

The Conejo Valley Unified School District 2023-24 Proposed Budget

Public Hearing: June 7, 2023

Adoption: June 21, 2023



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
- Fiscal Crisis and Management Assistance Team
- [May Revise](#)



May Revise



- Proposition 98 resources have declined between January and April
- Decrease in revenues projected for 2021-22, 2022-23, and 2023-24
- Proposition 98 is estimated to be \$110.6 billion in 2021-22, \$106.8 billion in 2022-23, and \$106.8 billion in 2023-24
- Represents a three-year decrease of \$2 billion below the level estimated in the Governor's Budget
- School reserve cap remains at 10%
- COLA: 8.22%
- Requires schools to screen pupils in K-2 for risk of reading difficulties, including dyslexia, by 2025-26
- TK funded for students turning 5 by April 2
- ELOP funded for 2023-24 with extension of spending deadline for 22-23 funds
- Free breakfast and lunch for all students funded for 2023-24

School Services of CA



- This is what we call a “Devil’s in the Details” State Budget proposal
- Effectively communicating the who, what, when, and why...will be challenging
- We are experiencing record levels of funding, but programs are being cut
- LEAs advocated to avoid new programs and one-time categoricals...this is not what we got
- Other elected leaders want to eliminate reductions and spend beyond the Governor’s proposal

Legislative Analysts Office



- Muddy – some measures point to strength, while others suggest weakening
- Expect revenues to come in weaker than the May Revision
- State revenues are in a downturn
- The big three revenues (PIT, CT, ST) will decline 11%, mostly attributable to PIT (22-23), while flat for 23-24
- LAO estimates big three revenues to be \$11 billion lower than the Governor's May Revision
- Rising interest rates and tightening credit may push the economy into a broader slowdown
- High demand for workers could prove the economy resilient
- By the end of 2027, it is plausible revenues could be \$50 billion above current forecast
- No guarantees

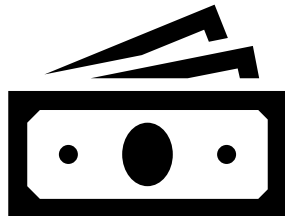
Capitol Advisors



- Few surprises
- Proposal aims to address shortfall without dipping into “rainy day” funds
- Uncertainty regarding tax receipts in October
- Possibility of mild to moderate recession starting in 2023 or 2024 is 50%
- Positives include:
 - 8.22% COLA
 - Universal Meals
 - Stays the course on rollout of ongoing programs (TK, ELOP)
- Negatives include:
 - Cuts to both one-time programs
 - Stays the course on rollout of ongoing programs (TK, ELOP)
- Governor continues to play on national stage
- Many new legislators (by next election cycle, all legislators from LCFF adoption will be gone)
- Next year is an election year

Risks to the Financial Forecast

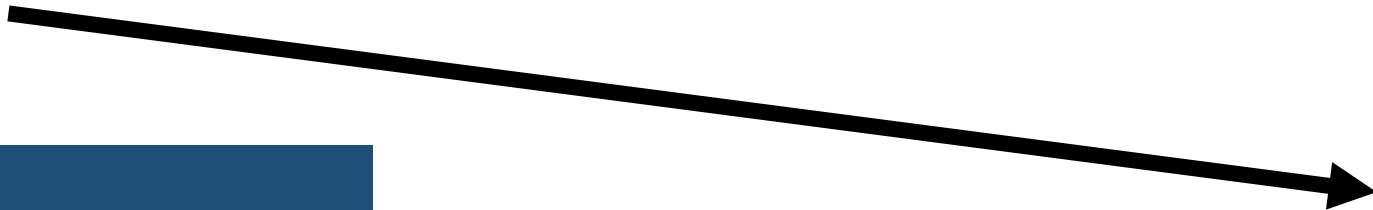
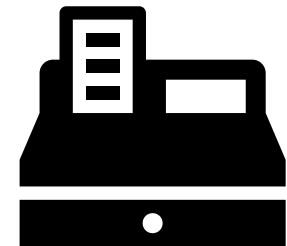
Reduced Revenues



Delayed Federal and State Tax Returns



Heightened Economic Uncertainty



Give and Take



"Don't forget — it's good to give,
but even better to get back."

- *The May Revision adjusts and repurposes prior one-time allocations*
- The Arts, Music, Instructional Materials Discretionary Block Grant
 - Currently \$10.5m (received)
 - Must be adjusted to \$5.1m
 - The proposed 55% cut is projected to be a **loss of \$5.5m**
 - Currently budgeted for Arts and Music in Elementary and Secondary, textbooks, and future pension or other obligations
- The Learning Recovery Block Grant
 - Currently \$9.9m
 - Must be adjusted to \$6.8m
 - The proposed 32% cut is projected to be a **loss of \$3.3m**
 - Currently funding Elementary PE teachers through 2028 and Mental Health Services

Amended LRBG Plan

(Learning Recovery Block Grant)

Original Allocation: \$9,975,042



Revised allocation: \$6,882,779

	2023	2024	2025	2026	2027	2028
P.E. Teachers pilot program (elem)	(8) \$888,000	(6) \$726,000	(6) \$770,000	(6) \$800,000	X	X
TOSA	\$0	\$160,000	\$160,000	X	X	X
Mental Health	\$600,000	\$525,000	\$525,000	\$525,000	\$500,000	X
Grades 4-5 Music		\$296,000				
Therapeutic Learning Center		\$130,000	\$130,000	\$130,000		
Total	\$1,488,000	\$1,837,000	\$1,585,000	\$1,455,000	\$500,000	

Amended AMIMDBG Plan

(Arts, Music, Instructional Materials Block Grant)



Original allocation: \$10,500,620

Revised allocation: \$5,145,304

	2023	2024	2025
Grades 1-3 Music	\$0	\$442,000	\$0
VAPA Elementary	\$0	\$408,000	\$100,000
VAPA Secondary	\$0	\$650,000	\$400,000
Textbooks	\$1,000,000	\$0	\$0
Discretionary (pension, other obligations)	\$0	\$1,100,000	\$1,000,000
Total	\$1,000,000	\$2,600,000	\$1,500,000

Prop 28 (Art and Music Funding)

- Funding level set at 1% of the prior year Prop 98 minimum guarantee
 - *Early estimates indicate \$2.08m spread out across all schools for CVUSD*
- Uncertainty over the rules and regulations that govern Prop 28 spending
- Three more months of revenues still unaccounted for
- Confusion around some key requirements
 - Supplemental requirement (one-time vs ongoing)
 - Maintenance of effort questions
 - Flexibility – pooling resources as allocations are not enough
 - After-school, ELOP, during school day?
 - Prop 28 plan requirement assigned to principal
 - Impact on preschool
- No established date for expenditures
- We do not know the factors around how much we get
- No requirement to spend the allocation in the given year
- Prudent to wait until clear information is received





Pandemic Solution and Now Problem

Declining ADA

2021-22 ADA would be based on the greater of:

OPTION 1: Attendance yield from 2019-20

OR

OPTION 2: Attendance yield from 2021-22



On-going Relief?

Funding would be based on the greater of:
OPTION 1: Current-year ADA or Prior-year ADA

OR

OPTION 2: Computed average ADA using the prior three years



ADA: Adjusted vs. Actual

Year	Projected Enrollment	Projected ADA*	Funded ADA
2022-23	16,302	15,132	17,118
2023-24 (projected)	16,153	15,235	16,301
2024-25 (projected)	15,692	14,958	15,499
2025-26 (projected)	15,190	14,481	15,128
SY23 vs SY26	(1,112)	(651)	(1,990)

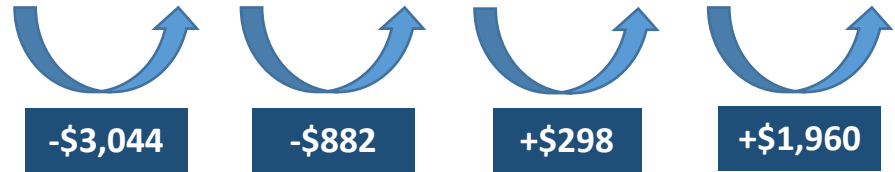
*ADA for '23 is 93%, expected increase post pandemic to 94%/95% in '24 & '25

LCFF COLA Funded vs. Actual

Year	Estimated LCFF \$	Actual % Increase in Funding	State COLA (Advertised Increase in Funding)
2021-22	\$171,661,124	n/a	n/a
2022-23	\$190,005,590	10.69%	13.26%
2023-24 (projected)	\$196,271,364	3.30%	8.22%
2024-25 (projected)	\$194,407,959	-0.95%	3.94%
2025-26 (projected)	\$195,808,220	0.72%	3.29%
SY22 vs SY26	\$24,147,096	13.75%	28.71%

LCFF Breakdown

Grade Span	TK	K-3	4-6	7-8	9-12
2022-23 Base per ADA	\$9,166	\$9,166	\$9,304	\$9,508	\$11,102
8.22% COLA	\$753	\$753	\$765	\$787	\$913
2023-24 Base per ADA	\$9,919	\$9,919	\$10,069	\$10,367	\$12,015
GSA	\$1,032	\$1,032	-	-	\$312
TK Add-on	\$3,044	-	-	-	-
Total funding for CVUSD per ADA	\$13,995	\$10,951	\$10,069	\$10,367	\$12,327
20% supplemental per ADA (4,500) <small>(Foster, homeless, English learners, free and reduced meal qualification)</small>	-	\$2,190	\$2,014	\$2,073	\$2,465





2024 Major Budget Impacts

Description	Change*
LCFF COLA	6,265,774
Special Ed AB602 Funding Decrease	(580,237)
New Special Ed Out of Home Care Revenue	184,051
Increase in Interest Income	400,000
New Rental Agreement VCOE	20,000
Program #OPTI Funding Phased Out	(40,000)
Increase Testing Program PSAT/AP and IB	(40,000)
Increase Home Teaching and Class Size Overage	(60,000)
Newcomer Program +3.0 FTE	(349,000)
Workers' Comp Rate Increase From 1.50% to 1.75%	(400,000)
SUI Rate Decrease From .5% to .05%	633,000
Increase Medical Benefits Costs	(2,200,000)
Transfer 2.0 FTE Independent Study Teachers to Site Allocation	236,000
Reduce VCOE Estimated Transfer	100,000
Legal Fee Increase Pending Litigation Exposure	(500,000)
Technology E-Rate Non-Cap Budget Increase	(350,000)
Increase Property and Liability Insurance	(413,028)
Increase in Maintenance & Operations Supply Costs	(105,000)
Increase Utility Costs	(423,918)
Increase Transportation Costs	(296,000)
Additional .40 FTE BreakThrough Counselor	(70,000)
Technology Supervisor 80% to support 1:1 services	(110,000)
Paraeducator Staffing	(2,000,000)
Deaf/Hard of Hearing From Low Incidence	(380,000)
New Full-Year Director, Special Ed	(100,000)
New Full-Year Payroll Supervisor	(65,000)
Delete Unfilled Tuesday-Saturday Custodian	85,000
Director Student Support 50% From TUPE	(112,000)
BTSA/PAR 22/23 From Title II One-Time Funds	(168,000)
Increase School Site Allocation Costs of Supplies 10%	(180,000)
Reduce SHINE 1.0 FTE Staffing	163,000
Unassigned 2.0 FTE Teachers	(233,786)
Site FTE Staffing Reduction 14.70 FTE	1,718,325
Pension Cost Offset From One-Time Funds	1,000,000
Estimated Impact to Fund Balance	\$1,629,181

* Does not include the on-going cost of step/column and saving from retirements

2023-24 Proposed Budget - Revenue

Revenue Source	2022-23 (2nd Interim)	2023-24 Estimated	+/-	% Change
LCFF Funding	\$190,005,590	\$196,271,364	\$6,265,774	3.2%
Federal	\$22,722,427	\$14,220,148	(\$8,502,279)	-59.8%
State	\$39,114,135	\$11,519,650	(\$27,594,485)	-239.5%
Local	\$6,406,559	\$3,963,788	(\$2,442,771)	-61.6%
Incoming Txfrs SELPA	\$14,219,800	\$13,855,454	(\$364,346)	-2.6%
Total Revenue	\$272,468,511	\$239,830,404	(\$32,638,107)	-13.6%

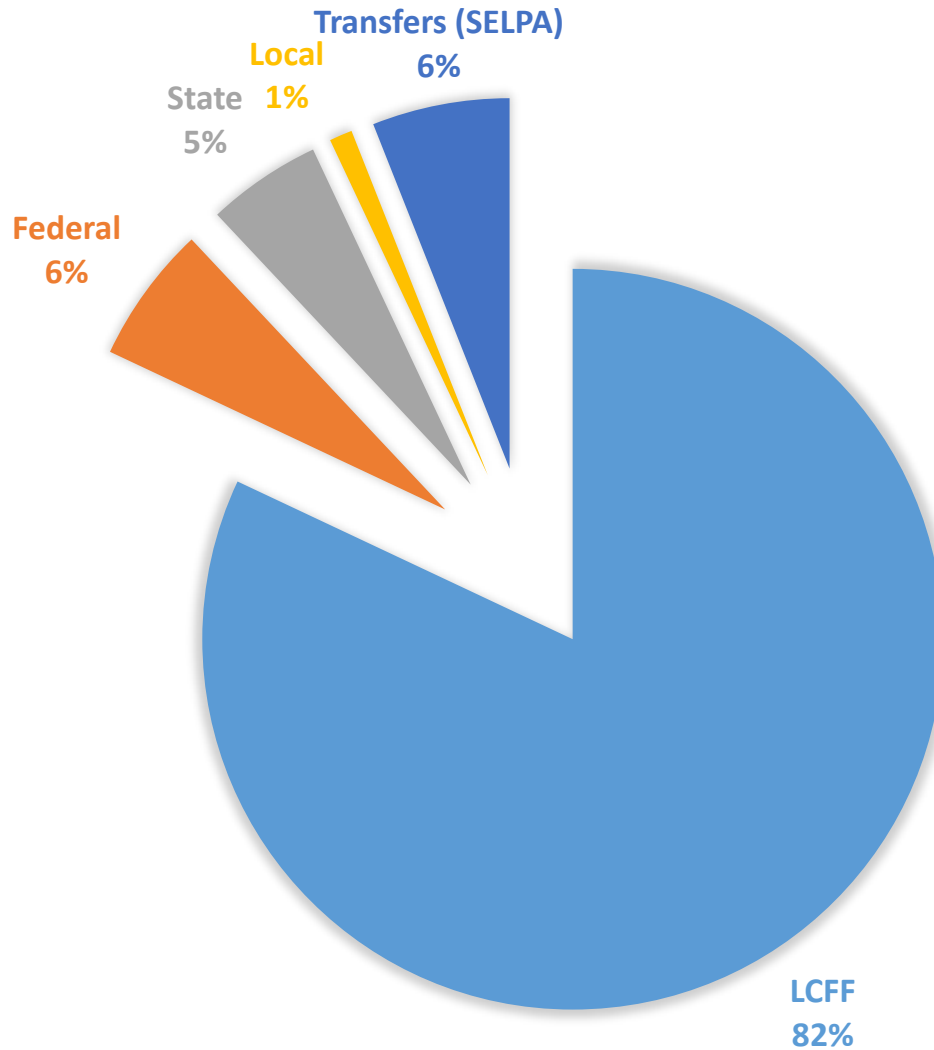
While COLA may be 8.22%, the actual YOY increase in funding is closer to 3.2% for CVUSD

2023-24 Proposed Budget- Revenue

Revenue Source	Unrestricted	Restricted	Total
LCFF Funding	\$196,271,364	\$0	\$196,271,364
Federal	\$0	\$14,220,148	\$14,220,148
State	\$4,075,956	\$7,443,694	\$11,519,650
Local	\$3,173,788	\$790,000	\$3,963,788
Contributions (SPED, Maint.)	(\$28,306,079)	\$28,306,079	\$0
SELPA	\$0	\$13,855,454	\$13,855,454
Total	\$175,215,029	\$64,615,375	\$239,830,404



2023-24 General Fund Revenues



2023-24 Proposed Budget - Expense

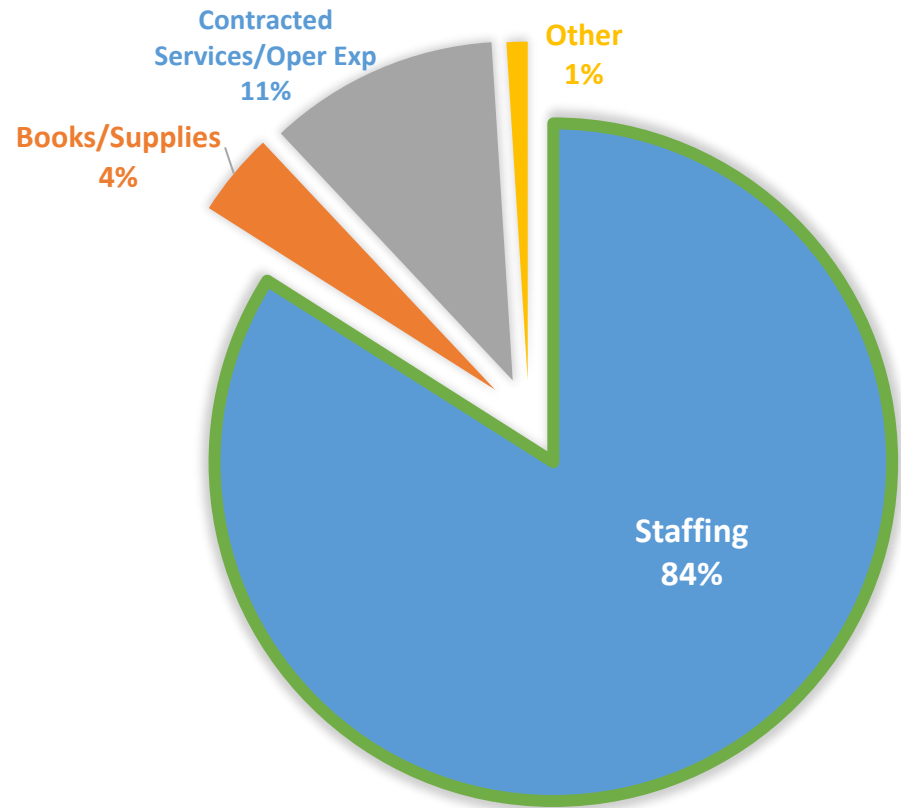
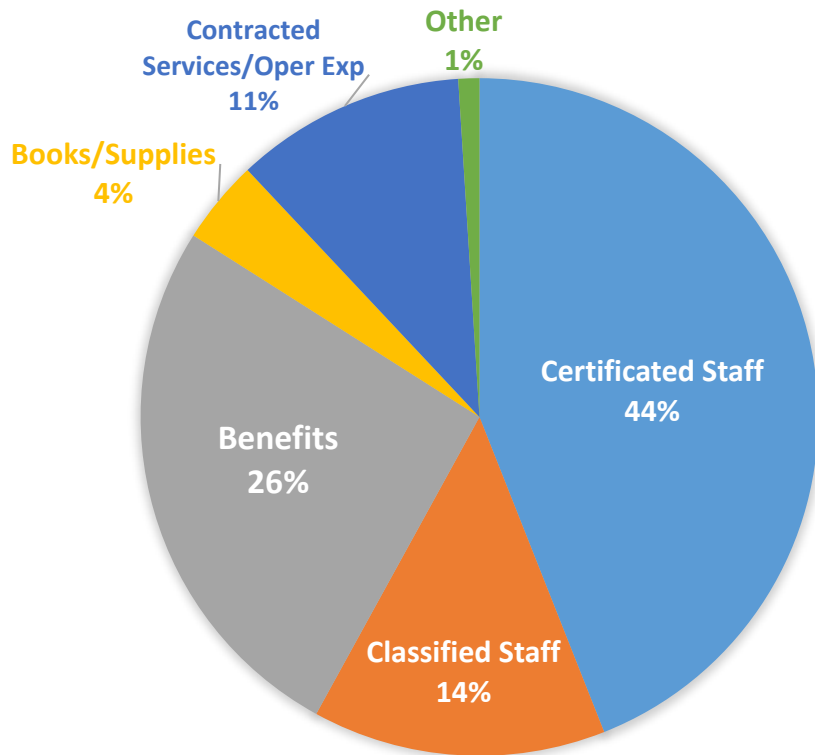
Expense Category	2022-23 (2nd Interim)	2023-24 Estimated	+/-	% Change
Certificated Salaries	\$116,798,191	\$108,635,179	(\$8,163,012)	-7.5%
Classified Salaries	\$38,094,007	\$34,612,112	(\$3,481,895)	-10.1%
Benefits	\$68,316,151	\$63,296,419	(\$5,019,732)	-7.9%
Books & Supplies	\$22,141,485	\$9,615,793	(\$12,525,692)	-130.3%
Contract Services & Other Operating Expenses	\$31,078,773	\$28,615,226	(\$2,463,547)	-8.6%
Capital Outlay	\$1,081,197	\$0	(\$1,081,197)	-100%
Other Outgo	\$1,966,921	\$2,363,010	\$396,089	16.8%
Total Expenses	\$279,476,725	\$247,137,739	(\$32,338,986)	-13.1%

2023-24 Proposed Budget - Expense

Expense Category	Unrestricted	Restricted	Total
Certificated Salaries	\$89,324,257	\$19,310,922	\$108,635,179
Classified Salaries	\$22,262,992	\$12,349,120	\$34,612,112
Benefits	\$47,892,740	\$15,403,679	\$63,296,419
Books & Supplies	\$4,747,312	\$4,868,481	\$9,615,793
Contract Services & Other Operating Expenses	\$18,815,921	\$9,799,305	\$28,615,226
Other Outgo	(\$520,858)	\$2,883,868	\$2,363,010
Total	\$182,522,364	\$64,615,375	\$247,137,739



2023-24 General Fund - Expenses



*We are a people driven service organization
84% of expenses go directly to people*



Projected Ending Fund Balance

Category	Restricted	Unrestricted	Combined
Estimated Beginning Balance at 2 nd Interim	0	34,341,531	\$34,341,531
Estimated Revenue	64,615,375	175,215,029	\$239,830,404
Estimated Expenses	64,615,375	182,522,364	\$247,137,739
Estimated Ending Balance	0	27,034,196	\$27,034,196
<u>Breakdown of Ending Balance</u>			
Stores and Revolving Cash	0	107,471	\$107,471
Local Fiscal Stabilization Reserve	0	3,000,000	\$3,000,000
Mandated Reserve (3%)	0	7,414,132	\$7,414,132
Undesignated	0	16,512,593	\$16,512,593
Estimated Ending Fund Balance	0	27,034,196	\$27,034,196
UFB as a % of Expense*			7.9%

**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



Factors for Multi-Year Projection

Budget Assumption	2023-24	2024-25	2025-26
Cost Of Living Adjustment (COLA)	8.22%	3.94%	3.29%
Enrollment projection	16,153	15,692	15,190
P-2 Funded ADA estimate (3-year rolling)	16,301	15,499	15,129
Unduplicated Pupil %	26.93%	27.67%	27.66%
Unduplicated Pupil Count	4,464	4,336	4,197
CalSTRS Employer Rate	19.10%	19.10%	19.10%
CalPERS Employer Rate	26.68%	27.70%	28.30%
Negotiated salary adjustments	-	-	-
Anticipated teaching retirements	30	30	30
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

Major Budget Challenges



- Funded ADA vs. Actual ADA
- Special Education funding in proportion to ADA
- Medical benefit costs
- Legal Fees - Pending litigation from 2015
- Property and Liability Insurance
- Utility costs
- Transportation costs
- Staffing and outsourcing of services
- Programs and services from one-time funds

Multi-Year Projection

Description	2023-24 Estimated Budget	2024-25 Projection	2025-26 Projection
Estimated Beginning Balance July 1	\$34,341,531	\$27,034,196	\$19,638,514
Total Income	\$239,830,404	\$229,741,024	\$231,166,379
Total Expense	\$247,137,739	\$237,136,706	\$239,411,428
Ending Balance	\$27,034,196	\$19,638,514	\$11,393,464
Operating +\-	(\$7,307,335)	(\$7,395,682)	(\$8,245,049)
<u>Components of Ending Fund Balance</u>			
Stores/Revolving Cash	\$107,471	\$107,471	\$107,471
Fiscal Stabilization Reserve	\$3,000,000	\$3,000,000	\$3,000,000
Required Reserve 3%	\$7,414,132	\$7,114,101	\$7,182,343
Undesignated Funds	\$16,512,593	\$9,416,942	\$1,103,650
UFB as a % of Expense	7.9%	5.2%	1.7%
Reserves toward CAP (must be below 10% in '24)	9.7%	7.0%	3.5%

Other Funds

Fund	Beginning Balance	Est. Income	Est. Expenses	Net Est. End Balance
Student Activity Fund	\$2,059,803	\$2,969,822	\$2,511,971	\$2,517,654
Adult Education	\$95,817	\$3,432,779	\$3,419,439	\$109,157
Child Development Fund	\$500,557	\$7,153,090	\$7,153,090	\$500,557
Cafeteria Special Revenue	\$3,425,735	\$10,563,664	\$10,119,313	\$3,870,086
Deferred Maintenance	\$1,732,186	\$1,519,600	\$640,000	\$2,611,786
Measure I - Capital	\$19,639,814	\$29,560,000	\$29,511,276	\$19,688,538
Measure I - Technology	\$29,847,833	\$600,000	\$2,470,775	\$27,977,058
Capital Facilities (Developer Fees)	\$1,973,249	\$481,000	\$627,104	\$1,827,145
Special Reserve (TOPASS)	\$4,984,722	\$1,664,000	\$2,928,875	\$3,719,847
Surplus Property Fund	\$6,080,535	\$130,000	\$0	\$6,210,535
Bond Interest & Redemption	\$14,251,532	\$10,682,103	\$13,049,779	\$11,883,856
Worker Compensation Fund	\$679,547	\$2,726,949	\$2,778,305	\$628,191
Health & Welfare Fund	\$14,846,932	\$33,087,462	\$28,470,371	\$19,464,023
Private Purpose Trust	\$3,661	\$340	\$0	\$4,001

Stimulus Funds Update

Category	ESSER I (9/30/22)	GEER I (9/30/22)	Coronavirus Relief Fund (5/31/21)	State General Fund (6/30/21)	ESSER II (9/30/23)	IPI Grant (9/30/24)	ELO Grant (9/30/23) (9/30/24)	ESSER III (9/30/24)
Salaries/Services (Learning Loss Mitigation, Mental Health, PD, Twilight Classes, Campus Safety Assistants, Health Care, Paraprofessionals)	33,321	559,034	1,318,507	0.00	2,071,010	1,476,323	8,605,366	5,024,049
Facilities (Ventilation, Filters, Tents, Ionizers, HEPA, Furniture for Spacing, etc.)	408,227	0.00	1,231,943	0.00	462,540	1,769,987	131,685	989,948
Technology for Students	146,029	0.00	327,994	1,404,477	2,115,046	151,755	1,698,673	47,243
Technology for Staff	35,259	90,609	1,625,069	0.00	67,737	27,502	7,263	9,911
Personal Protective Equipment (PPE)	409,469	0.00	984,178	0.00	113,208	424,874	0.00	0.00
Instructional Supplies, Software, Assessments, Related	203,358	67	742,401	0.00	515,515	64,281	487,815	713,828
Transportation	0.00	288,253	251,455	0.00	19,535	441,648	78,026	150,000
Child Care / Child Nutrition Support	11,323	0.00	149,988	0.00	69,542	882,597	0.00	0
Total	1,246,986	937,963	6,631,535	1,404,477	5,434,133	5,238,966	11,032,371	6,934,978
Remaining Balance	3	0.00	0.00	0.00	59,287	1,039,141	497,535	5,413,908

As of May 31, 2023

LCAP



Budget



WooHoo

