

VUSD 2024-2025 Budget

Ventura Unified School District
Board of Education Regular Meeting
June 25, 2024



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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) Sections 42127 and 52062, school districts must hold two separate Governing Board public meetings. The first meeting is the Local Control and Accountability Plan (LCAP) and Budget hearing.

The second meeting is the LCAP and Budget adoption. The LCAP item must precede the Budget item at each meeting.



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District Certification and Reserves

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

Reserve	2024-2025	2025-2026	2026-2027
Total Available Reserves	\$15,086,025	\$14,235,166	\$14,523,738
Total Available Reserves by %	6.00%	6.00%	6.00%

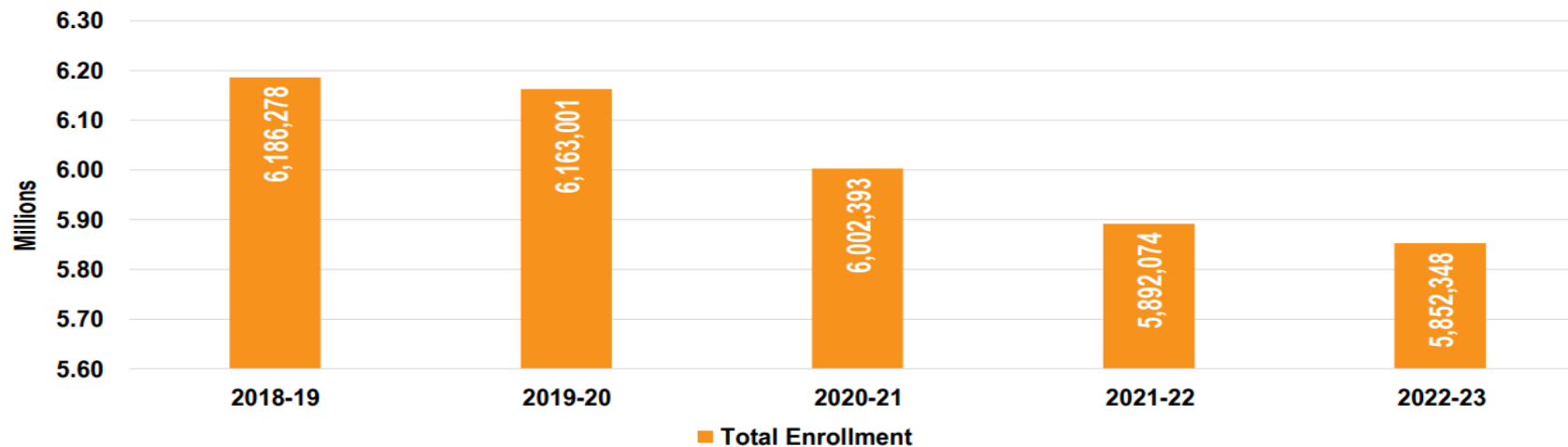


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Statewide Enrollment

Statewide Enrollment Trends

- California has experienced a severe decline in enrollment over the last five years with student enrollment declining from 6.2 million students in 2018-19 to 5.9 million students in 2022-23, which represents a 5.4% loss



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VUSD is continuing to experience declining enrollment. In 2021/22 the district enrollment was 15,357 and in 2024/25 projected to be at 14,662.



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Funded ADA

	2022-23	2023-24	2024-25	2025-26	2026-27	2027-28
TOTAL FUNDED ADA						
Grades TK-3	4,378.87	4,194.68	4,006.02	3,906.22	3,874.76	3,829.48
Grades 4-6	3,396.54	3,225.39	3,062.83	2,986.51	2,964.24	2,929.66
Grades 7-8	2,452.59	2,311.72	2,144.53	2,028.87	1,981.12	1,957.95
Grades 9-12	5,123.42	5,002.75	4,865.33	4,711.97	4,648.23	4,594.34
Total Funded ADA	15,351.42	14,734.54	14,078.71	13,633.57	13,468.35	13,311.43

	2022-23	2023-24	2024-25	2025-26	2026-27	2027-28
SUMMARY OF FUNDING						
General Assumptions						
COLA & Augmentation	13.26%	8.22%	1.07%	2.73%	3.19%	3.16%
Base Grant Proration Factor	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
Add-on, ERT & MSA Proration Factor	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
LCFF Entitlement						
Base Grant	\$152,114,151	\$158,157,128	\$152,885,727	\$152,079,419	\$155,007,750	\$158,045,158
Grade Span Adjustment	5,653,732	5,889,764	5,715,720	5,710,236	5,838,763	5,950,651
Supplemental Grant	17,553,255	18,366,690	17,804,599	17,946,996	18,281,814	18,639,763
Concentration Grant	646,060	1,044,979	1,164,928	1,917,933	1,913,270	1,950,731
Add-ons: Targeted Instructional Improvement Block Grant	279,802	279,802	279,802	279,802	279,802	279,802
Add-ons: Home-to-School Transportation	1,369,685	1,482,273	1,498,133	1,539,032	1,588,127	1,638,312
Add-ons: Small School District Bus Replacement Program	-	-	-	-	-	-
Add-ons: Transitional Kindergarten	474,412	676,306	673,714	684,952	699,420	713,907
Total LCFF Entitlement Before Adjustments, ERT & Additional State Aid	\$178,091,097	\$185,896,942	\$180,022,623	\$180,158,370	\$183,608,946	\$187,218,324

ALL GENERAL FUND REVENUES

	2023-2024 Estimated Actuals	2024-2025 Budget	Difference	% Change
LCFF(Local Control Funding Formula)	\$185,937,487.00	\$180,022,623.00	(\$5,914,864.00)	-3.18%
Federal Revenue	\$23,510,112.00	\$8,916,406.00	(\$14,593,706.00)	-62%
State Revenues	\$34,025,798.00	\$30,055,195.00	(\$3,970,603.00)	-12%
Local Revenues	\$23,052,192.00	\$21,072,890.00	(\$1,979,302.00)	-9%
Total	\$266,525,589.00	\$240,067,114.00	(\$26,458,475.00)	-10%

Our 2024/25 Budget has been updated to align with the Governor's May Revision proposal.

LCFF - updated based on ADA and 1.07% COLA. This caused a decrease in 2024/25 adopted budget by \$5.9 million dollars.

Federal Revenue - Approx. \$14.5 million reduction from fiscal year 2023/24 going in to fiscal year 2024/25 due to one-time ESSER funding been fully spent.

State Revenue - Removal of AMIM discretionary funds in adopted budget as the district will fully spend funds in fiscal year 2023/24. Budgets reduced for ASES and CTEIG grants to reflect allocation approx. \$1 million decrease.

Local Revenue - Interest Earnings adjusted for 2024/25 budget to remove time funds received in 2023/24



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CPI*, STRS and PERS

OTHER PLANNING FACTORS						
Factors		2023-24	2024-25	2025-26	2026-27	2027-28
California CPI		3.33%	3.10%	2.86%	2.87%	2.80%
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	\$38.21	\$39.33	\$40.54	\$41.88
	Grades 9-12 per ADA	\$72.84	\$73.62	\$75.78	\$78.11	\$80.69
Mandate Block Grant (Charter) ⁴	Grades K-8 per ADA	\$19.85	\$20.06	\$20.65	\$21.29	\$21.99
	Grades 9-12 per ADA	\$55.17	\$55.76	\$57.39	\$59.16	\$61.11
Interest Rate for Ten-Year Treasuries		4.32%	4.19%	3.76%	3.70%	3.70%
CalSTRS Employer Rate ⁵		19.10%	19.10%	19.10%	19.10%	19.10%
CalPERS Employer Rate ⁵		26.68%	27.05%	27.60%	28.00%	29.20%
Unemployment Insurance Rate ⁶		0.05%	0.05%	0.05%	0.05%	0.05%

CalPERS rate is increasing 0.37% from Fiscal Year 2023/24 to Fiscal Year 2024/25.
 CalSTRS rate is stabilized and not reflecting an increase.
 Consumer Price Index (CPI*) was not applied to all expenses.

General Fund Expenditures

Combined Description	2023-2024 Estimated Actuals Expenses	2024-2025 Budget Expenses	Difference	% Change
Certificated Salaries	\$89,316,257	\$88,832,547	-\$483,710.00	-1%
Classified Salaries	\$44,381,845	\$47,206,521	\$2,824,676.00	6%
Benefits	\$67,816,026	\$69,889,129	\$2,073,103.00	3%
Supplies	\$15,311,667	\$8,818,146	-\$6,493,521.00	-42%
Services	\$44,192,155	\$26,073,396	-\$18,118,759.00	-41%
Capital Outlay	\$4,458,906	\$6,025,291	\$1,566,385.00	35%
Other Outgo	\$5,022,055	\$4,588,708	-\$433,347.00	-9%
Total Expenditures	\$270,498,911	\$251,433,738	-\$19,065,173.00	-7%

- Certificated salaries at 2nd interim had a conservative placeholder to estimate the cost of negotiations settlement all in unrestricted resource. Now at Estimated Actuals and Budget Adoption the placeholder is removed and salaries have been updated to reflect increase in their proper resources reflecting a decrease in 2024/25 Budget.
- Classified salaries increased due to carrying vacancies for paras and campus supervisors historically being hard positions to fill. Budget will be updated at first interim this will reflect true positions that remain vacant.
- Budgeted decreases in supplies and services due to fully spending AMIM and ESSER dollars in fiscal year 2023/24. Funds are fully depleted in fiscal year 2024/25.
- Capital Outlay expenditures increased to account for Expanded Learning projects.



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2024-2025 VUSD Unrestricted Budget

Beginning Balance	\$ 22,225,131
Income	\$189,795,731
Expense	(\$148,414,025)
Contributions	(\$35,961,536)
Increase/Decrease Fund Balance	\$5,420,170



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2024-2025 VUSD Budget – Unrestricted Fund

Ending Balance \$27,645,301

- 6% Reserve for Economic Uncertainty - \$15,086,025
- Stores - \$365,000
- Reserve for Instructional Materials - \$2,000,000
- Reserve for 22-23 H&W Projected Savings - \$2,329,431
- Reserve for Declining ADA - \$7,864,845
- Undesignated Ending Balance - \$ 0



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2024-2025 VUSD Budget – Restricted Fund

Ending Balance \$15,903,775

- Reserve for Learning Recovery Grant - \$6,144,089
- Reserve for Expanded Learning - \$2,151,097
- Restricted Lottery Instructional Materials- \$709,910
- Reserve for Educator Effectiveness - \$701,029
- Prop 28-\$4,692,094
- Reserve for Site/District Grants/Donations - \$1,505,556



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Assumptions in the MYP

The MYP is developed with key assumptions:

- Positions and expenses currently funded through restricted COVID funds and other one-time restricted funds will be discontinued in the out years.
- Spend Categorical Dollars first
- ESSER funded positions that were allowable were moved to LREBG utilizing approx. \$8.5 million leaving a remaining balance of approx. \$7.1 million. These funds will be fully spent by fiscal year 2025/26
- Parcel Tax revenue and expenditures removed in the out years until results of November election are known.
- Energy Savings from Solar not accounted for as projects are under construction.



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Multi-Year Projection 2025-2027

<u>Projected 24.25 Adopted Budget</u>	2024/2025	2025/2026	2026/2027
Beginning Balance	\$54,915,701	\$43,549,077	\$44,311,810
Projected Revenue (per MYP)	\$240,067,114	\$238,015,495	\$241,466,071
Total Projected Revenues	\$240,067,114	\$238,015,495	\$241,466,071
Projected Expenses (per MYP)	\$251,433,738	\$237,252,762	\$242,062,290
Total Projected Expenditures	\$251,433,738	\$237,252,762	\$242,062,290
Surplus/(Deficit)	(\$11,366,624)	\$762,733	(\$596,219)
Transfers from/(to other funds)	\$0	\$0	\$0
Projected Ending Fund Balance	\$43,549,077	\$44,311,810	\$43,715,591
Revolving Cash, Stores	(\$365,000)	(\$365,000)	(\$365,000)
Restricted Resources	(\$15,903,775)	(\$15,154,481)	(\$14,405,187)
Assignments	(\$12,194,276)	(\$14,557,162)	(\$14,421,665)
Reserve Dollars	\$15,086,026	\$14,235,167	\$14,523,739
Reserve Level	6.0%	6.00%	6.00%



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Scenario 2

If \$5 million in positions funded from LREBG revert back to Unrestricted General Fund.

Energy Savings not included.

Parcel Tax not included.



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Multi-Year Projection 2025-2027

Projected 24.25 Adopted Budget	2024/2025	2025/2026	2026/2027
Beginning Balance	\$54,915,701	\$43,549,077	\$39,311,810
Projected Revenue (per MYP)	\$240,067,114	\$238,015,495	\$241,466,071
Total Projected Revenues	\$240,067,114	\$238,015,495	\$241,466,071
Projected Expenses (per MYP)	\$251,433,738	\$242,252,762	\$247,062,290
Total Projected Expenditures	\$251,433,738	\$242,252,762	\$247,062,290
Surplus/(Deficit)	(\$11,366,624)	(\$4,237,267)	(\$5,596,219)
Transfers from/(to other funds)	\$0	\$0	\$0
Projected Ending Fund Balance	\$43,549,077	\$39,311,810	\$33,715,591
Revolving Cash, Stores	(\$365,000)	(\$365,000)	(\$365,000)
Restricted Resources	(\$15,903,775)	(\$15,154,481)	(\$14,405,187)
Assignments	(\$12,194,276)	(\$9,257,162)	(\$4,121,665)
Reserve Dollars	\$15,086,026	\$14,535,167	\$14,823,739
Reserve Level	6.0%	6.00%	6.00%

We are able to meet our 6% reserve and still certify positive. In 4th year 2027/28 our reserves drop to 4%



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Scenario 3- MYP

If no reductions are made and all of the LREBG funded positions revert back to Unrestricted General Fund.

Energy Savings not included.

Parcel Tax not included.



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Multi-Year Projection 2025-2027

<u>Projected 24.25 Adopted Budget</u>	2024/2025	2025/2026	2026/2027
Beginning Balance	\$54,915,701	\$43,549,077	\$36,311,811
Projected Revenue (per MYP)	\$240,067,114	\$238,015,495	\$241,466,071
Total Projected Revenues	\$240,067,114	\$238,015,495	\$241,466,071
Projected Expenses (per MYP)	\$251,433,738	\$245,252,761	\$250,062,289
Total Projected Expenditures	\$251,433,738	\$245,252,761	\$250,062,289
Surplus/(Deficit)	(\$11,366,624)	(\$7,237,266)	(\$8,596,218)
Transfers from/(to other funds)	\$0	\$0	\$0
Projected Ending Fund Balance	\$43,549,077	\$36,311,811	\$27,715,593
Revolving Cash, Stores	(\$365,000)	(\$365,000)	(\$365,000)
Restricted Resources	(\$15,903,775)	(\$15,154,481)	(\$14,405,187)
Assignments	(\$12,194,276)	(\$6,077,162)	\$0
Reserve Dollars	\$15,086,026	\$14,715,168	\$12,945,406
Reserve Level	6.0%	6.00%	5.18%

We will be able to certify positive with 5% reserves in FY 26/27. The upcoming fiscal year 2027/28 the district will not be able to certify positive or make our 3% required minimum state reserve.



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Summary of Other Funds

Fund 08-ASB	Fund 11-Adult Ed	Fund 12-Child Develop	Fund 13- Child Nutrition	Fund 21 Building Fund	Fund 25- Capital Facilities Fund/Developer Fees	Fund 51-Bond Interest Redemption	Fund 73- Foundation/Scholarship Fund
Beg Balance: \$1,752,036	Beg Balance: \$7,547,317	Beg Balance: \$340,400	Beg Balance: \$2,324,332	Beg Balance: \$66,879,521	Beg Balance: \$3,511,123	Beg Balance: \$20,177,821	Beg Balance: \$717,540
Revenue:	Revenue: \$6,328,865	Revenue: \$2,555,990	Revenue: \$9,625,000	Revenue: \$275,000	Revenue: \$775,000	Revenue: \$17,310,884	Revenue: \$96,000
Expenditures:	Expenditures: \$6,380,814	Expenditures: \$2,555,990	Expenditures: \$11,580,207	Expenditures: \$49,758,929	Expenditures: \$2,058,500	Expenditures: \$20,301,793	Expenditures: \$180,465
Ending Fund Balance: \$1,752,036	Ending Fund Balance: \$7,495,368	Ending Fund Balance: \$340,400	Ending Fund Balance: \$369,125	Ending Fund Balance: \$17,395,592	Ending Fund Balance: \$2,227,623	Ending Fund Balance: \$17,301,793	Ending Fund Balance: \$633,075



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Summary

- The District is able to meet its financial obligations for the current year and two future years for a positive certification.
- LCFF Revenues for 2024/25 has been updated to reflect 1.07% COLA.
- Federal revenues have been updated to remove expiring one-time COVID funds in future years.
- Declining enrollment losses and lower Average Daily Attendance (ADA) will continue through 2026/27, and are accounted for in the MYP.



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Final Notes

- The District's current financial position is positive and the District is positioned to manage its cash flow 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 should be to increase and/or maintain an enhanced reserve, due to declining enrollment, prioritize spending of categorical funds, and anticipated reductions to current/future one-time funds.
- Staffing must be monitored at all times. As positions become vacant due to attrition, staffing should be analyzed to determine any open position must be filled.



Next Steps for Budget

By June 30, 2024 - adopt budget

July - August 2024 - a revised budget may be required if enacted state budget results in significant revenue adjustments

On or before August 15, 2024 - VCOE may seek clarification and request budget revisions

September 15, 2024 - 2023/24 unaudited actuals due to VCOE

On or before December 15, 2024 - 1st Interim Report



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Questions?



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