


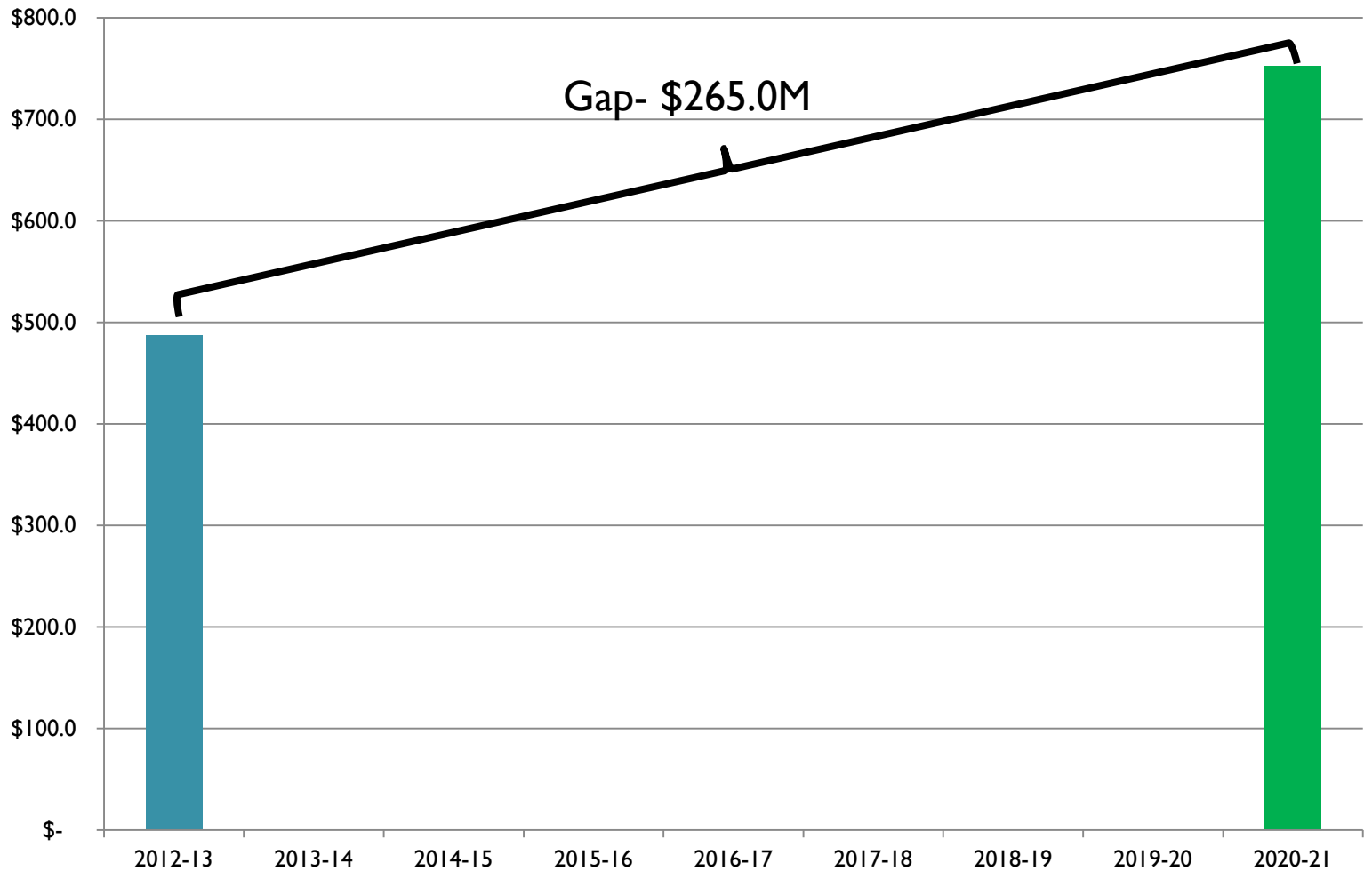
Long Beach Unified School District Proposed 2015-16 Budget

Public Hearing

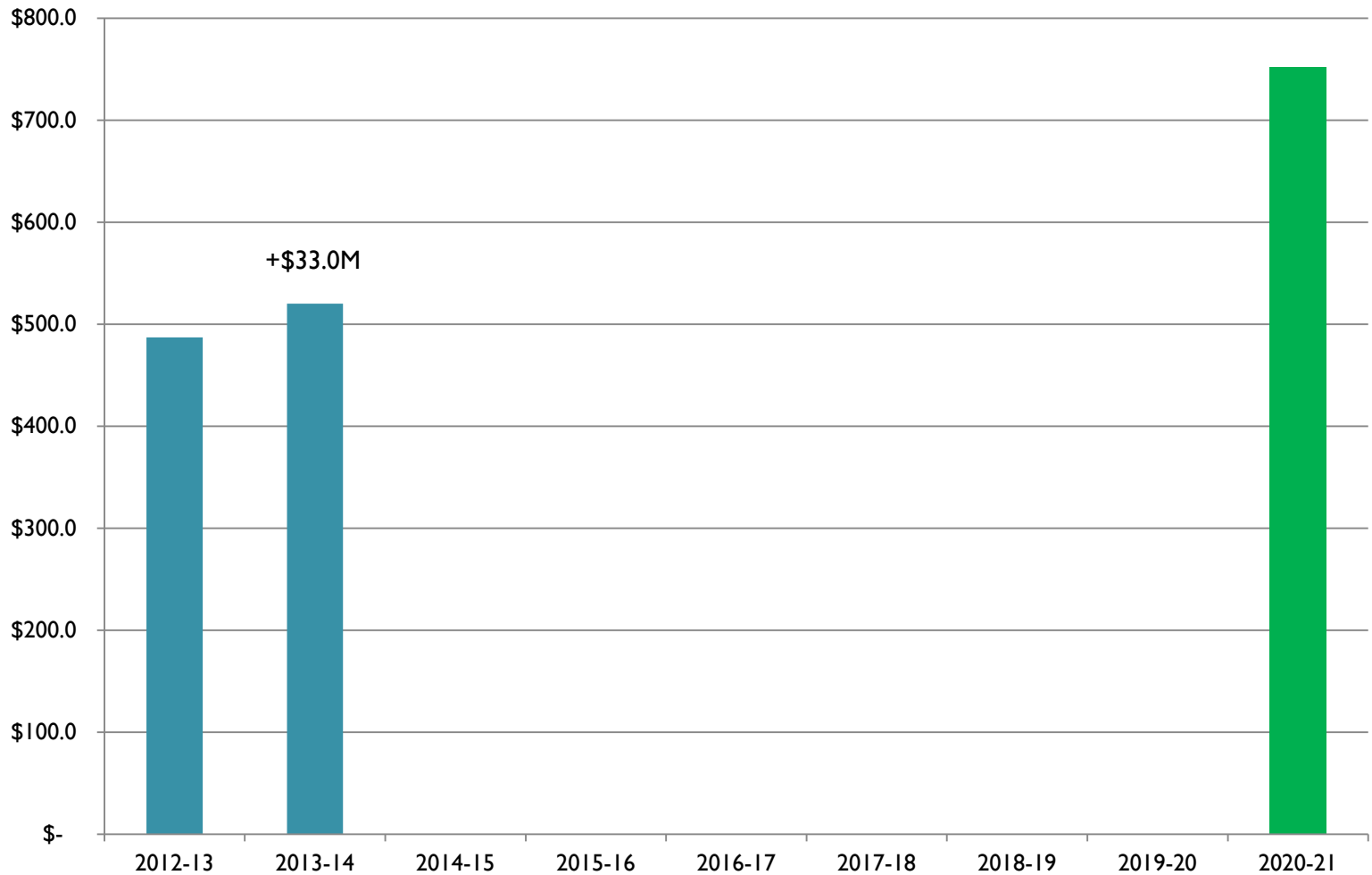
June 2, 2015

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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

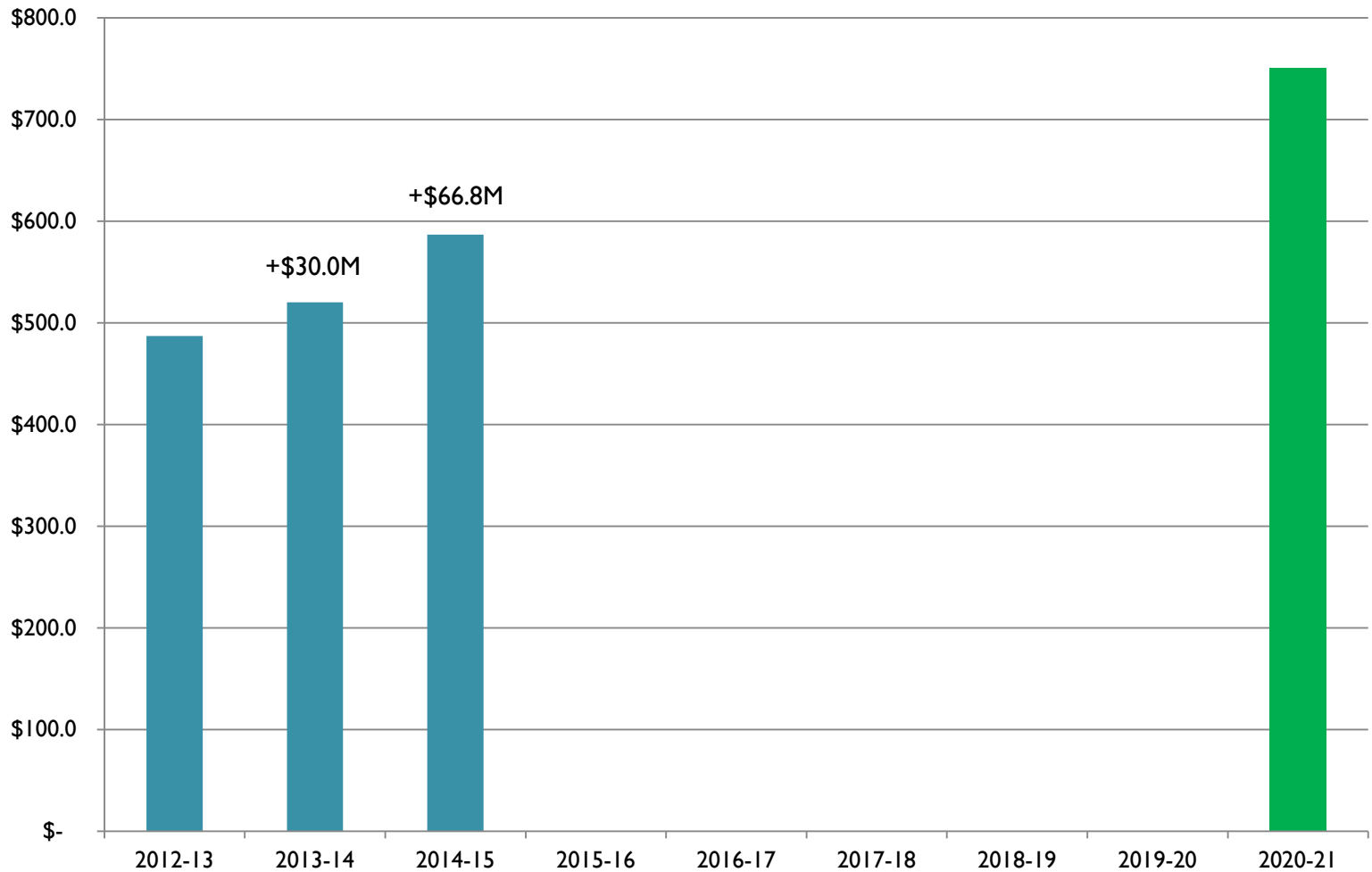
LCFF -Target Funding Model



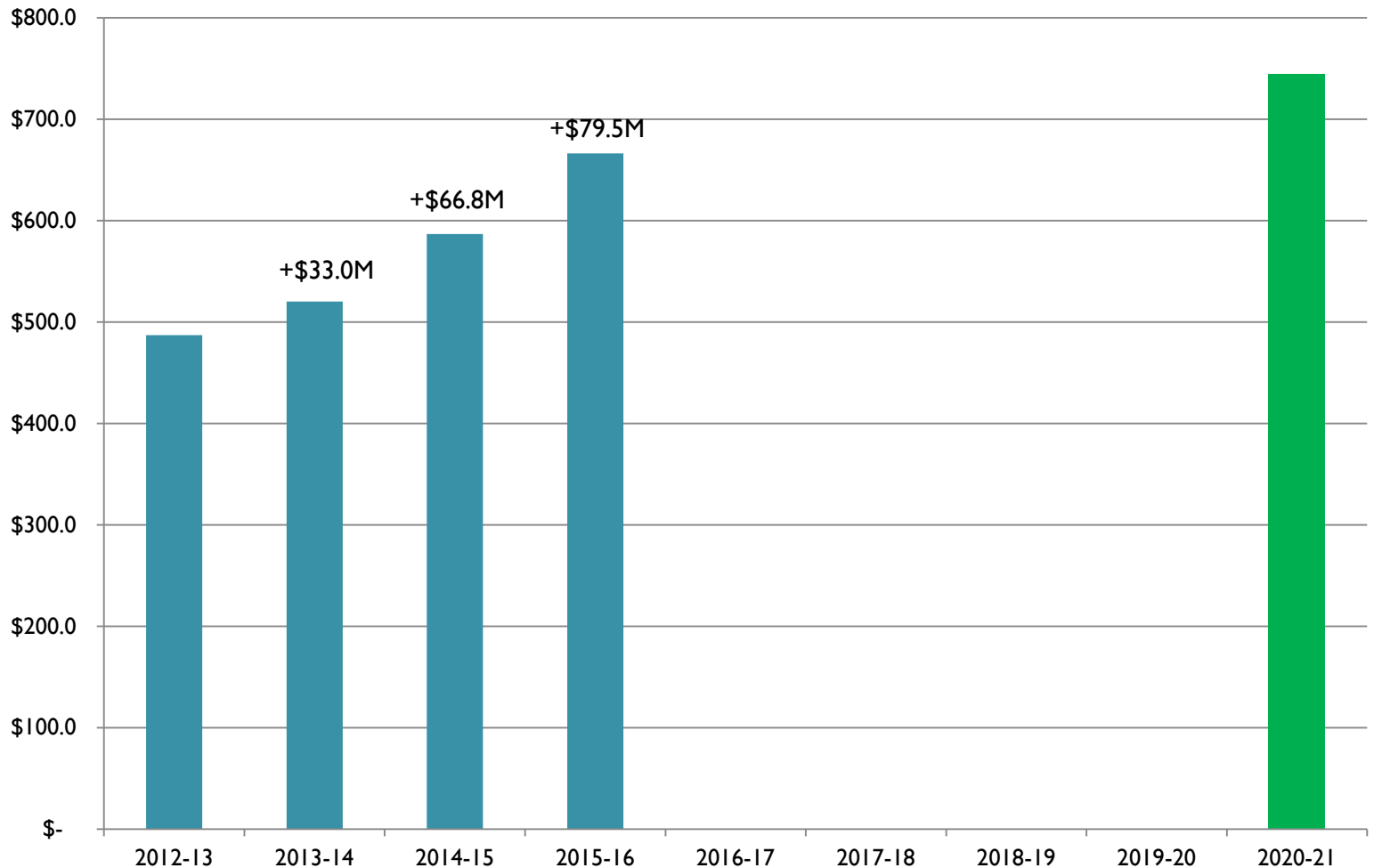
LCFF- Year 1 Gap Funding



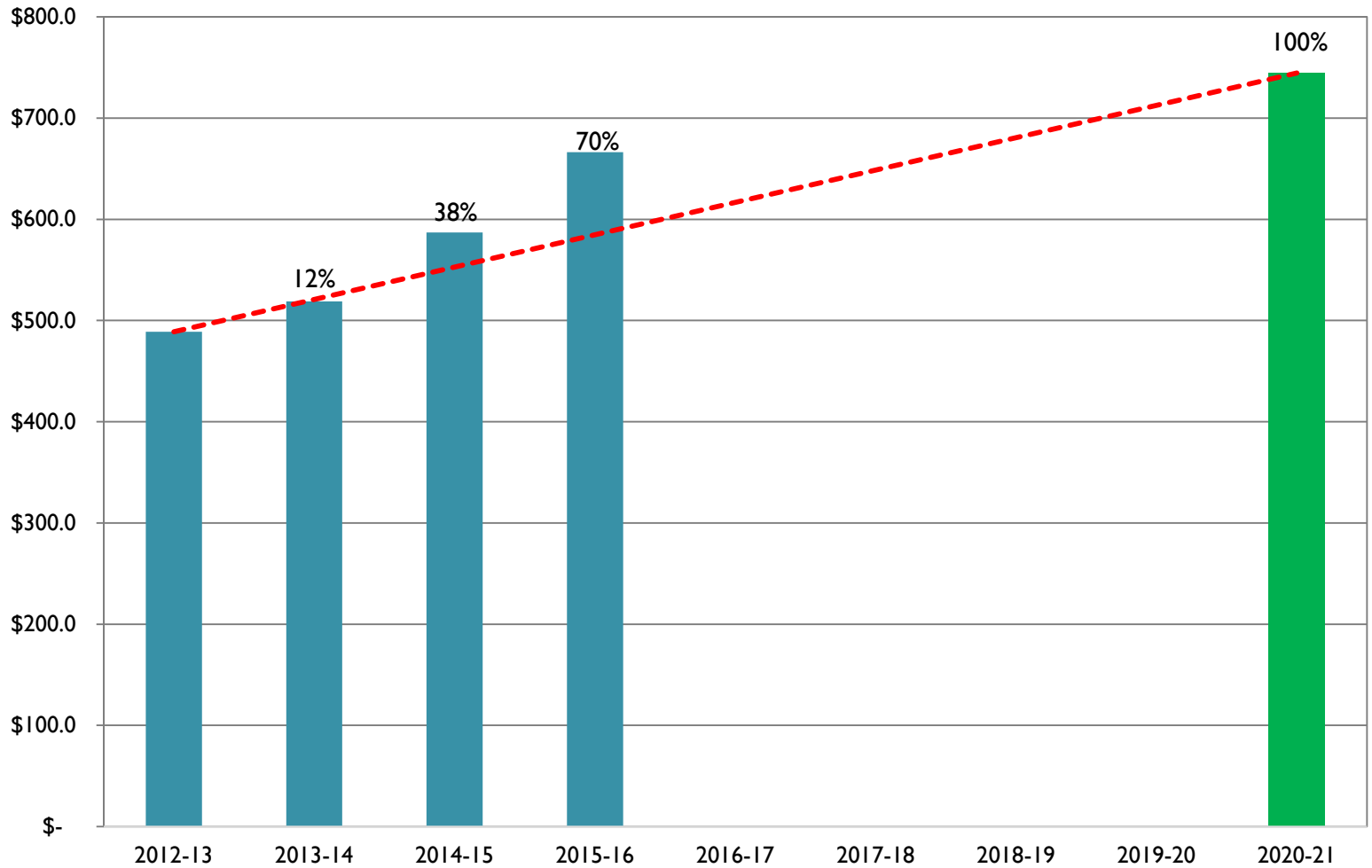
LCFF- Year 2 Gap Funding



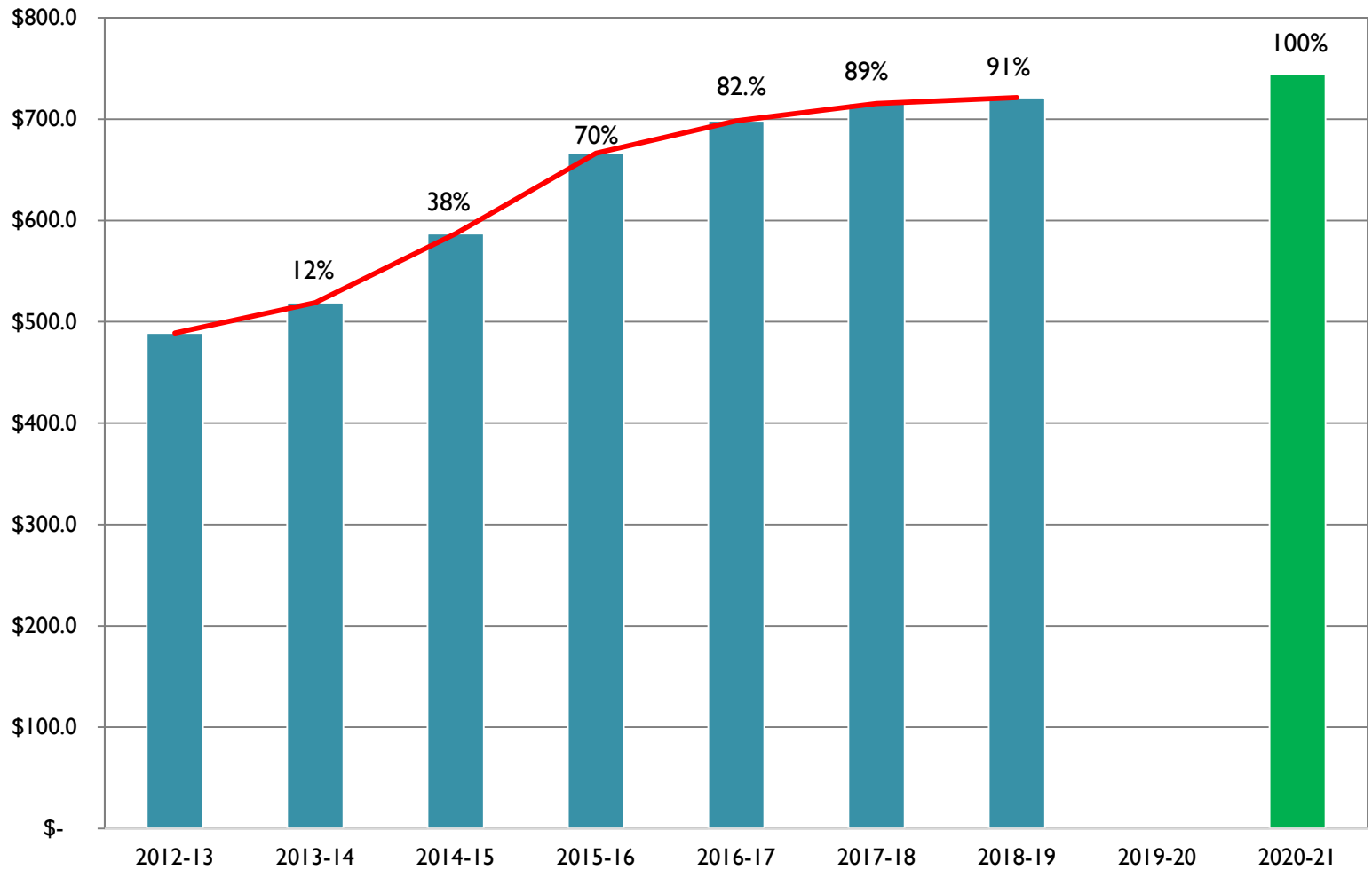
2015-16 May Revision Proposal Gap funding



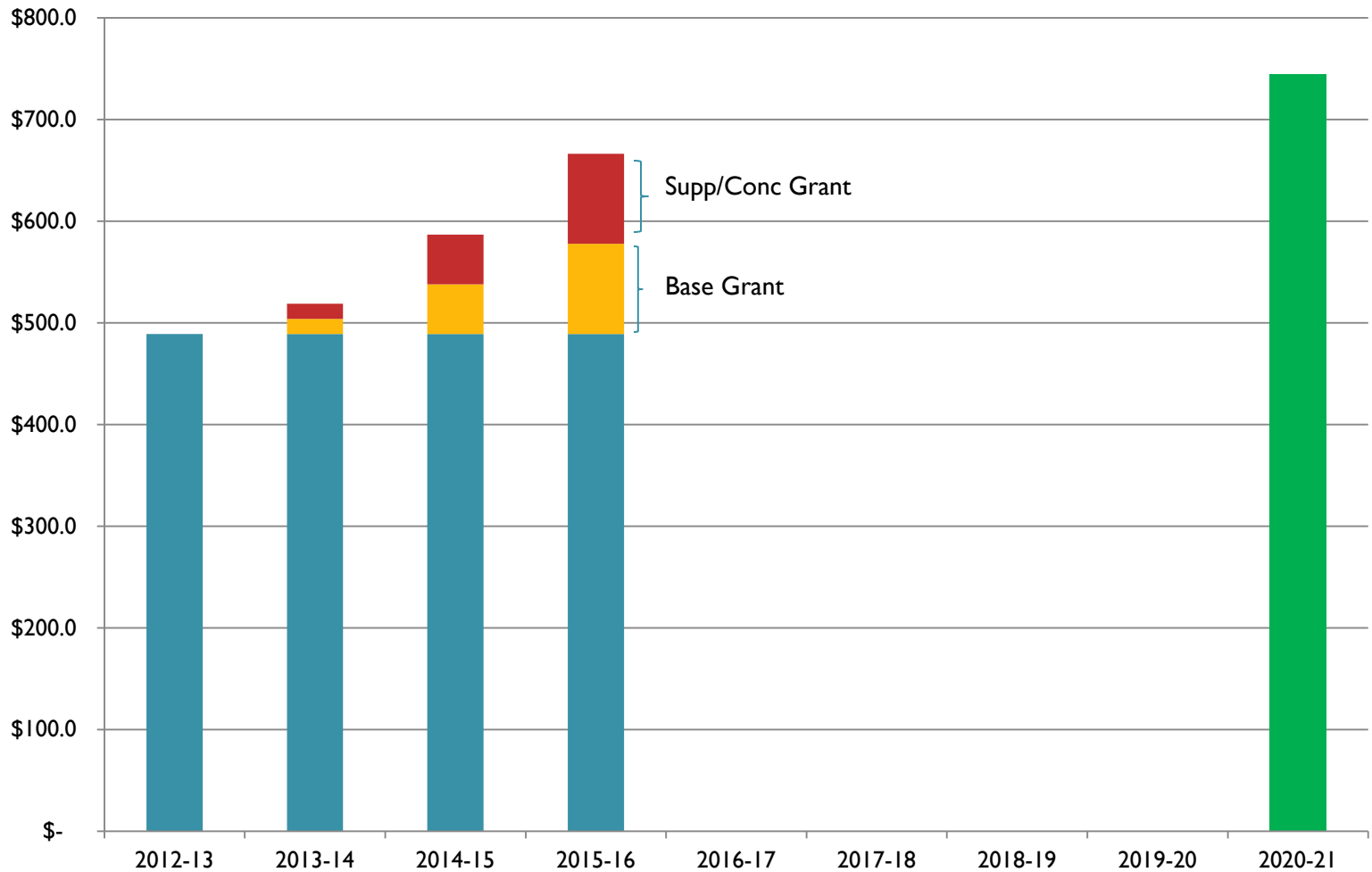
LCFF progress through 2015-16



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

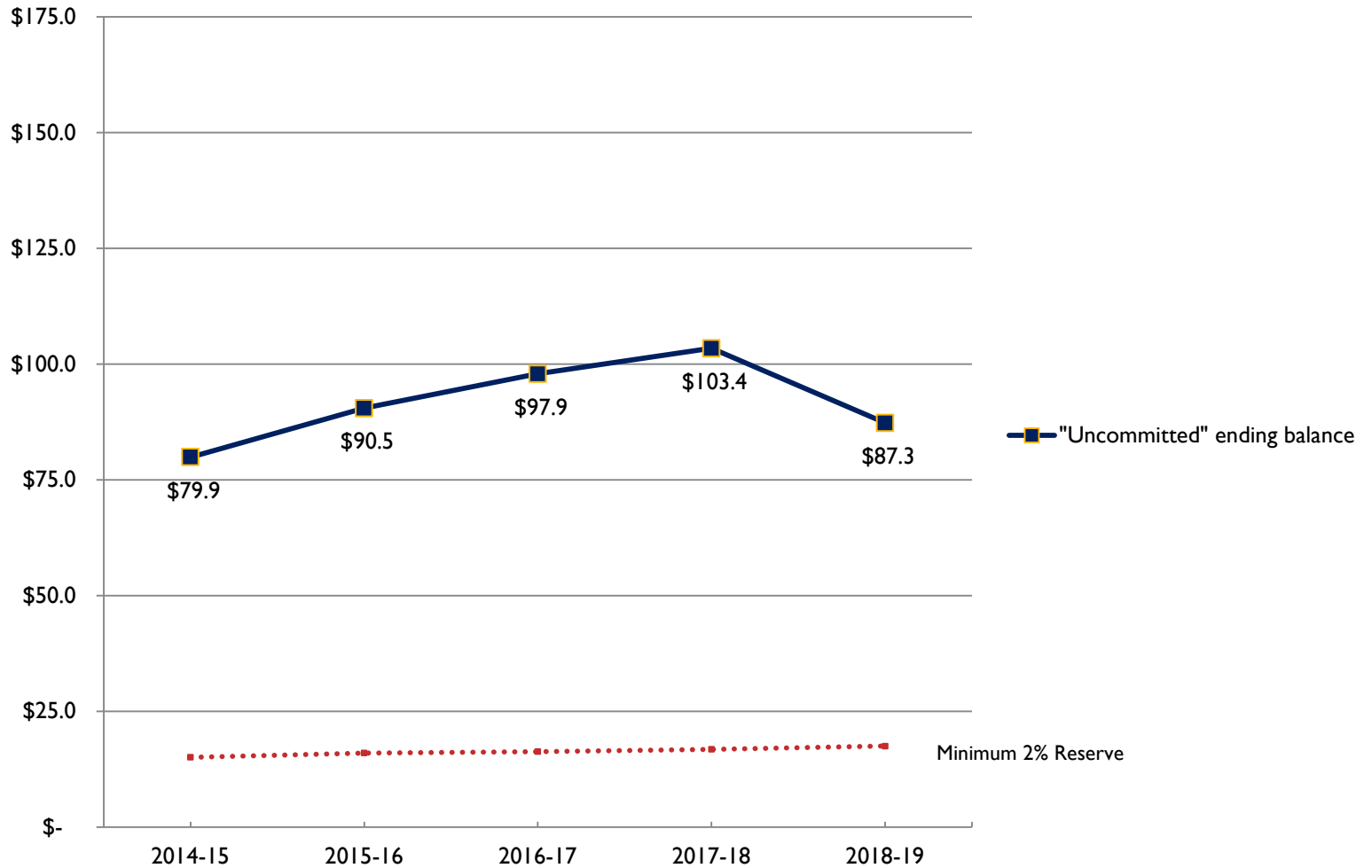
Cost considerations

- 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.