



# 2025-2026 Proposed Budget Summary

Public Hearing: June 4 and June 18, 2025

Adoption: June 18, 2025

**The Conejo Valley Unified School District**

# Information Used in Budget Preparation

- School Services of California
- Capitol Advisors
- Ventura County Office of Education
- Legislative Analyst's Office
- California Department of Finance
- California Department of Education
- Governor's May Budget Revise



# May Revise



- These revised Proposition 98 levels represent a decrease of approximately \$4.6 billion from Governor's Budget.
- The May Revision proposes to appropriate the 2024-25 Guarantee at \$117.6 billion, instead of the currently calculated level of \$118.9 billion.
- The Budget includes a LCFF cost-of-living adjustment of 2.3 percent, down from 2.43 percent at Governor's Budget.
- Budgetary deferrals of \$246.6 million for TK-12 education from 2023-24 and 2024-25 are fully repaid in the three-year budget window. However, to fully fund the LCFF and maintain the level of 2025-26 principal apportionments, the Budget proposes deferring \$1.8 billion in LCFF funding from June 2026 to July 2026.
- Suspension of the State Preschool Cost-of-Living Adjustment—A reduction of \$19.3 million ongoing Proposition 98 General Fund and \$10.2 million ongoing TK-12 EDUCATION General Fund to reflect the suspension of the statutory cost-of-living adjustment for the California State Preschool Program in 2025-26.
- A change to how Proposition 98 funding is divided between TK-12 and Community Colleges to reflect the intent of “rebenching” related to the expansion of TK. Specifically, it proposes decoupling the TK “rebench” from the Proposition 98 split, which would result in an additional \$419 million for the TK-12 segment.

Source: [May Revise](#)

# The Economy and Revenues

- California job growth was softer in 2024 than initially estimated.
- The State lost 18,000 jobs per month in the first three months of 2025, while the Governor's budget projected a gain of 13,000 per month.
- Job growth is expected to slow. Projected to add 6,000 jobs per month in 2025 and 3,000 jobs in 2026.
- Personal income is forecast to be lower.
- The biggest downside risk for the May Revision forecast continues to be federal policy uncertainty.
- California's unemployment rate is projected to be about 0.4 percentage points higher per year on average through 2028. In 2028, California's unemployment rate is projected to tick down to 5.3 percent, remaining slightly above the state's pre-pandemic 2015-2019 historical average of 5%.
- Other structural risks remain, including more extreme and frequent disasters such as wildfires, droughts, or floods. Long term, the state's labor force, and hence economic output will be affected by reduced net migration of working-age residents and declining fertility rates. The state's high living costs, especially due to persistent housing shortages, also continue to constrain the economy.



# Legislative Analyst's Office



- Overall, the LAO agrees with the Administration's assessment of the state's budget condition.
- In January, both the LAO and the Administration believed the budget to be roughly balanced. Since then, the fiscal outlook has weakened.
- The LAO recommends the Legislature maintain the Governor's overall May Revision structure to put the state in a stronger fiscal position.
- The LAO agrees with the Governor's revenue estimates and proposals to reduce multiyear spending.
- The Governor's proposed State Budget does include approximately \$2 billion new discretionary spending proposals, and the LAO recommends the Legislature scrutinize these proposals, as they increase the size of the budget deficit.
- The LAO encourages the Legislature to focus on the fiscal challenges the state is facing and leave other policy matters to be addressed at a later time.

# Capitol Advisors



- Governor Gavin Newsom announced declines in revenues and increases in costs that result in a substantial state budget deficit in 2025-26 and future years, the TK-12 budget remains largely unchanged from the proposal we saw in January.
- In terms of the specific general fund revenue, expenditure and reserve figures over the three-year budget period, the numbers compared to January are worse but not dramatically worse.
- The May Revision maintains the controversial proposal from the Administration to appropriate less than the calculated Guarantee in 2024-25. Recall that in January the Governor proposed to appropriate \$1.6 billion less than the Guarantee to “mitigate the risk” of over-appropriation. The May Revision changes the amount withheld to \$1.3 billion instead of \$1.6 billion, without explaining the rationale for the change. This proposal to appropriate less than the calculated Guarantee is not consistent with past practice and may be subject to legal challenge. This practice could arguably be a work-around to avoid suspension, the typical process to appropriate less money than required by the relevant Prop. 98 formula for a given year.
- While we commend the Governor for avoiding cuts, funding existing programs and limiting new commitments, we do note some issues that raise concerns or create future risks:
  - The Administration proposes to appropriate \$1.3 billion less than the currently calculated 2024-25 Prop. 98 Guarantee, which is inconsistent with past practice and potentially subject to legal challenge
  - The funding level for 2025-26 relies on a \$1.8 billion LCFF principal apportionment deferral from June 2026 to July 2026
  - The current deposit and withdrawal triggers for the Prop. 98 reserve result in a zero balance in this reserve by the end of 2025-26
- The Administration estimates that the revenue and expenditure problems create a \$12 billion deficit in 2025-26, and under current projections there will be deficits in the next several years as well.
- The Governor proposes a number of solutions to close the \$12 billion deficit, including reduced spending (mostly related to Medi-Cal), some loans among various funds within the budget, and some limited fund shifts.
- The bottom-line is that while we expected the decrease in the Prop. 98 Guarantee in 2025-26, we had hoped that decrease would be partially offset by an increase in the 2024-25 Guarantee.

# Ventura County Star (Dan Walters)

**VC Star.**



- Governor Newsom's revised state budget assumes California will see a sharp decline in projected revenue due to Federal Government tariffs.
- The Governor blames the President as well as unanticipated increase in spending on Medi-Cal, California's medical program for the poor, for a \$12 billion hole in the budget.
- There is a consistent trend in budgets Governor Newsom has proposed, that "miss the mark".
- In '22-'23, the Governor proposed a budget that was \$14 billion higher than his original proposal, and in June added another \$7 billion. The surplus "was an illusion". It never happened.
- The total difference across the last four fiscal years is a negative \$165.1 billion, meaning the error is \$40 billion per year.
- "One might think having made such an immense error of fiscal judgment, Newsom would be ultra careful in projecting revenue and spending". "Apparently not".

Source: VC Star (Dan Walters Commentary) 5/25/25



# 2025-2026 Proposed Budget Financials

The Conejo Valley Unified School District



# Major Budget Impact(s)

| Description   | Change             |
|---|--------------------|
| <b>Unrestricted General Fund:</b>   |                    |
| Budgeted Potential Discretionary Block Grant  | +\$4,500,000       |
| Certificated/Classified/Management staffing reductions                              | +\$3,000,000       |
| Technology Site Techs moved from 65/35 to 50/50 GF/Measure I                        | +\$400,000         |
| LCFF Funding YOY  | +\$440,000         |
| HW Modified Composite Rate: Reduced to \$22,000 (Actual \$24,340 less cont.)        | (\$3,000,000)      |
| Step and Column Increase  | (\$500,000)        |
| Additional Campus Safety for Elementary Schools                                     | (\$200,000)        |
| <b>Restricted General Fund:</b>   |                    |
| Carry-over of Grant Funding is Budgeted - <i>prior years budgeted to spend 100%</i> | +\$4,400,000       |
| Paraprofessional Staffing   | (\$2,000,000)      |
| Reduction of Federal Mental Health Grant  | (\$1,100,000)      |
| Budgeted 20% Reduction of Other Federal Grants                                      | (\$1,300,000)      |
| <b>Estimated Impact to Fund Balance</b>   | <b>\$4,640,000</b> |

# Uncertain Factors

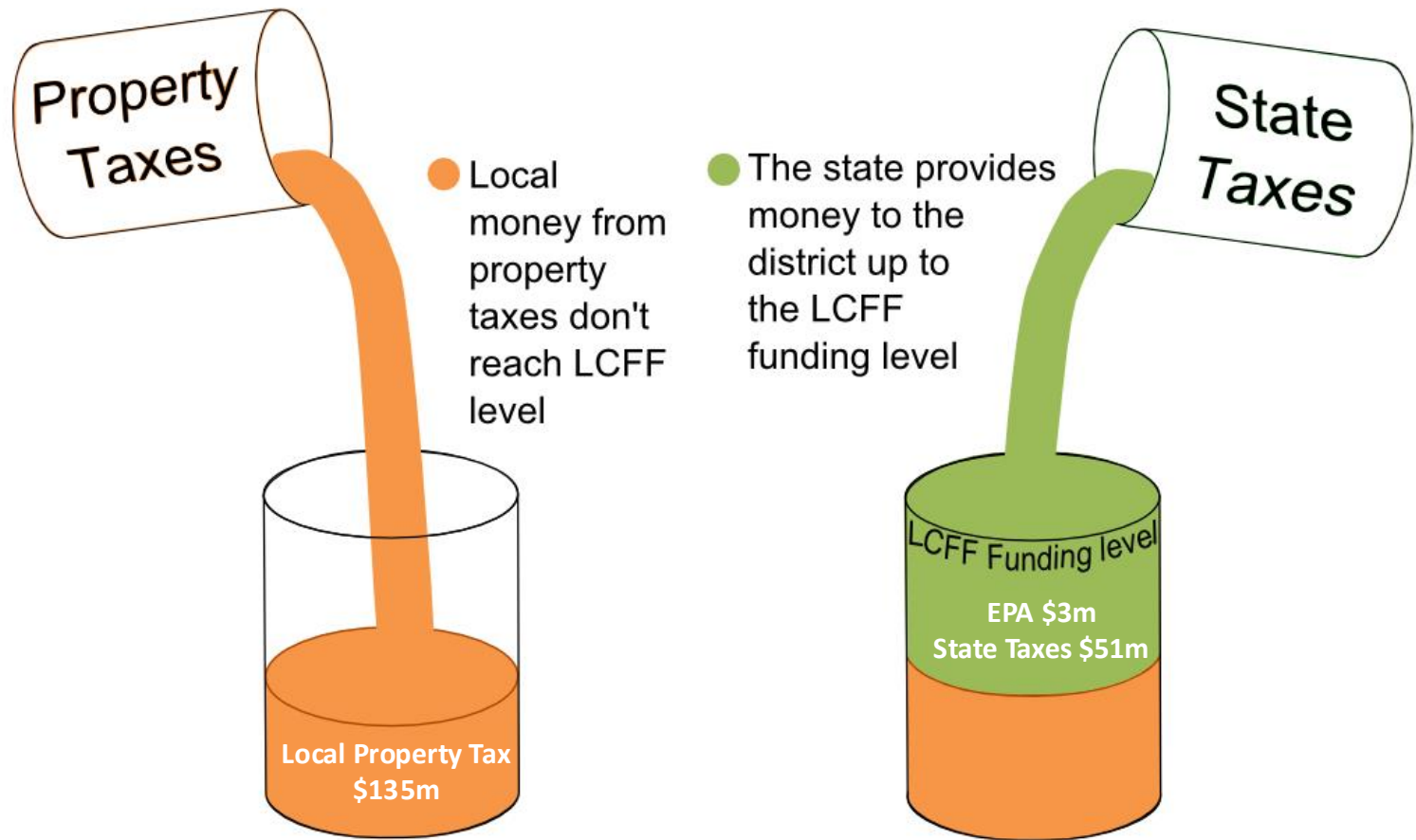
## Next Steps for 2025-26 Budget Development

- The only proposal codified in Education Code is the statutory COLA—OK to include in local budget
  - The following are still subject to negotiations between the Governor and Legislature

| Proposal   | SSC Advice | Risk Level  | Risk of Including in Your Adopted Budget   |
|--|------------|-------------|--|
| 2.30% COLA                                       | Yes        | Very Little | Statutory COLA is a known number as of April 2025  |
| LREBG Additional Funding                         | No         | Lower       | Lower than others, but still subject to negotiation  |
| TK Ratio LCFF Add-On                             | No         | High        | Amount decreased from January  |
| Discretionary Block Grant                        | No         | High        | Amount decreased and the allocation method, allowable uses, and amount may change again before the budget is enacted |
| Teacher Preparation and Professional Development | No         | High        | Amounts have been reduced and repurposed since January   |
| Universal ELO-P 55% Threshold                    | No         | Lower       | Lower than others, but still subject to negotiation  |

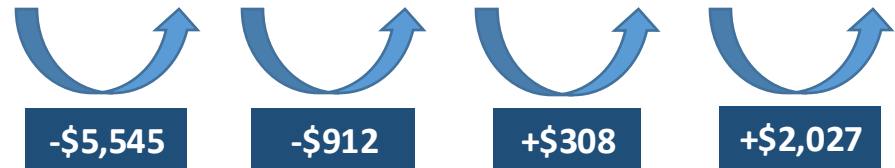


# Where does LCFF come from?

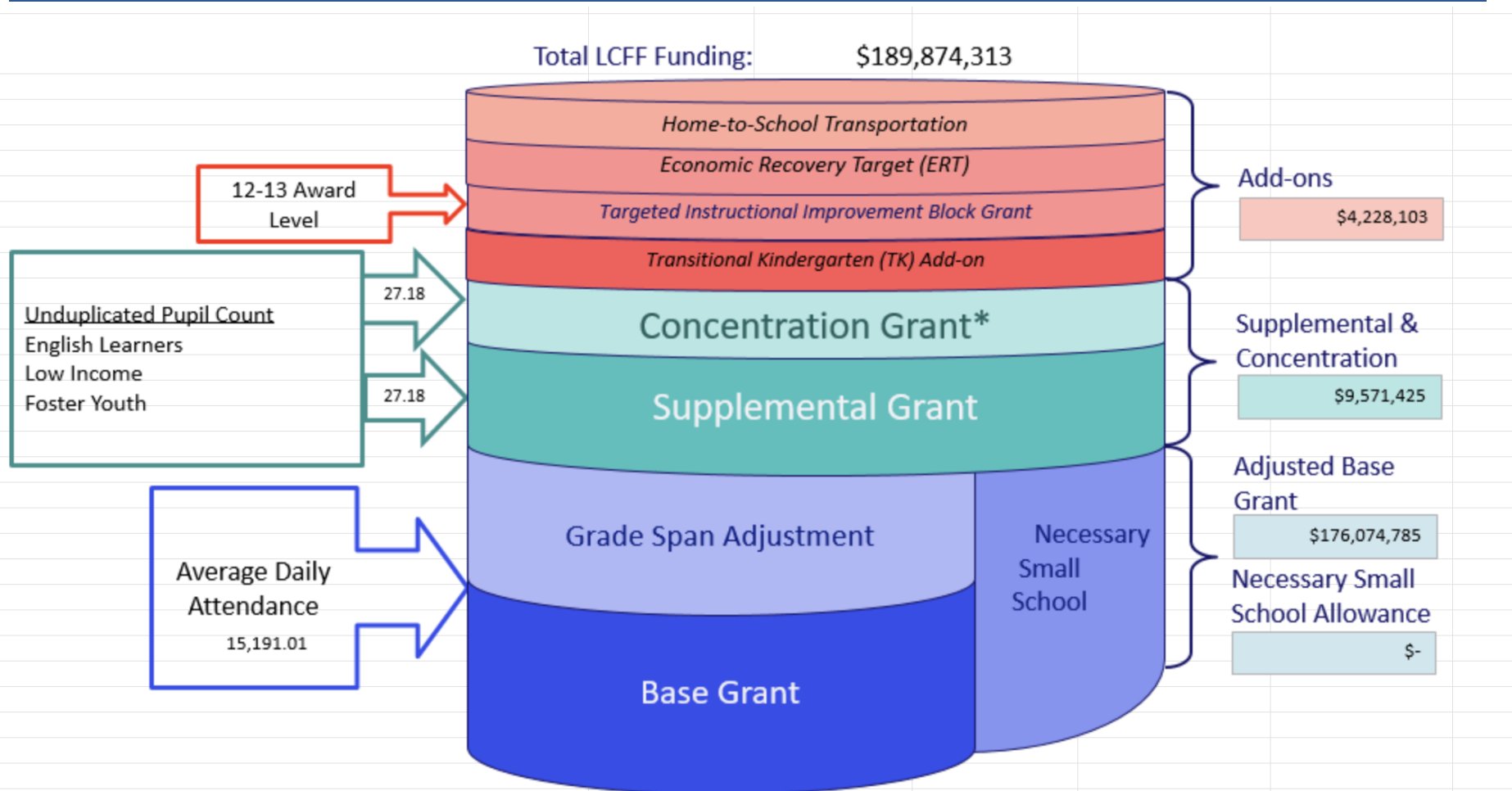


# The Mechanics of LCFF

| Grade Span  | TK              | K-3             | 4-6             | 7-8             | 9-12            |
|---|-----------------|-----------------|-----------------|-----------------|-----------------|
| 2024-25 Base per ADA  | \$10,025        | \$10,025        | \$10,177        | \$10,478        | \$12,144        |
| 2.30% COLA  | \$231           | \$231           | \$234           | \$241           | \$279           |
| 2025-26 Base per ADA  | \$10,256        | \$10,256        | \$10,411        | \$10,719        | \$12,423        |
| GSA   | \$1,067         | \$1,067         | -               | -               | \$323           |
| TK Add-on   | \$5,545         | -               | -               | -               | -               |
| <b>Total funding for CVUSD per ADA</b>  | <b>\$16,868</b> | <b>\$11,323</b> | <b>\$10,411</b> | <b>\$10,719</b> | <b>\$12,746</b> |
| +20% supplemental per UP ADA<br>(Foster, homeless, English learners, free and reduced meal qualification) | -               | \$2,265         | \$2,082         | \$2,144         | \$2,549         |

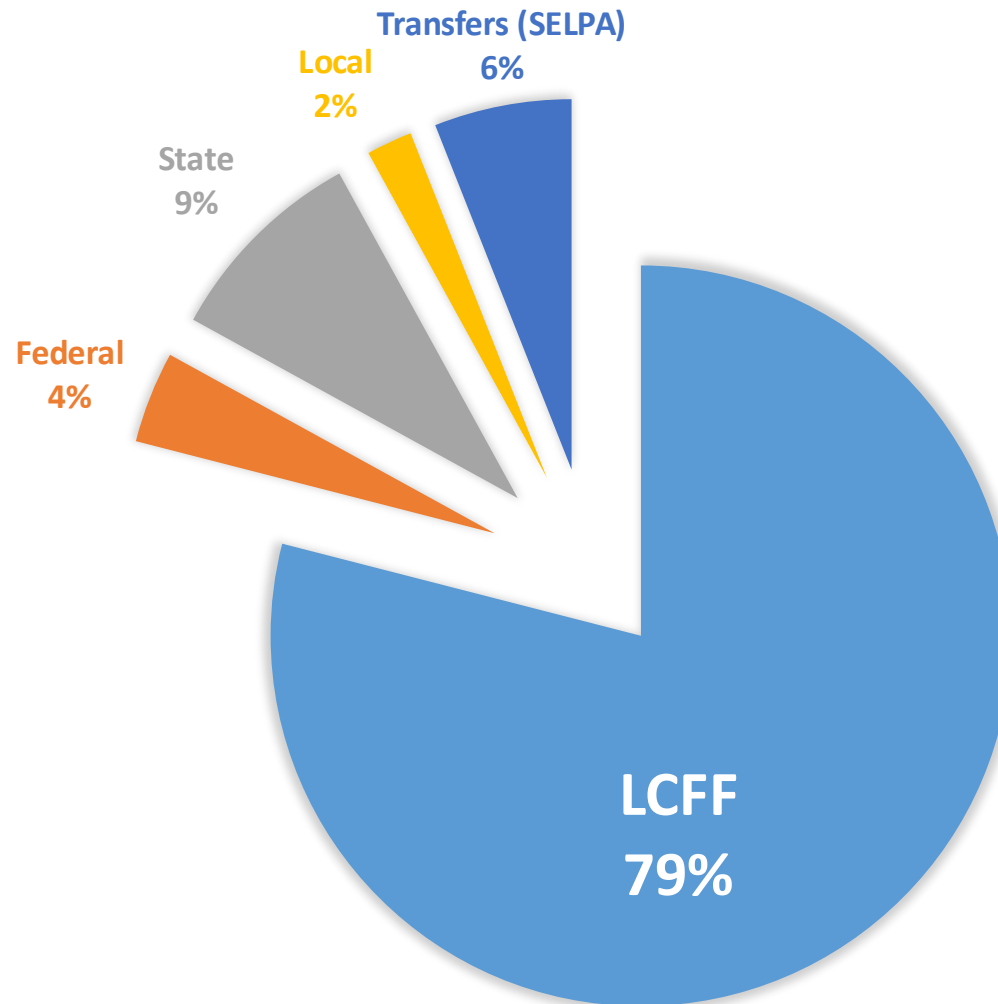


# The 2025-26 LCFF



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

# 2025-26 General Fund - Revenue



# 2025-26 Proposed Budget - Restricted

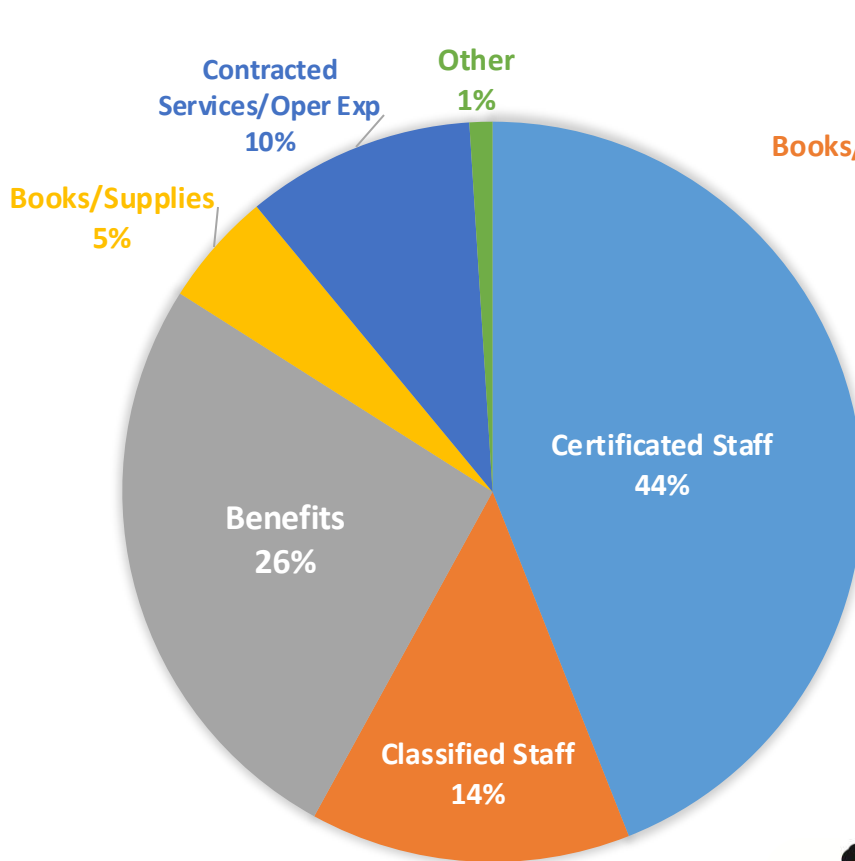
| Revenue Source                      | Unrestricted         | Restricted          | Total                |
|-------------------------------------|----------------------|---------------------|----------------------|
| LCFF Funding                        | \$189,874,313        | \$0                 | \$189,874,313        |
| Federal                             | \$0                  | \$8,284,993         | \$8,284,993          |
| State                               | \$4,858,652          | \$13,411,027        | \$18,269,679         |
| Potential Discretionary Block Grant | \$4,500,000          | \$0                 | \$4,500,000          |
| Local                               | \$3,614,298          | \$1,440,000         | \$5,054,298          |
| Transfers (SPED, Maint.)            | (\$28,899,692)       | \$42,619,367        | \$13,719,675         |
| <b>Total</b>                        | <b>\$173,947,571</b> | <b>\$65,755,387</b> | <b>\$239,702,958</b> |

# 2025-26 Proposed Budget - Revenue

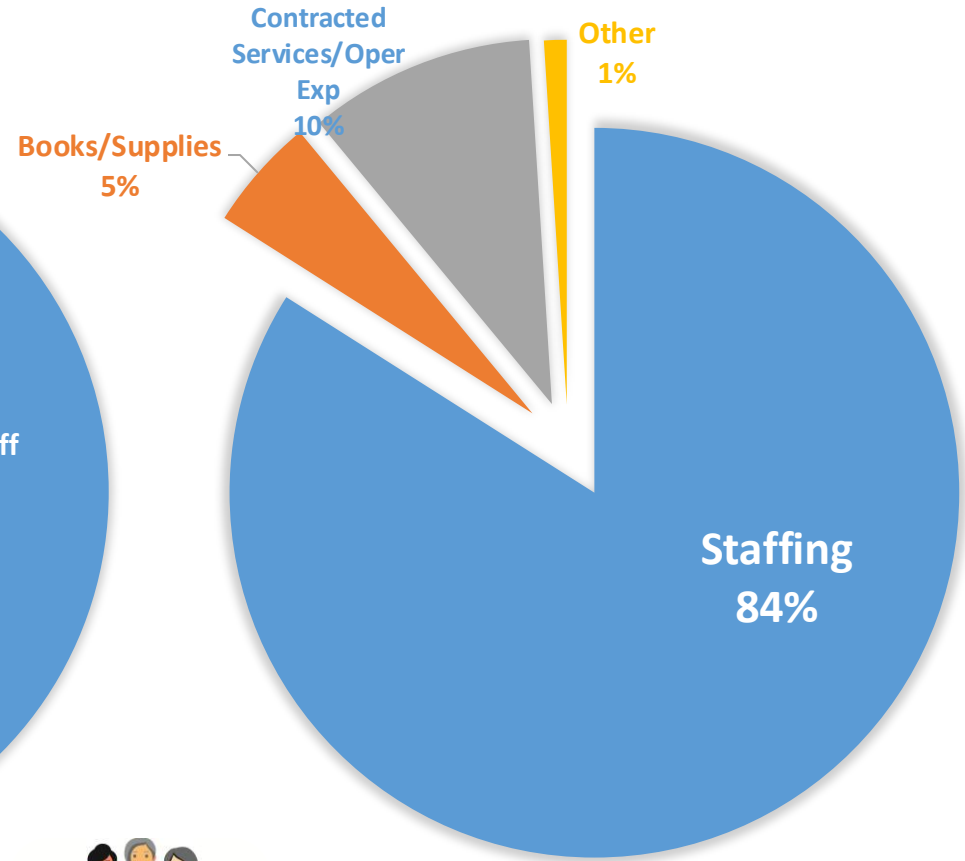
| Revenue Source                | 2024-25<br>2nd Interim | 2025-26<br>Projected | +/-                  | %<br>Change   |
|-------------------------------|------------------------|----------------------|----------------------|---------------|
| LCFF Base                     | \$180,124,166          | \$180,302,888        | 178,722              | .10%          |
| LCFF Supplemental             | \$9,695,679            | \$9,571,425          | (\$124,254)          | -1.28%        |
| Federal                       | \$10,576,675           | \$8,284,993          | (\$2,291,682)        | -21.67%       |
| State                         | \$21,649,273           | \$18,269,679         | (\$3,379,594)        | -15.61%       |
| <i>One-time Discretionary</i> | <i>\$0</i>             | <i>\$4,500,000</i>   | <i>\$4,500,000</i>   | <i>100%</i>   |
| Local                         | \$7,877,214            | \$5,054,298          | (\$2,822,916)        | -35.84%       |
| Incoming/Transfers/<br>SELPA  | \$13,987,717           | \$13,719,675         | (\$268,042)          | -1.92%        |
| <b>Total Revenue</b>          | <b>\$243,910,724</b>   | <b>\$239,702,958</b> | <b>(\$4,207,766)</b> | <b>-1.73%</b> |



# 2025-26 General Fund - Expenses



*CVUSD is Thousand Oaks' 4<sup>th</sup> largest employer behind Amgen, Blue Cross, and Verizon*



*More than 84% of expenses go directly to staffing.*

# 2025-26 Proposed Budget - Expense

| Expense Category                             | Unrestricted         | Restricted          | Total                |
|--|----------------------|---------------------|----------------------|
| Certificated Salaries                        | \$88,267,113         | \$21,878,642        | \$110,145,755        |
| Classified Salaries                          | \$22,382,972         | \$12,846,564        | \$35,229,536         |
| Benefits                                     | \$46,422,929         | \$19,300,157        | \$65,723,086         |
| Books & Supplies                             | \$3,401,607          | \$9,989,293         | \$13,390,900         |
| Contract Services & Other Operating Expenses | \$20,406,422         | \$6,886,159         | \$27,292,581         |
| Other Outgo                                  | (\$2,183,986)        | \$2,525,793         | \$341,807            |
| <b>Total</b>                                 | <b>\$178,697,057</b> | <b>\$73,426,608</b> | <b>\$252,123,665</b> |

# 2025-26 Proposed Budget - Expense

| Expense Category                                | 2024-25<br>2nd Interim | 2025-26<br>Projected | +/-                   | %<br>Change   |
|---|------------------------|----------------------|-----------------------|---------------|
| Certificated Salaries                           | \$115,497,348          | \$110,145,755        | (\$5,351,593)         | -4.63%        |
| Classified Salaries                             | \$38,153,430           | \$35,229,536         | (\$2,923,894)         | -7.66%        |
| Benefits  | \$68,608,400           | \$65,723,086         | (\$2,885,314)         | -4.21%        |
| Books & Supplies                                | \$20,369,875           | \$13,390,900         | (\$6,978,975)         | -34.26%       |
| Contract Services & Other<br>Operating Expenses | \$32,433,333           | \$27,213,477         | (\$5,219,856)         | -16.09%       |
| Capital Outlay                                  | \$1,481,425            | \$79,104             | (\$1,402,321)         | -94.66%       |
| Other Outgo                                     | \$1,207,059            | \$341,807            | (\$865,252)           | -71.68%       |
| <b>Total Expenses</b>                           | <b>\$277,750,870</b>   | <b>\$252,123,665</b> | <b>(\$25,627,205)</b> | <b>-9.23%</b> |

# 2026 Projected Ending Fund Balance

| Category                           | Unrestricted    | Restricted     | Combined        |
|------------------------------------|-----------------|----------------|-----------------|
| Estimated Beginning Balance        | \$22,734,602    | \$12,094,104   | \$34,828,706    |
| Estimated Revenue                  | \$202,847,263   | \$36,855,695   | \$239,702,958   |
| Estimated Expenses                 | (\$178,697,057) | (\$73,426,608) | (\$252,123,665) |
| Other Financing Sources/Uses       | (\$28,899,692)  | \$28,899,692   | \$0             |
| Estimated Ending Balance           | \$17,985,116    | \$4,422,883    | \$22,407,999    |
|                                    |                 |                |                 |
| <u>Breakdown of Ending Balance</u> |                 |                |                 |
| Stores and Revolving Cash          | \$211,283       | \$0            | \$211,283       |
| Local Fiscal Stabilization Reserve | \$3,000,000     | \$0            | \$3,000,000     |
| Mandated Reserve (3%)              | \$7,563,710     | \$0            | \$7,563,710     |
| Restricted Funds                   | \$0             | \$4,422,883    | \$4,422,883     |
| Undesignated                       | \$7,210,123     | \$0            | \$7,210,123     |
| Estimated Ending Fund Balance      | \$17,985,116    | \$4,422,883    | \$22,407,999    |
| UFB as a % of Expense*             | 2.86%           |                |                 |



# 2026 - 2028 Multi-Year Projection

**The Conejo Valley Unified School District**

# Key Focus Areas

**01**

Implement targeted actions and services that support positive student outcomes

Ensure highly qualified and effective staff are provided with targeted professional development

**02**

**03**

Provide communication and targeted outreach that informs the community of programs & opportunities

Enhance the social, emotional and physical well-being for all students through targeted actions

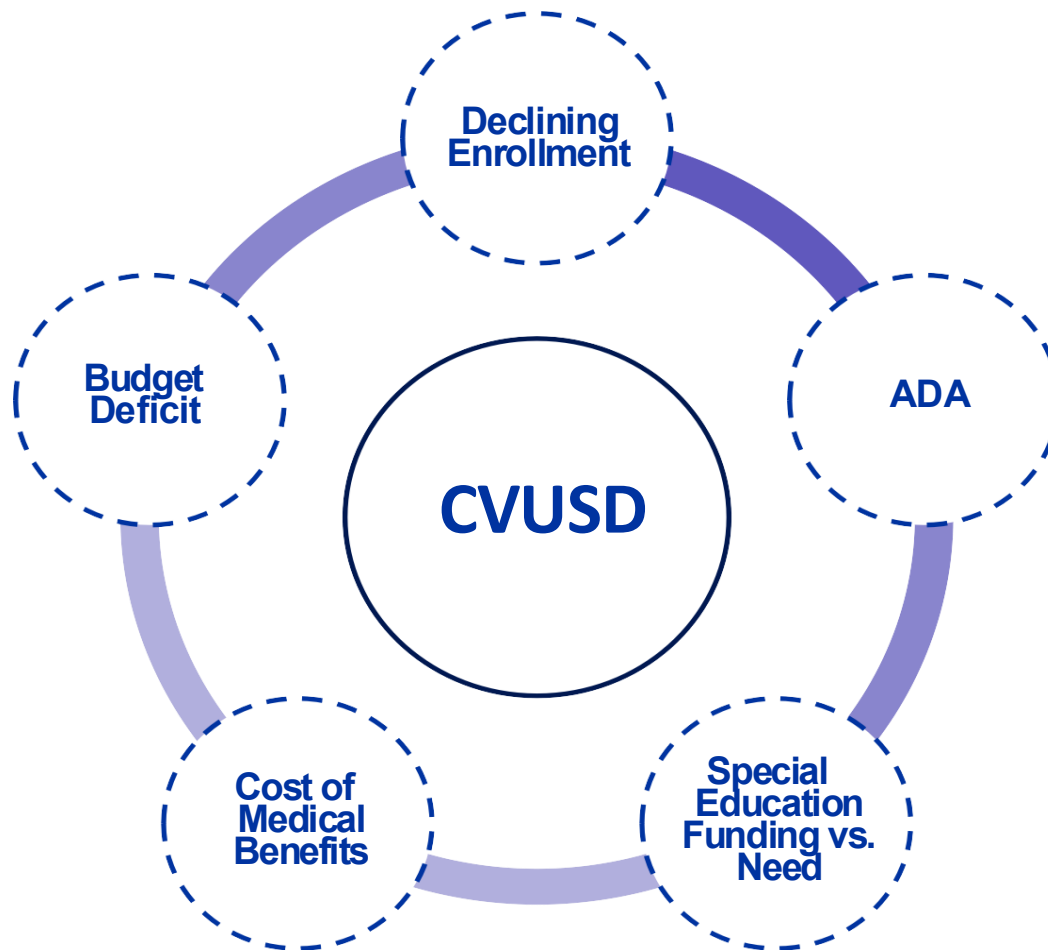
**04**

# Three-linked and Interconnected Fiscal Policy Actions

*Discussed with the BOE at the May 19, 2025 Goal Setting Session*



# Major Budget Challenges





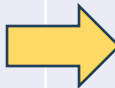
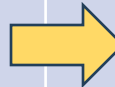
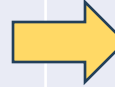
# ADA: Adjusted vs. Actual

| Year                       | Demographic Study Projection | Projected Enrollment | Projected ADA* | Funded ADA  | Benefit of Rolling ADA | Enrollment vs ADA Funding Gap |
|----------------------------|------------------------------|----------------------|----------------|-------------|------------------------|-------------------------------|
| <b>2024-25</b>             | 15,615                       | 15,739               | 15,110         | 15,504      | +394                   | -235                          |
| <b>2025-26 (projected)</b> | 15,372                       | 15,523               | 14,913         | 15,191      | +278                   | -332                          |
| <b>2026-27 (projected)</b> | 15,109                       | 15,124               | 14,530         | 15,051      | +521                   | -73                           |
| <b>2027-28 (projected)</b> | 14,898                       | 14,913               | 14,327         | 14,850      | +523                   | -63                           |
| <b>SY25 vs SY28</b>        | <b>-717</b>                  | <b>-826</b>          | <b>-783</b>    | <b>-654</b> | -                      | -                             |

\*Assumption: ADA= 96%.

NOTE: Approximate revenue per ADA is \$11,300 and every 1% ADA = \$1.75m

# LCFF COLA Funded vs. Actual

| Year                       | Estimated LCFF \$\$ | YOY \$\$ Change | State COLA (Advertised Increase in Funding)   | Actual YOY % Increase in Funding |
|----------------------------|---------------------|-----------------|---|----------------------------------|
| <b>2024-25*</b>            | \$189,438,510       | n/a             | n/a   | n/a                              |
| <b>2025-26 (projected)</b> | \$189,874,313       | \$435,803       | 2.30%    | 0.23%                            |
| <b>2026-27 (projected)</b> | \$193,680,047       | \$3,805,734     | 3.02%    | 2.00%                            |
| <b>2027-28 (projected)</b> | \$197,438,609       | \$3,758,562     | 3.42%  | 1.94%                            |

\*Updated as of May 2025

# Multi-Year Projection Factors

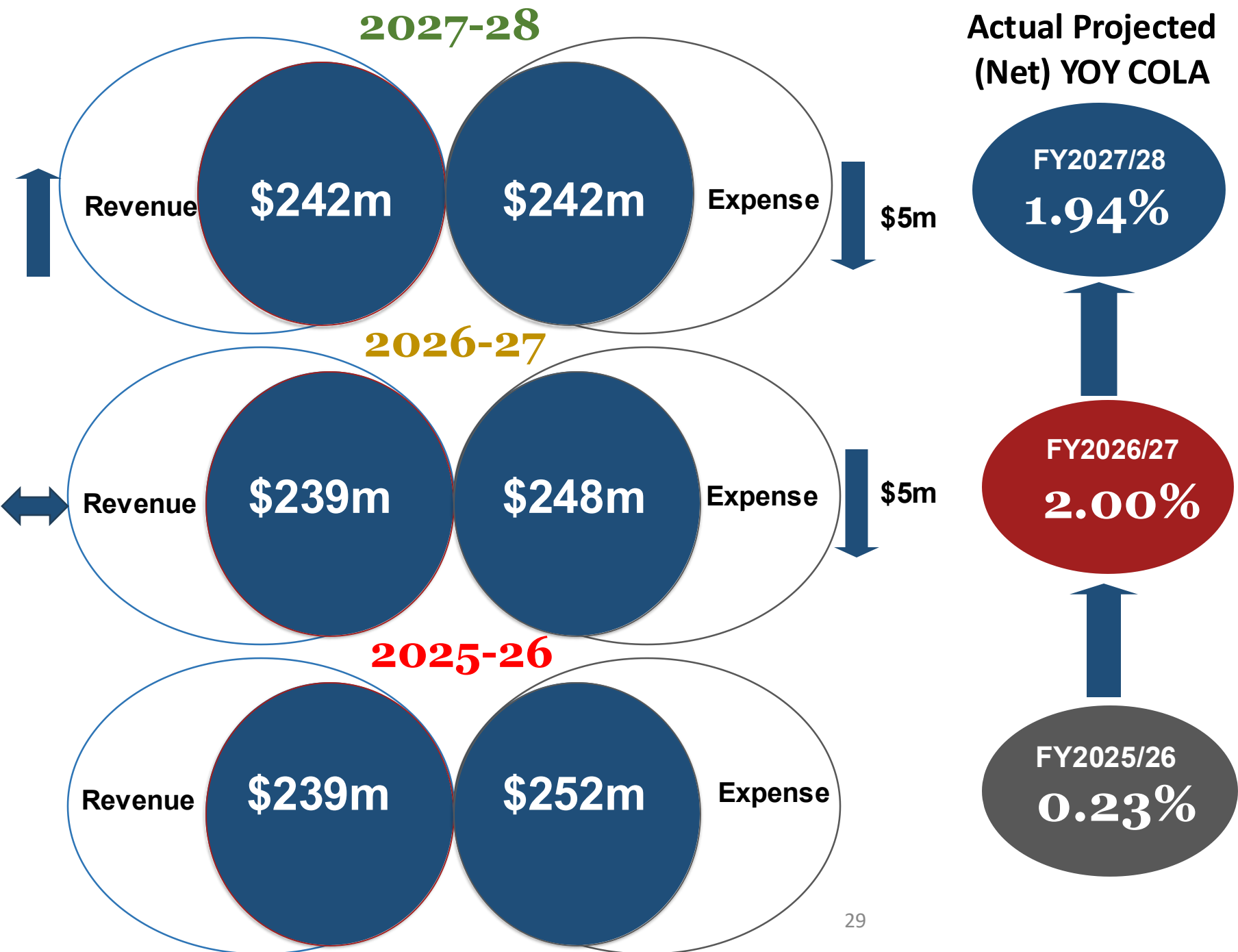
| Budget Assumption                               | 2025-26                     | 2026-27                     | 2027-28                     |
|---|-----------------------------|-----------------------------|-----------------------------|
| Cost Of Living Adjustment (COLA)                | 2.30%                       | 3.02%                       | 3.42%                       |
| Enrollment projection                           | 15,523                      | 15,124                      | 14,913                      |
| P-2 Funded ADA estimate (3-year rolling)        | 15,191                      | 15,051                      | 14,851                      |
| Unduplicated Pupil %                            | 27.18%                      | 26.85%                      | 26.84%                      |
| Unduplicated Pupil Count                        | 4,142                       | 4,071                       | 4,015                       |
| CalSTRS Employer Rate                           | 19.10%                      | 19.10%                      | 19.10%                      |
| CalPERS Employer Rate                           | 26.81%                      | 26.90%                      | 27.80%                      |
| Negotiated salary adjustments                   | -                           | -                           | -                           |
| Anticipated teaching retirements                | 30                          | 30                          | 30                          |
| Staffing ratios                                 | K-3 - 21.5:1<br>4-12 - 30:1 | K-3 - 21.5:1<br>4-12 - 30:1 | K-3 - 21.5:1<br>4-12 - 30:1 |
| One-time Discretionary Funds - <i>uncertain</i> | \$314 per ADA               | n/a                         | n/a                         |
| <i>Projected budget cuts</i>                    | -\$3m                       | -\$5m                       | -\$5m                       |

# Multi-Year Projection

| Description                              | 2025-26<br>Projected Budget | 2026-27<br>Projection | 2027-28<br>Projection |
|--|-----------------------------|-----------------------|-----------------------|
| Estimated Beginning Balance July 1       | \$34,828,706                | \$22,407,999          | \$13,387,884          |
| Estimated Revenue                        | \$239,702,958               | \$239,360,232         | \$242,620,521         |
| Estimated Expenses                       | (\$252,123,665)             | (248,380,347)         | (\$242,769,558)       |
| Ending Balance                           | \$22,407,999                | \$13,387,884          | \$13,238,847          |
| Operating +\-                            | (\$12,420,707)              | (\$9,020,115)         | (\$149,037)           |
| <u>Components of Ending Fund Balance</u> |                             |                       |                       |
| Stores/Revolving Cash                    | \$211,283                   | \$211,284             | \$211,285             |
| Fiscal Stabilization Reserve             | \$3,000,000                 | \$3,000,000           | \$3,000,000           |
| Required Reserve 3%                      | \$7,563,710                 | \$7,451,410           | \$7,283,087           |
| Undesignated Funds                       | \$7,210,123                 | \$2,725,190           | \$2,744,475           |
| Restricted Funds                         | \$4,422,883                 | \$0                   | \$0                   |
| UFB as a % of Expense*                   | 2.86%                       | 1.10%                 | 1.13%                 |

**The Path Toward a Balanced Budget**





# Other Funds

| Fund                                | Beginning Balance | Est. Income  | Est. Expenses | Net Est. End Balance |
|-------------------------------------|-------------------|--------------|---------------|----------------------|
| Student Activity Fund               | \$2,208,800       | \$2,652,236  | \$2,208,950   | \$2,652,086          |
| Adult Education                     | \$53,325          | \$3,598,870  | \$3,652,195   | \$0                  |
| Child Development Fund              | \$1,291,449       | \$8,458,678  | \$8,430,416   | \$1,319,711          |
| Cafeteria Special Revenue           | \$11,001,305      | \$10,185,700 | \$13,031,835  | \$8,155,170          |
| Deferred Maintenance                | \$3,106,448       | \$750,000    | \$357,500     | \$3,498,948          |
| BOND: Building Fund (Measure I)     | \$6,315,433       | \$500,000    | \$6,815,433   | \$0                  |
| BOND: Measure I Technology          | \$27,699,703      | \$600,000    | \$2,822,750   | \$25,476,953         |
| Capital Facilities (Developer Fees) | \$2,212,068       | \$530,000    | \$2,279,000   | \$463,068            |
| TOPASS                              | \$8,635,334       | \$1,784,480  | \$964,331     | \$9,455,483          |
| Surplus Property                    | \$230,191         | \$50,000     | \$223,321     | \$56,870             |
| Bond Interest & Redemption          | \$12,910,139      | \$12,387,000 | \$13,100,661  | \$12,196,478         |
| Worker Compensation Fund            | \$2,237,019       | \$3,000,000  | \$2,423,920   | \$2,813,099          |
| Health & Welfare Fund               | \$21,437,458      | \$33,566,029 | \$36,688,723  | \$18,314,764         |
| Private Purpose Trust               | \$4,496           | \$300        | \$0           | \$4,796              |

LCAP



Budget



Woohoo

