


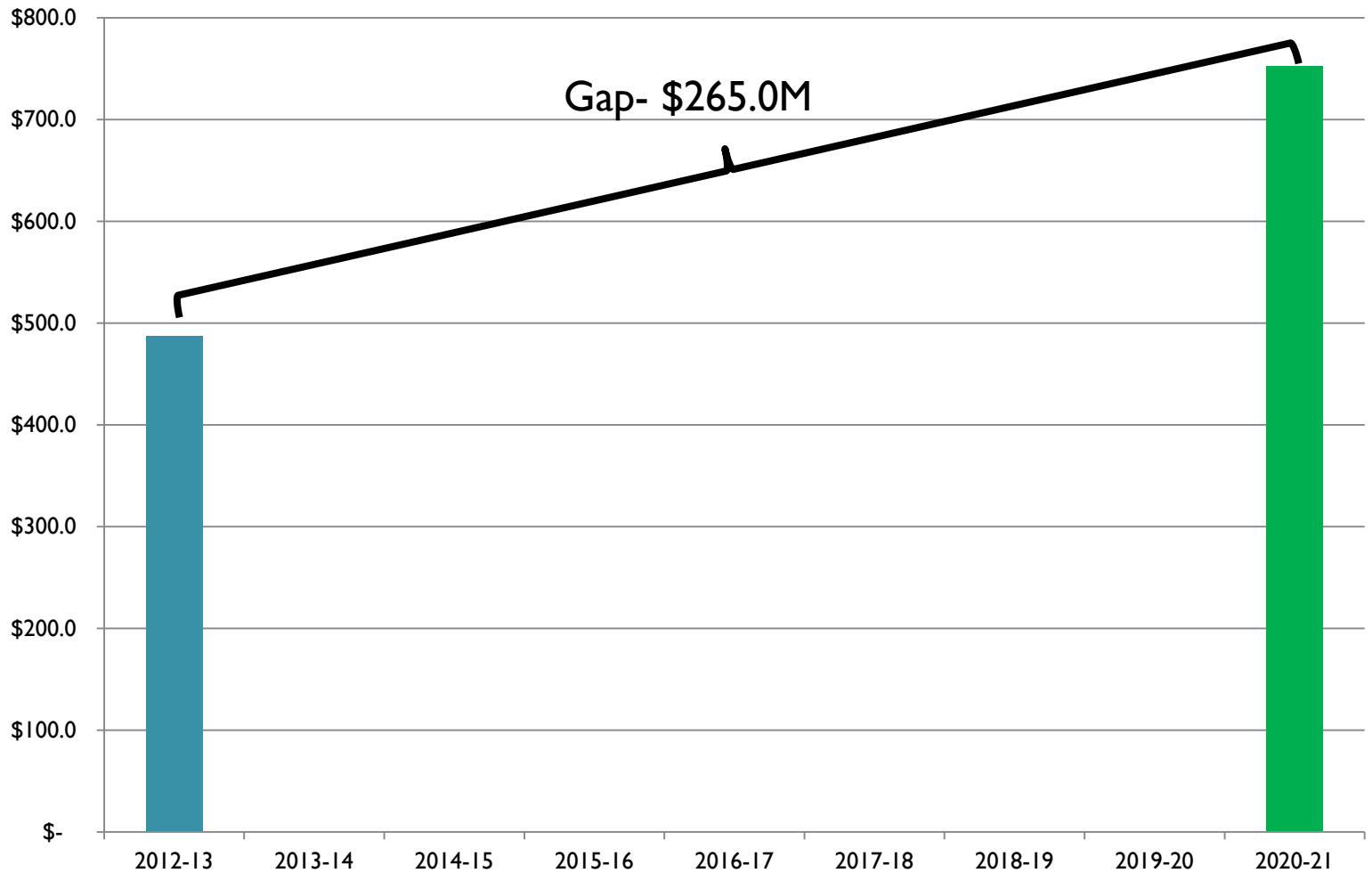
# Long Beach Unified School District Proposed 2015-16 Budget

Public Hearing

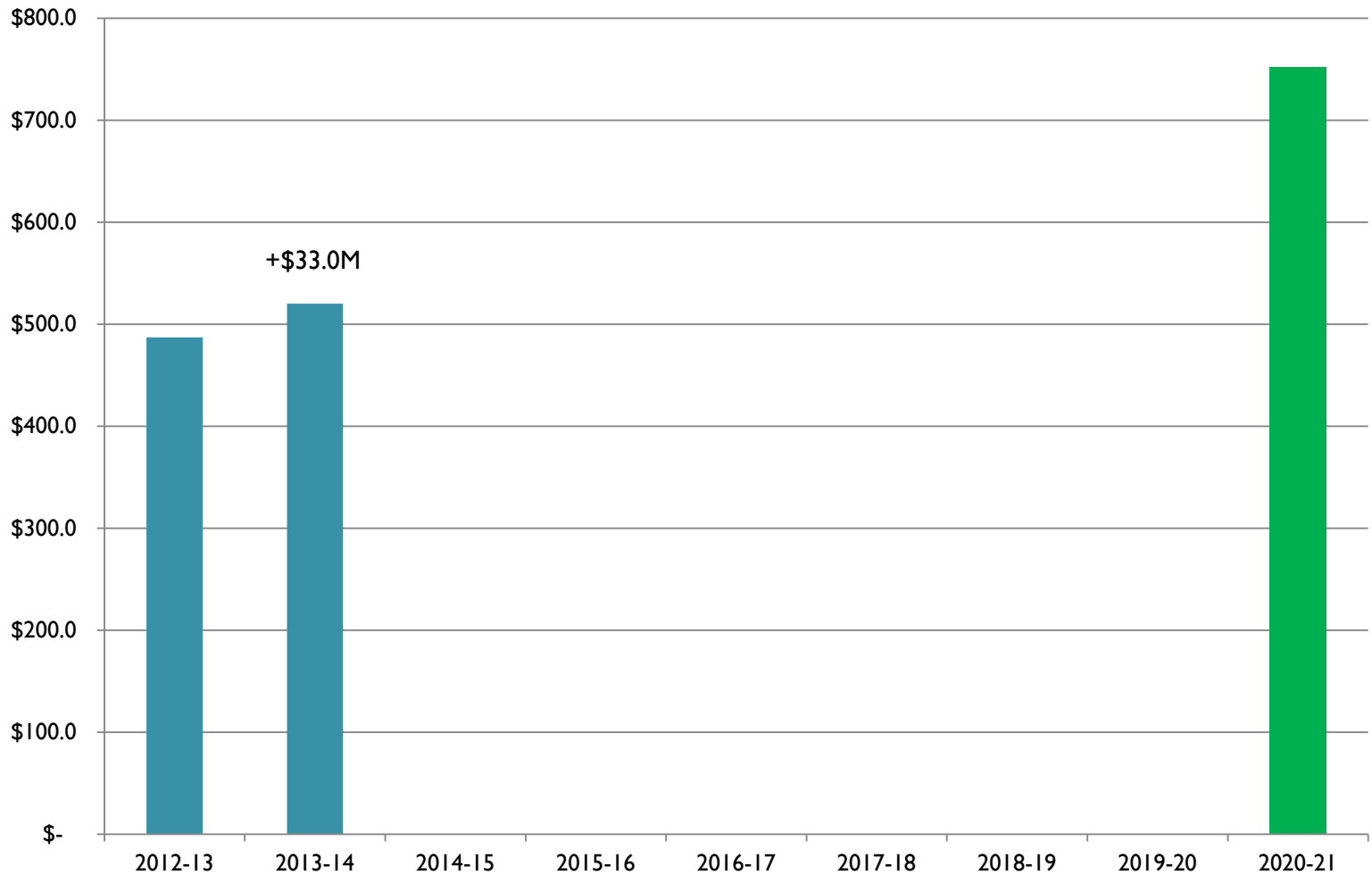
June 2, 2015

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- Local Control Funding Formula
  - 2015-16 May Revision Proposal
    - Gap funding
    - One-time funding
  - Future revenue considerations
  - Cost considerations
  - Planning for the future

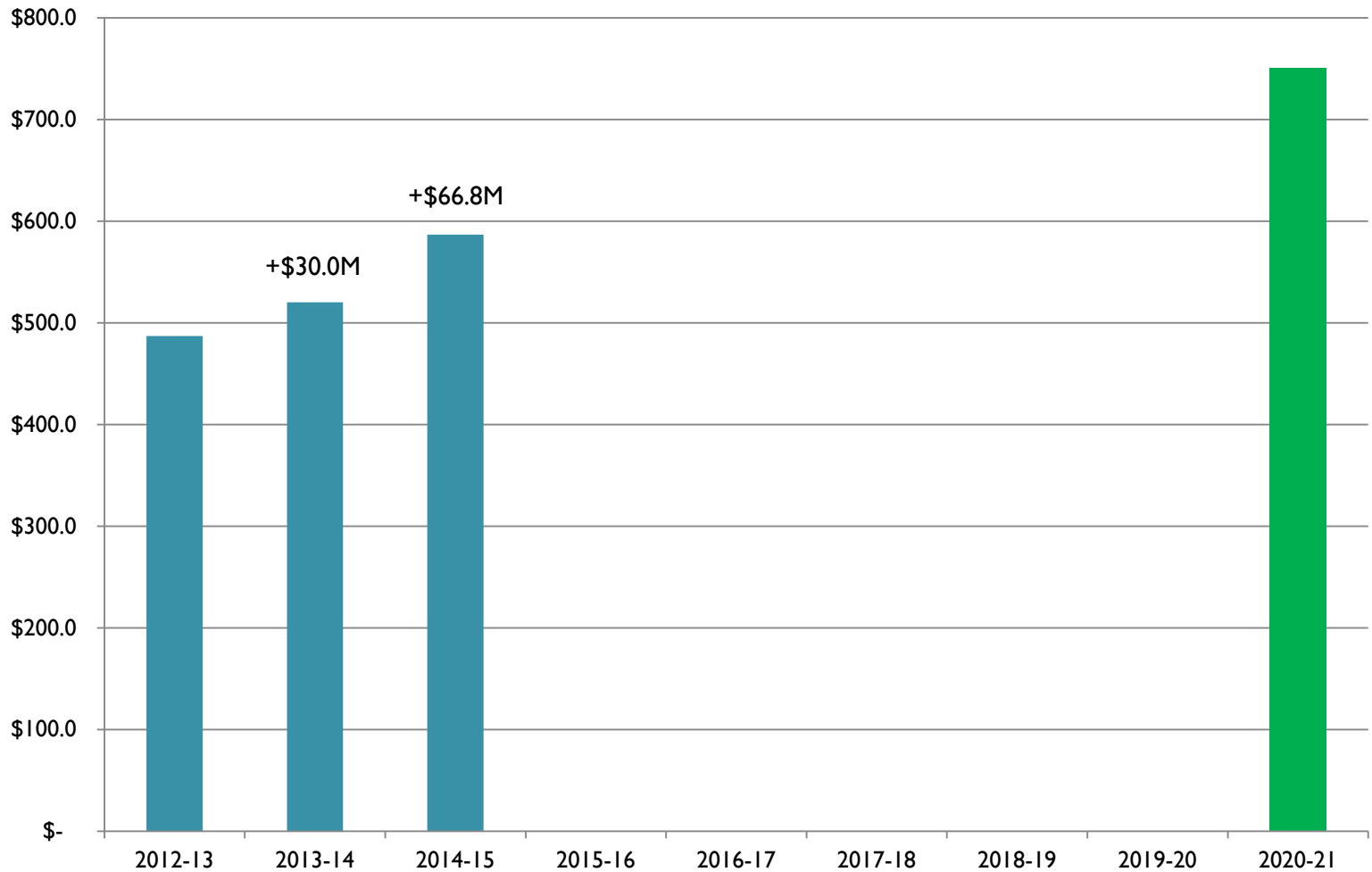
# LCFF -Target Funding Model



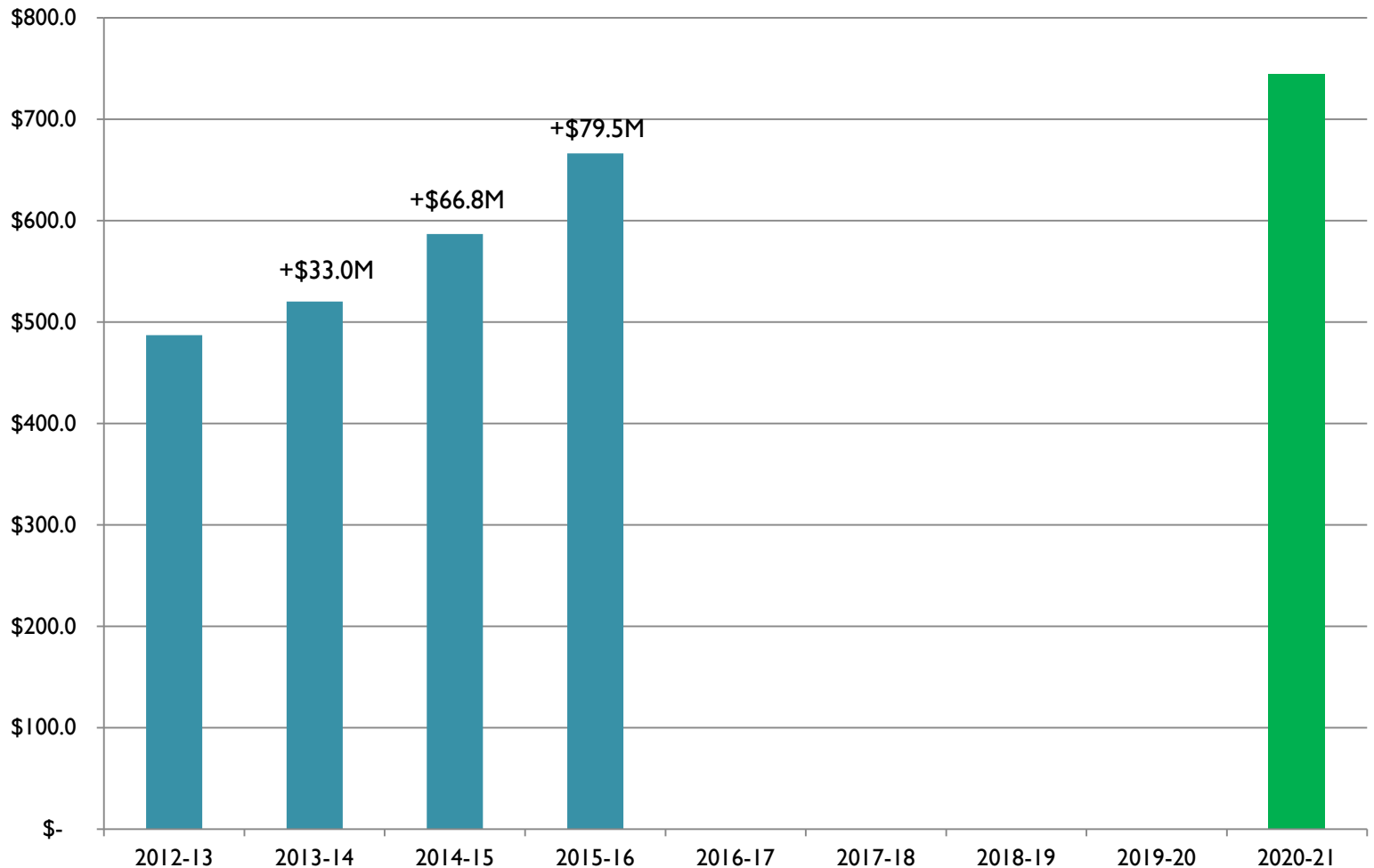
# LCFF- Year 1 Gap Funding



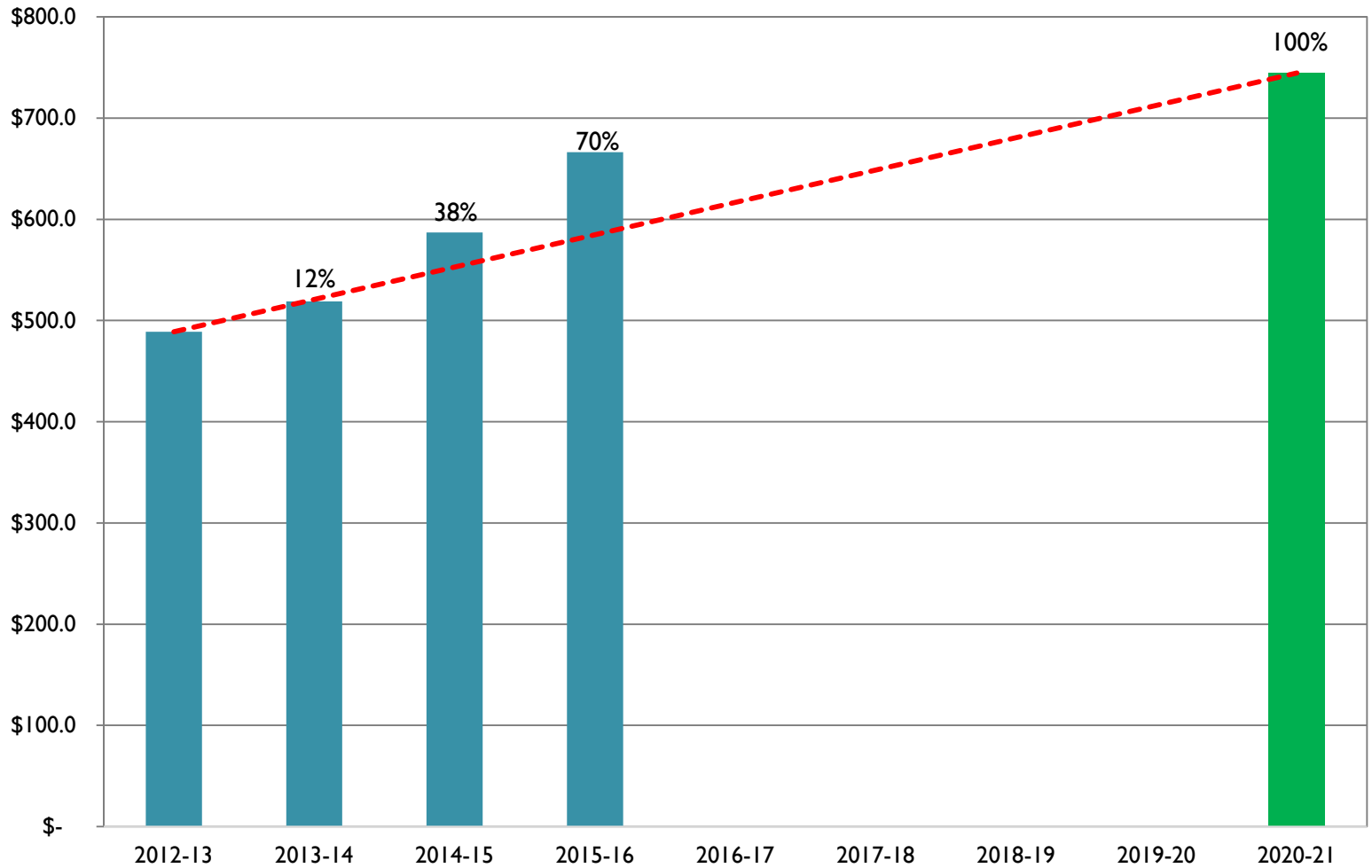
# LCFF- Year 2 Gap Funding



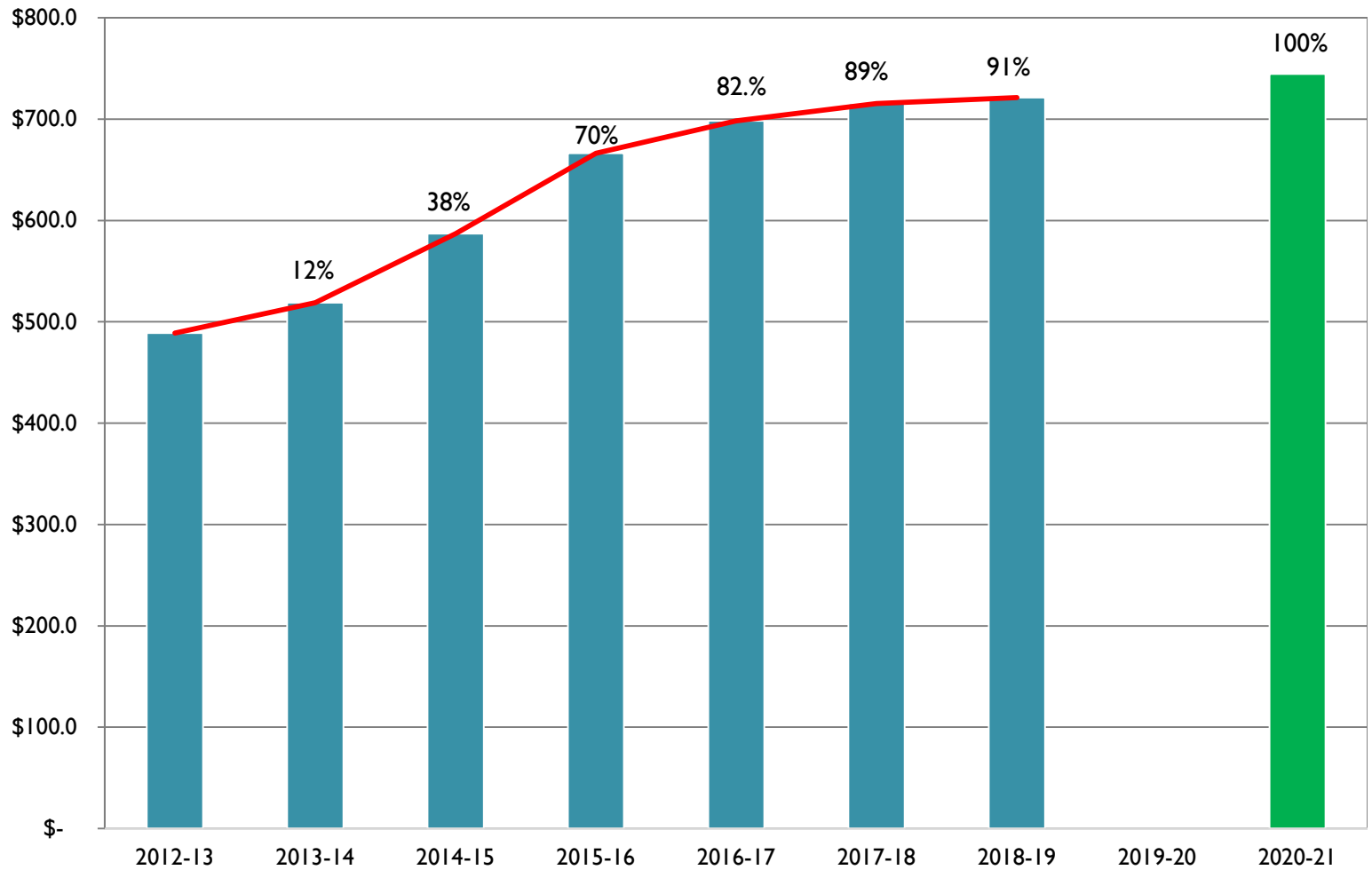
# 2015-16 May Revision Proposal Gap funding



# LCFF progress through 2015-16

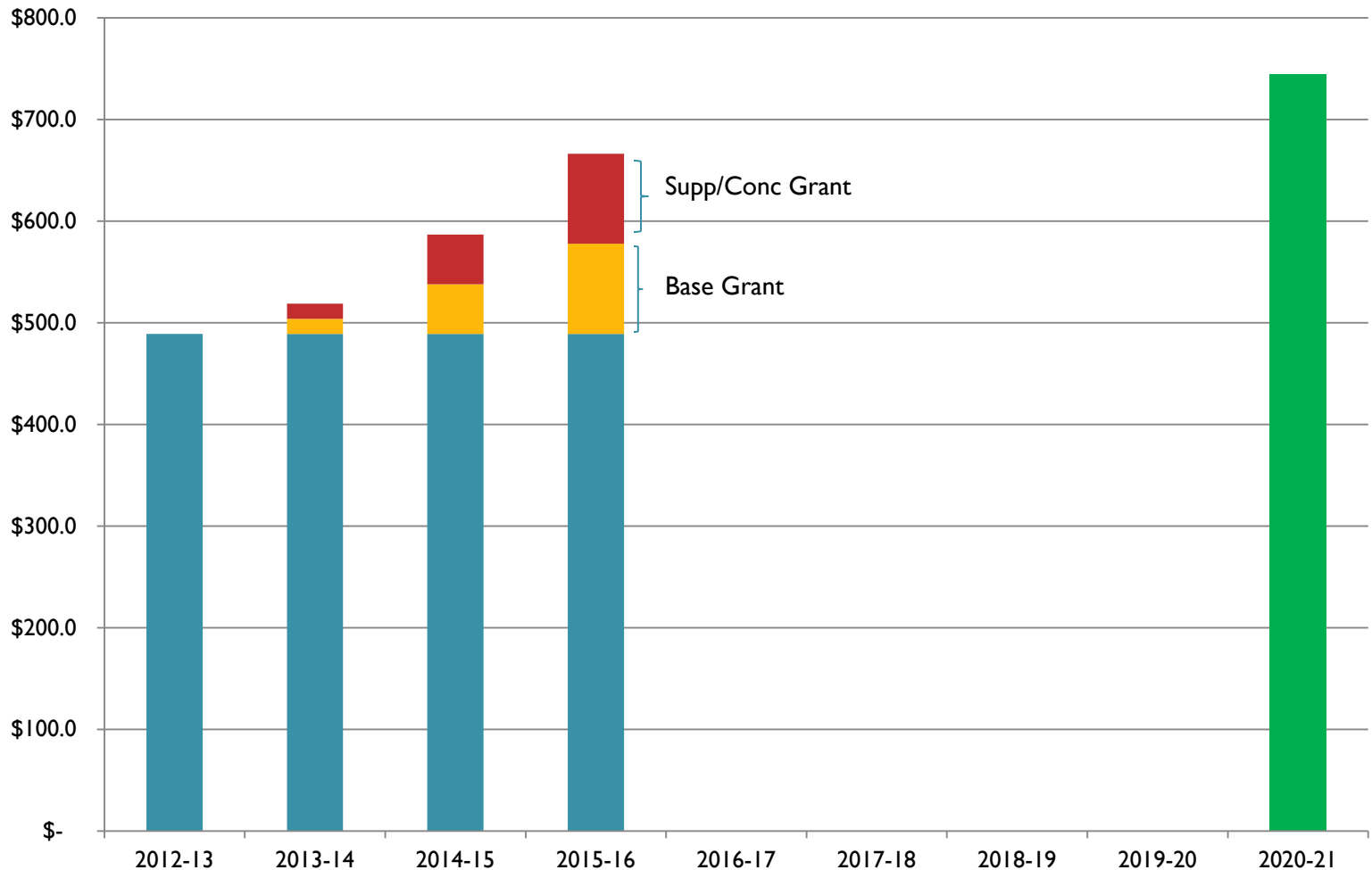


# Projected progress through 2018-19





# Supplemental and Concentration grants



# 2015-16 May Revision Proposal

## One-time funding

- \$601/ADA
- \$45.7 million for LBUSD
  - To be used for any one-time purpose

# Future revenue considerations

- State requirement under Prop 98 to restore funding levels has almost been satisfied
  - 40% of new revenues instead of 90%
- Prop 30 sunset
  - \$7-8 billion to education
  - 0.25% sales tax increase sunsets in 2016
  - Income tax increase sunsets in 2018
- Continuing declining enrollment of 1.5%
  - Approx. \$8.0 million annual revenue loss
- Continued reduction of federal funding

# Cost considerations

Targeted programs to address the eight State priorities, per the LCAP, have aligned with increased supplemental and concentration grant funding.

# Cost considerations

Costs for retirement benefits for both CalPERS and CalSTRS are projected to nearly double over the next several years.

CalSTRS

Year	% of Salary Contributed	Projected increase from 2013-14 (\$millions)
2013-14	8.25%	
2014-15	8.88%	\$ 1.8
2015-16	10.73%	\$ 6.9
2016-17	12.58%	\$ 12.0
2017-18	14.43%	\$ 17.1
2018-19	16.28%	\$ 22.3
2019-20	18.13%	\$ 27.4
2020-21	19.10%	\$ 30.1

CalPERS

Year	% of Salary Contributed	Projected increase from 2013-14 (\$millions)
2013-14	11.44%	
2014-15	11.77%	\$ 0.2
2015-16	11.85%	\$ 0.3
2016-17	13.05%	\$ 1.0
2017-18	16.60%	\$ 3.3
2018-19	18.20%	\$ 4.3
2019-20	19.90%	\$ 5.4
2020-21	20.40%	\$ 5.7

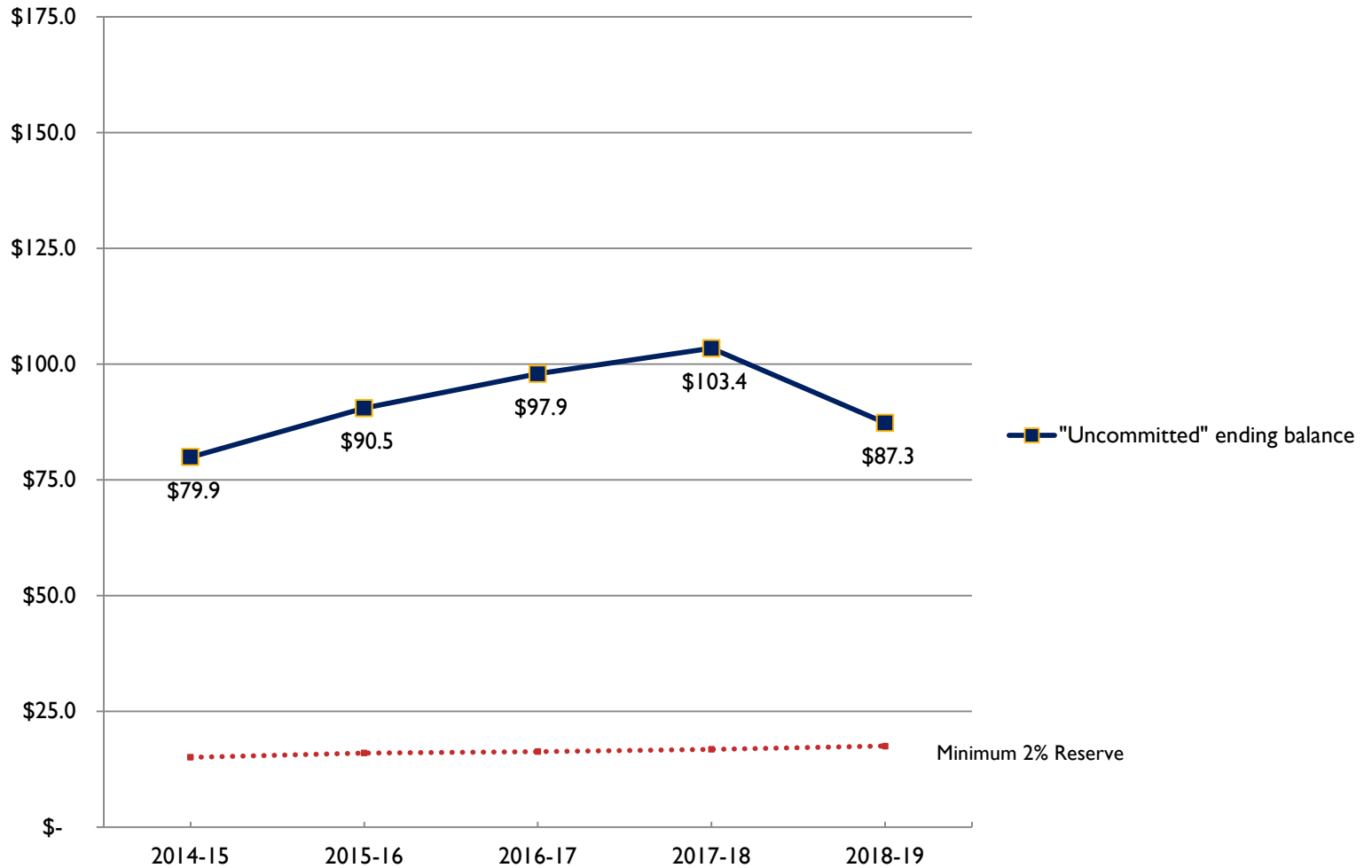
# Cost considerations

- Maintenance requirement returns to 3% beginning 2015-16
  - \$9.0 million
  - To be used for deferred maintenance projects
- Costs increase “on the natural”
  - Utilities, Step and Column
- Health Benefits projected to increase approx. 6% annually
  - PPO and HMO plans

# Preparing for the future

- Projected unrestricted ending balance for 2015-16 is \$158.2 million.
- Recommending that the Board commit \$67.7 million of the 2015-16 ending balance to future one-time expenses, supplemental and concentration grant program implementation, including CalSTRS and CalPERS increased contributions.

# Projected uncommitted ending balances (\$millions)







## Reasons to feel positive now

- LCFF has provided more funding and addressed our previous structural deficit.
- We've implemented programs to address our targeted needs.

## Reasons to be prudent now

- End of LCFF implementation approaching quickly
- Increasing expenses, continued declining enrollment
- Today's planning could help to alleviate a deficit position in the future.