

**LAS VIRGENES UNIFIED SCHOOL
DISTRICT**
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SUPERINTENDENT

**LAS VIRGENES UNIFIED SCHOOL DISTRICT
FINANCE COMMITTEE MEETING**
May 22, 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. Jana Davenport, Director of Elementary Education
Mr. Andrew Lacson, Accounting Supervisor
Ms. Tammy Ventry, Senior Accountant
Ms. Dawn Quevedo, Accounting Technician, Categorical Grants
Ms. Barbara Diaz, Accounting Technician
Ms. Tina Wilkie, Accounting Technician/Credential Analyst

The meeting came to order at 10:07 a.m. Dr. Gleason shared the agenda with the committee.

Civic Center Act:

Mr. Jeremy Brust from Tao Rossini was on hand to discuss the provisions of the Civic Center Act. Mr. Brust shared that issues that arise with a joint facilities agreement is that the agreements are too long and the fair rental value or flat rate is too low.

Department Updates:

Ms. Diaz shared ASB/Booster updates. She noted that the District is reviewing ASB's and making recommendations. Booster applications have been received and she is hopeful that they are all complete. Ms. Stein asked if there are ways to tighten up the ASB/Booster process and Dr. Gleason noted that a lot of sites are doing work they haven't done before. Ms. Diaz is on hand to guide. Dr. Gleason suggested creating a business series to discuss ASB/Boosters in more depth.

Ms. Wilkie shared an update on Child Nutrition accounting noting that they will soon begin training on a new point of sale system. Mr. Lacson shared that accounting is busy closing the books and preparing the budget for next year. Dr. Gleason shared that payroll is currently undergoing HCM training for BEST. HCM will take the place of the current system, HRS. Ms. Quevedo shared an update on the Early Education Teacher Development Grant, noting that there are currently eighty nine students in the program. Ms. Ventry shared an update on bond accounting, noting that they are looking at new software for maintenance and operations projects.

Governor's May Revision:

Dr. Gleason shared the Governor's May Revision and emphasized that there will most likely be some changes. The May Revision includes an approximately \$1.7M reduction in the \$669M Proposition 98 funding proposed in the Governor's Budget for a COLA to multiple programs outside of the LCFF.

Dr. Gleason shared LCFF funding factors which include the 2023-2024 Adjusted Base Grant per ADA. He also spoke about projections for the CalPERS employer rate increasing over the next few years and changing assumptions from the state regarding COLA projections.

Ms. Stein asked if taxes being delayed until October 1 are going to have a big impact on projections. Dr. Gleason stated that the Legislative Analyst's Office has enough data from income tax withholdings to make their projections.

Dr. Gleason spoke about the Arts, Music and Instructional Materials Discretionary Block Grant in which the Governor's Budget proposed a \$1.2 billion reduction in the \$3.5 billion one-time funding provided in the 2022-23 enacted budget package. The May Revision proposal would increase the reduction to \$1.78 billion, sweeping the remaining unallocated portion of the grant. Dr. Gleason shared that the anticipated loss to LVUSD is \$3,160,408.

Dr. Gleason spoke about the Learning Recovery Emergency Block Grant sharing that the May Revision proposes reducing the funding by \$2.5B from \$7.9B to \$5.4B. Dr. Gleason shared that the anticipated loss to LVUSD is \$1,143,081.

Dr. Gleason shared that minimum wage is projected to increase. Attendance rates in schools are low, statewide and have not rebounded to pre-pandemic levels. Dr. Gleason also spoke about declining enrollment and shared that most areas in the state are affected.

Attendance and Enrollment Update:

Dr. Gleason shared year-to-date enrollment projections. Projected enrollment for 23-24 is 9,791 as opposed to the initial projection of 9,393. This reflects over \$4M in increased revenue over projections. Dr. Gleason also shared ADA changers from last year to this year.

Measure S Series A Sale Updates:

Dr. Gleason shared a timeline for the Measure S Series A Sale:

May through June:

- Working to Develop a Preliminary Official Statement
 - Discloses the district's fiscal position to investors
 - Includes information about the district, past audits, interim reports, and

- budget health
- Leadership Longevity and Structure
- Ensures all disclosures are made that could be a risk to investors.

Dr. Gleason shared that the Preliminary Official Statement/Resolution is slated to go before the Board of Education at the June 6, 2023 meeting.

Late May through late June:

- Credit Rating Issuance
 - Secure a Credit Rating
 - Present to Fiscal Health and Overview of the District
 - Credit Rating Secured by End of June or Early July
 - Credit Rating and POS is background reading.

July:

- Bond Sale
 - Goes on the market for investors
 - Preliminary Official Statement, Action Agenda, and Credit Rating
 - Goal of Closing August 1st

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. The District is waiting on the final budget to determine funding. Ms. Stein and Ms. Menges emphasized the need for these programs.

Expanded Learning Opportunities:

Dr. Gleason shared information pertaining to Expanded Learning Opportunities (ELOP), explaining that the District is required to implement the program of which the revenues are \$1.4M. Dr. Gleason will be working with the Educational Services department on the implementation of this program for FY 23-24.

Transportation Costs:

Dr. Gleason shared the current transportation rates for 22-23 as well as the rates for 21-22.

- Current Rates, 2022-23
 - \$350 Roundtrip
 - \$300 Multi -Student Roundtrip
 - \$250 One Way
 - \$200 Multi-Student One Way
- Rates, 2021-22
 - \$330 Roundtrip
 - \$265 Multi-Student Roundtrip
 - \$220 One Way
 - \$170 Multi-Student One Way

Dr. Gleason also shared total transportation expenses which result in a \$600,000

encroachment on the general fund. Dr. Gleason shared recommended rates for 23-24, which would reduce the encroachment by 50%

- Recommended Rates, 2023-24
 - \$500 Roundtrip
 - \$450 Multi-Student Roundtrip
 - \$400 One-Way
 - \$350 Multi-Student One Way

Ms. Stein asked if routes have been looked at and if any are being underutilized. Dr. Gleason shared that routes have been examined and most are at capacity.

Proposition 28:

Dr. Gleason discussed the parameters of Proposition 28 which include:

- \$1.3M anticipated to LVUSD in 2023-24.
- The state will take 2022-23 staffing as a baseline and the district will need to demonstrate how the funding grew music and theater education programs beyond the existing baseline.
- 80% of funding must be used to hire new staff.
- Requires the governing board to certify that the additional funding is used to supplement and not supplant the existing program.
- Planned Use: Sustain PAEC and K-5 VAPA Investments, Instrument Replacement
- Max 1% Indirect Reimbursement

As a condition of receiving funds, LEAs must do the following annually:

- Certify that funds are used to provide arts education, and that funds expended in the prior fiscal year were used for that purpose
- Certify that funds received will be used to supplement funding for arts education programs and that funds received in the prior fiscal year were used for that purpose
- Certify that no more than 1% will be used for an LEA's administrative expenses and that funds received in the prior fiscal year were used within that limit
- Submit an annual report that describes the arts education programs funded and specifies how funds were utilized

Dr. Gleason shared that more clarity is needed.

Rental, Lease, and Litigation Updates:

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

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