



Budget Workshop

August 7, 2025



Learning Outcomes

By the end of this workshop, the Board of Education will be able to:

- Identify and understand the District's revenue resources
- Recognize the impact of Board decisions on maintaining District solvency
- Understand District programs and their corresponding funding sources
- Review pertinent information and develop a roadmap for current and future fiscal solvency



Agenda

- District and Board Fiscal Responsibility
- Budget Cycle
- Revenue
- Expenditures
- Historical Data
- Multi-year Projection
- Potential Budget Solutions
- Next Steps



District and Board Fiscal Responsibility



District's Fiscal Responsibility

- Maintain a positive certification; and meet its fiscal obligations in the current and two subsequent fiscal years
- Maintain a 3% reserve for economic uncertainties per state requirements

Goals:

- Ensure Long-Term Fiscal Stability
- Increase and Maximize Revenues
- Eliminate Deficit Spending



Board's Fiscal Responsibility

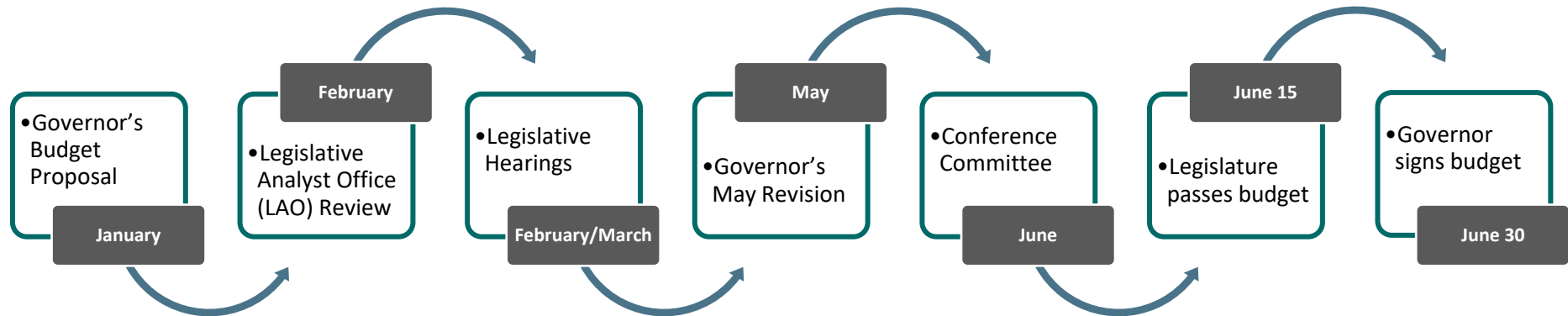
- Adopt a Balanced Budget
- Certify Fiscal Status and Ensure Solvency
- Implement Corrective Actions when Recommended
- Avoid Deficit Spending Patterns
- Maintain Adequate Reserves
- Ensure Legal Compliance with Fiscal Mandates



Budget Cycle



State Budget Timeline





District Budget Development

January

- Initial financial projections based on the Governor's budget and enrollment projections.

March

- Statutory deadline for certificated and classified staffing reductions.

April

- Ensure Local Control Accountability Plan (LCAP) actions and services are funded in the budget.

May

- Update revenue projections based on the May Revision.
- Hold LCAP and budget public hearings.

June

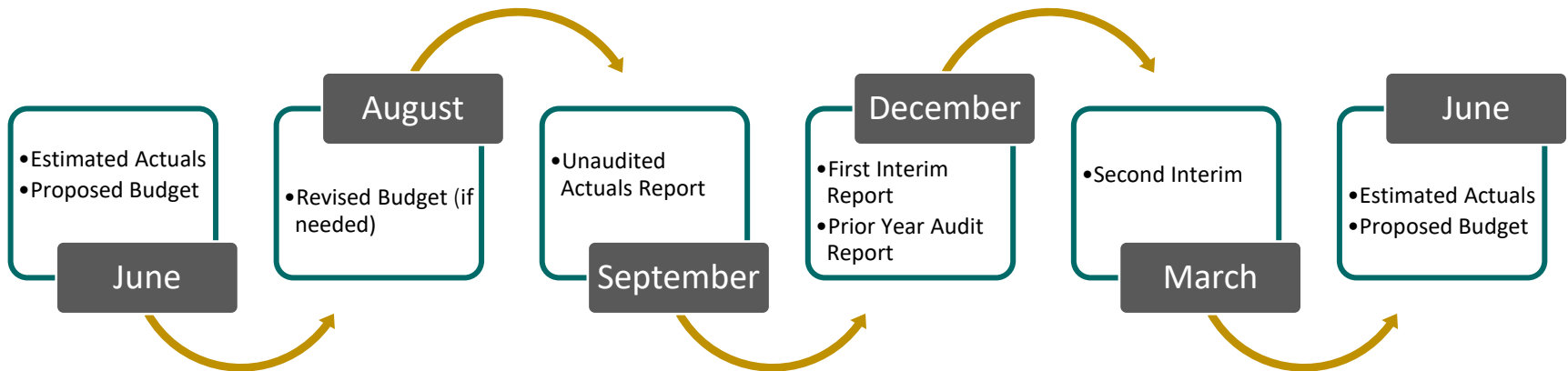
- Adopt the LCAP and budget.

August

- Revise adjusted budget, if necessary, based on the enacted State Budget.



District's Fiscal Timeline





Certifications

Positive

- A district **will be able to meet** its financial obligations for the current and two subsequent fiscal years (3 years total)

Qualified

- A district **may not be able to meet** its financial obligations in the current or two subsequent fiscal years.

Negative

- A district **will be unable to meet** its financial obligations for the remainder of the current fiscal year or subsequent fiscal year.



Revenue

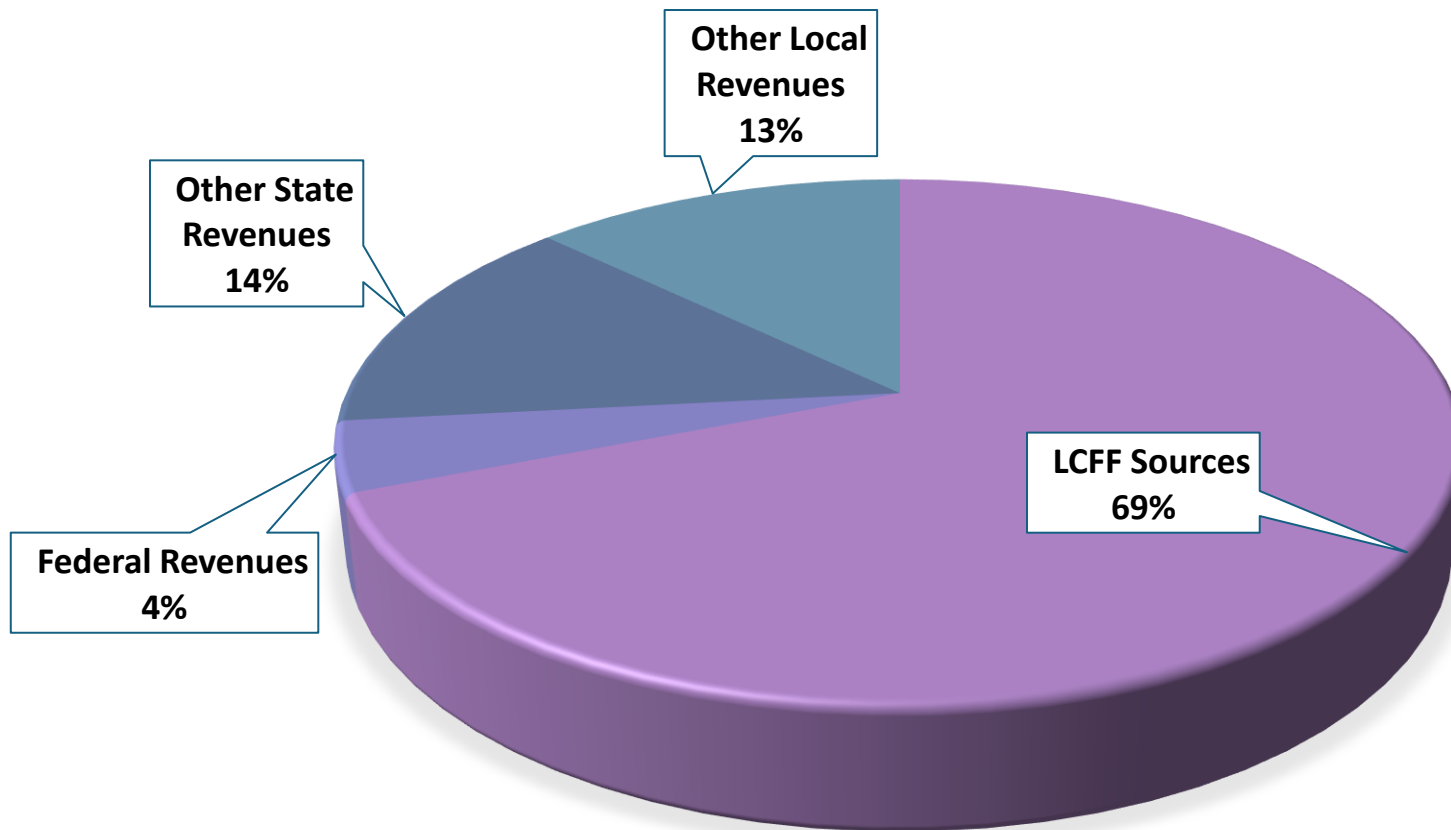


General Fund Revenue Update

	2025-26 Adopted Budget	45 Day Budget Revision	2025-26 Revised Budget
Revenues			
LCFF Sources	276,411,433	-	276,411,433
Federal Revenue	17,313,352	-	17,313,352
State Revenue	55,597,053	22,947,724	78,545,007
Lrn Recvry Emerg. Block Grant		1,355,606	
One-Time Discr Block Grant		6,644,624	
Expanded Learning Opportunity		14,947,724	
Local Revenue	51,370,446	-	51,370,446
Total Revenue	400,692,285	22,947,954	423,640,239



General Fund Revenue





State TK-12 Education Funding

- Local Control Funding Formula (LCFF)
 - Base Grant
 - Supplemental Grant
 - Concentration Grant
- Local Control Accountability Plan (LCAP)
 - Primarily funded from LCFF supplemental and concentration grants
- Unduplicated Pupil Count and Percentage (UPC/UPP)
 - Economically Disadvantaged
 - English Learners
 - Foster Youth
 - CVESD 3-year average percentage is about 60.8%



State K-12 Education Funding

- LCFF Grade Span Adjustment Add-on
 - TK-6 negotiated in a collective bargaining agreement (CBA)
- LCFF Transitional Kindergarten Add-on
 - Must have 10 students to 1 teacher and/or adult



The Local Control Funding Formula

Supplemental and
Concentration Grants
ADJUSTMENTS



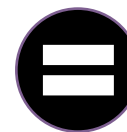
Base
Per student
amount
Attendance at
school



Grade Level



Demographics





Supplemental and Concentration Grants

- Eligibility Determination: Pupil counts used to determine supplemental and concentration grants are:
 - Economically Disadvantaged
 - Families that meet federal income eligibility criteria or pupils deemed to be categorically eligible.
 - English Learners
 - As defined by EC 306, a child who does not speak English or whose native language is not English and who is not currently able to perform ordinary classroom work in English.
 - Foster Youth
 - A foster child is a child removed from his or her home pursuant to the Welfare and Institutions Code Section 450.



Supplemental and Concentration Grants

- Supplemental Grant
 - No minimum UPP
 - 20% of the LCFF adjusted base grant multiplied by the UPP and multiplied by the Average Daily Attendance (ADA)
 - Use 3-year district UPP average
- Concentration Grant
 - 55% minimum UPP threshold
 - 65% of the LCFF adjusted base grant multiplied by the UPP in excess of the 55% minimum threshold and multiplied by the ADA
 - Use 3-year district UPP average



Release of Federal Funds

Program	2025-26 Budget	Expenditures	Other Sources of Funding for Similar
Title II Part A	792,015	Induction Support, Coordinators, Substitutes for Professional Learning	Educator Effectiveness and Title I
Title III Part A English Learners	841,415	Director, Coordinators, TOSAs	Unrestricted General Fund
Title III Part A Immigrant	97,573	Immigrant Aides, Books for Transition	Unrestricted General Fund
Title IV Part A	407,549	Station Experiences, Coordinator Innovation	DoDEA, Donations, Unrestricted General Fund
	2,138,552		



Expenditures



General Fund Expenditure Update

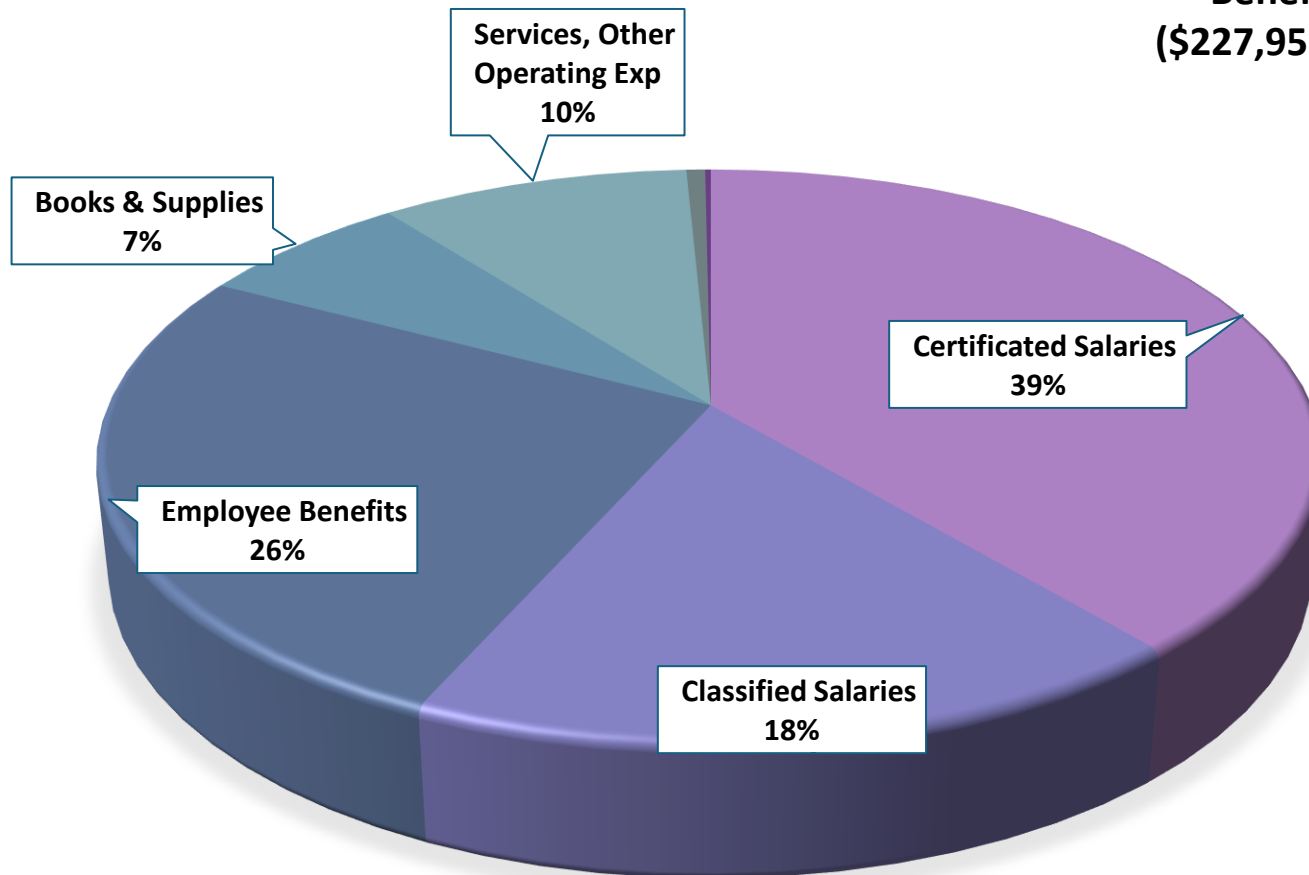
	2025-26 Adopted Budget
Expenditures	
Certificated Salaries	175,299,813
Classified Salaries	80,403,588
Employee Benefits	117,673,981
Books and Supplies	30,498,723
Services and other Operating	43,892,267
Capital Outlay	2,653,425
Other Outgo	789,012
Total Expenditures	451,210,810



General Fund Expenditures

82.3% Salary and Benefits
(\$373,377,382)

86.5% Unrestricted Salary and Benefits
(\$227,957,508)





Salary and Benefits

- Examples
 - Certificated: Teachers, Principals, Directors, Coordinators, Psychologist, Counselors, Social Workers, Nurses and District Management
 - Classified Employees: Instructional Aides, Noon Duty Supervisors, Office Staff, Transportation, Custodial and Operations/Grounds, Child Nutrition, and District Management
 - Fringe Benefits: Pensions STRS/PERS, Social Security, Medicare, Unemployment, Workers Compensation, Leaves
 - Health Benefits: SISC and VEBA Benefits, Dental, Vision, Life Insurance



Salary and Benefits Continued

Employee Group	Cost of 1%
All Employees	2,992,275

Employee Group	Cost of \$100 Cap Increase
All Employees	85,300



Materials and Supplies

- Examples
 - Textbooks
 - Consumables
 - Computers
 - Technology equipment
 - School and Office Supplies
 - Safety supplies
 - Facilities and Maintenance Supplies



Services

- Examples
 - Contracts
 - Software
 - Field Trips
 - Utilities (electric, gas, water, trash)
 - Facilities Repairs



Capital Outlay

- Projects or Equipment Greater \$5,000
 - Vehicles and Buses
 - Heavy Equipment
 - Modernizations
 - Camera Projects



Other Transfer Out

- Other Transfer Out
 - Tuition for student placements outside of District



Break



Historical Data

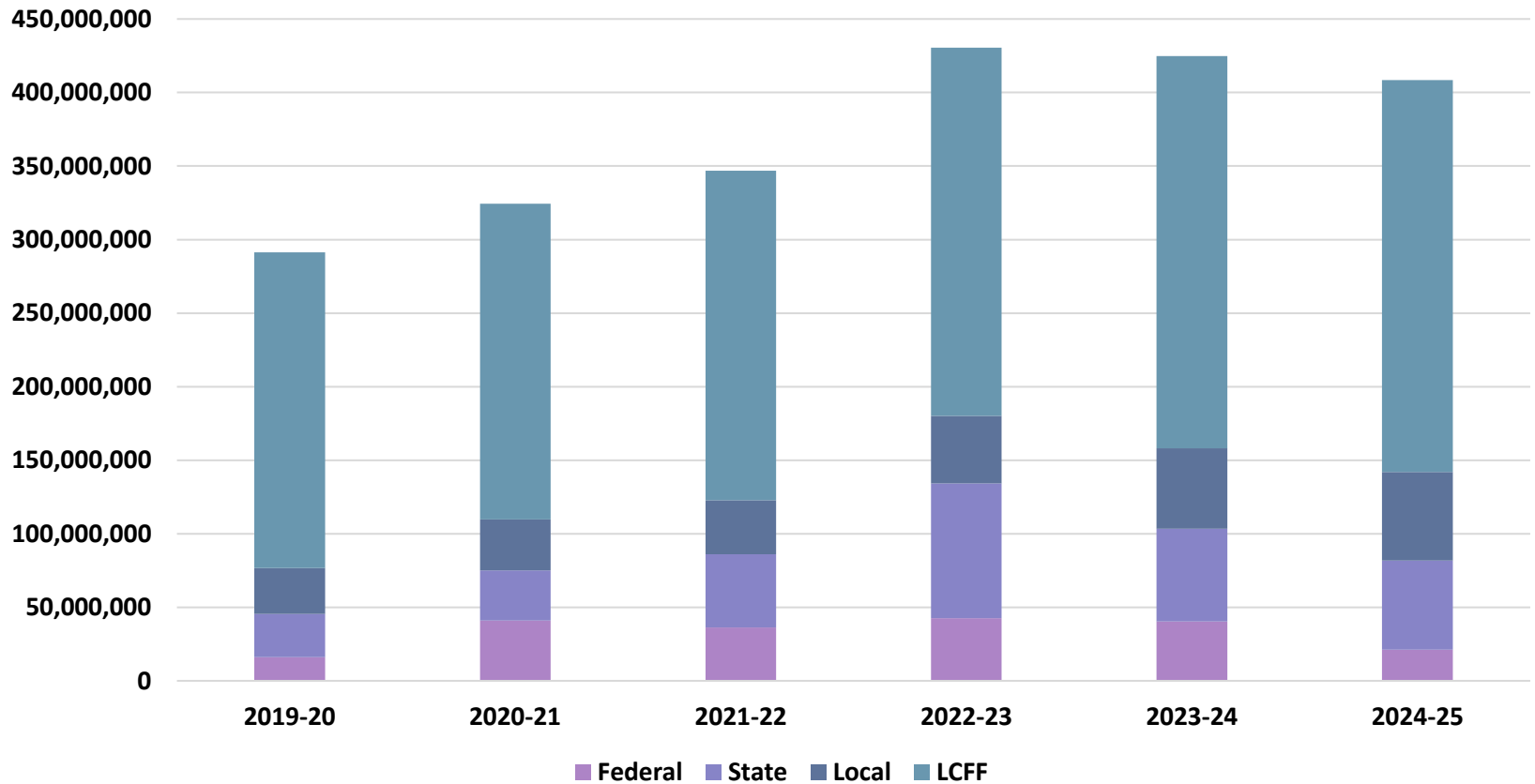


Historical Data

- Revenue
- Expenditures
- Change in Unrestricted Fund Balance
- Enrollment and ADA
- External Factors
 - Pension Rate Increases
 - Salary Increases vs. COLA vs CPI
 - Insurance Premiums and Additional Assessments
 - Special Education

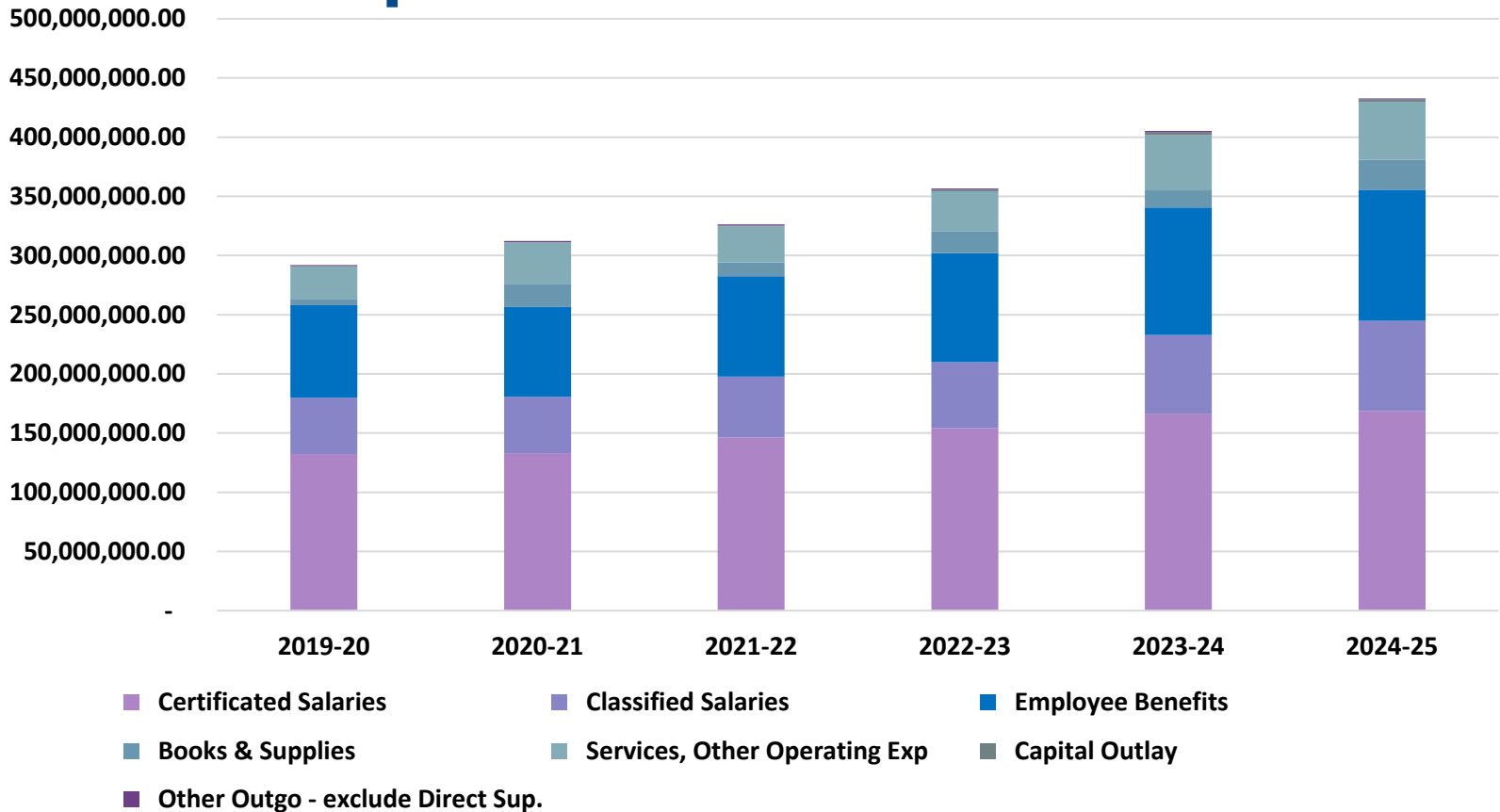


Historical Revenue



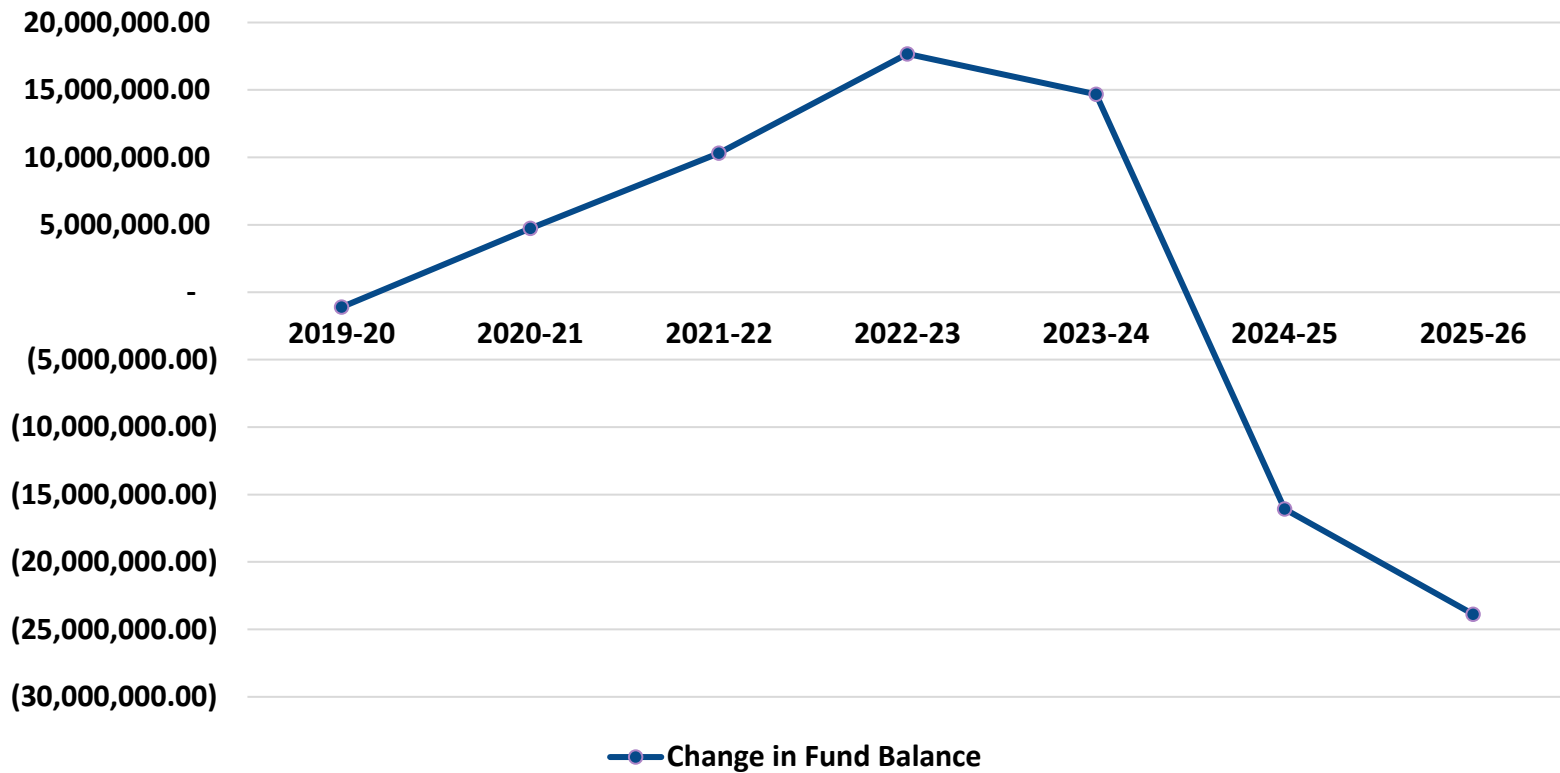


Historical Expenditures





Change in Unrestricted Fund Balance





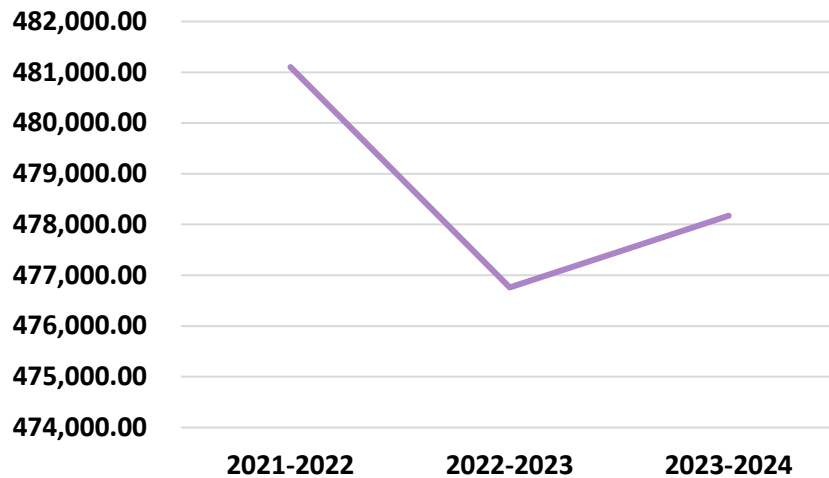
Revenue vs Expenditures

Fiscal Year	Revenue	Expenditures	Change	Exp as % of Rev
2019-20	195,585,344	196,676,208	(1,090,864)	101%
2020-21	195,022,460	190,284,418	4,738,042	98%
2021-22	206,057,629	195,757,467	10,300,162	95%
2022-23	237,851,157	220,178,267	17,672,890	93%
2023-24	253,815,369	239,129,310	14,686,059	94%
2024-25	237,582,435	253,647,861	(16,065,426)	107%
2025-26	239,808,424	263,678,818	(23,870,394)	110%



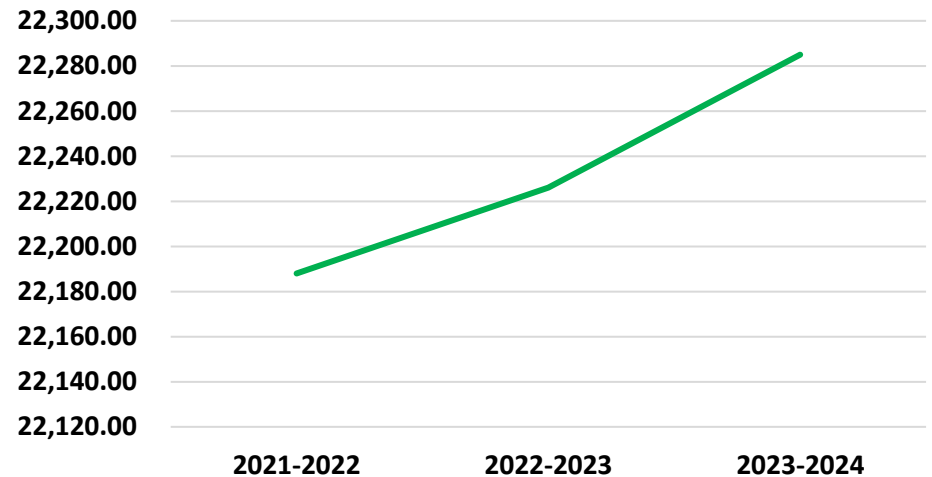
County vs District Enrollment

County Enrollment



Change: -0.61%

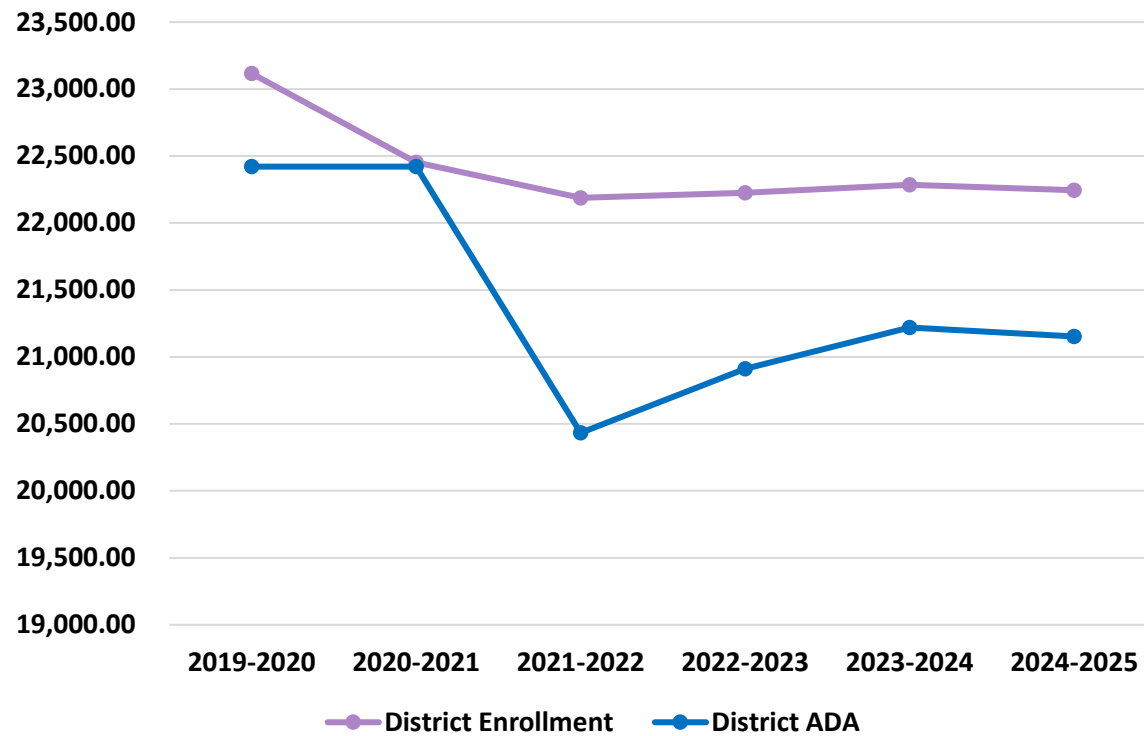
District Enrollment



Change: +0.44%



District ADA %



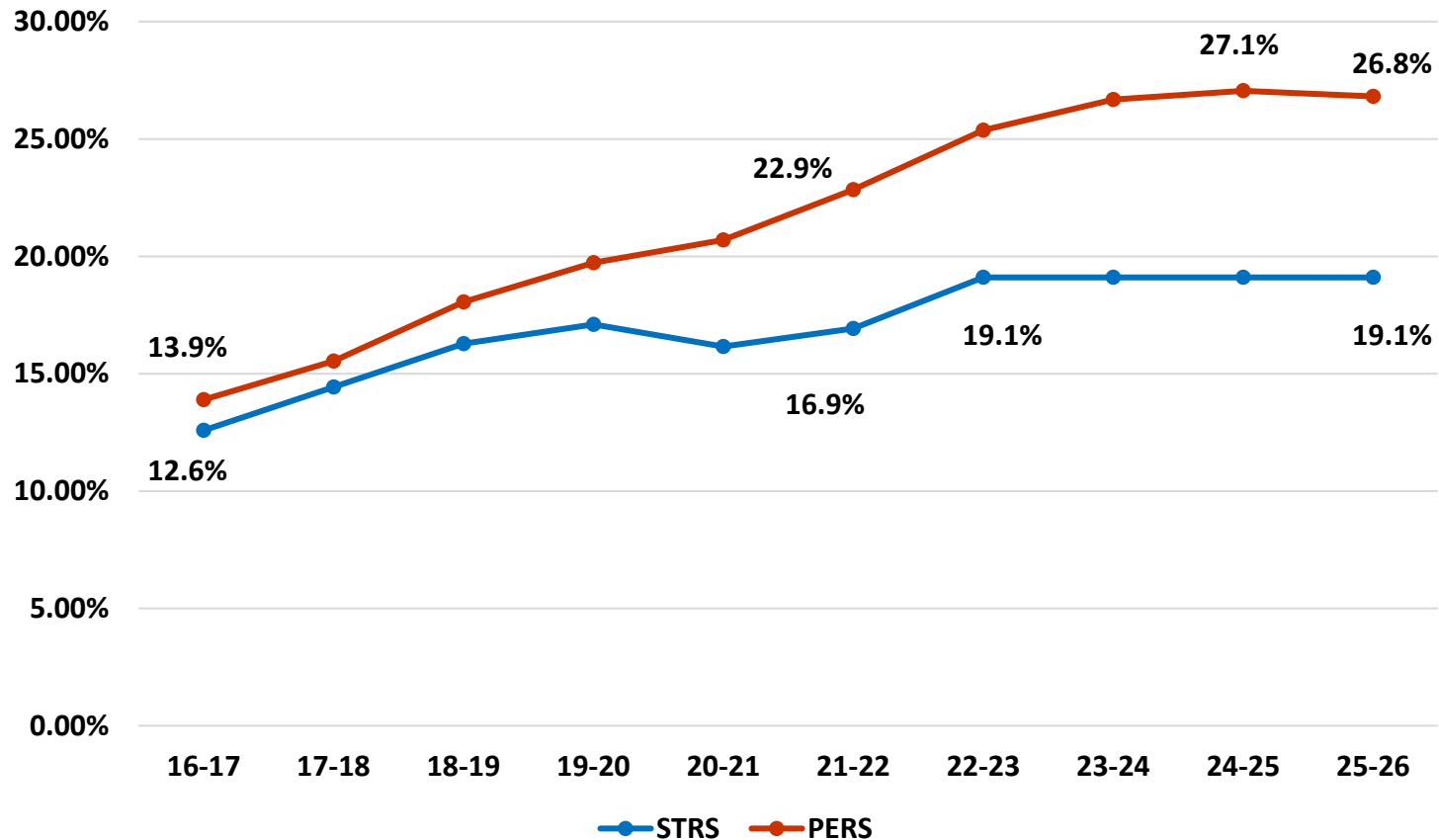
District ADA %	97.0%	99.9%	92.1%	94.1%	95.2%	95.1%
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External Factors Contributing to Rising Costs



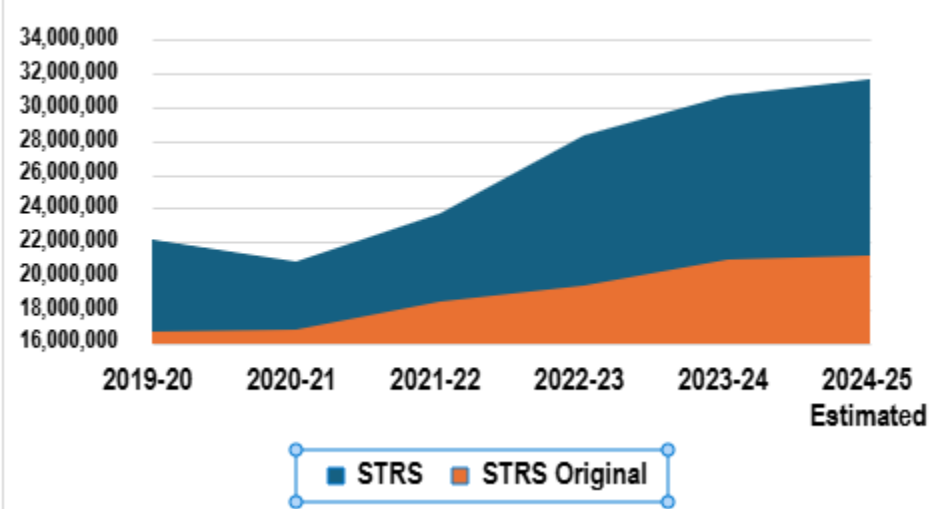
Pension Rate Increases



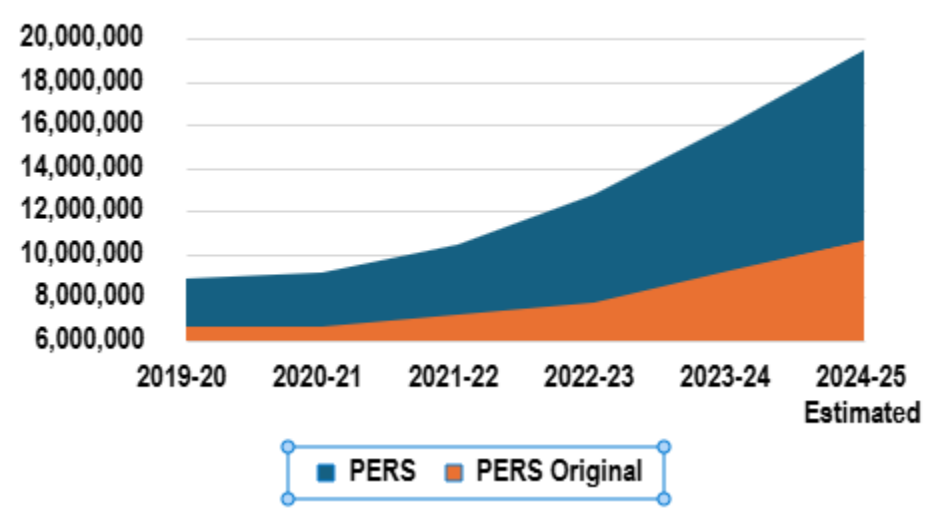


Pension Rate Increases

STRS

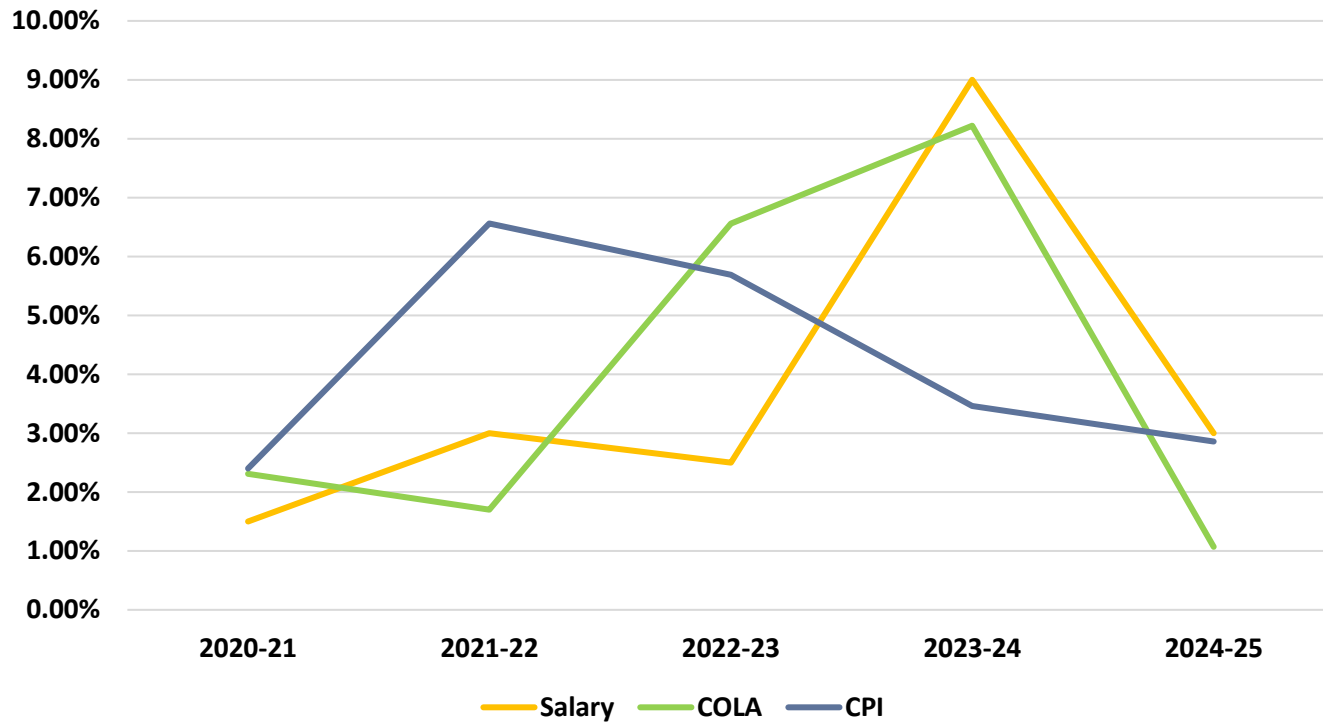


PERS



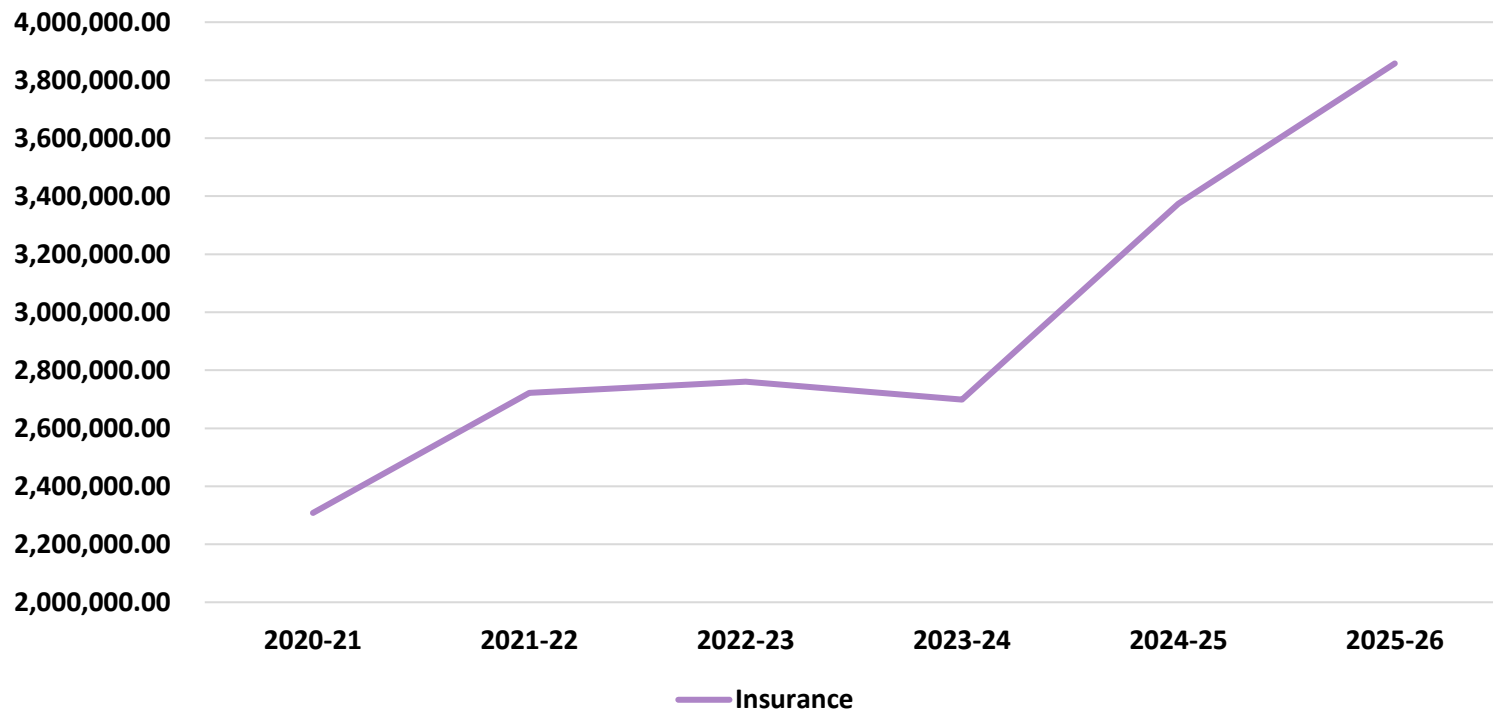


Salary Increase vs Cost of Living Adjustment (COLA) vs Consumer Price Index (CPI)





Insurance Premiums and Additional Assessments



Additional Assessment Invoices:

2021: \$272,033

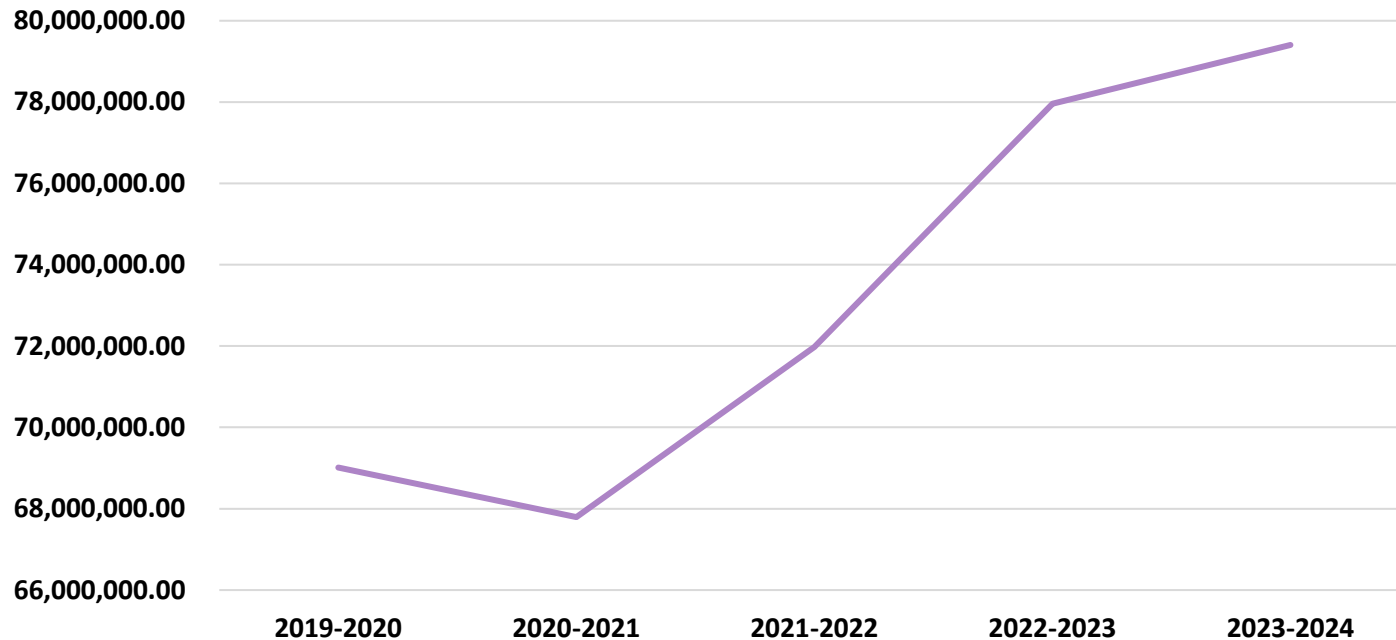
2024: \$1,516,754

2026: \$1,344,962



Special Education

Expenditures



Special Education Students	4,078.00	4,070.00	4,051.00	4,186.00	4,346.00
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Break



Multi-Year Projection



2025-26 General Fund Adopted Budget

	Unrestricted	Restricted	Total
Revenues & Other Sources/Uses	239,808,424	160,833,860	400,692,284
Expenditures	263,678,817	191,348,978	451,210,809
Increase / <Decrease>	\$ (23,870,393)	\$ (26,648,132)	\$ (50,518,525)
Beginning Balance	72,215,451	73,697,537	145,912,988
Ending Balance	48,345,058	47,049,406	95,394,465
Non-Spendables	835,000	-	835,000
Restricted Balance	-	47,049,406	47,049,406
Commitments	24,949,518	-	24,949,518
Reserve for Economic Uncertainties (REU)	\$ 22,560,540	-	\$ 22,751,390
REU Percentage	5.0%	-	5.0%



2025-26 Proposed Budget Multi-Year Assumptions

- Cost of Living Adjustments
 - 2025-26: 2.30%
 - 2026-27: 3.52% -> 3.02% = <1,351,909> Revenue
 - 2027-28: 3.63% -> 3.42% = <1,950,356> Revenue
- Funded Average Daily Attendance (ADA) Estimates
 - 2025-26: 21,163
 - 2026-27: 21,016
 - 2027-28: 20,577
- Workers Compensation increase 1.5% to 2.0%



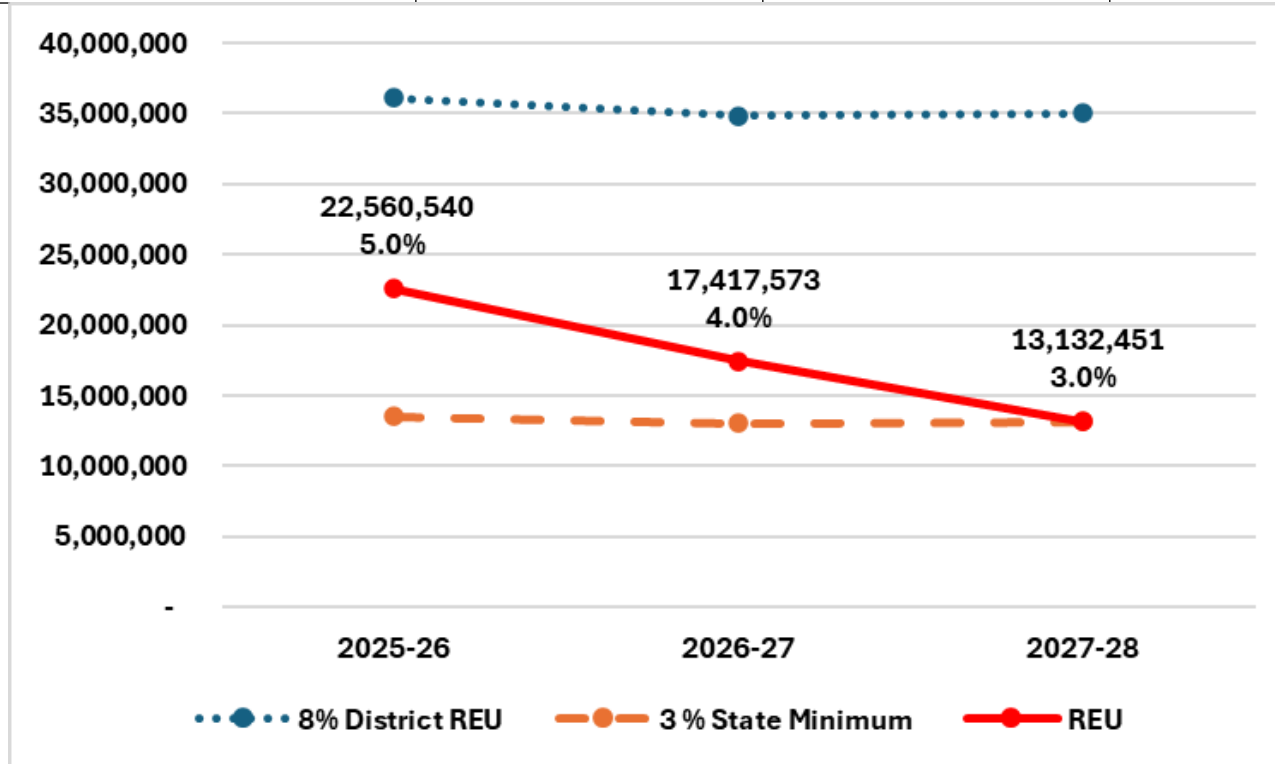
2025-26 Proposed Budget Multi-Year Assumptions

- Local Control Accountability Plan
 - Unduplicated Pupil Percentage (UPP)
 - 2025-26: 60.8%
 - 2026-27: 60.8%
 - 2027-28: 60.8%
- \$35,853,393 Supplemental and Concentration Grant

Multi-Year Projection

2025-26 through 2027-28 Projected - JUNE

	2025-26	2026-27	2027-28
Unrestricted Excess/(Deficit)	\$ (23,870,393)	\$ (15,155,769)	\$ (19,221,838)
Unrestricted EFB	\$ 48,345,058	\$33,189,289	\$13,967,451
Commitments	\$ 24,949,518	\$ 14,936,716	-
REU	\$ 22,560,540	\$17,417,573	\$13,132,451
Actual REU	5.0%	4.0%	3.0%



**\$2.4M in
BUDGET
REDUCTIONS
to meet
minimum 3%
Reserve**

COLA: 25-26 2.30%, 26-27 3.02%, 27-28 3.42%



Guiding Question?

What are the key priorities and strategic objectives that need to be protected during these reductions?



Potential Revenue Budget Solutions

Budget Item	Revenue
Children and Youth Behavior Health Initiative	\$500,000
Increase ADA through Short Term Independent Study and Attendance Recovery Programs	\$1,500,000
Renewable Energy Certificates and Low Carbon Fuel Standard Credits	\$100,000



Potential Budget Solutions

Budget Item	Cost
District Office	\$750,000
Assistant Principals	\$370,000
School Resource Officer	\$190,000



Potential Budget Solutions

Budget Item	Cost
Full Time Independent Study	\$100,000
Support Staff	\$250,000
Transportation	Range \$90,000 - \$360,000



Potential Budget Solutions

Budget Item	Cost Savings
Assessment Team	\$800,000
Softwares	\$500,000
Station Experiences	\$100,000



Potential Budget Solutions

Budget Item	Cost
Reduce School Site Allocations	\$600,000
Physical Education	\$1,800,000
Vendor Contract Re-negotiations	\$150,000



Potential Budget Solutions

Budget Item	Cost
Close/Repurpose School Site(s)	\$1,000,000
Reduce Contribution to 3% RRMA	\$200,000



One-time Funded Positions

Budget Item	Cost	Effect on Classroom
Counselors/Social Workers	\$2,900,000	One Time Funds
Behavior Supports and Instructional Aides	\$6,900,000	One Time Funds
Additional Psychologists	\$1,200,000	One Time Funds
Visual and Performing Arts (VAPA)	\$4,200,000	One Time Funds



Visual and Performing Arts (VAPA)

- Disciplines:
 - Visual Arts
 - Digital Media
 - Music
 - Drama
 - Dance



VAPA

- Revenue Source
 - Proposition 28 – Arts and Music in Schools: Approx. \$3M annual
 - Voter approved on November 8, 2022
 - Establishes on-going programs supporting the Arts
 - Approximately 1% of the K – 12 State Budget
 - Funding based on Enrollment and % Economically Disadvantaged students
 - Schools need to submit an annual VAPA plan that includes input from the school community



VAPA

- Current Funding Sources:

One-Time Block Grant	\$4,200,000
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Proposition 28	\$3,300,000
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Unrestricted General Fund	\$1,800,000
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<u>School Site (Title I and LCAP)</u>	<u>\$ 500,000</u>
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Total Cost	\$9,800,000
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Next Steps

Action Step	Deadline
1 st Interim and Finalization of Budget Solutions	December
Preliminary Reductions	February
Final Reduction Notices	March



Thank you!

Questions or Comments?

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