$300 million is allocated for the LCFF Equity Multiplier, with expected trailer bill language similar to the Governor's May Revision proposal. Additional funding is also agreed upon for universal school meals and county offices of education operating county juvenile court and community schools.

The main differences arise from the Legislature adopting a Proposition 98 Guarantee that is \$2.1 billion higher than the May Revision, based on increased local property tax revenue. This

allows for reduced proposed cuts to one-time block grants. The budget bill suggests a reduction of \$200 million to the Arts, Music, and Instructional Materials Block Grant and

around \$500 million to the Learning Recovery Emergency Block Grant, instead of the initially proposed larger cuts. However, the exact amount of cuts to these block grants will depend on negotiations with the Governor.

Dr. Gleason shared that this is overall positive news but emphasized the need to address the structural deficit resulting from declining future enrollment projections. While LVUSD reserves are strong, the enrollment strategy shift expected in the fall is anticipated to significantly reduce the structural deficit and improve the Multi-Year Projections. He shared that negotiations this year could prove challenging, balancing expectations related to the historical COLA and the rising cost of benefits with the uncertainty of enrollment growth based on ongoing efforts.

Enrollment 23-24

Dr. Gleason highlighted Ms. Lloyds' efforts to process Interdistrict applications, secure enrollment/release paperwork, and secure a solid enrollment number for next year. LVUSD enrollment continues to grow. Staff were originally predicting around 9300 students for 2023-24 before shifting our enrollment strategy around the Allen Bill. Current projections have LVUSD at 9900 for SY 23-24. This marked positive growth in enrollment could lead to a \$6M turnaround in our Multiyear Projections, provided all students show in the Fall.

Measure S Series A Sale Updates:

Dr. Gleason outlined the timeline for the Measure S Series A Sale, which includes several key steps. During the months of May and June, efforts have focused on developing a Preliminary Official Statement. This statement will provide investors with an overview of the district's financial position, including details on past audits, interim reports, and budget health. The objective is to ensure that all necessary disclosures are made to address any potential risks for investors. The Board passed the Preliminary Official Statement Resolution on June 6th.

The district is currently working towards obtaining a Credit Rating through Moody's. This involves presenting a comprehensive overview of the district's fiscal health and demonstrating its stability. The aim is to secure a Credit Rating at a formal presentation to Moody's on July 7th. Dr. Gleason and Dr. Stepenosky will present on behalf of the district. Both the Credit Rating and the Preliminary Official Statement will serve as background reading materials for potential investors.

Later in July, the district will proceed with the Bond Sale. This involves making the bonds available on the market for investors. The Preliminary Official Statement, along with an Action Agenda and the Credit Rating, will be presented to prospective investors. The ultimate goal is to close the sale by mid August, allowing the district to secure the necessary funds for the Measure S Series A project.

Categorical Grant Updates:

Dr. Gleason also shared an update on categorical programs. He noted the programs that were going to be covered by one-time grants. With the Governor's budget no longer taking back appropriated funds at the same level as was originally proposed for the AIM Block Grant and Learning Recovery Block Grant, several more years of one-time post-COVID initiatives are likely able to continue.

Expanded Learning Opportunities:

Dr. Gleason discussed Expanded Learning Opportunities (ELOP) and highlighted that the District has an obligation to implement the program, which will generate revenues amounting to \$1.4 million. In collaboration with the Educational Services department, Dr. Gleason will be actively involved in overseeing the implementation of this program for the fiscal year 2023-2024 in conjunction with Dr. Mike Roberts in his new role.

Rental, Lease, and Litigation Updates:

Dr. Gleason provided updates on current rentals and leases as well as the settlements related to class action litigation.

Other Business:

No other business was discussed.

The meeting came to a close at 11:50 a.m.