



---

# Los Angeles County Office of Education

---

Leading Educators • Supporting Students • Serving Communities

Darline P. Robles, Ph.D.  
Superintendent

August 3, 2006

Los Angeles County  
Board of Education

Mr. Jon Meyer, Board President  
Long Beach Unified School District  
1515 Hughes Way  
Long Beach, CA 90810

Sophia Waugh  
President

Rudell S. Freer  
Vice President

Dear Mr. Meyer:

Maria A. Casillas

Leslie K. Gilbert-Lurie

Angie Papadakis

Thomas A. Saenz

Rebecca J. Turrentine

In accordance with the provisions of Education Code (EC) Section 42127, a review of the Long Beach Unified School District's (District) budget for fiscal year 2006-07 has been completed by the Los Angeles County Superintendent of Schools. **That review has resulted in the approval of the District's budget** with comments regarding declining enrollment and labor contract negotiations.

## DECLINING ENROLLMENT AND REDUCED REVENUE LIMIT FUNDING

The District's 2006-07 Budget projects the average daily attendance (ADA) of 88,727 for 2006-07, a reduction of 2,739 ADA from 2005-06. The District's multi-year projections also forecast ADA declines, with a reduction of 2,084 ADA for 2007-08, and a reduction of 1,768 ADA in 2008-09. While the District is able to use the previous year's higher ADA for revenue limit funding, it will continue to lose state funding over time as the decline in enrollment continues. We encourage the District to continue monitoring the projected enrollment trends and keep our office informed of any changes that materially affect the multiyear projections.

## LABOR CONTRACT NEGOTIATIONS

According to the information provided in the District's Budget, certificated and classified labor contract negotiations for 2005-06 and 2006-07 remain unsettled and potential increases have been calculated and incorporated into budgeted salary and benefit expenditures. However, we have received your AB 1200 public disclosure document indicating that a bargaining agreement between the District and the certificated bargaining unit was approved by the Board on July 11, 2006 for a salary increase of 4.0 percent for 2005-06 and 6.0 percent for 2006-07.

We have also received your AB 1200 public disclosure for the California School Employees Association Units A and B indicating that a proposed agreement between the District and the bargaining units will be approved by the Board at its August 22, 2006 meeting. The agreement calls for a 4.0 percent salary increase for 2005-06 and a 6.0 percent increase for 2006-07. The full cost of the settlements is not reflected in the

Mr. Jon Meyer, Board President  
Long Beach Unified School District  
August 3, 2006  
Page 2

budget, but the District's analysis indicates that it will continue to maintain the minimum required level of reserves when the settlement is implemented.

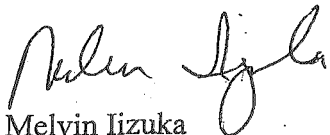
Please note that, pursuant to EC Section 42142, within 45 days of the settlement, the District Superintendent must also send to the County Superintendent any revisions to the District's current budget necessary to fulfill the terms of the agreement. Furthermore, Assembly Bill (AB) 2756 established the following requirement in Government Code Section 3547.5 (c), regarding the processing of these revisions:

"If a school district does not adopt all of the revisions to its budget needed in the current fiscal year to meet the costs of a collective bargaining agreement, the county superintendent of schools shall issue a qualified or negative certification for the district on the next interim report pursuant to Section 42131 of the Education Code."

#### CONCLUSION

We wish to express our appreciation to the District's staff for their cooperation during the review of the District's budget for fiscal year 2006-07. If our office can be of further assistance, please call me at (562) 940-1704.

Sincerely,



Melvin Iizuka  
Business Services Consultant  
Division of Business Advisory Services

MI:gm

cc: Mr. Steinhauser, Superintendent  
Mr. Stallings, Chief Business and Financial Officer  
Ms. Thorpe, Budget Director  
Ms. Ginder, Acting Accounting Director  
Mr. Shelton, Los Angeles County Office of Education (LACOE)  
Ms. Simons, LACOE  
Mr. Ogunji, LACOE  
Mr. Burdy, LACOE  
Ms. Lomack, LACOE