



# Leadership Meeting

**IRVINE UNIFIED SCHOOL DISTRICT**

October 27, 2025





# Key Takeaways

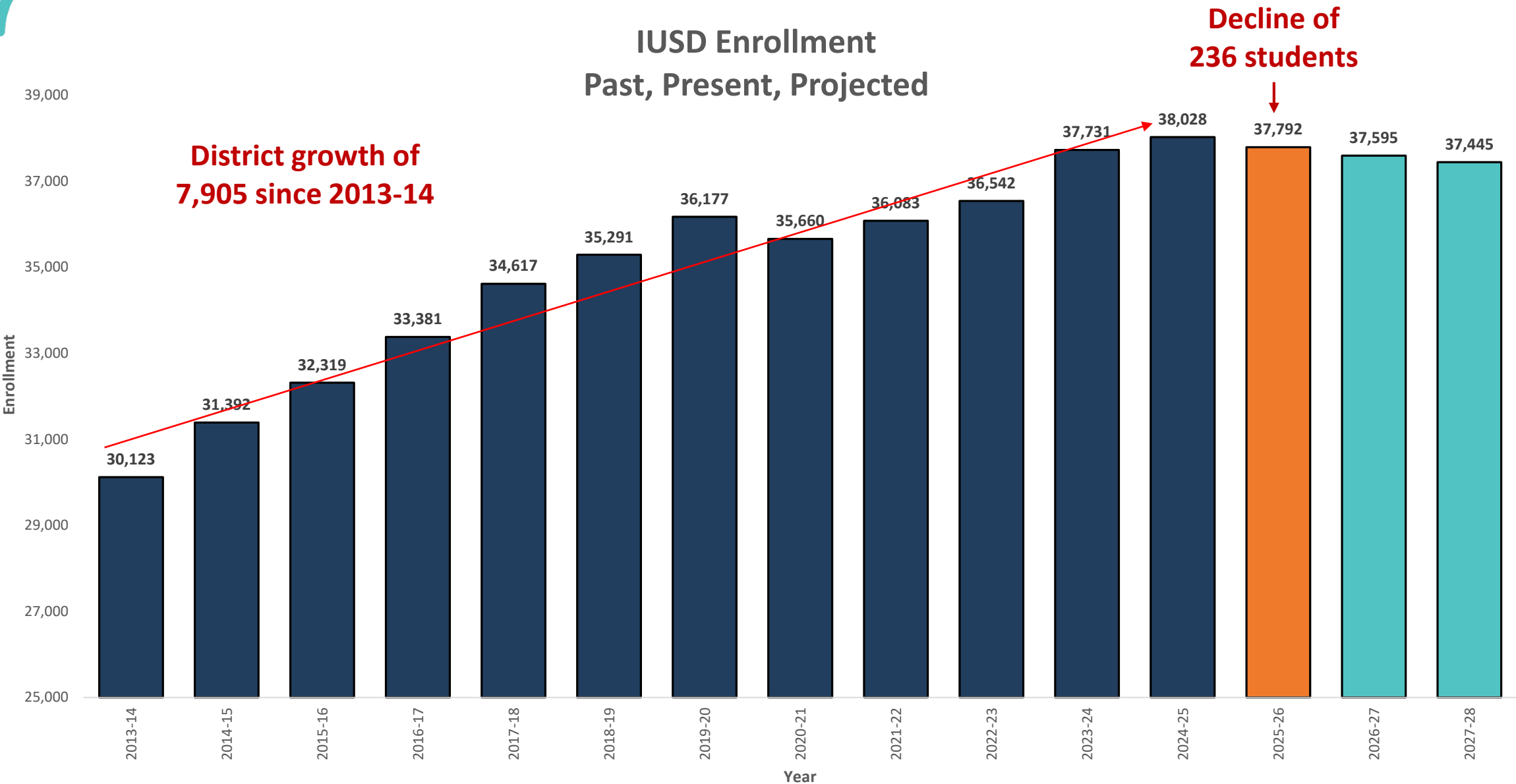
- State Revenues are currently exceeding budget projections in the current year....very positive for Proposition 98
- All funding is NOT equal....ongoing funds much more valuable than one-time
- District's finances are stable- some challenges on the horizon
- District is funded based on Average Daily Attendance (ADA) when students actually attend school
  - ADA is a Subset of enrollment
- After many years of expansion based primarily on new developments, District is experiencing declines in student enrollment





# District Enrollment

IUSD Enrollment  
Past, Present, Projected



Source: California Department of Education: Irvine Unified School District 2013-2024 Multi Year Enrollment Summary for Non-Charter Schools  
2025/26 Conservative Enrollment Projections (Recent Development) with Adult Transition and NPS Students Added updated with 2025/26 actual data and commensurate declines 26-27 and 27-28



# Key Factors Impacting Enrollment

- Progressively declining birthrates (nationally and locally)
- Slower new home market absorption compared to prior years
  - Fewer new homes for sale, and those that are being sold are not being sold directly to families compared to prior years
  - Delays in housing project completions
- Two growing charter schools that enroll approximately 940 District students
- Decline in the number of non-native English speakers from prior years....coming from different countries





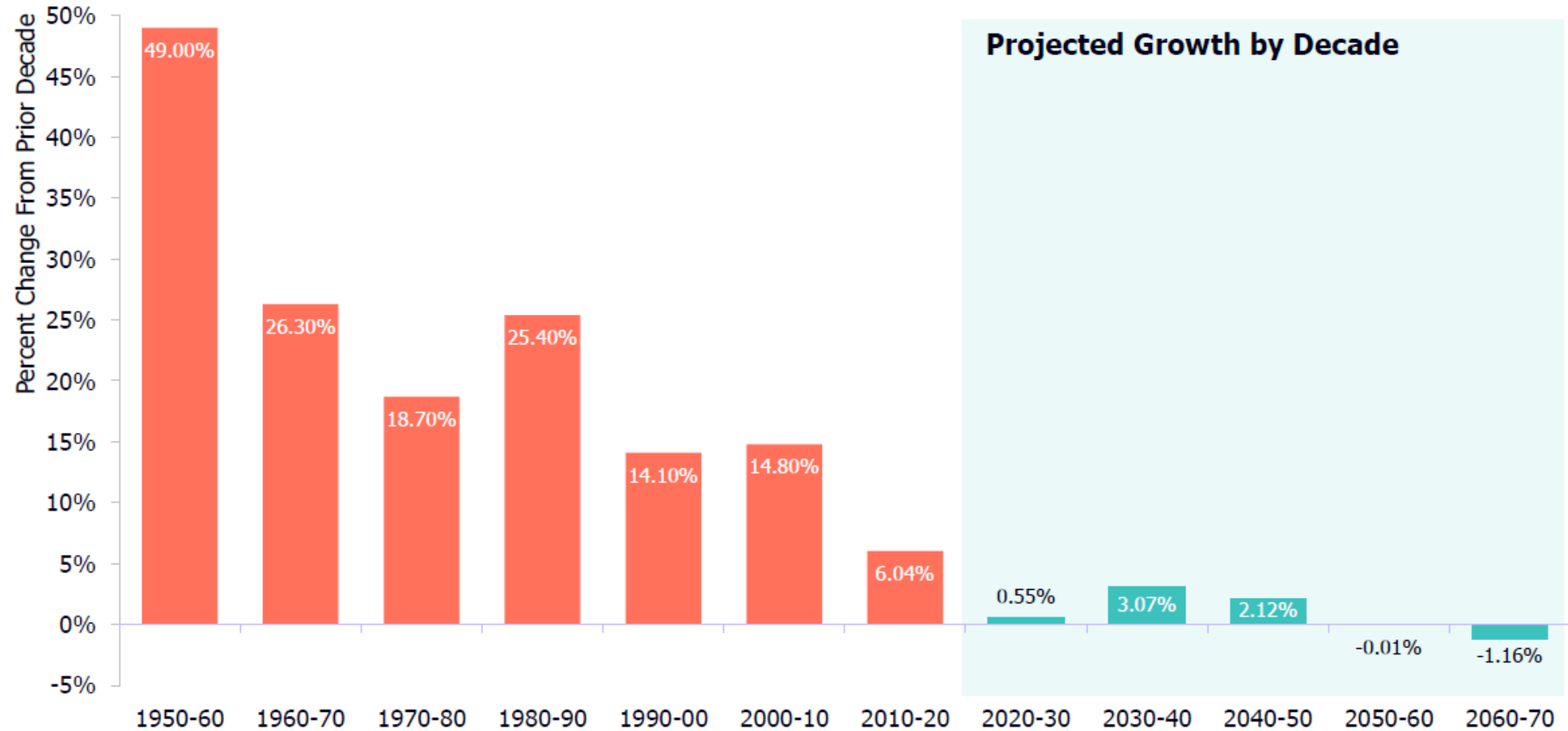
# 2025-26 District Budget



- The final 2025-26 State budget funds a statutory Cost-of-Living Adjustment (COLA) of 2.30% for the Local Control Funding Formula (LCFF) and most categorical programs
  - This level of funding by itself is barely sufficient to cover ongoing costs
- The Local Control Funding Formula (LCFF) provides different funding levels based on the ADA a district has within grading span of K-3, 4-6, 7-8 and 9-12
  - The LCFF represents approximately 95% of IUSD's unrestricted funding
- The District's 2025-26 Budget assumed growth in attendance of 355 students
- The loss in students negatively impacts the revenue projection by approximately \$4.4 million
  - However, less students generally equates to lower costs; district budget in the current year remains largely unimpacted



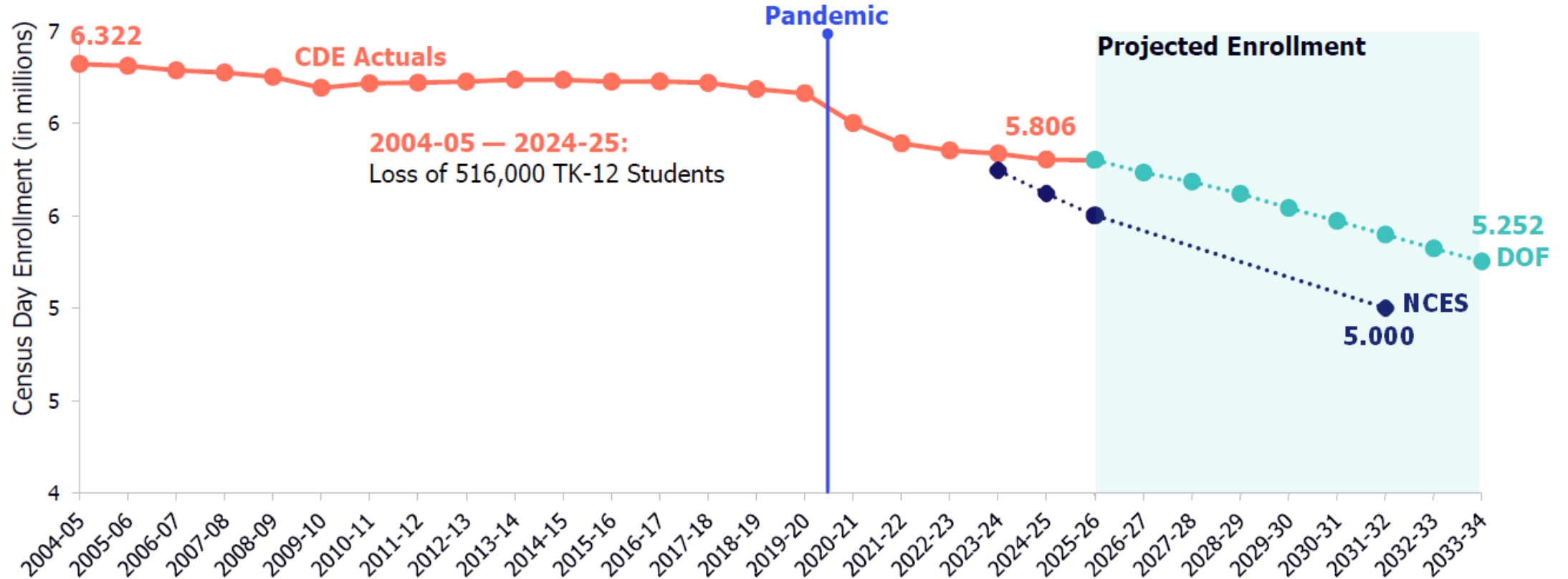
# California Population Growth by Decade



Source: Adapted from [California DOF](#).



# Ongoing Decline in TK-12 Enrollment Since 2004 Statewide

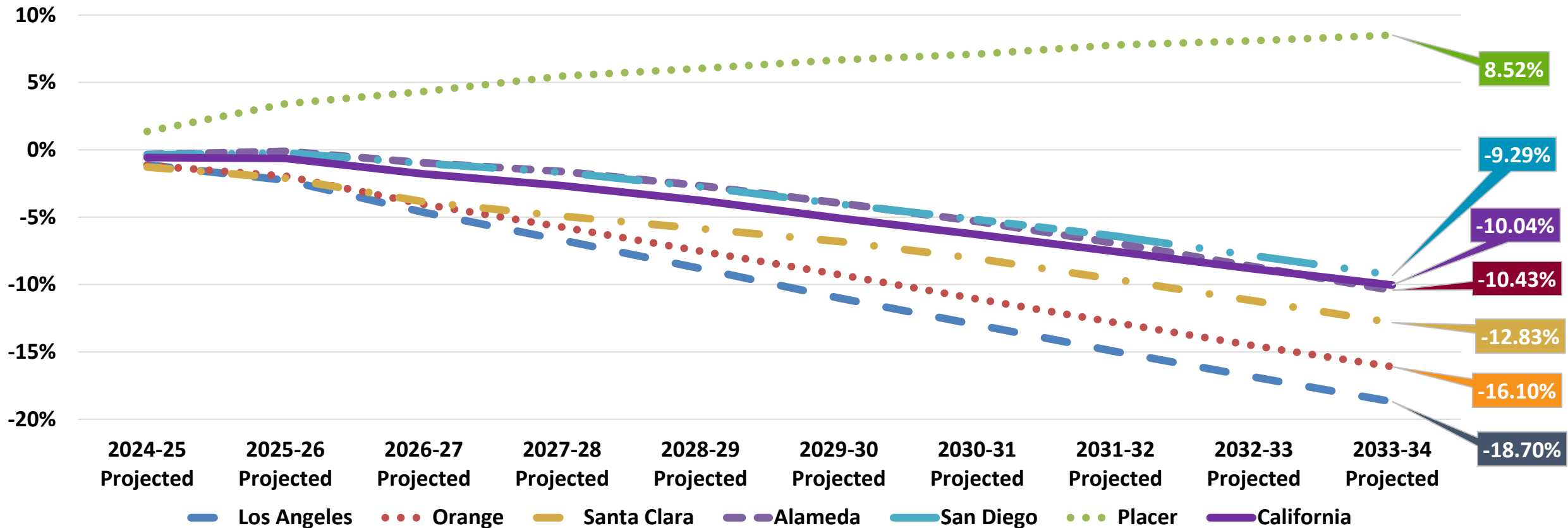


Sources: CA Department of Education, CA Department of Finance and National Center for Education Statistics



# Declining Enrollment by County

- 44 (or 76%) of the 58 counties are projected to decline in enrollment through 2033-34
- The 44 declining enrollment counties are projected to be down by approximately 600,000
- The 14 (or 24%) growing enrollment counties are projected to increase by approximately 14,000







# State Budget

- Statewide revenue collections for the “Big Three”, Personal Income Tax, Corporate Income Tax and Sales Taxes are exceeding budget projections in the current year.
  - Due to the LA County fires in 2025, tax filing deadline delayed until October 2025
  - LA county represents approximately 22% of the state....projecting revenue collections critical
- Last time tax filings were delayed in 2022, collections were significantly less than projections.





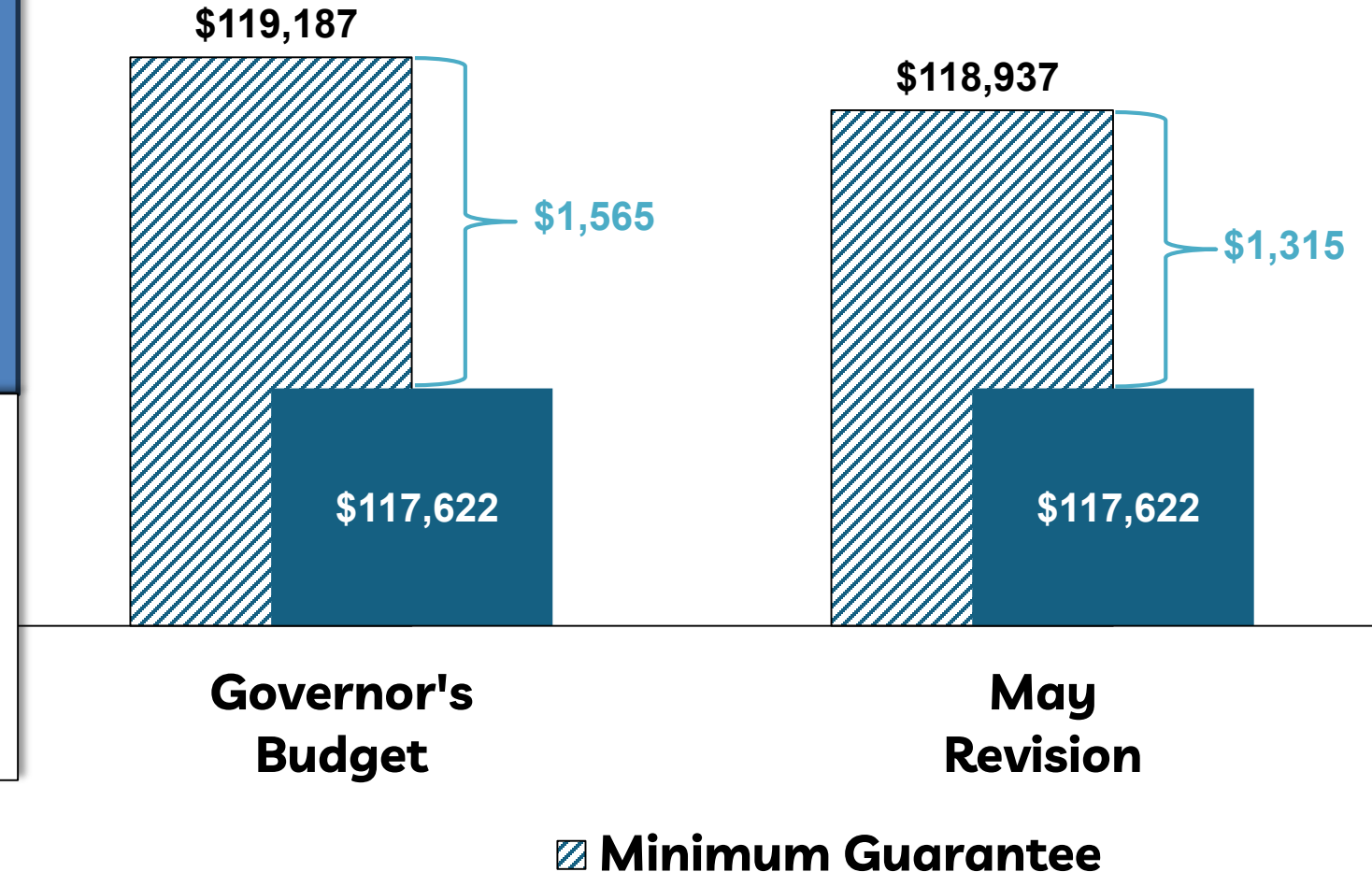
# State Education Funding Proposed Proposition 98 2024-25 Settle up Funds

Proposition 98 guarantee dictates funding for K-12 and Community Colleges

- Receives protection from rest of State budget
- Approximately 40% of State revenues

Proposition 98 is the only portion of the State Budget with a constitutional guarantee.....making it a potential target when the rest of the State Budget is experiencing difficulty

(In millions)





# Ongoing Challenges

- The Local Control Funding Formula represents well over 90% of Unrestricted Revenue (for IUSD 95%), yet funding disproportionately benefits districts with high concentrations of disadvantaged students
  - Manipulation/ Pressure on Proposition 98
  - Enrollment growth is slowing....potentially now in downward trend
  - Cost-of-Living Adjustments (COLA) sufficient to cover ongoing cost increases with minimal remaining for augmentations
  - Large influx of State one-time funding
  - Health and Welfare Increases
  - State revenues very volatile
    - Stock Market Volatility - heavily dependent on high income earners driven largely by capital gains from the stock market
    - Delayed tax deadlines due to natural disasters
  - Federal policy uncertainty
-



# Utilization of One-Time Funding

The District has used these funds to augment programs in critical categories

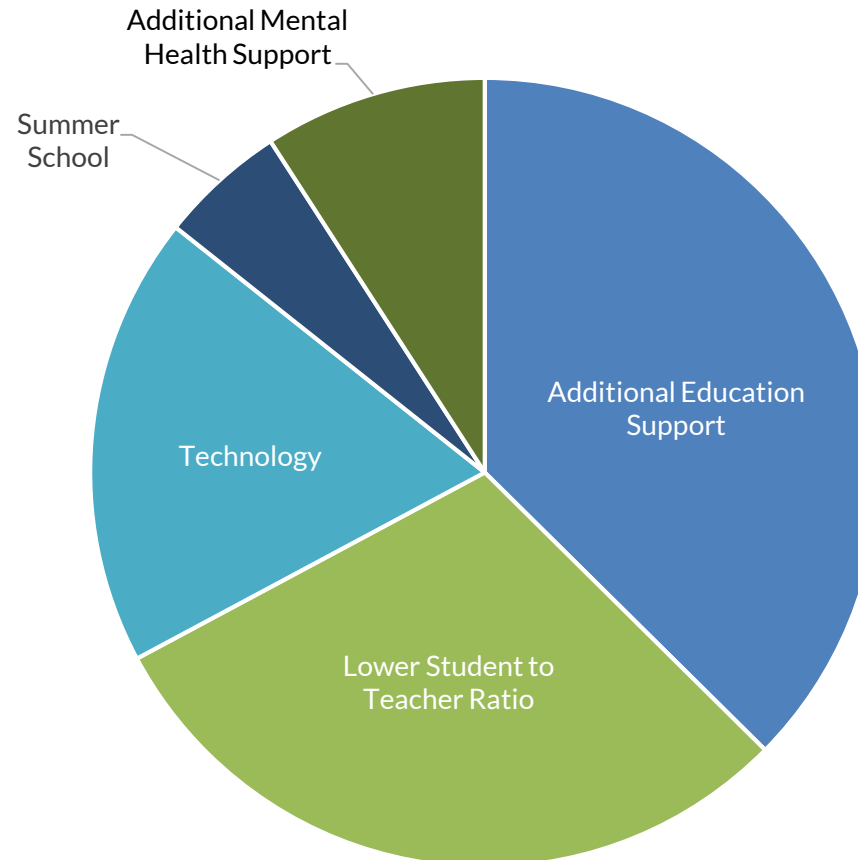
Learning Recovery Emergency Block Grant

Arts, Music and Instructional Materials  
Discretionary Block Grant

Other Available One-time

District set aside one-time funds from prior  
years to support LCAP

Discretionary Block Grant and LRE funds  
included in 2025-26 Budget



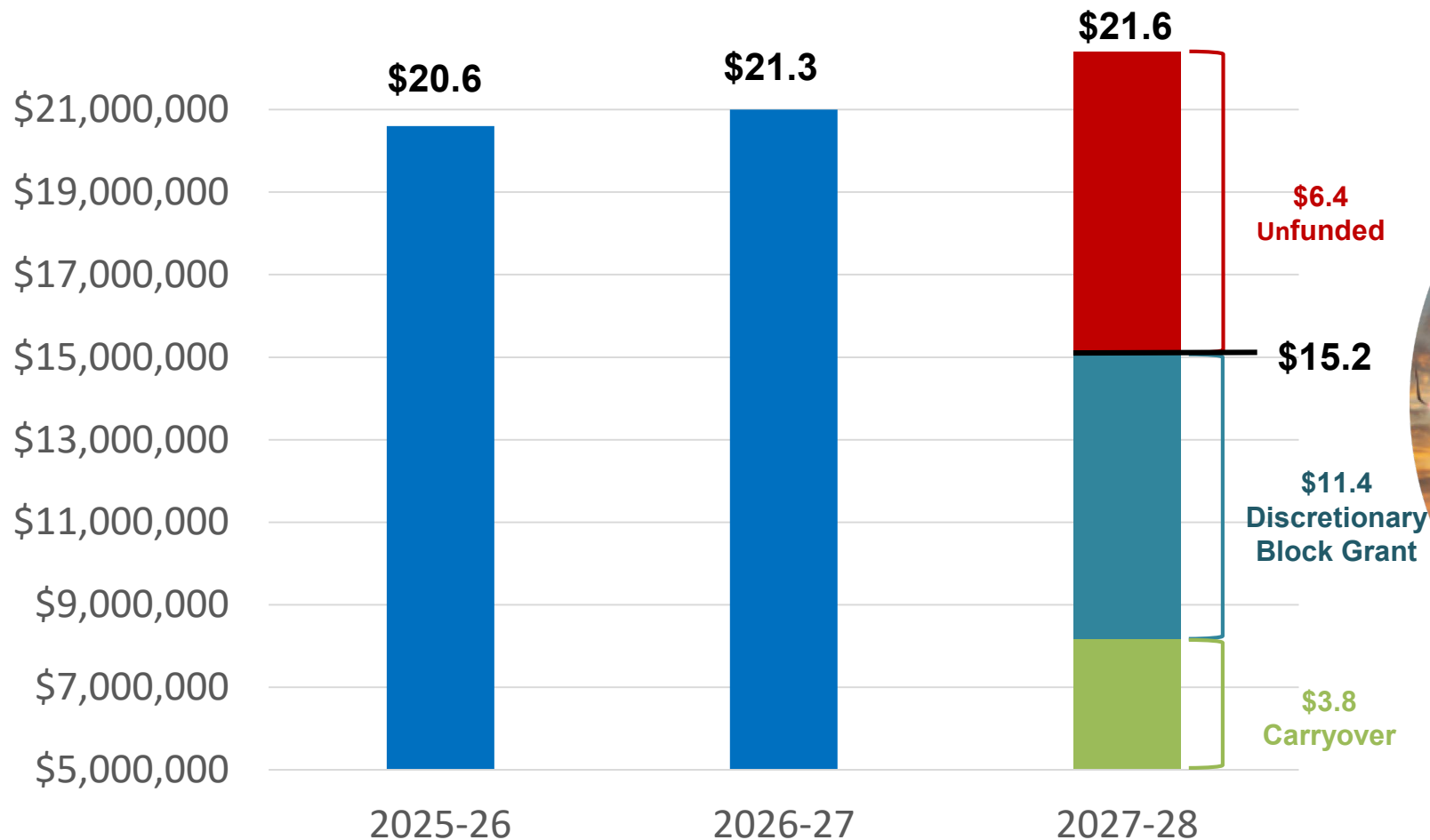
\*Additional Education Support includes:

- Transition Camps
- AVID
- Additional Nurses
- Middle School Extended Day
- Campus Control Assistants
- Counselor Support
- PE Support
- CTE/ROP
- Curriculum TOSAs
- Graduation Support



# Planned One-Time Expenditures By Year

(in millions)



Given the significance of the one-time funding, districts will need to ensure an exit strategy as one-time funds cannot be used to fund ongoing programs and/or costs...



# Questions?

