

IRVINE UNIFIED SCHOOL DISTRICT

Finance Committee

May 28, 2013

- Call to Order:** The meeting of the Finance Committee was called to order by Felix Chen.
- Roll Call:** Roll Call was conducted via sign-in sheet.
- Members Present:** Felix Chen, Alan Battenfield, Madeline Clyde, Brian Daucher, Denise Espinosa, Maria Howard, Kathy Overman and Sherry Slunka
- Members Absent:** Alex Abshier, Ira Glasky and Jason Vilorina
- IUSD Staff:** John Fogarty, Asst. Supt., Business Services, Susana Lopez, Director of Fiscal Services
Raianna Chavez, Confidential Secretary
- Guests:** Brianne Myer, Chief Technology Officer of IUSD
Adam Bauer of Fieldman, Rolapp & Associates (joined at 6:43pm)
- Next Meeting Date:** June 26, 2013

Finance Committee Business

1. Call to Order; Roll Call; Recognition

Felix Chen called the meeting to order at 6:30 p.m.

2. Approval of Meeting Minutes

March 26, 2013 – Approved: Moved by Brian Daucher and Seconded by Sherry Slunka.

3. Tech Bond Proposed Projects by Brianne Meyer

Brianne Meyer provided an overview of the IUSD Technology plan concerning the proposed Tech Bond Projects:

The technology projects proposed have a tremendous and immediate need due to:

Funding Environment: consisting of consecutive years of budget cuts

Infrastructure: consisting of outdated and failing network hardware; and insufficient capacity

Educational Shifts: consisting of the transition to Common Core State Standards; Focus on Creation, Synthesis, and Application of Knowledge; and State Movement to online testing

State online testing implemented by 2014-15 requiring 7-12 hours of testing for all students grades 2nd and above

The benefits of implementing the technology infrastructure include:

Individualization via personalized and adaptive programs for skill development, practice and building fluency; Collaboration via project-based learning that prepares students for post-secondary education and career demands; Relevance via immediate access to updated curriculum, research, and real-world applications of student's learning; and Maximizing learning opportunities and resources via online assessments providing teachers immediate feedback on students' progress and struggles

Not to mention the ability to demonstrate real world examples and provide automated processes at the District Office level.

The potential to offset or relieve the general fund for the cost of textbooks and other documents

A committee member asked: How many people are needed to support the different varieties of devices? Ms. Meyer provided that the proposed Bond measure funds can't provide for staff time, but the bond can offset other funds to provide for increased staff; also staff's initial job will not be to fix all non-working devices but rather substitute the device for a working one. A committee member asked: How the district intends to support all the different devices and operating systems? Ms. Meyer provided that the students would utilize a district provided

website for instruction, as long as the device has internet capabilities all devices will have the same experience.

Technology Bond Overview:

Provides an ongoing, stable source of funding to address:

Facilities and Infrastructure Upgrades: one-time and long-term investments in technology infrastructure and facilities to support 21st Century Learning Environments

Ongoing costs to keep technology up-to-date and maintain the high-quality education IUSD is known for. Funding for network and classroom equipment and software to support learning. Investments to projects that create long-term efficiencies and free-up other resources.

Technology Bond Structure:

Funding to support the infrastructure for learning, including connectivity, communications, school safety, and improvements to learning resources and the learning environment.

Bond issuances/maturities will be structure to reflect the usable life of the investment. For example, permanent facilities improvements will have a 30 year maturity. Bonds dedicated to student or staff devices may have a maturity of 1-3 years.

Investments will be connected to the District’s Master Technology Plan (updated every three-five years), and reviewed by a Citizen’s Oversight Committee and the District Technology Steering Committee.

The projected total need per category are:

Category	Prorated Annual	30-Year Estimated Cost
Core Infrastructure	\$0.6 Million	\$18.6 Million
Connectivity	\$1.5 Million	\$45.3 Million
Learning Environment	\$5.0 Million	\$149.1 Million
Communication Tools	\$0.6 Million	\$18.8 Million
Efficient Systems	\$0.3 Million	\$9.6 Million
Total	\$12.3 Million	\$370.3 Million
	\$3 Million	\$90 Million
		Potential Relief to Other District Resources

4. Highlights of the Governor’s May Revised Budget, by John Fogarty

John Fogarty provided an overview of the Governor’s May Revised Budget noting:

The Governor is maintaining his LCFE formula.

There has been significant discussion at the State level, but no change or concessions.

The Senate has come out with their own proposal (Senate Bill 69) to increase the base by \$500 per ADA and eliminate the increase per disadvantaged students.

The former funding formula includes several modifications implemented over time which the currently proposed formula doesn’t include. There is a push to put the budget into a policy bill rather than the budget.

With the expiration of the 2% social security and the increase in sales tax due to Proposition 30 there looks to be an increase of \$4.5 billion which doesn’t look to be an ongoing stream of funds; the stream of funds are estimated to go down next year providing a \$2 billion net increase over 2 years.

The Governor has ear marked the one time monies for:

\$170 ADA for common core implementation

\$700 million to buy down deferrals

\$240 million increase LCFE implementation

Estimating LCFE fully implemented in 2021

\$220-225 per ADA increase for next year, about \$6.5 million.

IUSD would have received \$306 ADA under the former funding formula.

Staff will be developing the budget over the next month. This budget is going to be the most difficult budget, even with previous budgets involving trigger language.

IUSD has a \$5-6 million structural imbalance which has to be addressed. IUSD has built up a reserve so the structural deficit can be sustained, but the reserve won't last forever.

Concerning donations: IUSD received about \$1.3 million last year and approximately \$2 million this year. We are having sites ask for assistance in paying for things this year, which didn't happen last year.

Zero period and summer school receive enough donations to just about breakeven.

5. Adjournment

The meeting was adjourned at 8:34 p.m.

Action Items – Follow Up:

Ms. Meyer to provide:

A detailed “realistic” list of all technology hardware with amounts and expected life.

Breakout of the Computer Economics Inc. “Computer Spending and Staffing Benchmarks” Annual per User Spending on IT