

# IRVINE UNIFIED SCHOOL DISTRICT

## *Finance Committee*

*July 17, 2017*

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- Call to Order:** The meeting of the Finance Committee was called to order
- Roll Call:** Roll Call was conducted via sign-in sheet
- Members Present:** Tina Chiang, Andy Coleman, Denise Espinosa, Scott Hansen, Leslie Roach, Sidney Wu, Juliana Yepes, Cyril Yu
- Members Absent:** Thomas Potwora, Nora Seager, Sherry Slunka
- IUSD Staff:** John Fogarty, Asst. Supt. Business Services, Jennifer Payton, Confidential Assistant
- Guests:**
- Next Meeting Date:** Monday, September 18, 2017

### *Finance Committee Business*

#### **1. Call to Order; Roll Call**

- a. Member Cyril Yu called the meeting to order at 6:37p.m.

#### **2. Approval of the May 15, 2017 Meeting Minutes**

- a. Member Sidney Wu moved with Member Scott Hansen seconding approval of the May 15, 2017 meeting minutes, as presented.

#### **3. Local Control Accountability Plan (LCAP) / Budget Update for Public Hearing**

- a. Presented to the IUSD Board of Education on June 13, 2017.
- b. Presented by John Fogarty, Asst. Supt. of Business Services
- c. LCAP
  - i. \$7M carry over from 2016-17 plus \$1.5M from \$48 per ADA totals \$8.5M one-time funds to be allocated.
    1. Stakeholder feedback gathered on how to allocate these funds.
    2. Survey stakeholders on new proposed action items.
  - ii. \$8.5M one-time funds have been incorporated into the 2017-18 Budget.
- d. Budget
  - i. 2017-18 Budget built based on Governor's 2017-18 May Revise.
    1. Multiyear Projections (MYP) LCFF "gap" funding rates are built off the conservative School Services estimates.
  - ii. May Revise
    1. Approximately \$1.4 billion in ongoing funding
      - a. Cost-of-Living Adjustment (COLA) of 1.56%
      - b. LCFF "gap" 97% funded
        - i. The Governor's intention is to have school districts back to 2007-08 purchasing power when "gap" is 100% funded.
          1. STRS and PERS increases were not present in 2007-08; this significantly affects the present purchasing power.
      - c. Average increase in per-pupil funding of \$249 per Average Daily Attendance (ADA).
        - i. For IUSD, this is an increase of \$217 per ADA.
    2. Governor increased the 2017-18 revenue projections with May Revise.
      - a. Some concerns over revised state budget based on increased revenue projections; no data to support an increase.
      - b. Although there are no signs of an impending recession, the Governor continues to express concerns about the possibility of a recession.
        - i. Current economic expansion began in 2009.
        - ii. Current recovery is approaching three years longer than average.

- iii. 2016-17 revenues came in lower than projected.
- 3. Contingency to May Revise: Discretionary Block Grant Fund
  - a. May Revised included an increase of \$750M in one-time funding.
    - i. ADA increased from \$48 to \$173 per ADA.
    - ii. For IUSD, the \$1.5M to \$5.7M increase to be funded in 2018-19 contingent on state revenues coming in as projected.
    - iii. These funds are not currently included in the budget as they are not guaranteed.
  - 4. Utilization of ongoing funding \$15M
    - a. \$2.8M Growth Positions/New Schools
    - b. \$0.2 Other
    - c. \$3.7 STRS/PERS
    - d. \$2.4 Special Ed Growth
    - e. \$2.6 Step & Column
    - f. \$3.3M Unallocated Ongoing Funds
      - i. These funds are subject to negotiation with labor unions.
      - ii. Some of this funding will be utilized for other ongoing needs such as text book adoptions.
  - iii. Districts have an interest in increasing the LCFF base funding.
  - iv. Proposition 98 was originally structured to be a minimum guarantee, but has become a cap for funding.
    - 1. Districts who are not growing find it increasingly difficult to sustain the STRS and PERS increases without implementing budget reductions.
  - v. IUSD Funding Sources
    - 1. Partners such as the Irvine Company and Irvine Public Schools Foundation make significant contributions to IUSD.

#### 4. Adjournment

- a. The meeting was adjourned at 7:35 p.m.

#### **Action Items/Follow-Up**

- Next Finance Committee Meeting Monday, September 18, 2017