

Conejo Valley Unified School District

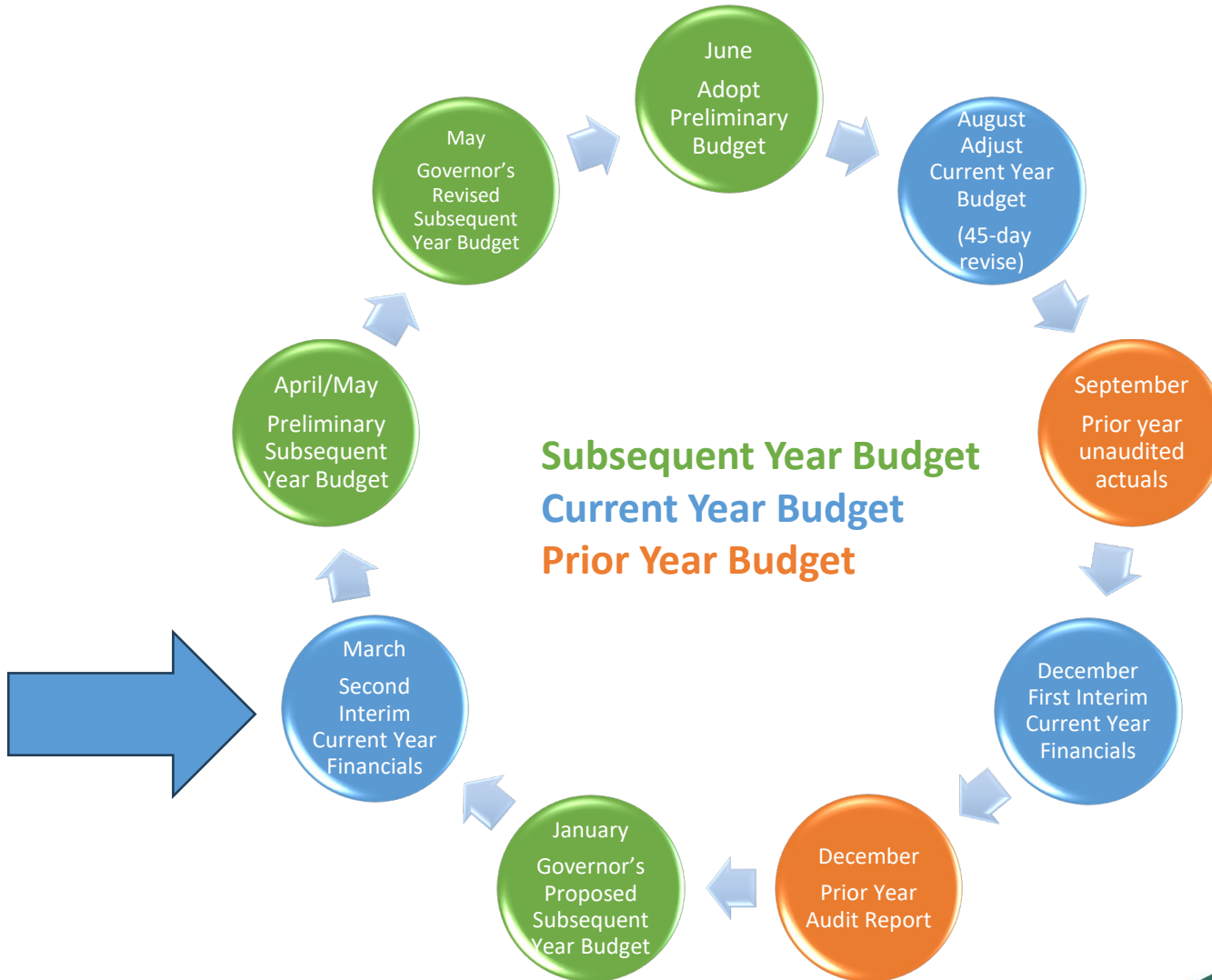
2024-25 Second Interim *Financial Report Summary*

March 5, 2025



Budget Cycle and Reporting

Note: Fiscal Year is July 1 to June 30



Governor's Proposed 2025-26 Budget



- Prop 98 funding: \$7.5 billion above 2024-25 Budget Act, with the 2025-26 level at \$118.9 billion
- 2.43% COLA for LCFF and some categorical programs (\$2.5 billion)
 - This is a downgrade from June 2024 (adopted budget)
- Discretionary Block Grant - \$1.8 billion (one-time)
 - \$327 per ADA estimated at \$5m for CVUSD
 - Recommend to use to close budget gap, but keep in mind it is one year only
 - SSC recommends not to budget until (if) approved in June
- TK Add-on
 - This funding source increased in recognition of a change in student-to-adult ratios from 12:1 to 10:1, but acknowledge that this funding amount could be subject to change before final State Budget enactment.
- Literacy and Math Coaches - \$500 million (one-time)
 - SSC recommends not including in budget until June as it is subject to change
- Learning Recovery Emergency Block Grant - \$378.6 million (one-time)
 - SSC recommends LEAs should note that the Governor proposed an additional \$379 million, but refrain from including the revenue increase in their Second Interim multiyear projection. Although any unspent LREBG block grant funds must be included in future Local Control and Accountability Plans (LCAPs), LEAs should not include this additional funding in the adoption of their 2025-26 LCAPs as the funding will not be enacted until after 2025-26 LCAPs have been approved. LEAs should consider including the expenditure of these funds in the mid-year or annual updates
- Teacher Recruitment - \$300 million (one-time)
- Funding for full implementation of ELOP (increased funding but not for CVUSD as UPP from 75% to 55%)
- Funding for free breakfast and lunch for students

Source: Capitol Advisors and SSC

2025 Second Interim Estimated Revenue

Revenue Source	Unrestricted	Restricted	Total
LCFF Base Funding	\$180,124,166	N/A	\$180,124,166
Supplemental	\$9,695,679	N/A	\$9,695,679
Federal	N/A	\$10,576,675	\$10,576,675
State	\$4,892,717	\$16,756,556	\$21,649,273
Local	\$5,085,580	\$16,779,351	\$21,864,931
Transfers	(\$30,752,321)	\$30,752,321	\$0
Total Revenue	\$169,045,821	\$74,864,903	\$243,910,724

2025 Second Interim Estimated Expense

Expense Category	Unrestricted	Restricted	Total
Certificated Salaries	\$91,932,565	\$23,564,783	\$115,497,348
Classified Salaries	\$23,109,923	\$15,043,507	\$38,153,430
Benefits	\$46,562,184	\$22,046,216	\$68,608,400
Books & Supplies	\$3,354,260	\$17,015,615	\$20,369,875
Contract Services & Other Operating Expenses	\$19,918,867	\$12,514,466	\$32,433,333
Capital Outlay	\$298,502	\$1,182,923	\$1,481,425
Other Outgo	(\$2,801,493)	\$4,008,552	\$1,207,059
Total Expenses	\$182,374,808	\$95,376,062	\$277,750,870

2025 Second Interim Projected Ending Fund Balance

Category	Unrestricted	Restricted	Total
Beginning Balance	\$35,695,517	\$20,511,159	\$56,206,676
Estimated Revenue	\$169,045,821	\$74,864,903	\$243,910,724
Estimated Expenses	\$182,374,808	\$95,376,062	\$277,750,870
Estimated Ending Balance	\$22,366,530	\$0	\$22,366,530
<u>Breakdown of Ending Balance</u>			
Stores	\$349,370	\$0	\$349,370
Revolving Cash	\$43,300	\$0	\$43,300
Local Fiscal Stabilization Reserve	\$3,000,000	\$0	\$3,000,000
Mandated Reserve (3%)	\$8,332,526	\$0	\$8,332,526
Undesignated	\$10,641,334	\$0	\$10,641,334
Estimated Ending Fund Balance	\$22,366,530	\$0	\$22,366,530
Reserve as a % of Expense*			4.9%

**From the May 2021 BOE work session - Goal: Maintain an undesignated fund balance of not less than \$6m, inclusive of the \$3m local fiscal stabilization reserve, or approximately 6% of expenses.*

Multi-Year Projection

(based on what we know now)



Factors and Assumptions for Multi-Year Projection

Budget Assumptions	2024-25	2025-26	2026-27
Cost Of Living Adjustment (COLA)	1.07%	2.43%	3.52%
Enrollment projection	15,758	15,372	15,109
P-2 Funded ADA estimate <i>(rolling 3 year)</i>	15,537	15,207	15,044
<i>Funded Difference</i> (Funded ADA less Actual ADA)	555	438	528
Unduplicated Pupil %	27.51%	27.25%	26.92%
Unduplicated Pupil Count	4,246	4,142	4,071
CalSTRS Employer Rate	19.10%	19.10%	19.10%
CalPERS Employer Rate	27.05%	27.40%	27.50%
Negotiated salary adjustments	--	--	--
Anticipated retirements	35	35	35
Staffing ratios	K-3 - 21.5:1 4-12 - 30:1	K-3 - 21.5:1 4-12 - 30:1	K-3 - 21.5:1 4-12 - 30:1
Planned budget reductions	--	\$2m	\$3m
Transfer from Health Benefit Fund Reserves	--	\$3m	\$3m

2025 Second Interim Multi-Year Projection

Description	2024-25 2nd Interim	2025-26 Projection	2026-27 Projection
Estimated Beginning Balance July 1	\$56,206,676	\$22,366,530	\$12,150,849
Total Revenue	\$243,910,724	\$244,824,741	\$248,949,827
Total Expense	\$277,750,870	\$255,040,422	\$253,084,843
Ending balance	\$22,366,530	\$12,150,849	\$8,015,833
<u>Components of Ending Fund Balance</u>			
Stores/Revolving Cash	\$392,670	\$392,670	\$392,670
Fiscal Stabilization Reserve	\$3,000,000	\$0	\$0
Required Reserve 3%	\$8,332,526	\$7,651,213	\$7,592,545
Undesignated Funds	\$10,641,334	\$4,106,966	\$30,618
Undesignated Reserve as a % of Expense	4.9%	1.6%	0.01%

Other Funds

Fund	Beginning Balance	Income	Expenses	End Balance
Student Activity (Fiduciary)	\$1,750,949	\$2,969,822	\$2,511,971	\$2,208,800
Adult Education	\$4,669	\$3,706,247	\$3,657,591	\$53,325
Child Development	\$1,699,762	\$8,061,746	\$8,470,059	\$1,291,449
Cafeteria Special Revenue	\$11,919,646	\$10,975,000	\$11,807,041	\$11,087,605
Deferred Maintenance	\$2,949,577	\$819,000	\$662,129	\$3,106,448
Measure I Capital	\$38,200,233	800,000	\$32,684,800	\$6,315,433
Measure I Technology	\$30,156,042	\$950,000	\$3,406,339	\$27,699,703
Developer Fees	\$2,136,266	\$910,000	\$834,198	\$2,212,068
TOPASS	\$7,172,793	\$1,944,480	\$658,551	\$8,458,722
Surplus Property	\$268,612	\$8,000	\$100,000	\$176,612
Bond Interest & Redemption	\$14,227,440	\$11,769,742	\$13,093,898	\$12,903,284
Worker Compensation Fund	\$1,497,807	\$3,070,947	\$2,331,735	\$2,237,019
Health & Welfare Fund	\$18,249,450	\$34,019,839	\$30,831,831	\$21,437,458
Private Purpose Trust	\$4,196	\$1,905	\$1,605	\$4,496

**WHAT'S
NEXT?**



Headwinds



- While Proposition 98 has recently increased funding for public education overall, its allocation is heavily tied to student attendance. With more than 2/3 of California's TK-12 school agencies experiencing declining enrollment, that means reduced Local Control Funding Formula (LCFF) allocations for individual districts, even as the statewide total rises.
- While COLA raises the % increase in LCFF, ADA negates any increase in funding
- ***Most of the recent growth in Prop 98 funding has been directed by the Governor and Legislature to fund new state programs: ELOP (\$4.4 billion), Universal TK (\$3.9 billion), Universal Meals (\$2 billion), among others.***
- Local districts face operational challenges and are issuing layoff notices due to shrinking local budgets and skyrocketing fixed costs that outstrip annual modest cost of living adjustments (step and column, energy, health insurance, fire/cybersecurity/property insurance, and employer STRS/PERS rates, to name a few).
- Utilizing reserves to fill budget shortfall is short term
 - Budget cuts are necessary
- Expiring grants further necessitate action
 - \$1m used for elementary physical education teachers funded from State LRBG end in 2027
 - \$500k used for mental health funded from State LRBG end in 2027
 - \$12m Federal mental health grant expires in 2027

Budget Cycle and Reporting

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