

IRVINE UNIFIED SCHOOL DISTRICT

Finance Committee

January 7, 2013

- Call to Order:** The meeting of the Finance Committee was called to order by Brian Daucher.
- Roll Call:** Roll Call was conducted via sign-in sheet.
- Members Present:** Brian Daucher, Alex Abshier, Alan Battenfield, Madeline Clyde, Felix Chen, Denise Espinosa, Ira Glasky, Maria Howard, Kathy Overman, Sherry Slunka, and Jason Viloria.
- Members Absent:**
- IUSD Staff:** John Fogarty, Asst. Supt., Business Services
Susana Lopez, Director of Fiscal Services
Raianna Chavez, Confidential Secretary
- Guests:** Janelle Cranch and Annette Symons
- Next Meeting Date:** Tuesday, January 22nd, 2012

Finance Committee Business

1. Call to Order; Roll Call; Recognition

Brian Daucher called the meeting to order at 6:28 p.m.

2. Introductions

Each member of the group introduced themselves including the new board appointed representatives: Kathy Overman appointed by Board Member Sharon Wallin, Ira Glasky appointed by Board Member Paul Bokota, and Madeline Clyde appointed by Board Member Lauren Brooks.

3. Finance Committee Organization

New Chairperson appointment

Brian Daucher recommended Felix Chen was Chairman of the Finance Committee, the motion was seconded by Jason Viloria with all members approving the appointment. Felix Chen served as Chairman for the remainder of the meeting.

4. Review of Finance Committee Mission Statement and purpose

The Finance Committee mission statement as provided to all members. Brian Daucher, Sherry Slunka and Janelle Cranch provided background information on the creation and purpose of the Finance Committee.

John Fogarty outlined the presentation plan for the Finance Committee meetings, noting staff would be presenting financial information to the committee after presenting the information to the school board.

Brian Daucher clarified, that it would be valuable for the committee to receive financial information such as issuing debt well before the final board approval. This will allow the committee members to provide insight to the Board prior to required authorization.

5. Review and Approval of Proposed 2012 FC Meeting Calendar

The members of the Finance Committee approved the following meeting dates for 2013:

- Tuesday, ~~January 22, 2013~~ - *changed to January 29, 2013 based on Auditors availability.*
- Tuesday, March 26, 2013
- Wednesday, June 26, 2013
- Tuesday, September 24, 2013
- Tuesday, December 17, 2013

Noting additional dates could be added if deemed necessary.

6. Approval of Minutes

September 24, 2012 – Approved

7. First Interim Presentation, by John Fogarty

Update on Prop 30 Impact

Legislative Analyst's Report on the California Budget/Budget Update

John Fogarty presented the First Interim Presentation that was presented to the School Board at the December 11, 2012 School Board Meeting.

John outlined the annual financial reporting schedule for the district as well as an overview of the K-12 financing history.

IUSD's 2012-13 budget was dependent on the outcome of the November ballot initiatives. With the passage of Proposition 30 the district didn't receive the anticipated \$441/ADA or \$12.2 million cut, instead was flat funded for another year, deeming the tentatively-negotiated furlough days unnecessary for 2012-13. However, due to the ongoing reductions experienced since 2008-09 IUSD, like most districts, maintains an operational deficit, where annual expenditures exceed revenues.

Governor Brown is seeking fundamental changes in how schools are funded with a Weighted Student Formula (WSF).

Should a non-advantageous new funding model be approved, the Finance Committee could provide recommendations should program cuts be necessary.

Do to the 2010 ACLU Lawsuit on impermissible student fees, schools have been asking for donations for such activities as sports, fieldtrips and summer school. The board designated \$3.5 million to help offset any amount not received by donations. Alan Battenfield added, through the elementary level schools, they have had to supplement the previously fee based activities with other education funds; the fiscal impact is not easily discernible. \$1.8 million of the board designated \$3.5 million remains, if the Board is unable to designate additional funds and donations don't cover the needed costs, the district may need to consider cuts; the Finance Committee could help provide recommendations for such cuts.

The school Board accepted the recommendation to certify a Positive First Interim Report.

8. Article: California School Districts Face Huge Debt on Risky Bonds, by Brian Daucher

Brian Daucher highlighted the provided article cautioning against risky bonds and confirmed the Finance Committee's purpose to make sure IUSD doesn't take similar risks. John Fogarty confirmed IUSD doesn't have plans to secure risky bonds.

John Fogarty added, based on the recommendation of the Revenue Enhancement Committee, the district is in the process of investigating Tech Bonds. The bonds can be segmented into long and short term bonds for capitalization proje 1 Tf1o.0006 Tch