

# 2019/20 Budget Update 1<sup>st</sup> Interim Financial Report

December 10, 2019



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# Continuous Budget and Reporting Cycle



# 2019/20 Budget and Reporting Cycle

- ☑ January 2019: Governor's 2019/20 Budget Proposal
- ☑ May 2019: Governor's Revised 2019/20 Budget
- ☑ May 2019: Preliminary 2019/20 VUSD Budget
- ☑ June 11, 2019: 2019/20 VUSD Budget Public Hearing
- ☑ June 25, 2019: 2019/20 VUSD Budget Presented for Board Approval
- ☑ July 1, 2019: Adopt 2019/20 Original State Budget
- ☑ November 2019: Preliminary 2019/20 VUSD First Interim Report
- ☑ **Dec 10, 2019: 2019/20 VUSD First Interim Report**
- February 2020: Preliminary 2019/20 VUSD Second Interim Report
- March 2020: 2019/20 VUSD Second Interim Report
- May 2020: 2019/20 Preliminary Estimated Actuals
- June 2020: 2019/20 Estimated Actuals
- September 2020: 2019/20 Unaudited Actuals



# 1<sup>st</sup> Interim 2019/20 Multi-Year Projections

(in millions)

	2019-20 1st Interim	2020-21 Projections	2021-22 Projections
Revenues	\$192.651	\$190.052	\$191.074
Expenditures	\$193.917	\$193.733	\$193.605
<b>(Deficiency) of Revenue Over Expenditures</b>	<b>(\$1.265)</b>	<b>(\$3.681)</b>	<b>(\$2.530)</b>
Transfers to/(from) Other Funds	\$1.120	\$1.120	\$1.120
<b>Net (Decrease) in Fund Balance</b>	<b>(\$2.385)</b>	<b>(\$4.801)</b>	<b>(\$3.650)</b>
Beginning Fund Balance	\$20.613	\$18.228	\$13.427
<u>Components of Ending Fund Balance</u>			
Total Ending Fund Balance	\$18.228	\$13,427	\$9.776
3% Reserve for Economic Uncertainty	\$5.851	\$5.846	\$5.842
Legally Restricted	\$1.048	\$1.048	\$1.048
Non-Spendable (Stores)	\$0.552	\$0.773	\$0.556
Other Assignments	\$5,030	\$3,579	\$2,329
<b>Undesignated/Unappropriated Fund Balance</b>	<b>\$5.746</b>	<b>\$2.180</b>	<b>\$0.001</b>
<b>Reductions Included in Projections</b>	<b>(\$552,575)</b>	<b>(\$1,174,442)</b>	<b>(\$500,000)</b>



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# 2019/20 1st Interim Multi-Year Projections

## Revenue Changes from Original Budget

Revenue	Description
+	State STRS On-Behalf Contribution
+	One Time Preschool Dollars
+	One Time Special Education Funding at State Target Rate
+	Insurance Dividend
-	<b>LCFF – Cost of Living Adjustment</b>
-	LCFF – Lower Enrollment & Attendance
-	No County Funds Available to Residential Treatment Reimbursement

# 2019/20 1st Interim Multi-Year Projections

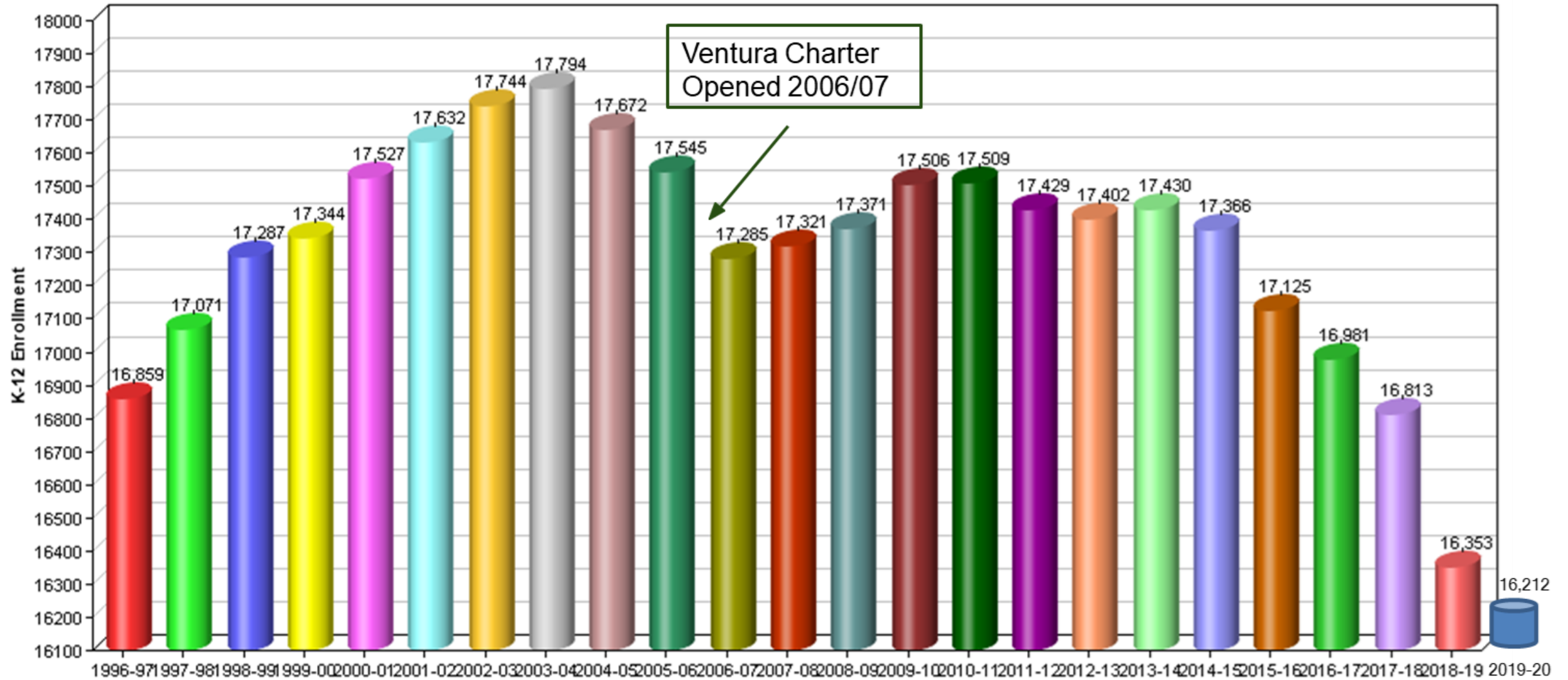
## Expenditure Changes from Original Budget

Expenditures	Description
+	State STRS On-Behalf Contribution
+	One Time Preschool Dollars
+	Education Options Program
+	Salary Schedule Changes (Bargaining Assumptions)
+	Long Term Sub Costs (Employee Leaves)
+	Employee Benefits Higher Than Original Budget (final PERS Rate, H&W, Retiree Costs)
-	Reductions Needed to Align Management and Staff with Declining Enrollment



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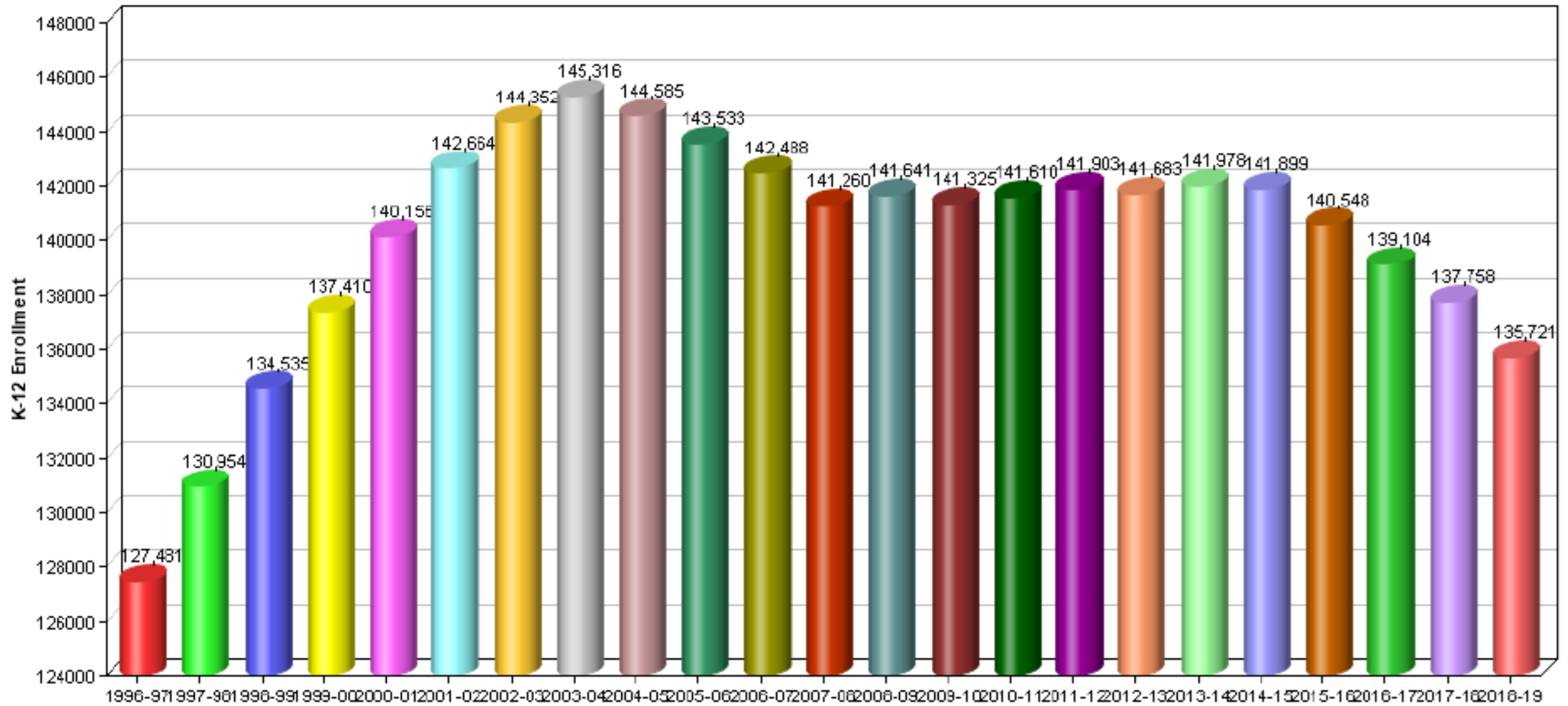
# Ventura Unified Historical Enrollment Trend (1996/97 to 2019/20)



Source: CDE DataQuest

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# Ventura County Historical Enrollment Trend (1996/97 to 2018/19)

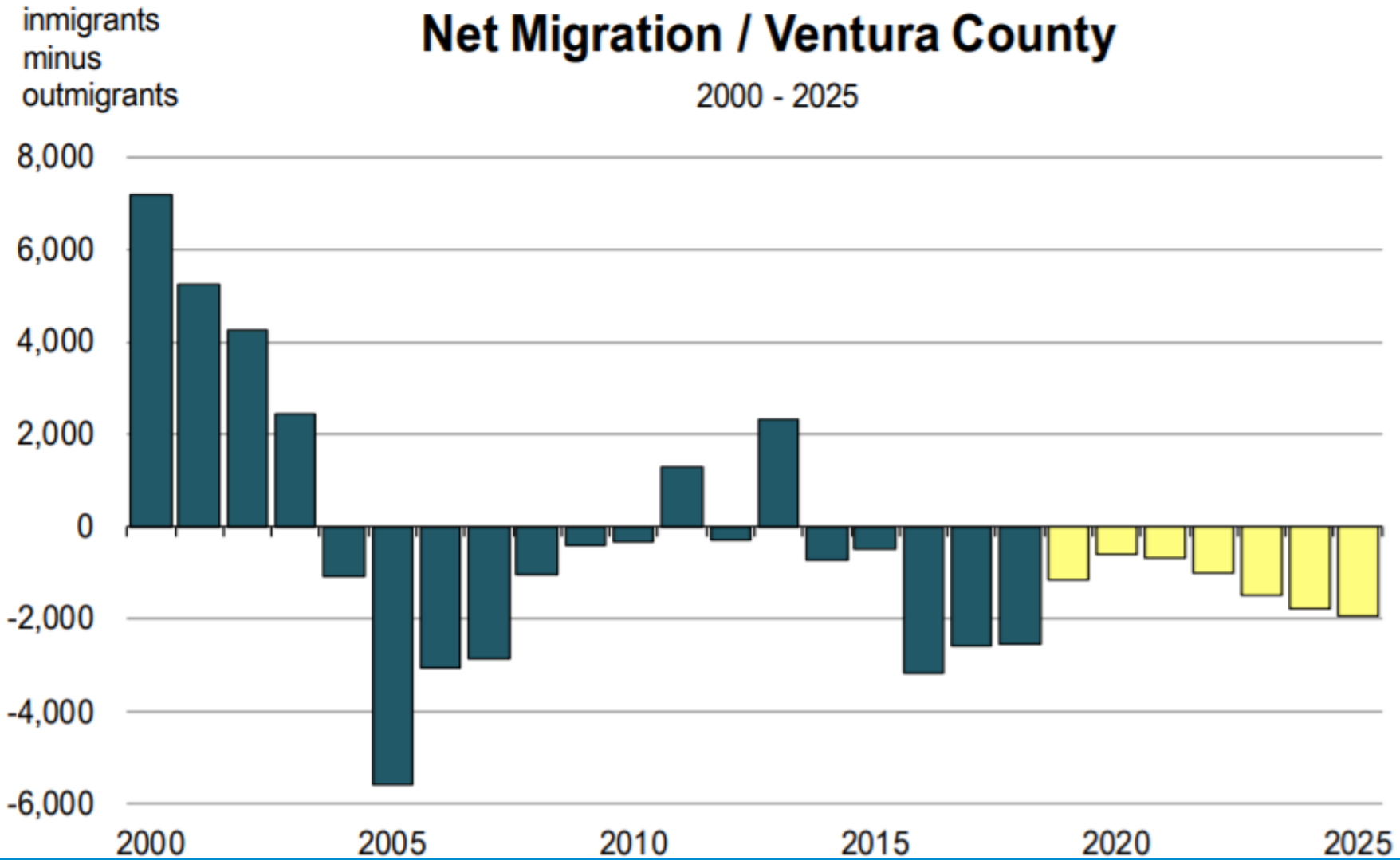


Source: CDE DataQuest

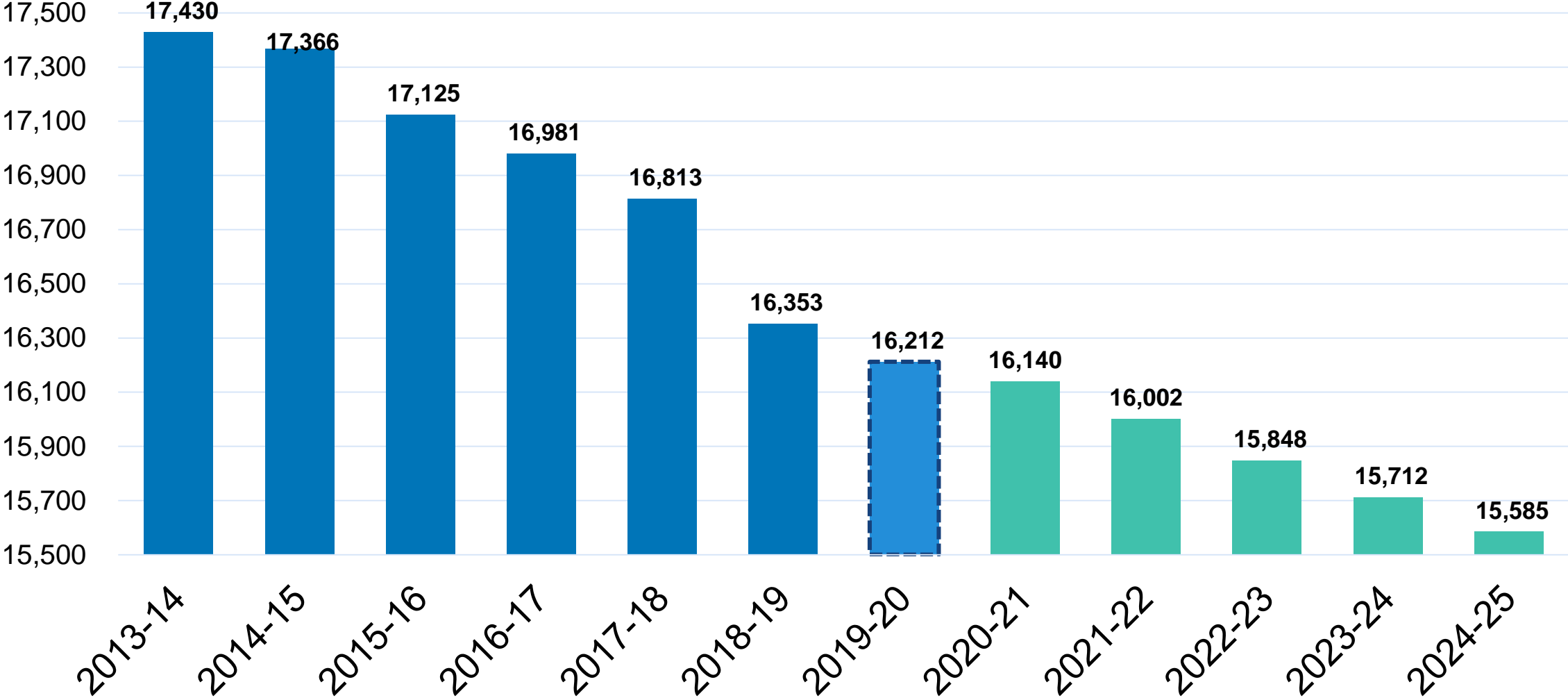
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# Ventura County Population Trends



# Enrollment Trend with Projections



# Fiscal Impact of Declining Enrollment

assuming only classroom teacher adjustments

	2019-20 Actual	2020-21 Projection	2021-22 Projection
Enrollment Projections	16,212	16,140	16,002
Change in Number of Students	(141)	(72)	(138)
Revenue Impact	(\$1,344,987)	(\$665,520)	(\$1,367,499)
Classroom Teacher Adjustments	<u>\$435,475</u>	<u>\$211,934</u>	<u>\$427,047</u>
Net Negative Budget Impact in Following Year	(\$909,512)	(\$453,586)	(\$940,451)

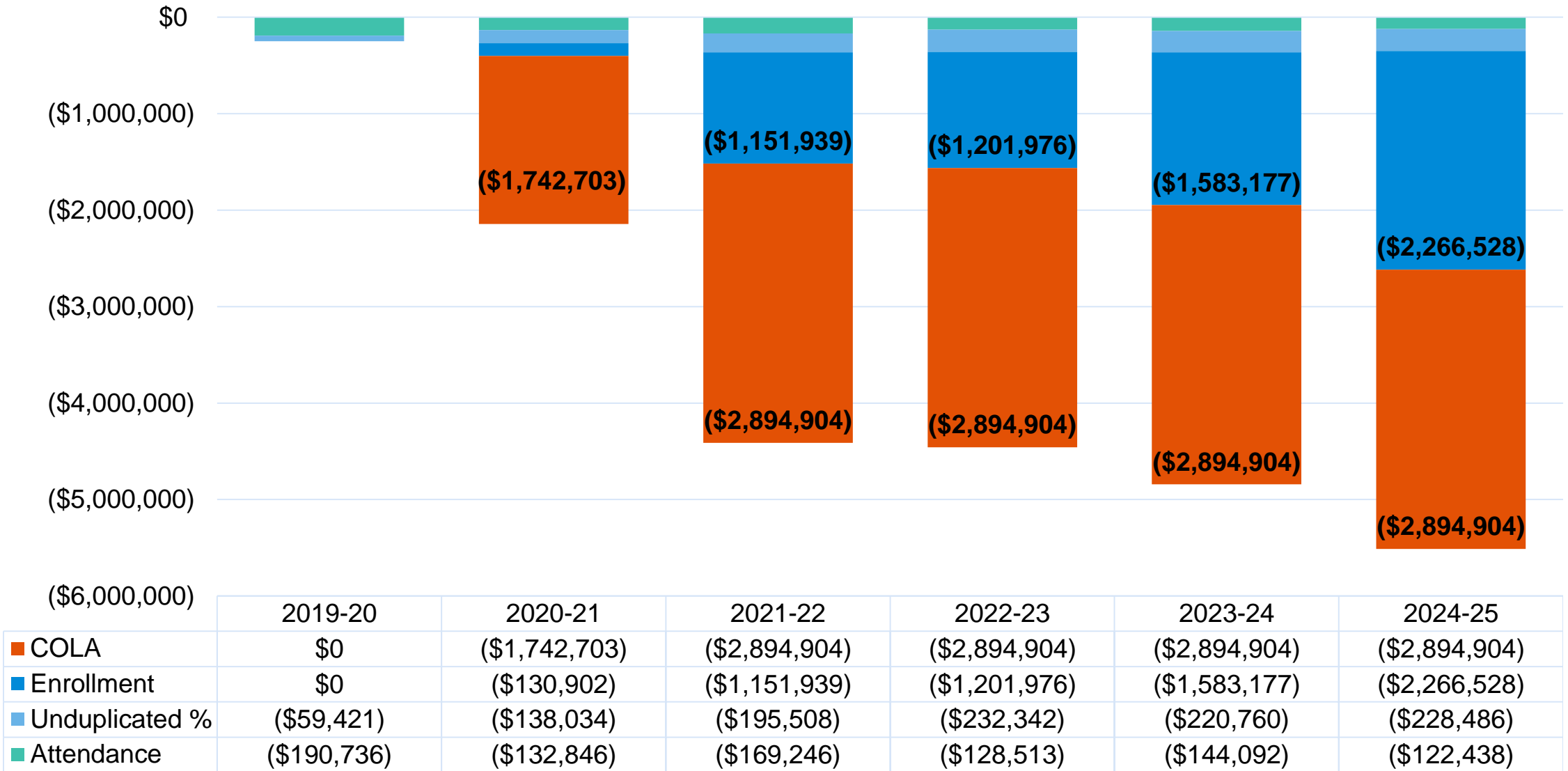
# Changes in State's Estimated Cost of Living Adjustment (COLA) and Enrollment Projections

State's Cost of Living Adjustment						
	2019-20	2020-21	2021-22	2022-23	2023-24	2024-25
Original Budget	3.26%	3.00%	2.80%	3.16%	3.20%	2.50%
1st Interim	3.26%	1.79%	2.00%	2.00%	2.00%	2.00%
<b>Change</b>	<b>0.00%</b>	<b>-1.21%</b>	<b>-0.80%</b>	<b>-1.16%</b>	<b>-1.20%</b>	<b>-0.50%</b>

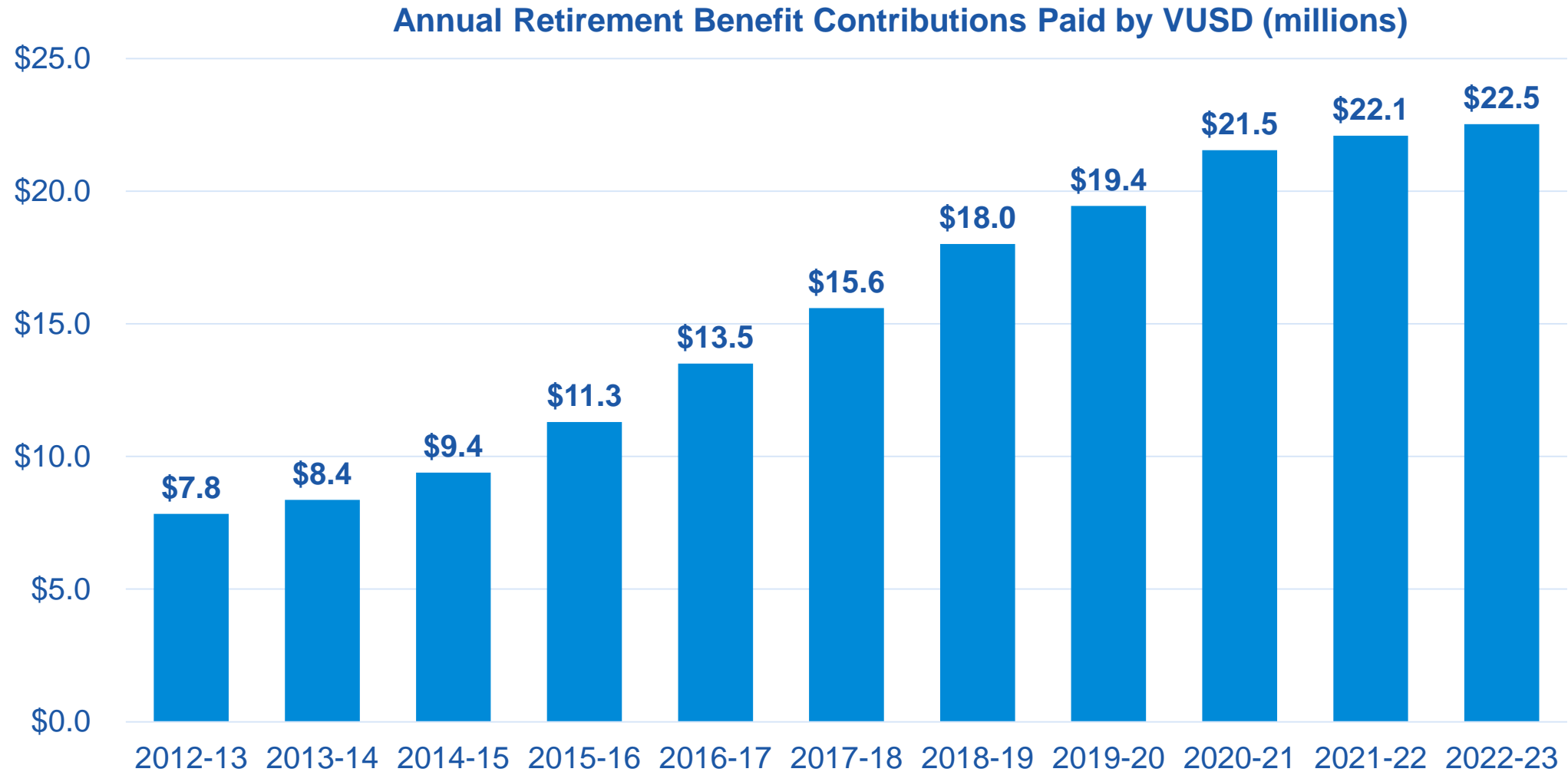
Enrollment						
	2019-20	2020-21	2021-22	2022-23	2023-24	2024-25
Original Budget	16,227	16,272	16,140	16,029	15,972	15,857
1st Interim	16,212	16,140	16,002	15,848	15,712	15,585
<b>Change</b>	<b>(15)</b>	<b>(132)</b>	<b>(138)</b>	<b>(181)</b>	<b>(260)</b>	<b>(272)</b>

LCFF Funding Formula was fully implemented in 2018/19 and is now subject to Cost of Living Adjustments only.

# Fiscal Impact of Declining Enrollment and Change in COLA Projection



# Employer Contributions to Employee Pension Fund - Dollars



# Increases in Employee Costs (2018/19 compared to 2019/20)

## 2019/20 Change in Revenue

### New Unrestricted Revenue

New Dollars per ADA	\$349	
Funded ADA	15,848	
Total New Unrestricted Revenue		\$5,528,111

### Declining Enrollment

Prior Year Funded ADA	16,307	
Prior year per ADA revenue	\$9,419	
Total Decrease in Revenue		(\$4,324,742)

**Increase in LCFF Funding** \$1,203,370

STRS/PERS	\$1,700,383
Step/Column	\$1,095,244
Negotiations Offer	\$300,528
Health & Welfare	<u>\$259,598</u>
<b>Sub Total</b>	<b><u>\$3,336,105</u></b>

# Assumptions



# 2019/20 1<sup>st</sup> Interim LCFF Assumptions

State's Cost of Living Adjustment						
	2019-20	2020-21	2021-22	2022-23	2023-24	2024-25
Original Budget	3.26%	3.00%	2.80%	3.16%	3.20%	2.50%
1st Interim	3.26%	1.79%	2.00%	2.00%	2.00%	2.00%
<b>Change</b>	<b>0.00%</b>	<b>-1.21%</b>	<b>-0.80%</b>	<b>-1.16%</b>	<b>-1.20%</b>	<b>-0.50%</b>

Enrollment						
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<b>Change</b>	<b>(15)</b>	<b>(132)</b>	<b>(138)</b>	<b>(181)</b>	<b>(260)</b>	<b>(272)</b>

Attendance %						
	2019-20	2020-21	2021-22	2022-23	2023-24	2024-25
Original Budget	96.27%	96.25%	96.26%	96.25%	96.24%	96.24%
1st Interim	96.14%	96.15%	96.14%	96.15%	96.14%	96.15%
<b>Change</b>	<b>-0.13%</b>	<b>-0.09%</b>	<b>-0.12%</b>	<b>-0.09%</b>	<b>-0.11%</b>	<b>-0.09%</b>

Unduplicated %						
	2019-20	2020-21	2021-22	2022-23	2023-24	2024-25
Original Budget	56.70%	56.70%	56.70%	56.78%	56.67%	56.76%
1st Interim	56.51%	56.48%	56.50%	56.49%	56.49%	56.51%
<b>Change</b>	<b>-0.19%</b>	<b>-0.22%</b>	<b>-0.20%</b>	<b>-0.29%</b>	<b>-0.18%</b>	<b>-0.25%</b>



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# 2019/20 1<sup>st</sup> Interim Multi-Year Assumptions (General Fund)

- Continued increases to district portion of employee retirement plan

Employee Retirement Benefits	2019/20	2020/21	2021/22	2022/23
State Teachers' Retirement System (Certificated)	17.10%	18.40%	18.10%	18.10%
Public Employees' Retirement System (Classified)	19.721%	22.80%	24.90%	25.90%
Total General Fund Retirement Plan Contributions	\$18,087,867	\$19,982,995	\$20,536,203	\$21,013,838
Increase Over Prior Year	\$1,042,860	\$1,895,128	\$553,208	\$477,635

- District funding Health and Welfare cost increases 1.80% effective July 1, 2019. Annual premium per full-time employee up from \$16,032 to revised premium of \$16,320

All Employee Groups	2019/20	2020/21	2021/22
Total District Paid Medical, Dental, and Vision Premiums	\$20,752,311	\$20,102,400	\$20,237,736

- Step & Column movement increases Certificated salaries by approximately 1.2% each year and Column movement increases Classified salaries by approximately 0.8% each year = Total over three years \$3.5 million

Employee Group	2019/20	2020/21	2021/22
Certificated	\$914,929	\$917,018	\$920,110
Classified	\$237,767	\$234,302	\$234,560



# 2019/20 1<sup>st</sup> Interim Multi-Year Assumptions

- Continue multi-year timeline for curriculum adoption to align with State Content Standards

Year	2019/20	2020/21	2021/22	2022/23	2023/24	2024/25
Cost Estimate*	\$905,000	\$1,035,000	\$1,320,000	\$1,460,000	\$910,000	\$1,270,000
Subjects	9-12 His/Soc 6-8 Math	6-8 NGSS	6-8 His/Soc 9-10 NGSS	3-5 NGSS 11-12 NGSS	K-2 His/Soc	K-5 His/Soc
*Curriculum only, no devices or corresponding technology support or infrastructure are included						

- Maintain Class Size Averages:
  - K-3 24:1
  - 4-5 30:1
  - 6-12 34:1



# 2019/20 1<sup>st</sup> Interim Multi-Year Assumptions

- One-time discretionary funds

Actual					Projected			
2014/15	2015/16	2016/17	2017/18	2018/19	2019/20	2021/21	2021/22	2022/23
\$1,123,935	\$8,838,174	\$3,522,714	\$2,405,398	\$2,948,820	\$1,540,704	\$0	\$0	\$0

- Enrollment continues to decline and attendance rates stabilize

	2016/17	2017/18	2018/19	2019/20	2020/21	2021/22
Enrollment	16,981	16,813	16,353	16,212	16,140	16,002
Attendance Rate	96.7%	96.3%	96.1%	96.1%	96.1%	96.1%

- Cost of Living Adjustment (COLA) applied to revenues

2017/18	2018/19	2019/20	2020/21	2021/22
0%	2.71%	3.26%	1.79%	2.0%



# Thank You



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