

VUSD 2024-2025 Second Interim Budget

Ventura Unified School District
Board of Education Regular Meeting
March 11, 2025



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	2024-2025	2025-2026	2026-2027
Total Available Reserves	\$16,107,853.00	\$15,331,134	\$15,591,086
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		-365
2021-2022	15357	13889.75	-1770.63	-514
2022-2023	14980	13736.90	-152.85	-377
2023-2024	14662	13577.49	-159.41	-318
2024-2025	14350	13510.94	-66.55	-312
2025-2026	14150	13322.94	-188	-200
2026-2027	13950	13134.94	-188	-200

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

2024/25 funded ADA is 14,079.79



For the future of every student

All General Fund Revenues

	2024-2025 First Interim	2024-2025 Second Interim	Difference	% Change
LCFF(Local Control Funding Formula)	\$181,728,242.00	\$181,605,915.00	(\$122,327.00)	-0.07%
Federal Revenue	\$8,783,561.00	\$9,244,820.00	\$461,259.00	5.25%
State Revenues	\$31,132,091.00	\$30,891,712.00	(\$240,379.00)	-0.77%
Local Revenues	\$26,320,755.00	\$27,700,554.00	\$1,379,799.00	5.24%
Total	\$247,964,649.00	\$249,443,001.00	\$1,478,352.00	0.60%

LCFF Revenue - Decreased slightly based on updated projection for ADA.

Federal Revenue - Increased based on updating Special Education Mental Health Funding and updated Title I funding to match revenue allocation.

State Revenue - Decreased approx. \$37k due to unrestricted and restricted lottery adjustments to match final allocations. \$202k was decreased for home-to-school transportation to match updated allocation.

Local Revenue - District received \$674k increasing final settlement with Gold Coast Trust from \$3.7 million to \$4.3 million. The District received one-time Medi-Cal billing revenue approx. \$600k from 2018-2019. The district received final closeout payment from the Mound fire in the amount of \$103k



For the future of every student

2024-2025 Combined Unrestricted/Restricted General Fund Expenditures

	2024-2025 First Interim	2024-2025 Second Interim		
Description	Expenses	Expenses	Difference	% Change
Certificated Salaries	\$91,454,533	\$90,360,657	(\$1,093,876.00)	-1.20%
Classified Salaries	\$52,273,152	\$52,035,014	(\$238,138.00)	-0.46%
Benefits	\$72,898,419	\$72,161,358	(\$737,061.00)	-1.01%
Supplies	\$11,800,288	\$12,335,932	\$535,644.00	4.54%
Services	\$28,458,727	\$28,694,419	\$235,692.00	0.83%
Capital Outlay	\$7,736,633	\$8,320,105	\$583,472.00	7.54%
Other Outgo	\$4,544,180	\$4,556,729	\$12,549.00	0.28%
Total Expenditures	\$269,165,932	\$268,464,214	(\$701,718.00)	-0.26%



For the future of every student

COLA*, CPI, and CalSTRS / CalPERS

SSC School District and Charter School Financial Projection Dartboard 2025-26 Governor's Budget

This version of the School Services of California Inc. (SSC) Financial Projection Dartboard is based on the 2025-26 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	2024-25 ¹	2025-26 ²	2026-27	2027-28	2028-29
Department of Finance Statutory COLA	1.07%	2.43%	3.52%	3.63%	3.49%

LCFF GRADE SPAN FACTORS FOR 2025-26				
Entitlement Factors per ADA*	TK-3	4-6	7-8	9-12
2024-25 Base Grants	\$10,025	\$10,177	\$10,478	\$12,144
Statutory COLA of 2.43%	\$244	\$247	\$255	\$295
2025-26 Base Grants	\$10,269	\$10,424	\$10,733	\$12,439
Grade Span Adjustment Factors	10.4%	—	—	2.6%
Grade Span Adjustment Amounts	\$1,068	—	—	\$323
2025-26 Adjusted Base Grants ³	\$11,337	\$10,424	\$10,733	\$12,762
Transitional Kindergarten (TK) Add-On ⁴	\$6,404	—	—	—

*Average daily attendance (ADA)

OTHER PLANNING FACTORS						
Factors		2024-25	2025-26	2026-27	2027-28	2028-29
California CPI		2.85%	2.92%	2.70%	2.76%	2.90%
California Lottery	Unrestricted per ADA	\$191	\$191	\$191	\$191	\$191
	Restricted per ADA	\$82	\$82	\$82	\$82	\$82
Mandate Block Grant (District)	Grades K-8 per ADA	\$38.21	\$39.14	\$40.52	\$41.99	\$43.46
	Grades 9-12 per ADA	\$73.62	\$75.41	\$78.06	\$80.89	\$83.71
Mandate Block Grant (Charter)	Grades K-8 per ADA	\$20.06	\$20.55	\$21.27	\$22.04	\$22.81
	Grades 9-12 per ADA	\$55.76	\$57.11	\$59.12	\$61.27	\$63.41
Interest Rate for Ten-Year Treasuries		4.39%	4.49%	4.41%	4.30%	4.30%
CalSTRS Employer Rate ⁵		19.10%	19.10%	19.10%	19.10%	19.10%
CalPERS Employer Rate ⁵		27.05%	27.40%	27.50%	28.50%	28.20%
Unemployment Insurance Rate ⁶		0.05%	0.05%	0.05%	0.05%	0.05%
Minimum Wage ⁷		\$16.50	\$16.90	\$17.40	\$17.80	\$18.30



For the future of every student

Expenditure Variances

Certificated Salaries - Unrestricted substitute costs budget was reduced by \$400k to reflect 6-month trend in expenditures. Unrestricted hourly teacher costs budget was decreased by \$400k to reflect 6-month trend in expenditures. \$200k decrease was in restricted SPED due to zeroing out of vacancies.

Classified Salaries - Reflect a decrease due to expanded learning para educator budget being brought down to align with 6-month expenditures trend.

Supplies - Increased by \$178k in Restricted Kitchen Infrastructure budget to account for purchase of lunch tables. The remaining \$357k was to account for purchase of *Just Right Readers* total cost.

Services - Reflect and increase of \$235k in the restricted budget due to increasing Educator Effectiveness Funds to align with planned expenditures for the remaining of the year.

Capital Outlay - Budgets were increased on restricted budget to account for \$583k to align with actuals and encumbrances for ELOP EP Foster Annex.

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



For the future of every student

2024-2025 VUSD Second Interim Budget – Unrestricted Fund

Beginning Balance	\$ 24,409,656
-------------------	---------------

Income	\$197,217,327
--------	---------------

Expense	(\$169,451,726)
---------	-----------------

Contributions	(\$23,855,521)
---------------	----------------

Increase/Decrease Fund Balance	\$3,910,080
--------------------------------	-------------



For the future of every student

2024-2025 VUSD Second Interim Budget – Unrestricted Fund

Ending Balance \$ 28,319,736

- 6% Reserve for Economic Uncertainty - \$16,107,853
- Stores - \$365,000
- Reserve for 22-23 H&W - \$2,329,431
- Reserve for Declining ADA - \$9,517,452
- Undesignated Ending Balance - \$ 0



For the future of every student

2024-2025 VUSD Second Interim Budget Restricted Fund

Ending Balance \$ 11,699,432

- Reserve for Arts/Music AMS Funding (Prop 28)- \$2,119,978
- Reserve for Learning Recovery Emergency Block Grant - \$6,484,574
- Reserve for Expanded Learning - \$1,625,004
- Reserve for Educator Effectiveness - \$593,264
- Reserve for Site/District Grants/Donations - \$876,612



For the future of every student

Assumptions in MYP

Learning Recovery Emergency Block Grant (LREBG) in current fiscal year 2024/25 will expend \$9.2 million in positions of the \$15.6 million total allocation leaving a balance of approx. \$6.4 million for fiscal year 2025/26. This MYP assumes the \$2.9 million shortfall due to lack of one-time LREBG funds to cover expenses is returning to the general fund in fiscal year 2025/26.

This MYP assumes that \$6.4 million dollars remaining in LREBG will be fully exhausted at the end of fiscal year 2025/26. The expenses tied to these funds are returning to the general fund in fiscal year 2026/27.

Based on the actions taken by the board for classified and certificated reductions. This MYP includes an assumption of a permanent reduction estimate of \$5.5 million dollars from certificated and classified salaries budget in fiscal year 2025/26 thru fiscal year 2026/27. Actual dollar amount of reductions will be determined by 2025/26 budget adoption.

This MYP assumes no additional programmatic staffing increases in future years. Any additional staffing increases will impact the ongoing deficit, unless there is special funding available to utilize for changes in staffing.

The COLA was decreased from 2.93% to 2.43% in Fiscal year 2025/26 based on guidance from Ventura County Office of Education. This is subject to change based on State final budget.

Health and Welfare assumption of 7% increase is included for outyears. This is approx. \$1.7 million in fiscal year 2025/26 and \$1.8 million in fiscal year 2026/27 until new insurance rates are determined. Step and Column cost for fiscal year 2025/26 is approx. \$2.1 million and for fiscal year 26/27 is approx. \$2 million. PERS increases are included in the outyears for fiscal year 2025/26 estimated cost is \$176k and fiscal year 2026/27 is \$51k.



For the future of every student

Multi-Year Projection 2025-2027

<u>Projected 2nd Interim- Unrestricted</u>	2024/2025	2025/2026	2026/2027
Beginning Balance	\$24,409,656	\$28,319,736	\$24,518,163
Projected Revenue (per MYP)	\$197,217,327	\$195,026,505	\$203,061,457
Contribution	(\$23,855,521)	(\$27,116,803)	(\$28,721,202)
Total Projected Revenues	\$173,361,806	\$167,909,702	\$174,340,255
Total Projected Expenditures	\$169,451,726	\$171,711,275	\$182,428,126
Surplus/(Deficit)	\$3,910,080	(\$3,801,573)	(\$8,087,871)
Projected Ending Fund Balance	\$28,319,736	\$24,518,163	\$16,430,292
Revolving Cash, Stores	(\$365,000)	(\$365,000)	(\$365,000)
Restricted Resources	\$0	\$0	\$0
Assignments	(\$11,846,883)	(\$8,822,029)	(\$474,206)
Reserve Dollars	\$16,107,853	\$15,331,134	\$15,591,086
Reserve Percentage	6.00%	6.00%	6.00%



For the future of every student

Multi-Year Projection 2025-2027

<u>Projected 2nd Interim- Restricted</u>	2024/2025	2025/2026	2026/2027
Beginning Balance	\$34,630,725	\$11,699,432	\$3,841,195
Projected Revenue (per MYP)	\$52,225,674	\$48,832,573	\$48,555,322
Contribution	\$23,855,521	\$27,116,803	\$28,721,202
Total Projected Revenues	\$76,081,195	\$75,949,376	\$77,276,524
Total Projected Expenditures	\$99,012,488	\$83,807,613	\$77,423,301
Surplus/(Deficit)	(\$22,931,293)	(\$7,858,237)	(\$146,777)
Projected Ending Fund Balance	\$11,699,432	\$3,841,195	\$3,694,418
Revolving Cash, Stores	\$0	\$0	\$0
Restricted Resources	\$11,699,432	\$3,841,195	\$3,694,418
Assignments	\$0	\$0	\$0



For the future of every student

Multi-Year Projection 2025-2027

<u>Projected 2nd Interim- Combined</u>	2024/2025	2025/2026	2026/2027
Beginning Balance	\$59,040,381	\$40,019,168	\$28,359,358
Projected Revenue (per MYP)	\$249,443,001	\$243,859,078	\$251,616,779
Contribution			
Total Projected Revenues	\$249,443,001	\$243,859,078	\$251,616,779
Total Projected Expenditures	\$268,464,214	\$255,518,888	\$259,851,427
Surplus/(Deficit)	(\$19,021,213)	(\$11,659,810)	(\$8,234,648)
Projected Ending Fund Balance	\$40,019,168	\$28,359,358	\$20,124,710
Revolving Cash, Stores	(\$365,000)	(\$365,000)	(\$365,000)
Restricted Resources	\$0	\$0	\$0
Assignments	(\$23,546,315)	(\$12,663,224)	(\$4,168,624)
Reserve Dollars	\$16,107,853	\$15,331,134	\$15,591,086
Reserve Percentage	6.00%	6.00%	6.00%



For the future of every student

Final Notes

- The District's current financial position is positive.
- After accounting for \$5.5 million in reductions, the District is facing an unrestricted structural deficit of approx. \$8 million dollars that will need to be addressed.
- The District must continue to be prudent in the development of its budgets to ensure fiscal solvency.
- As a precaution for fiscal year 2025/26 if all budgeted expenditures are expended Cash flow is negative in October and April. District staff have prepared a Tax Revenue Anticipation Note (TRAN) resolution. Applications for TRAN are due in Feb/March for Fiscal year 2025/26. There is zero cost to the district unless funds are needed.
- As one-time and grant dollars conclude, there is a need to reduce positions previously funded by these dollars in order to protect general fund and reserves, while continuing to maximize the use of categorical funds.
- 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 2024-2025 Second Interim Report



For the future of every student

Questions?



For the future of every student