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**LOS ANGELES UNIFIED SCHOOL DISTRICT**

**AUSTIN BEUTNER**  
Superintendent of Schools

**SCOTT S. PRICE, Ph.D.**  
Chief Financial Officer

October 5, 2018

Los Angeles County Office of Education  
Division of Business Advisory Services  
9300 Imperial Highway  
Downey, CA 90242-2890

**SUBJECT: 2018-19 REVISED BUDGET AND REVISED FISCAL STABILIZATION PLAN**

Dear Ms. Stockman:

Please find enclosed the following documentation, as required by the Los Angeles County Office of Education in its September 10, 2018 letter to the Los Angeles Unified School District Board of Education as follow-up conditions for approval of the 2018-19 Final Budget:

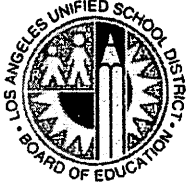
- Board Package for the 2018-19 Revised Budget and Revised Fiscal Stabilization Plan approved by the Los Angeles Unified School District Board of Education on October 2, 2018
  - Copy of Board Report No. 107-18/19 2018-19 Revised Budget and Revised Fiscal Stabilization Plan
  - Board Report No. 107-18/19 Attachment A Board Resolution Regarding Reserve Requirements and Fiscal Stabilization Plan
  - Board Report No. 107-18/19 Attachment B Revised Fiscal Stabilization Plan
  - Board Report No. 107-18/19 Attachment C Revised Multi-Year Projection
  - Board Report No. 107-18/19 Board Informative
- Revised SACS Form 01
- Form 503 Fund 010
- Fiscally Independent Charter Schools Status Report (from the Charter School Division)

Should you have any question(s), please call me at (213) 241-2134.

Sincerely,

Cheryl Simpson  
Budget Director  
Budget Services and Financial Planning Division

cc: Scott Price  
Tony Atienza  
Luis Buendia  
Jose Cole-Gutierrez  
Margaret Lam



## Board of Education Report

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**File #: Rep-107-18/19, Version: 1**

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### **2018-2019 Revised Final Budget and Fiscal Stabilization Plan**

**October 2, 2018**

**Office of the Chief Financial Officer**

#### **Action Proposed:**

Staff seeks authorization for the following actions:

1. Adoption of the resolution relating to the required reserve and implementation of a Revised Fiscal Stabilization Plan. (Attachment A).
2. Adoption of the revised Fiscal Stabilization Plan as required by the Los Angeles County Office of Education (LACOE) (Attachment B).
3. Adoption of the revised 2018-19 Final Budget to be filed, as approved, with the County Superintendent of Schools on State Form SACS-2018. Delegation of authority to the Budget Services and Financial Planning Division to implement the provisions of this Board Report and the Budget Assumptions and Policies set forth in this Board Report (Attachment C)

#### **Background:**

The Los Angeles County Superintendent of Schools (County Superintendent) has conditionally approved the District's FY 2018-19 budget adopted June 19, 2018. Conditional approval means the County Superintendent approved the budget on the condition that the District take certain specific actions to remedy deficiencies in the 2018-19 budget and multiyear projections. Attached to this Board Report are the revised budget and fiscal stabilization plan for Board adoption.

#### **Expected Outcomes:**

The outcome of this Board action is a revised adopted budget, revised fiscal stabilization plan and the adoption of a resolution in response to the County's September 10, 2018, conditional approval letter.

#### **Board Options and Consequences:**

Should the Board vote to approve, the District will meet the annual budget adoption requirements of Education Code Section 42127. Should the Board vote not to approve, the District will not meet the requirements of Education Code Section 42127.

#### **Policy Implications:**

#### **Budget Impact:**

Adoption of a revised Final Budget and Fiscal Stabilization Plan for fiscal year 2018-19.

#### **Student Impact:**

Compliance with Education Code and LACOE requirements ensures that the District will continue to operate and serve its student population.

#### **Issues and Analysis:**

**Attachments:**

Attachment A - Resolution of the Board of Education of the Los Angeles Unified School District Related to the Required Reserve and implementation of Fiscal Stabilization Plan.

Attachment B - Revised Fiscal Stabilization Plan

Attachment C - Revised 2018-19 to 2020-21 Multiyear Projection and Budget Assumption and Policies

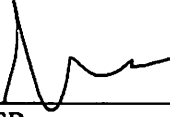
**Informatives:**

2018-19 Revised Budget and Fiscal Stabilization Plan

**Submitted:**

09/24/18

RESPECTFULLY SUBMITTED,



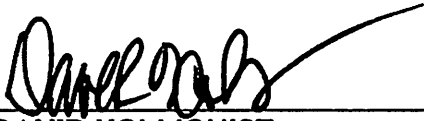
AUSTIN BEUTNER  
Superintendent

APPROVED & PRESENTED BY:



Scott S. Price, Ph.D.  
Chief Financial Officer  
Office of the Chief Financial Officer

REVIEWED BY:



DAVID HOLMQUIST  
General Counsel

☒ Approved as to form.

REVIEWED BY:



CHERYL SIMPSON  
Director, Budget Services and Financial Planning

☐ Approved as to budget impact statement.

**RESOLUTION OF THE BOARD OF EDUCATION OF THE LOS ANGELES UNIFIED  
SCHOOL DISTRICT RELATED TO THE REQUIRED RESERVE AND  
IMPLEMENTATION OF THE FISCAL STABILIZATION PLAN**

Whereas, in recognition of the District's potential financial shortfall, the Los Angeles County Office of Education has requested the District to submit a Fiscal Stabilization Plan that maintains the minimum required reserves.

**Now, therefore, be it resolved that:**

1. Consistent with the District's obligation to continue to provide educational opportunities to Los Angeles-area students and support District employees, the District affirms its commitment to meet its ongoing financial obligations.
2. The revised FY 2018-19 Final Budget includes a Fiscal Stabilization Plan to maintain the minimum reserve from 2018-19 through 2020-21 as required under section 33129 of the Education Code and Title 5, section 15450 of the California Code of Regulations.
3. The attached revised Fiscal Stabilization Plan (Attachment B-2) details expenditure reduction targets for each central office division.

## FY 2018-19 Revised Fiscal Stabilization Plan

## Option 1

Item	Description	FY 2018-19	FY 2019-20	FY 2020-21	Total
<b>Additional Fiscal Stabilization Plan</b>					
1 Central Office Reduction	Approximately 15% in central office resources	\$ -	\$ 42.9	\$ 42.9	\$ 85.8
2 Administrator to Teacher Ratio (R2)	Elimination of R2 Penalties. (Pending waiver approval)	\$ 35.0	\$ 35.0	\$ 35.0	\$ 105.0
3 Change in Procurement Cycle	3-year procurement cycle for uniforms	\$ 5.0	\$ 5.0	\$ -	\$ 10.0
4 Attendance Incentive Program	Additional allocation currently given to local districts will be discontinued	\$ -	\$ 3.0	\$ 3.0	\$ 6.0
5 Subtotal Additional Fiscal Stabilization Plan		\$ 40.0	\$ 85.9	\$ 80.9	\$ 206.8
6 Estimated Balance After Fiscal Stabilization Plan					\$ 1.5

## Option 2 (If R2 Penalties Waiver is not granted for 2019-20 and 2020-21)

Item	Description	FY 2018-19	FY 2019-20	FY 2020-21	Total
<b>Additional Fiscal Stabilization Plan</b>					
7 Central Office Reduction	Approximately 15% in central office resources	\$ -	\$ 42.9	\$ 42.9	\$ 85.8
8 Administrator to Teacher Ratio (R2)	Elimination of R2 Penalties	\$ 35.0	\$ -	\$ -	\$ 35.0
9 Change in Procurement Cycle	3-year procurement cycle for uniforms	\$ 5.0	\$ 5.0	\$ -	\$ 10.0
10 Attendance Incentive Program	Additional allocation currently given to local districts will be discontinued	\$ -	\$ 3.0	\$ 3.0	\$ 6.0
11 Freeze on Travel, Cellphone and Equipment	Districtwide freeze on travel, elimination of cellphone and freeze on purchase of equipment	\$ -	\$ 6.0	\$ 6.0	\$ 12.0
12 Additional Central Office Reduction	Approximately an additional 10% in central office resources	\$ -	\$ 29.0	\$ 29.0	\$ 58.0
13 Subtotal Additional Fiscal Stabilization Plan		\$ 40.0	\$ 85.9	\$ 80.9	\$ 206.8
14 Estimated Balance After Fiscal Stabilization Plan					\$ 1.5

**Revised Fiscal Stabilization Plan Central Office Budget Reduction Base as of 09.27.18**

<b>Super Division</b>	<b>Target</b>	<b>Additional Target</b>
Associate Superintendent, Support Services	\$6.3	\$4.3
Board of Education	\$0.7	\$0.5
Chief Academic Officer	\$3.6	\$2.4
Chief Financial Officer Finance Division	\$8.7	\$5.9
Communications	\$1.2	\$0.8
Facilities Services Division	\$2.7	\$1.9
General Superintendent	\$0.8	\$0.5
Information Technology Division	\$3.6	\$2.4
Local Disitric West	\$0.5	\$0.3
Local District Central	\$0.4	\$0.3
Local District East	\$0.4	\$0.3
Local District Northeast	\$0.4	\$0.3
Local District Northwest	\$0.4	\$0.3
Local District South	\$0.4	\$0.3
Office of Inspector General	\$0.7	\$0.5
Office of the General Counsel	\$3.1	\$2.1
Personnel Commission	\$1.9	\$1.3
School Police	\$2.5	\$1.7
Special Education Division	\$4.7	\$3.2
<b>Grand Total</b>	<b>\$42.9</b>	<b>\$29.0</b>

2018-19 General Fund  
Revised Multiyear Projections  
Unrestricted and Restricted

Description	Object Codes	Unaudited Actuals 2017-18	(A) 2018-19	(B) % Change	(C) 2019-20	(D) % Change	(E) 2020-21
<b>A. REVENUES AND OTHER FINANCING SOURCES</b>							
1. LCFF/Revenue Limit Sources	8010-8099	\$5,432,553,516	\$5,665,855,775	-0.08%	\$5,661,543,289	-0.68%	\$5,623,264,718
2. Federal Revenues	8100-8299	\$588,960,527	\$632,364,053	-1.69%	\$621,667,918	-0.17%	\$620,635,233
3. Other State Revenues	8300-8599	\$966,755,371	\$962,556,089	-13.77%	\$829,994,937	-0.22%	\$828,153,065
4. Other Local Revenues	8600-8799	\$269,419,375	\$144,658,195	-4.06%	\$138,788,804	-2.43%	\$135,422,887
5. Other Financing Sources							
a. Transfers In	8900-8929	\$39,118,489	\$20,000,000	0.00%	\$20,000,000	0.00%	\$20,000,000
b. Other Sources	8930-8979	\$312,391	\$300,000	0.00%	\$300,000	0.00%	\$300,000
c. Contributions	8980-8999	\$0	\$0	0.00%	\$0	0.00%	\$0
6. Total (Sum lines A1 thru A5c)		\$7,297,119,669	\$7,425,734,112	-2.07%	\$7,272,294,948	-0.61%	\$7,227,775,903
<b>B. EXPENDITURES AND OTHER FINANCING USES</b>							
1. Certificated Salaries		\$2,861,862,917	\$2,826,662,455		\$2,894,124,540		\$2,834,563,671
Other Adjustments		-\$35,200,462	\$67,462,084		-\$59,560,868		-\$3,901,004
Total Certificated Salaries	1000-1999	\$2,826,662,455	\$2,894,124,540	-2.06%	\$2,834,563,671	-0.14%	\$2,830,662,668
2. Classified Salaries		\$963,790,888	\$984,873,027		\$1,007,118,591		\$967,460,232
Other Adjustments		\$21,082,139	\$22,245,563		-\$39,658,359		-\$879,489
Total Classified Salaries	2000-2999	\$984,873,027	\$1,007,118,591	-3.94%	\$967,460,232	-0.09%	\$966,580,743
3. Employee Benefits	3000-3999	\$2,023,434,234	\$2,090,333,668	2.69%	\$2,146,661,270	1.09%	\$2,170,018,469
4. Books and Supplies	4000-4999	\$331,231,595	\$576,484,174	-22.96%	\$444,099,007	-8.91%	\$404,548,968
5. Services and Other Operating Expenditures	5000-5999	\$801,009,992	\$858,874,598	1.91%	\$875,255,623	3.09%	\$902,314,690
6. Capital Outlay	6000-6999	\$60,733,416	\$87,491,063	-10.49%	\$78,311,318	-61.91%	\$29,829,760
7. Other Outgo (excluding Transfers of Indirect Costs)	7100-7299, 7400-7499	\$5,302,746	\$8,142,385	0.00%	\$8,142,385	0.00%	\$8,142,385
8. Other Outgo - Transfers of Indirect Costs	7300-7399	-\$24,595,956	-\$32,721,035	-9.93%	-\$29,470,504	22.83%	-\$36,199,399
9. Other Financing Uses							
a. Transfers Out	7600-7629	\$54,594,169	\$61,914,833	11.77%	\$69,199,608	3.40%	\$71,553,542
b. Other Uses	7630-7699	\$0	\$0	0.00%	\$0	0.00%	\$0
10. Other Adjustments		\$0	\$0	0.00%	\$0	0.00%	\$0
11. Total (Sum lines B1 thru B10)		\$7,063,245,678	\$7,551,762,816	-2.09%	\$7,394,222,611	-0.63%	\$7,347,451,825
<b>C. NET INCREASE(DECREASE) IN FUND BALANCE (line A6 minus line B11)</b>		\$233,873,991	-\$126,028,704		-\$121,927,663		-\$119,675,922
<b>D. FUND BALANCE</b>							
1. Net Beginning Fund Balance		\$1,765,143,445	\$1,999,017,436		\$1,872,988,732		\$1,751,061,069
2. Ending Fund Balance		\$1,999,017,436	\$1,872,988,732		\$1,751,061,069		\$1,631,385,147
3. Components of Ending Fund Balance							
a. Nonspendable	9710-9719	\$27,563,877	\$27,563,877		\$27,563,877		\$27,563,877
b. Restricted	9740	\$135,765,895	\$74,396,477		\$34,740,835		\$44,784,794
c. Committed							
1. Stabilization Arrangements	9750	\$0	\$0		\$0		\$0
2. Other Commitments	9760	\$0	\$91,894,433		\$45,947,216		\$0
d. Assigned	9780	\$1,057,387,473	\$904,122,084		\$1,201,378,393		\$1,482,501,191
e. Unassigned/Unappropriated							
1. Reserve for Economic Uncertainties	9789	\$75,381,322	\$75,617,628		\$75,891,796		\$75,000,000
2. Unassigned/Unappropriated	9790	\$702,918,869	\$699,394,233		\$365,538,952		\$1,535,285
f. Total Components of Ending Fund Balance		\$1,999,017,436	\$1,872,988,731		\$1,751,061,069		\$1,631,385,146
<b>E. AVAILABLE RESERVES</b>							
1. General Fund							
a. Stabilization Arrangements	9750	\$0	\$0		\$0		\$0
b. Reserve for Economic Uncertainties	9789	\$75,381,322	\$75,617,628		\$75,891,796		\$75,000,000
c. Unassigned/Unappropriated	9790	\$702,918,869	\$699,394,233		\$365,538,952		\$1,535,285
2. Special Reserve Fund - Noncapital Outlay							
a. Stabilization Arrangements	9750	\$0	\$0		\$0		\$0
b. Reserve for Economic Uncertainties	9789	\$0	\$0		\$0		\$0
c. Unassigned/Unappropriated	9790	\$0	\$0		\$0		\$0
3. Total Available Reserves - by Amount		\$778,300,191	\$775,011,861		\$441,430,748		\$76,535,285
4. Total Available Reserves - by Percent		11.02%	10.26%		5.97%		1.04%



2018-19 General Fund  
Revised Multiyear Projections  
Unrestricted

Description	Object Codes	Unaudited Actuals 2017-18	(A) 2018-19	(B) % Change	(C) 2019-20	(D) % Change	(E) 2020-21
<b>A. REVENUES AND OTHER FINANCING SOURCES</b>							
1. LCFF/Revenue Limit Sources	8010-8099	\$5,432,553,516	\$5,665,855,775	-0.08%	\$5,661,543,289	-0.68%	\$5,623,264,718
2. Federal Revenues	8100-8299	\$8,502,375	\$7,861,114	0.00%	\$7,861,114	0.00%	\$7,861,114
3. Other State Revenues	8300-8599	\$175,015,773	\$187,252,821	-49.86%	\$93,896,715	-2.66%	\$91,396,303
4. Other Local Revenues	8600-8799	\$259,076,795	\$133,572,424	-4.50%	\$127,567,063	-1.48%	\$125,672,982
5. Other Financing Sources							
a. Transfers In	8900-8929	\$33,616,546	\$20,000,000	0.00%	\$20,000,000	0.00%	\$20,000,000
b. Other Sources	8930-8979	\$312,391	\$300,000	0.00%	\$300,000	0.00%	\$300,000
c. Contributions	8980-8999	-\$1,140,128,267	-\$1,228,040,534	1.53%	-\$1,246,802,063	2.57%	-\$1,278,845,488
6. Total (Sum lines A1 thru A5c)		\$4,768,949,128	\$4,786,801,600	-2.56%	\$4,664,366,118	-1.60%	\$4,589,649,629
<b>B. EXPENDITURES AND OTHER FINANCING USES</b>							
1. Certificated Salaries		\$2,108,296,810	\$2,099,749,606		\$2,138,104,998		\$2,109,801,724
Other Adjustments		-\$8,547,204	\$38,355,392		-\$28,303,274		-\$3,415,285
Total Certificated Salaries	1000-1999	\$2,099,749,606	\$2,138,104,998	-1.32%	\$2,109,801,724	-0.16%	\$2,106,386,439
2. Classified Salaries		\$571,745,542	\$578,814,391		\$591,885,654		\$554,018,208
Other Adjustments		\$7,068,850	\$13,071,263		-\$37,867,446		-\$743,133
Total Classified Salaries	2000-2999	\$578,814,391	\$591,885,654	-6.40%	\$554,018,208	-0.13%	\$553,275,075
3. Employee Benefits	3000-3999	\$1,235,108,476	\$1,264,955,956	3.94%	\$1,314,803,443	1.15%	\$1,329,948,945
4. Books and Supplies	4000-4999	\$203,629,490	\$430,894,097	-24.43%	\$325,641,523	-11.94%	\$286,743,836
5. Services and Other Operating Expenditures	5000-5999	\$395,607,033	\$466,332,600	-2.71%	\$453,703,069	3.95%	\$471,620,612
6. Capital Outlay	6000-6999	\$35,606,075	\$21,670,031	3.05%	\$22,330,016	2.68%	\$22,928,496
7. Other Outgo (excluding Transfers of Indirect Costs)	7100-7299, 7400-7499	\$5,302,746	\$8,142,385	0.00%	\$8,142,385	0.00%	\$8,142,385
8. Other Outgo - Transfers of Indirect Costs	7300-7399	-\$99,514,980	-\$131,329,794	-16.32%	-\$109,891,962	18.41%	-\$130,119,943
9. Other Financing Uses							
a. Transfers Out	7600-7629	\$53,484,294	\$60,804,957	11.98%	\$68,089,732	3.46%	\$70,443,666
b. Other Uses	7630-7699	\$0	\$0	0.00%	\$0	0.00%	\$0
10. Other Adjustments		\$0	\$0	0.00%	\$0	0.00%	\$0
11. Total (Sum lines B1 thru B10)		\$4,507,787,132	\$4,851,460,886	-2.16%	\$4,746,638,138	-0.57%	\$4,719,369,511
<b>C. NET INCREASE(DECREASE) IN FUND BALANCE (line A6 minus line B11)</b>		\$261,161,996	-\$64,659,286		-\$82,272,021		-\$129,719,882
<b>D. FUND BALANCE</b>							
1. Net Beginning Fund Balance		\$1,602,089,545	\$1,863,251,541		\$1,798,592,255		\$1,716,320,234
2. Ending Fund Balance		\$1,863,251,541	\$1,798,592,255		\$1,716,320,234		\$1,586,600,352
3. Components of Ending Fund Balance							
a. Nonspendable	9710-9719	\$27,563,877	\$27,563,877		\$27,563,877		\$27,563,877
b. Restricted	9740						
c. Committed							
1. Stabilization Arrangements	9750	\$0	\$0		\$0		\$0
2. Other Commitments	9760	\$0	\$91,894,433		\$45,947,216		\$0
d. Assigned	9780	\$1,057,387,473	\$904,122,084		\$1,201,378,393		\$1,482,501,191
e. Unassigned/Unappropriated							
1. Reserve for Economic Uncertainties	9789	\$75,381,322	\$75,617,628		\$75,891,796		\$75,000,000
2. Unassigned/Unappropriated	9790	\$702,918,869	\$699,394,233		\$365,538,952		\$1,535,285
f. Total Components of Ending Fund Balance		\$1,863,251,541	\$1,798,592,255		\$1,716,320,234		\$1,586,600,352
<b>E. AVAILABLE RESERVES</b>							
1. General Fund	9750						
a. Stabilization Arrangements	9789	\$0	\$0		\$0		\$0
b. Reserve for Economic Uncertainties	9790	\$75,381,322	\$75,617,628		\$75,891,796		\$75,000,000
c. Unassigned/Unappropriated		\$702,918,869	\$699,394,233		\$365,538,952		\$1,535,285
2. Special Reserve Fund - Noncapital Outlay							
a. Stabilization Arrangements	9750	\$0	\$0		\$0		\$0
b. Reserve for Economic Uncertainties	9789	\$0	\$0		\$0		\$0
c. Unassigned/Unappropriated	9790	\$0	\$0		\$0		\$0
3. Total Available Reserves		\$778,300,191	\$775,011,861		\$441,430,748		\$76,535,285

2018-19 General Fund  
Revised Multiyear Projections  
Restricted

Description	Object Codes	Unaudited Actuals 2017-18	(A) 2018-19	(B) % Change	(C) 2019-20	(D) % Change	(E) 2020-21
<b>A. REVENUES AND OTHER FINANCING SOURCES</b>							
1. LCFF/Revenue Limit Sources	8010-8099	\$0	\$0	0.00%	\$0	0.00%	\$0
2. Federal Revenues	8100-8299	\$580,458,152	\$624,502,939	-1.71%	\$613,806,804	-0.17%	\$612,774,119
3. Other State Revenues	8300-8599	\$791,739,599	\$775,303,268	-5.06%	\$736,098,222	0.09%	\$736,756,762
4. Other Local Revenues	8600-8799	\$10,342,580	\$11,085,771	1.23%	\$11,221,741	-13.12%	\$9,749,905
5. Other Financing Sources							
a. Transfers In	8900-8929	\$5,501,943	\$0	0.00%	\$0	0.00%	\$0
b. Other Sources	8930-8979	\$0	\$0	0.00%	\$0	0.00%	\$0
c. Contributions	8980-8999	\$1,140,128,267	\$1,228,040,534	1.53%	\$1,246,802,063	2.57%	\$1,278,845,488
6. Total (Sum lines A1 thru A5c)		\$2,528,170,541	\$2,638,932,512	-1.17%	\$2,607,928,830	1.16%	\$2,638,126,274
<b>B. EXPENDITURES AND OTHER FINANCING USES</b>							
1. Certificated Salaries		\$753,566,107	\$726,912,849		\$756,019,542		\$724,761,947
Other Adjustments		-\$26,653,258	\$29,106,692		-\$31,257,594		-\$485,719
Total Certificated Salaries	1000-1999	\$726,912,849	\$756,019,542	-4.13%	\$724,761,947	-0.07%	\$724,276,229
2. Classified Salaries		\$392,045,346	\$406,058,636		\$415,232,936		\$413,442,024
Other Adjustments		\$14,013,289	\$9,174,301		-\$1,790,912		-\$136,356
Total Classified Salaries	2000-2999	\$406,058,636	\$415,232,936	-0.43%	\$413,442,024	-0.03%	\$413,305,668
3. Employee Benefits	3000-3999	\$788,325,758	\$825,377,712	0.79%	\$831,857,828	0.99%	\$840,069,524
4. Books and Supplies	4000-4999	\$127,602,105	\$145,590,078	-18.64%	\$118,457,485	-0.55%	\$117,805,133
5. Services and Other Operating Expenditures	5000-5999	\$405,402,958	\$392,541,997	7.39%	\$421,552,554	2.17%	\$430,694,078
6. Capital Outlay	6000-6999	\$25,127,341	\$65,821,032	-14.95%	\$55,981,302	-87.67%	\$6,901,264
7. Other Outgo (excluding Transfers of Indirect Costs)	7100-7299, 7400-7499	\$0	\$0	0.00%	\$0	0.00%	\$0
8. Other Outgo - Transfers of Indirect Costs	7300-7399	\$74,919,024	\$98,608,759	-18.44%	\$80,421,458	16.79%	\$93,920,544
9. Other Financing Uses							
a. Transfers Out	7600-7629	\$1,109,875	\$1,109,875	0.00%	\$1,109,875	0.00%	\$1,109,875
b. Other Uses	7630-7699	\$0	\$0	0.00%	\$0	0.00%	\$0
10. Other Adjustments		\$0	\$0	0.00%	\$0	0.00%	\$0
11. Total (Sum lines B1 thru B10)		\$2,555,458,546	\$2,700,301,931	-1.95%	\$2,647,584,473	-0.74%	\$2,628,082,315
<b>C. NET INCREASE(DECREASE) IN FUND BALANCE (line A6 minus line B11)</b>		-\$27,288,005	-\$61,369,418		-\$39,655,642		\$10,043,960
<b>D. FUND BALANCE</b>							
1. Net Beginning Fund Balance		\$163,053,900	\$135,765,895		\$74,396,477		\$34,740,834
2. Ending Fund Balance		\$135,765,895	\$74,396,477		\$34,740,834		\$44,784,794
3. Components of Ending Fund Balance							
a. Nonspendable	9710-9719	\$0	\$0		\$0		\$0
b. Restricted	9740	\$135,765,895	\$74,396,477		\$34,740,835		\$44,784,794
c. Committed							
1. Stabilization Arrangements	9750						
2. Other Commitments	9760						
d. Assigned	9780						
e. Unassigned/Unappropriated							
1. Reserve for Economic Uncertainties	9789						
2. Unassigned/Unappropriated	9790	\$0	\$0		\$0		\$0
f. Total Components of Ending Fund Balance		\$135,765,895	\$74,396,477		\$34,740,835		\$44,784,794
<b>E. AVAILABLE RESERVES</b>							
1. General Fund							
a. Stabilization Arrangements	9750						
b. Reserve for Economic Uncertainties	9789						
c. Unassigned/Unappropriated	9790						
2. Special Reserve Fund - Noncapital Outlay							
a. Stabilization Arrangements	9750						
b. Reserve for Economic Uncertainties	9789						
c. Unassigned/Unappropriated	9790						
3. Total Available Reserves							

## BUDGET ASSUMPTIONS AND POLICIES

The 2018-19 Revised Budget reflects the following:

2018-19 Fiscal Year:

1. 3.70% COLA and a 100% Gap Funding percentage for Local Control Funding Formula (LCFF) revenue.
2. 2.71% COLA for selected categorical programs outside of LCFF.
3. LCFF-funded ADA of 431,633.91 for non-charter schools and 40,220.57 for locally-funded (affiliated) charter schools.
4. Three-year rolling average unduplicated count and percentage of 394,840 and 85.86% average for non-charter schools and 18,194 and 44.81% on average for locally-funded (affiliated) charter schools.
5. Education Protection Account (EPA) portion of LCFF of \$710.0 million to be spent for instruction.
6. LCFF supplemental and concentration expenditure of \$1,211 million. This includes additional proportionality expenditures identified for realignment and redesign process.
7. 2.71% COLA on the State Special Education (AB 602) funding.
8. A net enrollment decline of 16,140 from 2017-18 for non-charter and locally-funded (affiliated) charter schools. Direct-funded (independent) charter school enrollment is estimated to increase by approximately 4,839.
9. One-time Discretionary Fund (Mandated Cost Reimbursement) of \$184 per ADA which yields an estimated revenue of \$87.9 million.
10. Funding for employee health and medical benefits at the per participant rate set forth in the 2018-2020 Health and Welfare agreement.
11. No contribution in the Other Postemployment Benefit Plans (OPEB) Trust for 2018-19. This is contrary to the Board-adopted Budget and Finance Policy in November 2013. Any new one-time funding received by the District should be used to make such contribution.
12. Increase of 1.85% in State Teachers' Retirement System (STRS) rates for 2018-19 from 14.43% to 16.28%.

13. Increase of 2.531% in California Public Employees' Retirement System (CalPERS) rates for 2018-19 from 15.531% to 18.062%.

**Summary of Selected Employee Benefits in General Fund Regular Programs:**

(in millions)	2017-18	2018-19	2019-20	2020-21
CalSTRS (Employer)	\$360.8	\$422.3	\$474.1	\$499.3
CalSTRS (On Behalf) <sup>1</sup>	\$228.3	\$202.5	\$202.5	\$202.5
CalPERS	\$134.6	\$185.6	\$203.8	\$229.9
Health and Welfare	\$858.5	\$942.0	\$947.7	\$955.0
Workers' Compensation Contribution	\$98.3	\$105.8	\$105.4	\$70.3
OPEB Trust	\$125.6	\$0.0	\$0.0	\$0.0

\*2017-18 Fiscal Plan includes the elimination of OPEB contribution.

14. A California Consumer Price Index (CPI) of 3.66% on other operating expenditures, except utilities which is projected to increase by 3.21%.
15. Ongoing and major maintenance resources totaling \$226.7 million, reflecting approximately 3% of budgeted General Fund expenditures.
16. Cafeteria Program support of \$27.2 million (\$1.2 + \$26) in 2018-19 and Child Development support of \$41.3 million in 2018-19.
17. Contribution from all funds of \$126.3 million to the Worker's Compensation fund. Inclusion of total Workers' Compensation actuarially-determined funded liability of \$463.0 million.
18. Inclusion of 2018-19 bond measure, debt service, COPs proceeds funds and other financing sources/uses.

**Summary of Selected Other Operating Costs in General Fund Regular Program**

(in millions)	2017-18	2018-19	2019-20	2020-21
Utilities	\$122.0	\$125.9	\$123.5	\$123.9
Maintenance (RRGM)	\$225.9	\$226.7	\$223.4	\$223.6
Debt Service <sup>2</sup>	\$26.3	\$17.1	\$25.0	\$24.9
Child Development Fund Support	\$24.8	\$41.3	\$41.8	\$44.3
Cafeteria Support*	\$1.1	\$1.2	\$0.0	\$0.0
Liability Self Insurance Contribution	\$44.7	\$51.2	\$51.2	\$51.6
Special Education**	\$907.9	\$1,001.4	\$1,023.4	\$1,055.2

\* \$26 million of Cafeteria related support is in General Fund.

\*\*The Special Education Support is still inclusive of the LCFF base revenue and do not assume any disproportionality finding.

<sup>1</sup> State funding portion of the CALSTRS pension liability; this includes a corresponding revenue from the state.

<sup>2</sup> Debt Service is comprised of \$16.0 million in principal and \$9.1 million in interest payments. It is mostly attributable to IT Projects (2007A), Capital Projects-IFS Replacement (2010B), Administration Building Projects (2012A&B) and Refunding Lease (2013A). The total debt service for all District funds is \$25.1 million.

19. A Reserve for Economic Uncertainties totaling \$75.6 million, reflecting the statutory 1% budgeted expenditure requirement and other financing uses.
20. Inclusion of 2018-19 beginning balances in the General Fund and other funds, reflecting the ending balance as of June 30, 2018 (contained in the District's Unaudited Actuals Financial Report).
21. Estimated 2018-19 ending balances for the General Fund and other funds, reflecting the difference between estimated 2018-19 revenue and expenditure levels.
22. Authority to transfer amounts, as necessary, to implement technical adjustments related to the 2018-19 budget.
23. Authority to implement new 2018-19 revenues, if any, and increase budgeted appropriations accordingly.
24. Carryover of General Fund School Program (program 13027) to individual school sites from 2017-18 into 2018-19.
25. Release of carryover from schools and central programs listed in *Appendix I* of this attachment. This is the same list of programs presented in the Unaudited Actuals Report.
26. Inclusion of 2018-19 cost of the SEIU Local 99, AALA, and CSEA agreements in 2018-19 expenditure. Assignment for other potential future salary increases for other bargaining units.
27. \*A transfer from the Community Redevelopment Agency Fund to repay the General Fund initially allocated for the Ongoing and Major Maintenance resources.

\*These assumptions were part of the District Fiscal Stabilization Plan in 2017-18.

2019-20 and 2020-21 Fiscal Years:

1. Based on the School Services of California's Financial Projection Dartboard on the 2018-19 State Adopted Budget, the 2019-20 and 2020-21 Local Control Funding Formula (LCFF) revenue calculation assumes the following:

Traditional Schools Only	2017-18	2018-19	2019-20	2020-21
Cost of Living Adjustment (COLA)	1.56%	3.70%	2.57%	2.67%
GAP Funding (%)	45.17%	100.0%	100.0%	100.0%

2. LCFF-funded ADA of 419,655.16 and 405,499.78 for non-charter schools and 40,220.57 for locally-funded (affiliated) charter schools for 2019-20 and 2020-21, respectively.
3. For 2019-20 and 2020-21, 3-year rolling average of 85.91% and 85.52% unduplicated counts of 382,797 and 368,769 for traditional district schools. 18,649 or 45.19% and 19,156 or 45.54% on average for locally-funded (affiliated) charter schools for 2019-20 and 2020-21.
4. EPA portion of the LCFF revenue of \$710.0 million in both 2019-20 and 2020-21, for instruction.
5. District spending on supplemental and concentration of \$1,209 million and \$1,191 million in 2019-20 and 2020-21, respectively.
6. For 2019-20 and 2020-21, 2.57% and 2.67% COLA, respectively, on the State portion of Special Education (AB 602 funding).
7. For 2019-20 and 2020-21, 2.57% and 2.67% COLA, respectively, for categorical programs outside of LCFF.
8. For 2019-20, an enrollment decline of 15,175 for non-charter and locally-funded (affiliated) charter schools; direct-funded (independent) charter school enrollment is estimated to increase by 3,041. For 2020-21, an enrollment decline of 12,356 for non-charter and locally-funded (affiliated) charter schools; direct-funded (independent) charter school enrollment is estimated to increase by 1,901.
9. CPI of 3.50% in 2019-20 and 3.23% in 2020-21 on other operating expenditures, except utilities which were projected to increase by 1% for each fiscal year.
10. Increase of 1.85% in CalSTRS rates for 2019-20 and an increase of 0.97% 2020-21 for estimated rates of 18.13% and 19.10%, respectively.
11. Increase in CalPERS rate of 2.738% and 2.7% for 2019-20 and 2020-21, respectively with estimated rates of 20.8% and 23.5%.
12. Funding for employee health and medical benefits at the per participant rate pursuant to the 2018-2020 Health and Welfare agreement.
13. No OPEB contribution in 2019-20 and 2020-21<sup>3</sup>. This is contrary to the Board-adopted Budget and Finance Policy in November 2013. Any new one-time funding received by the District should be used to make such contribution.

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<sup>3</sup> Scheduled Contribution to the OPEB Trust in 2019-20 was part of the 2017-18 Fiscal Stabilization Plan.

14. Ongoing and major maintenance resources of \$223.4 million in 2019-20 and \$223.6 million in 2020-21 reflect 3% of General Fund estimated expenditures and other financing uses.
15. No set aside for potential R2 (administrator to teacher ratio) penalties and potential disproportionality finding for 2019-20 through 2020-21. If waiver is not granted, alternative fiscal stabilization plan will be implemented as required by LACOE.
16. FY 2019-20 and 2020-21 reflects the Fiscal Stabilization Plans adopted in December 2017 (First Interim), in March 2018 (Second Interim) and the proposed Revised Fiscal Stabilization Plan (for Board Approval October 2, 2018).
17. FY 2020-21, includes the 2019-20 beginning balances in the General Fund of \$699.4 million. This results to a positive ending balance of \$1.5 million in 2020-21.

Attachment C Appendix I

2017-18 Unaudited Actual and 2018-19 Revised Multi-Year Projection Assigned Ending Balance

Category	Program	Program Name	2017-18 Actual	2018-19 Estimates	2019-20 Estimates	2020-21 Estimates
Repurposed	17499	ERAF Proceeds-Settlement	\$ 96.8	\$ -	\$ -	\$ -
Repurposed	17499	KLCS Proceeds-Spectrum Sale	\$ 63.6	\$ -	\$ -	\$ -
Repurposed	14439	Non-IMA Carryovers-Supp (PD)	\$ 45.4	\$ 19.3	\$ 19.3	\$ 19.3
Repurposed	17499	Benefit Audit	\$ 35.4	\$ -	\$ -	\$ -
Repurposed	17675	Health & Welfare Contribution Savings	\$ 21.7	\$ -	\$ -	\$ -
Repurposed	17499	Special Education	\$ 19.8	\$ -	\$ -	\$ -
Repurposed	13736	Charter Schools Unit	\$ 4.5	\$ 0.9	\$ 0.9	\$ 0.9
Repurposed	10307	District Restacking	\$ 1.9	\$ -	\$ -	\$ -
Repurposed	10484	FSD-Emergent Requirements	\$ 1.4	\$ -	\$ -	\$ -
Repurposed	10449	Athletics Other Exp-Schools	\$ 1.2	\$ -	\$ -	\$ -
Repurposed	11568	KLCS-Auction (OE)	\$ 1.0	\$ -	\$ -	\$ -
Repurposed	10387	Human Capital Data Warehouse	\$ 1.0	\$ -	\$ -	\$ -
Repurposed	10353	Labor Compliance Penalty Program	\$ 0.9	\$ -	\$ -	\$ -
Repurposed	12654	Board Members Discretionary Funds	\$ 0.8	\$ -	\$ -	\$ -
Repurposed	10293	LD Enrollment & Attendance Investments	\$ 0.7	\$ -	\$ -	\$ -
Repurposed	10578	Teacher Quality & Staffing	\$ 0.3	\$ -	\$ -	\$ -
Repurposed	14502	P-Card Rebates	\$ 0.2	\$ -	\$ -	\$ -
Repurposed	10255	Toshiba Reimbursement	\$ 0.1	\$ -	\$ -	\$ -
Repurposed	14511	Org-Exc Prof Devel Services	\$ 0.1	\$ -	\$ -	\$ -
<b>Repurposed Total</b>			<b>\$ 296.8</b>	<b>\$ 20.2</b>	<b>\$ 20.2</b>	<b>\$ 20.2</b>
General Fund School Allocation	13027	General Fund School Program	\$ 263.4	\$ 146.4	\$ 151.7	\$ 157.0
<b>General Fund School Allocation Total</b>			<b>\$ 263.4</b>	<b>\$ 146.4</b>	<b>\$ 151.7</b>	<b>\$ 157.0</b>
School Site Programs	14197	Instr Materials Block Grant	\$ 96.7	\$ -	\$ -	\$ -
School Site Programs	13938	SDEP-Donations	\$ 17.0	\$ 18.1	\$ 19.3	\$ 20.4
School Site Programs	14242	SDEP-Proceeds Film/Photo Renta	\$ 10.5	\$ 13.0	\$ 13.0	\$ 13.0
School Site Programs	13723	Chrttr Sch Categorical Blk Grnt	\$ 7.9	\$ 8.4	\$ 9.0	\$ 9.6
School Site Programs	13437	Non Filming Rental (PD)	\$ 5.8	\$ 7.2	\$ 7.2	\$ 7.2
School Site Programs	14450	Money Donations (PD)	\$ 4.8	\$ 5.1	\$ 5.4	\$ 5.7
School Site Programs	10257	Software Bundle	\$ 4.2	\$ 4.2	\$ 4.2	\$ 4.2
School Site Programs	10590	PARA Prof Teacher Training (CTC)	\$ 3.7	\$ 3.7	\$ 3.7	\$ 3.7
School Site Programs	13724	Chrttr Sch Alloc In Lieu Of EIA	\$ 2.3	\$ 2.5	\$ 2.7	\$ 2.8
School Site Programs	11665	Band and Drill Uniforms	\$ 1.4	\$ 1.4	\$ 1.4	\$ 1.4
School Site Programs	14129	Districtwide Report Card - Support	\$ 1.3	\$ 1.3	\$ 1.3	\$ 1.3
School Site Programs	10315	Utilities Savings Sharing Prog	\$ 1.3	\$ 1.3	\$ 1.3	\$ 1.3
School Site Programs	11476	Civic Center Permit Program	\$ 1.1	\$ 2.7	\$ 2.7	\$ 2.7
School Site Programs	14219	Advanced Learning Options Assessments	\$ 1.0	\$ 1.0	\$ 1.0	\$ 1.0
School Site Programs	13302	Filming & Photography Rtl(PD)	\$ 1.0	\$ 1.2	\$ 1.2	\$ 1.2
School Site Programs	13150	SDEP-Pro (Pool) Filmg,Pho,Ren	\$ 0.9	\$ 1.1	\$ 1.1	\$ 1.1
School Site Programs	15143	Contr Srvs-Apprenticeship Pro	\$ 0.8	\$ 0.8	\$ 0.8	\$ 0.8
School Site Programs	13950	IMA-Library Fines	\$ 0.7	\$ 0.7	\$ 0.7	\$ 0.7
School Site Programs	10582	Alternative Certification-Intern Secondary	\$ 0.7	\$ 0.7	\$ 0.7	\$ 0.7
School Site Programs	10298	ETK Exp Onetime Facilities Cost	\$ 0.6	\$ 0.6	\$ 0.6	\$ 0.6
School Site Programs	13791	M & O Services-Wellness Clinics	\$ 0.6	\$ 0.6	\$ 0.6	\$ 0.6
School Site Programs	14340	Transcripts Of Pupils' Records	\$ 0.5	\$ 0.5	\$ 0.5	\$ 0.5
School Site Programs	11430	Tch Apprentice Prog-ROC-S/B/T	\$ 0.5	\$ 0.5	\$ 0.5	\$ 0.5
School Site Programs	14151	Obsolete Textbooks	\$ 0.5	\$ 0.5	\$ 0.5	\$ 0.5
School Site Programs	14081	Calworks Regional Occupational Center Prog	\$ 0.4	\$ 0.4	\$ 0.4	\$ 0.4
School Site Programs	15829	Star Program	\$ 0.4	\$ 0.4	\$ 0.4	\$ 0.4
School Site Programs	13378	SDEP-Filmg,Photo & Ot Rent-ROC	\$ 0.4	\$ 0.4	\$ 0.4	\$ 0.4
School Site Programs	14861	Start-Up Costs-New Schools	\$ 0.4	\$ 0.4	\$ 0.4	\$ 0.4
School Site Programs	14220	Advance Placement Test Fee	\$ 0.4	\$ 0.4	\$ 0.4	\$ 0.4
School Site Programs	10381	Lease/Rental Proceeds-Charter Agreement	\$ 0.3	\$ 0.3	\$ 0.3	\$ 0.3
School Site Programs	13787	Charter School Charges	\$ 0.3	\$ 0.6	\$ 0.8	\$ 1.0
School Site Programs	14806	SDEP-Donations-ROC	\$ 0.3	\$ 0.3	\$ 0.3	\$ 0.3
School Site Programs	10600	Class Sch Empl Teacher Credentialing Program	\$ 0.2	\$ 0.2	\$ 0.2	\$ 0.2
School Site Programs	17629	SDEP-Extended Kindergarten Prg	\$ 0.1	\$ 0.1	\$ 0.1	\$ 0.1
School Site Programs	10598	GF Portion-Unified Enrollment	\$ 0.1	\$ 0.1	\$ 0.1	\$ 0.1
School Site Programs	13237	SDEP-Donations-Distr Admin	\$ 0.1	\$ 0.1	\$ 0.1	\$ 0.1
School Site Programs	10382	Facilities Services-Wellness Clinics	\$ 0.1	\$ 0.1	\$ 0.1	\$ 0.1
School Site Programs	10356	ARC Reimbursement-After School Program	\$ 0.1	\$ 0.1	\$ 0.1	\$ 0.1



Category	Program	Program Name	2017-18 Actual	2018-19 Estimates	2019-20 Estimates	2020-21 Estimates
School Site Programs	10603	Prop 58 Implementation-Central Office	\$ 0.1	\$ 0.1	\$ 0.1	\$ 0.1
School Site Programs	16449	Rsv Math & Science Donation	\$ 0.1	\$ 0.1	\$ 0.1	\$ 0.1
School Site Programs	14393	Money Donations-Schs (PD)	\$ 0.1	\$ 0.1	\$ 0.1	\$ 0.1
School Site Programs	10581	School Community Violence Prevention	\$ 0.1	\$ 0.1	\$ 0.1	\$ 0.1
School Site Programs	10320	Leadership Framework Contract	\$ 0.1	\$ -	\$ -	\$ -
School Site Programs	14515	Money Donations-ROC (PD)	\$ 0.1	\$ 0.1	\$ 0.1	\$ 0.1
School Site Programs	13229	SpEd-School Based Enterprise(SBE)	\$ 0.1	\$ 0.1	\$ 0.1	\$ 0.1
<b>School Site Programs Total</b>			<b>\$ 170.0</b>	<b>\$ 81.7</b>	<b>\$ 84.2</b>	<b>\$ 86.6</b>
Proportionality	10544	TSP-Pending Alloc	\$ 109.1	\$ 109.1	\$ 109.1	\$ 109.1
Proportionality	10400	TSP - Investments	\$ 76.5	\$ 127.4	\$ 175.5	\$ 202.7
Proportionality	10359	TSP-Settlement	\$ 31.3	\$ 31.3	\$ 31.3	\$ 31.3
Proportionality	10397	TSP - PPS	\$ 25.6	\$ 25.6	\$ 25.6	\$ 25.6
Proportionality	10155	English Learners Transition - Central Office	\$ 20.8	\$ 20.2	\$ 18.9	\$ 16.8
Proportionality	14423	Incentive-Brkfst-Discretionary	\$ 3.5	\$ 3.5	\$ 3.5	\$ 3.5
Proportionality	10405	TSP-Parental Engagement	\$ 3.5	\$ 3.5	\$ 3.5	\$ 3.5
Proportionality	10543	TSP-Innovation-Focus Sch	\$ 1.1	\$ 1.1	\$ 1.1	\$ 1.1
<b>Proportionality Total</b>			<b>\$ 271.3</b>	<b>\$ 321.6</b>	<b>\$ 368.4</b>	<b>\$ 393.6</b>
Districtwide Costs	17965	District Cost-Payment of Audit Findings	\$ 8.9	\$ -	\$ -	\$ -
Districtwide Costs	17499	CalPERS Benefit Audit	\$ 7.0	\$ 7.0	\$ 7.0	\$ 7.0
Districtwide Costs	13793	M & O Prop 39 Charter Co-Location-Admin	\$ 6.7	\$ 7.5	\$ 11.8	\$ 16.3
Districtwide Costs	10591	White Fleet Vehicle Replacement Plan	\$ 5.6	\$ -	\$ -	\$ -
Districtwide Costs	13050	Sch Dist-Audit & Examination	\$ 3.2	\$ -	\$ -	\$ -
Districtwide Costs	10219	IT Projects - Admin	\$ 2.4	\$ -	\$ -	\$ -
Districtwide Costs	13783	Specialized Charter Agreements-M&O	\$ 2.3	\$ 3.7	\$ 5.1	\$ 6.6
Districtwide Costs	13039	LSI-Other Legal Expense	\$ 2.3	\$ 2.3	\$ 2.3	\$ 2.3
Districtwide Costs	10593	Energy Rebate Conserv-Admin	\$ 1.8	\$ 1.8	\$ 1.8	\$ 1.8
Districtwide Costs	10857	PSC & Other Fee for Service	\$ 1.7	\$ 1.7	\$ 1.7	\$ 1.7
Districtwide Costs	14790	ITD GF-Portion-DRBC/Core Network Upgrades	\$ 1.4	\$ -	\$ -	\$ -
Districtwide Costs	13782	Charter Fee for Service - M&O	\$ 1.2	\$ 1.9	\$ 2.7	\$ 3.5
Districtwide Costs	13745	Chrt Sch Fee For Service-FT	\$ 0.7	\$ 1.1	\$ 1.5	\$ 2.0
Districtwide Costs	13786	Charter Sch Fee-Instruction Div	\$ 0.2	\$ 0.3	\$ 0.5	\$ 0.6
Districtwide Costs	13790	Specialized Charter Agreements-Pos-M&O	\$ 0.2	\$ 0.3	\$ 0.4	\$ 0.5
Districtwide Costs	10854	PSC & Other Fee for Service-POS	\$ 0.1	\$ 0.1	\$ 0.1	\$ 0.1
Districtwide Costs	11481	Agreement with Outside Agency-GF-Supp	\$ 0.1	\$ 0.1	\$ 0.1	\$ 0.1
Districtwide Costs	11667	School Police Student Body Security Overtime	\$ 0.1	\$ 0.1	\$ 0.1	\$ 0.1
Districtwide Costs	13930	Energy Rebate Conserv-Supp	\$ -	\$ 0.1	\$ 0.2	\$ 0.2
Districtwide Costs	17499	Salary Increase Set Aside	\$ -	\$ 296.1	\$ 496.5	\$ 702.0
<b>Districtwide Costs Total</b>			<b>\$ 45.8</b>	<b>\$ 324.2</b>	<b>\$ 531.7</b>	<b>\$ 744.9</b>
Central Office	12106	ISIS-General Fund Non Cop	\$ 5.1	\$ 5.1	\$ 5.1	\$ 5.1
Central Office	14517	Contr Serv-Energy Conserv	\$ 1.2	\$ 1.2	\$ 1.2	\$ 1.2
Central Office	10317	Joint-Use Collections	\$ 0.9	\$ 1.0	\$ 1.0	\$ 1.1
Central Office	10355	GF ITI - Educational Technology	\$ 0.6	\$ 0.6	\$ 0.6	\$ 0.6
Central Office	12158	ERP Program-Proj Reqd-Pos	\$ 0.4	\$ 0.4	\$ 0.4	\$ 0.4
Central Office	15871	Vehicle Replacement	\$ 0.3	\$ 0.3	\$ 0.3	\$ 0.3
Central Office	13203	LTerm Leases-Publishing Costs	\$ 0.3	\$ 0.3	\$ 0.3	\$ 0.3
Central Office	11164	Enterp Softwr Lic-Legal Cmplnc	\$ 0.2	\$ 0.2	\$ 0.2	\$ 0.2
Central Office	16512	SDEP-Citations Processing	\$ 0.2	\$ 0.2	\$ 0.2	\$ 0.2
Central Office	10193	Data Center Hardware Refresh	\$ 0.2	\$ 0.2	\$ 0.2	\$ 0.2
Central Office	10783	Advertising on White Fleet	\$ 0.2	\$ 0.2	\$ 0.2	\$ 0.2
Central Office	16141	GF-Computer Reimb	\$ 0.1	\$ 0.1	\$ 0.1	\$ 0.1
Central Office	14834	Rubbish/Recycling Incentive Rebate	\$ 0.1	\$ 0.1	\$ 0.1	\$ 0.1
Central Office	11669	Sch Police Reimbursement Acct-Rio Hondo Cmn	\$ 0.1	\$ 0.1	\$ 0.1	\$ 0.1
<b>Central Office Total</b>			<b>\$ 10.0</b>	<b>\$ 10.1</b>	<b>\$ 10.2</b>	<b>\$ 10.3</b>
<b>Grand Total</b>			<b>\$ 1057.4</b>	<b>\$ 904.1</b>	<b>\$ 1166.4</b>	<b>\$ 1412.5</b>

If Administrator to Teacher Ratio waiver is not received.


Category	Program	Program Name	2017-18 Actual	2018-19 Estimates	2019-20 Estimates	2020-21 Estimates
Districtwide Costs		Administrator to Teacher Ratio (R2) Penalties	\$ -	\$ -	\$ 35.0	\$ 70.0
<b>Revised Total</b>			<b>\$ 1057.4</b>	<b>\$ 904.1</b>	<b>\$ 1201.4</b>	<b>\$ 1482.5</b>

INTEROFFICE CORRESPONDENCE  
Los Angeles Unified School District  
Office of the Chief Financial Officer

**INFORMATIVE**

**DATE:** September 27, 2018

**TO:** Members, Board of Education  
Austin Beutner, Superintendent

**FROM:** Scott S. Price, Ph.D.  
Chief Financial Officer 

**SUBJECT: 2018-19 REVISED BUDGET AND REVISED FISCAL STABILIZATION PLAN**

In their September 10, 2018 letter conditionally approving the District's budget, the Los Angeles County Office of Education (LACOE) required that the District submit a revised Board-approved FY 2018-19 Budget that addresses the District's deficit including a Revised Fiscal Stabilization Plan and Board Resolution.

These revisions will be crucial factors in LACOE's review and approval of the District's 2018-19 Revised Final Budget due no later than October 8, 2018.

**Board Resolution**

The Board Resolution to be re-adopted emphasizes the Board commitment to meeting required reserves, as well as implementing the Revised Fiscal Stabilization Plan. This includes stating the need and extent for expenditure reductions.

**Revised Multi-Year Projection**

The Revised General Fund Multi-Year Projection incorporates the results of the 2017-18 Unaudited Actuals.

With the 2017-18 ending balance of \$702.9 million, the estimated ending balances for 2018-19 through 2020-21 reflect positive unrestricted balances, for a cumulative positive ending balance of \$1.5 million by 2020-21. There are three main factors that contributed to these balances: (1) changes in revenue due to the 2018-19 State Adopted Budget; (2) fiscal stabilization plan that addresses out-year deficits; and (3) one-time ending balances from prior years.

Assumptions used to build the multi-year projection are presented in Attachment C of the Board Report, which also include revenue changes from the 2018-19 State Adopted Budget. Appendix A details the changes from the 2018-19 Final Budget (June 2018) to the Revised Multi-Year Projection (September 2018).

**Revised Fiscal Stabilization Plan**

The Revised Fiscal Stabilization Plan contains Option 1 and an alternative option. Option 1 from the adopted FY 2018-19 Final Budget, has been revised to include Central Office reductions with division targets. This option includes the Administrator to Teacher Ratio penalties (R2 Ratio) waiver for 2018-19 to 2020-21. Waivers for 2019-20 and 2020-21 are still pending.

LACOE also requires an alternative plan in the event that the R2 Ratio waivers are not received. This alternative option of the Revised Fiscal Stabilization Plan that would maintain the positive ending balance at the end of 2020-21 is also presented.

### **Next Steps**

If the District addresses its structural deficit with one-time solutions, reserve balances will continue to drop. The District needs to review and assess its program priorities to ensure the sustainability and stability of its educational programs beyond fiscal year 2020-21.

If you have any questions, please contact me at (213) 241-7888.

c: Rebecca Kockler  
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## Appendix A - GENERAL FUND UNRESTRICTED MULTI-YEAR PROJECTION

The year-end closing numbers resulted in a one-time increase in the unassigned balance of \$31.6 million which revised the total final budget unassigned ending balance of \$702.9 million for 2017-18. In June 2018, it was estimated at \$671.3 million. The chart below provides an update on changes subsequent to the final budget.

(Dollars in Millions)	2017-18	2018-19	2019-20	2020-21	Cumulative
<u>Ending Balances -Final Budget</u>	<u>\$671.3</u>	<u>\$707.6</u>	<u>\$377.2</u>	<u>\$2.7</u>	
Non-cumulative Balances -Final Budget		\$36.3	(\$330.4)	(\$374.5)	\$2.7
State Budget Adoption Changes	(\$9.4)	(\$52.6)	\$30.7	\$31.4	(\$0.0)
Other Changes	\$41.0	\$12.8	(\$34.2)	(\$20.9)	(\$1.2)
Non-cumulative Balances -Year End		(\$3.5)	(\$333.9)	(\$364.0)	\$1.5
<u>Revised Ending Balances -Year End *</u>	<u>\$702.9</u>	<u>\$699.4</u>	<u>\$365.5</u>	<u>\$1.5</u>	

\*Revenue and expenditure information received after the Final Budget resulted in positive revised ending balances for 2018-19 through 2020-21.

- **Changes in Revenues** - Estimated revenues decreased by approximately \$32.5 million in 2018-19 and increased by \$39.1 million in 2019-20 and \$41.6 million in 2020-21. This is mainly due to the changes in the LCFF Cost of Living Adjustment (COLA) estimates and the decrease in one-time mandated block grant rate (from \$344 to \$184 per ADA) as stated in the State Budget adopted in June 2018. The revenues further improved due to increases in Lottery revenues and interest income.
- **Changes in Expenditures, Contributions and Assigned Balances** – the estimated expenditure change is mostly attributable to the salary increases for Associated Administrators of Los Angeles (AALA), California School Employees Association (CSEA) and Service Employee International Union Local 99 (SEIU) bargaining units. This is offset by the decrease in the reserve for salary increases set-aside as part of the 2018-19 Final Budget. The Assigned Ending Balance includes the reserve for salary increases for all other bargaining units that have yet to settle.

The additional expenditures also include increases in the 2018-19 textbook requirement, settlement cost, school safety program and afterschool program. These increases are partially offset by a decrease in the debt service cost.

The fiscal stabilization plan for 2019-20 and 2020-21 included the completion of the REED program. The funds that were released due to the completion of the program will be invested back to the Target Student Population programs through the Local Control Accountability Plan process.

The additional \$9.7 million in Education Revenue Augmentation Fund (ERAF) received in 2017-18 was “repurposed” in 2018-19 to improve the District’s ending balances.

**Board Report No. 107-18/19 2018-19 Revised Budget and Revised Fiscal  
Stabilization Plan**

- **Revised Standardized Account Code Structure (SACS)**

			2017-18 Estimated Actuals			2018-19 Budget			
Description	Resource Codes	Object Codes	Total Fund			Total Fund		% Diff Column C & F	
			Unrestricted (A)	Restricted (B)	col. A + B (C)	Unrestricted (D)	Restricted (E)		col. D + E (F)
A. REVENUES									
1) LCFF Sources		8010-8099	5,432,553,515.63	0.00	5,432,553,515.63	5,665,855,775.00	0.00	5,665,855,775.00	4.3%
2) Federal Revenue		8100-8299	8,502,375.24	580,458,151.75	588,960,526.99	7,881,114.00	624,502,939.00	632,384,053.00	7.4%
3) Other State Revenue		8300-8599	175,015,772.50	791,739,598.60	966,755,371.10	187,252,821.00	775,303,267.00	962,556,088.00	-0.4%
4) Other Local Revenue		8600-8799	259,076,794.80	10,342,580.08	269,419,374.88	133,572,424.00	11,085,771.00	144,658,195.00	-46.3%
5) TOTAL, REVENUES			5,875,148,458.17	1,382,540,330.43	7,257,688,788.60	5,994,542,134.00	1,410,891,977.00	7,405,434,111.00	2.0%
B. EXPENDITURES									
1) Certificated Salaries		1000-1999	2,099,749,606.02	726,912,849.32	2,826,662,455.34	2,138,104,998.00	758,019,542.00	2,894,124,540.00	2.4%
2) Classified Salaries		2000-2999	578,814,391.42	406,058,635.59	984,873,027.01	591,885,654.00	415,232,936.00	1,007,118,590.00	2.3%
3) Employee Benefits		3000-3999	1,235,108,476.24	788,325,757.79	2,023,434,234.03	1,264,955,956.00	825,377,712.00	2,090,333,668.00	3.3%
4) Books and Supplies		4000-4999	203,629,490.09	127,602,104.57	331,231,594.66	430,894,097.00	145,590,078.00	576,484,175.00	74.0%
5) Services and Other Operating Expenditures		5000-5999	395,607,033.02	405,402,958.48	801,009,991.50	466,332,600.00	392,541,998.00	858,874,598.00	7.2%
6) Capital Outlay		6000-6999	35,606,074.80	25,127,341.32	60,733,415.92	21,670,031.00	65,821,032.00	87,491,063.00	44.1%
7) Other Outgo (excluding Transfers of Indirect Costs)		7100-7299 7400-7499	5,302,746.44	0.00	5,302,746.44	8,142,385.00	0.00	8,142,385.00	53.6%
8) Other Outgo - Transfers of Indirect Costs		7300-7399	(99,514,979.51)	74,919,024.01	(24,595,955.50)	(131,329,794.00)	98,608,759.00	(32,721,035.00)	33.0%
9) TOTAL, EXPENDITURES			4,454,302,838.32	2,554,348,671.08	7,008,651,509.40	4,780,655,927.00	2,699,192,057.00	7,489,847,984.00	6.9%
C. EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES BEFORE OTHER FINANCING SOURCES AND USES (A5 - B9)									
			1,420,845,619.85	(1,171,808,340.65)	249,037,279.20	1,203,886,207.00	(1,288,300,080.00)	(84,413,873.00)	-133.9%
D. OTHER FINANCING SOURCES/USES									
1) Interfund Transfers									
a) Transfers In		8900-8929	33,616,546.37	5,501,943.01	39,118,489.38	20,000,000.00	0.00	20,000,000.00	-48.9%
b) Transfers Out		7600-7629	53,484,293.54	1,109,875.04	54,594,168.58	59,528,203.00	0.00	59,528,203.00	9.0%
2) Other Sources/Uses									
a) Sources		8930-8979	312,390.73	0.00	312,390.73	300,000.00	0.00	300,000.00	-4.0%
b) Uses		7630-7699	0.00	0.00	0.00	1,276,754.00	1,109,875.00	2,386,629.00	New
3) Contributions		8980-8999	(1,140,128,267.27)	1,140,128,267.27	0.00	(1,228,040,537.00)	1,228,040,537.00	0.00	0.0%
4) TOTAL, OTHER FINANCING SOURCES/USES			(1,159,683,623.71)	1,144,520,335.24	(15,163,288.47)	(1,268,545,494.00)	1,226,930,662.00	(41,614,832.00)	174.4%

Description	Resource Codes	Object Codes	2017-18 Estimated Actuals			2018-19 Budget			% Diff Column C & F
			Unrestricted (A)	Restricted (B)	Total Fund col. A + B (C)	Unrestricted (D)	Restricted (E)	Total Fund col. D + E (F)	
<b>E. NET INCREASE (DECREASE) IN FUND BALANCE (C + D4)</b>			261,161,996.14	(27,288,005.41)	233,873,990.73	(64,659,287.00)	(61,369,418.00)	(126,028,705.00)	-153.9%
<b>F. FUND BALANCE, RESERVES</b>									
1) Beginning Fund Balance									
a) As of July 1 - Unaudited		9791	1,802,089,544.64	163,053,900.43	1,765,143,445.07	1,863,251,540.78	135,765,895.02	1,999,017,435.80	13.2%
b) Audit Adjustments		9793	0.00	0.00	0.00	0.00	0.00	0.00	0.0%
c) As of July 1 - Audited (F1a + F1b)			1,802,089,544.64	163,053,900.43	1,765,143,445.07	1,863,251,540.78	135,765,895.02	1,999,017,435.80	13.2%
d) Other Restatements		9795	0.00	0.00	0.00	0.00	0.00	0.00	0.0%
e) Adjusted Beginning Balance (F1c + F1d)			1,802,089,544.64	163,053,900.43	1,765,143,445.07	1,863,251,540.78	135,765,895.02	1,999,017,435.80	13.2%
2) Ending Balance, June 30 (E + F1e)			1,863,251,540.78	135,765,895.02	1,999,017,435.80	1,798,592,253.78	74,396,477.02	1,872,988,730.80	-6.3%
Components of Ending Fund Balance									
a) Nonspendable									
Revolving Cash		9711	2,839,038.18	0.00	2,839,038.18	2,839,039.00	0.00	2,839,039.00	0.0%
Stores		9712	23,041,870.50	0.00	23,041,870.50	23,041,871.00	0.00	23,041,871.00	0.0%
Prepaid Items		9713	1,682,967.96	0.00	1,682,967.96	1,682,968.00	0.00	1,682,968.00	0.0%
All Others		9719	0.00	0.00	0.00	0.00	0.00	0.00	0.0%
b) Restricted		9740	0.00	135,765,895.02	135,765,895.02	0.00	74,396,477.90	74,396,477.90	-45.2%
c) Committed									
Stabilization Arrangements		9750	0.00	0.00	0.00	0.00	0.00	0.00	0.0%
Other Commitments		9760	0.00	0.00	0.00	91,894,433.00	0.00	91,894,433.00	New
d) Assigned									
Other Assignments		9780	1,057,387,473.00	0.00	1,057,387,473.00	904,122,084.00	0.00	904,122,084.00	-14.5%
e) Unassigned/Unappropriated									
Reserve for Economic Uncertainties		9789	75,381,322.00	0.00	75,381,322.00	75,617,628.00	0.00	75,617,628.00	0.3%
Unassigned/Unappropriated Amount		9790	702,918,869.14	0.00	702,918,869.14	699,394,230.78	(0.88)	699,394,229.90	-0.5%

			2017-18 Estimated Actuals			2018-19 Budget			% Diff Column C & F
			Unrestricted (A)	Restricted (B)	Total Fund col. A + B (C)	Unrestricted (D)	Restricted (E)	Total Fund col. D + E (F)	
Description	Resource Codes	Object Codes							
<b>G. ASSETS</b>									
1) Cash									
a) in County Treasury	9110		2,135,011,082.21	255,327,908.14	2,390,338,990.35				
1) Fair Value Adjustment to Cash in County Treasury	9111		0.00	0.00	0.00				
b) in Banks	9120		10,000.00	0.00	10,000.00				
c) in Revolving Cash Account	9130		2,839,038.18	0.00	2,839,038.18				
d) with Fiscal Agent/Trustee	9135		0.00	0.00	0.00				
e) Collections Awaiting Deposit	9140		0.00	0.00	0.00				
2) Investments	9150		0.00	0.00	0.00				
3) Accounts Receivable	9200		33,011,637.92	494,452.78	33,506,090.70				
4) Due from Grantor Government	9290		17,051,554.11	123,297,767.65	140,349,321.76				
5) Due from Other Funds	9310		10,000,000.00	0.00	10,000,000.00				
6) Stores	9320		23,041,870.50	0.00	23,041,870.50				
7) Prepaid Expenditures	9330		1,682,967.96	0.00	1,682,967.96				
8) Other Current Assets	9340		0.00	0.00	0.00				
9) TOTAL, ASSETS			2,222,648,150.88	379,120,128.57	2,801,768,279.45				
<b>H. DEFERRED OUTFLOWS OF RESOURCES</b>									
1) Deferred Outflows of Resources	9490		0.00	0.00	0.00				
2) TOTAL, DEFERRED OUTFLOWS			0.00	0.00	0.00				
<b>I. LIABILITIES</b>									
1) Accounts Payable	9500		302,023,714.46	172,485,013.13	474,508,727.59				
2) Due to Grantor Governments	9590		57,372,895.84	599,511.04	57,972,406.68				
3) Due to Other Funds	9610		0.00	0.00	0.00				
4) Current Loans	9640		0.00	0.00	0.00				
5) Unearned Revenue	9650		0.00	70,269,709.38	70,269,709.38				
6) TOTAL, LIABILITIES			359,396,610.10	243,354,233.55	602,750,843.65				
<b>J. DEFERRED INFLOWS OF RESOURCES</b>									
1) Deferred Inflows of Resources	9690		0.00	0.00	0.00				
2) TOTAL, DEFERRED INFLOWS			0.00	0.00	0.00				
<b>K. FUND EQUITY</b>									
Ending Fund Balance, June 30 (G9 + H2) - (I6 + J2)			1,863,251,540.78	135,765,895.02	1,999,017,435.80				



			2017-18 Estimated Actuals			2018-19 Budget			
Description	Resource Codes	Object Codes	Unrestricted (A)	Restricted (B)	Total Fund col. A + B (C)	Unrestricted (D)	Restricted (E)	Total Fund col. D + E (F)	% Diff Column C & F
LCFF SOURCES									
Principal Apportionment									
State Aid - Current Year		8011	3,520,198,213.00	0.00	3,520,198,213.00	3,765,623,628.00	0.00	3,765,623,628.00	7.0%
Education Protection Account State Aid - Current Year		8012	653,977,958.00	0.00	653,977,958.00	710,012,355.00	0.00	710,012,355.00	8.6%
State Aid - Prior Years		8019	1,231,287.00	0.00	1,231,287.00	0.00	0.00	0.00	-100.0%
Tax Relief Subventions									
Homeowners' Exemptions		8021	6,756,443.03	0.00	6,756,443.03	6,750,906.00	0.00	6,750,906.00	-0.1%
Timber Yield Tax		8022	0.00	0.00	0.00	0.00	0.00	0.00	0.0%
Other Subventions/In-Lieu Taxes		8029	7,137,322.68	0.00	7,137,322.68	7,137,323.00	0.00	7,137,323.00	0.0%
County & District Taxes									
Secured Roll Taxes		8041	1,089,776,601.38	0.00	1,089,776,601.38	1,081,031,579.00	0.00	1,081,031,579.00	-0.8%
Unsecured Roll Taxes		8042	31,953,453.00	0.00	31,953,453.00	39,483,937.00	0.00	39,483,937.00	23.6%
Prior Years' Taxes		8043	29,791,752.30	0.00	29,791,752.30	32,722,857.00	0.00	32,722,857.00	9.8%
Supplemental Taxes		8044	27,391,328.88	0.00	27,391,328.88	25,588,475.00	0.00	25,588,475.00	-6.6%
Education Revenue Augmentation Fund (ERAF)		8045	255,167,195.80	0.00	255,167,195.80	247,089,042.00	0.00	247,089,042.00	-3.2%
Community Redevelopment Funds (SB 617/699/1992)		8047	83,496,925.85	0.00	83,496,925.85	33,202,212.00	0.00	33,202,212.00	-60.2%
Penalties and Interest from Delinquent Taxes		8048	848,552.03	0.00	848,552.03	0.00	0.00	0.00	-100.0%
Miscellaneous Funds (EC 41604)									
Royalties and Bonuses		8081	15.56	0.00	15.56	314.00	0.00	314.00	1918.0%
Other In-Lieu Taxes		8082	0.00	0.00	0.00	0.00	0.00	0.00	0.0%
Less: Non-LCFF (50%) Adjustment		8089	(7.78)	0.00	(7.78)	(157.00)	0.00	(157.00)	1918.0%
Subtotal, LCFF Sources			5,707,727,040.73	0.00	5,707,727,040.73	5,948,642,471.00	0.00	5,948,642,471.00	4.2%
LCFF Transfers									
Unrestricted LCFF Transfers - Current Year	0000	8091	0.00		0.00	0.00		0.00	0.0%
All Other LCFF Transfers - Current Year	All Other	8091	0.00	0.00	0.00	0.00	0.00	0.00	0.0%
Transfers to Charter Schools in Lieu of Property Taxes		8096	(275,173,525.10)	0.00	(275,173,525.10)	(282,786,696.00)	0.00	(282,786,696.00)	2.8%
Property Taxes Transfers		8097	0.00	0.00	0.00	0.00	0.00	0.00	0.0%
LCFF/Revenue Limit Transfers - Prior Years		8099	0.00	0.00	0.00	0.00	0.00	0.00	0.0%
TOTAL, LCFF SOURCES			5,432,553,515.63	0.00	5,432,553,515.63	5,665,855,775.00	0.00	5,665,855,775.00	4.3%
FEDERAL REVENUE									
Maintenance and Operations		8110	0.00	0.00	0.00	0.00	0.00	0.00	0.0%
Special Education Entitlement		8181	0.00	115,188,879.10	115,188,879.10	0.00	113,850,111.00	113,850,111.00	-1.2%
Special Education Discretionary Grants		8182	0.00	25,025,746.44	25,025,746.44	0.00	27,819,753.00	27,819,753.00	10.4%
Child Nutrition Programs		8220	0.00	0.00	0.00	0.00	0.00	0.00	0.0%
Donated Food Commodities		8221	0.00	0.00	0.00	0.00	0.00	0.00	0.0%
Forest Reserve Funds		8260	27,723.83	0.00	27,723.83	0.00	0.00	0.00	-100.0%
Flood Control Funds		8270	0.00	0.00	0.00	0.00	0.00	0.00	0.0%
Wildlife Reserve Funds		8280	0.00	0.00	0.00	0.00	0.00	0.00	0.0%
FEMA		8281	0.00	104,493.90	104,493.90	0.00	52,252.00	52,252.00	-50.0%
Interagency Contracts Between LEAs		8285	0.00	2,728,033.30	2,728,033.30	0.00	1,112,607.00	1,112,607.00	-59.2%
Pass-Through Revenues from Federal Sources		8287	0.00	0.00	0.00	0.00	0.00	0.00	0.0%
Title I, Part A, Basic	3010	8290		324,330,542.50	324,330,542.50		372,386,512.00	372,386,512.00	14.8%
Title I, Part D, Local Delinquent Programs	3025	8290		1,066,514.71	1,066,514.71		1,255,547.00	1,255,547.00	17.7%
Title II, Part A, Educator Quality	4035	8290		29,232,201.41	29,232,201.41		26,676,875.00	26,676,875.00	-8.7%
Title III, Part A, Immigrant Education Program	4201	8290		2,074,300.53	2,074,300.53		1,935,384.00	1,935,384.00	-6.7%

Description	Resource Codes	Object Codes	2017-18 Estimated Actuals			2018-19 Budget			% Diff Column C & F
			Unrestricted (A)	Restricted (B)	Total Fund col. A + B (C)	Unrestricted (D)	Restricted (E)	Total Fund col. D + E (F)	
Title III, Part A, English Learner									
Program	4203	8290		10,824,541.48	10,824,541.48		12,964,993.00	12,964,993.00	19.8%
Public Charter Schools Grant Program (PCSGP)	4810	8290		0.00	0.00		0.00	0.00	0.0%
	3020, 3040, 3041, 3045, 3080, 3061, 3110, 3150, 3155, 3177, 3180, 3181, 3185, 4050, 4123, 4124, 4128, 4127,								
Other NCLB / Every Student Succeeds Act	5510, 5630	8280		33,553,783.05	33,553,783.05		26,212,182.00	26,212,182.00	-21.9%
Career and Technical Education	3500-3599	8290		5,154,785.92	5,154,785.92		3,865,951.00	3,865,951.00	-25.0%
All Other Federal Revenue	All Other	8290	8,474,651.41	31,174,329.41	39,648,980.82	7,861,114.00	38,570,772.00	44,431,886.00	12.1%
<b>TOTAL, FEDERAL REVENUE</b>			<b>8,502,375.24</b>	<b>580,458,151.75</b>	<b>588,960,526.99</b>	<b>7,861,114.00</b>	<b>624,502,939.00</b>	<b>632,364,053.00</b>	<b>7.4%</b>
<b>OTHER STATE REVENUE</b>									
Other State Apportionments									
ROC/P Entitlement									
Prior Years	6380	8319		0.00	0.00		0.00	0.00	0.0%
Special Education Master Plan									
Current Year	6500	8311		360,868,648.00	360,868,648.00		360,923,969.00	360,923,969.00	0.0%
Prior Years	6500	8319		244,606.00	244,606.00		0.00	0.00	-100.0%
All Other State Apportionments - Current Year	All Other	8311	0.00	3,131,549.00	3,131,549.00	0.00	3,086,253.00	3,086,253.00	-1.4%
All Other State Apportionments - Prior Years	All Other	8319	0.00	0.00	0.00	0.00	0.00	0.00	0.0%
Child Nutrition Programs		8520	0.00	0.00	0.00	0.00	0.00	0.00	0.0%
Mandated Costs Reimbursements		8550	90,071,073.00	0.00	90,071,073.00	105,898,725.00	0.00	105,898,725.00	17.6%
Lottery - Unrestricted and Instructional Materials		8560	78,016,504.37	30,071,133.52	108,087,637.89	72,757,840.00	25,537,520.00	98,295,360.00	-9.1%
Tax Relief Subventions									
Restricted Levies - Other									
Homeowners' Exemptions		8575	0.00	0.00	0.00	0.00	0.00	0.00	0.0%
Other Subventions/in-Lieu Taxes		8576	0.00	0.00	0.00	0.00	0.00	0.00	0.0%
Pass-Through Revenues from State Sources		8587	0.00	0.00	0.00	0.00	0.00	0.00	0.0%
After School Education and Safety (ASES)	6010	8590		83,017,623.04	83,017,623.04		80,052,383.00	80,052,383.00	-3.6%
Charter School Facility Grant	6030	8590		0.00	0.00		0.00	0.00	0.0%
Drug/Alcohol/Tobacco Funds	6650, 6690, 6695	8580		1,176,329.96	1,176,329.96		3,352,723.00	3,352,723.00	185.0%
California Clean Energy Jobs Act	6230	8590		28,960,891.00	28,960,891.00		500,000.00	500,000.00	-98.3%
Career Technical Education Incentive Grant Program	6387	8590		12,211,869.66	12,211,869.66		50,152,766.00	50,152,766.00	310.7%
American Indian Early Childhood Education	7210	8590		0.00	0.00		0.00	0.00	0.0%
Specialized Secondary	7370	8580		122,692.66	122,692.66		30,000.00	30,000.00	-75.5%
Quality Education Investment Act	7400	8580		(3,039,290.03)	(3,039,290.03)		0.00	0.00	-100.0%
Common Core State Standards Implementation	7405	8580		0.00	0.00		0.00	0.00	0.0%
All Other State Revenue	All Other	8590	6,928,195.13	274,973,545.79	281,901,740.92	8,596,256.00	251,667,653.00	260,263,909.00	-7.7%
<b>TOTAL, OTHER STATE REVENUE</b>			<b>175,015,772.50</b>	<b>791,739,598.80</b>	<b>966,755,371.10</b>	<b>187,252,821.00</b>	<b>775,303,267.00</b>	<b>962,556,088.00</b>	<b>-0.4%</b>

			2017-18 Estimated Actuals			2018-19 Budget			
		Object Codes	Unrestricted (A)	Restricted (B)	Total Fund col. A + B (C)	Unrestricted (D)	Restricted (E)	Total Fund col. D + E (F)	% Diff Column C & F
Description	Resource Codes								
OTHER LOCAL REVENUE									
Other Local Revenue									
County and District Taxes									
Other Restricted Levies									
Secured Roll		8615	0.00	0.00	0.00	0.00	0.00	0.00	0.0%
Unsecured Roll		8616	0.00	0.00	0.00	0.00	0.00	0.00	0.0%
Prior Years' Taxes		8617	0.00	0.00	0.00	0.00	0.00	0.00	0.0%
Supplemental Taxes		8618	0.00	0.00	0.00	0.00	0.00	0.00	0.0%
Non-Ad Valorem Taxes									
Parcel Taxes		8621	0.00	0.00	0.00	0.00	0.00	0.00	0.0%
Other		8622	0.00	0.00	0.00	0.00	0.00	0.00	0.0%
Community Redevelopment Funds									
Not Subject to LCFF Deduction		8625	0.00	0.00	0.00	0.00	0.00	0.00	0.0%
Penalties and Interest from									
Delinquent Non-LCFF Taxes		8629	0.00	0.00	0.00	0.00	0.00	0.00	0.0%
Sales									
Sale of Equipment/Supplies		8631	544,120.72	0.00	544,120.72	375,000.00	0.00	375,000.00	-31.1%
Sale of Publications		8632	0.00	0.00	0.00	0.00	0.00	0.00	0.0%
Food Service Sales		8634	0.00	0.00	0.00	0.00	0.00	0.00	0.0%
All Other Sales		8639	0.00	0.00	0.00	0.00	0.00	0.00	0.0%
Leases and Rentals		8650	25,417,941.32	0.00	25,417,941.32	26,053,162.00	0.00	26,053,162.00	2.5%
Interest		8660	24,651,481.77	1,000,000.00	25,651,481.77	28,160,917.00	0.00	28,160,917.00	9.8%
Net Increase (Decrease) in the Fair Value of Investments									
		8682	0.00	0.00	0.00	0.00	0.00	0.00	0.0%
Fees and Contracts									
Adult Education Fees		8671	0.00	0.00	0.00	0.00	0.00	0.00	0.0%
Non-Resident Students		8672	70,889.44	0.00	70,889.44	396,109.00	0.00	396,109.00	458.8%
Transportation Fees From Individuals		8675	0.00	0.00	0.00	0.00	0.00	0.00	0.0%
Interagency Services		8677	0.00	430,705.99	430,705.99	0.00	0.00	0.00	-100.0%
Mitigation/Developer Fees		8681	0.00	0.00	0.00	0.00	0.00	0.00	0.0%
All Other Fees and Contracts		8689	41,072,217.82	19,434.74	41,091,652.56	41,077,979.00	89,565.00	41,167,544.00	0.2%
Other Local Revenue									
Plus: Misc Funds Non-LCFF (50%) Adjustment		8691	0.00	0.00	0.00	157.00	0.00	157.00	New
Pass-Through Revenues From Local Sources									
		8697	0.00	0.00	0.00	0.00	0.00	0.00	0.0%
All Other Local Revenue		8699	167,320,143.73	8,736,025.01	176,056,168.74	37,509,100.00	10,996,206.00	48,505,306.00	-72.4%
Tuition		8710	0.00	156,414.34	156,414.34	0.00	0.00	0.00	-100.0%
All Other Transfers In		8781-8783	0.00	0.00	0.00	0.00	0.00	0.00	0.0%
Transfers of Apportionments									
Special Education SELPA Transfers									
From Districts or Charter Schools	6500	8791		0.00	0.00		0.00	0.00	0.0%
From County Offices	6500	8792		0.00	0.00		0.00	0.00	0.0%
From JPAs	6500	8793		0.00	0.00		0.00	0.00	0.0%
ROC/P Transfers									
From Districts or Charter Schools	6360	8791		0.00	0.00		0.00	0.00	0.0%
From County Offices	6360	8792		0.00	0.00		0.00	0.00	0.0%
From JPAs	6360	8793		0.00	0.00		0.00	0.00	0.0%
Other Transfers of Apportionments									
From Districts or Charter Schools	All Other	8791	0.00	0.00	0.00	0.00	0.00	0.00	0.0%
From County Offices	All Other	8792	0.00	0.00	0.00	0.00	0.00	0.00	0.0%
From JPAs	All Other	8793	0.00	0.00	0.00	0.00	0.00	0.00	0.0%
All Other Transfers In from All Others		8799	0.00	0.00	0.00	0.00	0.00	0.00	0.0%
TOTAL, OTHER LOCAL REVENUE			259,076,794.80	10,342,580.08	269,419,374.88	133,572,424.00	11,085,771.00	144,658,195.00	-46.3%
TOTAL, REVENUES			5,875,148,458.17	1,382,540,330.43	7,257,688,788.60	5,994,542,134.00	1,410,891,977.00	7,405,434,111.00	2.0%

			2017-18 Estimated Actuals			2018-19 Budget			% Diff Column C & F
			Unrestricted (A)	Restricted (B)	Total Fund col. A + B (C)	Unrestricted (D)	Restricted (E)	Total Fund col. D + E (F)	
Description	Resource Codes	Object Codes							
CERTIFICATED SALARIES									
Certificated Teachers' Salaries		1100	1,651,088,988.26	447,810,148.67	2,098,899,136.93	1,672,386,373.00	468,545,947.00	2,140,932,320.00	2.0%
Certificated Pupil Support Salaries		1200	143,806,426.79	125,563,720.70	269,470,147.49	152,471,390.00	137,364,806.00	289,836,196.00	7.6%
Certificated Supervisors' and Administrators' Salaries		1300	241,061,395.93	69,895,715.30	310,957,111.23	253,862,537.00	63,128,743.00	316,991,280.00	1.9%
Other Certificated Salaries		1900	63,692,795.04	83,643,264.65	147,336,059.69	59,384,698.00	86,980,046.00	146,364,744.00	-0.7%
TOTAL, CERTIFICATED SALARIES			2,099,749,606.02	726,912,849.32	2,826,662,455.34	2,138,104,998.00	756,019,542.00	2,894,124,540.00	2.4%
CLASSIFIED SALARIES									
Classified Instructional Salaries		2100	7,645,300.71	230,710,135.20	238,355,435.91	38,036,881.00	230,528,384.00	268,565,265.00	12.7%
Classified Support Salaries		2200	258,814,618.71	83,339,255.10	342,153,873.81	225,404,515.00	84,444,998.00	309,849,513.00	-9.4%
Classified Supervisors' and Administrators' Salaries		2300	22,793,535.45	2,878,436.57	25,671,972.02	23,168,752.00	2,318,803.00	25,487,555.00	-0.7%
Clerical, Technical and Office Salaries		2400	225,254,530.66	39,382,060.21	264,636,590.87	238,425,968.00	45,901,488.00	282,327,456.00	6.7%
Other Classified Salaries		2900	64,306,405.89	49,748,748.51	114,055,154.40	68,849,538.00	52,039,263.00	120,888,801.00	6.0%
TOTAL, CLASSIFIED SALARIES			578,814,391.42	406,058,635.59	984,873,027.01	591,885,654.00	415,232,936.00	1,007,118,590.00	2.3%
EMPLOYEE BENEFITS									
STRS		3101-3102	295,349,603.76	326,092,768.59	621,442,372.35	352,713,355.00	312,432,056.00	665,145,411.00	7.0%
PERS		3201-3202	83,822,159.84	55,056,134.80	138,878,294.64	110,723,583.00	64,909,302.00	175,632,885.00	26.5%
OASDI/Medicare/Alternative		3301-3302	71,682,470.93	41,318,792.85	113,001,263.78	80,760,552.00	44,324,557.00	125,085,109.00	10.7%
Health and Welfare Benefits		3401-3402	465,328,824.75	223,306,708.14	688,635,532.89	462,354,788.00	283,518,174.00	745,872,962.00	8.3%
Unemployment Insurance		3501-3502	2,003,453.72	802,984.14	2,806,437.86	1,777,505.00	685,981.00	2,463,486.00	-12.2%
Workers' Compensation		3601-3602	75,521,943.44	31,841,620.07	107,363,563.51	81,970,164.00	32,477,459.00	114,447,623.00	6.6%
OPEB, Allocated		3701-3702	98,627,133.03	38,536,167.77	137,163,300.80	174,656,009.00	87,030,183.00	261,686,192.00	90.8%
OPEB, Active Employees		3751-3752	142,750,820.37	71,370,581.43	214,121,201.80	0.00	0.00	0.00	-100.0%
Other Employee Benefits		3901-3902	22,266.40	0.00	22,266.40	0.00	0.00	0.00	-100.0%
TOTAL, EMPLOYEE BENEFITS			1,235,108,476.24	788,325,757.79	2,023,434,234.03	1,264,955,956.00	825,377,712.00	2,090,333,668.00	3.3%
BOOKS AND SUPPLIES									
Approved Textbooks and Core Curricula Materials		4100	77,833,344.01	30,141,792.84	107,975,136.95	151,103,710.00	22,454,882.00	173,558,592.00	60.7%
Books and Other Reference Materials		4200	1,260,975.72	9,771,855.75	11,032,831.47	774,979.00	1,884,691.00	2,659,670.00	-75.9%
Materials and Supplies		4300	104,982,538.92	72,409,379.50	177,391,918.42	264,430,581.00	111,785,004.00	376,215,585.00	112.1%
Noncapitalized Equipment		4400	19,474,167.51	15,167,395.22	34,641,562.73	12,904,851.00	9,348,203.00	22,253,054.00	-35.8%
Food		4700	78,463.93	111,681.16	190,145.09	1,679,976.00	117,298.00	1,797,274.00	845.2%
TOTAL, BOOKS AND SUPPLIES			203,629,480.09	127,602,104.57	331,231,584.66	430,894,097.00	145,590,078.00	576,484,175.00	74.0%
SERVICES AND OTHER OPERATING EXPENDITURES									
Subagreements for Services		5100	57,670,822.67	306,806,666.13	364,477,488.80	60,289,463.00	296,049,149.00	356,338,612.00	-2.2%
Travel and Conferences		5200	5,416,632.94	8,031,591.88	13,448,224.82	4,974,734.00	2,701,824.00	7,676,558.00	-42.9%
Dues and Memberships		5300	2,373,977.39	88,504.98	2,462,482.37	2,250,329.00	186,951.00	2,437,280.00	-1.0%
Insurance		5400 - 5450	39,032,177.86	0.00	39,032,177.86	51,302,449.00	0.00	51,302,449.00	31.4%
Operations and Housekeeping Services		5500	137,543,420.37	70,759.73	137,614,180.10	144,914,446.00	15,000.00	144,929,446.00	5.3%
Rentals, Leases, Repairs, and Noncapitalized Improvements		5600	11,878,818.61	5,231,710.87	17,110,529.48	13,834,890.00	16,502,637.00	30,337,527.00	77.3%
Transfers of Direct Costs		5710	0.00	0.00	0.00	0.00	0.00	0.00	0.0%
Transfers of Direct Costs - Interfund		5750	(172,906.56)	0.00	(172,906.56)	0.00	0.00	0.00	-100.0%
Professional/Consulting Services and Operating Expenditures		5800	125,223,284.71	84,815,852.92	210,039,137.63	169,213,400.00	76,755,278.00	245,968,678.00	17.1%
Communications		5900	16,640,805.03	357,871.97	16,998,677.00	19,552,889.00	331,159.00	19,884,048.00	17.0%
TOTAL, SERVICES AND OTHER OPERATING EXPENDITURES			395,607,033.02	405,402,958.48	801,009,991.50	466,332,600.00	392,541,998.00	858,874,598.00	7.2%

			2017-18 Estimated Actuals			2018-19 Budget			
			Unrestricted (A)	Restricted (B)	Total Fund col. A + B (C)	Unrestricted (D)	Restricted (E)	Total Fund col. D + E (F)	
Description	Resource Codes	Object Codes							% Diff Column C & F
CAPITAL OUTLAY									
Land		6100	0.00	0.00	0.00	0.00	0.00	0.00	0.0%
Land Improvements		6170	3,639.72	0.00	3,639.72	275,050.00	0.00	275,050.00	7456.9%
Buildings and Improvements of Buildings		6200	7,677,878.97	20,848,214.56	28,524,093.53	13,363,656.00	60,669,094.00	74,032,750.00	159.5%
Books and Media for New School Libraries or Major Expansion of School Libraries		6300	0.00	0.00	0.00	0.00	0.00	0.00	0.0%
Equipment		6400	27,924,555.91	4,281,128.76	32,205,682.67	8,031,325.00	5,151,938.00	13,183,263.00	-59.1%
Equipment Replacement		6500	0.00	0.00	0.00	0.00	0.00	0.00	0.0%
TOTAL, CAPITAL OUTLAY			35,606,074.60	25,127,341.32	60,733,415.92	21,670,031.00	65,821,032.00	87,491,063.00	44.1%
OTHER OUTGO (excluding Transfers of Indirect Costs)									
Tuition									
Tuition for Instruction Under Interdistrict Attendance Agreements		7110	0.00	0.00	0.00	0.00	0.00	0.00	0.0%
State Special Schools		7130	118,366.00	0.00	118,366.00	650,466.00	0.00	650,466.00	449.5%
Tuition, Excess Costs, and/or Deficit Payments									
Payments to Districts or Charter Schools		7141	50,875.00	0.00	50,875.00	0.00	0.00	0.00	-100.0%
Payments to County Offices		7142	3,641,588.63	0.00	3,641,588.63	6,000,000.00	0.00	6,000,000.00	64.8%
Payments to JPAs		7143	0.00	0.00	0.00	0.00	0.00	0.00	0.0%
Transfers of Pass-Through Revenues									
To Districts or Charter Schools		7211	0.00	0.00	0.00	0.00	0.00	0.00	0.0%
To County Offices		7212	0.00	0.00	0.00	0.00	0.00	0.00	0.0%
To JPAs		7213	0.00	0.00	0.00	0.00	0.00	0.00	0.0%
Special Education SELPA Transfers of Apportionments									
To Districts or Charter Schools	6500	7221		0.00	0.00		0.00	0.00	0.0%
To County Offices	6500	7222		0.00	0.00		0.00	0.00	0.0%
To JPAs	6500	7223		0.00	0.00		0.00	0.00	0.0%
ROC/P Transfers of Apportionments									
To Districts or Charter Schools	6380	7221		0.00	0.00		0.00	0.00	0.0%
To County Offices	6380	7222		0.00	0.00		0.00	0.00	0.0%
To JPAs	6380	7223		0.00	0.00		0.00	0.00	0.0%
Other Transfers of Apportionments	All Other	7221-7223	1,012,663.72	0.00	1,012,663.72	1,012,665.00	0.00	1,012,665.00	0.0%
All Other Transfers		7281-7283	0.00	0.00	0.00	0.00	0.00	0.00	0.0%
All Other Transfers Out to All Others		7299	0.00	0.00	0.00	0.00	0.00	0.00	0.0%
Debt Service									
Debt Service - Interest		7438	38,637.97	0.00	38,637.97	50,407.00	0.00	50,407.00	30.5%
Other Debt Service - Principal		7439	440,615.12	0.00	440,615.12	428,847.00	0.00	428,847.00	-2.7%
TOTAL, OTHER OUTGO (excluding Transfers of Indirect Costs)			5,302,746.44	0.00	5,302,746.44	8,142,385.00	0.00	8,142,385.00	53.6%
OTHER OUTGO - TRANSFERS OF INDIRECT COSTS									
Transfers of Indirect Costs		7310	(74,919,024.01)	74,919,024.01	0.00	(98,608,759.00)	98,608,759.00	0.00	0.0%
Transfers of Indirect Costs - Interfund		7350	(24,595,955.50)	0.00	(24,595,955.50)	(32,721,035.00)	0.00	(32,721,035.00)	33.0%
TOTAL, OTHER OUTGO - TRANSFERS OF INDIRECT COSTS			(99,514,979.51)	74,919,024.01	(24,595,955.50)	(131,329,794.00)	98,608,759.00	(32,721,035.00)	33.0%
TOTAL, EXPENDITURES			4,454,302,838.32	2,554,348,671.08	7,008,651,509.40	4,790,655,927.00	2,699,192,057.00	7,489,847,984.00	6.9%

			2017-18 Estimated Actuals			2018-19 Budget			% Diff Column C & F
			Unrestricted (A)	Restricted (B)	Total Fund col. A + B (C)	Unrestricted (D)	Restricted (E)	Total Fund col. D + E (F)	
Description	Resource Codes	Object Codes							
INTERFUND TRANSFERS									
INTERFUND TRANSFERS IN									
From: Special Reserve Fund		8912	20,000,000.00	0.00	20,000,000.00	20,000,000.00	0.00	20,000,000.00	0.0%
From: Bond Interest and Redemption Fund		8914	0.00	0.00	0.00	0.00	0.00	0.00	0.0%
Other Authorized Interfund Transfers In		8919	13,616,548.37	5,501,943.01	19,118,489.38	0.00	0.00	0.00	-100.0%
(a) TOTAL, INTERFUND TRANSFERS IN			33,616,548.37	5,501,943.01	39,118,489.38	20,000,000.00	0.00	20,000,000.00	-48.9%
INTERFUND TRANSFERS OUT									
To: Child Development Fund		7611	24,831,528.90	0.00	24,831,528.90	41,287,401.00	0.00	41,287,401.00	66.3%
To: Special Reserve Fund		7612	0.00	0.00	0.00	0.00	0.00	0.00	0.0%
To: State School Building Fund/ County School Facilities Fund		7613	0.00	0.00	0.00	0.00	0.00	0.00	0.0%
To: Cafeteria Fund		7616	1,067,301.87	0.00	1,067,301.87	1,188,095.00	0.00	1,188,095.00	11.3%
Other Authorized Interfund Transfers Out		7619	27,585,462.77	1,109,875.04	28,695,337.81	17,052,707.00	0.00	17,052,707.00	-40.6%
(b) TOTAL, INTERFUND TRANSFERS OUT			53,484,293.54	1,109,875.04	54,594,168.58	59,528,203.00	0.00	59,528,203.00	9.0%
OTHER SOURCES/USES									
SOURCES									
State Apportionments Emergency Apportionments		8931	0.00	0.00	0.00	0.00	0.00	0.00	0.0%
Proceeds									
Proceeds from Sale/Lease- Purchase of Land/Buildings		8953	200,000.00	0.00	200,000.00	300,000.00	0.00	300,000.00	50.0%
Other Sources									
Transfers from Funds of Lapsed/Reorganized LEAs		8965	0.00	0.00	0.00	0.00	0.00	0.00	0.0%
Long-Term Debt Proceeds									
Proceeds from Certificates of Participation		8971	0.00	0.00	0.00	0.00	0.00	0.00	0.0%
Proceeds from Capital Leases		8972	112,390.73	0.00	112,390.73	0.00	0.00	0.00	-100.0%
Proceeds from Lease Revenue Bonds		8973	0.00	0.00	0.00	0.00	0.00	0.00	0.0%
All Other Financing Sources		8979	0.00	0.00	0.00	0.00	0.00	0.00	0.0%
(c) TOTAL, SOURCES			312,390.73	0.00	312,390.73	300,000.00	0.00	300,000.00	-4.0%
USES									
Transfers of Funds from Lapsed/Reorganized LEAs		7651	0.00	0.00	0.00	0.00	0.00	0.00	0.0%
All Other Financing Uses		7699	0.00	0.00	0.00	1,276,754.00	1,109,875.00	2,386,629.00	New
(d) TOTAL, USES			0.00	0.00	0.00	1,276,754.00	1,109,875.00	2,386,629.00	New
CONTRIBUTIONS									
Contributions from Unrestricted Revenues		8980	(1,140,128,267.27)	1,140,128,267.27	0.00	(1,228,040,537.00)	1,228,040,537.00	0.00	0.0%
Contributions from Restricted Revenues		8990	0.00	0.00	0.00	0.00	0.00	0.00	0.0%
(e) TOTAL, CONTRIBUTIONS			(1,140,128,267.27)	1,140,128,267.27	0.00	(1,228,040,537.00)	1,228,040,537.00	0.00	0.0%
TOTAL, OTHER FINANCING SOURCES/USES (a - b + c - d + e)									
			(1,159,683,623.71)	1,144,520,335.24	(15,163,288.47)	(1,268,545,494.00)	1,226,930,662.00	(41,614,832.00)	174.4%

Description	Function Codes	Object Codes	2017-18 Estimated Actuals			2018-19 Budget			% Diff Column C & F
			Unrestricted (A)	Restricted (B)	Total Fund col. A + B (C)	Unrestricted (D)	Restricted (E)	Total Fund col. D + E (F)	
A. REVENUES									
1) LCFF Sources		8010-8099	5,432,553,515.63	0.00	5,432,553,515.63	5,665,855,775.00	0.00	5,665,855,775.00	4.3%
2) Federal Revenue		8100-8299	8,502,375.24	580,458,151.75	588,960,526.99	7,861,114.00	624,502,939.00	632,364,053.00	7.4%
3) Other State Revenue		8300-8599	175,015,772.50	791,739,598.60	966,755,371.10	187,252,821.00	775,303,267.00	962,556,088.00	-0.4%
4) Other Local Revenue		8600-8799	259,076,794.80	10,342,580.08	269,419,374.88	133,572,424.00	11,085,771.00	144,658,195.00	-46.3%
5) TOTAL, REVENUES			5,875,148,458.17	1,382,540,330.43	7,257,688,788.60	5,994,542,134.00	1,410,891,977.00	7,405,434,111.00	2.0%
B. EXPENDITURES (Objects 1000-7999)									
1) Instruction	1000-1999	Except 7600-7699	2,586,250,944.96	1,574,808,931.75	4,161,059,876.71	2,737,515,960.00	1,679,021,116.00	4,416,537,076.00	6.1%
2) Instruction - Related Services	2000-2999		653,690,326.32	327,982,776.06	981,673,102.38	723,961,890.00	317,131,247.00	1,041,093,137.00	6.1%
3) Pupil Services	3000-3999		412,189,050.34	221,796,384.41	633,985,434.75	424,535,165.00	223,799,136.00	648,334,301.00	2.3%
4) Ancillary Services	4000-4999		27,884,125.26	102,998,751.84	130,882,877.10	38,102,577.00	94,850,188.00	132,952,765.00	1.6%
5) Community Services	5000-5999		5,242,397.84	668,132.48	5,910,530.32	8,098,333.00	1,367,844.00	9,466,177.00	60.2%
6) Enterprise	6000-6999		0.00	0.00	0.00	0.00	0.00	0.00	0.0%
7) General Administration	7000-7999		229,642,520.17	77,086,530.01	306,729,050.18	278,448,435.00	100,521,902.00	378,970,337.00	23.6%
8) Plant Services	8000-8999		534,099,751.72	249,007,164.53	783,106,916.25	571,851,182.00	282,500,624.00	854,351,806.00	9.1%
9) Other Outgo	9000-9999		5,303,721.71	0.00	5,303,721.71	8,142,385.00	0.00	8,142,385.00	53.5%
10) TOTAL, EXPENDITURES			4,454,302,838.32	2,554,348,671.08	7,008,651,509.40	4,790,655,927.00	2,699,192,057.00	7,489,847,984.00	6.9%
C. EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES BEFORE OTHER FINANCING SOURCES AND USES (A5 - B10)									
			1,420,845,619.85	(1,171,808,340.65)	249,037,279.20	1,203,886,207.00	(1,288,300,080.00)	(84,413,873.00)	-133.9%
D. OTHER FINANCING SOURCES/USES									
1) Interfund Transfers		8900-8929	33,616,546.37	5,501,943.01	39,118,489.38	20,000,000.00	0.00	20,000,000.00	-48.9%
a) Transfers In									
b) Transfers Out		7600-7629	53,484,293.54	1,109,875.04	54,594,168.58	59,528,203.00	0.00	59,528,203.00	9.0%
2) Other Sources/Uses		8930-8979	312,390.73	0.00	312,390.73	300,000.00	0.00	300,000.00	-4.0%
a) Sources									
b) Uses		7630-7699	0.00	0.00	0.00	1,276,754.00	1,109,875.00	2,386,629.00	New
3) Contributions		8980-8999	(1,140,128,267.27)	1,140,128,267.27	0.00	(1,228,040,537.00)	1,228,040,537.00	0.00	0.0%
4) TOTAL, OTHER FINANCING SOURCES/USES			(1,159,683,623.71)	1,144,520,335.24	(15,163,288.47)	(1,268,545,494.00)	1,226,930,662.00	(41,614,832.00)	174.4%

Description	Function Codes	Object Codes	2017-18 Estimated Actuals			2018-19 Budget			% Diff Column C & F
			Unrestricted (A)	Restricted (B)	Total Fund col. A + B (C)	Unrestricted (D)	Restricted (E)	Total Fund col. D + E (F)	
<b>E. NET INCREASE (DECREASE) IN FUND BALANCE (C + D4)</b>			261,161,996.14	(27,288,005.41)	233,873,990.73	(64,659,267.00)	(61,369,418.00)	(126,028,705.00)	-153.9%
<b>F. FUND BALANCE, RESERVES</b>									
1) Beginning Fund Balance									
a) As of July 1 - Unaudited		9791	1,602,089,544.64	163,053,900.43	1,765,143,445.07	1,863,251,540.78	135,765,895.02	1,999,017,435.80	13.2%
b) Audit Adjustments		9793	0.00	0.00	0.00	0.00	0.00	0.00	0.0%
c) As of July 1 - Audited (F1a + F1b)			1,602,089,544.64	163,053,900.43	1,765,143,445.07	1,863,251,540.78	135,765,895.02	1,999,017,435.80	13.2%
d) Other Restatements		9795	0.00	0.00	0.00	0.00	0.00	0.00	0.0%
e) Adjusted Beginning Balance (F1c + F1d)			1,602,089,544.64	163,053,900.43	1,765,143,445.07	1,863,251,540.78	135,765,895.02	1,999,017,435.80	13.2%
2) Ending Balance, June 30 (E + F1e)			1,863,251,540.78	135,765,895.02	1,999,017,435.80	1,798,592,253.78	74,396,477.02	1,872,988,730.80	-6.3%
Components of Ending Fund Balance									
a) Nonspendable									
Revolving Cash		9711	2,839,038.18	0.00	2,839,038.18	2,839,039.00	0.00	2,839,039.00	0.0%
Stores		9712	23,041,870.50	0.00	23,041,870.50	23,041,871.00	0.00	23,041,871.00	0.0%
Prepaid Items		9713	1,682,967.96	0.00	1,682,967.96	1,682,968.00	0.00	1,682,968.00	0.0%
All Others		9719	0.00	0.00	0.00	0.00	0.00	0.00	0.0%
b) Restricted		9740	0.00	135,765,895.02	135,765,895.02	0.00	74,396,477.90	74,396,477.90	-45.2%
c) Committed									
Stabilization Arrangements		9750	0.00	0.00	0.00	0.00	0.00	0.00	0.0%
Other Commitments (by Resource/Object)		9760	0.00	0.00	0.00	91,894,433.00	0.00	91,894,433.00	New
d) Assigned									
Other Assignments (by Resource/Object)		9780	1,057,387,473.00	0.00	1,057,387,473.00	904,122,084.00	0.00	904,122,084.00	-14.5%
e) Unassigned/Unappropriated									
Reserve for Economic Uncertainties		9789	75,381,322.00	0.00	75,381,322.00	75,617,628.00	0.00	75,617,628.00	0.3%
Unassigned/Unappropriated Amount		9790	702,918,869.14	0.00	702,918,869.14	699,394,230.78	(0.88)	699,394,229.90	-0.5%



Resource	Description	2017-18 Estimated Actuals	2018-19 Budget
5640	Medi-Cal Billing Option	2,879,424.09	7,638,871.09
5650	FEMA Public Assistance Funds	131,901.90	0.00
5810	Other Restricted Federal	5,331,289.71	6,459,924.71
6230	California Clean Energy Jobs Act	108,120,131.17	50,044,648.17
6286		519,752.64	0.00
6300	Lottery: Instructional Materials	0.00	3,087,498.00
6500	Special Education	3,897,675.60	4,939,642.60
6510	Special Ed: Early Ed Individuals with Exceptional Needs (Infant Progi	24,441.97	0.00
7085	Learning Communities for School Success Program	4,242.24	0.24
7338	College Readiness Block Grant	10,039,519.61	0.00
7810	Other Restricted State	163,164.39	160,892.39
8150	Ongoing & Major Maintenance Account (RMA: Education Code Secti	1,307,766.04	0.04
9010	Other Restricted Local	3,346,585.66	2,065,000.66
Total, Restricted Balance		135,765,895.02	74,396,477.90



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Office of Education**

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**Budget Adjustment Summary  
K-12/ROPs/JPA's**

Submit one (1) certified original of this form.

DISTRICT NUMBER 64733	GL JOURNAL ID NUMBER AA057	FUND NUMBER 01.0
FISCAL YEAR 18-19	FUND NAME GENERAL FUND	<input checked="" type="checkbox"/> Unrestricted <input type="checkbox"/> Restricted
DATE OF SUMMARY 10/2/2018	NAME OF SCHOOL DISTRICT LOS ANGELES UNIFIED SCHOOL DISTRICT	

A. Revenues/Other Financing Sources	Object Code	Specific Object Code	Specific Resource Code	Budget Adjustment Increase (Decrease)
1. LCFF Sources	8010-8099			\$ 33,876,247.00
2. Federal Revenue	8100-8299			
3. Other State Revenue	8300-8599			-71,525,710.00
4. Other Local Revenue	8600-8799			5,107,033.00
5. Interfund Transfers In	8900-8929			
6. All Other Financing Sources	8930-8979			
7. Contributions	8980-8999		see #AA058	-25,350,846.00
8. Total Revenues/Other Financing Sources			\$	-57,893,276.00

B. Expenditures/Other Financing Uses	Object Code	Resource Code (Optional)	Budget Adjustment Increase (Decrease)
1. Certificated Personnel Salaries	1000-1999		\$ -24,822,563.00
2. Classified Personnel Salaries	2000-2999		-34,575,785.00
3. Employee Benefits	3000-3999		-36,102,098.00
4. Books and Supplies	4000-4999		158,751,861.00
5. Services and Other Operating Expenditures	5000-5999		-28,548,035.00
6. Capital Outlay	6000-6999		13,952,472.00
7. Tuition	7100-7199		0.00
8. Interagency Transfers Out	7200-7299		0.00
9. Transfers of Indirect Costs	7300-7399		5,108,291.00
10. Debt Service	7430-7439		-229,002.00
11. Interfund Transfers Out	7600-7629	see #AA060 & AA075	-516,918.00
12. All Other Financing Uses	7630-7699		1,276,754.00
13. Total Expenditures/Other Financing Uses			\$ 54,294,977.00

C. Subtotal A8 - B13 [This amount will Increase (Decrease) Ending Fund Balance]	\$ -112,188,253.00
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**NOTES:** Line A5 - Interfund Transfers In and Line B11 - Interfund Transfers Out must equal.

Line A7 - Contributions must net to zero at the total fund level.


If Section C is not zero, you must complete Section D on Page 2.

D. Components of Ending Fund Balance	Object Code	Resource Code	Revision Increase (Decrease)
1. Nonspendable Amounts	9711		\$
Revolving Cash			
Stores	9712		
Prepaid Expenditures	9713		
All Others	9719		
Total Nonspendable Amounts			0.00
2. Restricted Amounts	9740		\$
Restricted			
Total Restricted Amounts			0.00
3. Committed Amounts	9750		\$
Stabilization Arrangements			
Other Commitments	9760		
Total Committed Amounts			0.00
4. Assigned Amounts	9780		\$
Other Assignments			-72,965,911.00
Total Assigned Amounts			-72,965,911.00
5. Unassigned/Unappropriated Amounts	9789		\$
Reserve for Economic Uncertainties			613,460.00
Unassigned/Unappropriated/Unrestricted Net Position	9790		-39,835,802.00
Total Unassigned/Unappropriated Amounts			-39,222,342.00
6. Total Components of Ending Fund Balance (Must Equal the Total in Section C)			\$ -112,188,253.00

**E. Narrative Explanation for this Revision - Must be Completed**

To implement budget adjustment based on 2018-2019 Revised Final Budget and Fiscal Stabilization Plan.

**F. School District Certification - Must be Completed**

NAME OF SCHOOL DISTRICT CONTACT PERSON		TELEPHONE NUMBER OF CONTACT PERSON	EMAIL ADDRESS OF CONTACT PERSON
Shaw Wang		(213)241-2190	shaw.wang@lausd.net
DATE OF BOARD APPROVAL	SIGNATURE OF AUTHORIZED SIGNATORY OR DESIGNEE OF THE BOARD	PRINT NAME AND TITLE	DATE SIGNED
Brd report 107 18/19 10/02/2018		Cheryl Simpson, Director of Budget Services and Financial Planning	October 4, 2018

Submit one (1) certified original of this form to:

Los Angeles County Office of Education  
Business Advisory Services  
9300 Imperial Highway  
Downey, CA 90242-2890

Approved: Debra Duardo, M.S.W., Ed.D. Los Angeles County Superintendent	SIGNATURE OF LOS ANGELES COUNTY SUPERINTENDENT OF SCHOOLS DEPUTY	DATE SIGNED



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Office of Education**

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**Budget Adjustment Summary  
K-12/ROPs/JPA's**

Submit one (1) certified original of this form.

DISTRICT NUMBER 64733	GL JOURNAL ID NUMBER AA058	FUND NUMBER 01.0
FISCAL YEAR 18-19	FUND NAME GENERAL FUND-RESTRICTED	<input type="checkbox"/> Unrestricted <input checked="" type="checkbox"/> Restricted
DATE OF SUMMARY 10/2/2018	NAME OF SCHOOL DISTRICT LOS ANGELES UNIFIED SCHOOL DISTRICT	

A. Revenues/Other Financing Sources	Object Code	Specific Object Code	Specific Resource Code	Budget Adjustment Increase (Decrease)
1. LCFF Sources	8010-8099			\$
2. Federal Revenue	8100-8299			
3. Other State Revenue	8300-8599			2,410,688.00
4. Other Local Revenue	8600-8799			
5. Interfund Transfers In	8900-8929			
6. All Other Financing Sources	8930-8979			
7. Contributions	8980-8999		see#AA057	25,350,846.00
8. Total Revenues/Other Financing Sources			\$	27,761,534.00

B. Expenditures/Other Financing Uses	Object Code	Resource Code (Optional)	Budget Adjustment Increase (Decrease)
1. Certificated Personnel Salaries	1000-1999		\$ -4,586,863.00
2. Classified Personnel Salaries	2000-2999		9,136,629.00
3. Employee Benefits	3000-3999		-1,417,464.00
4. Books and Supplies	4000-4999		2,947,259.00
5. Services and Other Operating Expenditures	5000-5999		-2,829,166.00
6. Capital Outlay	6000-6999		58,752,672.00
7. Tuition	7100-7199		0.00
8. Interagency Transfers Out	7200-7299		0.00
9. Transfers of Indirect Costs	7300-7399		-1,078,118.00
10. Debt Service	7430-7439		0.00
11. Interfund Transfers Out	7600-7629		0.00
12. All Other Financing Uses	7630-7699		1,109,875.00
13. Total Expenditures/Other Financing Uses			\$ 62,034,824.00

C. Subtotal A8 - B13 [This amount will Increase (Decrease) Ending Fund Balance]	\$ -34,273,290.00
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NOTES: Line A5 - Interfund Transfers In and Line B11 - Interfund Transfers Out must equal.

Line A7 - Contributions must net to zero at the total fund level.


If Section C is not zero, you must complete Section D on Page 2.

D. Components of Ending Fund Balance	Object Code	Resource Code	Revision Increase (Decrease)
1. Nonspendable Amounts	9711		\$
Revolving Cash			
Stores	9712		
Prepaid Expenditures	9713		
All Others	9719		
Total Nonspendable Amounts			0.00
2. Restricted Amounts	9740		\$
Restricted			-34,273,290.00
Total Restricted Amounts			-34,273,290.00
3. Committed Amounts	9750		\$
Stabilization Arrangements			
Other Commitments	9760		
Total Committed Amounts			0.00
4. Assigned Amounts	9780		\$
Other Assignments			
Total Assigned Amounts			0.00
5. Unassigned/Unappropriated Amounts	9789		\$
Reserve for Economic Uncertainties			
Unassigned/Unappropriated/Unrestricted Net Position	9790		
Total Unassigned/Unappropriated Amounts			0.00
6. Total Components of Ending Fund Balance (Must Equal the Total in Section C)			\$ -34,273,290.00

**E. Narrative Explanation for this Revision - Must be Completed**

To implement budget adjustment based on 2018-2019 Revised Final Budget and Fiscal Stabilization Plan.

**F. School District Certification - Must be Completed**

NAME OF SCHOOL DISTRICT CONTACT PERSON		TELEPHONE NUMBER OF CONTACT PERSON	EMAIL ADDRESS OF CONTACT PERSON
Shaw Wang		(213)241-2190	shaw.wang@lausd.net
DATE OF BOARD APPROVAL	SIGNATURE OF AUTHORIZED SIGNATORY OR DESIGNEE OF THE BOARD	PRINT NAME AND TITLE	DATE SIGNED
Brd report 107 18/19 10/02/2018		Cheryl Simpson, Director of Budget Services and Financial Planning	October 4, 2018

Submit one (1) certified original of this form to: Los Angeles County Office of Education  
Business Advisory Services  
9300 Imperial Highway  
Downey, CA 90242-2890

Approved: Debra Duardo, M.S.W., Ed.D. Los Angeles County Superintendent	SIGNATURE OF LOS ANGELES COUNTY SUPERINTENDENT OF SCHOOLS DEPUTY	DATE SIGNED





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**Budget Adjustment Summary  
K-12/ROPs/JPA's**

Submit one (1) certified original of this form.

DISTRICT NUMBER 64733	GL JOURNAL ID NUMBER AS156	FUND NUMBER 01.0
FISCAL YEAR 18-19	FUND NAME GENERAL FUND	<input type="checkbox"/> Unrestricted <input checked="" type="checkbox"/> Restricted
DATE OF SUMMARY 10/02/2018	NAME OF SCHOOL DISTRICT LOS ANGELES UNIFIED SCHOOL DISTRICT	

A. Revenues/Other Financing Sources	Object Code	Specific Object Code	Specific Resource Code	Budget Adjustment Increase (Decrease)
1. LCFF Sources	8010-8099			\$
2. Federal Revenue	8100-8299			-32,413,663.00
3. Other State Revenue	8300-8599			10,697,420.00
4. Other Local Revenue	8600-8799			-949,489.00
5. Interfund Transfers In	8900-8929			
6. All Other Financing Sources	8930-8979			
7. Contributions	8980-8999			
8. Total Revenues/Other Financing Sources				\$ -22,665,732.00

B. Expenditures/Other Financing Uses	Object Code	Resource Code (Optional)	Budget Adjustment Increase (Decrease)
1. Certificated Personnel Salaries	1000-1999		\$ -802,252.00
2. Classified Personnel Salaries	2000-2999		4,688,120.00
3. Employee Benefits	3000-3999		-823,014.00
4. Books and Supplies	4000-4999		-36,886,138.00
5. Services and Other Operating Expenditures	5000-5999		12,131,777.00
6. Capital Outlay	6000-6999		375,822.00
7. Tuition	7100-7199		
8. Interagency Transfers Out	7200-7299		
9. Transfers of Indirect Costs	7300-7399		2,937,776.00
10. Debt Service	7430-7439		
11. Interfund Transfers Out	7600-7629		
12. All Other Financing Uses	7630-7699		
13. Total Expenditures/Other Financing Uses			\$ -18,377,909.00

C. Subtotal A8 - B13 [This amount will Increase (Decrease) Ending Fund Balance]	\$ -4,287,823.00
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NOTES: Line A5 - Interfund Transfers In and Line B11 - Interfund Transfers Out must equal.

Line A7 - Contributions must net to zero at the total fund level.

If Section C is not zero, you must complete Section D on Page 2.

D. Components of Ending Fund Balance	Object Code	Resource Code	Revision Increase (Decrease)
1. Nonspendable Amounts			
Revolving Cash	9711		\$
Stores	9712		
Prepaid Expenditures	9713		
All Others	9719		
Total Nonspendable Amounts			0.00
2. Restricted Amounts			
a. Restricted	9740	56500.0	\$ -52,584.00
a.. Restrictied	9740	62640.0	925,871.00
a.. Restrictied	9740	70850.0	-4,242.00
a.. Restrictied	9740	73380.0	-5,156,868.00
Total Restricted Amounts			-4,287,823.00
3. Committed Amounts			
Stabilization Arrangements	9750		\$
Other Commitments	9760		
Total Committed Amounts			0.00
4. Assigned Amounts			
Other Assignments	9780		\$
Total Assigned Amounts			0.00
5. Unassigned/Unappropriated Amounts			
Reserve for Economic Uncertainties	9789		\$
Unassigned/Unappropriated/Unrestricted Net Position	9790		
Total Unassigned/Unappropriated Amounts			0.00
6. Total Components of Ending Fund Balance (Must Equal the Total in Section C)			\$ -4,287,823.00

**E. Narrative Explanation for this Revision - Must be Completed**

to reflect and align SFP restricted General Fund revenue budget by resource  
for the month of July to September 2018

**F. School District Certification - Must be Completed**

NAME OF SCHOOL DISTRICT CONTACT PERSON		TELEPHONE NUMBER OF CONTACT PERSON	EMAIL ADDRESS OF CONTACT PERSON
Mike Tieu		(213)241-7807	mike.tieu@lausd.net
DATE OF BOARD APPROVAL	SIGNATURE OF AUTHORIZED SIGNATORY OR DESIGNEE OF THE BOARD	PRINT NAME AND TITLE	DATE SIGNED
Brd report 107 18/19 October 2, 2018		Cheryl Simpson Director of Budget Services and Financial Planning	October 4, 2018

Submit one (1) certified original of this form to: Los Angeles County Office of Education  
Business Advisory Services  
9300 Imperial Highway  
Downey, CA 90242-2890

Approved: Debra Duardo, M.S.W., Ed.D. Los Angeles County Superintendent	SIGNATURE OF LOS ANGELES COUNTY SUPERINTENDENT OF SCHOOLS DEPUTY	DATE SIGNED



**Los Angeles County  
Office of Education**

Serving Students • Supporting Communities • Leading Educators

**Budget Adjustment Summary  
K-12/ROPs/JPA's**

Submit one (1) certified original of this form.

DISTRICT NUMBER 64733	GL JOURNAL ID NUMBER AS157	FUND NUMBER 01.2
FISCAL YEAR 18-19	FUND NAME GENERAL SubFUND	<input type="checkbox"/> Unrestricted <input checked="" type="checkbox"/> Restricted
DATE OF SUMMARY 10/02/2018	NAME OF SCHOOL DISTRICT LOS ANGELES UNIFIED SCHOOL DISTRICT	

A. Revenues/Other Financing Sources	Object Code	Specific Object Code	Specific Resource Code	Budget Adjustment Increase (Decrease)
1. LCFF Sources	8010-8099			\$
2. Federal Revenue	8100-8299			-31,605,905.00
3. Other State Revenue	8300-8599			
4. Other Local Revenue	8600-8799			
5. Interfund Transfers In	8900-8929			
6. All Other Financing Sources	8930-8979			
7. Contributions	8980-8999			
8. Total Revenues/Other Financing Sources			\$	-31,605,905.00

B. Expenditures/Other Financing Uses	Object Code	Resource Code (Optional)	Budget Adjustment Increase (Decrease)
1. Certificated Personnel Salaries	1000-1999		\$ 55,594,937.00
2. Classified Personnel Salaries	2000-2999		4,690,190.00
3. Employee Benefits	3000-3999		14,051,660.00
4. Books and Supplies	4000-4999		-97,783,529.00
5. Services and Other Operating Expenditures	5000-5999		-1,362,811.00
6. Capital Outlay	6000-6999		
7. Tuition	7100-7199		
8. Interagency Transfers Out	7200-7299		
9. Transfers of Indirect Costs	7300-7399		-6,796,352.00
10. Debt Service	7430-7439		
11. Interfund Transfers Out	7600-7629		
12. All Other Financing Uses	7630-7699		
13. Total Expenditures/Other Financing Uses			\$ -31,605,905.00

C. Subtotal A8 - B13 [This amount will Increase (Decrease) Ending Fund Balance]	\$ 0.00
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**NOTES:** Line A5 - Interfund Transfers In and Line B11 - Interfund Transfers Out must equal.  
Line A7 - Contributions must net to zero at the total fund level.  
If Section C is not zero, you must complete Section D on Page 2.




D. Components of Ending Fund Balance	Object Code	Resource Code	Revision Increase (Decrease)
1. Nonspendable Amounts			
Revolving Cash	9711		\$
Stores	9712		
Prepaid Expenditures	9713		
All Others	9719		
Total Nonspendable Amounts			0.00
2. Restricted Amounts			
Restricted	9740		\$
Total Restricted Amounts			0.00
3. Committed Amounts			
Stabilization Arrangements	9750		\$
Other Commitments	9760		
Total Committed Amounts			0.00
4. Assigned Amounts			
Other Assignments	9780		\$
Total Assigned Amounts			0.00
5. Unassigned/Unappropriated Amounts			
Reserve for Economic Uncertainties	9789		\$
Unassigned/Unappropriated/Unrestricted Net Position	9790		
Total Unassigned/Unappropriated Amounts			0.00
6. Total Components of Ending Fund Balance (Must Equal the Total in Section C)			\$ 0.00

**E. Narrative Explanation for this Revision - Must be Completed**

to reflect and align SFP restricted General SubFund revenue over expenditure budget by resource for the month of July to September 2018

**F. School District Certification - Must be Completed**

NAME OF SCHOOL DISTRICT CONTACT PERSON		TELEPHONE NUMBER OF CONTACT PERSON	EMAIL ADDRESS OF CONTACT PERSON
Mike Tieu		(213)241-7807	mike.tieu@lausd.net
DATE OF BOARD APPROVAL	SIGNATURE OF AUTHORIZED SIGNATORY OR DESIGNEE OF THE BOARD	PRINT NAME AND TITLE	DATE SIGNED
Brd report 107 18/19 October 2, 2018		Cheryl Simpson, Director of Budget Services and Financial Planning	October 4, 2018

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Los Angeles County Office of Education  
Business Advisory Services  
9300 Imperial Highway  
Downey, CA 90242-2890

Approved:					
Debra Duardo, M.S.W., Ed.D. Los Angeles County Superintendent	<table border="1"> <tr> <td>SIGNATURE OF LOS ANGELES COUNTY SUPERINTENDENT OF SCHOOLS DEPUTY</td> <td>DATE SIGNED</td> </tr> <tr> <td></td> <td></td> </tr> </table>	SIGNATURE OF LOS ANGELES COUNTY SUPERINTENDENT OF SCHOOLS DEPUTY	DATE SIGNED		
SIGNATURE OF LOS ANGELES COUNTY SUPERINTENDENT OF SCHOOLS DEPUTY	DATE SIGNED				

## **FISCALLY INDEPENDENT CHARTER SCHOOLS**

The fiscal oversight conducted annually by the Charter Schools Division (CSD) relative to Fiscally Independent Charter Schools (FICS) includes an assessment of a broad array of significant metrics and issues, in accordance with its oversight duties articulated in Education Code Section 47604(c).

In addition to tracking each schools' interim reports, unaudited actuals, independent audit reports, and budgets, other matters routinely reviewed include schools' fiscal policies and procedures, segregation of duties, financial control processes, approvals and reconciliations, payables, debts and loans, related party transfers, school-related construction and expansion projects, business contracts and agreements, and potential conflicts of interest (as well as a number of other issues).

With respect to schools' budgets and overall fiscal condition (whether based on financial reporting or otherwise), the CSD actively engages with FICS to address issues of concern in this area, including negative net positions, low cash reserve levels, any findings from independent auditors, governance issues, and circumstances that would call into question a school's ability to continue as a going concern (e.g., a steadily deteriorating financial condition observed over multiple consecutive Fiscal Years).

The CSD's engagement with schools regarding these issues also encompasses interviews with key school leaders and, where appropriate, members of a school's governing board (to ensure awareness and further follow-up on the part of the school regarding matters of concern).

Each of the 12 schools referenced by LACOE in its communication to the District have all received the manner of oversight discussed above (during each of the preceding years of the current charters), including further inquiries regarding their current negative net positions, as reflected in their respective financial reports. In order to provide LACOE with the most current information available to date, the CSD staff contacted each of the aforementioned schools (in September 2018) for updates.

The attached table provides a summary of the responses provided by these schools (as well as some historical information for context regarding what the schools shared with the CSD regarding their negative net deficits in their communications with the CSD prior to September 2018). The schools' individual explanations for what triggered their negative year-end net positions, how they intend to reverse the negative balances, and their actions plans for doing so, is contained within this table.

# FISCALLY INDEPENDENT CHARTER SCHOOLS STATUS REPORT

Name of Charter School	Location Code	2017-2018 Ending Net Position Per Unaudited Actuals	2018-2019 Prelim Budget Ending Net Deficit	Date of 2017-2018 Oversight Visit	2017-2018 Oversight Report Reasons for Net Deficit per School	Status per Schools, as shared with CSD in Sept. 2018
Alain Leroy Locke College Preparatory Academy	8087	\$ (7,406,147)	\$ (6,738,567)	9/26/17	High Special Education costs. The CSD issued a Notice of Concern on 01/31/17. Fiscal benchmarks in place	The Green Dot Home Office reduced its management fee to 0% beginning in FY 2018-2019 and will provide a \$3.3 million grant to the school in FY 2021-2022. The organization projects that the school will achieve a positive fund balance by FY 2021-2022.
Alliance Alice M. Baxter College-Ready High	7623	\$ (572,171)	\$ (691,839)	12/14/17	Reason for the schools fiscal condition include:The school's hiring of additional staff in anticipation meeting enrollment targets that did not materialize. The school only reached its full 9-12 grade-span with the addition of 12th grade in 2017-2018. Fiscal benchmarks in place.	Alliance stated that Alliance Baxter only recently reached its full 9-12 grade-span (with the addition of 12th grade in 2017-2018). Alliance also asserted that its governing board and leadership continue to monitor the school's financial performance based on its budget and the Fiscal benchmarks in place for the school.
Alliance College-Ready Middle Academy 5	5161	\$ (1,084,536)	\$ (1,172,881)	1/18/18	Low enrollment for grade 6.	ACRMA #5 has experienced turnover in its leadership. However, the Alliance home office foresees stability in the school's current Principal, which should assist with improving the school's enrollment. Furthermore, ACRMA #5 also maintains a deferred rent liability balance of \$955,000, which is a substantial contributor to the net deficit. This situation is similar to Alliance Smidt and the December 2018 refinancing will help to mitigate the net deficit. Negotiations are underway with a potential refinancing partner, and the timeline remains consistent with the December 2018 deadline.
Alliance Margaret M. Bloomfield Technology Academy High	7686	\$ 502,140	\$ (56,142)	2/21/18	An expected decrease in enrollment of approximately 23 students for 2018-2019.	The Alliance Home Office confirmed that their budget summaries are broadly accurate. Alliance also asserted that the 2018-19 budget projects a surplus for the year, and current enrollment is ahead of budget.
Alliance Marine - Innovation and Technology 6-12 Complex	7591	\$ (1,323,642)	\$ (1,373,557)	1/26/18	The school primarily attributes its fiscal decline to low student enrollment in grade levels 9 and 10.	Alliance states that, as Alliance MIT grows to full enrollment, they anticipate that their net deficits will persist.. As per the School Principal, once the school achieves the full 6 - 12 gradespan, the school expects have a staffing and expense structure fully aligned to enrollment that will provide for annual surpluses which will address the net deficit over time. The school's leadership team and its governing board are committed to fiscal responsibility and sustainability.

# FISCALLY INDEPENDENT CHARTER SCHOOLS STATUS REPORT

Name of Charter School	Location Code	2017-2018 Ending Net Position Per Unaudited Actuals	2018-2019 Prelim Budget Ending Net Deficit	Date of 2017-2018 Oversight Visit	2017-2018 Oversight Report Reasons for Net Deficit per School	Status per Schools, as shared with CSD in Sept. 2018
Alliance Susan and Eric Smidt Technology High	7684	\$ (2,441,777)	\$ (1,939,122)	4/18/18	The school's net deficit has been attributed to the school's accrued deferred rent liabilities (pertaining to its facility financing), as required by Generally Accepted Accounting Principles (GAAP).	Alliance confirmed that negotiations are underway with a potential refinancing partner, and the timeline remains consistent with the December 2018 deadline.
Alliance Ted K. Tajima High	7685	\$ (1,533,366)	\$ (1,248,903)	1/23/18	The school attributed its financial condition to actual student enrollment that was lower than expected (by approximately 20 students). The 2017-2018 (1st Interim) also reflected negative net assets resulting from the school's projected net loss, which was due to higher levels of spending on special education services, per the school's experience during the 2017-18 school year.	The Alliance Home Office confirmed that their budget summaries are broadly accurate. Alliance also asserted that the 2018-19 budget projects a surplus for the year, and current enrollment is ahead of budget.
Animo Phillis Wheatley Charter Middle (Clay Campus) (PSC)	5180	\$ (962,390)	\$ (930,335)	4/13/18	The school attributes its financial condition to high Special Education costs. Its comprehensive Special Education program includes a Resource Program, Special Day Program, and Self-Contained Autism Program.	Green Dot is currently evaluating Animo Phillis Wheatley's model to ensure that its scale is in line with enrollment trends, while ensuring that Green Dot remains able to provide for the needs of our Special Education population. The revised model will be implemented in the upcoming school year.

# FISCALLY INDEPENDENT CHARTER SCHOOLS STATUS REPORT

Name of Charter School	Location Code	2017-2018 Ending Net Position Per Unaudited Actuals	2018-2019 Prelim Budget Ending Net Deficit	Date of 2017-2018 Oversight Visit	2017-2018 Oversight Report Reasons for Net Deficit per School	Status per Schools, as shared with CSD in Sept. 2018
Animo Westside Charter Middle	5980	\$ (4,800,385)	\$ (5,040,274)	10/25/17	The school attributes its fiscal condition to high facility costs. Furthermore, Green Dot stated that the facility which currently houses Animo Westside is too small for their middle school model, and that the root cause for the selection of that facility was LAUSD not providing adequate prop 39 space, as had been promised.	The Green Dot Home Office reduced its management fee to 5% starting in FY 2018-2019 and eliminated one teaching position.
Community Preparatory Academy	5218	\$ (857,698)	\$ (373,456)	2/13/18	Actual enrollment substantially below projections for several consecutive Fiscal Years and Long-Term factoring of receivables. Notices to Cure have been issued by the CSD concerning fiscal issues.	The school provided the following status update: "The school's organizational structure was reorganized to clarify roles and identify areas where other staff could use their skills and expertise to meet both instructional and non-instructional objectives within our program. Expenditures in several areas were reduced from prior year spending and are reflected in the 2018-19 budget as submitted to LAUSD." Furthermore, CPA states, "In a recent conference call this month with Edtec involving CPA's governing board president the 2018-19 budget was discussed. The purpose of the call was to address the line items in the budget for both expense and revenue lines, to evaluate areas where further reductions could be considered and develop a strategy for maintaining transparency in the management of the budget as we move through the school year. The immediate plan was to leave as unfilled 2 certificated positions and use in-house expertise for the provision of classes in art and music, and to leave support staff positions unfilled despite the growth in student enrollment. These decisions are expected to bring savings in the area of staffing and benefits. Also planned was the elimination of a technology program planned to support teachers with the integration of Google Classroom. We were able to arrange a similar offering as part of the existing scope of work with another approved vendor. As follow-up to this discussion there is a planned check-in with Edtec by Mid-October to look at the actual spending in comparison to the budgeted plans as a gauge to how we are performing and staying on track. Also planned for that meeting is another look at updated figures based on the unfilled positions and other cuts/reductions in spending."



# FISCALLY INDEPENDENT CHARTER SCHOOLS STATUS REPORT

Name of Charter School	Location Code	2017-2018 Ending Net Position Per Unaudited Actuals	2018-2019 Prelim Budget Ending Net Deficit	Date of 2017-2018 Oversight Visit	2017-2018 Oversight Report Reasons for Net Deficit per School	Status per Schools, as shared with CSD in Sept. 2018
El Camino Real Charter High	8617	\$ 11,966,952	\$ (3,088,590)	4/12/18	The OPEB reporting requirements are the reason for the school's reported deficit. The 2016-2017 Audited Actuals reflected positive net assets. 2017-2018 was the first year that the school recorded its net Other Post-Employment Benefits (OPEB) Obligation (as per FASB ASC 715). The school's 2018-2019 Preliminary Budget included the actuarial liability related to OPEB, when excluding OPEB obligation, the school had/has positive operational net assets.	Per ECRCHS, on September 12, 2018, the school submitted a revised 2017-2018 Unaudited Actual Report to LAUSD/LACOE. The revised ending net assets/fund balance for FY 2017-2018 shows \$11,966,952 (a positive balance), rather than (\$3,088,590). The significant change is primarily attributed to the reduced OPEB Obligation recorded on the school's book (i.e., \$9M per 2017-2018 UAR vs. \$24M per 2016-2017 Audited Financials), based on the updated FASB ASC 715 Actuarial Valuation Report recently obtained from Grant Thornton for Fiscal Year ended June 30, 2018. Per this valuation report and per ECRCH, there was a \$15 million actuarial gain for FY ended June 30, 2018 as a result of multiple factors, such as (1) Changes to the OPEB's qualifying requirements or the school's eligible class; (2) Improved discount rate; (3) Improved expected long-term rate of return assumption; (4) Updated Morbidity rates; and (5) Updated mortality, termination, and retirement assumptions for the school's classified participants per the 2017 Cal PERS experience study.
Montague Charter Academy	5370	\$ (1,010,660)	\$ (1,316,016)	2/8/18	The school's 2018-2019 Preliminary Budget included the actuarial liability related to OPEB; When excluding OPEB obligation, the school had/has positive operational net assets.	Montague confirmed that the status remains the same. The school stated that it is in the process of bidding/selecting a new certified actuary to perform an updated FASB ASC 715 actuary valuation report for Fiscal Year ended June 30, 2018.