



Board of Education Report

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File #: Rep-017-23/24, **Version:** 1

2023-24 Revised Budget

August 22, 2023

Office of the Chief Business Officer

Action Proposed:

Approval to implement projected revenue and expenditure changes in the 2023-24 Revised Budget predicated on the recent adoption of the 2023-24 State Budget Act and labor agreements approved by the Board of Education (Board) in June 2023.

Background:

The 2023-24 State Budget Act was signed into law by the Governor on June 27, 2023. Revisions to LA Unified's revenues and expenditures as a result of the Enacted State Budget are reflected in the revised budget. The following labor agreements, which were approved by the Board on June 6, 13, and 20 of 2023, are reflected as expenditures in the revised budget: California School Employees Association, Building and Construction Trades Council, School Police, and School Police Management, and labor agreements related to the revised instructional calendar.

Expected Outcomes:

The outcome of this Board action shall enable LA Unified to implement projected revenue and expenditure changes to the 2023-24 Budget.

Board Options and Consequences:

Should the Board adopt the proposal, LA Unified shall implement the provisions of this board report. Should the Board vote not to adopt, LA Unified shall not implement the provisions of this board report.

Policy Implications:

None

Budget Impact:

Projected changes to revenues and expenditures shall be reflected in the 2023-24 Budget.

Student Impact:

Proper alignment of projected revenue and expenditure changes ensures that LA Unified shall continue to operate and serve its student population with fiscal responsibility.

Equity Impact:

Component	Score	Score Rationale
Recognition	4	The 2023-24 Revised Budget is LA Unified's plan related to anticipated revenues and expenditures for all funds and actively recognizes historical inequities. Students learn in different ways depending on the student's background, language, race, economic profile, etc. Therefore, resources are allocated using metrics that recognize these differences. Programs with funding models that use various indicators include, but are not limited to, the Student Equity Needs Index (SENI), Black Student Achievement Plan (BSAP), Arts Program, Staffing Equity Grant, and Title I.
Resource Prioritization	4	The 2023-24 Revised Budget effectively prioritizes resources based on student need. Programs are established and funds are allocated by applying various metrics to address the unique needs for specific student groups such as low-income students, English Learners, and students in foster care as well as to provide additional support to accelerate gains in closing opportunity and outcome gaps.
Results	4	The 2023-24 Revised Budget includes investments in schools that are allocated to improve student achievement and equity across all student groups. The goal is to build fairness and inclusion and ensure every student has the opportunity to achieve their academic goals.
TOTAL	12	

Issues and Analysis:

None

Attachments:

Attachment A - Executive Summary

Attachment B - Budget Assumptions and Policies

Informatives:

None

Submitted:

08/15/23, Revision # 1

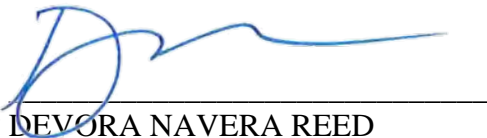
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RESPECTFULLY SUBMITTED,

ALBERTO M. CARVALHO
Superintendent

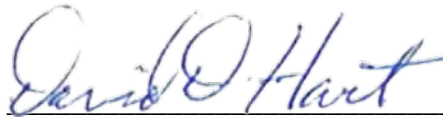
APPROVED & PRESENTED BY:

PEDRO SALCIDO
Deputy Superintendent,
Business Services & Operations

REVIEWED BY:

DEVORA NAVERA REED
General Counsel

✓ Approved as to form.

APPROVED & PRESENTED BY:

DAVID D. HART
Chief Business Officer
Office of the Chief Business Officer

REVIEWED BY:

NOLBERTO DELGADILLO
Deputy Chief Business Officer, Finance

✓ Approved as to budget impact statement.

EXECUTIVE SUMMARY – 2023-24 REVISED BUDGET

At its June 20, 2023 meeting, the Board adopted a budget based on assumptions from the Governor’s May Revision. The Revised Budget is based upon the Enacted State Budget which was signed by the Governor on June 27, 2023. In addition, the Revised Budget reflects labor agreements and release of committed fund balances that were approved by the Board in June 2023.

The Enacted State Budget provides a new ongoing investment with the Local Control Funding Formula (LCFF) Equity Multiplier for school sites that have prior-year nonstability rates of greater than 25% and socioeconomically disadvantaged pupil rates of greater than 70%. This updated funding formula results in less Equity Multiplier revenue for LA Unified than what was included in the Governor’s May Revision. In addition, the Enacted State Budget reduced onetime investments, namely the Arts, Music, and Instructional Materials (AMIM) Discretionary Block Grant and Learning Recovery Emergency Block Grant. However, the reductions to these grants are lower compared to the Governor’s May Revision proposal which allows LA Unified to receive additional revenues.

Labor agreements that were approved in June 2023 for California School Employees Association (CSEA), Building Council “Trades”, School Police, School Police Management, and labor agreements related to the revised instructional calendar are included in this revised budget.

The total impact of these changes to LA Unified’s multi-year projection results in a positive estimated General Fund unrestricted/unassigned ending balance of \$22.6 million in the third Fiscal Year 2025-26.

Revised Multi-year Projection from the Adopted Final Budget

LA Unified continues to have a structural deficit whereby in-year expenditures exceed in-year revenues. Revenues continue to be impacted by declining enrollment. Expenditures have not been reduced commensurately. As a result, the 2023-24 Revised Budget includes the draw down of one-time fund balance over the multi-year projection as well as the use of one-time State funding as balancing solutions.

Table I provides a summary reconciliation of the unrestricted/unassigned General Fund ending balances 2023-24 through 2025-26 from the Adopted Final Budget (June 2023) to the Revised Budget (August 2023):

Table I. Estimated Unrestricted/Unassigned General Fund Ending Balances

Reconciliation from Adopted Final Budget to Revised Budget – June 2023 to August 2023 (Amounts in millions)	2023-24	2024-25	2025-26
Unassigned Ending Balance at Adopted Final Budget (June 2023)	\$113.7	\$18.5	\$10.6
Enacted State Budget Changes	26.9	53.8	280.2
Other Changes	(13.4)	38.3	(268.2)
Net Changes	13.5	92.1	12.0
Estimated Unassigned Ending Balance at Revised Budget (August 2023)	\$127.2	\$110.6	\$22.6

Enacted State Budget Changes – the following are the major changes that impact the General Fund ending balance:

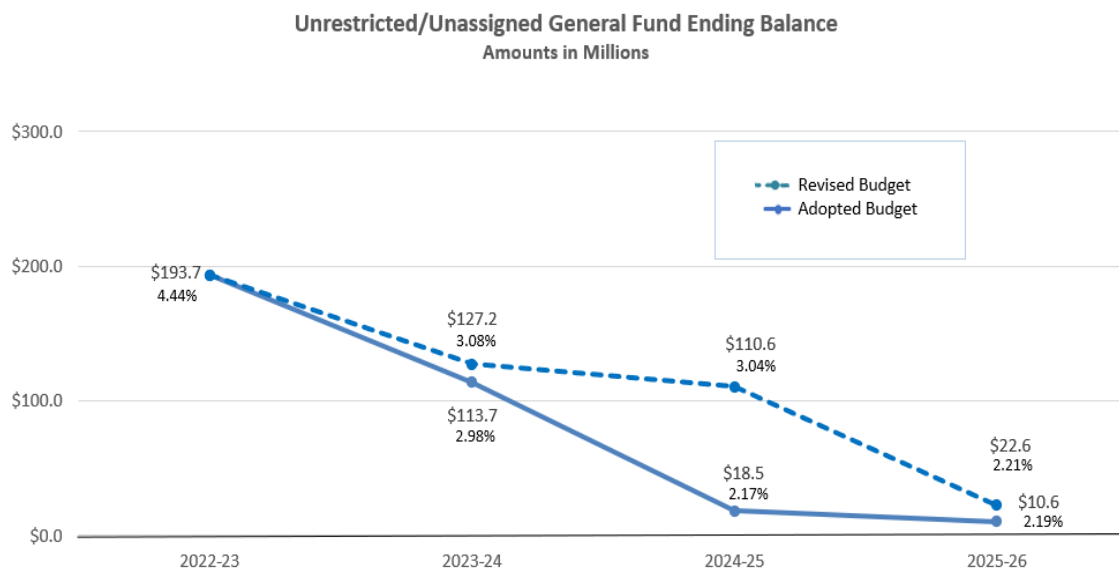
- LCFF Equity Multiplier of \$26.9 million each fiscal year. The funding formula in the Governor’s May Revision would have generated an estimated \$150 million in annual revenue.
- AMIM Discretionary Block Grant of additional \$114 million in revenues can be used to fund existing labor agreements in 2025-26
- Learning Recovery Emergency Block Grant of additional \$85.6 million in revenues can be used to fund existing labor agreements in 2025-26

Other Changes – the following are the major changes since the Adopted Final Budget in June 2023:

- Revenues from the LCFF Equity Multiplier are placed in assigned ending balance
- Release of \$77 million and \$211 million in committed ending balance for 2023-24 and 2024-25, respectively, as approved by the Board of Education in June 2023
- Labor agreements for CSEA, Building Council “Trades”, School Police, School Police Management, and labor agreements related to the revised instructional calendar, as approved by the Board of Education in June 2023
- Consistent with statute, updates to contributions for Routine Restricted Maintenance Account and Reserve for Economic Uncertainties to meet statutory requirements

Appendix I of the board report lists the estimated Assigned and Committed General Fund ending balances for 2023-24 through 2025-26.

The unrestricted/unassigned General Fund ending balance reserve percentage is estimated to drop from 4.44% in 2022-23 to 2.21% in 2025-26.



Next Steps

The national and state economy continue to be shrouded with uncertainty brought about by the delayed tax receipts due to the postponement of tax filings until October 2023, interest rate hikes, and the prospect of a potential recession.

The current multi-year projection is positive due to balancing solutions and use of onetime resources. However, in the absence of further balancing solutions, the cost of agreements with bargaining units that have yet to settle shall further lower the unrestricted/unassigned General Fund ending balances.

The Unaudited Actuals for the prior year fiscal year 2022-23 is the next State statutory report and is scheduled to be presented to the Board on September 12, 2023. The 2022-23 Audited Annual Financial Report will also be submitted to Board in December 2023.

ASSIGNED BALANCES
(Amount in millions)

CATEGORY	PROGRAM	PROGRAM NAME	2022-23 Estimates	2023-24 Estimates	2024-25 Estimates	2025-26 Estimates
General Fund School Allocation	13027	General Fund School Program	\$ 202.2	\$ 202.2	\$ 202.2	\$ 202.2
General Fund School Allocation Total			202.2	202.2	202.2	202.2
<i>General Fund School Allocation, Percentage of Total Assigned Balance</i>			<i>30%</i>	<i>40%</i>	<i>40%</i>	<i>41%</i>
School Site Programs	Various	School Donations	27.4	27.4	27.4	27.4
School Site Programs	Various	Filming/Non-Filming Rental	21.8	21.8	21.8	21.8
School Site Programs	13723	Charter School Categorical Block Grant	19.1	19.1	19.1	19.1
School Site Programs	14197	Textbooks (formerly Instructional Materials Block Grant)	14.4	-	-	-
School Site Programs	11665	Band and Drill Uniforms	5.8	5.8	5.8	5.8
School Site Programs	11664	Athletics School Uniform	5.8	-	-	-
School Site Programs	14503	Proposition 39 Over-Allocated Space-School	5.4	-	-	-
School Site Programs	13724	Charter School Allocation In Lieu Of Economic Impact Aide	4.1	4.1	4.1	4.1
School Site Programs	13990	Humanizing Education for Equitable Transformation (HEET)	4.0	4.0	4.0	4.0
School Site Programs	10257	Schools Facilities Improvements	3.9	-	-	-
School Site Programs	14861	Software Bundle	2.8	2.8	2.8	2.8
School Site Programs	11266	Start-Up Costs-New Schools	2.7	2.7	2.7	2.7
School Site Programs	10590	Community Schools Resolution	2.4	2.4	2.4	2.4
School Site Programs	13911	Paraprofessional Teacher Training	2.1	2.1	2.1	2.1
School Site Programs	10582	Library Initiative	1.6	1.6	1.6	1.6
School Site Programs	10381	Alternative Certification-Internship Secondary	1.3	1.3	1.3	1.3
School Site Programs	14340	Lease/Rental Proceeds-Charter Agreement	1.2	1.2	1.2	1.2
School Site Programs	14220	Transcripts Of Pupils' Records	0.8	0.8	0.8	0.8
School Site Programs	13950	Advance Placement Test Fee	0.7	0.7	0.7	0.7
School Site Programs	12702	Instructional Material Account-Library Fines	0.7	0.7	0.7	0.7
School Site Programs	10817	Verizon Innovative Learning Digital Promise	0.6	0.6	0.6	0.6
School Site Programs	13787	Assembly Bill 10 Hygiene	0.6	0.6	0.6	0.6
School Site Programs	10188	Charter School Charges	0.5	0.5	0.5	0.5
School Site Programs	10315	National Board Certification - Support	0.5	0.5	0.5	0.5
School Site Programs	10598	Utilities Savings Sharing Program	0.5	0.5	0.5	0.5
School Site Programs	10194	General Fund Portion-Unified Enrollment	0.3	0.3	0.3	0.3
School Site Programs	10644	Partner Program	0.3	0.3	0.3	0.3
School Site Programs	16141	Verizon/Homelessness and Foster Care Program - School	0.3	0.3	0.3	0.3
School Site Programs	10293	General Fund-Computer Reimbursement	0.3	0.3	0.3	0.3
School Site Programs	13791	Local District Enrollment & Attendance Incentive	0.3	-	-	-
School Site Programs	10600	Maintenance & Operation Services-Wellness Clinic	0.3	0.3	0.3	0.3
School Site Programs	10603	Classified School Employee Teacher Credential	0.2	0.2	0.2	0.2
School Site Programs	15829	Proposition 58 Implementation-Central	0.2	0.2	0.2	0.2
School Site Programs	13211	Star Program	0.2	0.2	0.2	0.2
School Site Programs	10356	Office of Inspector General Audit Settlement Reimbursement	0.2	0.2	0.2	0.2
School Site Programs	10382	ARC Reimbursement-After School	0.1	0.1	0.1	0.1
School Site Programs	14151	Facilities Services-Wellness Clinics	0.1	0.1	0.1	0.1
School Site Programs	14219	Obsolete Textbooks	0.1	0.1	0.1	0.1
School Site Programs	10636	Preliminary Scholastic Aptitude Test (PSAT)/National Merit Scholarship Qualifying Test (NMSQT)	0.1	0.1	0.1	0.1
School Site Programs	10812	Foundation for Early Childhood	0.1	-	-	-
School Site Programs	14129	Achievement Schools Network Program-School	0.1	0.1	0.1	0.1
School Site Programs	10581	Districtwide Report Card - Supplemental	0.1	0.1	0.1	0.1
School Site Programs	11486	School Community Violence Prevention	0.1	0.1	0.1	0.1
School Site Programs	10320	Fund for Accelerated Learning Initiatives	0.1	0.1	0.1	0.1
School Site Programs	10317	Leadership Framework Contract	0.1	-	-	-
School Site Programs	11684	Joint-Use Collections-Schools	0.1	0.1	0.1	0.1
School Site Programs	Various	Facilities Services Division-Emergent Requirements-Schools	0.3	0.3	0.3	0.3
School Site Programs	13794	All Others	(0.1)	(0.1)	(0.1)	(0.1)
School Site Programs	15369	Maintenance & Operations Cleanliness Fund (Service Employees International Union)	(0.1)	(0.1)	(0.1)	(0.1)
School Site Programs	11476	Foreign Student Processing Fee	(1.4)	(1.4)	(1.4)	(1.4)
School Site Programs	11476	Civic Center Permit Program	(1.4)	(1.4)	(1.4)	(1.4)
School Site Programs Total			132.4	102.5	102.5	102.5
<i>School Site Programs, Percentage of Total Assigned Balance</i>			<i>20%</i>	<i>20%</i>	<i>20%</i>	<i>21%</i>
Districtwide Costs	17675	Reserve For Budget Redirection	144.6	121.3	87.9	54.6
Districtwide Costs	16929	Reserve For One-time Expenditures	73.0	39.4	39.4	39.4
Districtwide Costs	14439	Pending Board-Approved Distribution	46.8	-	-	-
Districtwide Costs	10591	White Fleet Vehicle Replacement Plan	8.0	-	-	-
Districtwide Costs	16928	Reserve For Ongoing Expenditures	7.9	26.9	53.8	80.7
Districtwide Costs	13050	School District-Audit & Examination	6.7	-	-	-
Districtwide Costs	10606	Local District Networks Configuration Projects	4.0	-	-	-
Districtwide Costs	13782	Charter Fee for Service - Maintenance & Operations	3.8	3.8	3.8	3.8
Districtwide Costs	17965	District Cost-Payment of Audit Findings	3.7	-	-	-
Districtwide Costs	12704	SAP Ariba and Concur	3.4	3.4	3.4	3.4
Districtwide Costs	10857	Program Support Cost (PSC) & Other Fee for Service	2.7	2.7	2.7	2.7
Districtwide Costs	14712	Information Technology Projects (General Fund) - Other Expenditures	2.5	2.5	2.5	2.5
Districtwide Costs	10568	Los Angeles School Police Computer Aided Dispatch System	2.5	2.5	2.5	2.5
Districtwide Costs	10894	Health/Wellness Program for Active & Retired Employees	0.7	0.7	0.7	0.7
Districtwide Costs	10363	Fingerprint New Requests	0.7	0.7	0.7	0.7
Districtwide Costs	13786	Charter School Fee-Instruction Division	0.7	0.7	0.7	0.7

ASSIGNED BALANCES
(Amount in millions)

CATEGORY	PROGRAM	PROGRAM NAME	2022-23 Estimates	2023-24 Estimates	2024-25 Estimates	2025-26 Estimates
Districtwide Costs	10593	Energy Rebate Conservation Administration	0.3	0.3	0.3	0.3
Districtwide Costs	11667	School Police Student Body Security Overtime	0.3	0.3	0.3	0.3
Districtwide Costs	10652	R2 Fees	0.3	0.3	0.3	0.3
Districtwide Costs	13783	Specialized Charter Agreements	0.3	0.3	0.3	0.3
Districtwide Costs	13745	Charter School Fee For Service	0.2	0.2	0.2	0.2
Districtwide Costs	11481	Agreement with Outside Agency	0.1	0.1	0.1	0.1
Districtwide Costs	Various	All Others	0.1	0.1	0.1	0.1
Districtwide Costs	14790	Information Technology Division (ITD) General Fund-Portion-Disaster Recovery and Business Continuity Core Network	(0.1)	(0.1)	(0.1)	(0.1)
Districtwide Costs	10252	Information Technology Division (ITD) Priority Projects	(0.1)	(0.1)	(0.1)	(0.1)
Districtwide Costs Total			313.2	205.9	199.5	193.0
<i>Districtwide Costs, Percentage of Total Assigned Balance</i>			<i>47%</i>	<i>40%</i>	<i>40%</i>	<i>39%</i>
Central Office	13315	Beaudry Building Improvement	5.2	-	-	-
Central Office	14423	Incentive-Breakfast-Discretionary	2.6	-	-	-
Central Office	12654	Board Members Discretionary Funds	2.1	-	-	-
Central Office	10813	Achievement Schools Network Program-Non-School	1.8	-	-	-
Central Office	11648	Facilities Condition Assessments-Administrative Sites	1.6	-	-	-
Central Office	10467	Community Schools-Central	1.6	-	-	-
Central Office	15871	Vehicle Replacement	1.3	-	-	-
Central Office	Various	Commission on Teacher Credentialing (CTC)	1.3	(0.8)	(0.8)	(0.8)
Central Office	10621	Proposition 39 Over-Allocated Space-District Administration	0.8	-	-	-
Central Office	10643	Verizon/Homelessness and Foster Care Program - Central	0.7	-	-	-
Central Office	14713	Distance Learning and Digital Inclusion Allowance	0.5	-	-	-
Central Office	10578	Teacher Quality & Staffing	0.3	-	-	-
Central Office	10811	457 Retirement Plan Administration Expense	0.2	-	-	-
Central Office	11164	Enterprise Software License-Legal Compliance	0.2	-	-	-
Central Office	13203	Long Term Leases-Publishing Costs	0.2	-	-	-
Central Office	14517	Contract Services -Energy Conservation	0.2	-	-	-
Central Office	10783	Advertising on White Fleet	0.1	-	-	-
Central Office	14494	Enterprise Help Desk General Fund	0.1	-	-	-
Central Office	11669	School Police Reimbursement Account-Rio Hondo Community College	0.1	-	-	-
Central Office	10599	General Fund Portion-Learning Management System (LMS)	0.1	-	-	-
Central Office	10868	Porter Ranch Childcare-Central	0.1	-	-	-
Central Office	15375	Information Technology Division (ITD) General Fund Portion-Indirect	0.1	-	-	-
Central Office	15278	KLCS-Corporation for Public Broadcasting Fiscal Stabilization Funds	0.1	-	-	-
Central Office	Various	All Others	0.3	(0.0)	(0.0)	(0.0)
Central Office	16512	School Determined Education Program (SDEP)-Citations Processing	(0.7)	(0.7)	(0.7)	(0.7)
Central Office Total			21.0	(1.5)	(1.5)	(1.5)
<i>Central Office, Percentage of Total Assigned Balance</i>			<i>3%</i>	<i>0%</i>	<i>0%</i>	<i>0%</i>
Grand Total			\$ 668.8	\$ 509.1	\$ 502.7	\$ 496.2

COMMITTED BALANCES

(Amount in millions)

CATEGORY	PROGRAM	PROGRAM NAME	2022-23 Estimates	2023-24 Estimates	2024-25 Estimates	2025-26 Estimates
Proportionality	10544	TSP (Targeted Student Population)	487.7	322.6	119.7	61.4
Proportionality	11456	TSP (Targeted Student Population) - School Staffing Equity	197.7	-	-	-
Proportionality	10984	TSP (Targeted Student Population)-Student Equity Needs Index (SENI) Goal 2 Proficiency for All	128.5	128.5	128.5	105.1
Proportionality	10552	TSP (Targeted Student Population)-Student Equity Needs Index (SENI)	115.8	115.8	115.8	-
Proportionality	10983	TSP (Targeted Student Population)-Student Equity Need Index (SENI) Goal 1 100% Graduation	31.0	31.0	31.0	31.0
Proportionality	10988	TSP (Targeted Student Population)-Student Equity Needs Index (SENI) Goal 5 School Safety	27.1	27.1	27.1	27.1
Proportionality	10985	TSP (Targeted Student Population)-Student Equity Needs Index (SENI) Goal 3 100% Attendance	22.7	22.7	22.7	22.7
Proportionality	10987	TSP (Targeted Student Population)-Student Equity Needs Index (SENI) Goal 4 Parent & Community Engagement	10.5	10.5	10.5	10.5
Proportionality	10155	English Learners Transition - Central Office	10.1	-	-	-
Proportionality Total			\$ 1,031.2	\$ 658.3	\$ 455.4	\$ 257.9
Districtwide Costs	16929	Reserve For Student Equity Needs Index (SENI)	600.0	300.0	-	-
Districtwide Costs	17675	Reserve For Other Post-Employment Benefits (OPEB)	422.0	211.0	-	-
Districtwide Costs	17675	Reserve From Other Post-Employment Benefit (OPEB) Savings	-	-	-	-
Districtwide Costs	16929	Reserve For Inflation Protection	99.1	109.7	-	-
Districtwide Costs	16929	Reserve For Primary Promise	40.0	40.0	-	-
Districtwide Costs	16929	Reserve For Intervention Services for Data Dialogues Informing Growth (DIG) Schools	-	-	63.0	63.0
Districtwide Costs	16929	Reserve for Labor Agreements	-	576.3	250.0	-
Districtwide Costs Total			\$ 1,161.1	\$ 1,237.0	\$ 313.0	\$ 63.0
Grand Total			\$ 2,192.3	\$ 1,895.3	\$ 768.4	\$ 320.9

BUDGET ASSUMPTIONS AND POLICIES

2023-24 Fiscal Year:

1. The May Revision provides a 8.22% increase for the Local Control Funding Formula (LCFF).
2. 8.22% statutory COLA for Special Education and selected categorical programs outside of LCFF.
3. LCFF-funded Average Daily Attendance (ADA) of 375,903.74 for non-charter schools, which is based on the average of the three prior years' ADA, and 34,020.45 for locally-funded (affiliated) charter schools, which is based on projected 2023-24 ADA. The percentage of ADA to enrollment (ADA %) is 90%.
4. State Special Education (AB 602) funding reflects an increased base rate to \$887 per ADA from \$820 per ADA.
5. Estimated unduplicated pupil count (UPC) and three-year rolling average unduplicated pupil percentage (UPP) of 325,422 and 85.93% for non-charter schools (including County Program students) and 17,663 and 46.93% on average for locally-funded (affiliated) charter schools.
6. Education Protection Account (EPA) portion of LCFF of \$1,254.8 million to be spent for instruction.
7. LCFF supplemental and concentration budgeted expenditures of \$1,600.5 million.
8. Lottery unrestricted rate per ADA is estimated at \$177 per ADA. Restricted (Proposition 20) rate per ADA is estimated at \$72 per ADA. ¹
9. The District will receive approximately \$881.6 million from the American Rescue Plan (ARP) Act - Elementary and Secondary School Emergency Relief (ESSER) III and \$68.9 million from the CRRSA Act - Elementary and Secondary School Emergency Relief (ESSER) II.
10. The District will receive new revenues of \$457.1 million from Expanded Learning Opportunities Program (ELOP).
11. The District will receive revenues of \$26.9 million from LCFF Equity Multiplier. ¹
12. A net enrollment decline of 8,453 from 2022-23 for non-charter and locally-funded (affiliated) charter schools. Direct-funded (independent) charter school enrollment decreased by 1,759.

¹ Updated to reflect impact of the Enacted State Budget

13. Certificated and Classified salaries include bargaining agreements with Service Employees International Union Local 99 (SEIU), Associated Administrators Los Angeles Unit J (AALA-J), United Teachers Los Angeles (UTLA), California School Employees Association, Building Council “Trades”, School Police, School Police Management, as well as labor agreements related to the revised instructional calendar.²
14. Funding for employee health and medical benefits at the per participant rate set forth in the 2022-2023 Health and Welfare agreement. This agreement expires December 31, 2023. Participant rates set forth in any successor agreement could have a material fiscal impact.
15. Contribution to the Other Post-Employment Benefit Plans (OPEB) Trust of \$211 million from all funds.
16. California State Teachers' Retirement System (CalSTRS) rates of 19.10%, which is the same as 2022-23.
17. Increase of 1.31% in California Public Employees' Retirement System (CalPERS) rates for 2023-24 from 25.37% to 26.68%.

Summary of Selected Employee Benefits in General Fund Regular Programs²:

(in millions)	2022-23	2023-24	2024-25	2025-26
CalSTRS (Employer)	\$604.9	\$654.0	\$700.5	\$703.6
CalSTRS (On Behalf) ³	\$306.9	\$306.9	\$306.9	\$306.9
CalPERS	\$303.3	\$384.6	\$391.1	\$381.1
Health and Welfare	\$946.5	\$922.2	\$955.1	\$958.1
Workers' Compensation	\$122.3	\$100.2	\$83.8	\$83.8
OPEB Trust	\$33.3	\$176.3	\$33.3	\$33.3

18. A California Consumer Price Index (CPI) of 3.54% on other operating expenditures, except utilities which is projected to decline by 5.76% as result of lifting the 24-hour Heating, Ventilation, and Air Conditioning (HVAC) runtime and switching to occupancy-based usage.
19. The District anticipates using monies received from ESSER II and ESSER III for schools, operations, and continuity of learning of \$950.5 million for 2023-24.

² Updated to reflect impact of labor agreements approved by Board of Education in June 2023 and other changes.

³ State funding portion of the CalSTRS pension liability; this includes a corresponding revenue from the State.

20. The District anticipates using \$913.5 million of ELOP funds comprised of \$456.4 million carried over from 2022-23 and \$457.1 million of new funds received for 2023-24.
21. Ongoing and major maintenance resources totaling \$314.7 million, reflecting approximately 3% of budgeted General Fund expenditures and other financing uses, excluding CalSTRS on Behalf expenditures and COVID-19 expenditures related to ESSER II and ESSER III ^{1, 2}.
22. Cafeteria Program support of \$11.6 million (\$11.6 million in General Fund). Child Development is no longer projected to need support. ^{1, 2}
23. Contribution from all funds of \$120.0 million to the Workers' Compensation Fund. Inclusion of total Workers' Compensation actuarially determined funded liability of \$463.2 million.
24. Inclusion of bond measure, debt service, COPs proceeds funds, and other financing sources/uses.

Summary of Selected Other Operating Costs in General Fund Regular Program ^{1, 2}

(in millions)	2022-23	2023-24	2024-25	2025-26
Utilities	\$176.4	\$166.2	\$169.7	\$174.7
Maintenance (RRGM)	\$271.4	\$314.7	\$309.2	\$313.2
Debt Service ⁴	\$14.8	\$25.7	\$54.2	\$54.2
Child Development Fund Support	\$0.8	\$0.0	\$0.0	\$0.0
Cafeteria Support*	\$0.0	\$0.0	\$0.0	\$63.5
Liability Self-Insurance Contribution	\$168.6	\$64.5	\$65.3	\$65.3
Special Education (Net Contribution)**	\$784.8	\$1,090.1	\$1,055.9	\$1,053.1

* \$11.6 million of Cafeteria-related support is in the General Fund for unallowed expenses in Cafeteria Fund.

**The Special Education Support is inclusive of the LCFF base revenue.

25. A Reserve for Economic Uncertainties totaling \$236.2 million, reflecting the statutory 2% budgeted expenditure requirement and other financing uses. ^{1, 2}
26. Inclusion of 2023-24 beginning balances in the General Fund and other funds, reflecting the updated estimated actual ending balance as of June 30, 2023, which includes expenditures related to COVID-19.

⁴ Debt Service is comprised of \$10.6 million in principal and \$15.1 million in interest payments mostly attributable to Refunding Lease (2020A and 2022) and a Summer 2023 issuance. The total debt service for all District funds is \$25.7 million.

27. Estimated 2023-24 ending balances for the General Fund and other funds, reflecting the difference between estimated 2023-24 revenue and expenditure levels.
28. Commitment of portions of the General Fund ending balances to meet the 10% cap on reserves (combined assigned and unassigned balances).
29. Release of committed balance of \$300 million for Student Equity Needs Index (SENI), as approved by the Board on May 9, 2023. SENI, funded at \$700 million, is intended to be funded with a combination of sources including, but not limited to, supplemental and concentration funds and the LCFF Equity Multiplier.
30. Revenues from the LCFF Equity Multiplier are in assigned ending balances.²
31. Release of committed balance of \$77 million for Other Post-Employment Benefits as approved by the Board of Education in June 2023.²
32. Authority to transfer amounts, as necessary, to implement technical adjustments related to the 2023-24 budget.
33. Authority to implement new 2023-24 revenues, if any, and increase budgeted appropriations accordingly.
34. A transfer from the Community Redevelopment Agency Fund to repay the General Fund initially allocated for the Ongoing and Major Maintenance resources of \$30 million.

2024-25 and 2025-26 Fiscal Years:

1. Based on the School Services of California's Financial Projection Dashboard on the 2023-24 Enacted State Budget, the 2024-25 and 2025-26 Local Control Funding Formula (LCFF) revenue calculation assumes the following:

	2022-23	2023-24	2024-25	2025-26
Statutory COLA	6.56%	8.22%	3.94%	3.29%
LCFF Funded COLA	13.26%*	8.22%	3.94%	3.29%

** Statutory COLA + additional investment of 6.70%*

2. LCFF-funded ADA of 349,868.68 and 335,354.20 for non-charter schools in 2024-25 and 2025-26, respectively and 33,127.76 and 32,263.39 for locally-funded (affiliated) charter schools for 2024-25 and 2025-26, respectively. The percentage of ADA to enrollment (ADA %) is 90%.
3. For 2024-25 and 2025-26, 3-year rolling average of 86.09% and 86.00%, respectively, for non-charter schools (includes County Program students), 46.95% and 47.08% on average for locally-funded (affiliated) charter schools. Estimated unduplicated pupil count of 316,427 and 307,789 for non-charter schools (includes

County Program students), for 2024-25 and 2025-26 respectively. Estimated unduplicated pupil count of 17,107 and 16,582 for locally-funded (affiliated) charter schools for 2024-25 and 2025-26, respectively.

4. EPA portion of the LCFF revenue of \$ 1,254.8 million in both 2024-25 and 2025-26, for instruction.
5. LCFF supplemental and concentration new revenues of \$1,557.9 million and \$1,540.0 million for 2024-25 and 2025-26, respectively, with corresponding expenditures of \$1,667.8 million and \$1,714.9 million.^{1, 2}
6. For 2024-25 and 2025-26, 3.94% and 3.29% statutory COLA on the State portion of Special Education (AB 602 funding).
7. Statutory COLA of 3.94% for 2024-25 and 3.29% for 2025-26 for categorical programs outside of LCFF.
8. For 2024-25, an enrollment decline of 11,389 for non-charter and locally-funded (affiliated) charter schools; direct-funded (independent) charter school enrollment is estimated to decrease by 331. For 2025-26, an enrollment decline of 10,940 for non-charter and locally-funded (affiliated) charter schools; direct-funded (independent) charter school enrollment is estimated to decrease by 622.
9. CPI of 3.02% in 2024-25 and 2.64% in 2025-26 on other operating expenditures, except utilities which increases an average of 2.5% annually.
10. No change in CalSTRS rates for 2024-25 and 2025-26 for estimated rates of 19.10% in both years.
11. Increase in CalPERS rate of 1.02% and 0.60% for 2024-25 and 2025-26, respectively, for estimated rates of 27.70% and 28.30%.
12. Funding for employee health and medical benefits at the per participant rate pursuant to the 2022-2023 Health and Welfare agreement. This agreement expires December 31, 2023. Participant rates set forth in any successor agreement could have a material fiscal impact.
13. OPEB contribution of \$33.3 million each year in 2024-25 and 2025-26 from General Fund.
14. The District anticipates using monies received from ESSER III for schools, operations, and continuity of learning of \$65.1 million for 2024-25.
15. The District anticipates using monies received from ELOP of \$457.1 million each for 2024-25 and 2025-26.
16. The District will receive revenues of \$26.9 million from Local Control Funding

Formula Equity Multiplier for 2024-25 and 2025-26. ¹

17. The District anticipates using monies received from Arts, Music, and Instructional Materials Discretionary Block Grant and Learning Recovery Emergency Block Grant for balancing solutions of \$238.0 million and \$594.6 million, respectively, for 2025-26. ¹
 18. Release of the remaining committed balance of \$300 million for SENI in 2024-25.
 19. Release of committed fund balance of \$211 million for Other Post-Employment Benefits for 2024-25 as approved by the Board of Education in June 2023. ²
 20. Revenues from the LCFF Equity Multiplier are in assigned ending balances for 2024-25 and 2025-26. ²
 21. Ongoing and major maintenance resources of \$309.2 million in 2024-25 and \$313.2 million in 2025-26 reflect 3% of General Fund estimated expenditures and other financing uses, excluding CalSTRS State on Behalf expenditures and COVID-19 expenditures related to ESSER III.
 22. A Reserve for Economic Uncertainties totaling \$213.6 million and \$215.0 million for 2024-25 and 2025-26, respectively, reflecting the statutory 2% budgeted expenditure requirement and other financing uses.
 23. Inclusion of the 2022-23 unassigned/unappropriated ending balances in the General Fund of \$193.7 million and balancing solutions result in an unassigned/unappropriated ending balance of \$22.6 million in 2025-26.
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Major Budget Assumption Changes Between June Adopted Budget and August Revised Budget
(Amounts in Millions)

	June Adopted Budget	Adjustments	August Revised Budget
Equity Multiplier			
2023-24 Revenue	\$0	\$27	\$27
2024-25 Revenue	\$0	\$27	\$27
2025-26 Revenue	\$0	\$27	\$27
Learning Recovery Emergency Block Grant			
2022-23 Revenue and Available Balance	\$509	\$86	\$595
2023-24 Expenditure	\$0	\$0	\$0
2024-25 Expenditure	\$0	\$0	\$0
2025-26 Expenditure	\$509	\$86	\$595
Arts, Music, and Instructional Materials (AMIM) Discretionary Block Grant			
2022-23 Revenue and Available Balance	\$124	\$114	\$238
2023-24 Expenditure	\$0	\$0	\$0
2024-25 Expenditure	\$0	\$0	\$0
2025-26 Expenditure	\$124	\$114	\$238
Committed Fund Balance for Other Post-Employment Benefits			
2023-24	\$288	-\$77	\$211
2024-25 (Non-cumulative)	-\$134	-\$77	-\$211
2025-26 (Non-cumulative)	\$0	\$0	\$0

At such time the Los Angeles County Office of Education dashboard is materially different from the below dashboard from School Services of California, Inc., an updated dashboard shall be published.

SSC School District and Charter School Financial Projection Dashboard
2023-24 Enacted State Budget

This version of the School Services of California Inc. (SSC) Financial Projection Dashboard is based on the 2023–24 Enacted State Budget. We have updated the cost-of-living adjustment (COLA), Consumer Price Index (CPI), and ten-year T-bill planning factors per the latest economic forecasts. We have also updated the Local Control Funding Formula (LCFF) factors. We rely on various state agencies and outside sources in developing these factors, but we assume responsibility for them with the understanding that they are general guidelines.

LCFF PLANNING FACTORS					
Factor	2022-23	2023-24¹	2024-25	2025-26	2026-27
Department of Finance Statutory COLA	6.56%	8.22%	3.94%	3.29%	3.19%
Planning COLA	6.56%	8.22%	3.94%	3.29%	3.19%

LCFF GRADE SPAN FACTORS FOR 2023-24				
Entitlement Factors per ADA*	TK-3	4-6	7-8	9-12
2022-23 Base Grants	\$9,166	\$9,304	\$9,580	\$11,102
Statutory COLA of 8.22%	\$753	\$765	\$787	\$913
2023-24 Base Grants	\$9,919	\$10,069	\$10,367	\$12,015
Grade Span Adjustment Factors	10.4%	—	—	2.6%
Grade Span Adjustment Amounts	\$1,032	—	—	\$312
2023-24 Adjusted Base Grants ²	\$10,951	\$10,069	\$10,367	\$12,327
Transitional Kindergarten (TK) Add-On ³	\$3,044	—	—	—

*Average daily attendance (ADA)

OTHER PLANNING FACTORS						
Factors		2022-23	2023-24	2024-25	2025-26	2026-27
California CPI		5.69%	3.55%	3.03%	2.64%	2.90%
California Lottery	Unrestricted per ADA	\$204	\$177	\$177	\$177	\$177
	Restricted per ADA	\$100	\$72	\$72	\$72	\$72
Mandate Block Grant (District)	Grades K-8 per ADA	\$34.94	\$37.81	\$39.30	\$40.59	\$41.88
	Grades 9-12 per ADA	\$67.31	\$72.84	\$75.71	\$78.20	\$80.69
Mandate Block Grant (Charter)	Grades K-8 per ADA	\$18.34	\$19.85	\$20.63	\$21.31	\$21.99
	Grades 9-12 per ADA	\$50.98	\$55.17	\$57.34	\$59.23	\$61.12
Interest Rate for Ten-Year Treasuries		3.72%	3.60%	2.98%	2.90%	3.00%
CalSTRS Employer Rate ⁴		19.10%	19.10%	19.10%	19.10%	19.10%
CalPERS Employer Rate ⁴		25.37%	26.68%	27.70%	28.30%	28.70%
Unemployment Insurance Rate ⁵		0.50%	0.05%	0.05%	0.05%	0.05%
Minimum Wage ⁶		\$15.50	\$16.00	\$16.50	\$16.90	\$17.30

STATE MINIMUM RESERVE REQUIREMENTS FOR 2023-24	
Reserve Requirement	District ADA Range
The greater of 5% or \$80,000	0 to 300
The greater of 4% or \$80,000	301 to 1,000
3%	1,001 to 30,000
2%	30,001 to 400,000
1%	400,001 and higher

¹Applies to Special Education, Child Nutrition, State Preschool, Foster Youth, Mandate Block Grant, Adult Education, Adults in Correctional Facilities Program, Charter School Facility Grant Program, American Indian Education Centers, and the American Indian Early Childhood Education.

²Additional funding is provided for students who are designated as eligible for free or reduced-price meals, foster youth, and English language learners. A 20% augmentation is provided for each eligible student with an additional 65% for each eligible student beyond the 55% identification rate threshold.

³Funding is based on TK ADA only and is in addition to the adjusted base grant amount. Further, the funding is adjusted by statutory COLA each year.

⁴California State Teachers' Retirement System (CalSTRS) and California Public Employees' Retirement System (CalPERS) rates in 2023-24 are final, and the subsequent years' rates are subject to change based on determination by the respective governing boards.

⁵Unemployment rate in 2023-24 is final based on determination by the Employment Development Department and the subsequent years' rates are subject to actual experience of the pool and will be calculated in accordance with California Unemployment Insurance Code Section 823(b)(2).

⁶Minimum wage rates are effective January 1 of the respective year.

