

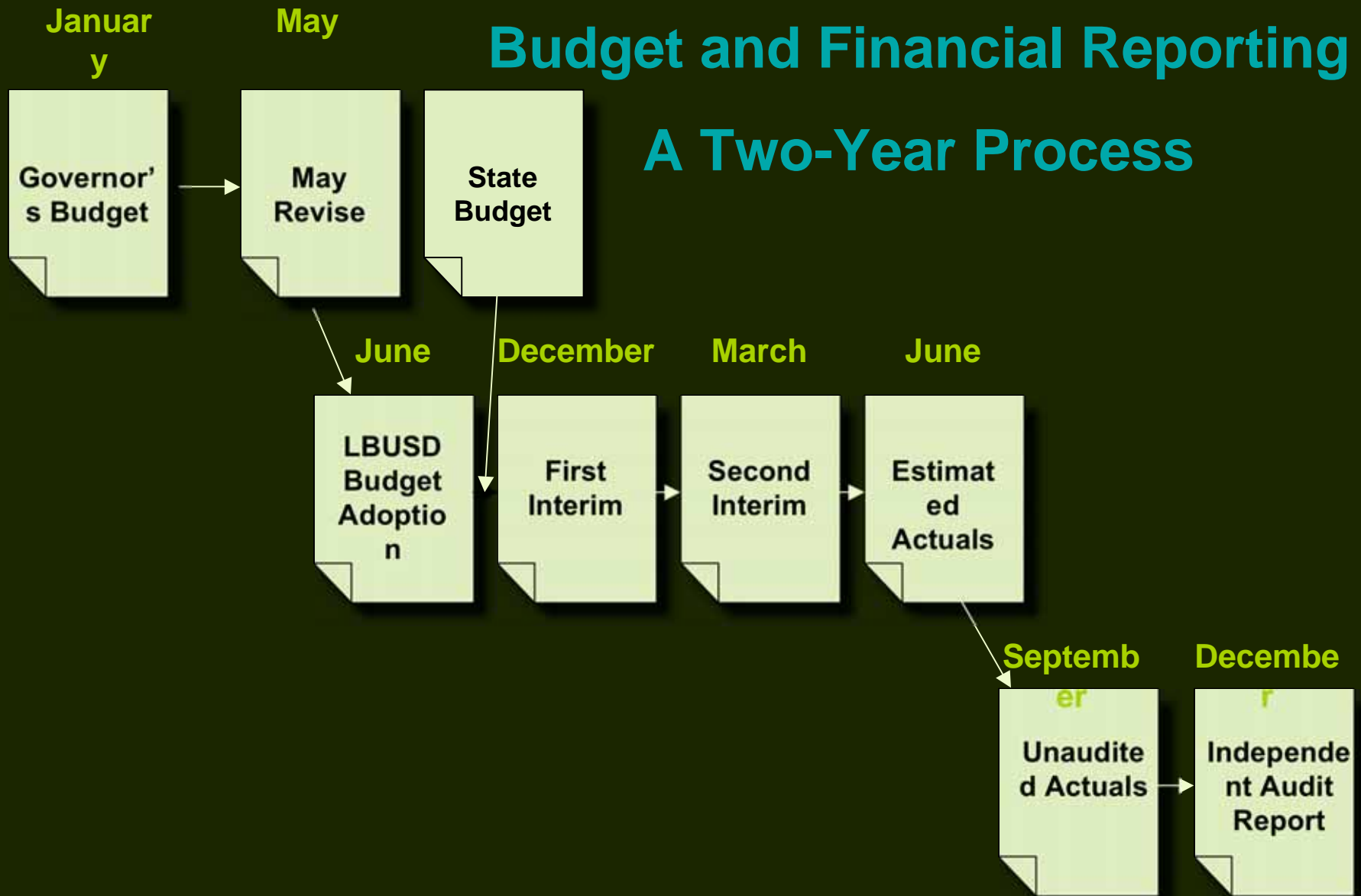
# Long Beach Unified School District

2013-14 Proposed Budget

June 18, 2013

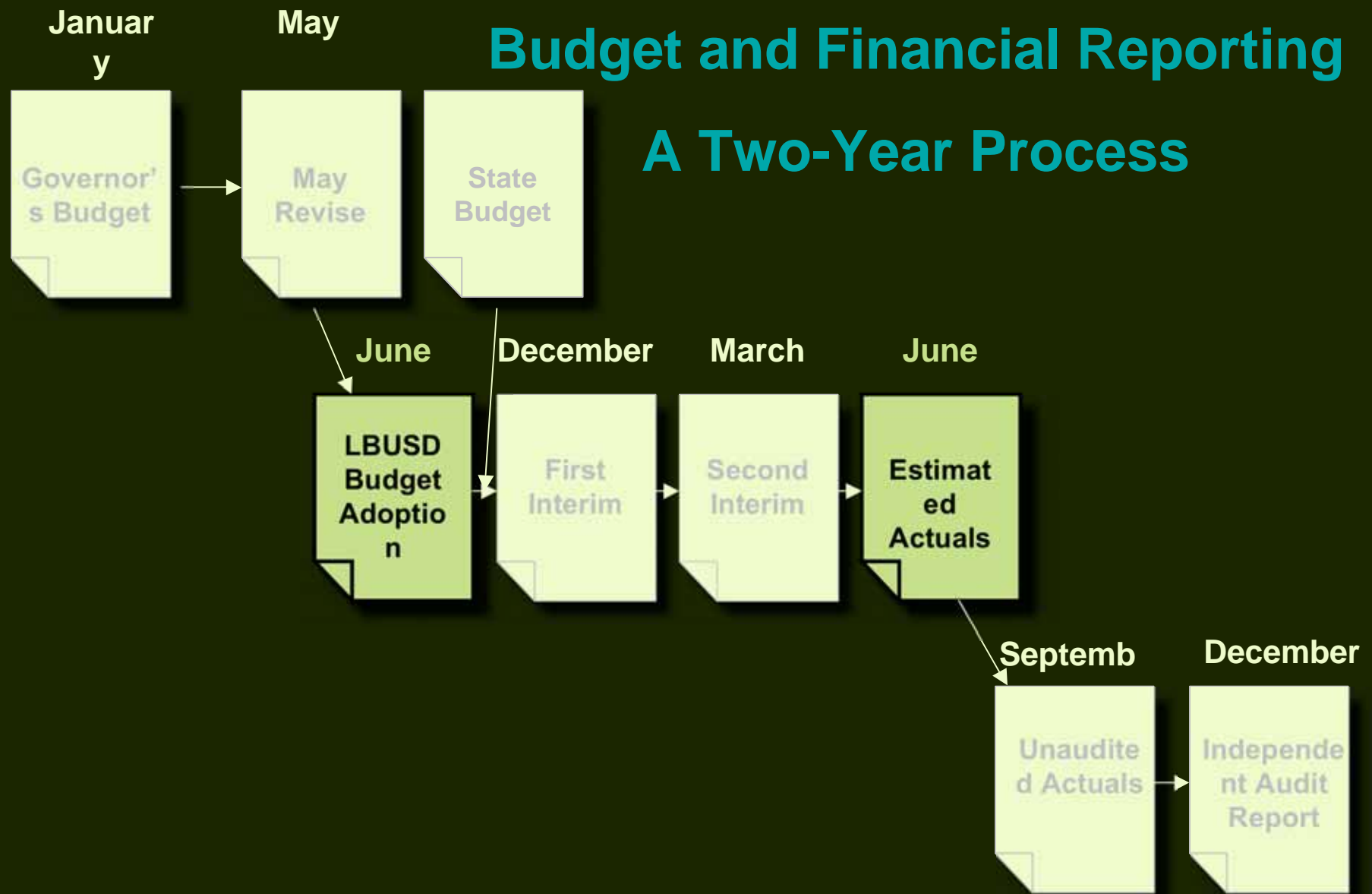
# Budget and Financial Reporting

## A Two-Year Process



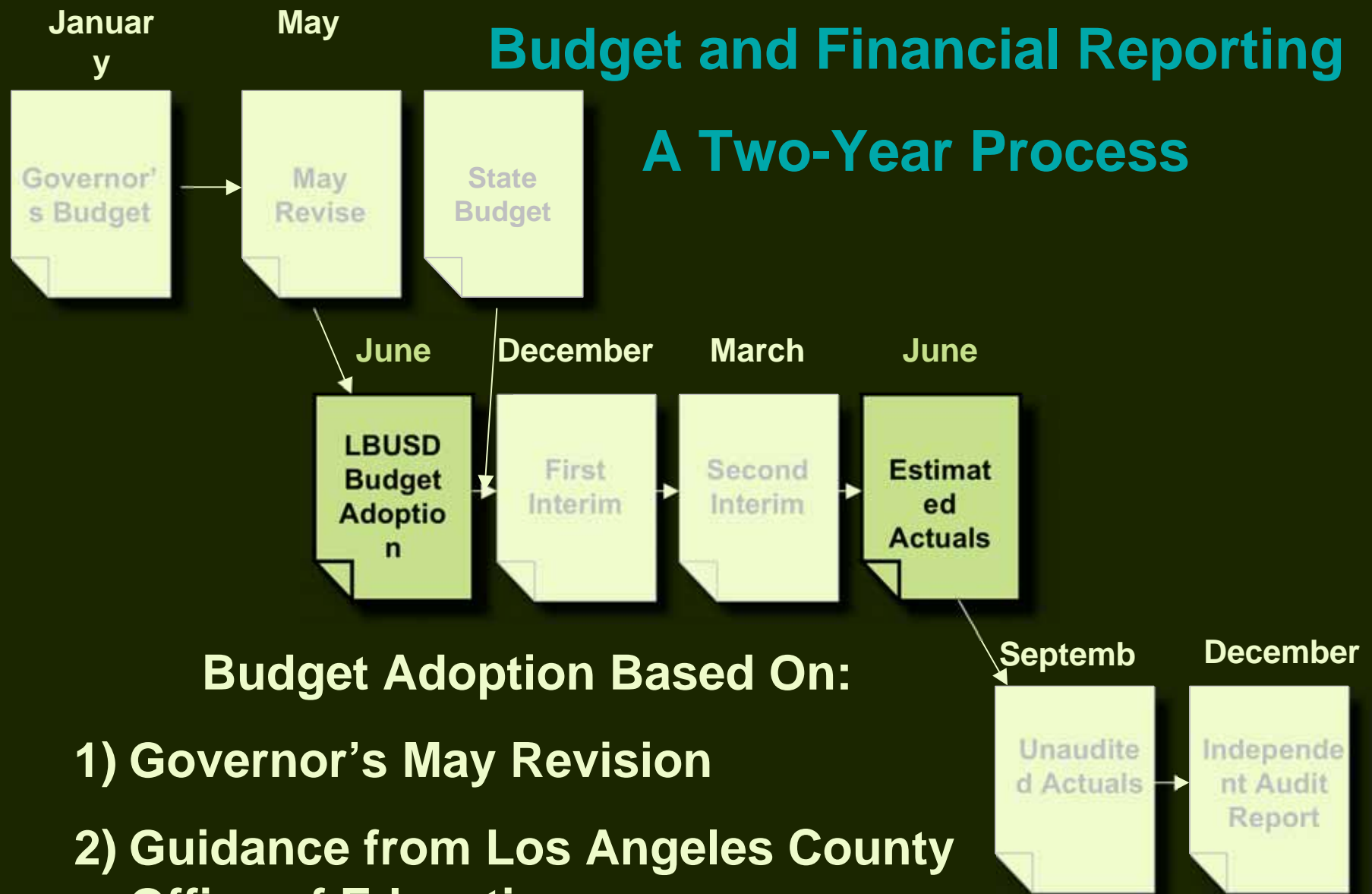
# Budget and Financial Reporting

## A Two-Year Process



# Budget and Financial Reporting

## A Two-Year Process



### Budget Adoption Based On:

- 1) Governor's May Revision
- 2) Guidance from Los Angeles County Office of Education

# State Budget Issues

- Budget passed by Legislature June 14, trailer bills and Governor's signature are still pending.
  - Due to the timing of the state budget, LBUSD budget based on May Revise
- Proposition 30 funding has significantly improved State Revenues
- Proposition 98 amount for schools actually decreases, but only through manipulation of the formula. Proposition 98 Spending at \$55.3B for 2013-14 (down from \$56.5B in 2012-13).

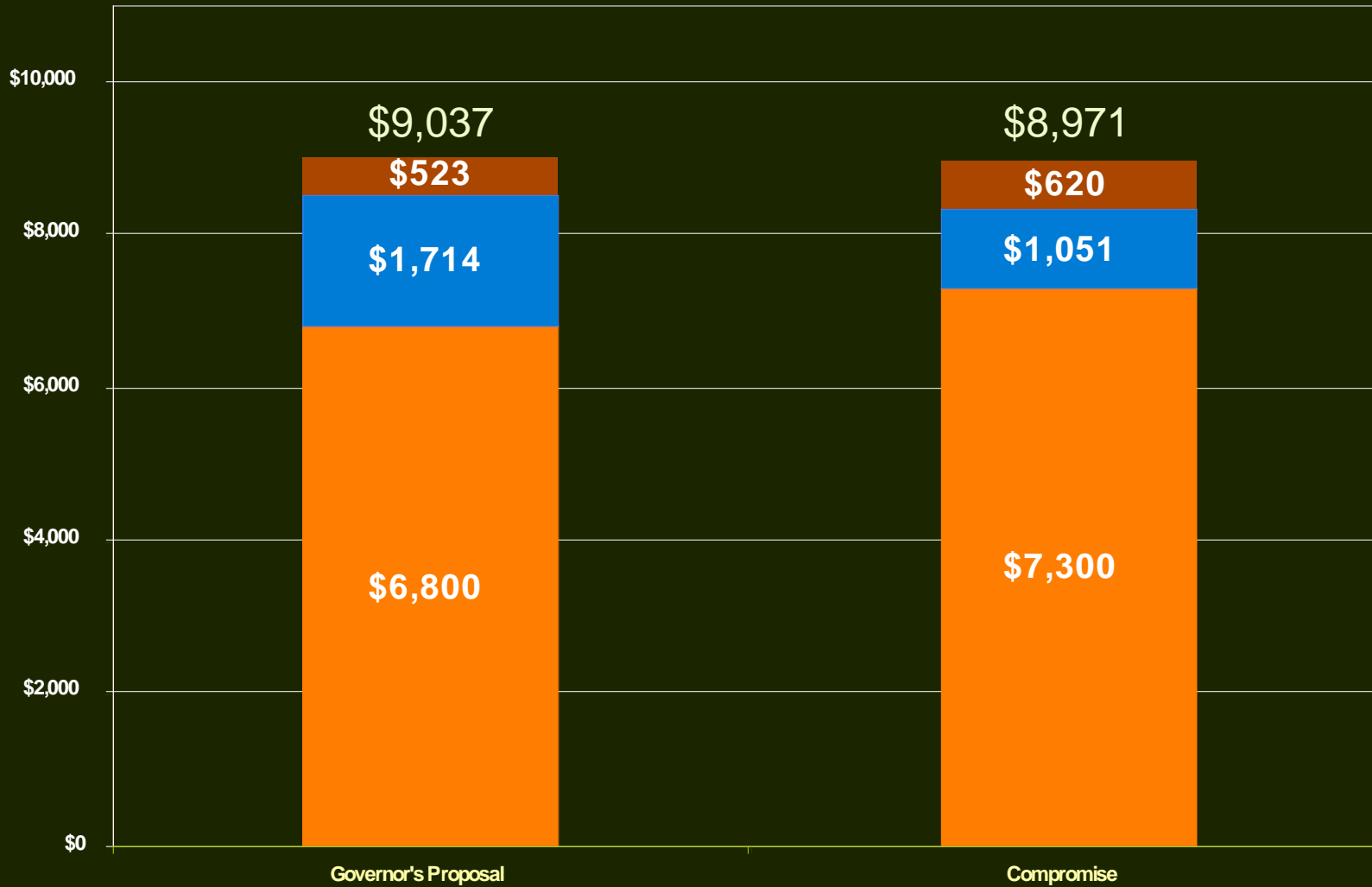
# Governor's May Revision State Budget – Major Issues

- Local Control Funding Formula
- State Revenues
- Cash Deferrals
- Common Core Implementation

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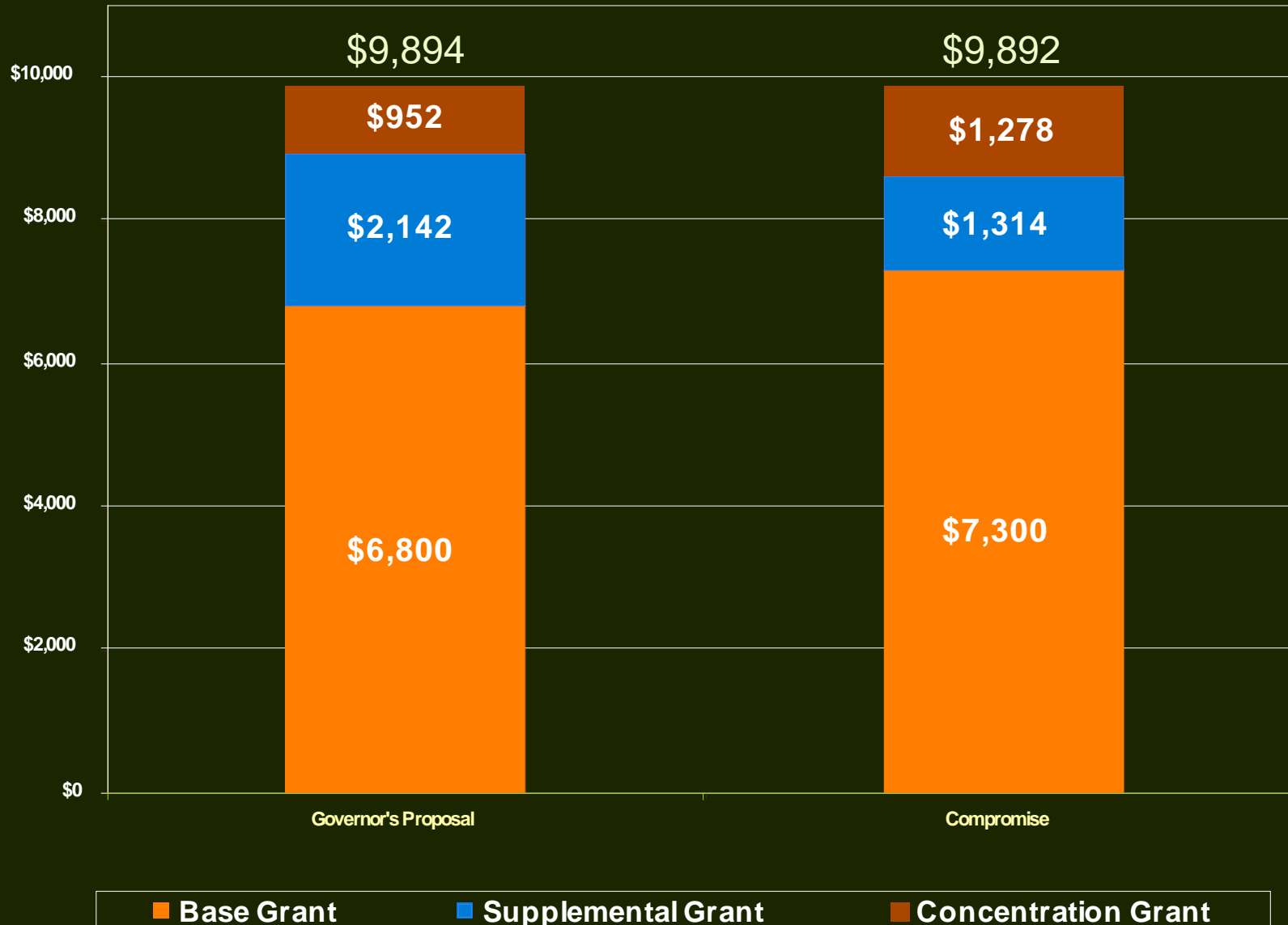
# LCFF - May Revise versus Budget Compromise - Effect on LBUSD



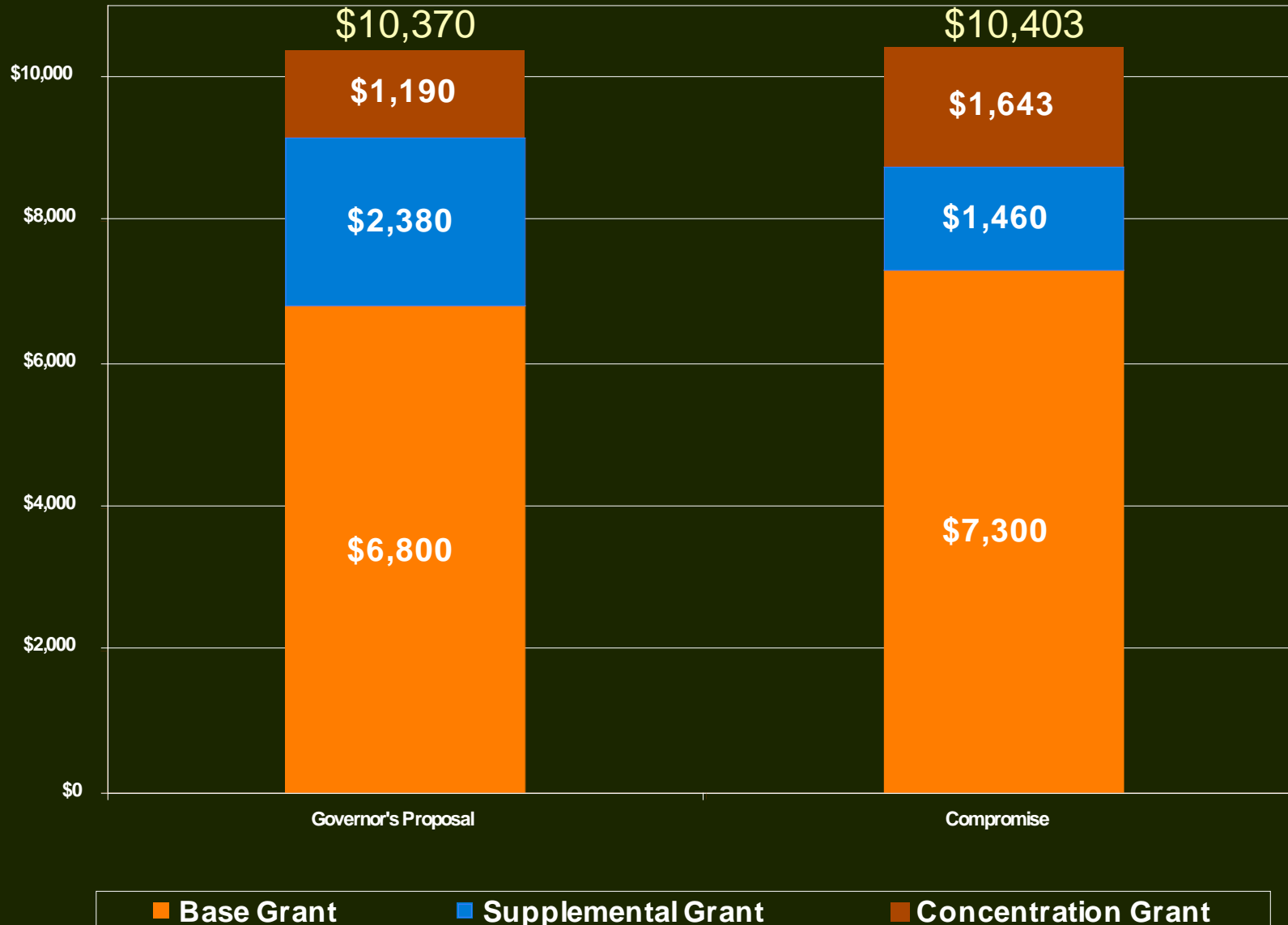
■ Base Grant    ■ Supplemental Grant    ■ Concentration Grant



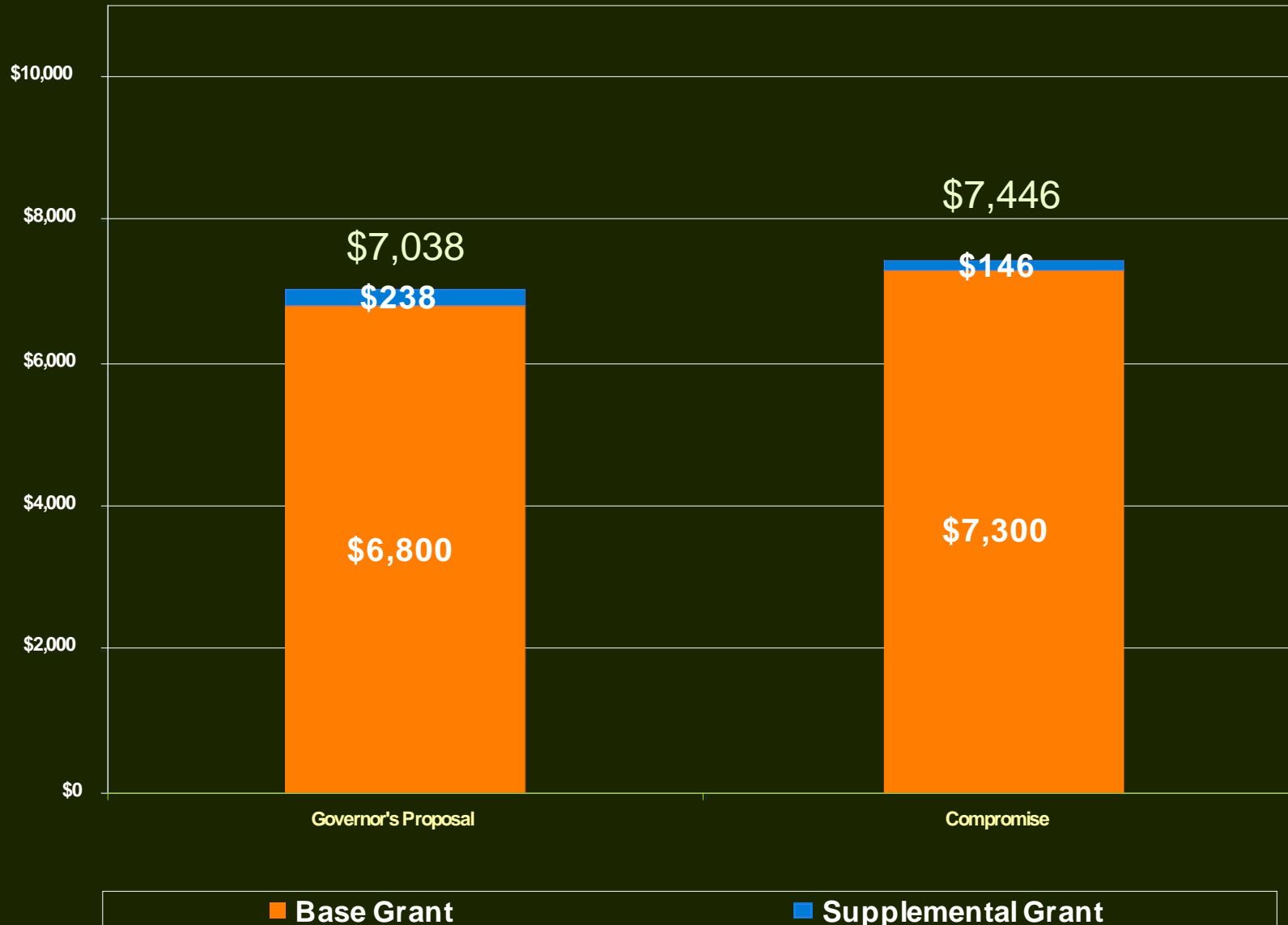
## LCFF - May Revise versus Budget Compromise - Effect on District with High Students in Need (90%)



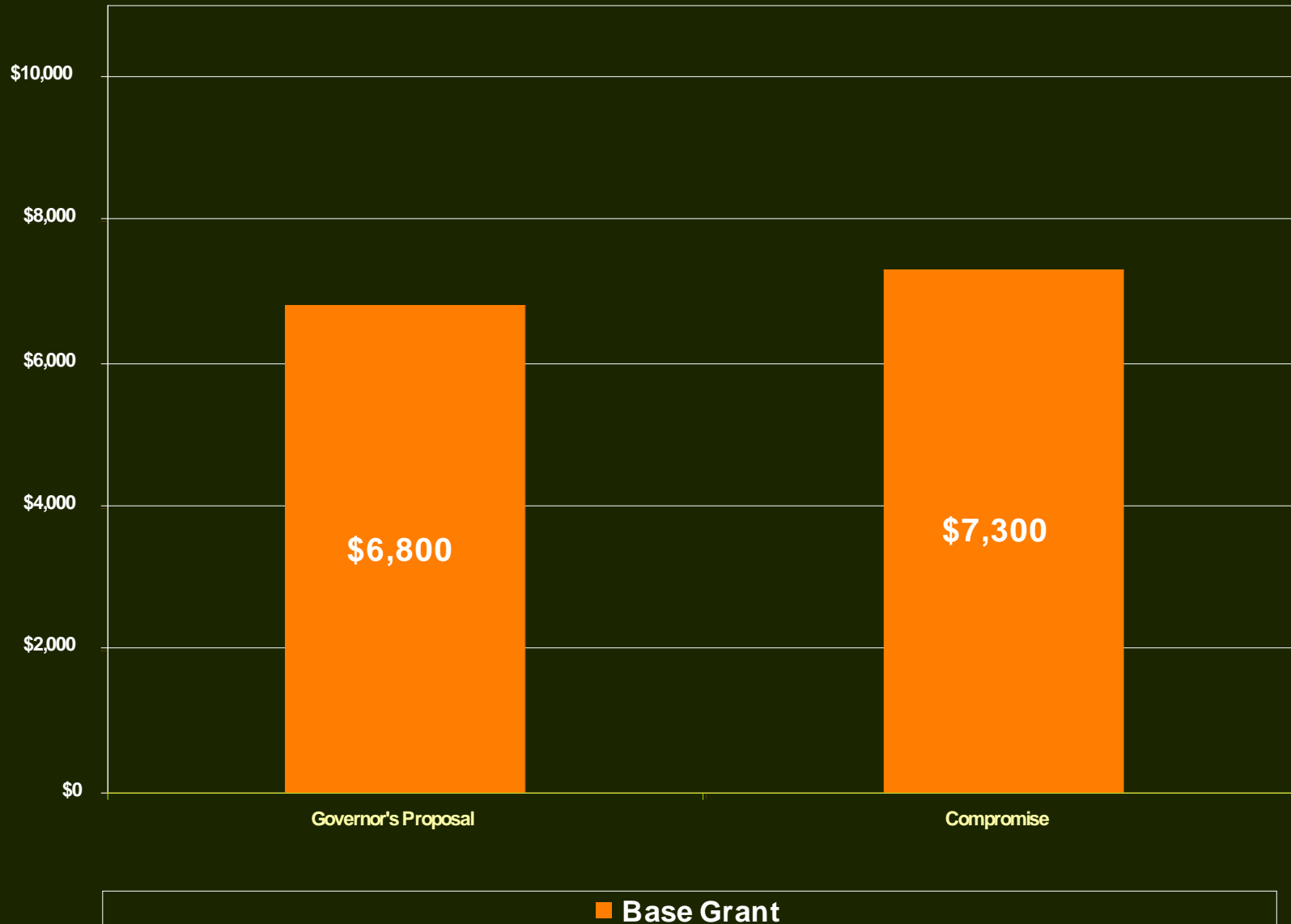
## LCFF - May Revise versus Budget Compromise - Effect on District with 100% Students in Need



## LCFF - May Revise versus Budget Compromise - Effect on District with Low Students in Need (10%)



## LCFF - May Revise versus Budget Compromise - Effect on District with No Students in Need



# Governor's May Revision LCFF – Accountability

- Local Control Accountability Plan (LCAP)
- Three-year plan; updated and due July 1
- Addresses actions and progress toward state priorities:
  - Williams Compliance
  - State-adopted Content Standards
  - Parental Involvement
  - Student Achievement
  - Pupil Engagement
  - School Climate
  - Access to a Broad Curriculum
  - Student Outcomes

# Governor's May Revision State Budget

- Local Control Funding Formula
- State Revenues
- Cash Deferrals
- Common Core Implementation

# Governor's May Revision State Budget – State Revenues

- \$97.2 B (Dept of Finance)
- \$100.4 B (Legislative Analyst Office)
- Additional revenue assumed by LAO is considered volatile, due to its reliance on capital gains and the stock market.

# Governor's May Revision State Budget

- Local Control Funding Formula
- State Revenues
- **Cash Deferrals**
- Common Core Implementation



# Governor's May Revision State Budget – Cash Deferrals

- \$4.92 B in reduction of Inter-year Deferrals
- Compromise reduces amount to \$4.27 B
- Will significantly reduce likelihood of TRANS borrowing in 2013-14.

# Estimated Effect of "Cash Deferrals" (in millions)



# Governor's May Revision State Budget

- Local Control Funding Formula
- State Revenues
- Cash Deferrals
- **Common Core Implementation**

# Governor's May Revision State Budget – Common Core

- \$1.25 B allocated for Implementation of Common Core
- Funding designated for
  - Technology
  - Instructional Materials
  - Professional Development

# LBUSD Budget Assumptions

- Declining Enrollment projected at 1.5% per year.
- Does not include LCFF revenue projections. Current estimate of LCFF is approx. additional \$19M.
- Revenue Assumptions:
  - COLA of 1.56% in 2013-14, 1.8% in 2014-15, and 2.2% in 2015-16.
  - Federal Revenues reduced
    - Sequestration – 5.9% cut in all federal funding
    - General Fund carrying costs

# LBUSD Budget Assumptions

- Expense Assumptions:
  - Step and Column is only budgeted salary increase.
  - Total Health Benefits projected to increase 6.2% in 2013-14; 7.0% in 2014-15 and 2015-16.
  - Utilities projected to increase 3% in 2013-14, 2014-15 and 2015-16.

# Multi-Year Proj. - Unrestricted General Fund Balance *(in millions)*



—◆— No LCFF      —■— Adding 13-14 LCFF Revenue      —▲— Adding Ongoing LCFF Revenue

# SUMMARY

- Many Unknowns
  - LCFF is biggest unknown; details will be sorted out in coming months.
- LBUSD Structural Deficit remains.
- State's commitment to reducing deferrals will lessen cash flow demands, but will not provide additional budget authority.



