

First Interim

Ventura Unified School District
Board of Education Regular Meeting

December 16, 2025



For the future of every student

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.

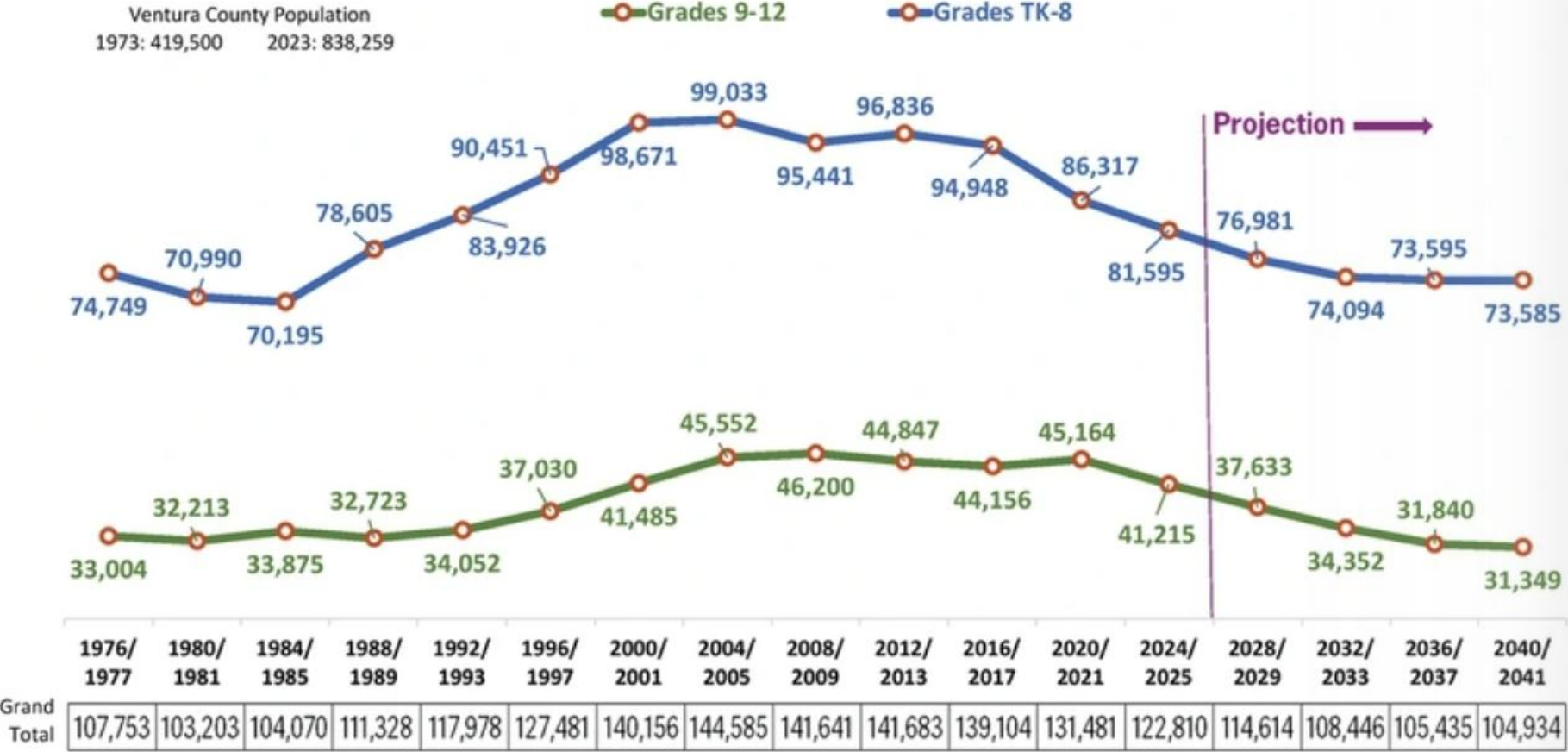
District Certification and Reserves

Fiscal Status of First Interim Report- **Positive Certification**

The district will exceed the State required minimum 3% reserve .

Reserve	2025-2026	2026-2027	2027-2028
Total Available Reserves	\$25,064,041.00	\$20,399,021.00	\$9,617,307.00
Total Available Reserves by %	9.55%	7.62%	3.59%

VENTURA COUNTY PUBLIC SCHOOL ENROLLMENT (EVERY FOUR YEARS 1976 - 2040)



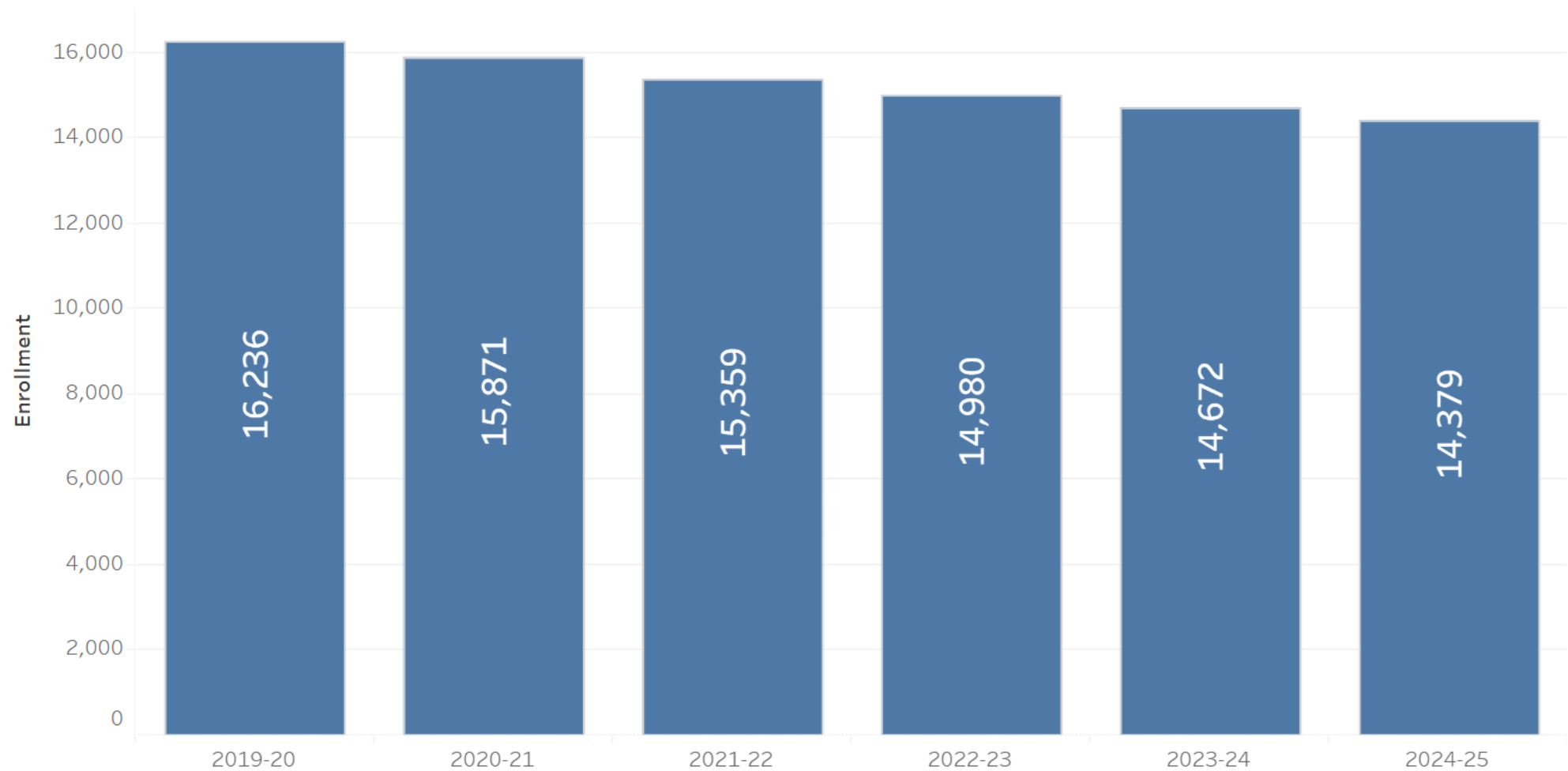
Enrollment and ADA

Year	Enrollment	Funded ADA	Decrease ADA Yr. to Yr.	Decrease Enrollment Yr. to Yr.
2019-2020	16236	15850.51		
2020-2021	15871	15660.38	-190.13	-365
2021-2022	15359	15600.28	-60.1	-512
2022-2023	14980	15351.43	-248.85	-379
2023-2024	14672	14745.36	-606.07	-308
2024-2025	14379	14070.78	-674.58	-293
2025-2026	14051	13637.90	-432.88	-328
2026-2027	13721	13517.81	-120.09	-330
2027-2028	13391	13347.52	-170.29	-330
2028-2029	13061	13125.41	-222.11	-330

Current-year funding is based on a three-year ADA average, which moderates the impact of declining enrollment on the funded ADA. 2025/2026 funded ADA is 13,637.90
With 180 days of instruction that equates to approx. \$75.76 per day per student.



Enrollment



All General Fund Revenues

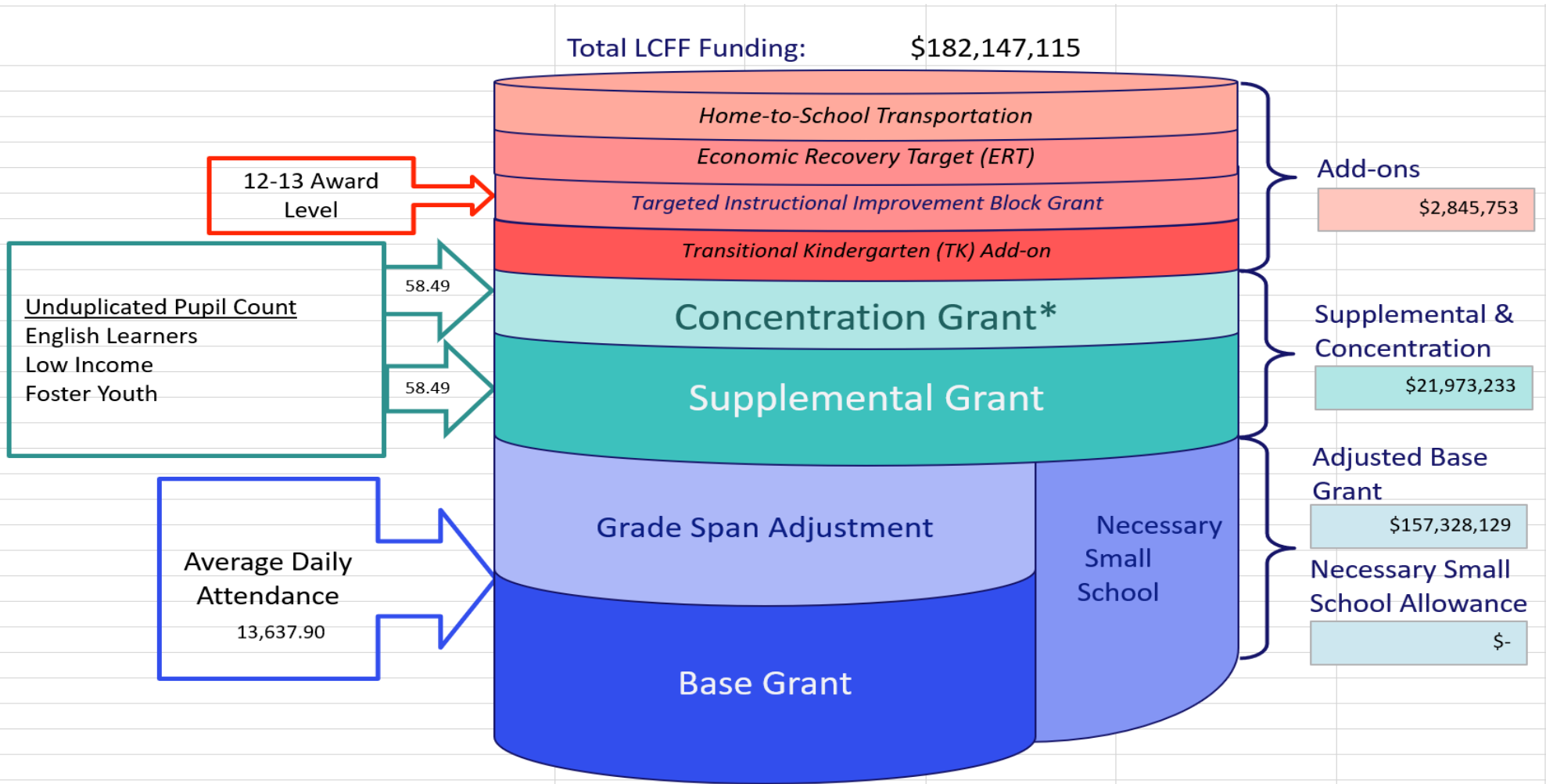
	2025-2026 Adopted Budget	2025-2026 First Interim	Difference	% Change
LCFF(Local Control Funding Formula)	\$183,326,005.00	\$182,147,115.00	(\$1,178,890.00)	-0.64%
Federal Revenue	\$8,851,489.00	\$8,715,143.00	(\$136,346.00)	-1.54%
State Revenues	\$29,876,299.00	\$42,197,310.00	\$12,321,011.00	41.24%
Local Revenues	\$22,647,677.00	\$25,092,673.00	\$2,444,996.00	10.80%
Total	\$244,701,470.00	\$258,152,241.00	\$13,450,771.00	5.50%

LCFF Revenue – Enrollment updated to reflect 330 decrease of students instead of 200. Unduplicated Pupil Percentage updated to reflect decrease to 58% from 60%.

Federal Revenue – Updated revenues to match allocations in Title programs

State Revenue –Updated allocations for ELOP increased revenue from \$6.1 million to \$10.8 million to match final allocations. Added \$4.2 million to account for one time student support pd discretionary block grant. Updated \$527k for Reading Specialist Grant. Increased ASSES revenue from \$1.2 million to \$1.7 million to match allocations. We added \$270k for wellness center, \$197k updated farm to incubator grant and \$192k updated based on healthy campus based on grant. We received increase of \$887k for final LREBG funds. Dual enrollment grant for Pacific High and El Camino total \$350k updated.

Local Revenue – Updated budget to account for one-time low incidence funds for Sped in the amount of \$1.2 million. Updated interest income to an increase of \$300k from historical actuals. Additional 300k increase from Medi-Cal reimbursements based on trend. We updated Local Revenue to account for \$200k interest earned on TRANS.



*Unduplicated Pupil Percentage must be above 55% to receive Concentration Grant funding

2025-2026 Combined Unrestricted/Restricted General Fund Expenditures

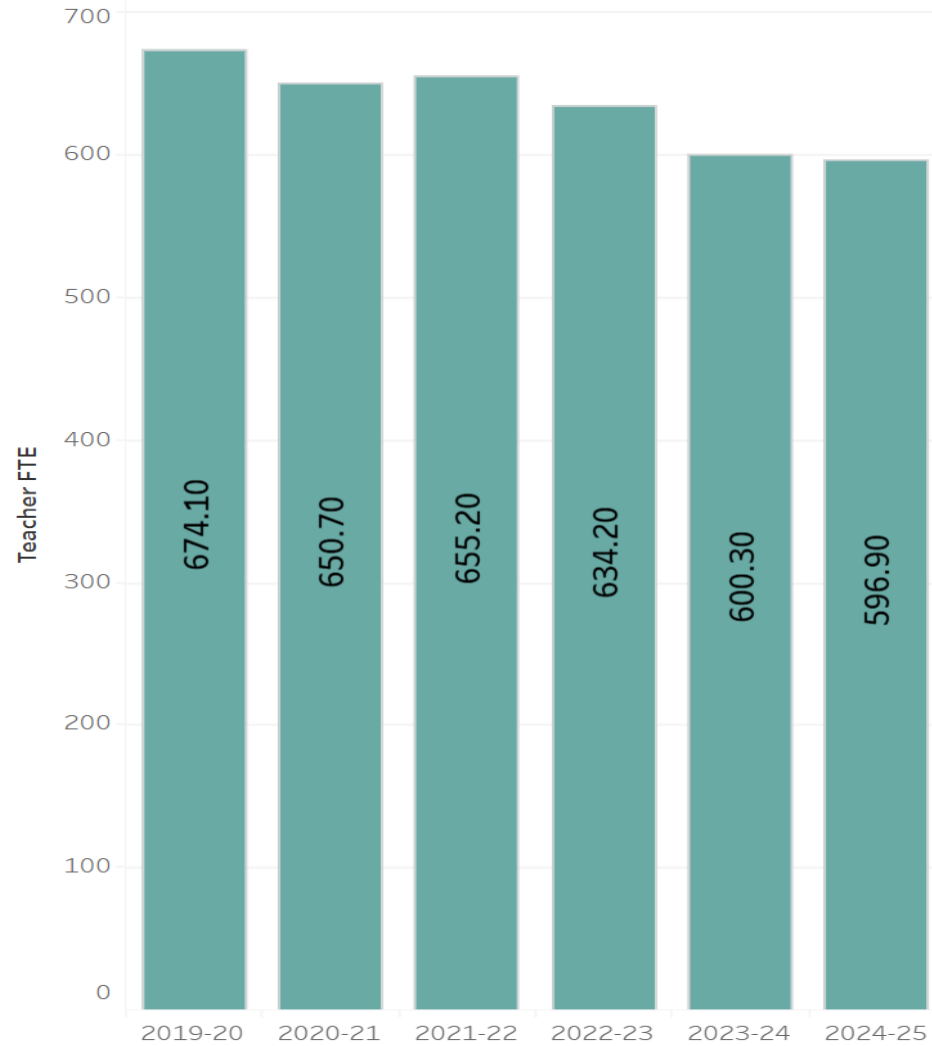
	2025-2026 Adopted Budget	2025-2026 First Interim		
Description	Expenses	Expenses	Difference	% Change
Certificated Salaries	\$88,630,940	\$90,310,242	\$1,679,302.00	2%
Classified Salaries	\$48,753,231	\$53,420,944	\$4,667,713.00	10%
Benefits	\$70,269,951	\$72,288,857	\$2,018,906.00	3%
Supplies	\$9,636,513	\$8,464,200	(\$1,172,313.00)	-12%
Services	\$30,898,175	\$30,695,617	(\$202,558.00)	-1%
Capital Outlay	\$2,610,478	\$2,934,695	\$324,217.00	12%
Other Outgo	\$4,926,579	\$4,439,327	(\$487,252.00)	-10%
Total Expenditures	\$255,725,867	\$262,553,882	\$6,828,015.00	3%



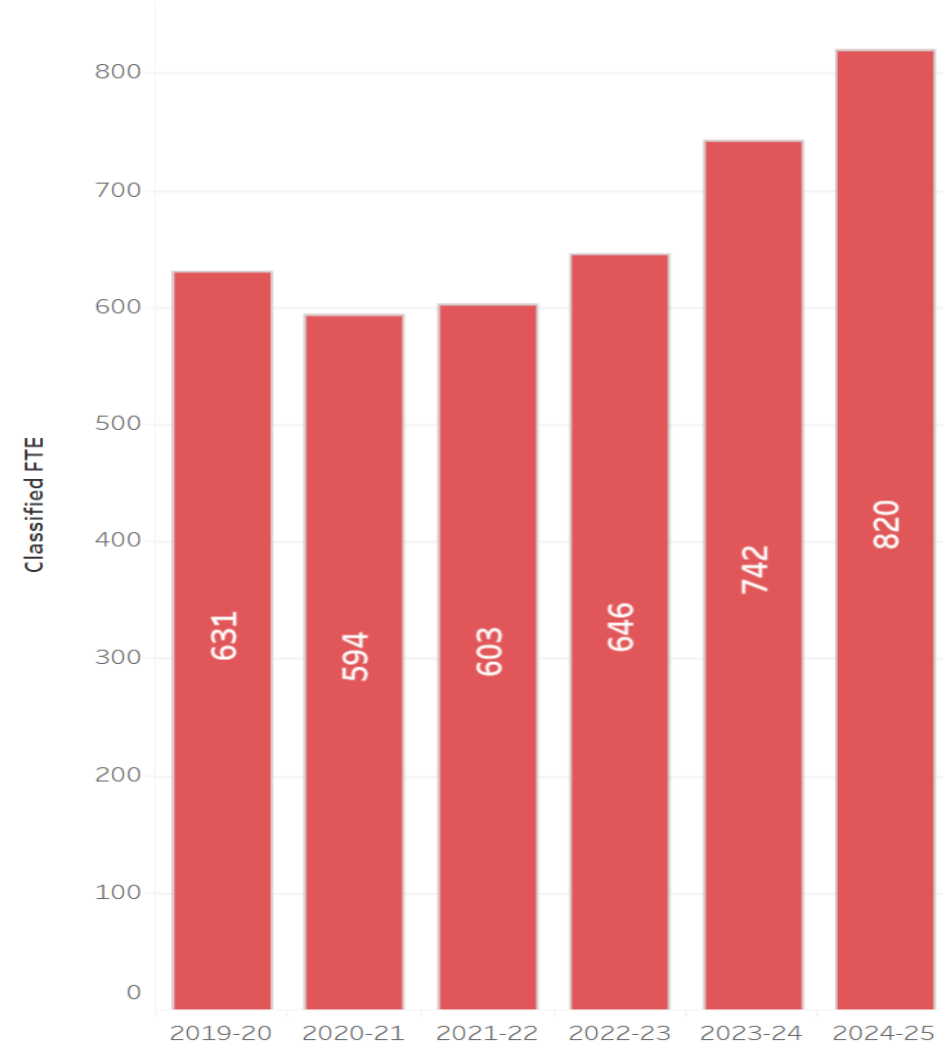
Expenditure Variances

- **Certificated Salaries:** The largest increase is in the secondary schools, with 5.56 additional FTE due to Co-Teaching.
- **Special Education:** Staffing is 3.99 FTE higher, consistent with the increasing Special Education enrollment trend.
- **Elementary and Alt Ed:** Minimal increases of 1.0 and 0.05 FTE, respectively.
- The **10.61 FTE increase reflects approximately \$1.7 million** in additional salary costs compared to the adopted budget.
- **Classified Salaries:** Increase in payroll is due \$1.3 million is due to Paraeducators for Special Education, 800k for ELOP, 100k for TK and 250k for Title I program. Additional increase is due to 650k increase in Behavioral Health Team, 450k for Prop 28 Classified Instructors, 350k for Co teaching BSA's, \$250k for Transportation Dept for additional drivers due to sped routes and \$100k Expanded Learning Clerical positions.
- **Supplies:** Decreased approx. \$700k in Title I and \$400k in LCAP due aligning expenditures with projected actuals.
- **Services:** Reduce services to reflect decrease in expenditures trends from actuals.
- **Capital Outlay:** This is due to updating \$300k in budget to account for bus purchases.

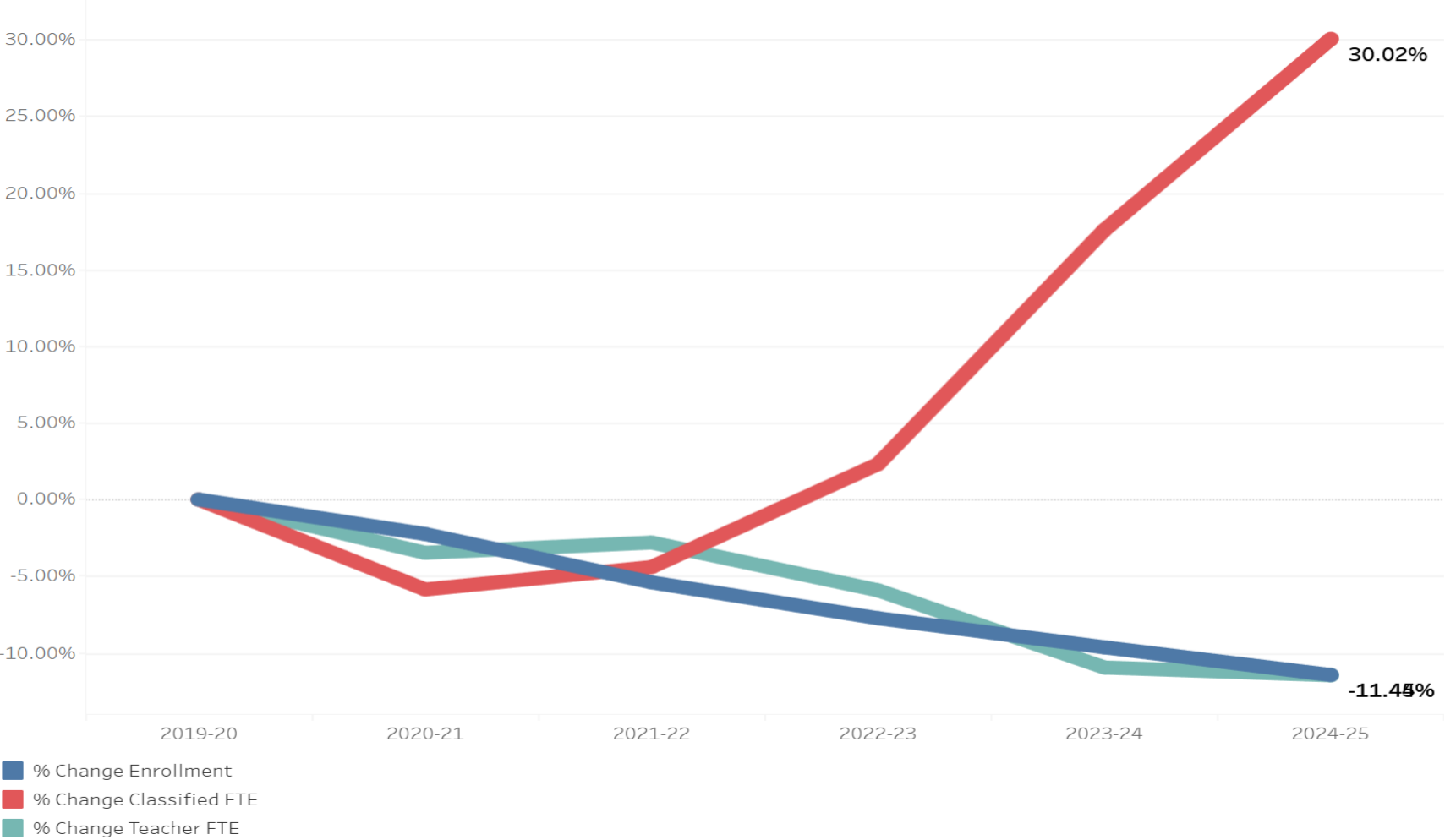
Teacher FTE



Classified FTE



Percentage Change since 2019-20



COLA*, CPI, and CalSTRS / CalPERS

SSC School District and Charter School Financial Projection Dartboard 2025-26 Enacted State Budget

This version of the School Services of California Inc. (SSC) Financial Projection Dartboard is based on the 2025-26 Enacted State Budget. We have updated the cost-of-living adjustment (COLA), Consumer Price Index (CPI), and ten-year T-bill planning factors per the latest economic forecasts. We have also updated the Local Control Funding Formula (LCFF) factors. We rely 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%	2.30%	3.02%	3.42%	3.31%

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 2.30%	\$231	\$234	\$241	\$279
2025-26 Base Grants	\$10,256	\$10,411	\$10,719	\$12,423
Grade Span Adjustment Factors	10.4%	—	—	2.6%
Grade Span Adjustment Amounts	\$1,067	—	—	\$323
2025-26 Adjusted Base Grants ³	\$11,323	\$10,411	\$10,719	\$12,746
Transitional Kindergarten (TK) Add-On ⁴	\$5,545	—	—	—

*Average daily attendance (ADA)

OTHER PLANNING FACTORS						
Factors		2024-25	2025-26	2026-27	2027-28	2028-29
California CPI		2.86%	3.09%	2.82%	2.72%	2.79%
California Lottery	Unrestricted per ADA	\$195.37	\$190.00	\$190.00	\$190.00	\$190.00
	Restricted per ADA	\$88.22	\$82.00	\$82.00	\$82.00	\$82.00
Mandate Block Grant (District)	Grades K-8 per ADA	\$38.21	\$39.09	\$40.27	\$41.65	\$43.03
	Grades 9-12 per ADA	\$73.62	\$76.48	\$78.79	\$81.48	\$84.18
Mandate Block Grant (Charter)	Grades K-8 per ADA	\$20.06	\$20.52	\$21.14	\$21.86	\$22.58
	Grades 9-12 per ADA	\$55.76	\$58.21	\$59.97	\$62.02	\$64.07
Interest Rate for Ten-Year Treasuries		4.23%	4.50%	4.36%	4.40%	4.50%
CalSTRS Employer Rate ⁵		19.10%	19.10%	19.10%	19.10%	19.10%
CalPERS Employer Rate ⁵		27.05%	26.81%	26.90%	27.80%	27.40%
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

2025-2026 VUSD First Interim Budget – Unrestricted Fund

Beginning Balance	\$26,752,167
Income	\$195,127,486
Expense	(\$171,651,837)
Contributions	(\$24,798,775)
Increase/Decrease Fund Balance	(\$1,323,126)



2025-2026 VUSD First Interim Budget – Unrestricted Fund

Ending Balance \$ 25,429,041

- 9.55% Reserve for Economic Uncertainty \$25,064,041
- Stores - \$365,000
- Undesignated Ending Balance - \$ 0



2025-2026 VUSD First Interim Budget – Restricted Fund

Ending Balance:\$ 9,778,685

- Reserve for Student Support and PD Discretionary Block Grant - \$4,247,831
- Reserve for Expanded Learning - \$2,745,216
- Reserve for Literary Coaches and Reading Specialist Grant - \$402,202
- Reserve for Prop 28 - \$1,685,520
- California School Employee PD Block Grant - \$109,802
- Equity Multiplier Funds - \$427,018
- Reserve for Site/District Grants/Donations - \$161,096



Assumptions in Multiyear Projections (MYP)

The District's MYP is developed with key assumptions.

- The COLAs used for the are based on SSC assumptions at 2.30% in fiscal year 2025/26, 3.02% in 2026/27 and 3.42% in 2027/28.
- The Unduplicated Count has been updated to 58% for the next three years that is decreasing our LCFF supplemental and concentration funding in the unrestricted general fund by about \$1.1 million in fiscal year 2025/26 and \$3.2 million in fiscal year 2027/28.

Assumptions in MYP

- Learning Recovery Emergency Block Grant (LREBG) in current fiscal year 2025/26 the district will expend all remaining \$7.0 million dollars of funds.
- This MYP assumes that the \$3.9 million dollars previously funded through LREBG would be moved to Student Support PD Discretionary Block Grant in fiscal year 2026/27. This will fully exhaust the funds available in this grant. \$3.1 million of the positions remaining that were previously in LREBG would be moved to General Fund/LCAP in fiscal year 2026/27.
- This MYP also assumes that in Fiscal year 2027/28 \$7.0 million in positions will fully be moved to the General Fund/LCAP unless there is another source of one-time funding available.
- We currently have three wellness center grants in fiscal year 2025/26 totaling \$750k that will be fully expended and in fiscal year 2026/27 would be moved to the General Fund/LCAP.
- Special Education Low Incidence we are expected to fully spend the one-time carryover in the amount of \$1.2 million in fiscal year 2025/26 and the out years we project to only receive \$250k.
- This loss in revenue reinforces the need to consider further staffing reductions.

Multi-Year Projection 2026-2028

<u>First Interim Unrestricted</u>	2025/2026	2026/2027	2027/2028
Enrollment	14051	13721	13391
Funded ADA	13637	13517	13347
UPP%	58%	58%	58%
Beginning Balance	\$26,752,167	\$25,429,041	\$20,764,021
Projected Revenue (per MYP)	\$195,127,486	\$202,807,781	\$201,635,985
Contribution	(\$24,798,775)	(\$26,135,243)	(\$28,124,218)
Total Projected Revenues	\$170,328,711	\$176,672,538	\$173,511,767
Total Projected Expenditures	\$171,651,837	181,337,558	\$184,293,481
Surplus/(Deficit)	(\$1,323,126)	(\$4,665,020)	(\$10,781,714)
Transfers from/(to other funds)	\$0	\$0	\$0
Projected Ending Fund Balance	\$25,429,041	\$20,764,021	\$9,982,307
Revolving Cash, Stores	(\$365,000)	(\$365,000)	(\$365,000)
Restricted Resources	\$0	\$0	\$0
Assignments	\$0	\$0	\$0
Reserve Dollars	\$25,064,041	\$20,399,021	\$9,617,307
Reserve Percentage	9.55%	7.62%	3.59%

Looking Forward to Adopted Budget 2026/27



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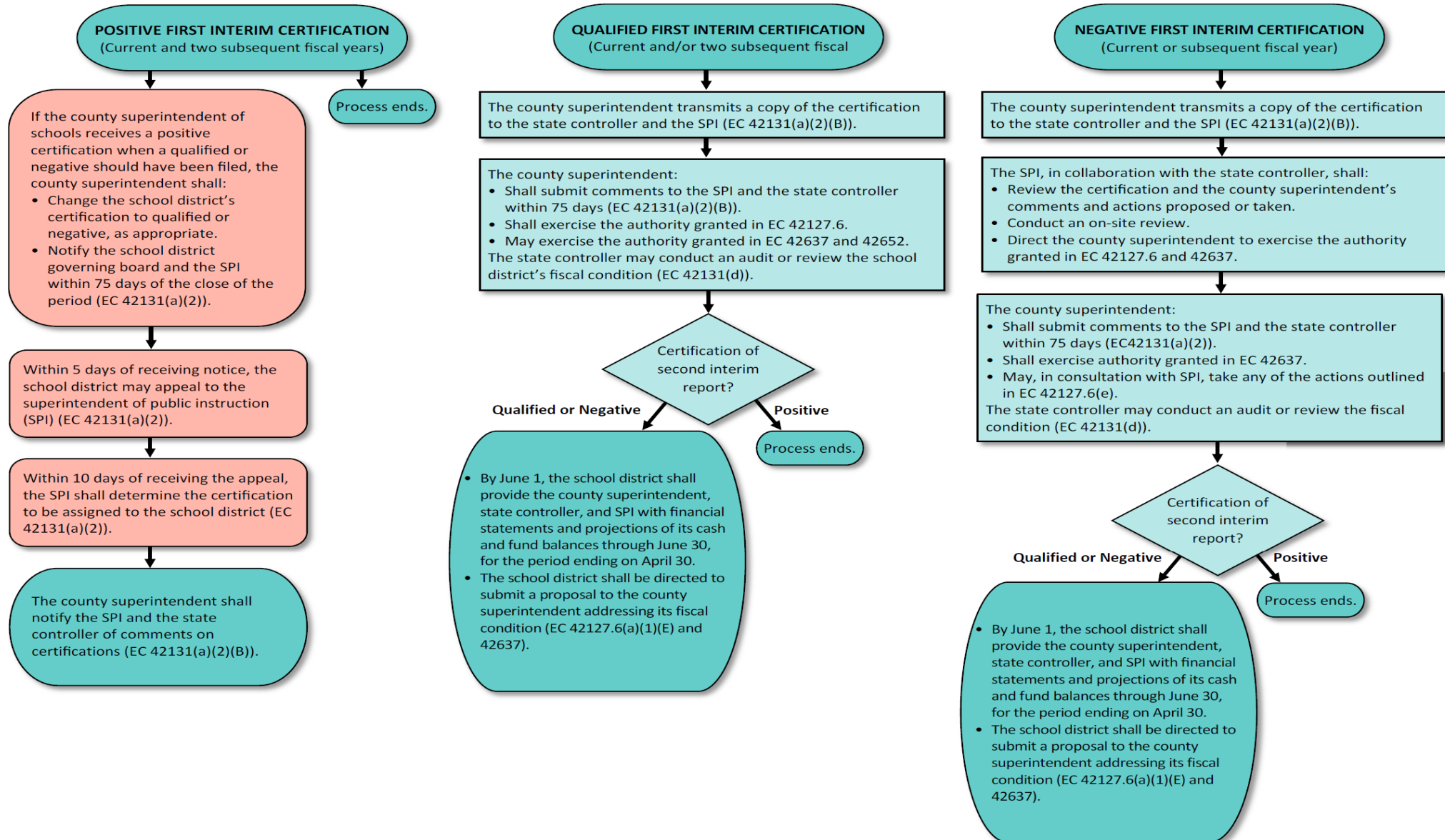
Multi-Year Projection 2026-2029

<u>First Interim Unrestricted</u>	2025/2026	2026/2027	2027/2028	2028/2029
Enrollment	14051	13721	13391	13061
Funded ADA	13637	13517	13347	13125
UPP%	58%	58%	58%	58%
Beginning Balance	\$26,752,167	\$25,429,041	\$20,764,021	\$9,982,307
Projected Revenue (per MYP)	\$195,127,486	\$202,807,781	\$201,635,985	\$204,581,210
Contribution	(\$24,798,775)	(\$26,135,243)	(\$28,124,218)	(\$29,084,532)
Total Projected Revenues	\$170,328,711	\$176,672,538	\$173,511,767	\$175,496,678
Total Projected Expenditures	\$171,651,837	181,337,558	\$184,293,481	\$187,219,843
Surplus/(Deficit)	(\$1,323,126)	(\$4,665,020)	(\$10,781,714)	(\$11,723,165)
Transfers from/(to other funds)	\$0	\$0	\$0	\$0
Projected Ending Fund Balance	\$25,429,041	\$20,764,021	\$9,982,307	(\$1,740,858)
Revolving Cash, Stores	(\$365,000)	(\$365,000)	(\$365,000)	(\$365,000)
Restricted Resources	\$0	\$0	\$0	\$0
Assignments	\$0	\$0	\$0	\$0
Reserve Dollars	\$25,064,041	\$20,399,021	\$9,617,307	(\$2,105,858)
Reserve Percentage	9.55%	7.62%	3.59%	-0.78%

If our current assumptions remained the same, this would result in a negative certification at adopted budget in June 2026.

Interim Report Certification Process

Education Code (EC) 42131



If a district cannot meet its required reserve amount, it faces several consequences:

- **State Intervention:** The California Department of Education (CDE) or the county office of education may step in to monitor the district's financial health. This could include placing the district under fiscal oversight, which involves additional reporting and potentially a financial recovery plan.
- **Fiscal Insolvency:** If a district repeatedly fails to meet its reserve requirements or is unable to balance its budget, it may be at risk of insolvency. This can lead to further intervention, including potential state loans to cover deficits.
- **Loss of Funding:** The state may withhold certain funds, or the district may face a downgrade in its credit rating. This can increase borrowing costs or limit access to other financial resources.
- **Impact on Operations:** Insufficient reserves may limit a district's ability to invest in critical programs, meet payroll, or respond to emergencies. In the long term, it can affect student services and educational outcomes.

The Legislative Analyst's Office (LAO) has released an early estimate reducing the statutory Cost-of-Living Adjustment (COLA) from **3.52%** to **2.51%** for the upcoming fiscal year.

Because this estimate is preliminary, **we are not incorporating this change into the First Interim Report.**

However, staff will continue to closely monitor state updates and will revise projections as needed following the **Governor's January Budget Revision.**

The difference between the previously projected 3.52% COLA and the updated 2.51% COLA is as follows:

- **2026-27: -\$1,823,492**
- **2027-28: -\$1,854,440**
- **2028-29: -\$1,885,173**

These projections continue to use the District's current multiyear assumptions, including:

- **Enrollment loss of 330 students per year**
- **58% unduplicated pupil percentage**
- **95% attendance rate**



Final Notes

- The District's current financial position is positive.
- The District must continue to be prudent in the development of its budgets to ensure fiscal solvency.
- As the allocation of one-time dollars concludes, the subsequent course of action will be to further reduce general fund expenditures while maximizing the use of categorical funds.
- Staffing and natural attrition must continue to be monitored, and vacancies should be analyzed on an ongoing basis (i.e. position control).

Questions?



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