



THE ACCELERATED SCHOOLS

Finance Committee Minutes

Date and Time

Wednesday, April 19, 2023, at 10:00 AM **(Unapproved Minutes)**

Location

The Accelerated Schools – MPR

FINANCE COMMITTEE

Finance Committee Members Present: Lawrence Picus, Ph.D., Chairperson and Leonard Rabinowitz

Finance Committee Members Absent: Binti Yost

Administrative Team Present: Grace Lee-Chang, Stephen Dickinson, Debbie Kukta, Dr. Cynthia Foley, Lenita Lugo and Claudia Reyes

Guest Speakers: None.

Guest Present: Janelle Ruley (Young, Minney & Corr)

AGENDA

Meeting Called to Order: 10:02am

Approval of the Agenda – Motion by Mr. Rabinowitz, second by Dr. Picus to approve the agenda with the deletion of information item #6 – Review of Relevant IRS Updates. Approved 2-0.

Public Comments: None

- 1. Approval of Minutes of the 12/1/2022 Finance Committee** – Motion by Mr. Rabinowitz, second by Dr. Picus. Approved 2-0.
- 2. Enrollment Report** – Information only. Dr. Kimberly Sheehan presented a report on each school's current enrollment, enrollment goals and enrollment caps. Dr. Sheehan and the Committee also discussed the initiatives to increase enrollment, specifically at WAHS, including social media. No action.

3. Pre-Preview of 2023-24 Budget – Information only. Mr. Dickinson explained that it is too early in the budget process to review detailed site budgets. The Committee reviewed the major revenue and expense assumptions being used for the adoption of the 2023-24 budget. Ongoing revenue assumptions include enrollment, ADA percentage, UPP percentage and the Governor’s proposed COLA for the LCFF. The Committee then reviewed one-time sources of funding and the expenditure deadlines for each. Regarding expenditures, the Business Services team has met twice with each school site Principal to review personnel, programs and all non-personnel budgets. 2023-24 staffing and program offerings will be substantially consistent with the current year.

Mr. Dickinson described that there are two budget stories occurring: 1) ongoing long-term budget that must be aligned with ongoing revenue/enrollment, and 2) proper spending of available one-time funds to provide a “landing” back to budget story #1 – a balanced ongoing budget. Many of the one-time funding sources require expenditures to be made, then a reimbursement process occurs. Therefore, the 2023-24 budget adoption will likely show deficits. Like the 2022-23 budget year, those deficits will then be reduced as much as possible by the offset of proper one-time funding sources. Mr. Dickinson cautioned that the fiscal year 2024-25 may require expenditure alignment. No action.

The Committee discussed that ExED will be transitioning the representative for TAS, from Gihan Gunasekera to Jeff Menge, as well as the menu of services offered by ExED.

4. Review and Consideration of Approval of Revisions to the Investments and the Investment Policy Statement – The Committee discussed that traditional LEAs have limited investment criteria. For charter schools, equities are an allowable investment. Janelle Ruley explained that if the law changed not allowing charter schools to invest in equities, it would likely be a long transition and TAS would have time to make appropriate adjustments to its policies and investments. Mr. Rabinowitz summarized the recent earnings history of the investment portfolio.

In reviewing the Investment Policy Statement, the Committee discussed that Alternative Investments (including real estate investment trusts or REITS) should be removed from the list of asset allocations. Motion by Mr. Rabinowitz, second by Dr. Picus to approve this revision. The revised Investment Policy Statement will be brought to a future Board meeting for final approval.

5. Recommended Revisions to Fiscal Policies & Procedures – Mr. Dickinson reviewed the following recommended revisions:

- In response to the 2021-22 audit finding, the following language is recommended to be placed in the Fiscal Policies & Procures – “Interest and investment income from pooled cash and investments will be allocated monthly to all sites based upon the prior month-end cash and investment balance of each site and as a percentage of the

month-end pool cash and investment balance. Each month, the CBO or Director of Fiscal Services will review the calculation, along with the month-end reconciliation, for timeliness, accuracy, and appropriateness.”

- Regarding ordering of supplies, it is recommended to remove an old reference to a website and replace with email addresses that are currently used for ordering supplies.

Motion by Dr. Picus, second by Mr. Rabinowitz. Approved 2-0. The revised Fiscal Policies & Procedures will be brought to a future Board meeting for final approval.

Adjourned Meeting: 11:02am; Approved 2-0

