

Second Interim

Ventura Unified School District
Board of Education Regular Meeting

March 10, 2026



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Agenda

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



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Budgeting and Financial Reporting A Two-Year Process

Governors
Budget

•January 2025

May Revise

•May 2025

State Budget

•June 2025

District Budget
Adoption/Est. Actuals

•June 2025

First Interim

•December 2025

Second Interim

•March 2026

Estimated
Actuals/Budget
Adoption

•June 2026

Unaudited
Actuals

•September 2026

Independent
Audit Report/First
Interim

•December 2026



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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 Second Interim Report- Positive Certification

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

Reserve	2025-2026	2026-2027	2027-2028
Total Available Reserves	\$26,860,417.95	\$22,185,365.95	\$10,705,696.95
Total Available Reserves by %	10.25%	8.27%	4.00%



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Enrollment and ADA

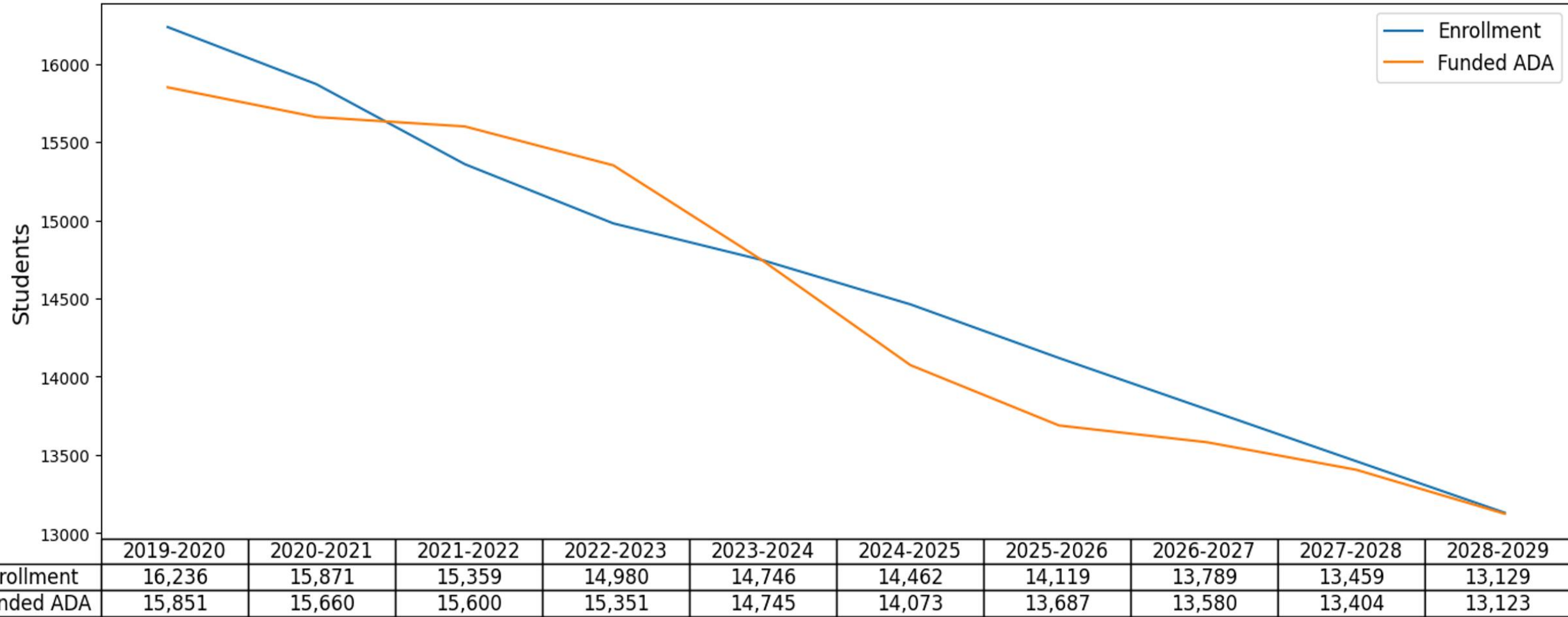
Year	Enrollment	Funded ADA	Decrease ADA Yr. to Yr.	Decrease Enrollment Yr. to Yr.
2019-2020	16236	15850.51		
2020-2021	15871	15660.38	-190.13	-365
2021-2022	15359	15600.28	-60.1	-512
2022-2023	14980	15351.43	-248.85	-379
2023-2024	14746	14745.36	-606.07	-234
2024-2025	14462	14073.37	-671.99	-284
2025-2026	14119	13687.39	-385.98	-343
2026-2027	13789	13579.54	-107.85	-330
2027-2028	13459	13404.20	-175.34	-330
2028-2029	13129	13122.71	-281.49	-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 13,687.39
With 180 days of instruction that equates to approx. \$76.04 per day per student.



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Enrollment vs Funded ADA (2019-2029)



All General Fund Revenues

	2025-2026 First Interim	2025-2026 Second Interim	Difference	% Change
LCFF(Local Control Funding Formula)	\$182,147,115.00	\$183,539,437.00	\$1,392,322.00	0.76%
Federal Revenue	\$8,715,143.00	\$8,797,858.00	\$82,715.00	0.95%
State Revenues	\$42,197,310.00	\$42,700,899.00	\$503,589.00	1.19%
Local Revenues	\$25,092,673.00	\$24,188,470.00	(\$904,203.00)	-3.60%
Total	\$258,152,241.00	\$259,226,664.00	\$1,074,423.00	0.42%

LCFF Revenue – Updated LCFF calculation to include revised P1 certification ADA, new revision of LCFF calculator with an updated ADA rate for EPA and TK.

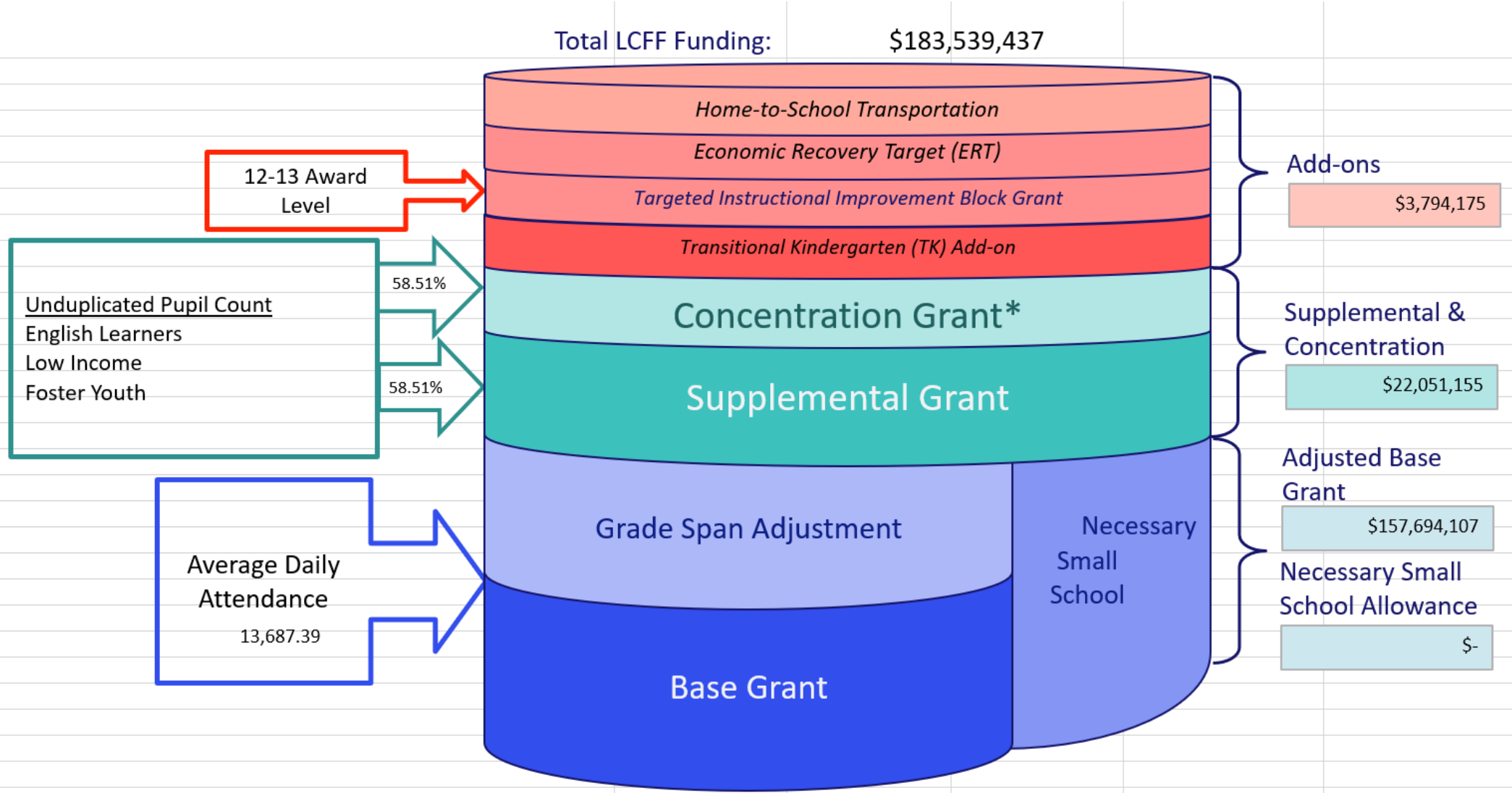
Federal Revenue – Title 1 increased \$74k to match the final allocation. We also increased our Title 4 funds by \$8,733 to match the final allocation.

State Revenue – Updated to reflect \$150k new ASES grant, \$103k for a new wellness center grant, and \$93k increase in literacy screenings grant.

Local Revenue – Reduction in projected bus grant because the grant was applied against the invoice rather than received as revenue.



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

2025-2026 Combined Unrestricted/Restricted General Fund Expenditures

	2025-2026 First Interim	2025-2026 Second Interim		
Description	Expenses	Expenses	Difference	% Change
Certificated Salaries	\$90,310,242	\$89,222,461	(\$1,087,781.00)	-1.2%
Classified Salaries	\$53,420,944	\$53,570,649	\$149,705.00	0.28%
Benefits	\$72,288,857	\$72,705,728	\$416,871.00	1%
Supplies	\$8,464,200	\$8,530,299	\$66,099.00	1%
Services	\$30,695,617	\$31,314,459	\$618,842.00	2%
Capital Outlay	\$2,934,695	\$2,236,128	(\$698,567.00)	-24%
Other Outgo	\$4,439,327	\$4,426,906	(\$12,421.00)	-0.28%
Total Expenditures	\$262,553,882	\$262,006,630	(\$547,252.00)	-0.2%



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Expenditure Variances

- **Certificated Salaries:** Certificated salaries reflect a net decrease at Second Interim due to adjustments made to align projections with actual expenditures and updated staffing information. Reductions include \$346,487 related to EIC teachers, \$199,868 from lower-than-budgeted teacher extra hours based on year-to-date actuals, and \$386,963 from decreased substitute teacher costs reflecting current usage trends. Additionally, \$193,810 was reduced due to the removal of a vacancy assignment.
- **Classified Salaries:** Classified salaries reflect a net increase of **\$149,705** at Second Interim due to adjustments based on program needs and year-to-date activity. The increase includes \$78,234 for additional SPED paraeducator extra hours to support student services, \$36,447 for SPED para OT and Health Services trainings, and \$82,761 for increased Title I paraeducator substitute costs. These adjustments align projected expenditures with current staffing demands and program requirements for the remainder of the fiscal year.
- **Benefits:** Increased by \$419k due to new medical rates that were entered into Escape for Health and Welfare in January.



Expenditure Variances cont.

- **Benefits:** Increased by \$419k due to new medical rates that were entered into Escape for Health and Welfare in January.
- **Supplies:** Increased approximately \$66k in ELOP/ASES and Sped due to aligning expenditures with projected actuals.
- **Services:** Increased by approx. \$618k, primarily driven by a net increase of \$259,306 in Expanded Learning Contracts. Utilities expenditures rose by \$124,618 due to higher-than-anticipated water utility costs. Facilities-related expenses reflect a \$98,398 increase. \$30k was due to vehicle. \$50K was due to Fire and Safety Repairs. Health services contract contributed an additional \$123,276 in costs.
- **Capital Outlay:** A reduction of \$659k reflects the application of the bus grant directly against the invoice, rather than recording the funds as a reimbursement. This reduced the expenditure line instead of recognizing offsetting revenue.



COLA*, CPI, and CalSTRS / CalPERS

SSC School District and Charter School Financial Projection Dartboard 2026-27 Governor's Budget

This version of the School Services of California Inc. (SSC) Financial Projection Dartboard is based on the 2026-27 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	2025-26 ¹	2026-27 ²	2027-28	2028-29	2029-30
Department of Finance Statutory COLA	2.30%	2.41%	3.06%	3.34%	3.14%

LCFF GRADE SPAN FACTORS FOR 2026-27				
Entitlement Factors per ADA*	TK-3	4-6	7-8	9-12
2025-26 Base Grants	\$10,256	\$10,411	\$10,719	\$12,423
Statutory COLA of 2.41%	\$247	\$251	\$258	\$299
2026-27 Base Grants	\$10,503	\$10,662	\$10,977	\$12,722
Grade Span Adjustment Factors	10.4%	—	—	2.6%
Grade Span Adjustment Amounts	\$1,092	—	—	\$331
2026-27 Adjusted Base Grants ³	\$11,595	\$10,662	\$10,977	\$13,053
Transitional Kindergarten (TK) Add-On ⁴	\$5,679	—	—	—

*Average daily attendance (ADA)

OTHER PLANNING FACTORS						
Factors		2025-26	2026-27	2027-28	2028-29	2029-30
California CPI		3.37%	3.08%	2.75%	2.68%	2.74%
California Lottery	Unrestricted per ADA	\$190.00	\$190.00	\$190.00	\$190.00	\$190.00
	Restricted per ADA	\$82.00	\$82.00	\$82.00	\$82.00	\$82.00
Mandate Block Grant (District)	Grades K-8 per ADA	\$39.09	\$40.03	\$41.25	\$42.63	\$43.97
	Grades 9-12 per ADA	\$76.48	\$78.32	\$80.72	\$83.42	\$86.04
Mandate Block Grant (Charter)	Grades K-8 per ADA	\$20.52	\$21.01	\$21.65	\$22.37	\$23.07
	Grades 9-12 per ADA	\$58.21	\$59.61	\$61.43	\$63.48	\$65.47
Interest Rate for Ten-Year Treasuries		4.23%	4.36%	4.50%	4.40%	4.50%
CalSTRS Employer Rate ⁵		19.10%	19.10%	19.10%	19.10%	19.10%
CalPERS Employer Rate ⁴		26.81%	26.40%	26.90%	26.10%	25.30%
Unemployment Insurance Rate ⁶		0.05%	0.05%	0.05%	0.05%	0.05%
Minimum Wage ⁷		\$16.90	\$17.40	\$17.90	\$18.40	\$18.90

STATE MINIMUM RESERVE REQUIREMENTS FOR 2026-27	
Reserve Requirement	District ADA Range
The greater of 5% or \$90,000	0 to 300
The greater of 4% or \$90,000	301 to 1,000
3%	1,001 to 30,000
2%	30,001 to 250,000
1%	250,001 and higher

2025-2026 VUSD Second Interim Budget – Unrestricted Fund

Beginning Balance	\$26,752,167
Income	\$195,813,330
Expense	(\$170,468,426)
Contributions	(\$24,871,653)
Increase/Decrease Fund Balance	\$473,251



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2025-2026 VUSD Second Interim Budget – Unrestricted Fund

Ending Balance	\$27,225,418
10.25% Reserve for Economic Uncertainty	\$26,860,418
Stores	\$365,000
Undesignated Ending Balance	\$0



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2025-2026 VUSD Second Interim Budget – Restricted Fund

Ending Balance: \$9,603,983

- Reserve for Student Support and PD Discretionary Block Grant - \$4,247,831
- Reserve for Expanded Learning - \$2,193,005
- Reserve for Literary Coaches and Reading Specialist Grant - \$402,202
- Reserve for Prop 28 - \$1,728,207
- California School Employee PD Block Grant - \$109,802
- Dual Enrollment Opportunities Grant- \$233,070
- Equity Multiplier Funds - \$133,947
- Reserve for Site/District Grants/Donations - \$555,919



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Assumptions in Multiyear Projections (MYP)

The District's MYP is developed with key assumptions.

- The COLAs used are based on SSC assumptions at 2.30% in fiscal year 2025/26, 2.41% in 2026/27 and 3.06% 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.
- One-time funds from Governor's proposal(Student Block Grant, LREBG and Special Education Increase) totaling approx. \$9,795,967 **not included** as the Governor's budget will not be finalized until end of June. We will wait for the May revise to see if there are any major shifts and budget accordingly at adopted budget.



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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.



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Multi-Year Projection 2026-2029

<u>Second Interim - Unrestricted</u>	2025/2026	2026/2027	2027/2028
Enrollment	14119	13789	13459
Funded ADA	13687	13580	13404
UPP%	58%	58%	58%
Beginning Balance	\$26,752,167	\$27,225,418	\$22,550,366
Projected Revenue (per MYP)	\$195,813,330	\$202,408,443	\$200,348,984
Contribution	(\$24,871,653)	(\$26,133,257)	(\$28,034,601)
Total Projected Revenues	\$170,941,677	\$176,275,186	\$172,314,383
Projected Expenses (per MYP)	\$170,468,426	180,950,238	\$183,794,052
Total Projected Expenditures	\$170,468,426	\$180,950,238	\$183,794,052
Surplus/(Deficit)	\$473,251	(\$4,675,052)	(\$11,479,669)
Transfers from/(to other funds)	\$0	\$0	\$0
Projected Ending Fund Balance	\$27,225,418	\$22,550,366	\$11,070,697
Revolving Cash, Stores	(\$365,000)	(\$365,000)	(\$365,000)
Restricted Resources	\$0	\$0	\$0
Assignments	\$0	\$0	\$0
Reserve Dollars	\$26,860,418	\$22,185,366	\$10,705,697
Reserve Percentage	10.23%	8.29%	4.00%

Looking Forward to Adopted Budget 2026/27



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Multi-Year Projection 2026-2029

<u>Second Interim - Unrestricted</u>	2025/2026	2026/2027	2027/2028	2028/2029
Enrollment	14119	13789	13459	13129
Funded ADA	13687	13580	13404	13123
UPP%	58%	58%	58%	58%
Beginning Balance	\$26,752,167	\$27,225,418	\$22,550,366	\$11,070,697
Projected Revenue (per MYP)	\$195,813,330	\$202,408,443	\$200,348,984	\$202,165,675
Contribution	(\$24,871,653)	(\$26,133,257)	(\$28,034,601)	(\$29,084,532)
Total Projected Revenues	\$170,941,677	\$176,275,186	\$172,314,383	\$173,081,143
Projected Expenses (per MYP)	\$170,468,426	180,950,238	\$183,794,052	\$186,612,020
Total Projected Expenditures	\$170,468,426	\$180,950,238	\$183,794,052	\$186,612,020
Surplus/(Deficit)	\$473,251	(\$4,675,052)	(\$11,479,669)	(\$13,530,877)
Transfers from/(to other funds)	\$0	\$0	\$0	\$0
Projected Ending Fund Balance	\$27,225,418	\$22,550,366	\$11,070,697	(\$2,460,180)
Revolving Cash, Stores	(\$365,000)	(\$365,000)	(\$365,000)	(\$365,000)
Restricted Resources	\$0	\$0	\$0	\$0
Assignments	\$0	\$0	\$0	\$0
Reserve Dollars	\$26,860,418	\$22,185,366	\$10,705,697	(\$2,825,180)
Reserve Percentage	10.23%	8.29%	4.00%	-1.04%

If current assumptions remain the same, VUSD would receive a negative certification at adopted budget in June 2026.

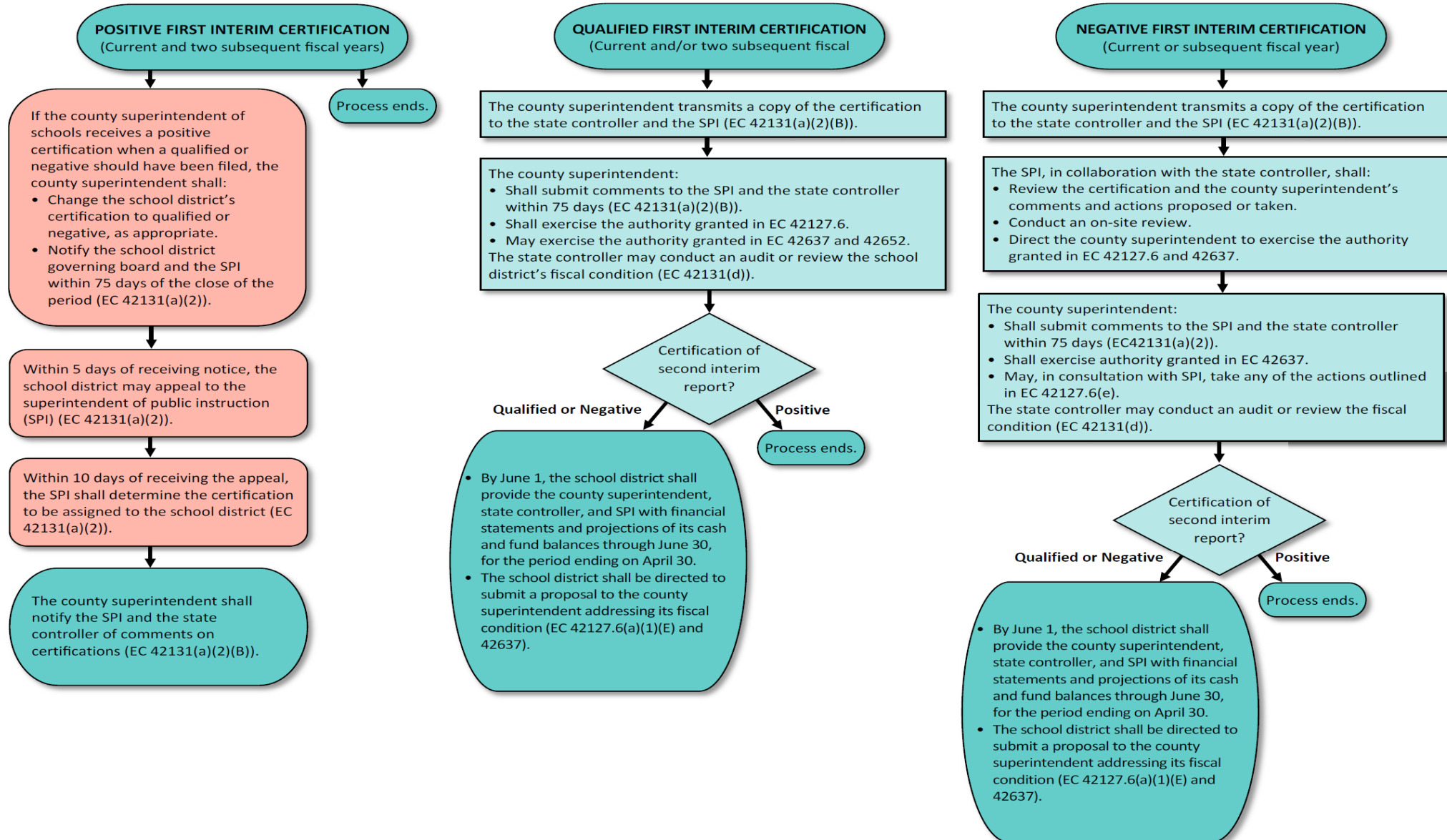
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Beginning Balance	\$26,752,167	\$27,225,418	\$26,550,366	\$19,070,697
Projected Revenue (per MYP)	\$195,813,330	\$202,408,443	\$200,348,984	\$202,165,675
Contribution	(\$24,871,653)	(\$26,133,257)	(\$28,034,601)	(\$29,084,532)
Total Projected Revenues	\$170,941,677	\$176,275,186	\$172,314,383	\$173,081,143
Projected Expenses (per MYP)	\$170,468,426	180,950,238	\$183,794,052	\$186,612,020
Reductions	\$0	(4,000,000)	(4,000,000)	(4,000,000)
Total Projected Expenditures	\$170,468,426	\$176,950,238	\$179,794,052	\$182,612,020
Surplus/(Deficit)	\$473,251	(\$675,052)	(\$7,479,669)	(\$9,530,877)
Transfers from/(to other funds)	\$0	\$0	\$0	\$0
Projected Ending Fund Balance	\$27,225,418	\$26,550,366	\$19,070,697	\$9,539,820
Revolving Cash, Stores	(\$365,000)	(\$365,000)	(\$365,000)	(\$365,000)
Restricted Resources	\$0	\$0	\$0	\$0
Assignments	\$0	\$0	\$0	\$0
Reserve Dollars	\$26,860,418	\$26,185,366	\$18,705,697	\$9,174,820
Reserve Percentage	10.23%	9.78%	6.99%	3.38%

Based on current assumptions and the Board's initial reductions in force, we estimate approximately \$3 - \$4 million in cost savings. This would reduce the deficit to \$9.5 million and allow the District to certify positive, with a projected third-year reserve level of approximately 3.38%.

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.



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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 funds are fully utilized, 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).



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Questions?



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