

VUSD 2023-2024 Second Interim Budget

Ventura Unified School District
Board of Education Regular Meeting
March 12, 2024



For the future of every student

Agenda

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



For the future of every student

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.



For the future of every student

District Certification and Reserves

Fiscal Status of Second Interim Report- Positive Certification

District will meet the current year and next two fiscal years 3% state and board-required minimum reserve.

Reserve	2023-2024	2024-2025	2025-2026
Total Available Reserves	\$15,502,268.00	\$15,097,688.00	\$14,681,610.00
Total Available Reserves by %	6.00%	6.00%	6.00%



For the future of every student

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	13736.90	-152.85	-377
2023-2024	14662	13517.23	-219.67	-318
2024-2025	14479	13379.23	-138	-183
2025-2026	14329	13241.23	-138	-150

Current year funding is based on a three-year ADA average, which moderates the impact of declining enrollment on funded ADA.

2023/24 funded ADA is 14,746.25



For the future of every student

All General Fund Revenues

	2023-2024 First Interim	2023-2024 Second Interim	Difference	% Change
LCFF(Local Control Funding Formula)	\$185,082,139.00	\$185,903,909.00	\$821,770.00	0.44%
Federal Revenue	\$23,192,030.00	\$23,835,212.00	\$643,182.00	3%
State Revenues	\$33,759,550.00	\$33,242,952.00	(\$516,598.00)	-2%
Local Revenues	\$20,168,038.00	\$21,749,582.00	\$1,581,544.00	8%
Total	\$262,201,757.00	\$264,731,655.00	\$2,529,898.00	1%

LCFF Revenue - Due to Supplemental and Concentration grant percentage increased from 55% to 57%

Federal Revenue - Updated Special Education Mental Health Funding and updated ASSET rate increase to match revenue allocation.

State Revenue - Decreased approx. \$150k due to unrestricted lottery ADA decrease. The remaining was due to revising CTE awards and adjusting other restricted resources to match spending.

Local Revenue - District received approx. \$500k in two quarters of prior year interest earnings arriving late. The remaining million is an increase in the amount budgeted for Special Education to match final allocation.



For the future of every student

2023-2024 Combined Unrestricted/Restricted General Fund Expenditures

Combined	2023-2024 First Interim	2023-2024 Second Interim		
Description	Expenses	Expenses	Difference	% Change
Certificated Salaries	\$84,471,046	\$87,983,164	\$3,512,118.00	4%
Classified Salaries	\$40,693,324	\$43,700,249	\$3,006,925.00	7%
Benefits	\$63,870,993	\$67,059,994	\$3,189,001.00	5%
Supplies	\$18,560,603	\$17,181,302	(\$1,379,301.00)	-7%
Services	\$32,303,565	\$33,812,653	\$1,509,088.00	5%
Capital Outlay	\$2,007,288	\$3,778,099	\$1,770,811.00	88%
Other Outgo	\$4,846,589	\$4,855,650	\$9,061.00	0%
Total Expenditures	\$246,753,408	\$258,371,111	\$11,617,703.00	5%



For the future of every student

Unrestricted Expenditures

Unrestricted	2023-2024 First Interim	2023-2024 Second Interim		
Description	Expenses	Expenses	Difference	% Change
Certificated Salaries	\$60,732,929	\$63,490,265	\$2,757,336.00	5%
Classified Salaries	\$22,710,576	\$24,701,537	\$1,990,961.00	9%
Benefits	\$37,673,662	\$39,886,794	\$2,213,132.00	6%
Supplies	\$3,658,138	\$3,858,505	\$200,367.00	5%
Services	\$16,929,972	\$16,637,881	(\$292,091.00)	-2%
Capital Outlay	\$805,000	\$1,549,695	\$744,695.00	93%
Other Outgo	\$3,513,922	\$3,555,357	\$41,435.00	1%
Total Expenditures	\$146,024,199	\$153,680,034	\$7,655,835.00	5%



For the future of every student

Restricted Expenditures

Restricted	2023-2024 First Interim	2023-2024 Second Interim		
Description	Expenses	Expenses	Difference	% Change
Certificated Salaries	\$23,738,117	\$24,492,899	\$754,782.00	3%
Classified Salaries	\$17,982,748	\$18,998,712	\$1,015,964.00	6%
Benefits	\$26,197,331	\$27,173,200	\$975,869.00	4%
Supplies	\$14,902,465	\$13,322,797	(\$1,579,668.00)	-11%
Services	\$15,373,593	\$17,174,772	\$1,801,179.00	12%
Capital Outlay	\$1,202,288	\$2,228,404	\$1,026,116.00	85%
Other Outgo	\$1,332,667	\$1,300,293	(\$32,374.00)	-2%
Total Expenditures	\$100,729,209	\$104,691,077	\$3,961,868.00	4%



For the future of every student

COLA*, CPI, and CalSTRS / CalPERS

SSC School District and Charter School Financial Projection Dartboard 2024-25 Governor's Budget

This version of the School Services of California Inc. (SSC) Financial Projection Dartboard is based on the 2024-25 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	2023-24 ¹	2024-25	2025-26	2026-27	2027-28
Department of Finance Statutory COLA	8.22%	0.76%	2.73%	3.11%	3.17%

LCFF GRADE SPAN FACTORS FOR 2024-25				
Entitlement Factors per ADA*	TK-3	4-6	7-8	9-12
2023-24 Base Grants	\$9,919	\$10,069	\$10,367	\$12,015
Statutory COLA of 0.76%	\$75	\$77	\$79	\$91
2024-25 Base Grants	\$9,994	\$10,146	\$10,446	\$12,106
Grade Span Adjustment Factors	10.4%	—	—	2.6%
Grade Span Adjustment Amounts	\$1,039	—	—	\$315
2024-25 Adjusted Base Grants ²	\$11,033	\$10,146	\$10,446	\$12,421
Transitional Kindergarten (TK) Add-On ³	\$3,067	—	—	—

*Average daily attendance (ADA)

OTHER PLANNING FACTORS						
Factors		2023-24	2024-25	2025-26	2026-27	2027-28
California CPI		3.36%	2.83%	2.70%	2.72%	2.72%
California Lottery	Unrestricted per ADA	\$177	\$177	\$177	\$177	\$177
	Restricted per ADA	\$72	\$72	\$72	\$72	\$72
Mandate Block Grant (District) ⁴	Grades K-8 per ADA	\$37.81	\$38.10	\$39.14	\$40.36	\$41.64
	Grades 9-12 per ADA	\$72.84	\$73.39	\$75.39	\$77.73	\$80.19
Mandate Block Grant (Charter) ⁴	Grades K-8 per ADA	\$19.85	\$20.00	\$20.55	\$21.19	\$21.86
	Grades 9-12 per ADA	\$55.17	\$55.59	\$57.11	\$58.89	\$60.76
Interest Rate for Ten-Year Treasuries		4.16%	3.68%	3.50%	3.60%	3.60%
CalSTRS Employer Rate ⁵		19.10%	19.10%	19.10%	19.10%	19.10%
CalPERS Employer Rate ⁵		26.68%	27.80%	28.50%	28.90%	30.30%
Unemployment Insurance Rate ⁶		0.05%	0.05%	0.05%	0.05%	0.05%
Minimum Wage ⁷		\$16.00	\$16.50	\$16.90	\$17.30	\$17.70



Expenditure Variances

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

Benefits - reflect a increase due to negotiation settlement

Supplies - increased in Unrestricted General Fund by \$200k but decreased in Restricted General Fund due to aligning budgets to actuals expenses and encumbrances by \$1.5 million in restricted categorical programs such as SPED, Title I, Title IV, ASSET, CTE, Parcel Tax.

Services - Reflect an increase on the restricted side due increasing ELOP (EP Foster annex remodel) budget to align with planned expenditures for the remainder of the year. On the unrestricted expenses we are reducing budget by \$500k to account for reduction in contracted services and utilities budget to align with actual expenses and encumbrances.

Capital Outlay - Budgets were increased to account for \$750k purchases of busses and trucks and the remaining million dollar increase was to account for ELOP EP Foster remodel.

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



For the future of every student

2023-2024 VUSD Second Interim Budget – Unrestricted Fund

Beginning Balance	\$ 17,944,773
-------------------	---------------

Income	\$195,797,660
--------	---------------

Expense	(\$153,680,034)
---------	-----------------

Contributions	(\$34,663,214)
---------------	----------------

Increase/Decrease Fund Balance	\$7,454,412
--------------------------------	-------------



For the future of every student

2023-2024 VUSD Second Interim Budget – Unrestricted Fund

Ending Balance \$ 25,399,185

- 6% Reserve for Economic Uncertainty - \$15,502,267
- Stores - \$365,000
- Reserve for Instructional Materials - \$2,885,937
- Reserve for 22-23 H&W - \$2,329,431
- Reserve for 23-24 Declining ADA - \$4,316,550
- Undesignated Ending Balance - \$ 0



For the future of every student

2022-23 VUSD Second Interim Budget – Restricted Fund

Ending Balance \$ 39,850,381

- Reserve for Arts/Music Block Grant - \$8,868,192
- Reserve for Learning Recovery Emergency Block Grant - \$15,676,109
- Reserve for Expanded Learning - \$10,631,297
- Reserve for Educator Effectiveness - \$3,308,227
- Reserve for Site/District Grants/Donations - \$1,366,556



For the future of every student

Assumptions in Multiyear Projections (MYP)

The District's MYP is developed with several assumptions.

- The COLAs used for the two out years are based on SSC assumptions 2024/25 at 0.76% and 2025/26 at 2.73%. This has reduced 2024/25 unrestricted revenues by approx. \$6 million.
- Savings from PARS implementation is added starting fiscal year 2024/25 in the amount of \$5.3 million for the next five years.
- PARS payment is budgeted for fiscal year 2024/25 utilizing AMIM discretionary block grant and general fund. This will alleviate an ongoing payment from general fund in the amount of \$1.8 million dollars over the next five years.
- Dual Immersion Program reduction accounted for in MYP approx. \$550k across three years.
- ELOP costs shifts from general fund included in MYP approx. \$1.2 million ongoing.
- Educator Effectiveness expense shift from general fund included in MYP of approx. \$1 million.



For the future of every student

Assumptions in MYP

ESSER III funds amounting to \$14.2 million will expire at the conclusion of fiscal year 2023/24. Every recurring expenditure has been subtracted from the subsequent years. This accounts for \$6.5 million in services and supplies. The remaining \$7.7 million consists of ESSER III-funded positions that were not included during the previous two years of the MYP.

If these positions are not reduced, they will need to be returned to the general fund or transferred to the Learning Recovery Emergency Block Grant (LREBG) for no more than two years, after which the LREBG funds will be completely depleted, although LREBG funds can be utilized through 2028.

Assumption in MYP

- Parcel tax funds \$2.1 million are included in the budget until fiscal year 2024/25.
- It is recommended that the district seek another parcel tax in November 2024, but that revenue will only be budgeted when/if the parcel tax passes.
- Parcel tax expenses also have been removed in fiscal year 2025/26.

Multi-Year Projection 2024-2026

<u>Projected 2nd Interim</u>	2023-2024	2024/2025	2025/2026
Beginning Balance	\$58,889,023	\$65,249,567	\$54,087,771
Projected Revenue (per MYP)	\$264,731,655	\$240,466,324	\$238,391,811
Total Projected Revenues	\$264,731,655	\$240,466,324	\$238,391,811
Projected Expenses (per MYP)	\$258,371,111	\$251,628,120	\$244,693,491
Total Projected Expenditures	\$258,371,111	\$251,628,120	\$244,693,491
Surplus/(Deficit)	\$6,360,544	(\$11,161,796)	(\$6,301,680)
Transfers from/(to other funds)	\$0	\$0	\$0
Projected Ending Fund Balance	\$65,249,567	\$54,087,771	\$47,786,091
Revolving Cash, Stores	(\$365,000)	(\$365,000)	(\$365,000)
Restricted Resources	(\$39,850,381)	(\$30,982,189)	(\$30,982,189)
Assignments	(\$9,531,918)	(\$7,642,893)	(\$1,757,291)
Reserve Dollars	\$15,502,268	\$15,097,689	\$14,681,611
Reserve Level	6.0%	6.00%	6.00%

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 maintain a minimum 6% reserve due to one-time revenues ending, ongoing declining enrollment, and state-level fiscal uncertainties.
- 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 2023-2024 Second Interim Report



For the future of every student

Questions?



For the future of every student