

VUSD 2022-23 Second Interim Budget

Ventura Unified School District
Board of Education Regular Meeting
March 14, 2023



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Agenda

- Reporting Requirements
- Reserves
- Enrollment and ADA trends
- Revenues and Expenditures
- Ending Fund Balance
- MYP



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Education Code

- Per Education Code (EC) Section 42130 requires districts to submit two financial interim reports to the County Office of Education each fiscal year:
 - **1st Interim financial transactions from July 1 to October 31**
 - **2nd Interim financial transactions from July 1 to January 31**
- The Interim is designed to identify the changes in the budget, since adoption in June.
- The report provides overall changes in revenues, expenditures and ending fund balances and reserves.
- The report also provides a multi-year analysis to state the district ability to meet its financial obligations for the current and two subsequent years.



District Certification and Reserves

Fiscal Status of Second Interim Report- Positive Certification

The district will meet the current year and at least the next two fiscal years 3% state and the board required minimum reserve.

| Reserve | 2022-2023 | 2023-2024 | 2024-2025 |
|-------------------------------|-----------------|-----------------|-----------------|
| Total Available Reserves | \$14,080,000.00 | \$15,022,429.00 | \$14,959,292.00 |
| Total Available Reserves by % | 6.00% | 6.00% | 6.00% |



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Enrollment and ADA

| Year | Enrollment | ADA | Decrease ADA Yr. to Yr. | Decrease Enrollment Yr. to Yr. |
|-----------|------------|----------|-------------------------|--------------------------------|
| 2019-2020 | 16236 | 15660.38 | | |
| 2020-2021 | 15871 | 15660.38 | 0 | -365 |
| 2021-2022 | 15357 | 13889.75 | -1770.63 | -514 |
| 2022-2023 | 14980 | 13756.38 | -133.37 | -377 |
| 2023-2024 | 14513 | 13718.84 | -37.54 | -467 |
| 2024-2025 | 14111 | 13312.76 | -406.08 | -402 |

Funding for this year is based on a 3-year average of ADA which increased Ventura's USD significantly over the current year's ADA as well as the prior year's ADA

Funded ADA is 15,324.16



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ALL GENERAL FUND REVENUES

| | 2022-2023 First Interim Budget | 2022-2023 Second Interim | Difference | % Change |
|--------------------------------------|--------------------------------|--------------------------|------------------|----------|
| LCFF(Local Control Funding Formula) | \$178,351,971.00 | \$177,682,606.00 | (\$669,365.00) | -0.38% |
| Federal Revenue | \$18,201,461.00 | \$16,580,458.00 | (\$1,621,003.00) | -9% |
| State Revenues | \$49,874,469.00 | \$54,919,638.00 | \$5,045,169.00 | 10% |
| Local Revenues | \$18,978,345.00 | \$20,654,595.00 | \$1,676,250.00 | 9% |
| Total | \$265,406,246 | \$269,837,297.00 | \$4,431,051.00 | 2% |

LCFF Revenue decreased due to a reduction in unduplicated count %.

Federal Revenue- These are resources that need to be balanced and cannot have excess revenue if expenditures do not match. This is not a loss in revenue. It is adjusting our revenues to match the expense plan.

State Revenue- Increased due to transportation funding approx. 1.1 million. The remaining was due to revising ELOP award and adjusting other restricted resources to match spending.

Local Revenue- District received approx. 840k in Workers Comp Refund and 289k in STRS Refund for Excess Contributions, and approx. 462k in interest income and 262k in safety credit reimbursements.



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2022-2023 General Fund Expenditures

| | 2022-2023 First Interim | 2022-2023 Second Interim | | |
|-----------------------|-------------------------|--------------------------|------------------|----------|
| Description | Expenses | Expenses | Difference | % Change |
| Certificated Salaries | \$77,632,359 | \$83,664,110 | \$6,031,751.00 | 8% |
| Classified Salaries | \$33,726,487 | \$35,936,485 | \$2,209,998.00 | 7% |
| Benefits | \$63,361,486 | \$62,245,544 | (\$1,115,942.00) | -2% |
| Supplies | \$13,084,777 | \$14,853,300 | \$1,768,523.00 | 14% |
| Services | \$31,069,256 | \$32,583,411 | \$1,514,155.00 | 5% |
| Capital Outlay | \$1,901,240 | \$760,121 | (\$1,141,119.00) | -60% |
| Other Outgo | \$5,946,452 | \$4,289,043 | (\$1,657,409.00) | -28% |
| Total Expenditures | \$226,722,057 | \$234,332,014 | \$7,609,957.00 | 3% |



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CAL STRS, PERS, CPI, and COLA

SSC School District and Charter School Financial Projection Dartboard 2023-24 Governor's Budget

This version of the School Services of California Inc. (SSC) Financial Projection Dartboard is based on the 2023-24 Governor's Budget proposal. SSC has updated the cost-of-living adjustment (COLA), Consumer Price Index (CPI), and ten-year T-bill planning factors per the latest economic forecasts. SSC has also updated the Local Control Funding Formula (LCFF) factors. SSC relies on various state agencies and outside sources in developing these factors, but we assume responsibility for them with the understanding that they are general guidelines.

| LCFF PLANNING FACTORS | | | | | |
|--------------------------------------|---------|----------------------|---------|---------|---------|
| Factor | 2022-23 | 2023-24 ¹ | 2024-25 | 2025-26 | 2026-27 |
| Department of Finance Statutory COLA | 6.56% | 8.13% | 3.54% | 3.31% | 3.23% |
| Planning COLA | 6.56% | 8.13% | 3.54% | 3.31% | 3.23% |

| LCFF GRADE SPAN FACTORS FOR 2023-24 | | | | |
|--|----------|----------|----------|----------|
| Entitlement Factors per ADA* | TK-3 | 4-6 | 7-8 | 9-12 |
| 2022-23 Base Grants | \$9,166 | \$9,304 | \$9,580 | \$11,102 |
| Statutory COLA of 8.13% | \$745 | \$756 | \$779 | \$903 |
| 2023-24 Base Grants | \$9,911 | \$10,060 | \$10,359 | \$12,005 |
| Grade Span Adjustment Factors | 10.4% | – | – | 2.6% |
| Grade Span Adjustment Amounts | \$1,031 | – | – | \$312 |
| 2023-24 Adjusted Base Grants ² | \$10,942 | \$10,060 | \$10,359 | \$12,317 |
| Transitional Kindergarten (TK) Add-On ³ | \$3,042 | – | – | – |

*Average daily attendance (ADA)

| OTHER PLANNING FACTORS | | | | | | |
|--|----------------------|---------|---------|---------|---------|---------|
| Factors | 2022-23 | 2023-24 | 2024-25 | 2025-26 | 2026-27 | |
| California CPI | 6.00% | 3.44% | 2.77% | 2.49% | 2.74% | |
| California Lottery | Unrestricted per ADA | \$170 | \$170 | \$170 | \$170 | \$170 |
| | Restricted per ADA | \$67 | \$67 | \$67 | \$67 | \$67 |
| Mandate Block Grant (District) | Grades K-8 per ADA | \$34.94 | \$37.78 | \$39.12 | \$40.41 | \$41.72 |
| | Grades 9-12 per ADA | \$67.31 | \$72.78 | \$75.36 | \$77.85 | \$80.36 |
| Mandate Block Grant (Charter) | Grades K-8 per ADA | \$18.34 | \$19.83 | \$20.53 | \$21.21 | \$21.90 |
| | Grades 9-12 per ADA | \$50.98 | \$55.12 | \$57.07 | \$58.96 | \$60.86 |
| Interest Rate for Ten-Year Treasuries | 3.78% | 3.23% | 2.79% | 2.70% | 2.80% | |
| CalSTRS Employer Rate ⁴ | 19.10% | 19.10% | 19.10% | 19.10% | 19.10% | |
| CalPERS Employer Rate ⁴ | 25.37% | 27.00% | 28.10% | 28.80% | 29.20% | |
| Unemployment Insurance Rate ⁵ | 0.50% | 0.20% | 0.20% | 0.20% | 0.20% | |
| Minimum Wage ⁶ | \$15.50 | \$16.00 | \$16.40 | \$16.80 | \$17.20 | |

Expenditure Variances

Certificated and Classified Salaries reflect an increase due to negotiation settlement.

Benefits reflect a decrease due to the switch over from Gold Coast to CSEBO.

Supplies- Reflect an increase due to ESSER sanitation supplies and purchase of supplemental and instructional material purchases.

Services- Reflect and increase due to utilities, sped, and student services contracts, along with services for repairs.

Capital Outlay- Currently suspended to reduce expenditures. Will monitor needs on an individual basis.

Other Outgo- Consists of excess cost, and indirect costs and we are monitoring other funds to reduce expenditures.



2022-23 VUSD Second Interim Budget – Unrestricted Fund

| | |
|--------------------------------|-----------------|
| Beginning Balance | \$ 19,866,909 |
| Income | \$186,792,758 |
| Expense | (\$147,545,666) |
| Contributions | (\$33,546,570) |
| Increase/Decrease Fund Balance | \$5,700,522 |



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2022-23 VUSD Second Interim Budget – Unrestricted Fund

Ending Balance \$ 25,567,431

- 6% Reserve for Economic Uncertainty - \$14,080,000
- Stores - \$1,070,500
- Site/Program Carryover - \$400,000
- Reserve for Instructional Materials - \$3,000,000
- Reserve for 23-24 H&W Stabilization - \$3,000,000
- Reserve for 22-23 H&W Projected Savings - \$2,329,431
- Reserve for 22-23 Declining ADA - \$1,687,500
- Undesignated Ending Balance - \$ 0



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2022-23 VUSD Second Interim Budget – Restricted Fund

Ending Balance \$ 41,231,213

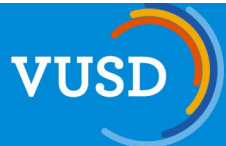
- Reserve for Arts/Music Block Grant - \$9,195,000
- Reserve for Learning Recovery Grant - \$18,546,000
- Reserve for Expanded Learning - \$8,233,213
- Reserve for Educator Effectiveness - \$2,523,000
- Reserve for Site/District Grants/Donations - \$2,734,000



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Multi-Year Projection 2023-2025

| <u>Projected 2nd Interim</u> | 2022/2023 | 2023/2024 | 2024/2025 |
|--|----------------|----------------|----------------|
| Beginning Balance | \$31,589,359 | \$66,798,644 | \$74,928,356 |
| Projected Revenue (per MYP) | \$269,922,297 | \$258,503,551 | \$234,805,318 |
| Total Projected Revenues | \$269,922,297 | \$258,503,551 | \$234,805,318 |
| Projected Expenses (per MYP) | \$234,713,012 | \$250,373,839 | \$249,321,545 |
| Total Projected Expenditures | \$234,713,012 | \$250,373,839 | \$249,321,545 |
| Surplus/(Deficit) | \$35,209,285 | \$8,129,712 | (\$14,516,227) |
| Transfers from/(to other funds) | \$0 | \$0 | \$0 |
| Projected Ending Fund Balance | \$66,798,644 | \$74,928,356 | \$60,412,129 |
| Non Spendable(Stores/Prepaid items) | (\$1,070,500) | (\$1,070,500) | (\$1,070,500) |
| Restricted Resources | (\$41,231,213) | (\$35,981,540) | (\$13,623,060) |
| Assignment | (\$10,416,931) | (\$22,853,887) | (\$30,759,277) |
| Reserve Dollars | \$14,080,000 | \$15,022,429 | \$14,959,292 |
| Reserve Level | 6.00% | 6.00% | 6.00% |
| Dollars Required for 3% REU | \$7,041,390 | \$7,511,215 | \$7,479,646 |



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Final Notes

- The District's current financial position is positive and the District's ability to manage its cash flow is effective without the need to borrow.
- The District must continue to be prudent in the development of its budgets to ensure fiscal solvency.
- The Strategy moving forward will be to continue to increase and maintain a high level of the reserve due to one-time dollars coming to an end and declining enrollment.
- Staffing needs to be monitored as positions become vacant due to attrition they should be analyzed to determine if they need to be filled.
- It is recommended that the Board of Trustees approve the 2022-2023 Second Interim Report



Questions?



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