LOS ANGELES UNIFIED SCHOOL DISTRICT

Budget Services & Financial Planning Division

SUPERINTENDENT'S

FINAL BUDGET

2016-17

SUPERINTENDENT'S
2016-17 FINAL BUDGET

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Prepared by:
Budget Services and Financial Planning Division
June 2016

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MICHELLE KING
Superintendent of Schools

June 9, 2016

Dear L.A. Unified Family,

For nearly 50 years, I have been a proud member of the L.A. Unified family – as a student, a parent, a teacher, and an administrator. I know the amazing things we accomplish when we collaborate.

Although there is more work to be done, I am proud of the improvements we have made in our graduation rates, in our school climate, and in the engagement with our families. We are committed to supporting the whole child, which includes meeting the social-emotional needs that are critical to student learning. With your help, we will continue to progress toward our goal of graduating every student college- and career-ready.

To ensure the long-term success of our students, it is critical that we maintain financial stability and strategically plan for the future. As we near full implementation of the Local Control Funding Formula, we must be mindful of our current and long-term financial challenges. We want to continue enhancing our high-quality programs and create efficiencies that will enable us to sustain our ongoing commitments. I strongly believe that if we continue working together as a unified family, the District will continue to fulfill its mission of providing all students with the education they deserve.

I look forward to our continued collaboration in support of students, staff and families.

Sincerely,

Michelle King
Superintendent

INTEROFFICE CORRESPONDENCE
Los **A**ngeles **U**nified **S**chool **D**istrict
Office of the Chief Financial Officer

INFORMATIVE

TO: Members, Board of Education
Michelle King, Superintendent

DATE: June 08, 2016

FROM: Megan K. Reilly, Chief Financial Officer

SUBJECT: ADOPTION OF SUPERINTENDENT'S 2016-17 FINAL BUDGET

On June 21st, the Board will be asked to approve the Local Control Accountability Plan (LCAP) and the Superintendent's 2016-17 Final Budget. The adoption of the LCAP and Budget, after public hearing on June 14th, represents the culmination of months of public discussions on the District's instructional priorities and investments.

On May 27, 2016 the California Department of Education (CDE) directed the District to remove $449.8 million from the proportionality investment calculation from the LCAP prospectively, beginning in 2016-17. Although the District believes the CDE's decision is incorrect under the law and will challenge the CDE's decision, the Budget also reflects the CDE decision directing the revision of the District's proportionality calculation.

I. MAJOR HIGHLIGHTS

Below are the major highlights from the 2016-17 Superintendent's Proposed Final Budget:

- The 2016-17 Final Budget incorporates the 2015-16 one-time unrestricted ending balance of $183.4 million[1]. This balance is used to help balance the budget.
- Prior to the CDE decision, 2016-17 and 2017-18 years were in balance. Furthermore, Option 1A or 1B of the Fiscal Stabilization Plan will address the 2018-19 estimated deficit, resulting in a three year balanced budget.
- The CDE decision requires an additional $245.5 million of proportionality investment, for a $304.5 million total additional investment[2] in 2016-17.
- Using the Department of Finance revenue estimates, 2017-18 and 2018-19 will have deficits of $663.1 million and $869.6 million respectively, for a cumulative deficit of $1.5 billion by 2018-19. In accordance with AB1200, a fiscal stabilization plan is required to address out year deficits (Option 1C).

[1] See Attachment A for additional details on the Third Interim Report.
[2] Attachment B provides for the List of Additional Investment for 2016-17.

- The Los Angeles County of Education (LACOE) guidelines recommend that districts do not rely on Gap funding in 2017-18 and 2018-19 or, if counted on, requires districts to provide an alternative plan. Option 2 of the proposed fiscal stabilization plan is the required alternative should revenues not materialize in 2017-18 and 2018-19.

II. FISCAL PICTURE

Fiscal Picture before CDE's Decision

The District is balanced in 2016-17 and 2017-18 but remains in a deficit for 2018-19.

The Budget is balanced due to higher revenue from the Local Control Funding Formula (LCFF) gap funding, an increase in one-time funding, and use of one-time balances. In addition, a central office reduction of up to 5% was implemented in 2016-17 for selected divisions. Table I below provides a summary reconciliation of 2016-17 through 2018-19:

Table I. Estimated Ending Balances Before CDE Decision

Reconciliation from Second Interim to Final Budget (March 2016 to June 2016)	2016-17	17-18	18-19
Estimated non-cumulative deficit (as of March 2015 Second Interim before beginning balances)	($81.0)	($338.7)	($445.3)
Additional Revenues from May Revise (net of $27M)	$23.2	$35.5	$81.1
Changes in revenue and expenditure estimates	($4.2)	($32.6)	($74.2)
Central Office Reduction implemented in 16-17	$11.0	$11.0	$11.0
Committed[3] Balance (one-time funding from 15-16)	$218.3	$0.0	$0.0
Beginning balance from 2015-16 (3rd Interim) [4]	$183.4	$0.0	$0.0
Estimated ending balance	$350.7	($324.8)	($427.4)
Estimated cumulative ending balance Before CDE Decision	**$350.7**	**$25.9**	**($401.5)**

The proposed Fiscal Stabilization Plan's Option 1A and 1B address the deficit in 2018-19. Option 1A assumes the implementation of yet-to-be determined Independent Financial Review Panel (IFRP) recommendations and the extension of Proposition 30. Option 1B is a contingent plan in the event that Option 1A does not materialize. Option 1B is required since balancing solutions proposed in Option1A is subject to voter approval and/or collective bargaining.

[3] Committed balances are monies that can be used for any purpose but has been designated for a specific future use by the highest level of decision-making authority in the District case, the Board of Education. The Board committed this funds in June 2015 for the specific use of the ongoing portion of the salary compensation increases.

[4] See Attachment A for additional details on the Third Interim Report.

Fiscal Picture after CDE's Decision

The District is balanced in 2016-17; but in deficit in 2017-18 and 2018-19.

Last week, the CDE issued a decision regarding the uniform complaint brought forward against the District regarding its proportionality calculation. Consequently, $450 million of special education expenditures are excluded from the District's proportionality investment calculation prospectively. Unless the District can realign or redesign existing programs, this will result in increased spending and impact the District's balances as follows:

Table II. Estimated Ending Balances After CDE Decision

Balances After the CDE Ruling	2016-17	2017-18	2018-19
Estimated non-cumulative ending balances before CDE decision	$350.7	($324.8)	($427.4)
Additional Proportionality Investment requirement	($245.5)	($395.7)	($417.4)
Additional Allocation to Affiliated Charter School	($11.0)	($11.0)	($11.0)
Change in Reserve for economic uncertainty and Ongoing Major Maintenance requirement	($11.1)	($14.5)	($13.8)
Estimated ending balance	$82.9	($746.0)	($869.6)
Estimated cumulative ending balance AFTER CDE Ruling	**$82.9**	**($663.1)**	**($1,532.7)**

The proposed Fiscal Stabilization Plan's Option 1C addresses the 2017-18 shortfall but 2018-19 continues to have a deficit. Possible restorations are also proposed to help offset some of the reductions. Some schools will have an influx of additional resources while other schools will have significant decreases.

III. FISCAL ISSUES:

- *Disruption of existing programs.* In light of the recent CDE decision, the District will have to reduce existing base level programs while simultaneously increasing proportionality investments in 2017-18. The implementation will result in significant realignment and displacement of over 2,000 school teachers and administrators. This may require official action as early as the spring of 2017. In addition, funds now being used in 2016-17 for proportionality to comply with the recent decision, had originally been intended to sustain current on-going programs through the budget out years.

- *Acceleration and Exacerbation of Declining Enrollment Trends and the Impact of Increasing Fixed Cost and Special Education unfunded mandates.* Schools with lower unduplicated counts will receive fewer resources than those with larger populations. The ability of some schools to provide programs within limited "base" resources will make them less competitive. Pension, utility and other fixed costs will be increasing over time at a greater pace. Special education costs are causing compression issues within the District's LCFF base resources disproportionately.

- *LCFF Gap Funding Relied Upon Already.* In its Final Budget guidelines, LACOE indicated that the District should not rely on the 2017-18 and 2018-19 LCFF Gap funding for planning purposes. However, the District had already assumed and relied upon the Gap funding revenues.

- *Proposition 30 Extension is Not Factored.* Recent funding increases are mostly due to Proposition 30, which will sunset in December 2018. The extension of Proposition 30 is not factored in to the revenue assumptions. Passage of the Proposition 30 extension will help mitigate some of the out-year deficit. The proceeds from the extension would provide relief in the third budget year, 2018-19 (halfway through the year), beginning in January of 2019.

- *Negative Net Position and Long Term Liability.* The out year budget does not reflect any contribution to Other Post-Employment Benefits (OPEB) Trust. If not addressed, the increase in long term liability obligations will result in the District's Government-wide Net Positions going further negative. This means that the total assets will continue to be less than the total liabilities.

The District budget will be updated as new developments occur. The next statutory report regarding these estimates is in September for yearend closing.

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

c: Alma Pena-Sanchez
David Holmquist
Jefferson Crain
Frances Gipson
Thelma Melendez
John Walsh
Cheryl Simpson
Nicole Elam
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ATTACHMENT A: THIRD INTERIM FINANCIAL REPORT UPDATE FOR 2015-16

CHANGES IN REVENUES, EXPENDITURES, AND ENDING BALANCE (GENERAL FUND – UNRESTRICED & RESTRICTED)

Revenues - The Third Interim shows a net increase in total General Fund – Unrestricted revenue of $13.0 million, which represents a .23% variance compared to the Second Interim projection. This net increase is mainly due to the following:

- $7.1 million increase in LCFF revenue resulting primarily from an increase in GAP funding rate from 51.97% to 52.20%, and a higher than projected funded average daily attendance.
- $1.3 million higher lease and rentals from Charter Schools.
- $1.4 million higher interest income due to increase in county interest rates from 0.65% to 0.80%.
- $1.9 million higher E-rate reimbursements.

General Fund – Restricted revenue increased by $179.0 million or 15.16% compared to the Second Interim Projection. The increase is primarily due to a $170.8 million technical accounting adjustment to reflect the District's proportionate share of the State's on behalf pension contribution to the California State Teachers Retirement System (CalSTRS). This revenue increase has a benefit expenditure offset. In addition, Special Education is projected to receive additional prior year revenue apportionment adjustment of $7.8 million based on notification from California Department of Education.

Expenditures - The Third Interim shows a net increase in General Fund – Unrestricted expenditures of $18.5 million, which represents a .42% variance compared to the Second Interim. The net increase is primarily due to the following:

- $25.1 million increase in expenditure that resulted from the reclassification of cafeteria expenditures to the General Fund. This is cost neutral to the General Fund because it lowers the subsidy to the Cafeteria Fund.
- $14.3 million higher risk management legal costs offset by a $12.4 million projected decrease in settlement cost for other litigation cases.
- $8.7 million lower part time paid sick leave than projected.
- $6.2 million lower lump sum vacations and retirement bonus that is attributable to lower number of retirees and employee separations than initially projected for the year.

General Fund – Restricted expenditures show a net increase of $112.8 million, which is primarily attributable to the $170.8 million State contribution to CalSTRS (mentioned above). This is offset by the decrease in expenditure in Routine Repairs & Maintenance Program of $38.2 million and a decrease in Special Ed program expenditures of $18.0 million. These are primarily due to vacancies and slower project spending.

Net Contributions/Transfers/Indirect Cost - The Third Interim shows an overall decrease in total General Fund – Unrestricted Net Contributions, Transfers, and Indirect Costs of $55.6 million. This decrease represents a 4.96% variance compared to Second Interim projections. Primary contributors to this decrease are:

- Decreases in Transfers Out of $38.5 million, primarily due to effective food cost management in the Cafeteria Fund and the direct absorption of General Fund for some of the Cafeteria operation expenditure. This reduced support to the Cafeteria Fund ($36.4 million). In addition, Child Development Fund projected higher revenue due to an increase in enrollment, thereby reducing support ($1.8 million).

- General Fund contributions decreased by $25.8 million mainly due to lower projected Special Education program expenditures due to vacancies and offset by an increase in revenue from CDE's prior year apportionment adjustment.

- Indirect cost recovery decreased by $3.2 million primarily due to lower expenditures in Special Education and Routine Repair and Maintenance programs.

- Overall decrease in Transfers In of $5.5 million, primarily due to lower bond eligible maintenance expenditures than initially projected. Hence, lower amount of fund transfer from one of the District's bond funds to the General Fund.

The General Fund – Restricted Net Contributions, Transfers and Indirect Costs decreased by $25.8 million primarily from the lower contribution to Special Education as discussed above.

Ending Balance – The net effect of the changes in revenues, expenditures, and net contributions/transfers/indirect costs resulted in:

- A projected increase in total General Fund – Unrestricted ending fund balance of $49.9 million.
- A projected increase in General Fund - Restricted ending fund balance of $42.4 million.

Table 1

Summary of 2015-16 General Fund Revenue

(in millions)

	Unrestricted			Restricted		
	Third Interim	Second Interim	Variance 3P vs. 2P	Third Interim	Second Interim	Variance 3P vs. 2P
LCFF Sources	$5,274.4	$5,267.3	$7.10	$0.0	$0.0	$ -
Federal Revenues	$14.4	$14.7	(0.30)	$586.9	$586.7	0.20
Other State Revenues	$372.1	$372.0	0.10	$760.4	$582.1	178.30
Other Local Revenues	$123.4	$117.3	6.10	$12.2	$11.7	0.50
Total Revenues	**$5,784.30**	**$5,771.30**	**$13.00**	**$ 1,359.50**	**$ 1,180.50**	**$ 179.00**

Table 2
Summary of 2015-16 General Fund Expenditures
(in millions)

	Unrestricted			Restricted		
	Third Interim	Second Interim	Variance 3P vs. 2P	Third Interim	Second Interim	Variance 3P vs. 2P
Certificated Salaries	$2,056.9	$2,068.0	($11.10)	$809.3	$815.3	$ (6.00)
Classified Salaries	$576.4	$564.4	$12.00	$379.0	$388.8	(9.80)
Employee Benefits	$1,062.2	$1,054.7	$7.50	$676.4	$512.7	163.70
Books & Supplies	$232.0	$223.3	$8.70	$110.4	$135.8	(25.40)
Services & Operating Expenses	$513.8	$513.7	$0.10	$383.0	$393.2	(10.20)
Capital Outlay	$13.3	$12.0	$1.30	$5.1	$4.6	0.50
Other Outgo	$8.7	$8.7	$0.00	$0.0	$0.0	-
Total Expenditures	**$4,463.30**	**$4,444.80**	**$18.50**	**$2,363.20**	**$2,250.40**	**$ 112.80**

Table 3
Summary of 2015-16 General Fund Other Financing Sources/Uses/Indirect Cost
(in millions)

	Unrestricted			Restricted		
	Third Interim	Second Interim	Variance 3P vs. 2P	Third Interim	Second Interim	Variance 3P vs. 2P
Indirect Cost	$88.8	$92.0	($3.20)	($67.4)	($69.3)	$ 1.90
Transfers In	$53.5	$59.0	(5.50)	$0.3	$0.0	0.30
Other Sources	$0.6	$0.6	-			-
	142.90	151.60	(8.70)	(67.10)	(69.30)	1.60
Transfer Out	($84.5)	($123.0)	38.50	$0.0	$0.0	-
Contribution	($1,124.6)	($1,150.4)	25.80	$1,124.6	$1,150.4	(25.80)
	(1,209.10)	(1,273.40)	64.30	1,124.60	1,150.40	(25.80)
Net	**(1,066.20)**	**(1,121.80)**	**$55.60**	**1,057.50**	**1,081.10**	**($23.60)**

Table 4

Summary of 2015-16 General Fund Ending Balance

(in millions)

	Unrestricted			Restricted		
	Third Interim	**Second Interim**	**Variance 3P vs. 2P**	**Third Interim**	**Second Interim**	**Variance 3P vs. 2P**
Nonspendable	$20.7	$20.7	$ -			$ -
Restricted			-	$180.3	$137.9	42.40
Comnitted	$218.3	$218.3	-			-
Assigned	$453.3	$457.7	(4.40)			-
Unassigned-Reserve for Economic Uncertainties	$72.4	$72.4	-			-
Unassigned/Unappropriated	$183.4	$129.1	54.30			-
Ending Balance	**$948.10**	**$898.20**	**$49.90**	**$180.30**	**$137.90**	**$42.40**

Proposed Los Angeles Unified School District Investments to Support Targeted Youth

		May Revise Investment 2016-17	CDE Revised Investment 2016-17	CDE Total Investment 2016-17	Revised Investment 2017-18	CDE Revised Investment 2017-18	Total Investment 2017-18	Investment 2018-19	CDE Revised Investment 2018-19	Total Investment 2018-19
1	4 Year Old TK Program	$ 35.8	$ 35.8	$ 42.8	$ -	$ -	$ 42.8	$ -	$ -	$ 42.8
2	A - G Dropout Intervention	$ -	$ -	$ 15.0	$ 15.0	$ -	$ 15.0	$ -	$ -	$ 15.0
3	Afterschool Program	$ -	$ -	$ 7.3	$ -	$ -	$ 7.3	$ -	$ -	$ 7.3
4	Allocation to schools TSP	$ -	$ -	$ 12.0	$ 4.0	$ -	$ 12.0	$ -	$ -	$ 12.0
5	Arts Plan	$ 5.1	$ 5.1	$ 12.9	$ 2.5	$ -	$ 12.9	$ -	$ -	$ 12.9
6	Arts Program	$ -	$ -	$ 18.6	$ -	$ -	$ 18.6	$ -	$ -	$ 18.6
7	Assistant Principal - Secondary	$ -	$ -	$ 3.0	$ -	$ -	$ 3.0	$ -	$ -	$ 3.0
8	Assistant Principal - Elementary	$ -	$ -	$ 10.3	$ -	$ -	$ 10.3	$ -	$ -	$ 10.3
9	Clerical - High School	$ -	$ -	$ 5.0	$ -	$ -	$ 5.0	$ -	$ -	$ 5.0
10	Counseling Support	$ -	$ -	$ 13.0	$ -	$ -	$ 13.0	$ -	$ -	$ 13.0
11	Custodial	$ -	$ -	$ 2.5	$ -	$ -	$ 2.5	$ -	$ -	$ 2.5
12	Diploma Project	$ -	$ -	$ 2.0	$ -	$ -	$ 2.0	$ -	$ -	$ 2.0
14	English Learner Coaches	$ -	$ -	$ 4.7	$ -	$ -	$ 4.7	$ -	$ -	$ 4.7
15	Family Source System	$ -	$ -	$ 1.2	$ -	$ -	$ 1.2	$ -	$ -	$ 1.2
16	Foster Youth Achievement Program	$ 1.0	$ 1.0	$ 12.0	$ -	$ -	$ 12.0	$ -	$ -	$ 12.0
17	Health and Student Supports	$ -	$ -	$ 3.5	$ -	$ -	$ 3.5	$ -	$ -	$ 3.5
18	Homeless Program	$ 0.25	$ 0.25	$ 2.1	$ -	$ -	$ 2.1	$ -	$ -	$ 2.1
19	Instructional Technology Support (VLC)	$ 0.50	$ 0.50	$ 3.0	$ 1.5	$ -	$ 3.0	$ -	$ -	$ 3.0
20	Librarians - Middle School	$ 1.0	$ 1.0	$ 5.0	$ 2.0	$ -	$ 5.0	$ -	$ -	$ 5.0
21	Library Aides + Health Benefits	$ -	$ -	$ 11.0	$ -	$ -	$ 11.0	$ -	$ -	$ 11.0
22	Local Control Accountability Support	$ -	$ -	$ 0.1	$ -	$ -	$ 0.1	$ -	$ -	$ 0.1
23	M&O and Routine Maintenance	$ -	$ -	$ 1.5	$ -	$ -	$ 1.5	$ -	$ -	$ 1.5
24	National Board for Professional Teaching Standards	$ -	$ -	$ 2.0	$ -	$ -	$ 2.0	$ -	$ -	$ 2.0
25	Nurses - High School	$ 2.0	$ 2.0	$ 8.5	$ 2.0	$ -	$ 8.5	$ -	$ -	$ 8.5
26	On-going Major Maintenance	$ -	$ -	$ 15.0	$ -	$ -	$ 15.0	$ -	$ -	$ 15.0
27	Options Program	$ (0.5)	$ (0.5)	$ 1.5	$ -	$ -	$ 1.5	$ -	$ -	$ 1.5
28	Parent Engagement	$ -	$ -	$ 4.6	$ -	$ -	$ 4.6	$ -	$ -	$ 4.6
29	Per Pupil Schools - Targeted Support	$ 6.0	$ 6.0	$ 47.0	$ -	$ -	$ 47.0	$ -	$ -	$ 47.0
30	PSA/PSW/ Secondary Counselors	$ 1.2	$ 1.2	$ 5.2	$ -	$ -	$ 5.2	$ -	$ -	$ 5.2
31	Reduce Class Size HS Math and ELA by 2	$ -	$ -	$ 7.0	$ -	$ -	$ 7.0	$ -	$ -	$ 7.0
32	Reduce Class Size MS Math & ELA by 2	$ -	$ -	$ 6.0	$ -	$ -	$ 6.0	$ -	$ -	$ 6.0
33	Registration Time for Schools	$ -	$ -	$ 4.6	$ -	$ -	$ 4.6	$ -	$ -	$ 4.6
34	Restorative Justice Counselors	$ 1.0	$ 1.0	$ 3.7	$ -	$ -	$ 3.7	$ -	$ -	$ 3.7
35	School Climate & Restorative Justice	$ 2.0	$ 2.0	$ 6.5	$ -	$ -	$ 6.5	$ -	$ -	$ 6.5
36	School Enrollment Placement & Assessment	$ 0.2	$ 0.2	$ 0.2	$ -	$ -	$ 0.2	$ -	$ -	$ 0.2
37	School Police	$ -	$ -	$ (13.1)	$ -	$ -	$ (13.1)	$ -	$ -	$ (13.1)
38	School Readiness Language Development Program	$ (20.0)	$ (20.0)	$ -	$ -	$ -	$ -	$ -	$ -	$ -
39	School Site Budget Autonomy	$ -	$ -	$ -	$ 32.0	$ -	$ -	$ 4.5	$ -	$ -
40	School Technology Support (MCSA)	$ -	$ -	$ 7.0	$ -	$ -	$ 7.0	$ -	$ -	$ 7.0
41	Special Ed Aides - longer hours	$ -	$ -	$ 4.7	$ -	$ -	$ 4.7	$ -	$ -	$ 4.7
42	Special Education Supp/Conc increase	$ -	$ -	$ 17.7	$ -	$ -	$ 17.7	$ -	$ -	$ 17.7
43	Standard English Learner	$ -	$ -	$ 2.5	$ -	$ -	$ 2.50	$ -	$ -	$ 2.5
44	Student Engagement	$ -	$ -	$ 0.3	$ -	$ -	$ 0.25	$ -	$ -	$ 0.3
45	Targeted Support for Middle & SPAN	$ (3.5)	$ (3.5)	$ (0.0)	$ -	$ -	$ (0.0)	$ -	$ -	$ (0.0)
46	Teacher Support (Reed Settlement)	$ -	$ -	$ 30.0	$ (30.0)	$ (28.0)	$ 2.0	$ -	$ -	$ 2.0
47	Teacher, Elective	$ 24.2	$ 24.2	$ 24.2	$ -	$ -	$ 24.2	$ -	$ -	$ 24.2
48	Teacher, Elementary (grades 4-5/6)	$ 3.0	$ 3.0	$ 3.0	$ 3.0	$ -	$ 3.0	$ -	$ -	$ 3.0
49	Title I hold harmless Schools	$ (0.3)	$ (0.3)	$ 0.0	$ -	$ -	$ 0.0	$ -	$ -	$ 0.0
50	Undetermined	$ -	$ 245.5	$ 245.5	$ -	$ 212.2	$ 457.7	$ -	$ 26.2	$ 484.0
	Total	$ 59.0	$ 304.5	$ 622.1	$ 32.0	$ 184.2	$ 806.3	$ 4.5	$ 26.2	$ 832.5

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Board of Education Report

File #: Rep-493-15/16, **Version:** 1

Adoption of the Superintendent's 2016-17 Final Budget and Fiscal Stabilization Plan for 2017-18 and 2018-19 - Public Hearing: June 14, 2016
[June 21, 2016]
Budget Services and Financial Planning Division

Action Proposed:
Staff seeks authorization for the following actions:

(1) Adoption of the Superintendent's 2016-17 Final Budget to be filed, as approved, with the County Superintendent of Schools on State Form SACS-2016 in the manner prescribed by law.

(2) Delegation of authority to the Budget Services and Financial Planning Division and the Accounting and Disbursements Division to take all actions necessary to implement the provisions and the Budget Assumptions and Policies set forth in this Board Report (Attachment A).

(3) Adoption of Fiscal Stabilization Plan for 2017-18 and 2018-19 to meet the Statutory AB 1200 requirement as set forth in the State Criterion and Standards (Attachment B). The Fiscal Stabilization plan contains two options. Option 1 assumes the Department of Finance revenue estimates while Option 2 is the alternative plan required by the Los Angeles County of Education (LACOE) if these revenues do not materialize.

(4) Approval of the enclosed Resolution Regarding Expenditures from the Educational Protection Account ("EPA") for Fiscal Year 2016-17 as required under Proposition 30. Funds from the EPA will not be used for administrator salaries or benefits or for any other administrative costs. (Attachment C)

(5) Approval of the technical revision in the District's Budget and Finance Policy by eliminating section B.5 Supplemental Pension Set-aside/Reserve Fund section. (Attachment D)

Background:
Annually, the Board of Education must hold a public hearing and adopt a final budget consistent with the provisions of section 42127 of the Education Code. Upon adoption, the final budget is to be submitted to LACOE on or before July 1.

With the passage of Proposition 30, the District will receive part of its State entitlement through revenues from the Education Protection Account (EPA). In order to receive these entitlements, the Board of Education must at an open meeting make spending determinations regarding EPA funds.

Proposition 30 is allocated to school districts through EPA. These are not additional funds outside of Local Control Funding Formula, but rather another source of the general purpose funds (similarly to local property taxes) that offsets what would otherwise be state funding.
EPA funds may not be used for any salaries or benefits of administrators or any other administrative costs. The District is also required to annually publish on its web site an accounting of how much EPA funds were

received and how the funds were spent.

Sections 42127 and 52062 of the Education Code now requires two separate Governing Board public meetings for the Local Control and Accountability Plan (LCAP) and the Final Budget, held at least one day apart for the District's LCAP and budget hearing and budget adoption.
In addition, the LCAP public hearing and adoption must occur at the same meetings as the budget public hearing and adoption.

As required by Senate Bill (SB) 858 Attachment E set forth the minimum reserve level required in each year, amounts of assigned and unassigned ending balance that exceed the minimum, and reasons for the reserve being greater than the minimum.

Expected Outcomes:
The outcome of this Board action is an adopted budget for fiscal year 2016-17 and the fiscal plan for 2018-19 that will enable the District to comply with Education Code Section 42127.

A further expected outcome of this Board Action is an adoption of Resolutions Regarding EPA expenditures for 2016-17.

Section B.5 "Supplemental Pension Set-aside/ Reserve Fund" refers technical correction that will be reflected in the District Budget and Finance Policy. The language refers to another section in the policy that was stricken out of the approved version.

Board Options and Consequences:
The District will meet the annual budget adoption requirements of Education Code Section 42127 should the Board vote to approve. Should the Board vote not to approve, the District will not meet the requirements of Education Code Section 42127.

Non-approval of EPA resolution as set forth in Proposition 30 may place the EPA entitlement at risk.

Policy Implications:

Budget Impact:
Adoption of a Final Budget for fiscal year 2016-17.

Issues and Analysis:

Attachments:
Attachment A - Budget Assumptions and Policies
Attachment B - Fiscal Stabilization Plan
Attachment C - Education Protection Account Resolution
Attachment D - Revision on the Budget and Finance Policy
Attachment E - Minimum Reserve Level Disclosure

Informatives:

RESPECTFULLY SUBMITTED,

MICHELLE KING
Superintendent

APPROVED & PRESENTED BY:

MEGAN K. REILLY
Chief Financial Officer
Office of the Chief Financial Officer

REVIEWED BY:

DAVID HOLMQUIST
General Counsel

X Approved as to form.

REVIEWED BY:

CHERYL SIMPSON
Director, Budget Services and Financial Planning

X Approved as to budget impact statement.

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BUDGET ASSUMPTIONS AND POLICIES

The Superintendent's 2016-17 Final Budget reflects the following:

2016-17 Fiscal Year:

1. Zero COLA and a 54.84% Gap Funding percentage for the Local Control Funding Formula (LCFF) revenue

2. Zero COLA for selected categorical programs outside of the LCFF

3. LCFF ADA of 457,346.85 for non-charter schools and 41,603.84 for locally-funded (affiliated) charter schools

4. Three-year rolling average unduplicated count and percentage of 408,434 and 83.84% average for non-charter schools and 16,972 and 40.20% on average for locally-funded (affiliated) charter schools

5. Education Protection Account (EPA) portion of LCFF of $696.9 million to be spent for instruction

6. LCFF Proportionality expenditure increase requirement of $304.5 million. This includes the additional proportionality requirement of $245.5 million based on the California Department of Education (CDE) decision.

7. Zero COLA on the State-funded portion of Special Education (AB 602) funding

8. A net enrollment decline of 13,728 from 2015-16 for non-charter and locally-funded (affiliated) charter schools. Direct-funded (independent) charter school enrollment is estimated to increase by approximately 5,984

9. Funding for employee health and medical benefits at the per participant rate set forth in the 2015-2017 Health and Welfare agreement

10. Contribution of $67.5 million to the Other Postemployment Benefit Plans (OPEB) Trust for 2016-17

11. Increase of 1.85% in State Teachers' Retirement System (STRS) rates for 2016-17 from 10.73% to 12.58%

12. Increase of 2.041% in California Public Employees' Retirement System (CalPERS) rates for 2016-17 from 11.847% to 13.888%

Summary of Selected Employee Benefits in General Fund Regular Programs:

(in millions)	2015-16	2016-17	2017-18	2018-19
CalSTRS (Employer)	$273.0	$333.1	$380.2	$427.7
CalSTRS (On Behalf)[1]	$170.9	$205.7	$205.7	$205.7
CalPERS	$98.5	$136.2	$152.1	$167.7
Health and Welfare	$845.1	$873.6	$949.8	$1005.1
Workers' Compensation Contribution	$104.0	$98.2	$107.5	$112.8
OPEB Trust	$43.5	$64.7	$101.3	$0

13. A California Consumer Price Index (CPI) of 2.15% on other operating expenditures, except utilities which is projected to increase by 10%

14. Ongoing and major maintenance resources totaling $227.9 million, reflecting approximately 3% of budgeted General Fund expenditures and other financing uses.

15. Cafeteria Program support of $38.6 million in 2016-17 and Child Development support of $33.5 million in 2016-17

16. Contribution of $95.4 million to the Worker's Compensation fund. Inclusion of total Workers' Compensation actuarially-determined funded liability of $459.6 million

17. Inclusion of 2016-17 bond measure, debt service, COPs proceeds funds and other interfund transfer expenditures.

Summary of Selected Other Fixed Costs in General Fund Regular Program

(in millions)	2015-16	2016-17	2017-18	2018-19
Utilities	$124.2	$136.4	$145.8	$156.3
Maintenance (RRGM)	$212.6	$227.9	$234.5	$236.8
Debt Service[2]	$35.2	$33.7	$33.6	$25.1
Child Development Fund Support	$32.2	$33.5	$34.1	$34.7
Cafeteria Support	$13.9	$38.6	$47.8	$40.7
Liability Self Insurance Contribution	$162.5	$37.8	$38.4	$35.9
Special Education*	$905.8	$936.6	$999.0	$1,014.8

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

18. A Reserve for Economic Uncertainties totaling $76 million, reflecting the statutory 1% budgeted expenditure requirement and other financing uses.

[1] State funding portion of the CALSTRS pension liability; this includes a corresponding revenue from the state.
[2] Debt Service is comprised of $22.6 million in principal and $11.1 million in interest payments. It is mostly attributable to IT Projects (2007A), Capital Projects-IFS Replacement (2010B2) and Administration Building Projects (2012A&B). The total debt service for all District funds is $43.2 million.

19. Inclusion of 2016-17 beginning balances in the General Fund and other funds, reflecting the estimated ending balance as of June 30, 2016 (contained in the District's Third Period Interim Financial Report.)

20. Estimated 2016-17 ending balances for the General Fund and other funds, reflecting the difference between estimated 2016-17 revenue and expenditure levels

21. Authority to transfer amounts, as necessary, to implement technical adjustments related to the 2016-17 budget

22. Authority to implement new 2016-17 revenues, if any, and increase budgeted appropriations accordingly

23. Represents a release of the committed funds for ongoing portion of the salary increases (2014-15 agreements) in 2016-17

24. *Carryover of General Fund School Program (program 13027) to individual school sites

25. *A reimbursement to the General Fund from the General Obligation Bonds for capital projects initiatives paid with Ongoing and Major Maintenance resources (8150)

26. *A transfer from the Community Redevelopment Agency Fund to the General Fund initially paid for the Ongoing and Major Maintenance resources

*These assumptions were part of the District Fiscal Stabilization Plan in 2015-16.

2017-18 and 2018-19 Fiscal Years:

1. Based on the Los Angeles County of Education (LACOE) 2016-17 Budget Assumption Guidelines, the 2017-18 and 2018-19 Local Control Funding Formula (LCFF) revenue calculation assumes the following:

	2015-16	2016-17	2017-18	2018-19
Cost of Living Adjustment (COLA)	1.02%	0.00%	1.11%	2.42%
GAP Funding (%)	52.20%	54.84%	73.96%	41.22%
GAP Funding* (in millions)	$547.6	$248.7	$181.1	$65.8

*GAP Funding for Base, Supplement and Concentration Grants.

Per LACOE's 2016-17 Final Budget Guidelines, the District should not count on GAP Funding for 2017-18 and 2018-19. The District has reflected this revenue for 2017-18 and 2018-19. The LACOE guidelines recommends that schools districts assign, reserve or otherwise set aside any projected increases in LCFF revenues as a result of 2017-18 and 2018-19 Gap Funding. If a district chooses to budget these funds they must have a

contingency or alternative plan in place should these funds fail to materialize. Option 2 of the proposed fiscal stabilization plan is the District's alternative plan in the event that these revenues do not materialize.

2. LCFF ADA of 443,385.03 and 432,720.71 for non-charter schools and 41,603.84 and 41,603.84 for locally-funded (affiliated) charter schools for 2017-18 and 2018-19, respectively

3. For 2017-18 and 2018-19, 3-year rolling average unduplicated counts of 398,534 and 386,124 or 84.55% unduplicated percentage for both years for non-charter schools and 17,915, and 18,453 or 41.82% and 42.43% on average for locally-funded (affiliated) charter schools

4. EPA portion of the LCFF revenue of $652.4 million in 2017-18 and $264.0 million in 2018-19, for instruction

5. Calculated proportionality requirement of $184.2 million in 2017-18 and $26.2 million in 2018-19 for non-charter schools. This includes additional $150.2 and $21.7 million in 2017-18 and 2018-19 based on the CDE decision.

6. For 2017-18 and 2018-19, 1.11% and 2.42% COLA, respectively, on the State portion of Special Education (AB 602 funding)

7. For 2017-18 and 2018-19, 1.11% and 2.42% COLA, respectively, for categorical programs outside of LCFF

8. For 2017-18, an enrollment decline of 13,087 for non-charter and locally-funded (affiliated) charter schools; direct-funded (independent) charter school enrollment is estimated to increase by 5,492. For 2018-19, an enrollment decline of 12,169 for non-charter and locally-funded (affiliated) charter schools; direct-funded (independent) charter school enrollment is estimated to increase by 3,486

9. CPI of 2.26% in 2017-18 and 2.49% in 2018-19 on other operating expenditures, except utilities which were projected to increase by 7% for each fiscal year

10. Increase of 1.85% in CalSTRS rates for 2017-18 and 2018-19 for estimated rates of 14.43% and 16.28%, respectively

11. Increase in CalPERS rate of 1.612% and 1.6% for 2017-18 and 2018-19, respectively with estimated rates of 15.5% and 17.1%

12. Funding for employee health and medical benefits at the per participant rate pursuant to the 2015-2017 Health and Welfare agreement

13. OPEB Trust contribution for 2017-18 of $101.3 million[3]. No OPEB Trust contribution is assumed 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.

    The District must be strategic in its use of one-time revenue. The first priority of such funds will meet mandatory AB1200 requirements by balancing the three budget years. Any remaining funds should be shared to restore the OPEB Trust contribution and as limited start-up funding for programs that will provide a potential return on investment such as attendance incentive.

14. Ongoing and major maintenance resources of $234.5 million in 2017-18 and $236.8 million in 2018-19 reflect 3% of General Fund estimated expenditures and other financing uses.

15. Representing the proposed fiscal stabilization plan (Option 1B), inclusion of balancing adjustments for 2017-18 of $665.0 million and $294.7 million for 2018-19. This includes the 2017-18 beginning balances in the General Fund of $82.9 million. This results to a deficit of $573.0 million in 2018-19 that still needs to be addressed.

16. Per LACOE's 2016-17 Budget Assumption Guidelines, an alternative fiscal stabilization plan (Option 2) is presented should the LCFF revenues due to Gap Funding fail to materialize. This increases the 2017-18 and 2018-19 deficit to $ 844.2 million and $1.1 billion, respectively, for a cumulative two-year deficit of $ 2 billion. The increase in the deficit represents the Gap Funding for fiscal years 2017-18 at $181.1 million and 2018-19 at $65.8 million.

[3] Scheduled Contribution to the OPEB Trust in 2017-18 is part of the Fiscal Stabilization Plan.

2016-17 Final Budget Fiscal Stabilization Plan

		Before CDE decision				After CDE decision				LACOE		Dialogue	
	Options	**Option 1A**		**Option 1B**		**Option 1C**		**Possible Restoration**		**Option 2**		**Option 3**	
	Description	Original Budget based on DOF GAP funding rates using IFRP recommendations and If Proposition 30 is extended.		Original Budget based on DOF GAP funding rates with alternative solutions		Based on CDE decision		New Proportionality calculation using CDE decision		Based on CDE decision and if GAP funding for 2017-18 and 2018-19 do not materialized		Continue active dialogue.	
		2017-18	2018-19	2017-18	2018-19	2017-18	2018-19	2017-18	2018-19	2017-18	2018-19	2017-18	2018-19
1	Balance from Prior Year	$ 350.7	$ 25.9	$ 350.7	$ 25.9	$ 82.9	$ -	$ -	$ -	$ 82.9	$ -	$ -	$ -
2	Operating Deficit	$ (324.8)	$ (427.4)	$ (324.8)	$ (427.4)	$ (324.8)	$ (427.4)	$ -	$ -	$ (505.9)	$ (674.3)	$ -	$ -
3	Additional Reduction Needed					$ (421.2)	$ (442.2)	$ 406.70	$ 428.40	$ (421.2)	$ (442.2)	$ -	$ -
4	Projected Balances	$ 25.9	$ (401.5)	$ 25.9	$ (401.5)	$ (663.1)	$ (869.6)	$ -	$ -	$ (844.2)	$ (1,116.5)	$ -	$ -
5	**Fiscal Stabilization Plan**												
6	Independent Financial Review Panel (IFRP) Recommendation	$ -	$ 245.0	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -		
7	Proposition 30 Extension	$ -	$ 120.0	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -		
8	2017-18 OPEB Contribution	$ -	$ -	$ 101.3	$ -	$ 101.3	$ -	$ -	$ -	$ 101.3	$ -		
9	Central Office Reduction	$ -	$ 40.0	$ 40.0	$ 40.0	$ 60.0	$ 60.0	$ -	$ -	$ 60.0	$ 60.0		
10		20% Reduction		20% Reduction		30% Reduction				30% Reduction			
11	General Fund School Allocation Carryover	$ -	$ -	$ -	$ 134.5	$ 269.0	$ -	$ -	$ -	$ 269.0	$ -		
12				50% of Carryover		Zero Out Carryover				Zero Out Carryover			
13	Class Size Increase**	$ -	$ -	$ -	$ 76.0	$ 153.7	$ 153.7	$ -	$ -	$ 153.7	$ 153.7		
14				Plus 4 from G4 to G12 ~1000 FTE*		Plus 9 from G4 to G12 ~2000 FTE		First Priority of the additional school allocation is to purchase class size reduction teachers. Restoration will not be the same for all schools.		Plus 9 from G4 to G12 ~2000 FTE			
15	Administrator Norm Increase**	$ -	$ -	$ -	$ 12.0	$ 36.0	$ 36.0	$ -	$ -	$ 36.0	$ 36.0		
16				~100 FTE*		~300 FTE				~300 FTE			
17	Ongoing & Major Maintenance	$ -	$ -	$ -	$ -	$ 15.0	$ 15.0	$ -	$ -	$ 15.0	$ 15.0		
18	Bond-Eligible Maintenance Project	$ -	$ -	$ -	$ -	$ 30.0	$ 30.0	$ -	$ -	$ 30.0	$ 30.0		
19	School Site Budget Autonomy	$ -	$ -	$ -	$ -	$ -	$ -	$ 406.7	$ 406.7	$ -	$ -		
20	**Subtotal of Fiscal Plan**	**$ -**	**$ 405.0**	**$ 141.3**	**$ 262.5**	**$ 665.0**	**$ 294.7**	**$ 406.7**	**$ 406.7**	**$ 665.0**	**$ 294.7**	**$ -**	**$ -**
21	**Revised Balance**	**$ 25.9**	**$ 3.5**	**$ 167.2**	**$ 2.3**	**$ 1.9**	**$ (573.0)**	**$ -**	**$ 21.7**	**$ (179.2)**	**$ (1,001.0)**	**$ -**	**$ -**

?

To be determined pending ongoing discussion with CDE and LACOE

*Does not reflect Proposition 30 extension, these reductions might be offset by additional extension revenues.

**Partially offset by school site purchases using new allocations through the Student Equity Index

RESOLUTION REGARDING EXPENDITURES FROM THE EDUCATION PROTECTION ACCOUNT FOR FISCAL YEAR 2016-17

WHEREAS, the voters approved Proposition 30 on November 6, 2012;

WHEREAS, Proposition 30 added Article XIII, Section 36 to the California Constitution effective November 7, 2012;

WHEREAS, the provisions of Article XIII, Section 36(e) create in the state General Fund an Education Protection Account to receive and disburse the revenues derived from the incremental increases in taxes imposed by Article XIII, Section 36(f);

WHEREAS, before June 30th of each year, the Director of Finance shall estimate the total amount of additional revenues, less refunds that will be derived from the incremental increases in tax rates made pursuant to Article XIII, Section 36(f) that will be available for transfer into the Education Protection Account during the next fiscal year;

WHEREAS, if the sum determined by the State Controller is positive, the State Controller shall transfer the amount calculated into the Education Protection Account within ten days preceding the end of the fiscal year;

WHEREAS, all monies in the Education Protection Account are continuously appropriated for the support of school districts, county offices of education, charter schools and community college districts;

WHEREAS, monies deposited in the Education Protection Account shall not be used to pay any costs incurred by the Legislature, the Governor or any agency of state government;

WHEREAS, a community college district, county office of education, school district, or charter school shall have the sole authority to determine how the monies received from the Education Protection Account are spent in the school or schools within its jurisdiction;

WHEREAS, the governing board of the Los Angeles Unified School District ("District") shall make the spending determinations with respect to monies received from the Education Protection Account in open session of a public meeting of the governing board;

WHEREAS, the monies received from the Education Protection Account shall not be used for salaries or benefits for administrators or any other administrative cost;

WHEREAS, each community college district, county office of education, school district and charter school shall annually publish on its Internet website an accounting of how much money was received from the Education Protection Account and how that money was spent;

WHEREAS, the annual independent financial and compliance audit required of community college districts, county offices of education, school districts and charter schools shall ascertain and verify whether the funds provided from the Education Protection Account have been properly disbursed and expended as required by Article XIII, Section 36 of the California Constitution;

WHEREAS, expenses incurred by community college districts, county offices of education, school districts and charter schools to comply with the additional audit requirements of Article XIII, Section 36 may be paid with funding from the Education Protection Act and shall not be considered administrative costs for purposes of Article XIII, Section 36.

NOW, THEREFORE, IT IS HEREBY RESOLVED:

1. The monies received from the Education Protection Account shall be spent as required by Article XIII, Section 36 and the spending determinations on how the money will be spent shall be made in open session of a public meeting of the governing board of the District;

2. In compliance with Article XIII, Section 36(e), with the California Constitution, the governing board of the District has determined to spend the monies received from the Education Protection Act as set forth in Attachment 2.

DATED _____, 2016.

_____
Board President

_____
Executive Officer of the Board

ATTACHMENT 2
2016-17 Education Protection Account
Budgeted Expenditures by Function - Detail

Expenditures through: June 30, 2017
For Fund 01, Resource 1400 Education Protection Account

Description	Object Codes	Amount
AMOUNT AVAILABLE FOR THIS FISCAL YEAR		
Adjusted Beginning Fund Balance	9791-9795	0.00
Revenue Limit Sources	8010-8099	696,895,570.00
Federal Revenue	8100-8299	0.00
Other State Revenue	8300-8599	0.00
Other Local Revenue	8600-8799	0.00
All Other Financing Sources and Contributions	8900-8999	0.00
Deferred Revenue	9650	0.00
TOTAL AVAILABLE		696,895,570.00
EXPENDITURES AND OTHER FINANCING USES		
(Objects 1000-7999)		
Instruction	1000-1999	696,895,570.00
Instruction-Related Services		
Instructional Supervision and Administration	2100-2150	0.00
AU of a Multidistrict SELPA	2200	0.00
Instructional Library, Media, and Technology	2420	0.00
Other Instructional Resources	2490-2495	0.00
School Administration	2700	0.00
Pupil Services		
Guidance and Counseling Services	3110	0.00
Psychological Services	3120	0.00
Attendance and Social Work Services	3130	0.00
Health Services	3140	0.00
Speech Pathology and Audiology Services	3150	0.00
Pupil Testing Services	3160	0.00
Pupil Transportation	3600	0.00
Food Services	3700	0.00
Other Pupil Services	3900	0.00
Ancillary Services	4000-4999	0.00
Community Services	5000-5999	0.00
Enterprise	6000-6999	0.00
General Administration	7000-7999	0.00
Plant Services	8000-8999	0.00
Other Outgo	9000-9999	0.00
TOTAL EXPENDITURES AND OTHER FINANCING USES		696,895,570.00
BALANCE (Total Available minus Total Expenditures and Other Financing Uses)		0.00

Proposed Technical Changes to the Budget and Finance Policy

In November 2013, the Board adopted the changes in the Budget and Finance Policy in order to strengthen the District's financial position through clear fund balance targets and OPEB funding policy.

Principal Two Section B (Exhibit A) "Appropriate Use of One-Time Revenues" section was deleted as part of a Board Amendment.

Exhibit A. Appropriate Use of One-time Revenues

SECTION B IS DELETED PER BOARD OF EDUCATION AMENDMENT

~~B) APPROPRIATE USE OF ONE TIME REVENUES~~

~~Ongoing District expenditures should not exceed ongoing revenues. One-time revenues should be applied first toward restoration of Operating Reserves (as described under Section D below). This will assist meeting the minimum three year reserve target amount in accordance with AB1200 (the "Three - Year Sustainability Plan"). By definition, one-time revenues cannot be relied on in future budget periods. This policy on one-time revenues minimizes the disruptive effects on services.~~

~~Any new or unanticipated unrestricted revenues recognized during the current fiscal year should also be applied to reduce any operating deficit or unplanned one time mandatory cost before being used for other purposes.~~

In connection, a technical adjustment to the "Supplemental Pension Set-aside/Reserve Fund" section (Exhibit B) is needed to align the policy. The proposed action is the deletion of the section below which refers to Principal Two Section B (Exhibit A).

Exhibit B. Supplemental Pension Set-aside/Reserve Fund

B.5 Supplemental Pension Set-aside/Reserve Fund:
Subject to the requirements of Principle Two Section B, fifty percent of any new one-time funds identified after the final budget adoption will be put into a Supplemental Pension Set-aside/Reserve Fund. This fund is established in anticipation of GASB 67 and 68.

Ending Balance Reserve Requirements

Under Senate Bill (SB) 858, beginning with 2015-16, the District must determine the minimum reserve level amounts of estimated assigned and unassigned ending balances that exceed the required minimum. The District must also state reasons for the reserve being greater than the minimum.

In 2013-14, the District decentralized its budgeting model by allocating more resources directly to school sites, thereby allowing schools more flexibility to use their budgets based on local decisions. Under this model, schools are held accountable for the funds but are also allowed full carryover of any unspent amounts.

Approximately 83% of the assigned ending balances are in the General Fund School Allocation and School Site Program categories. The general fund school allocations are the main account that school sites use for their local needs. These categories also contain any unspent Targeted Student Population (TSP) program and Charter School Categorical Block grants monies at the school sites. Some of these accounts are also associated with specific local revenues such as donations and filming revenues.

The Districtwide assigned balances are set aside for the benefit and retirement reconciliations and possible disproportionality issues. These are one-time balances and will be released once the reconciliation and/or audits are finalized.

The central office assigned ending balances are for central offices that have full carryover policies and centrally run programs that have specific revenue streams, such as the Labor Compliance Penalty Programs and other reimbursement accounts.

The Unassigned/Unappropriated balances are amounts that could be used for any purposes and have not been designated for any specific use. However, in the District's case, the unassigned ending balance of $82.9 million in 2016-17 is a factor in balancing 2017-18.

The table below shows the calculation of the minimum reserve requirement as well as the estimated assigned and unassigned ending balance for fiscal years 2016-17 through 2018-19:

Calculation of Minimum (in millions)	2016-17	2017-18	2018-19
Expenditure & Other Financing Uses	$ 7,597.6	$7,817.1	$ 7,892.0
Minimum Reserve Levels applicable for the District	1%	1%	1%
Minimum Reserve Requirements	$ 76	$ 78.2	$ 78.9
Reserve Cap (if CAP is in effect) is 3 times minimum reserve requirement	$ 228	$ 234.5	$ 236.8
Estimated Assigned and Unassigned Ending Balance			
Assigned Ending Balances	$ 435.1	$ 511.3	$ 591.3
Unassigned Ending Balances			
-Reserve for Economic Uncertainty (9789)	$ 76.0	$ 78.2	$ 78.9
-Unassigned/Unappropriated (after fiscal plan)	$ 82.9	$ -	$ -
Total Assigned and Unassigned Ending Balance	$ 594.0	$ 589.5	$ 670.2
Excess over Minimum	**$ 518.0**	**$ 511.3**	**$ 591.3**
Excess over Cap Reserve Requirement (if in effect)	**$ 366.0**	**$ 355.0**	**$ 433.5**

The assigned ending balances are amounts that can be used for any purpose but have been designated for a specific future use by the District. The District's Assigned ending balances are further broken out into the following categories:

Breakdown of Assigned Balances (in millions)	2016-17	2017-18	2018-19
General Fund School Allocation	$ 218.8	$ 269.1	$ 319.3
School Site Programs	73.3	73.7	76.9
Districtwide Costs	70.9	96.4	122.9
Proportionality Carryover	68.1	68.1	68.1
Central Office	4.1	4.1	4.1
Total Assigned Ending Balance	**$ 435.1**	**$ 511.3**	**$ 591.3**

Los Angeles County Office of Education

Serving Students • Supporting Communities • Leading Educators

Sample Template
REU Disclosure Requirements

Name of District
Los Angeles Unified School District

Per Education Code Section 42127(a) (2) (B), the following district Reserve for Economic Uncertainties (REU) information presented at a public hearing on:

Date of Hearing
June 14, 2016

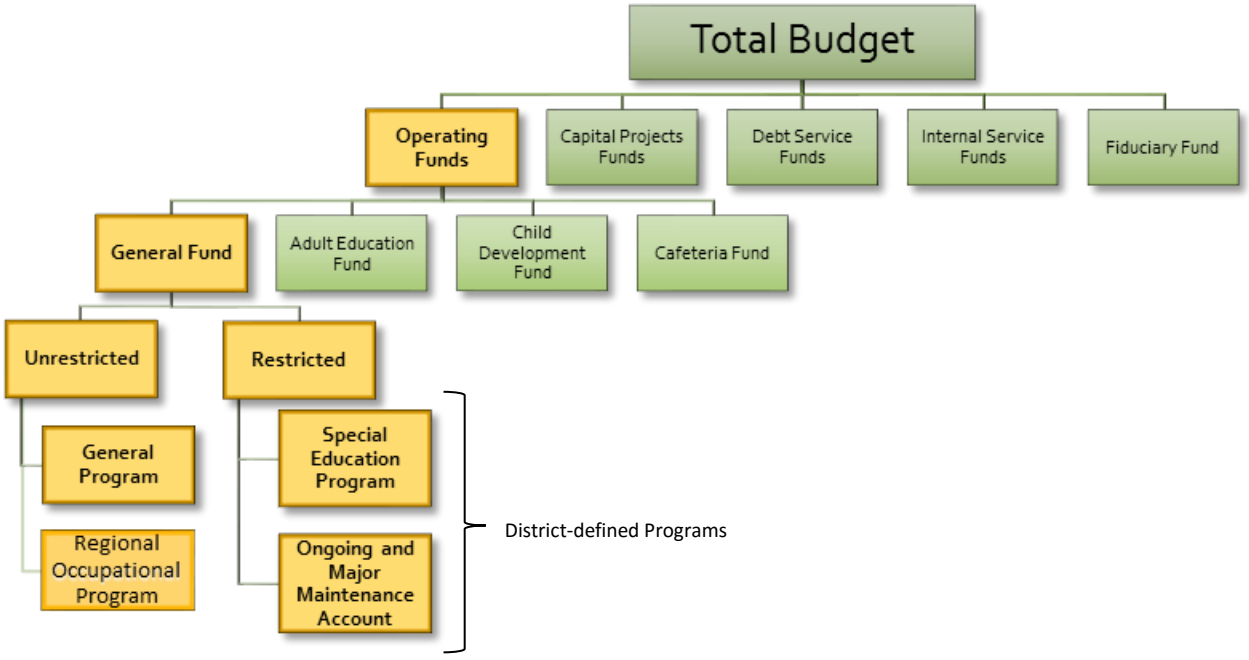
	BUDGET YEAR 2016-17		BUDGET YEAR 2017-18		BUDGET YEAR 2018-19	
	%	$	%	$	%	$
1) Assigned Fund Balance (Funds 1 & 17)	5.7%	435.1	6.5%	511.3	6.5%	591.3
2) Unassigned Fund Balance (Funds 1 & 17)	2.1%	158.8	1.0%	78.2	1.0%	78.9
3) Minimum Required REU	1.0%	76.0	1.0%	78.2	1.0%	78.8
Reserve Exceeding Minimum REU (1+2-3)	5.7%	518.0	6.5%	511.3	6.5%	591.3

Reason for Reserves in Excess of Minimum:	In 13-14, the District has move into a decentralized budgeting model where resources are allocated to schools giving them flexibility based on locally determined needs. As a result school are held accountable for funds but the same time given full carryover of any savings incurred. 83% of the assigned balances are for General fund School Allocation and Programs.	(See explanation in 2016-17)	

BREAKING DOWN LAUSD'S BUDGET

INTRODUCTION

LAUSD's budget, like the District itself, is large and complex. The chart below shows the hierarchy of LAUSD's fund structure based on California's Standardized Account Code Structure (SACS). This will guide and help the reader understand the LAUSD's budget and its various components.



The following pages in this section are designed to look at LAUSD's fund structure from the overall total budget drilling down to the General Fund. General Fund is the largest operating fund of LAUSD. Therefore, this section of the budget overview will focus on the General Fund.

THE TOTAL BUDGET

As required by California law, LAUSD's budget is classified and reported by "fund". The funds are categorized and grouped based on the use of the funds as follows:

1. ***Operating Funds*** as discussed further below is composed of the General Fund, Adult Education Fund, Child Development Fund, and Cafeteria Fund. The total Operating Funds for fiscal year 2016-17 is $9.08 billion. These funds are used for the day-to-day operation of LAUSD schools and offices.

2. ***Capital Projects Funds*** total to $2.86 billion and account for the acquisition or construction of capital facilities. The funding comes primarily from the sale of voter-approved bonds. These funds may not be used for the general day-to-day operations, as voters approved them for specific capitalized projects which will benefit current and future students.

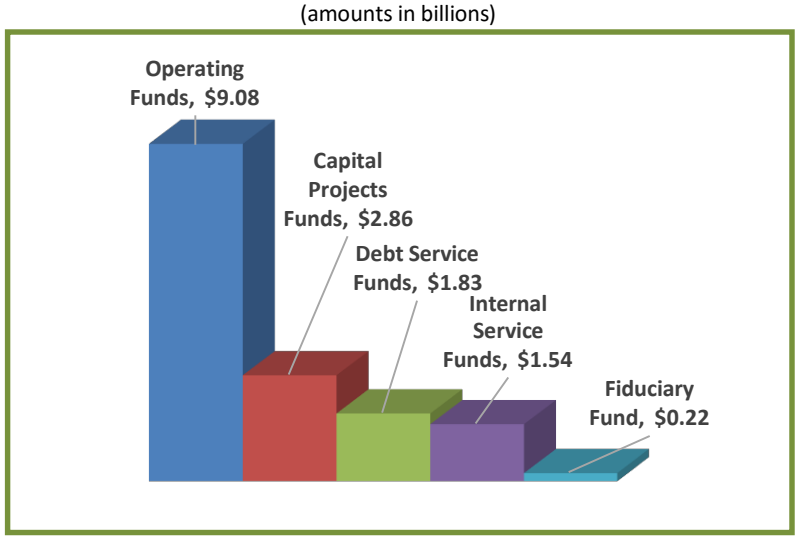
3. ***Debt Service Funds*** total to $1.83 billion and are used for the payment of interest and principal of long-term bonds.

4. ***Internal Service Funds*** total to $1.54 billion and are used for the payment of employee health and welfare benefits, workers' compensation, and liability insurance. The majority of funds accumulated in the Internal Service Funds come from funds generated by positions funded in the other funds. For example, *the cost of a teacher's health and welfare benefits* funded by the General Fund is transferred from the General Fund to the Health and Welfare Fund, which is one of the Internal Service Funds.

5. ***Fiduciary Fund*** total to $0.22 billion and composed of the Other Post-Employment Benefit (OPEB) Fund. This fund is dedicated for the health and welfare benefits of future retirees of LAUSD.

***Figure 1*: 2016-17 TOTAL BUDGET (All Funds) = $15.53 Billion**

(amounts in billions)



The total budget in the previous page shows the district's five budget categories and the size of each category combined for a total of approximately $15.53 billion.

OPERATING FUNDS

As shown on the hierarchy of funds, the Operating Funds are divided into the following four individual funds:

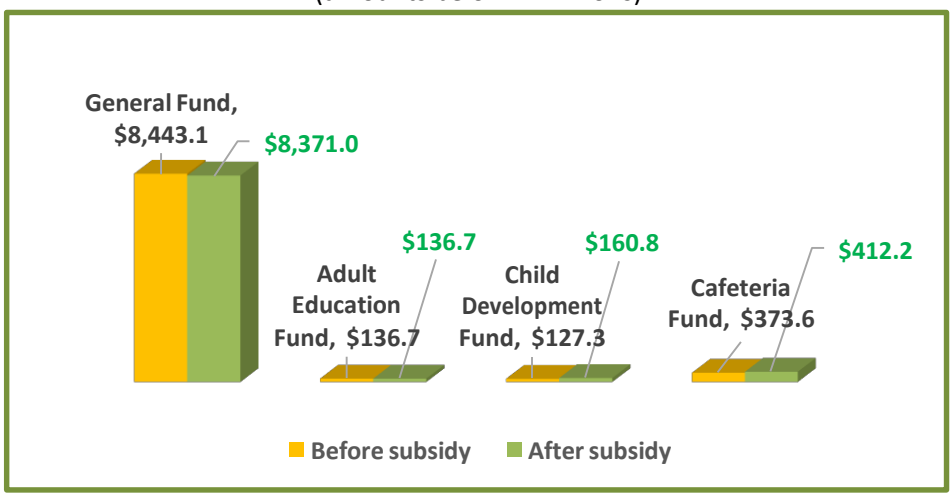
1. ***General Fund*** - includes funds for the basic instructional and administrative expenditures of the District
2. ***Adult Education Fund*** - includes funds dedicated for the operation of the Adult Education program
3. ***Child Development Fund*** - includes funds dedicated for the operation of the Early Childhood Education program
4. ***Cafeteria Fund*** - includes funds for the food service programs

An instructional program such as the Early Childhood Education may cost more than the revenue it generates. Therefore, a support from the General Fund is necessary. This is also true for operational programs such as the ones offered by the Food Services Division. Figures 2 and 3 below reflect the dollar amounts before and after the transfers between funds which represent the subsidies from the General Fund to the other funds needing support.

Figure 2: **2016-17 INTER-FUND TRANSFERS WITHIN THE OPERATING FUNDS**

(amounts in millions)	General Fund	Adult Education Fund	Early Childhood Education Fund	Cafeteria Fund	**Total Operating Funds**
Balance before subsidy	$8,443.1	$136.7	$127.3	$373.6	**$9,080.7**
Subsidy	-72.1	-	33.5	38.6	**-**
Balance after subsidy	$8,371.0	$ 136.7	$ 160.8	$ 412.2	**$9,080.7**

Figure 3**: 2016-17 OPERATING FUNDS = $9.08 Billion**
(amounts below in millions)



GENERAL FUND

The $8.37 billion General Fund includes "unrestricted" and "restricted" funds.

- Unrestricted General Fund – These are funds such as the Local Control Funding Formula (LCFF) Base Grant portion and one-time mandated cost block grant that can be used for any general purpose expenditure.
- Restricted General Fund – These are funds such as the AB 602 Special Education and Title I funds that must be used for specific purposes.

The General Fund is grouped by "District-defined Programs" which provides additional details to the budget as shown below in Figure 4.

***Figure 4*: GENERAL FUND BY DISTRICT-DEFINED PROGRAMS**

General Fund's District-defined Program	Unrestricted	Restricted
General Program	✓	
Special Education Program		✓
Regional Occupational Program	✓	
Ongoing and Major Maintenance Account		✓

Some district-defined programs within the General Fund may also need support. An example is the Special Education Program which is subsidized by the General Program (unrestricted) by $936.6 million. The support for the Special Education Program from the General Program is called an "inter-program transfer", where the transfer of funds occurs *between programs* within the General Fund.

Details of the various funds are in the Financial Summaries section of the budget book. The following pages show the ***total budgeted expenditures*** classified by Major Group and Resource followed by the LCFF funding of the unrestricted General Fund.

SCHOOL SITE BUDGETS

School site budget information is available at each school's Portal Page. There are two school budget reports available: School Budget Summary Report and Spending Report.

The School Budget Summary Report provides an overview on school funds, positions, and resources purchased with these funds. Additionally, the report provides an overview of student enrollment, attendance, types of students attending, and school characteristics. This report is updated monthly.

The Spending Report provides budget and expenditure information with available balances by program name. In addition, this report is updated daily and exportable to Excel.

The Portal Page for each school can be accessed through the District's home page at: http://notebook.lausd.net/schoolsearch/selector.jsp. Search for a school by name, school code, zip code, or by using the drop down menus. Once you have selected a school in the search results, you will be taken to the school's Portal Page.

The reports are on the left side of the page under the "School Budget Reports" heading. You will find links to the reports and instructions on how to use each report.

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BUDGET AND FINANCE POLICY SUMMARY

The Board of Education adopted the District's Budget and Finance Policy in June 2004. The Policy is intended to assist the Board of Education in making sound policy, guide the development of the District's budget, enhance the management of the District's finances, minimize the risk that the District's financial condition will create a need for Los Angeles County Office of Education (LACOE) action, and reduce potential audit concerns. The Board and Superintendent set priorities and allocate resources through the budget.

The Budget and Finance Policy was developed based on standards from the Government Finance Officers Association's (GFOA) "Recommended Budget Practices" document. The Policy is also consistent with the State Board of Education (Education Code Sections 33127, 33128), and current Governmental Accounting Standards Board (GASB) rules and standards. In any areas that LAUSD's budgeting and accounting practices were not in compliance with this policy at the time of its adoption, implementation was phased in.

In February 2009, effective for the 2010-11 financial statements, GASB issued Statement No. 54 Fund Balance Reporting and Governmental Fund Type Definitions. This new standard has left the total fund balance amount unchanged, but has changed the categories, the terminology, and how the components of the fund balance are presented and established. The fund balance policy is intended to provide guidelines and to establish procedure for reporting fund balance.

In November 2013, the District adopted an updated Budget and Finance Policy that establishes a formula that calculates annual contributions to an Other-Post-Employment Benefit (OPEB) trust when the balances in the general fund exceed the 5% minimum reserve threshold.

Contrary to the policy of contributing to the OPEB trust when the balances in the general fund exceed the 5% minimum reserve threshold, no contributions were reflected in 2015-16 through 2017-18. The planned annual contributions for these fiscal years were used to fund the Health & Welfare agreement adopted by the Board in April 2015.

Part of the Budget action for the 2016-17 Final Budget Adoption is to remove section B.5 Supplemental Pension Set-aside/Reserve Fund. The section pertains to Principal Two Section B "Appropriate Use of One-time Revenue" which was removed in November 2013 as part of a Board Amendment.

The Finance and Budget Policy is a "living document," which the District expects will evolve over time to best connect District policy, budgeting, and financing principles. The Budget and Finance Policy enumerates various broad principles for budgeting and financial operations, as follows:

Principle One: The budget should be based on the goals of the Board and Superintendent.
The Board and Superintendent have the primary responsibility for developing and articulating the District's goals. As the budget is developed and presented, these goals should be considered.

Principle Two: The budget should be based on sound financial principles.
LAUSD's budget should keep the District financially viable and able to sustain its key programs over time.

The following specific financial principles are explained in detail in the full Budget and Finance Policy document:

- Balanced Operating Budget
- Alignment of Budget with Expected Expenditures
- Adequate Reserves
- Revenue Maximization
- Revenue Estimation
- Cost Recovery Through Fees and Charges
- Multi-Year Capital Plan and Budget
- Asset Management
- Equipment Replacement
- Prudent Debt Management
- Program Sustainability
- GASB Compliance

Principle Three: The budget should be clear and easy to understand.

The budget should be organized and presented in such a way that readers can understand:

- What the District intends to do and how it intends to do it
- The District's overall financial condition
- The historical context for LAUSD programs

Consistent with the GFOA standards, LAUSD has identified guidelines for the presentation of budgets. These standards provided guidance for development of LAUSD's budgets from four perspectives, as a:

- Policy Document
- Financial Plan
- Operations Guide
- Communications Device

Principle Four: The budget should be timely and easy to manage at the school level.

The process of managing the budget is easier for schools and offices if they have access to systems and training. The Chief Financial Officer is responsible for defining the parameters under which schools and offices may manage their budgets, as set forth by the Board of Education.

Principle Five: The budget process should inform stakeholders.

Prior to the adoption of the final budget, District staff should present the budget to stakeholders. The Board should also conduct a formal public review of the budget, prior to its adoption. The District's Budget and Finance Policy can be found in its entirety as an Appendix to the Superintendent's 2015-16 Final Budget document.

DEBT MANAGEMENT POLICY SUMMARY

Debt Management Policy. In April 2005, the Board of Education approved a Debt Management Policy that established certain guidelines for the issuance of various types of debt instruments and other long- term financial obligations. The Board is required to review the Policy annually. The Office of the Chief Financial Officer periodically recommends changes to the Policy to better serve the District's interests. The most recent Debt Management Policy, adopted in May 2016, is included as an appendix to this budget document.

- The Policy requires preparation of an annual Debt Report for submission to the Board and the Superintendent. The latest Debt Report was adopted by the Board on May 2016.

- The District's actual performance on debt factors, targets, and ceilings are included in the Debt Report presented to the Board.

- Leases undertaken through the District's standard procurement process for all equipment with a useful life of less than six years are excluded from the Policy.

The District's Debt Report includes the following general topics:

1. General Obligation Bond debt
    a. The District's bonded debt limitation and assessed valuation growth
    b. Bonds outstanding and bonds authorized but unissued
    c. Intended issuances of bonds
    d. Tax rate performance for outstanding bonds
        i. Proposition BB tax rates
        ii. Measure K tax rates
        iii. Measure R tax rates
        iv. Measure Y tax rates
        v. Measure Q tax rates

2. Certificates of Participation ("COPs") debt
    a. COPs outstanding

3. The market for the District's debt
    a. Municipal bond market
    b. Cost of the District's fixed rate and variable rate debt
        i. Fixed rate debt
        ii. Variable rate debt

4. The District's credit ratings
    a. Long-term credit ratings on General Obligation bonds and Certificates of Participation
    b. Short-term credit ratings on tax and revenue anticipation notes

5. Debt ratios
    a. Use of debt ratios
    b. LAUSD's compliance with debt management policy; debt levels compared to other school districts

Debt Limit Information. Education Code §15106 mandates that "any unified school district…may issue bonds that… may not exceed 2.5 percent of the taxable property of the district as shown by the last equalized assessment of the county or counties in which the district is located." Based on the District's 2014-15 Comprehensive Annual Financial Report (pg. 157), the District's assessed valuation, legal debt limit, and legal debt margin are computed as follows:

Bonded Debt Limitation and Legal Debt Margin
As of June 30, 2015
(in $000s)

Total Assessed Valuation	$532,934,207
Bonded Debt Limitation (2.5% times Assessed Valuation)	$13,323,355
Less: Outstanding General Obligation Bonds[1]	9,934,478
Equals: Legal Debt Margin[1]	**$3,388,877**

[1] The District's Comprehensive Annual Financial Report ("CAFR") reports these figures differently by adjusting them for unamortized bond premiums and discounts and amounts available in the Bond Interest and Redemption. Fund to pay bond principal.

Debt Trend. The following table summarizes historical information regarding the District's ratio of net general bonded debt and certificates of participation (COPs) to assessed value and net debt per capita:

Fiscal Year	Population	Total Assessed Value	Gross Debt [2]	Debt Service Monies Available [3]	Net Debt	Net Debt to Assessed Value	Net Debt Per Capita
2005-06	4,784,682	$363,869,479	$6,235,786	$309,525	$5,926,261	1.6287%	$1,239
2006-07	4.825.016	$402.608.837	$7.060.403	$268.111	$6.792.292	1.6871%	$1.408
2007-08	4.839.918	$440.914.390	$8.003.578	$417.991	$7.585.578	1.7204%	$1.567
2008-09	4.853.617	$474.789.798	$8.666.893	$490.953	$8.185.940	1.7220%	$1.685
2009-10	4.875.984	$474.977.291	$12.573.962	$354.884	$12.219.078	2.5726%	$2.506
2010-11	4.564.712	$463.845.551	$12.305.938	$442.118	$11.863.820	2.5577%	$2.599
2011-12	4,576,585	$469,095,225	$11,949,886	$416,294	$11,533,592	2.4587%	$2,520
2012-13	4,610,596	$480,075,491	$11,567,807	$459,309	$11,108,498	2.3139%	$2,409
2013-14	4,649,352	$503,677,920	$11,395,077	$326,582	$11,068,495	2.1975%	$2,381
2014-15	4,693,245	$532,934,207	$11,015,806	$398,694	$10,617,112	1.9922%	$2,262

(1) Estimate.

(2) Includes bonded debts (General Obligation Bonds), COPs, capital lease obligations and loans.

(3) This is the amount restricted for debt service principal payments.

Sources: Los Angeles County Auditor-Controller "Taxpayers' Guide."

Los Angeles County Department of Regional Research Section.

Scheduled Debt Repayment for 2016-17 by Fund. The following table indicates the amounts included in the 2016-17 Final Budget, by Fund, for the purpose of repayment of major debt. This table excludes such short-term debt as Tax and Revenue Anticipation Notes (TRANS):

Fund	Budgeted Amount (millions)
Bond Interest and Redemption Fund	$ 888.8
Capital Services Fund	44.1
TOTAL	$932.9

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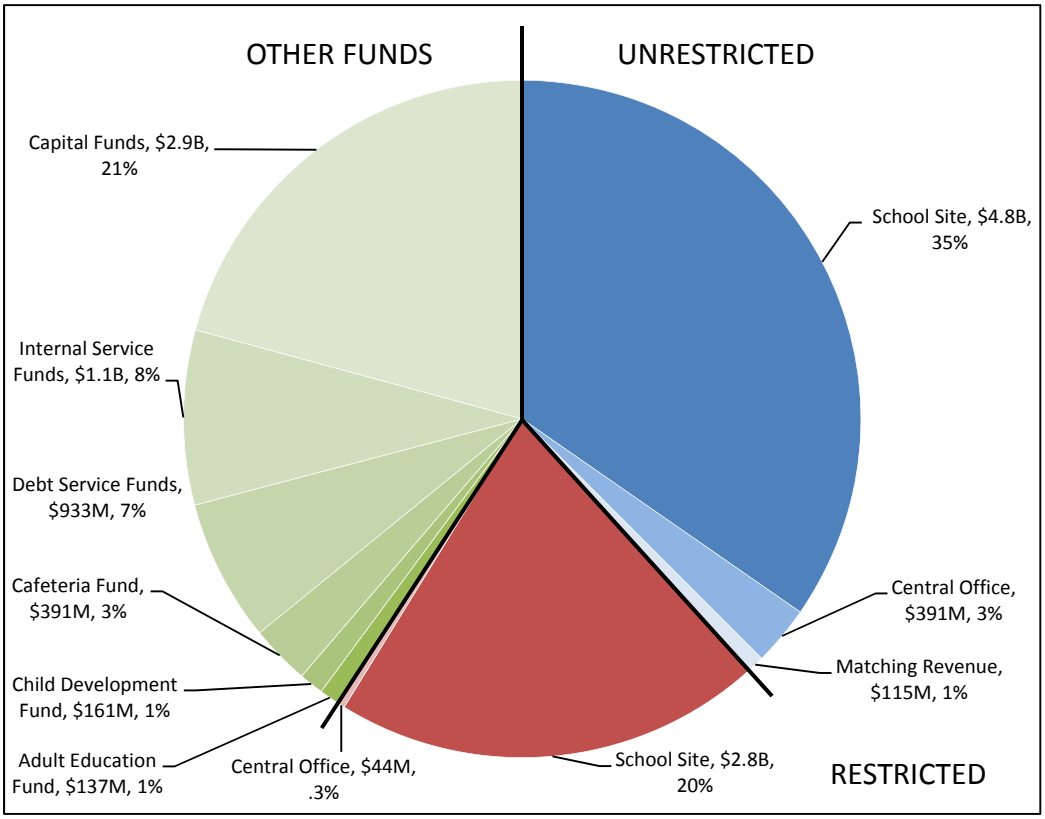
Los Angeles Unified School District

2016-2017 **Superintendent's Final Budget**



Summary *(all amounts in millions*)*

Total Adopted Budget for FY 2016-2017	**$13,764.18**	
UNRESTRICTED BUDGET	**Expenditure**	**% of Unrestricted**
School Site Resources	$4,770.12	90.4%
Central Office	$391.10	7.4%
Matching Revenue	$115.32	2.2%
Total Unrestricted Expenditures	**$5,276.54**	**100%**

RESTRICTED BUDGET AND OTHER FUNDS	**Expenditure**	**% of Restricted**
Restricted General Fund - School Site	$2,817.09	33.2%
Restricted General Fund - Central Office	$43.70	0.5%
Capital Funds	$2,857.43	1.6%
Internal Service Funds**	$1,147.72	1.9%
Debt Service Funds**	$933.28	4.6%
Cafeteria Fund	$390.95	11.0%
Child Development Fund	$160.82	13.5%
Adult Education Fund	$136.67	33.7%
Total Restricted & Other Expenditures	**$8,487.64**	**100%**

**Amounts may differ due to rounding.*
***These funds are separately set out as required by law for accounting purposes and are also reflected elsewhere in the budget.*

Description of Budgeted Expenditure Categories

UNRESTRICTED BUDGET
Funds that can be used for any general education purpose.

RESTRICTED BUDGET
Funds that must be used for a specific purpose.

SCHOOL SITE RESOURCES
Resources that support instructional and operational programs of schools.

CENTRAL OFFICE
Resources that support school sites and day to day operations of the District.

MATCHING REVENUE
Includes donations, E-rate and charter school fees for service.

CAPITAL FUNDS
Used for the acquisition or construction of capital facilities. Come primarily from sale of voter-approved bonds.

INTERNAL SERVICE FUNDS
Account for the payment of employee health & welfare benefits, worker's compensation, and liability insurance. For accounting purposes as required by State law.

DEBT SERVICE FUNDS
Account for payment of interest and principal on the District's long-term bonds. For accounting purposes as required by State law.

CAFETERIA FUND
Resources used to operate the District's food service program.

CHILD DEVELOPMENT FUND
Resources used to operate the District's Early Education Centers.

ADULT EDUCATION FUND
Resources used to operate the District's Adult Education programs.

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EXPENDITURES BY MAJOR GROUP AND RESOURCE

INTRODUCTION

This report shows budgeted expenditures by major groups as defined by the District. The resources are split between General Fund Unrestricted, General Fund Restricted, and Other funds. Other funds include Adult Education, Child Development, Fiduciary, Cafeteria, Capital, Debt Services, Internal Service, and Deferred Maintenance.

The District Expenditures by Major Group and Resource Report will be available on the Budget Services website under Budget Documents. This report will be updated quarterly. The Budget Documents page for the Budget Services website can be accessed at http://achieve.lausd.net/Page/1327

District Budgeted Expenditures by Major Group and Resource

Dollars in Millions

MAJOR GROUP	UNRESTRICTED	RESTRICTED	OTHER	TOTAL	DESCRIPTION
4 YEAR OLD TK PROGRAM	$44.43			$44.43	Program designed to prepare 4 year old students for kindergarten who are not part of the Transitional Kindergarten program.
ACADEMIC DECATHLON	$0.86			$0.86	Differential supplemental salary payment (1 per participating school) for Academic Decathlon Coach, fees for participation in academic decathlon, supplies, and travel expenses.
ACCELERATED ACADEMIC LITERACY	$6.15			$6.15	Class size reduction literacy classes for secondary schools.
ACCREDITATION	$0.55			$0.55	Western Association of Schools & Colleges reimbursement for school applications, annual membership fees, visiting committee members expenses, and school expenses (coordinatorship, overtime, substitutes, & reprographics).
ADULT EDUCATION/REGIONAL OCCUPATIONAL CENTER/PROGRAMS	$37.55	$10.66	$127.65	$175.86	Provides quality career technical education and training to a diverse population of high school youth and adult students.
ADVANCED PLACEMENT	$4.52			$4.52	Reimbursement by students to take Advanced Placement tests.
AFTERSCHOOL PROGRAMS	$7.49	$99.05		$106.54	Afterschool programs.
A-G INTERVENTION	$18.01			$18.01	Resources to support Board adoption of Resolution 070-14/15, "Equity on A-G: reaffirming Our commitment to A-G Life Preparation for All"
ALL CITY MARCHING BAND	$0.15			$0.15	To provide performance opportunities for LAUSD high school musicians and auxiliary unit programs; to foster inter-school and District wide positive student relations.
ARTS PROGRAM	$36.32			$36.32	Elementary Arts Teachers to support the Arts program.
ATHLETICS	$2.75			$2.75	Provides auxiliary positions for Athletic Directors, athletic coach differentials, and rental of spectator materiel (i.e. bleachers) for athletic events.

District Budgeted Expenditures by Major Group and Resource

Dollars in Millions

MAJOR GROUP	UNRESTRICTED	RESTRICTED	OTHER	TOTAL	DESCRIPTION
AUDIT FEES AND FINDINGS	$15.99			$15.99	Contract for the District's external audits and audit questioned costs
BEGINNING TEACHERS SUPPORT AND ASSESSMENT (BTSA)	$1.99			$1.99	A State-approved program offered by our District to allow those teachers who have a Preliminary Teaching Credential to obtain a Professional Clear Teaching Credential. Probationary teachers who already possess a Professional Clear Credential may also participate in the program for professional growth.
CAFETERIA	$31.26		$363.01	$394.28	Operational support of the Cafeteria program (includes grants).
CAFETERIA - INTER-FUND TRANSFER	$38.58			$38.58	Income and expenditures initially recorded in the General Fund and then transferred, in accordance with accounting requirements, to a special fund.
CAMPUS AIDES	$25.95			$25.95	Campus aides for selected schools.
CAP AND GOWN	$2.02			$2.02	Resources to provide caps and gowns to graduating seniors.
CAPITAL FUNDS			$2,694.01	$2,694.01	Resources for the repayment of principal and interest on certificates of participation (COPs), and other capital projects.
CENTRAL OFFICE/DISTRICTS	$399.20	$43.70	$181.43	$624.33	Resources that support school sites and day to day operations of the District.
CERTIFICATED SUPPLEMENTAL TIME (X Z & PROF DEVELOPMENT)	$9.11			$9.11	Resources for additional certificated assignments.
CHARTER SCHOOL CATEGORICAL BLOCK GRANT	$22.72			$22.72	Categorical Block Grant and Allocation in Lieu of EIA (Economic Impact Aid) for Affiliated Charter Schools from the State.
CHARTER SCHOOL FEE FOR SERVICE	$8.13	$0.05		$8.18	Charter school fees for district provided services.
CHARTER SCHOOL OVERSIGHT FEE	$14.56			$14.56	Charter school fees for district provided services
CIVIC CENTER	$3.70			$3.70	Rental of district facilities by community groups.

District Budgeted Expenditures by Major Group and Resource

Dollars in Millions

MAJOR GROUP	UNRESTRICTED	RESTRICTED	OTHER	TOTAL	DESCRIPTION
CONTRACT POOL	$35.98			$35.98	Contract pool teachers and counselors.
COORDINATED EARLY INTERVENING SERVICES		$12.06		$12.06	The State mandated a corrective action plan for LAUSD regarding disproportionate representation of certain ethnicities as students with disabilities. The corrective action plan is not about students with disabilities identified for special education services but about Early Intervention Services for general education students needing to reduce referrals for special education.
COUNSELING SUPPORT	$2.64			$2.64	Resources to support academic career & college counseling.
COUNSELORS - PUPIL SERVICES & ATTENDANCE (PSA)	$9.60			$9.60	Works with students, parents, and school personnel to increase student attendance.
CUSTODIAL SUPPORT	$0.74			$0.74	Supports and maintains the cleanliness of school sites and offices.
DEBT SERVICE	$2.49	$0.07	$933.67	$936.23	Payment for principal and interest for Certificate of Participation (COPs) and other debt instruments.
DIPLOMA PROJECT	$2.14			$2.14	Supports efforts to increase graduation rates at schools with highest dropout rates, including a parent engagement component on how to support learning at home and at school
DONATIONS	$30.98			$30.98	Donations by individuals or groups to schools.
DUAL LANGUAGE PROGRAM	$60.76			$60.76	Resources to support students in two-way immersion programs receiving instruction in English and a target language in the same classroom to develop academic proficiency in both languages.
EARLY CHILDHOOD DEVELOPMENT			$144.35	$144.35	Early Childhood Development.

District Budgeted Expenditures by Major Group and Resource

Dollars in Millions

MAJOR GROUP	UNRESTRICTED	RESTRICTED	OTHER	TOTAL	DESCRIPTION
EARLY CHILDHOOD DEVELOPMENT - INTER-FUND	$33.50			$33.50	Income and expenditures initially recorded in the General Fund and then transferred, in accordance with accounting requirements, to a special fund.
EMPLOYEE BENEFITS/ADJUSTMENTS/PUBLIC EMPLOYEE RETIREMENT	-$12.85	$205.75		$192.90	Payment to the state for reduced employer contribution to Public Employees' Retirement System.
EMPLOYEES LOANED TO AGENCIES/OFFICE	$5.49			$5.49	District employees loaned to other entities. The District is reimbursed for salaries.
ENERGY REBATE CONSERVATION	$1.42			$1.42	Improvement of buildings and job-cost materials.
ENGLISH LEARNER IMPLEMENTATION AND SUPPORT	$12.71	$2.35		$15.06	Support for English Learner students to improve academic achievement.
E-RATE MATCH/REBATE	$14.69			$14.69	Local revenue funding for the E-Rate Match/Rebate program.
EVALUATION	$0.23			$0.23	Training instructional personnel in a robust and detailed way to view instruction.
FACILITIES MAINTENANCE/OPERATIONS	$57.05	$0.40		$57.45	Building & Grounds Workers, roving gardeners, window washing crew, landscaping, tree trimming, pest control, repair/replacement of fire extinguishers, repair of lighting for auditorium and gym.
FACILITIES NON-BOND REQUIREMENTS	$2.92			$2.92	General Fund resources for facilities projects.
FAMILY SOURCE SYSTEM	$1.40			$1.40	Focuses on engaging parents and students with resources to improve academic achievement and to lift families out of poverty.
FEDERAL AND STATE COMPENSATORY PROGRAMS		$391.12		$391.12	Resources to support Federal and State Education Programs, including Title I.
FILMING	$11.15			$11.15	Funds received from Filming and Photography. School resources yet to be allocated.
FIRE DAMAGE	$2.67			$2.67	Repair fire damage.
FOSTER YOUTH ACHIEVEMENT PROGRAM	$13.77			$13.77	Resources to increase academic and support services to Foster Youth.

District Budgeted Expenditures by Major Group and Resource

Dollars in Millions

MAJOR GROUP	UNRESTRICTED	RESTRICTED	OTHER	TOTAL	DESCRIPTION
GENERAL SCHOOL PROGRAM	$2,789.87			$2,789.87	Resources to support the general school program.
GIFTED AND TALENTED PROGRAM (GATE)	$1.27			$1.27	Supports staff training for employees who work with gifted students.
GRANTS - SITE DETERMINED NEEDS		$166.73		$166.73	Resources from Grants.
HOMELESS YOUTH ACHIEVEMENT PLAN	$2.26			$2.26	Provide support as district liaisons for Homeless students and families to ensure timely enrollment, advocate for school stability, and provide supplemental services and resources as needed.
IMA-LIBRARY FINES	$0.65			$0.65	Fees and fines for lost and damaged books.
INCENTIVE	$4.79			$4.79	Incentives to improve Districtwide enrollment, attendance, and attendance submittal.
INDIRECT COST	-$89.55	$67.93	$21.62	$0.00	Elements of cost necessary in the operation of a District or in the performance of a service that are of such nature that the amount applicable to each accounting unit cannot be determined readily.
INSTRUCTIONAL MATERIALS	$0.59			$0.59	Resources that support and/or supplement the core instructional program and operations.
INSTRUCTIONAL TECHNOLOGY SUPPORT (VLC)	$3.28			$3.28	Resources to support virtual learning.
INSURANCE PREMIUMS	$39.30			$39.30	Cost of insurance coverage for liability, property, and vehicle.
INTER-FUND TRANSFER CERTIFICATE OF PARTICIPATION (COPS)	$33.70		$9.58	$43.27	Income and expenditures initially recorded in the General Fund and then transferred, in accordance with accounting requirements, to a special fund.
INTER-FUND TRANSFERS			$23.00	$23.00	Income and expenditures initially recorded in the General Fund and then transferred, in accordance with accounting requirements, to a special fund.
INTERNAL SERVICE FUNDS			$1,128.54	$1,128.54	Payments and claims for Health and Welfare Fund and Workers' Compensation.

District Budgeted Expenditures by Major Group and Resource

Dollars in Millions

MAJOR GROUP	UNRESTRICTED	RESTRICTED	OTHER	TOTAL	DESCRIPTION
INTERNATIONAL BACCULAREATE PROGRAMS	$3.55			$3.55	Resources to support International Baccalaureate Program.
ITD-SOFTWARE LICENSE AND HARDWARE	$16.32			$16.32	Information Technology (IT) equipment, materials, and software licensing.
LCFF-COUNTY OFFICE TRANSFERS	$6.00			$6.00	Reimbursement to County Offices of Education for District-referred students.
LIABILITY RESERVE	$15.65			$15.65	Reserve.
LOCAL CONTROL ACCOUNTABILITY SUPPORT	$0.20			$0.20	Local Control accountability support.
LOCAL INITIATIVE SCHOOL	$1.18			$1.18	Local School Initiative support resources.
LUMP SUM VACATION	$11.74			$11.74	Lump sum vacation and other benefits.
MAGNET SCHOOL RESOURCES	$28.42			$28.42	Additional resources for magnet schools and centers.
MILEAGE & TUITION REIMBURSEMENT	$1.10			$1.10	Mileage and Tuition reimbursement due to a bargaining unit agreement.
NEW SCHOOLS START UP COSTS	$1.00			$1.00	Start-up costs for new schools, including administrators, counselors, clerical, library supplies, custodians, custodial supplies, instructional materials, general supplies, and professional development days.
NON-FILMING RENTAL	$4.97			$4.97	Funds received from non filming rental. School resources yet to be allocated.
NURSES	$2.90			$2.90	Support health services.
OFF-NORM & ONE TIME SCHOOL ALLOCATIONS	$10.74			$10.74	One-time allocations such as teachers, administrators and clerical positions and other off norm positions.
ON-GOING & MAJOR MAINTENANCE		$233.28		$233.28	Regular Routine General Maintenance program, Plant Maintenance, School Bathroom Renovation, & Plant Maintenance Salaries.

District Budgeted Expenditures by Major Group and Resource

Dollars in Millions

MAJOR GROUP	UNRESTRICTED	RESTRICTED	OTHER	TOTAL	DESCRIPTION
OPTIONS PROGRAM	$81.22			$81.22	Options schools are designed to provide students a smaller, more personalized education supported by knowledgeable, supportive educators working collaboratively.
PAID SICK LEAVE - PART TIME EMPLOYEES	$14.71			$14.71	Paid sick leave for part time employees.
PARA PROFESSIONAL TEACHER TRAINING	$3.57			$3.57	A paraeducator (instructional assistant/aide) career ladder program that leads to a teacher preparation program
PARENT INVOLVEMENT	$0.38	$0.21		$0.58	Parent support through workshops, trainings, communications, and school involvement.
PERMITS & FOREIGN STUDENT SUPPORT	$0.46			$0.46	Permits and Foreign Student Support.
PERSONNEL WITH PENDING CASES	$15.00			$15.00	Personnel housed pending personnel action.
PROP 39 CHARTER SCHOOL CO-LOCATION	$7.10			$7.10	Charter school fees for district provided services.
PROP 39 CLEAN ENERGY		$98.54		$98.54	Funds that support retrofit projects which will help ensure long-term energy savings.
PROPERTY RENTALS	$8.81			$8.81	Rental expense for leasing of school facilities.
PSYCHIATRIC SOCIAL WORKERS	$5.77			$5.77	Provides specialized services to identified students to remove emotional, behavioral, and family crisis barriers to learning.
QUALITY EDUCATION INVESTMENT ACT - QEIA		$11.83		$11.83	Resource allocation to support Quality Education Investment Act.
REASONABLE ACCOMMODATIONS	$5.72	$0.01		$5.73	Resources provided to employees with disabilities. Resources include Education Aides, Teacher Assistants, Sign Language Interpreters, and Special Education Assistants.
REED SETTLEMENT - SUPPORT TO SCHOOL SITES	$29.98			$29.98	Resources to improve teacher retention and academic achievement at Reed schools.
RESERVE FOR APPROVED SALARY INCREASES	$3.20			$3.20	Resources for salary increases.

District Budgeted Expenditures by Major Group and Resource

Dollars in Millions

MAJOR GROUP	UNRESTRICTED	RESTRICTED	OTHER	TOTAL	DESCRIPTION
RESTORATIVE JUSTICE PROGRAM	$10.81			$10.81	Program to help improve student behavior and provide alternatives to suspensions and expulsions.
RETIREMENT BONUS	$18.00			$18.00	Annuity liability for early retirement incentive offered in 2009-2010.
RUBBISH/TRASH DISPOSAL	$6.83			$6.83	Trash disposal for all schools and offices.
SALARY OVERPAYMENT	$3.00			$3.00	Estimated salary overpayments of District personnel.
SCHOOL DETERMINED NEEDS	$1.13			$1.13	Resources to support school determined needs
SCHOOL POLICE	$67.34			$67.34	Safety and security for schools and district property.
SCHOOL TECHNOLOGY SUPPORT (MCSA)	$7.59			$7.59	Microcomputer Support Assistants assigned to provide onsite local technical support for schools.
SCIENCE CENTERS	$0.85			$0.85	Science Centers
SPECIAL EDUCATION	$88.65	$1,479.26		$1,567.92	Resources to support Special Education.
STUDENT ENGAGEMENT	$0.25			$0.25	Resources to support student engagement as specified under the Local Control Funding Formula.
STUDENT ENROLLMENT PLACEMENT ASSESSMENT	$1.07			$1.07	Provides assistance for families with special student populations such as unaccompanied youth, homeless, and foster youth that need extra help with the LAUSD enrollment process, beyond the school's resources.
STUDENT HEALTH AND HUMAN SUPPORT PERSONNEL	$13.91	$16.93		$30.84	Provides health, mental health, and learning support services to students.
SUMMER SCHOOL-CREDIT RECOVERY	$1.00			$1.00	To fund the summer school program for credit recovery courses.
TARGETED STUDENT POPULATION	$323.74			$323.74	Resources to support the academic achievement of low-income, English learner, foster youth and other at-risk populations as required under the Local Control Funding Formula.

District Budgeted Expenditures by Major Group and Resource

Dollars in Millions

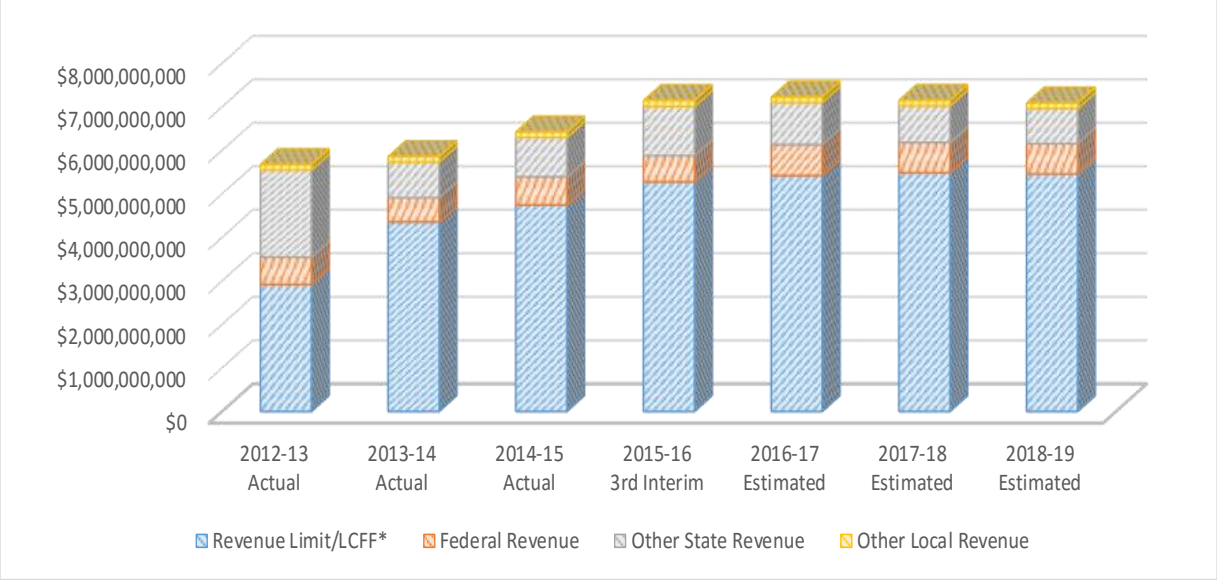
MAJOR GROUP	UNRESTRICTED	RESTRICTED	OTHER	TOTAL	DESCRIPTION
TEACHER, ELEMENTARY (GRADES 4, 5/6)	$3.00			$3.00	Supplemental teacher allocations to reduce class size at schools with high levels of targeted students.
TEACHERS	$26.70			$26.70	Supplemental teacher allocations for elementary schools with high levels of targeted students in Grades 4, 5 and 6.
TEACHERS - LIBRARY MEDIA	$1.00			$1.00	Aligns the school library media program, collection, and services with the school curriculum.
TELEPHONE	$25.90			$25.90	Telephone services for all schools.
TESTING	$1.80			$1.80	Standards and assessment testing, and testing coordinator differentials for select schools.
TEXTBOOKS	$75.93	$20.87		$96.80	District funded textbooks.
TRANSFERS CHARTER SUPPLEMENTAL CATEGORICAL BLOCK GRANT	$1.00			$1.00	Transfers to charter supplemental categorical block grant.
TRANSPORTATION	$89.28			$89.28	Bus transportation for all District traveling program students including magnet.
TSP - UNDETERMINED	$256.54			$256.54	Resources to support the academic achievement of low-income, English learner, foster youth and other at-risk populations as required under the Local Control Funding Formula.
UNIFORMS	$10.00			$10.00	Uniforms for athletic and extra-curricular activities for students.
UTILITIES	$133.72			$133.72	Electrical, water, and gas expenses for schools.
UTLA RELEASE TIME	$0.55			$0.55	Authorized release time for teachers.
VEHICLE REPAIRS/REPLACEMENT	$15.92			$15.92	Vehicle maintenance expenditures for school buses.
WATER/TOXIC TESTING/FEES & PERMIT (CA CLEAN AIR)	$3.72			$3.72	Air Quality Management district fees.
Grand Total	**$5,293.05**	**$2,844.27**	**$5,626.86**	**$13,764.18**	

GENERAL FUND – UNRESTRICTED AND RESTRICTED REVENUES

The 2016-17 General Fund is estimated at $7.6 billion.

- The District's Local Control Funding Formula (LCFF) revenue for fiscal year 2016-17 is $5.4 billion for both non-charter and locally-funded (affiliated) charter schools. This revenue is reflected in the Unrestricted General Fund.
- The estimated LCFF revenue assumed a 0% COLA and a 54.84% gap funding.

GENERAL FUND – UNRESTRICTED AND RESTRICTED REVENUES
(Excluding Other Financing Sources)



	2012-13 Actual	2013-14 Actual	2014-15 Actual	2015-16 3rd Interim	2016-17 Estimated	2017-18 Estimated	2018-19 Estimated
Revenue Limit/LCFF*	$ 2,913.7	$ 4,351.1	$ 4,742.1	$ 5,274.4	$ 5,416.5	$ 5,482.9	$ 5,457.1
Federal Revenue	629.9	557.3	646.7	601.3	713.9	697.9	693.6
Other State Revenue	2,002.5	822.4	905.6	1,132.6	967.1	840.8	809.8
Other Local Revenue	124.6	122.8	125.7	135.6	122.1	124.1	126.4
Subtotal	$ 5,670.8	$ 5,853.6	$ 6,420.1	$ 7,143.9	$ 7,219.6	$ 7,145.8	$ 7,086.9
Other Financing Sources	38.7	25.3	2.5	54.4	23.0	15.0	15.0
Total	$ 5,709.5	$ 5,878.9	$ 6,422.6	$ 7,198.4	$ 7,242.6	$ 7,160.8	$ 7,101.9

**Beginning fiscal year 2013-14, the Local Control Funding Formula (LCFF) replaced the Revenue Limit and most of the categorical programs that were previously funded by the State separately.*

GENERAL FUND UNRESTRICTED REVENUES BY SOURCE

(Amounts in millions)	2012-13 Actual Amounts	2013-14 Actual Amounts	2014-15 Actual Amounts	2015-16 3rd Interim Estimate	2016-17 Estimated Amounts
Federal Revenues					
Medicare Part D Subsidy	$ 10.4	$ 10.8	$ 10.1	$ 4.3	$ -
Medi-Cal Admin Activity	7.7	6.7	6.4	6.0	6.0
All Other Federal Revenues	4.5	3.9	3.7	4.1	2.2
Total Federal Revenues	$ 22.6	$ 21.4	$ 20.2	$ 14.4	$ 8.2
State Revenues					
K-12 Revenue Limit (State portion)	$ 1,172.2	$ -	$ -	$ -	$ -
Local Control Funding Formula	-	$ 2,893.0	3,132.9	3,576.0	3,733.1
Education Protection Act	659.4	592.5	736.7	696.9	696.9
Adult Education Fund Entitlement	163.2	-	-	-	-
Targeted Instrucl Improv Grant (AB825)	460.4	-	-	-	-
Class Size Reduction (K-3)	147.6	-	-	-	-
California State Lottery	83.3	83.9	83.0	74.2	71.3
ROC/Skills Center Entitlement	57.5	-	-	-	-
Supplemental Hourly Program	57.4	-	-	-	-
School/Library Improvement Block Grant	43.6	-	-	-	-
Instructional Materials Block Grant, incl. Williams	35.5	-	-	-	-
Deferred Maintenace Funding	25.9	-	-	-	-
Prof Dev Block Grant AB825 & Instr Buyout	23.2	-	-	-	-
School Counselors Grades 7 - 12	16.7	-	-	-	-
Class Size Reduction (9)	12.3	-	-	-	-
Arts & Music Block Grant	8.7	-	-	-	-
School Safety & Violence Prevention Program	7.7	-	-	-	-
CAHSEE Intensive Instructional Services	6.1	-	-	-	-
Mandated Cost Reimbursement	15.2	18.7	-	291.7	136.7
Staff Develoment - Reading / Math	5.4	-	-	-	-
Gifted and Talented Students	4.5	-	-	-	-
Pupil Retention Block Grant AB825	4.3	-	-	-	-
Charter Categorical Block Grant	14.5	-	-	-	-
Pupil Assessment	2.3	2.2	2.1	2.1	1.6
California Peer Assistance & Review Program	2.6	-	-	-	-
All Other State Revenue, inc remaining Gov Props	23.0	3.9	56.5	4.1	4.5
Total State Revenues	$ 3,052.4	$ 3,594.3	$ 4,011.1	$ 4,645.0	$ 4,644.1

(Amounts in millions)	2012-13 Actual Amounts	2013-14 Actual Amounts	2014-15 Actual Amounts	2015-16 3rd Interim Estimate	2016-17 Estimated Amounts
Local Revenue					
K-12 Revenue Limit (Local portion)	$ 921.2	$ 865.5	$ 872.5	$ 1,001.6	$ 986.5
Interest	18.4	13.6	-	5.7	-
E-Rate Reimbursement	14.9	14.5	17.5	28.0	22.8
Donations	11.4	12.4	-	12.0	13.1
Charter - Fee for Service	11.4	12.9	13.7	10.0	13.2
All Other Local Revenue	47.8	53.1	71.7	67.8	61.1
Total Local Revenues	$ 1,025.0	$ 972.1	$ 975.4	$ 1,125.0	$ 1,096.7
Other Financing Sources					
Interfund Transfers	$ 14.0	$ 18.6	$ 0.3	$ 53.5	$ 23.0
Insurance Proceeds	15.2	0.8	0.8	-	-
Long Tem Debt Proceeds Capital Leases	0.0	1.7	0.6	0.6	-
Contributions to Restricted Programs	(679.3)	(857.2)	(927.3)	(1,124.6)	(1,179.5)
Total Other Financing Sources	$ (650.2)	$ (836.0)	$ (925.6)	$ (1,070.5)	$ (1,156.5)
Total Unrestricted Resources	**$ 3,449.7**	**$ 3,751.8**	**$ 4,081.1**	**$ 4,713.9**	**$ 4,592.4**

GENERAL FUND RESTRICTED REVENUES BY SOURCE

SACS Resource	SACS Resource Description (in millions)	2012-13 Actual Amounts	2013-14 Actual Amounts	2014-15 Actual Amounts	2015-16 3rd Interim Estimates	2016-17 Estimated Amounts
	Federal Revenues					
3010	NCLB: Title I, Part A, Basic Grants Low-Income and Neglected	$ 301.0	$ 231.2	$ 308.2	$ 307.9	$ 380.9
3025	NCLB: Title I, Part D, Local Delinquent Programs	0.9	1.1	0.8	1.0	1.4
3060	NCLB: Title I, Part C, Migrant Ed (Regular and Summer Program)	1.9	1.9	1.5	1.1	1.2
3061	NCLB: Title I, Migrant Ed Summer Program	-	(0.0)	-	-	-
3110	NCLB: Title I, Part C, Even Start Migrant Education (MEES	-	-	-	0.1	0.1
3180	NCLB: Title I, School Improvement Grant	15.5	17.5	34.9	21.2	21.0
3181	NCLB: ARRA Title I, School Improvement Grant	17.2	5.9	1.4	-	-
3310	Sp Ed: IDEA Basic Local Assist Entitlement, Part B, Sec 611 (formerly	105.1	117.0	119.9	100.7	127.6
3311	Special Ed: IDEA Local Assistance, Part B, Sec 611, Private School ISP	1.0	1.8	1.9	1.3	-
3315	Special Ed: IDEA Preschool Grants, Part B, Sec 619	4.0	5.1	6.1	4.9	5.6
3316	Special Ed: IDEA Preschool Accountability Grants, Part B, Sec 619	0.1	0.2	0.1	0.1	-
3320	Special Ed: IDEA Preschool Local Entitlement, Part B, Sec 611	10.0	11.1	12.4	10.9	12.6
3326	Special Education: IDEA Preschool Capacity Building, Part B, Sec 61	-	-	-	0.2	-
3327	Special Ed: IDEA Mental Health P-B611	5.3	7.0	7.0	7.0	6.8
3345	Special Ed: IDEA Preschool Staff Development, Part B, Sec 619	0.0	0.0	0.1	0.1	-
3385	Special Ed: IDEA Early Intervention Grants	1.2	1.2	1.2	1.2	1.2
3395	Special Ed: Alternate Dispute Resolution, Part B, Sec 611	-	-	-	0.0	-
3410	Department of Rehab: Workability II, Transition Partnership	1.3	1.3	1.3	1.4	0.9
3550	Carl D. Perkins Career and Technical Education: Secondary, Section	6.1	5.6	6.7	6.8	8.0
4035	NCLB: Title II, Part A, Teacher Quality	51.7	46.6	42.7	41.6	41.6
4050	NCLB: Title II, Part B, CA Mathematics and Science Partnerships	0.4	0.0	-	-	-
4124	NCLB: Title IV, Part B, 21st Century Community Learning Centers Prog	16.5	16.7	18.0	16.9	20.4
4201	NCLB: Title III, Immigrant Education Supplemental	-	-	-	0.2	1.0
4203	NCLB: Title III, Limited English Proficient (LEP) Student Program	19.5	15.1	16.9	15.5	13.5
4510	Indian Education	0.2	0.2	0.3	0.3	0.0
4810	Other ARRA Programs	1.6	0.7	0.5	-	-
5314	Child Nutrition: Equipment Assistance Grants	-	-	0.1	-	-
5610	Workforce Investment Act (WIA) From Other Agencies (LWIB)	1.1	1.0	1.0	1.0	0.2
5630	NCLB: Title X McKinney-Vento Homeless Assistance Grants	0.2	0.2	0.2	0.2	0.2
5640	Medi-Cal Billing Option	13.8	17.8	15.3	15.5	15.5
5650	FEMA Public Assistance Fund	-	0.1	0.0	-	-
5652	FEMA Hazard Mitigation Grant	0.1	-	-	0.0	-
5810	Other Restricted Federal	31.3	27.2	24.8	28.0	45.6
9010	Other Restricted Local	-	2.7	3.4	1.9	0.4
	Total Federal Revenues	607.3	535.9	626.6	586.9	705.7

SACS Resource	SACS Resource Description (in millions)	2012-13 Actual Amounts	2013-14 Actual Amounts	2014-15 Actual Amounts	2015-16 3rd Interim Estimates	2016-17 Estimated Amounts
	State Revenues			-		
2200	Continuation Education (Education Code sections 42244 and 48438)	18.9	-	-	-	-
2430	Community Day Schools	0.3	-	-	-	-
6010	After School Education and Safety (ASES)	72.6	76.4	75.4	73.2	76.6
6225	Emergency Repair Program - Williams Case	-	-	0.6	1.9	-
6230	California Clean Energy Jobs Act	-	29.9	24.0	23.1	31.1
6240	Healthy Start: Planning Grants and Operational Grants	0.2	0.2	-	-	-
6264	Educator Effectiveness	-	-	-	48.6	-
6300	Lottery: Instructional Materials	20.6	23.0	23.9	23.0	20.9
6355	ROCP: Training & Certification for Community Care (Dept Develop Se	0.2	-	-	-	-
6360	Pupils with Disabilities Attending ROC/P	0.7	-	-	-	-
6378	California Health Science Capacity Building Project	0.1	0.1	0.1	0.1	-
6381	Linked Learning Pilot Program	-	0.0	0.0	0.0	-
6382	California Career Pathways Trust	-	-	1.8	4.4	5.1
6385	Governor's CTE Initiative: California Partnership Academies	1.0	0.9	0.7	1.4	0.7
6386	California Partnership Academies: Green and Clean Academies	0.5	0.2	0.2	0.2	0.0
6500	Special Education	500.4	359.0	374.8	367.1	359.9
6501	Special Ed: Local Assistance Grant (Ages 5-21)			-	0.2	-
6510	Special Ed: Early Ed Individuals with Exceptional Needs (Infant Pro	3.0	3.0	3.1	3.1	3.1
6512	Special Ed: Mental Health Services	35.8	36.1	36.2	36.5	36.0
6513	Special Ed: State Pre School Grant (Ages 3-4-5)	-	0.2	0.0	-	-
6515	Special Ed: Infant Discretionary Funds	0.1	0.1	0.1	0.1	-
6520	Special Ed: Project Workability I LEA	0.7	0.8	0.8	0.8	-
6530	Special Ed: Low Incidence Entitlement	0.1	0.0	-	-	-
6535	Special Ed: Personnel Staff Development	0.2	0.0	-	-	-
6690	Tobacco-Use Prevention Education: Grade School	0.6	1.0	1.2	1.6	2.2
7010	Agricultural Vocational Incentive Grants	0.0	0.0	0.0	0.0	0.0
7090	Economic Impact Aid (EIA)	1.2	-	-	-	-
7091	Economic Impact Aid: Limited English Proficiency (LEP)	124.0	-	-	-	-
7220	Partnership Academies Program	1.9	2.0	2.2	2.8	1.5
7230	Transportation: Home to School	36.4	-	-	-	-
7240	Transportation: Special Education (Severely Disabled/Orthopedica	41.2	-	-	-	-
7370	Supplementary Programs: Specialized Secondary	-	0.4	0.0	0.4	-
7391	School Community Violence Prevention Grant	0.1	-	-	-	-
7400	Quality Education Investment Act	81.0	67.0	80.2	-	-
7405	Common Core State Standards	-	114.0	-	-	-
7690	STRS on Behalf of Pension Contribution	-	-	138.4	170.9	205.7
7810	Other Restricted State	0.9	(0.7)	0.2	0.7	10.3
8150	Ongoing & Major Maintenance Account (RMA: Education Code Secti	-	-	-	-	-
	Total State Revenues	942.7	713.6	763.9	760.4	753.1
	Local Revenues					
6230	California Clean Energy Jobs Act	-	-	0.1	-	-
6500	Special Education	-	-	0.2	0.1	0.2
9010	Other Restricted Local	20.8	16.3	22.6	12.2	11.8
	Total Local Revenues	30.1	20.4	22.9	12.2	12.0
	Interfund transfer In	9.6	4.1	0.8	0.3	
	Transfers from Unrestricted Programs	679.3	857.2	927.3	1,124.6	1,179.5
	Total Restricted Resources	$ 2,259.4	$2,127.1	$ 2,341.4	$ 2,484.5	$ 2,650.2

GENERAL FUND'S ESTIMATED EXPENDITURES

This section reflects the amounts of funds spent or to be spent based on the type of expenditure which are called the *objects of expenditures*. These may be certificated and classified employees' salaries, employee benefits, books and supplies, contracts, and capital outlay. It may also include inter-fund transfers-out to other funds.

- *Certificated Salaries* include salaries for positions that require a credential or permit issued by the Commission on Teacher Credentialing such as salaries of school administrators, teachers, librarians, counselors, nurses, and certificated central office administrators.

- *Classified Salaries* include salaries for positions that do not require a credential or permit issued by the Commission on Teacher Credentialing such as salaries of instructional aides, school administrative assistants, bus drivers, carpenters, custodians, plumbers, and those non-certificated employees who supervise their work.

- *Employee Benefits* include employers' contributions to retirement plans and health and welfare benefits for employees, their dependents, retired employees, and board members; and other post-employment benefits.

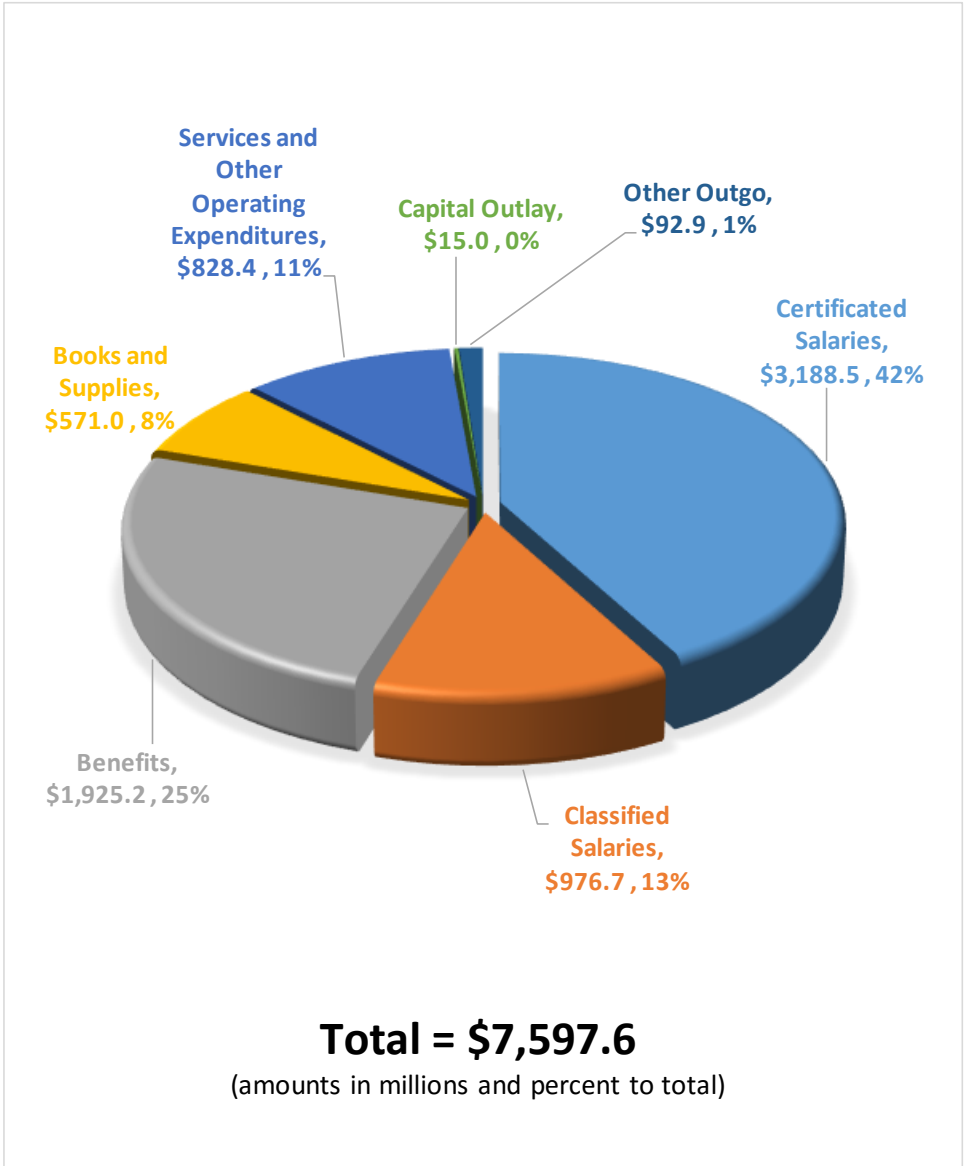
- *Books and Supplies* include the cost of textbooks, instructional materials, general supplies, and fuel.

- *Services and Other Operating Expenses* include the cost of contracts, travel and conferences, dues and memberships, utilities, rentals, leases, repairs, and professional or consulting services.

- *Capital Outlay* includes the cost of facilities (land and buildings), books and media for new libraries or major expansion of school libraries, equipment, and equipment replacement. Most of LAUSD's capital outlay costs are in bond funds devoted specifically to school construction and modernization.

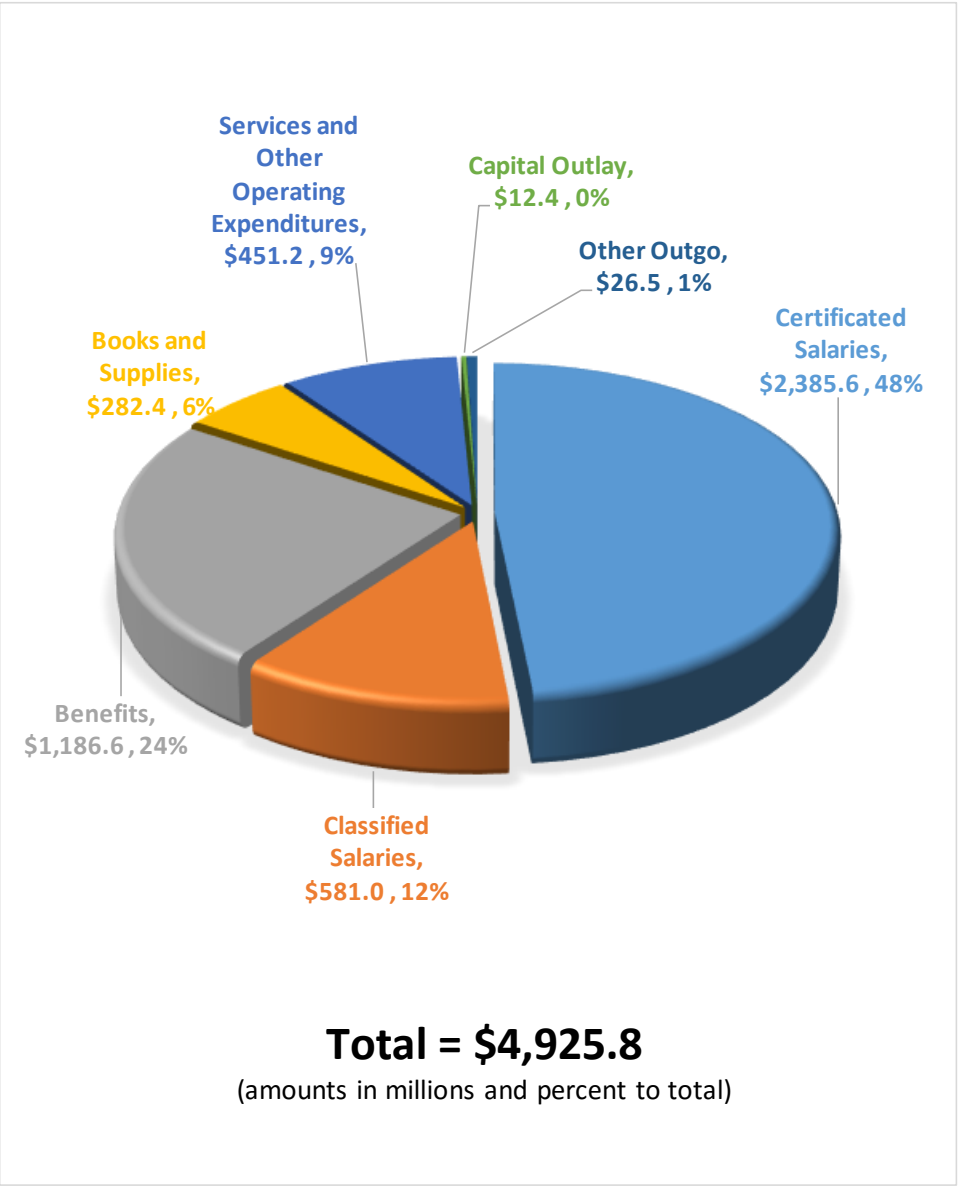
- *Other Outgo* includes pass through of apportionments to county-educated LAUSD-resident students, transfers of taxes to direct-funded (fiscally-independent) charter schools, bond redemptions, and bond interest and other service charges.

General Fund – Unrestricted and Restricted
ESTIMATED EXPENDITURES BY MAJOR OBJECT



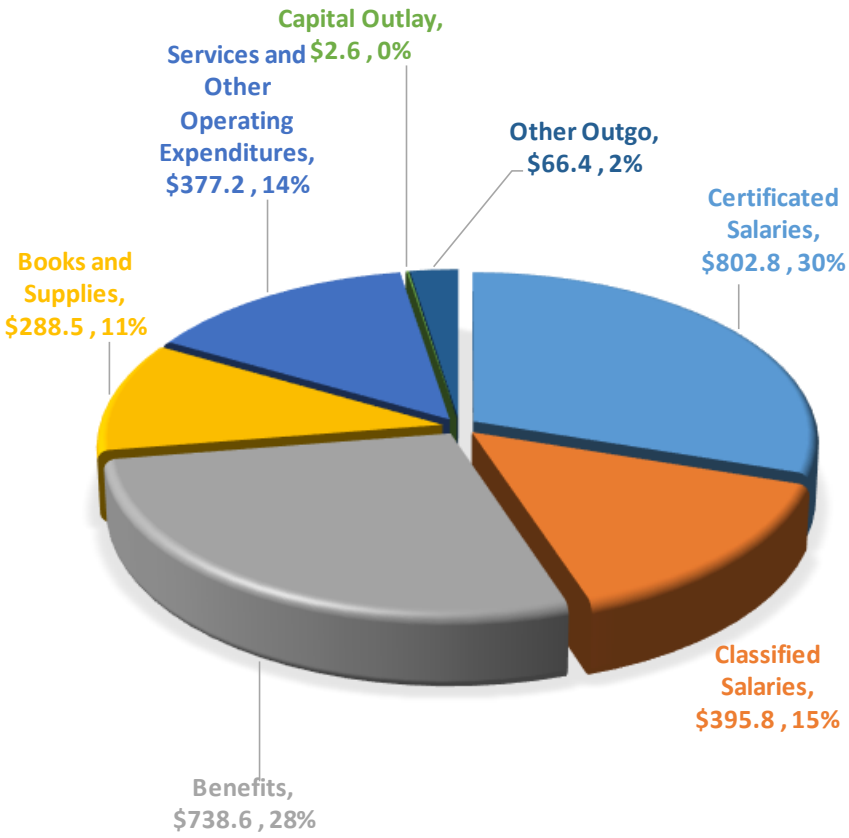
Total = $7,597.6
(amounts in millions and percent to total)

General Fund – Unrestricted
ESTIMATED EXPENDITURES BY MAJOR OBJECT



Total = $4,925.8
(amounts in millions and percent to total)

General Fund – Restricted
ESTIMATED EXPENDITURES BY MAJOR OBJECT



Total = $2,671.8
(amounts in millions and percent to total)

LOCAL CONTROL FUNDING FORMULA

Up until fiscal year 2012-13, the Revenue Limit was the basic and the largest financial support for District activities. In fiscal year 2013-14, Governor Jerry Brown implemented the new State funding formula for local education agencies called Local Control Funding Formula (LCFF). AB 97 was enacted, amending California Education Code 42238.07 which relates to education finance. The goal of LCFF is to significantly simplify how state funding is provided to local education agencies (LEAs), to create transparency of funding, and to grant local control of funds.

The LCFF eliminated the Revenue Limit and most of the state categorical program funding streams. The categorical programs that were folded in the LCFF are not bound by the program compliance requirements that existed before the implementation of LCFF. Below is a list of categorical programs participated in by LAUSD that are now folded in the LCFF.

Administrator Training Program
Adult Education
Advanced Placement (AP) Program - Exam Fee Assistance
Arts and Music Block Grant
Bilingual Teacher Training and Assistance Program
California High School Exit Exam Intensive Instruction
California School Age Families Education (Cal-SAFE)
Certificated Staff Mentoring Program
Charter School Categorical Block Grant
Charter School In-lieu of EIA
Class-Size Reduction, Grade 9
Class-Size Reduction, Grades K-3
Community-Based English Tutoring (CBET)
Community Day School Additional Funding
Community Day School Additional Funding For Mandatory Expelled Pupils
Core Academic Program (Supplemental Instruction)
Deferred Maintenance
Economic Impact Aid (EIA)
Education Technology - California Technology Assistance Project (CTAP)
Education Technology – Statewide Education Technology Services (SETS)
Gifted & Talented Education (GATE)
Instructional Materials, IMFRP
Low STAR Score and at Risk of Retention (Supplemental Instruction)
Math & Reading Professional Development
Math & Reading Professional Development - English Learners
Middle & High School Counseling
National Board Certification Teacher Incentive Grant
New Charter School Supplemental Categorical Block Grant
Oral Health Assessments
Peer Assistance & Review Program
Physical Education Teacher Incentive Program

Professional Development Block Grant
Pupil Retention Block Grant
Pupil Transportation Programs
Reader Services For Blind Teachers
Regional Occupational Centers / Programs
Remedial Program (Supplemental Instruction)
Retained & Recommended for Retention (Supplemental Instruction)
School and Library Improvement Block Grant
School Safety & Violence Prevention Block Grant, Grades 8-12 (Carl Washington)
School Safety Consolidated Competitive Grant
Standards for Preparation and Licensing of Teachers (CTC)
Targeted Instructional Improvement Block Grant
Teacher Credentialing Block Grant (BTSA)
Teacher Dismissal Apportionments

Unlike the Revenue Limit which was largely based on COLA and average daily attendance (ADA), the LCFF includes several variables to calculate an LEA's entitlement. These are ADA, COLA, enrollment, unduplicated pupil count, and gap funding percentage.

To familiarize one's self with the LCFF calculation, it would help to know the definitions of the various terminologies used in LCFF. Below are the various terminologies and their brief definitions in the order as they are encountered in the formula.

Grade Span

LCFF funding uses grade span ADAs such as K-3, 4-6, 7-8, and 9-12. Transition Kindergarten (TK) is included in the Kindergarten enrollment.

Average Daily Attendance (ADA)

The change in the reporting of ADA was driven by the LCFF formula where ADAs are summed into grade spans of K-3, 4-6, 7-8, and 9-12. LCFF uses the ADA of students from the beginning of the school year to the school month ending on or before April 15th of a fiscal year. This period of attendance is called the Second Principal Apportionment (P-2) ADA. After adjusting LAUSD's prior year ADA for students who transferred to and from LAUSD and charter schools, Education Code 42238.5 allows school districts to use the larger of the current year or prior year's P-2 ADA; while charter schools use the current year's P-2 ADA. A small portion of the funded ADA comes from the Annual ADA, i.e., ADAs from the beginning to the end of the school year. The ADAs are sub-totaled by grade span which is multiplied by the corresponding funding rates per ADA.

Cost of Living Adjustment (COLA)

This is a percentage calculated by the State and is based on the Implicit Price Deflator as of the month of May prior to the beginning of each fiscal year. The LCFF rates per ADA are increased annually to reflect the COLA.

Base Grant Per ADA	Each Base Grant Per ADA is composed of a base rate per ADA plus COLA. The Base Grant Per ADA is unique for each of the grade span and is applied to the respective grade span ADA to calculate the initial Base Grant Funding. For grades K-3, the Base Grant Per ADA includes the K-3 Grade Span Adjustment. The State provides an additional 10.4% of the initial K-3 Base Grant as funding for K-3 Class Size Reduction. For grades 9-12, the Base Grant Per ADA includes the 9-12 Career Technical Education (CTE) Adjustment. The State provides an additional 2.6% of the initial 9-12 Base Grant as funding for CTE.
Base Grant Funding	The Base Grant Funding is the result of multiplying the Base Grant Per ADA of each grade span by the funded ADAs of each respective grade span.
Enrollment	This refers to the total count of K-12 students enrolled as of the fall Census Day (first Wednesday in October).
Targeted Disadvantaged Students/Unduplicated Pupils	The unduplicated student count refers to pupils who are identified as either English Learner, met the requirements for free or reduced-priced meals, or in foster care. A student falling into one or more of the criteria mentioned is counted once even if the student meets more than one of the criteria; hence, the term unduplicated pupil count. All pupil counts are based on Fall 1 certified enrollment reported in the California Longitudinal Pupil Achievement Data System (CALPADS) as of fall Census Day (first Wednesday in October).
Unduplicated Pupil Percentage	This is calculated by dividing the total unduplicated pupil count by the total enrollment, and is used in the calculation of the Supplemental and Concentration Grant Funding. With the assumption of LCFF beginning in fiscal year 2013-14, this is expressed as an "average" percentage, i.e., for fiscal year 2014-15, 2-year average; for fiscal year 2015-16, a 3-year average; and for fiscal years 2016-17 and on, a 3-year average of the last three fiscal years including the current fiscal year.
Supplemental Grant Funding	Every Targeted Disadvantaged Student generates additional funding above the Base Grant Funding through the Supplemental Grant Funding. For each grade span, this is calculated by multiplying the Base Grant Funding by the Unduplicated Pupil Percentage times 20%.
Concentration Grant Funding	In addition to the Supplemental Grant Funding, school districts that have unduplicated pupil percentage greater than 55% are entitled to

	the Concentration Grant Funding. For each grade span, this is calculated by multiplying the Base Grant Funding by the Unduplicated Pupil Percentage in excess of 55% times 50%.
Allowance and Add-On Funding	For LAUSD, this includes the Targeted Instructional Improvement Block Grant (TIIBG) and the Home-To-School Transportation in the amounts received in fiscal year 2012-13.
LCFF Target Entitlement	The LCFF Target Entitlement is the sum of the Base Grant Funding, Supplemental Grant Funding, Concentration Grant Funding, and Allowance and Add-on Funding. This represents the LCFF entitlement at the end of the implementation period, fiscal year 2020-21 and is not a static number. It is recalculated for each of the implementation year based on the current fiscal year's funded ADA and COLA. It is possible for an LEA to reach the LCFF Target Entitlement before the target year 2020-21.
Floor Entitlement	This represents the minimum amount an LEA may receive for a LCFF fiscal year. This is composed of the following: 1) the 2012-13 Revenue Limit per ADA times the current year funded ADA, 2) total amount of the 2012-13 Categorical Programs that were folded into LCFF, and 3) the prior year cumulative gap rates per ADA times the current year funded ADA.
Current Year Gap	This is the difference between the Target Entitlement and the Floor Entitlement. If the Target Entitlement is greater than the Floor Entitlement, the LEA has not reached its full LCFF implementation entitlement. Hence, there is still a gap or a need to reach full implementation. Otherwise, the LEA will be funded based on the Target Entitlement and is deemed to have reached the full implementation amount of LCFF.
Statewide Gap Funding Rate	Based on the State's available resources, the Gap Funding Rate is set at the State level and is used to calculate the Current Year Gap Funding.
Current Year Gap Funding	This represents the "funded" portion of the gap between the Target Entitlement and the Floor Entitlement, and is funded incrementally each fiscal year until full funding of the Target Entitlement is realized.
Economic Recovery Target	It is the difference between the amount a school district or charter school would have received under the old funding system (Revenue Limit, Charter School Block Grants, and Categorical Programs) and the estimated amount it would receive for LCFF funding in 2020–21, based on certain criteria. This is not applicable to LAUSD because

only school districts and charter schools that were at, or below, the 90th percentile of per-pupil funding rates of school districts under the old funding system as determined at the 2013-14 P-2 certification, are eligible for ERT payments.

Transition Funding This represents the amount of LCFF entitlement a LEA receives for the fiscal year. If the Target Entitlement has not been realized, each current year's LCFF funding is composed of the Floor Entitlement and the Current Year Gap Funding. If the Target Entitlement has been realized, the Transition Funding is the Target Entitlement. The Transition Funding is funded through: 1) local property taxes, 2) the Education Protection Act (EPA) which was enacted by Proposition 30 in November 2012, and 3) state aid. The portion of the Transition Funding that is not funded by local property taxes and EPA is funded by state aid.

As a condition of receiving the K-3 Grade Span Adjustment, LAUSD is required to maintain an average K-3 class size enrollment of not more than 24 pupils or a collectively-bargained alternative class size at each school site. Failure of one school site to maintain the maximum average K-3 class size of 24:1, will jeopardize the whole K-3 Grade Span Adjustment funding. On the other hand, charter schools do not have to maintain or make progress toward the required average class size of 24 pupils.

The Supplemental and Concentration Grant Funding are dependent on an LEA's number of unduplicated student count, specifically, the percentage of the unduplicated count to total enrollment. And although LCFF funding is considered unrestricted, the Supplemental and Concentration Grant Funding are earmarked to be spent on the Targeted disadvantaged student population. LEAs are required to specify on the Local Control Accountability Plan (LCAP), the amount of expenditures for the Targeted Disadvantaged Student population.

The Department of Finance estimates that full LCFF funding will be realized by fiscal year 2020-21. Below are the statewide rates used as the basis for estimating LAUSD's LCFF entitlement for fiscal years 2016-17 through 2018-19.

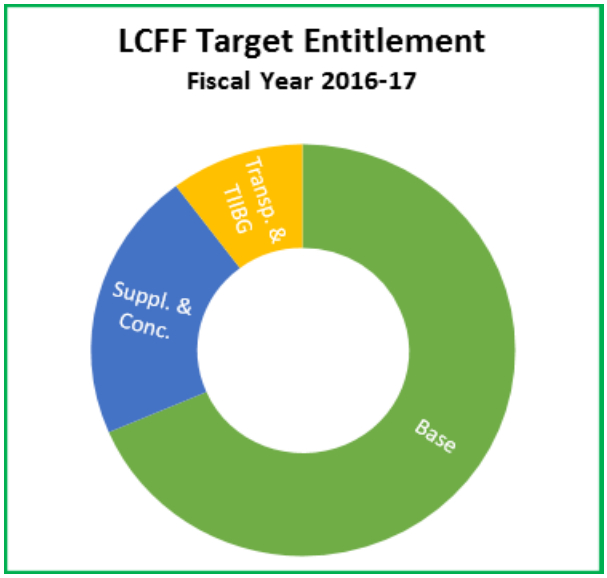
	2016-17	2017-18	2018-19
COLA	0.00%	1.11%	2.42%
Gap Funding Percentage	54.84%	73.96%	41.22%

Because there is no continuing appropriation of the LCFF gap funding in the legislation, it is important to note that funding for the LCFF must be approved by the legislature each fiscal year. This, as a fact, leads us to believe that funding for LCFF is uncertain in the coming years. In addition, Proposition 30 that was approved by the voters in November 2012 which temporarily increases the sales tax and income tax rates for high-income earners, will expire in 2016 and 2018, respectively. Bottom line, LCFF funding will depend on the state's economic climate at each fiscal year.

Below are graphs that show LAUSD's LCFF "Target Entitlement" for the non-charter schools only and how it's funded for the current fiscal year. If LCFF is fully-funded, the Target Entitlement of $5.3 billion (Graph No. 1) is what we expect to receive in fiscal year 2016-17. But instead, we are estimating to receive $5.1 billion (Graph No. 2).

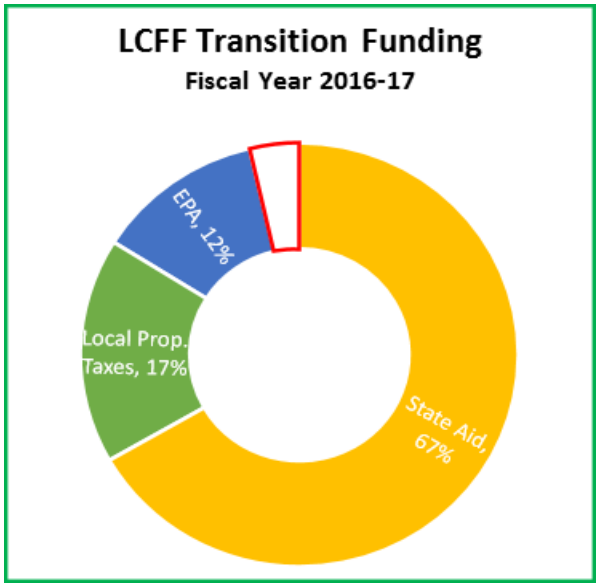
LCFF Target Entitlement	(in millions)
Base	$ 3,601.9
Suppl. & Conc.	1,121.3
Transp. & TIIBG	538.0
Total	$ 5,261.2

Graph No. 1



LCFF Transition Funding		(in millions)
Local Prop. Taxes	17%	$ 905.2
EPA	12%	654.7
State Aid	67%	3,509.3
Transition Funding	96%	$ 5,069.2
Remaining Gap*	4%	$ 192.0
Target Funding	100%	$ 5,261.2

Graph No. 2



LCFF PROPORTIONALITY REQUIREMENT

The proportionality calculation is the minimum level of increased or improved services for Targeted Disadvantaged Students that must be demonstrated by an LEA each fiscal year.

How to calculate the increase in LCFF funds apportioned for Supplemental and Concentration Grant Funding

1. Estimate the current fiscal year's amount of the LCFF Target entitlement attributable to the supplemental and concentration grants. **$1.12 billion**

2. What did we spend on programs and services which serve the targeted student population in the prior fiscal year? **$566.00 million**

3. What is the difference between the supplemental and concentration grants at full implementation and the amount spent in the prior fiscal year? *(Step 1 minus Step 2)* $1.12 billion – $566.00 million = **$555.33 million**

4. How much funding is the state providing in the current fiscal year to help close the gap in step 3 above? *(State rate times Step 3)* **54.84% x $555.33 million = $304.54 million**

5. What is the current fiscal year's total spending for supplemental and concentration grants? *(Step 2 plus Step 4)* $566.00 million + $304.54 million = **$870.54 million**

6. What portion of the current fiscal year's total LCFF funding is attributable to base funding? *(Total LCFF entitlement minus Supplemental and Concentration grants, Targeted Instructional Improvement Grant, and Home to School Transportation)* $5.07 billion – $1.41 billion = **$3.66 billion**

7. What is the proportion of the current fiscal year's total funding for the targeted student population to total base funding? *(Step 5 divided by Step 6)* $870.54 million / $3.66 billion = **23.78%**

BUDGETED EXPENDITURES BY SERVICE

INTRODUCTION

These two reports show budgeted expenditures by major groups as defined by the District. These reports detail the specific expenditures that are supported by the District's Local Control Funding Formula (LCFF) resources. In addition, the reports denote the services that are attached to each expenditure. These services are further explained in the District's Local Control Accountability Plan (LCAP). For more information on the District's LCAP, please visit: http://achieve.lausd.net/Page/5124

Base Expenditures by Service, 2016-17

LCFF Resources Only

BASE SERVICE BY MAJOR GROUP	AMOUNT
S1A - All Students - Parental Involvement	**$346,942**
PARENT INVOLVEMENT	$346,942
S1B - All Students - Professional Development	**$2,466,680**
PARA PROFESSIONAL TEACHER TRAINING	$2,466,680
S1C - All Students - Curriculum	**$37,725,317**
INSTRUCTIONAL MATERIALS	$12,523
TEXTBOOKS	$37,712,794
S1D - All Students - Instruction	**$2,019,712,231**
ADVANCED PLACEMENT	$2,035,282
CERTIFICATED SUPPLEMENTAL TIME (X Z & PROF DEVELOPMENT)	$8,349,747
DUAL LANGUAGE PROGRAM	$59,795,318
EVALUATION	$206,296
GENERAL SCHOOL PROGRAM	$1,908,558,514
MAGNET SCHOOL RESOURCES	$27,631,557
OFF-NORM & ONE TIME SCHOOL ALLOCATIONS	$9,922,209
SCHOOL DETERMINED NEEDS	$913,308
TEACHERS	$2,300,000
S1E - All Students - Assessment	**$1,355,064**
TESTING	$1,355,064
S1F - All Students - Programs & Interventions	**$51,903,797**
ACADEMIC DECATHLON	$788,713
AFTERSCHOOL PROGRAMS	$159,306
ALL CITY MARCHING BAND	$137,531
ARTS PROGRAM	$4,371,312
ATHLETICS	$2,520,766
GIFTED AND TALENTED PROGRAM (GATE)	$1,167,881
INCENTIVE	$2,833,500
OPTIONS PROGRAM	$28,957,589
SCIENCE CENTERS	$850,327
SUMMER SCHOOL-CREDIT RECOVERY	$916,872
UNIFORMS	$9,200,000
S1G - All Students - Student Health & Human Services	**$8,946,789**
NURSES	$829,396
STUDENT HEALTH AND HUMAN SUPPORT PERSONNEL	$8,117,393
S1H - All Students - Special Education	**$972,926,646**
SPECIAL EDUCATION	$972,926,646
S1I - All Students - Adult & Career Education	**$2,840,990**

Base Expenditures by Service, 2016-17

LCFF Resources Only

BASE SERVICE BY MAJOR GROUP	AMOUNT
ADULT EDUCATION/REGIONAL OCCUPATIONAL CENTER/PROGRAMS	$2,840,990
S1J - All Students - Early Childhood Education	**$30,712,387**
EARLY CHILDHOOD DEVELOPMENT - INTER-FUND	$30,712,387
S1K - All Students - Other School Personnel	**$59,829,467**
CAMPUS AIDES	$24,526,664
COUNSELING SUPPORT	$2,642,692
CUSTODIAL SUPPORT	$683,621
LUMP SUM VACATION	$10,761,331
PERSONNEL WITH PENDING CASES	$13,753,463
REASONABLE ACCOMMODATIONS	$4,711,081
SALARY OVERPAYMENT	$2,750,615
S1L - All Students - Central Office & Educational Service Centers	**$238,151,746**
CENTRAL OFFICE/DISTRICTS	$292,745,991
CONTRACT POOL	$33,789,106
EMPLOYEE BENEFITS/ADJUSTMENTS/PUBLIC EMPLOYEE RETIREMENT	-$11,782,566
INDIRECT COST	-$82,102,016
LCFF-COUNTY OFFICE TRANSFERS	$5,501,231
S1M - All Students - Departments & Districtwide Supports	**$771,749,326**
ACCREDITATION	$502,904
AUDIT FEES AND FINDINGS	$5,959,667
CAFETERIA	$26,669,229
CAFETERIA - INTER-FUND TRANSFER	$35,374,537
CAP AND GOWN	$1,833,744
DEBT SERVICE	$1,955,374
FACILITIES MAINTENANCE/OPERATIONS	$47,260,914
FIRE DAMAGE	$880,320
INSURANCE PREMIUMS	$36,036,161
INTER-FUND TRANSFER CERTIFICATE OF PARTICIPATION (COPS)	$30,895,227
ITD-SOFTWARE LICENSE AND HARDWARE	$8,024,554
LIABILITY RESERVE	$14,349,080
LOCAL INITIATIVE SCHOOL	$1,081,379
MILEAGE & TUITION REIMBURSEMENT	$1,008,559
NEW SCHOOLS START UP COSTS	$499,131
ON-GOING & MAJOR MAINTENANCE	$204,563,600
PAID SICK LEAVE - PART TIME EMPLOYEES	$13,490,231
PROPERTY RENTALS	$8,065,958
RESERVE FOR APPROVED SALARY INCREASES	$2,944,000

Base Expenditures by Service, 2016-17

LCFF Resources Only

BASE SERVICE BY MAJOR GROUP	AMOUNT
RETIREMENT BONUS	$16,503,692
RUBBISH/TRASH DISPOSAL	$6,266,539
SCHOOL POLICE	$61,700,443
TELEPHONE	$23,748,362
TRANSPORTATION	$81,872,040
UTILITIES	$121,862,849
UTLA RELEASE TIME	$504,279
VEHICLE REPAIRS/REPLACEMENT	$14,488,273
WATER/TOXIC TESTING/FEES & PERMIT (CA CLEAN AIR)	$3,408,280
Grand Total	**$4,198,667,382**

Supplemental Expenditures by Service, 2016-17

SUPPLEMENTAL SERVICES BY MAJOR GROUP	AMOUNT
S2A - Low Income Pupils - Staffing, professional development augmentations and recruitment and retention enhancements.	**$47,523,815**
4 YEAR OLD TK PROGRAM	$44,430,326
BEGINNING TEACHERS SUPPORT AND ASSESSMENT (BTSA)	$2,024,002
STUDENT ENROLLMENT PLACEMENT ASSESSMENT	$1,069,487
S2B - Low Income Pupils - Budget Autonomy to support school's academic plan.	**$500,780,456**
TARGETED STUDENT POPULATION	$255,010,559
TSP - UNDETERMINED	$245,769,897
S3A - English Learners & redesignated fluent English proficient pupils - Implement Elementary English Learner Master Plan.	**$36,105,560**
ACCELERATED ACADEMIC LITERACY	$4,056,525
CENTRAL OFFICE/DISTRICTS	$19,336,147
ENGLISH LEARNER IMPLEMENTATION AND SUPPORT	$12,712,888
S4A - Foster Youth - Augmentation to counselors, psychiatric social workers, psychologist, and pupil services. Individual learning plan for each foster youth.	**$15,173,729**
FAMILY SOURCE SYSTEM	$1,404,265
FOSTER YOUTH ACHIEVEMENT PROGRAM	$13,769,464
S5B - All unduplicated populations - Augmentation to Special Education Services to address grade span adjustment	**$22,363,459**
Special Education Grade Span Adjustment	$22,363,459
S5C- All unduplicated populations - Focus on school climate and student engagement at campuses of highest need, based-on unduplicated student concentrations.	**$145,098,387**
AFTERSCHOOL PROGRAMS	$7,316,888
A-G INTERVENTION	$15,030,160
COUNSELORS - PUPIL SERVICES & ATTENDANCE (PSA)	$9,595,402
DIPLOMA PROJECT	$2,138,969
HOMELESS YOUTH ACHIEVEMENT PLAN	$2,262,767
INSTRUCTIONAL TECHNOLOGY SUPPORT (VLC)	$3,277,960
INTERNATIONAL BACCULAREATE PROGRAMS	$3,545,563
NURSES	$2,000,000
ON-GOING & MAJOR MAINTENANCE	$16,509,005
PSYCHIATRIC SOCIAL WORKERS	$5,770,835
REED SETTLEMENT - SUPPORT TO SCHOOL SITES	$29,984,988
RESTORATIVE JUSTICE PROGRAM	$10,814,866
SCHOOL TECHNOLOGY SUPPORT (MCSA)	$7,589,695
STUDENT HEALTH AND HUMAN SUPPORT PERSONNEL	$5,061,289
TEACHERS	$24,200,000

Supplemental Expenditures by Service, 2016-17

SUPPLEMENTAL SERVICES BY MAJOR GROUP	AMOUNT
S5D - All unduplicated populations - Provide more resources to support parent engagement at the local level: Increase parental engagement, training, and workshops across the district.	**$250,000**
STUDENT ENGAGEMENT	$250,000
S5E - All unduplicated populations - Focus on elementary schools by providing administrative and library services, support by the common core-aligned arts plan integrated into the elementary curriculum to support literacy and numeracy, and additional teachers.	**$34,564,823**
ARTS PROGRAM	$31,564,823
TEACHER, ELEMENTARY (GRADES 4, 5/6)	$3,000,000
S5F - All unduplicated populations - Focus on middle school english language arts & math providing class size reduction in middle school english classes & librarians.	**$1,000,000**
TEACHERS - LIBRARY MEDIA	$1,000,000
S5G - All unduplicated populations - Focus on College and Career Readiness in high school, providing class size reduction to math and english, options schools expansion, and supports to adult education courses.	**$67,520,818**
ADULT EDUCATION/REGIONAL OCCUPATIONAL CENTER/PROGRAMS	$18,765,332
OPTIONS PROGRAM	$48,755,486
S5H - Administrative support for developing and coordinating the implementation of the District's Local Control Accountability Plan.	**$196,779**
LOCAL CONTROL ACCOUNTABILITY SUPPORT	$196,779
GRAND TOTAL	**$870,577,826**

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DESCRIPTION OF FUNDS

California State law requires school districts to organize their financial reporting by "fund". The California School Accounting Manual (CSAM), which governs school district budgeting and accounting processes in California, defines "fund" as an accounting entity with a self-balancing set of accounts recording financial resources and liabilities. It is established to carry on specific activities or to attain certain objectives of a Local Educational Agency (LEA) in accordance with special regulations, restrictions, or limitations." (Section 101, December 1998).

LEAs such as the Los Angeles Unified School District are required to budget by fund. The Superintendent's Final Budget is comprised of a General Fund and 25 special funds. The uses of these funds are summarized below.[1]

OPERATING FUNDS

Fund 010: ***General Fund*** is used to account for the basic instructional, support, and administrative operations of the District. The General Fund includes services to regular K-12 schools, the special education program, and other programs. The General Fund supports and accounts for both restricted and unrestricted funding sources and expenditures. The restricted sources are summarized in the Restricted General Fund section of this document.

Fund 110: ***Adult Education Fund*** is used to account separately for federal, state, and local revenues for adult education programs, as well as for expenditures that support this program. Expenditures in the Adult Education Fund are limited to those for adult education purposes. Moneys received for programs other than adult education may not be expended for adult education purposes (Education Code §52616[b]).

Fund 120: ***Child Development Fund*** is used to account for federal, state, and local revenues to operate child development programs. In the Los Angeles Unified School District, the Child Development Fund supports the activities of the Early Childhood Education Centers that operate throughout the District. This fund may be used only for expenditures for the operation of child development programs and may be subsidized by the General Fund as well.

Fund 130: ***Cafeteria Fund*** is used to account for federal, state, and local resources to operate the District's food service program (Education Code §38091 and §38100).

Fund 140: ***Deferred Maintenance Fund*** is used to account for the remaining balance of state apportionments and the District's contributions from fiscal years prior to 2009-10 for deferred maintenance purposes (Education Code §s 17582 through 17587). Expenditures in the Deferred Maintenance Fund are for major maintenance projects such as plumbing, heating, air conditioning, electrical, roofing, floors, and interior or exterior paint.

[1] Definitions reflect the California School Accounting Manual descriptions where available, augmented by information from the District budget and the District's 2014-15 Comprehensive Annual Financial Report to reflect specific District use of various funds.

CAPITAL PROJECTS FUNDS

Building Funds exist primarily to account for proceeds from the sale of bonds (Education Code §15146). Expenditures are most commonly made against Object 6000 – Capital Outlay accounts. As the result of the passage of multiple bond elections, the District operates six separate Building Funds.

Fund 210: ***Building Fund – Measure R*** accounts for the proceeds resulting from the passage of Measure R, a local school bond measure approved by the voters in March 2004, for new school construction and repairs to existing schools.

Fund 211: ***Building Fund – Proposition BB*** accounts for the proceeds resulting from the passage of Proposition BB, a local school bond measure approved by the voters in April 1997 for construction of new schools and repair and modernization of existing schools.

Fund 212: ***Building Fund*** accounts for proceeds from the sale of bonds prior to 1997, as well as state allowances and other resources designed for facilities expansion.

Fund 213: ***Building Fund – Measure K*** accounts for the proceeds resulting from the passage of Measure K, a local school bond measure approved by the voters in November 2002, for new school construction and repair and modernization of existing schools.

Fund 214: ***Building Fund – Measure Y*** accounts for the proceeds resulting from the passage of Measure Y, a local school bond measure approved by the voters in November 2005, for school construction and modernization, with the goal of returning all schools to a traditional calendar.

Fund 215: ***Building Fund – Measure Q*** accounts for the proceeds resulting from the passage of Measure Q which was a local school bond measure approved by the voters in November 2008 to fund critical repair and safety needs, create science labs and other specialized classrooms necessary to teach courses that would help students get into college or start careers after they graduate, and help create classrooms that are up to date in technology and high speed internet.

Fund 250: ***Capital Facilities Account Fund*** accounts for resources received from developer fees levied upon new residential, commercial, or industrial development projects within the District's boundaries. The dollars are used to obtain funds for the construction or acquisition of school facilities to relieve overcrowding.

Fund 300: ***State School Building Lease-Purchase Fund*** accounts for state apportionments received in accordance with California Education Code §17700-17780, primarily for relief of overcrowding.

Fund 351: ***County School Facilities Fund*** account for revenues and expenditures resulting from building projects funded primarily or in part from state bond elections or from matching funds. The District used to operate four separate County School Facilities Funds. In 2013-14, these four funds shown below were consolidated into one single County School Facilities Fund.

County School Facilities Fund - 1A accounts for school construction and modernization funds received from proceeds resulting from the passage of Proposition 1A in 1998, as well as for local matching funds.

County School Facilities Fund – Proposition 47 accounts for apportionments received from the State School Facilities Fund. The passage of Proposition 47 in November 2002 authorized the sale of bonds for new school facility construction, modernization projects, and facility hardship grants.

County School Facilities Fund – Proposition 55 accounts for the matching funds received as a result of the passage of Measure R. Proposition 55 was passed by the voters in March 2004.

County School Facilities Fund – Proposition 1D provides funding from the Kindergarten- University Public Education Facilities Bond Act of 2006. Proposition 1D was approved by the voters in the November 2006 general election. Funds provide additional dollars for existing school facilities programs. Funds also provide new dollars for seismic mitigation of the most vulnerable school facilities, creation of career technical education facilities, reduction of severely overcrowded sites, and incentives for the construction of high-performance "green" schools.

Special Reserve Funds for Capital Outlay Projects provide for the accumulation of General Fund moneys for capital outlay purposes (Education Code §42840). Transfers authorized by the governing board must be utilized for capital outlay purposes. The District operates four Special Reserve Funds:

Fund 400: ***Special Reserve Fund*** *– Community Redevelopment Agency* accounts for reimbursements of tax increment revenues from certain community redevelopment agencies based on agreements between the District and the agencies. The reimbursements are to be used for capital projects within the respective redevelopment areas covered in the agreements.

Fund 401: ***Special Reserve Fund*** accounts for District resources designated for capital outlay purposes such as land purchases, ground improvements, facilities construction and improvements, new acquisitions, and related expenditures.

Fund 402: ***Special Reserve Fund – FEMA – Earthquake*** accounts for funds received from the Federal Emergency Management Agency (FEMA) for capital outlay projects resulting from the January 17, 1994 Northridge earthquake.

Fund 403: ***Special Reserve Fund – FEMA – Hazard Mitigation*** accounts for funds received from FEMA and for the 25% District matching funds for the retrofit/replacement of pendant lighting and suspended ceilings in selected buildings at schools, offices, and Early Childhood Education Centers.

DEBT SERVICE FUNDS

Fund 510: ***Bond Interest and Redemption Fund*** accounts for the payment of the principal and interest on Proposition BB and Measures K, Q, R, and Y bond issues. Revenues are derived from ad valorem taxes levied upon all properties subject to tax by the District.

Fund 530: ***Tax Override Fund*** accounts for the accumulation of resources from ad valorem tax levies for the repayment of State School Building Aid Fund apportionments.

Fund 560: ***Capital Services Fund*** accounts for the accumulation of resources for the repayment of principal and interest on certificates of participation (COPs) and long-term capital lease agreements. Revenues are derived primarily from operating transfers from user funds and investment income.

INTERNAL SERVICE FUNDS

Fund 670: ***Health and Welfare Benefits Fund*** pays for claims, administrative costs, insurance premiums, and related expenditures for the District's Health and Welfare Benefits program. Medical and dental claims for the self-insured portion of the Fund are administered by outside claims administrators. Premium payments to Health Maintenance Organizations for medical benefits and to outside carriers for vision services, dental services, and optional life insurance are also paid out of this Fund.

Fund 671: ***Workers' Compensation Self-Insurance Fund*** pays for claims, excess insurance coverage, administrative costs, and related expenditures. An outside claims administrator manages Workers' Compensation claims for the District.

Fund 672: ***Liability Self-Insurance Fund*** pays for claims, excess insurance coverage, administrative costs, and related expenditures, and to provide funds for insurance deductible amounts. An outside claims administrator manages liability claims for the District.

FIDUCIARY FUNDS

Fund 710: ***Attendance Incentive Reserve Fund*** accounts for 50% of the salary savings from substitute teacher accounts resulting from reduced costs of absenteeism of UTLA-represented employees. This fund rewards regular attendance of teachers in order to improve the instructional program. Reporting of this fund to CDE is not required. However, it must be included in the audited financial statements to meet GAAP reporting requirements.

Fund 713: ***Other Post-employment Benefits (OPEB) Fund*** accounts for resources to be distributed to a trust account for employees' Other Post-employment Benefits.

Student Body Funds at the school sites account for cash held by the District on behalf of the student bodies. The CSAM does not require that Student Body Fund moneys be reported to CDE as part of the District's budget. However, it must be included in the audited financial statements to meet GAAP reporting requirements.

SOURCES AND USES OF FUNDS

SOURCES OF FUNDS

Beginning Balance

This section of the financial statements basically reflects the ending balance of the prior year. In addition, it may include adjustments due to audit or restatements of amounts.

Revenue

This section entails the various types of revenues received. They are classified based on the source of funds such as the Local Control Funding Formula, federal, state, and local revenues. For example, entitlements or grants coming from the federal government such as the Federal IDEA and Title I are included under federal revenues; while entitlements or grants coming from the state such as the Special Education funding AB 602 is included in the state revenues. It may also include inter-fund transfers-in from other funds.

USES OF FUNDS

Expenditure

This section reflects the amounts of funds spent or to be spent based on the type of expenditure which are called the objects of expenditures. These may be certificated and classified employees' salaries, employee benefits, books and supplies, contracts, and capital outlay. It may also include inter-fund transfers-out to other funds.

- *Certificated Salaries* include salaries for positions that require a credential or permit issued by the Commission on Teacher Credentialing such as salaries of school administrators, teachers, librarians, counselors, nurses, and certificated central office administrators.

- *Classified Salaries* include salaries for positions that do not require a credential or permit issued by the Commission on Teacher Credentialing such as salaries of instructional aides, school administrative assistants, bus drivers, carpenters, custodians, plumbers, and those non-certificated employees who supervise their work.

- *Employee Benefits* include employers' contributions to retirement plans and health and welfare benefits for employees, their dependents, retired employees, and board members; and other post-employment benefits.

- *Books and Supplies* include the cost of textbooks, instructional materials, general supplies, and fuel.

- *Services and Other Operating Expenses* include the cost of contracts, travel and conferences, dues and memberships, utilities, rentals, leases, repairs, and professional or consulting services.

- *Capital Outlay* includes the cost of facilities (land and buildings), books and media for new libraries or major expansion of school libraries, equipment, and equipment replacement. Most of LAUSD's capital outlay costs are in bond funds devoted specifically to school construction and modernization.

- *Other Outgo* includes pass through of apportionments to county-educated LAUSD-resident students, transfers of taxes to direct-funded (fiscally-independent) charter schools, bond redemptions, and bond interest and other service charges.

Ending Balance

This section entails the ending fund balance for the fiscal year which are classified into various categories. GASB 54 implemented a five-tier fund balance classification that sets the parameters and spending constraints as to use of funds.

- *Non-spendable Fund Balance* consists of funds that cannot be spent due to their form. These include inventory and prepaid items or funds that are legally or contractually-required to remain intact, such as the principal of a permanent endowment.

- *Restricted Fund Balance* consists of funds that are subject to externally-imposed and legal constraints.

- *Committed Fund Balance* consists of funds that are subject to internal policies and constraints. These policies are self-imposed by the District's highest level of decision-making authority.

- *Assigned Fund Balance* consists of funds that are intended to be used for a specific purpose by the district's highest level or an official with the authority to assign funds.

- *Unassigned Fund Balance* consists of residual fund balance that has not been classified in the previous four categories. It represents resources available for future spending.

SUMMARY OF SOURCES AND USES BY TYPE OF FUND

(Amounts in millions)	2012-13 *Actual*	2013-14 *Actual*	2014-15 *Actual*	2015-16 *3rd Interim*	2016-17 *Authorized*	2016-17 *Estimated*
Operating Funds						
Beginning Balance	$ 853.8	$ 627.1	$ 735.9	$ 854.0	$ 1,173.8	$ 1,173.8
Revenues	6,261.4	6,461.3	7,026.2	7,826.8	7,906.9	7,906.9
Total Sources of Funds	$ 7,115.2	$ 7,088.5	$ 7,762.1	$ 8,680.8	$ 9,080.7	$ 9,080.7
Expenditures	$ 6,394.6	$ 6,352.6	$ 6,910.2	$ 7,507.0	$ 8,825.8	$ 8,286.0
Ending Balance	720.6	735.9	851.9	1,173.8	254.9	794.6
Total Uses of Funds	$ 7,115.2	$ 7,088.5	$ 7,762.1	$ 8,680.8	$ 9,080.7	$ 9,080.7
Capital Projects Funds						
Beginning Balance	$ 2,828.8	$ 2,404.2	$ 1,945.3	$ 1,498.7	$ 1,697.2	$ 1,697.2
Revenues	681.8	261.0	473.3	912.3	1,166.8	1,166.8
Total Sources of Funds	$ 3,510.6	$ 2,665.2	$ 2,418.5	$ 2,411.0	$ 2,864.0	$ 2,864.0
Expenditures	$ 1,095.4	$ 720.4	$ 921.6	$ 713.9	$ 2,857.4	$ 1,003.6
Ending Balance	2,415.2	1,944.8	1,496.9	1,697.2	6.5	1,860.4
Total Uses of Funds	$ 3,510.6	$ 2,665.2	$ 2,418.5	$ 2,411.0	$ 2,864.0	$ 2,864.0
Debt Service Funds						
Beginning Balance	$ 741.3	$ 805.2	$ 768.1	$ 829.6	$ 895.8	$ 895.8
Revenues	1,013.0	2,778.1	1,331.6	1,700.0	932.9	932.9
Total Sources of Funds	$ 1,754.2	$ 3,583.4	$ 2,099.7	$ 2,529.6	$ 1,828.7	$ 1,828.7
Expenditures	$ 949.0	$ 2,815.3	$ 1,264.0	$ 1,633.8	$ 933.3	$ 933.3
Ending Balance	805.2	768.1	835.7	895.8	895.4	895.4
Total Uses of Funds	$ 1,754.2	$ 3,583.4	$ 2,099.7	$ 2,529.6	$ 1,828.7	$ 1,828.7
Internal Service Funds						
Beginning Balance	$ 303.8	$ 333.4	$ 330.8	$ 298.7	$ 336.6	$ 336.6
Revenues	1,114.9	1,111.7	1,199.3	1,314.1	1,207.2	1,207.2
Total Sources of Funds	$ 1,418.7	$ 1,445.1	$ 1,530.1	$ 1,612.7	$ 1,543.8	$ 1,543.8
Expenditures	$ 1,085.3	$ 1,107.8	$ 1,229.9	$ 1,276.1	$ 1,147.7	$ 1,147.7
Ending Balance	333.4	337.3	298.7	336.6	396.1	396.1
Total Uses of Funds	$ 1,418.7	$ 1,445.1	$ 1,528.6	$ 1,612.7	$ 1,543.8	$ 1,543.8
Fiduciary Service Fund						
Beginning Balance	$ -	$ -	$ 60.0	$ 90.2	$ 142.3	$ 142.3
Revenues	-	60.0	30.0	52.3	78.0	78.0
Total Sources of Funds	$ -	$ 60.0	$ 90.0	$ 142.4	$ 220.3	$ 220.3
Expenditures	$ -	$ -	$ 0.1	$ 0.1	$ -	$ -
Ending Balance	-	60.0	90.2	142.3	220.3	220.3
Total Uses of Funds	$ -	$ 60.0	$ 90.2	$ 142.4	$ 220.3	$ 220.3

SUMMARY OF REVENUES BY FUND

(Amounts in millions)	2012-13 *Actual*	2013-14 *Actual*	2014-15 *Actual*	2015-16 *3rd Interim*	2016-17 *Authorized*	2016-17 *Estimated*
Operating Funds						
General Fund - Unrestricted	$ 3,449.7	$ 3,751.8	$ 4,081.1	$ 4,713.9	$ 4,562.2	$ 4,592.4
General Fund - Restricted	2,259.7	2,127.1	2,341.4	2,484.5	2,680.4	2,650.2
Adult Education Fund - Unrestricted	64.0	60.9	66.4	99.5	95.7	95.7
Adult Education - Restricted	26.7	17.3	11.9	15.0	16.8	16.8
Child Development - Unrestricted	110.1	125.7	134.3	145.5	158.3	158.3
Child Development - Restricted	3.2	2.6	3.3	3.8	2.0	2.0
Cafeteria Fund	347.9	376.0	387.8	364.7	391.5	391.5
Subtotal	$ 6,261.4	$ 6,461.3	$ 7,026.2	$ 7,826.8	$ 7,906.9	$ 7,906.9
Capital Projects Funds						
Building Fund - Measure R	$ 71.0	$ 7.7	$ 152.0	$ 22.5	$ 161.7	$ 161.7
Building Fund - Proposition BB	29.4	0.2	2.2	0.2	0.0	0.0
Building Fund	2.1	0.9	3.9	1.1	0.7	0.7
Building Fund - Measure K	86.4	2.1	10.8	36.4	1.5	1.5
Building Fund - Measure Y	103.8	12.9	121.6	43.3	382.2	382.2
Building Fund - Measure Q	-	-	-	650.0	504.2	504.2
Capital Facilities Account Fund	57.3	59.9	78.9	78.8	80.1	80.1
State School Building Lease-Purchase Fund	0.2	0.1	1.7	0.1	-	-
County School Facilities Fund	275.6	129.6	20.9	50.2	7.3	7.3
Special Reserve Fund - CRA	13.9	19.0	23.5	17.3	12.9	12.9
Special Reserve Fund	42.0	21.4	57.9	12.4	16.2	16.2
Special Reserve Fund-FEMA-Earthquake	-	7.3	-	0.1	-	-
Special Reserve Fund-FEMA-Hazard Mitigation	-	-	0.0	0.0	-	-
Subtotal	$ 681.8	$ 261.0	$ 473.3	$ 912.3	$ 1,166.8	$ 1,166.8
Debt Service Funds						
Bond Interest and Redemption Fund	$ 971.0	$ 2,730.8	$ 1,280.7	$ 1,655.6	$ 888.8	$ 888.8
Tax Override Fund	0.0	0.1	0.0	0.0	-	-
Capital Services Fund	42.0	47.3	50.8	44.4	44.1	44.1
Subtotal	$ 1,013.0	$ 2,778.1	$ 1,331.6	$ 1,700.0	$ 932.9	$ 932.9
Internal Service Funds						
Health and Welfare Benefits Fund	$ 928.5	$ 943.3	$ 961.4	$ 1,030.4	$ 1,054.6	$ 1,054.6
Workers' Compensation Fund	106.3	116.8	183.1	127.8	120.8	120.8
Liability Self-Insurance Fund	80.2	51.6	54.8	155.8	31.8	31.8
Subtotal	$ 1,114.9	$ 1,111.7	$ 1,199.3	$ 1,314.1	$ 1,207.2	$ 1,207.2
Fiduciary Fund						
Other Post-employment Benefit Fund	$ -	$ 60.0	$ 30.0	$ 52.3	$ 78.0	$ 78.0
Subtotal	$ -	$ 60.0	$ 30.0	$ 52.3	$ 78.0	$ 78.0
Total Revenue - All Funds	**$ 9,071.1**	**$ 10,672.2**	**$ 10,060.4**	**$ 11,805.4**	**$ 11,291.8**	**$ 11,291.8**

SUMMARY OF EXPENDITURES BY FUND

(Amounts in millions)	2012-13 Actual	2013-14 Actual	2014-15 Actual	2015-16 3rd Interim	2016-17 Authorized	2016-17 Estimated
Operating Funds						
General Fund - Unrestricted	$ 3,539.6	$ 3,697.8	$ 3,895.2	$ 4,459.1	$ 5,276.5	$ 4,925.8
General Fund - Restricted	2,307.9	2,073.6	2,409.9	2,430.7	2,860.8	2,671.8
Adult Education Fund - Unrestricted	60.8	60.7	70.0	80.7	119.9	119.9
Adult Education - Restricted	31.0	17.3	11.9	15.0	16.8	16.8
Child Development - Unrestricted	110.1	125.8	134.4	145.5	158.8	158.8
Child Development - Restricted	3.2	2.6	3.3	3.8	2.0	2.0
Cafeteria Fund	341.9	374.8	385.7	372.2	391.0	391.0
Subtotal	$ 6,394.6	$ 6,352.6	$ 6,910.2	$ 7,507.0	$ 8,825.8	$ 8,286.0
Capital Projects Funds						
Building Fund - Measure R	$ 254.6	$ 332.6	$ 273.4	$ 129.4	$ 391.3	$ 141.8
Building Fund - Proposition BB	32.0	0.6	5.5	6.3	5.8	3.9
Building Fund	0.0	0.0	0.0	0.5	9.5	0.6
Building Fund - Measure K	63.7	44.5	55.5	49.1	196.8	54.3
Building Fund - Measure Y	306.8	246.8	389.7	160.3	396.1	176.2
Building Fund - Measure Q	-	-	-	152.4	1,001.7	378.0
Capital Facilities Account Fund	13.5	13.0	46.2	70.2	264.4	74.3
State School Building Lease-Purchase Fund	0.2	0.2	0.1	-	6.0	6.0
County School Facilities Fund	326.3	38.9	94.7	91.3	437.3	100.8
Special Reserve Fund - CRA	12.9	5.5	5.8	33.3	49.2	39.9
Special Reserve Fund	85.4	38.2	50.2	19.8	93.5	21.9
Special Reserve Fund-FEMA-Earthquake	-	-	0.4	1.3	5.8	5.8
Special Reserve Fund-FEMA-Hazard Mitigation	-	-	-	-	-	-
Subtotal	$ 1,095.4	$ 720.4	$ 921.6	$ 713.9	$ 2,857.4	$ 1,003.6
Debt Service Funds						
Bond Interest and Redemption Fund	$ 902.0	$ 2,768.7	$ 1,213.9	$ 1,590.2	$ 888.8	$ 888.8
Tax Override Fund	-	-	-	-	0.4	0.4
Capital Services Fund	47.0	46.6	50.1	43.6	44.1	44.1
Subtotal	$ 949.0	$ 2,815.3	$ 1,264.0	$ 1,633.8	$ 933.3	$ 933.3
Internal Service Funds						
Health and Welfare Benefits Fund	$ 898.2	$ 939.9	$ 995.2	$ 1,014.3	$ 995.2	$ 995.2
Workers' Compensation Fund	106.6	115.9	179.6	107.0	121.9	121.9
Liability Self-Insurance Fund	80.5	52.0	55.1	154.7	30.5	30.5
Subtotal	$ 1,085.3	$ 1,107.8	$ 1,229.9	$ 1,276.1	$ 1,147.7	$ 1,147.7
Fiduciary Fund						
Other Post-employment Benefit Fund	$ -	$ -	$ 0.1	$ 0.1	$ -	$ -
Subtotal	$ -	$ -	$ 0.1	$ 0.1	$ -	$ -
Total Expenditure - All Funds	**$ 9,524.3**	**$ 10,996.1**	**$ 10,325.8**	**$ 11,130.9**	**$ 13,764.2**	**$ 11,370.6**

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General Fund
MULTI-YEAR PROJECTION

It is important to note the differences between forecasts and projections. The American Institute of CPAs' professional standards define the terms as follows:

Forecasts. These are prospective financial statements that present, to the best of the responsible party's knowledge and belief, an entity's expected financial position, results of operations, and cash flows. Further, a forecast is based on a responsible party's assumptions reflecting conditions it expects to exist and the course of action it expects to take.

Projections. Projections are prospective financial statements that present, to the best of the responsible party's knowledge and belief, given one or more hypothetical assumptions, an entity's expected financial position, results of operations, and cash flows.

In other words, a forecast predicts a business's financial performance based on conditions that are expected to exist, and a projection does so based on hypothetical "what if" scenarios. The main difference between the two comes down to the nature of the assumptions: In a forecast, for example, the assumptions represent the company's expectations of actual future events, while a projection is used when the assumptions desired aren't necessarily those believed to be the most likely.

AB 1200 (Chapter 1213/1991) and AB 2756 (Chapter 52/2004) were enacted in response to near bankruptcies of a number of school districts, an increase in requests for state emergency loans, and an increase in financial distress. As result, districts are required to submit a Multi-Year Projection (MYP) of the General Fund that includes the current fiscal year and two subsequent fiscal years. These are taken into account by the Los Angeles County Office of Education (LACOE) as part of its fiscal solvency review process.

The projections in the MYP for fiscal years 2016-17 through 2018-19 were calculated based on a given set of assumptions and are expected to change as various factors change at the State and local levels. The assumptions are listed in the Budget Assumptions and Policies pages in Attachment A of the Board Report.

General Fund - Unrestricted and Restricted
MULTI-YEAR PROJECTION

(Amounts in millions)	2012-13 Actual Amounts	2013-14 Actual Amounts	2014-15 Actual Amounts	2015-16 Estimated Amounts	2016-17 Estimated Amounts	2017-18 Estimated Amounts	2018-19 Estimated Amounts
Beginning Balance	**$824.6**	**$686.8**	**$700.3**	**$817.8**	**$1,128.4**	**$773.4**	**$117.1**
Audit Adjustments/Other Restatements	**$0.2**	**-$94.1**	**$0.0**	**$2.0**	**$0.0**	**$0.0**	**$0.0**
Revenues and Other Financing Sources							
LCFF/Revenue Limit Sources	$2,913.7	$4,351.1	$4,742.1	$5,274.4	$5,416.5	$5,482.9	$5,457.1
Federal Revenues	629.9	557.3	646.8	601.3	713.9	697.9	693.6
Other State Revenues	2,002.5	822.4	905.4	1,132.5	967.1	840.8	809.8
Other Local Revenues	124.6	122.8	125.8	135.6	122.1	124.1	126.4
Other Financing Sources							
Transfers In	23.6	22.7	1.1	53.8	23.0	15.0	15.0
Other Sources	15.2	2.6	1.4	0.6	0.0	0.0	0.0
Contribution to Restricted Programs	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Total Revenues and Other Financing Sources	**$5,709.5**	**$5,878.9**	**$6,422.6**	**$7,198.4**	**$7,242.6**	**$7,160.8**	**$7,101.9**
Total Sources of Funds	**$6,534.3**	**$6,471.6**	**$7,122.8**	**$8,018.2**	**$8,371.0**	**$7,934.2**	**$7,219.0**
Expenditures and Other Financing Uses							
Certificated Salaries	$2,591.7	$2,585.4	$2,782.5	$2,866.2	$3,188.5	$2,985.2	$2,972.0
Classified Salaries	781.4	800.3	847.2	955.4	976.7	1,000.7	997.3
Employee Benefits	1,349.6	1,385.7	1,564.9	1,738.6	1,925.2	2,112.1	2,128.6
Books & Supplies	165.5	182.2	275.6	342.5	571.0	786.4	844.3
Services, Other Operating Expenses	775.4	666.5	712.5	896.8	828.4	818.8	844.9
Capital Outlay	23.3	33.3	15.6	18.4	15.0	17.6	18.0
Other Outgo	1.2	6.3	6.5	7.8	7.8	7.8	7.8
Other Outgo	0.9	0.9	0.9	0.9	0.9	0.9	0.9
Direct Support/Indirect Costs	-12.6	-17.4	-28.2	-21.4	-21.6	-27.9	-22.2
Other Financing Uses	171.0	128.1	127.6	84.5	105.8	115.5	100.5
Total Expenditures and Other Financing Uses	**$5,847.5**	**$5,771.4**	**$6,305.0**	**$6,889.8**	**$7,597.6**	**$7,817.1**	**$7,892.0**
Ending Fund Balance	**$686.8**	**$700.2**	**$817.8**	**$1,128.4**	**$773.4**	**$117.1**	**-$673.0**
Total Uses of Funds	**$6,534.3**	**$6,471.6**	**$7,122.8**	**$8,018.2**	**$8,371.0**	**$7,934.2**	**$7,219.0**
Change in Fund Balance	**-$138.0**	**$107.5**	**$117.5**	**$308.6**	**-$355.0**	**-$656.3**	**-$790.1**
Components of Ending Balance:							
Non Spendable-Inventories/Cash/Others	$18.5	$19.6	$20.7	$20.7	$20.7	$20.7	$20.7
Restricted Ending Balances	138.5	192.9	124.5	180.3	158.7	170.0	168.8
Committed Ending Balances	0.0	0.0	0.0	218.3	0.0	0.0	0.0
Assigned Ending Balances							
Other Designations/Carryovers	223.7	336.4	418.4	453.3	435.1	511.3	591.3
Reserve for Revenue Uncertainties-Gap Funding	202.0	0.0	0.0	0.0	0.0	0.0	0.0
Unassigned Ending Balances							
Reserve for Economic Uncertainties	65.4	65.4	65.4	72.4	76.0	78.2	78.9
Undesignated/Unassigned Ending Balances	38.8	85.9	188.8	183.4	82.9	-663.1	-1,532.7
Total Ending Balance	**$686.8**	**$700.2**	**$817.8**	**$1,128.4**	**$773.4**	**$117.1**	**-$673.0**

General Fund - Unrestricted
MULTI-YEAR PROJECTION

(Amounts in millions)	2012-13 Actual Amounts	2013-14 Actual Amounts	2014-15 Actual Amounts	2015-16 Estimated Amounts	2016-17 Estimated Amounts	2017-18 Estimated Amounts	2018-19 Estimated Amounts
Beginning Balance	**$637.0**	**$547.4**	**$507.3**	**$693.3**	**$948.1**	**$614.7**	**-$52.9**
Audit Adjustments/Other Restatements	**$0.2**	**-$94.1**	**$0.0**	**$0.0**	**$0.0**	**$0.0**	**$0.0**
Revenues and Other Financing Sources							
LCFF/Revenue Limit Sources	$2,752.8	$4,351.1	$4,742.1	$5,274.4	$5,416.5	$5,482.9	$5,457.1
Federal Revenues	22.6	21.4	20.2	14.4	8.2	8.2	8.2
Other State Revenues	1,220.7	108.8	141.5	372.1	214.0	92.4	90.2
Other Local Revenues	103.8	106.5	102.9	123.4	110.1	111.9	114.4
Other Financing Sources							
Transfers In	14.0	18.6	0.3	53.5	23.0	15.0	15.0
Other Sources	15.2	2.6	1.4	0.6	0.0	0.0	0.0
Contribution to Restricted Programs	-679.3	-857.2	-927.3	-1,124.6	-1,179.5	-1,236.0	-1,254.2
Total Revenues and Other Financing Sources	**$3,449.7**	**$3,751.8**	**$4,081.1**	**$4,713.9**	**$4,592.4**	**$4,474.4**	**$4,430.7**
Total Sources of Funds	**$4,087.0**	**$4,205.1**	**$4,588.4**	**$5,407.2**	**$5,540.5**	**$5,089.1**	**$4,377.8**
Expenditures and Other Financing Uses							
Certificated Salaries	$1,749.9	$1,813.2	$1,946.1	$2,056.9	$2,385.6	$2,131.8	$2,130.0
Classified Salaries	400.4	465.0	505.5	576.4	581.0	581.1	580.9
Employee Benefits	846.8	923.5	948.0	1,062.2	1,186.6	1,348.1	1,337.2
Books & Supplies	66.6	73.6	115.7	232.0	282.4	636.1	694.6
Services, Other Operating Expenses	349.4	341.5	359.5	513.8	451.2	425.4	450.0
Capital Outlay	19.8	17.6	7.8	13.3	12.4	12.8	13.2
Other Outgo	1.2	6.3	6.5	7.8	7.8	7.8	7.8
Other Outgo	0.9	0.9	0.9	0.9	0.9	0.9	0.9
Direct Support/Indirect Costs	-66.4	-72.0	-118.1	-88.8	-88.0	-117.4	-95.4
Other Financing Uses	171.0	128.1	123.1	84.5	105.8	115.5	100.5
Total Expenditures and Other Financing Uses	**$3,539.6**	**$3,697.8**	**$3,895.2**	**$4,459.1**	**$4,925.8**	**$5,142.0**	**$5,219.6**
Ending Fund Balance	**$547.4**	**$507.3**	**$693.3**	**$948.1**	**$614.7**	**-$52.9**	**-$841.8**
Total Uses of Funds	**$4,087.0**	**$4,205.1**	**$4,588.4**	**$5,407.2**	**$5,540.5**	**$5,089.1**	**$4,377.8**
Change in Fund Balance	**-$89.9**	**$54.0**	**$186.0**	**$254.8**	**-$333.4**	**-$667.7**	**-$788.9**
Components of Ending Balance:							
Non Spendable-Inventories/Cash/Others	$17.5	$19.6	$20.7	$20.7	$20.7	$20.7	$20.7
Restricted Ending Balances	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Committed Ending Balances	0.0	0.0	0.0	218.3	0.0	0.0	0.0
Assigned Ending Balances							
Other Designations/Carryovers	223.7	336.4	418.4	453.3	435.1	511.3	591.3
Reserve for Revenue Uncertainties-Gap Funding	202.0	0.0	0.0	0.0	0.0	0.0	0.0
Unassigned Ending Balances							
Reserve for Economic Uncertainties	65.4	65.4	65.4	72.4	76.0	78.2	78.9
Undesignated/Unassigned Ending Balances	38.8	85.9	188.8	183.4	82.9	-663.1	-1,532.7
Total Ending Balance	**$547.4**	**$507.3**	**$693.3**	**$948.1**	**$614.7**	**-$52.9**	**-$841.8**

General Fund - Restricted
MULTI-YEAR PROJECTION

(Amounts in millions)	2012-13 Actual Amounts	2013-14 Actual Amounts	2014-15 Actual Amounts	2015-16 Estimated Amounts	2016-17 Estimated Amounts	2017-18 Estimated Amounts	2018-19 Estimated Amounts
Beginning Balance	**$187.6**	**$139.4**	**$192.9**	**$124.5**	**$180.3**	**$158.7**	**$170.0**
Audit Adjustments/Other Restatements	**$0.0**	**$0.0**	**$0.0**	**$2.0**	**$0.0**	**$0.0**	**$0.0**
Revenues and Other Financing Sources							
LCFF/Revenue Limit Sources	$160.9	$0.0	$0.0	$0.0	$0.0	$0.0	$0.0
Federal Revenues	607.3	535.9	626.6	586.9	705.7	689.8	685.4
Other State Revenues	781.8	713.6	763.9	760.4	753.1	748.4	719.6
Other Local Revenues	20.8	16.3	22.9	12.2	12.0	12.2	12.1
Other Financing Sources							
Transfers In	9.6	4.1	0.8	0.3	0.0	0.0	0.0
Other Sources	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Contribution to Restricted Programs	679.3	857.2	927.3	1,124.6	1,179.5	1,236.0	1,254.2
Total Revenues and Other Financing Sources	**$2,259.7**	**$2,127.1**	**$2,341.4**	**$2,484.5**	**$2,650.2**	**$2,686.4**	**$2,671.2**
Total Sources of Funds	**$2,447.3**	**$2,266.6**	**$2,534.4**	**$2,611.0**	**$2,830.5**	**$2,845.1**	**$2,841.2**
Expenditures and Other Financing Uses							
Certificated Salaries	$841.8	$772.1	$836.4	$809.3	$802.8	$853.5	$842.0
Classified Salaries	381.0	335.4	341.7	379.0	395.8	419.6	416.4
Employee Benefits	502.8	462.2	616.8	676.4	738.6	764.0	791.4
Books & Supplies	98.8	108.6	160.0	110.4	288.5	150.3	149.6
Services, Other Operating Expenses	426.1	325.1	352.9	383.0	377.2	393.4	394.9
Capital Outlay	3.4	15.7	7.8	5.1	2.6	4.8	4.8
Other Outgo	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Other Outgo	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Direct Support/Indirect Costs	53.8	54.5	89.8	67.4	66.4	89.5	73.2
Other Financing Uses	0.1	0.0	4.5	0.0	0.0	0.0	0.0
Total Expenditures and Other Financing Uses	**$2,307.9**	**$2,073.6**	**$2,409.9**	**$2,430.7**	**$2,671.8**	**$2,675.1**	**$2,672.4**
Ending Fund Balance	**$139.4**	**$192.9**	**$124.5**	**$180.3**	**$158.7**	**$170.0**	**$168.8**
Total Uses of Funds	**$2,447.3**	**$2,266.6**	**$2,534.4**	**$2,611.0**	**$2,830.5**	**$2,845.1**	**$2,841.2**
Change in Fund Balance	**-$48.1**	**$53.5**	**-$68.5**	**$53.8**	**-$21.7**	**$11.3**	**-$1.2**
Components of Ending Balance:							
Non Spendable-Inventories/Cash/Others	$1.0	$0.0	$0.0	$0.0	$0.0	$0.0	$0.0
Restricted Ending Balances	138.5	192.9	124.5	180.3	158.7	170.0	168.8
Committed Ending Balances	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Assigned Ending Balances							
Other Designations/Carryovers	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Reserve for Revenue Uncertainties-Gap Funding	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Unassigned Ending Balances							
Reserve for Economic Uncertainties	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Undesignated/Unassigned Ending Balances	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Total Ending Balance	**$139.4**	**$192.9**	**$124.5**	**$180.3**	**$158.7**	**$170.0**	**$168.8**

FINANCIAL STATEMENTS

INTRODUCTION

This section presents LAUSD's budget information in detail and are shown based on the Standardized Account Code Structure (SACS). Description and information about each fund are in the following pages.

- Operating Funds:
  - General Fund Summary – Unrestricted and Restricted
  - General Fund Summary – Unrestricted
  - General Fund Summary – Restricted
  - Adult Education Fund
  - Child Development Fund
  - Cafeteria Fund
- Capital Projects Funds:
  - Building Fund
  - Building Fund – Proposition BB
  - Building Fund – Measure K
  - Building Fund – Measure R
  - Building Fund – Measure Y
  - County School Facilities Fund – Prop. 1D
  - County School Facilities Fund – Prop. 55
  - County School Facilities Fund – Prop. 47
  - County School Facilities Fund – Prop. 1A
  - Capital Facilities Account Fund
  - State School Building Lease-Purchase Fund
  - Special Reserve Fund
  - Special Reserve Fund – FEMA-Earthquake
  - Special Reserve Fund – FEMA-Hazard Mitigation
  - Special Reserve Fund – Community Redevelopment Agency
- Debt Service Funds:
  - Bond Interest and Redemption Fund
  - Tax Override Fund
  - Capital Services Fund
- Internal Service Funds:
  - Health and Welfare Benefits Fund
  - Workers' Compensation Self-Insurance Fund
  - Liability Self-Insurance Fund
- Fiduciary Funds:
  - Other Post-Employment Benefit (OPEB) Fund

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OPERATING FUNDS

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FUND 010 - GENERAL FUND – UNRESTRICTED AND RESTRICTED

This is the primary and largest operating fund used for K-12 education.

(Amounts in millions)	2012-13 Actual	2013-14 Actual	2014-15 Actual	2015-16 3rd Interim	2016-17 Authorized	2016-17 Estimated
Sources of Funds						
Beginning Balance						
Non-spendable - Cash, Inventories, Others	$ 11.2	$ 18.5	$ 19.6	$ 20.7	$ 20.7	$ 20.7
Restricted	186.6	138.5	192.9	124.5	180.3	180.3
Committed	-	-	-	-	218.3	218.3
Assigned	162.2	122.6	336.4	418.4	453.3	453.3
Reserve For Revenue Uncertainties	303.1	303.1	-	-	-	-
Reserve For Economic Uncertainties	65.4	65.4	65.4	65.4	72.4	72.4
Unassigned/Unappropriated	96.2	38.8	85.9	188.8	183.4	183.4
Audit Adjustments	0.2	(94.1)	-	2.0		
Other Restatements	-	-	-	-	-	-
Total Beginning Balance	$ 824.8	$ 592.7	$ 700.3	$ 819.8	$ 1,128.4	$ 1,128.4
Revenue						
Revenue Limit/Local Control Funding Formula	$ 2,913.7	$ 4,351.1	$ 4,742.1	$ 5,274.4	$ 5,416.5	$ 5,416.5
Federal Revenue	629.9	557.3	646.7	601.3	713.9	713.9
Other State Revenue	2,002.5	822.4	905.6	1,132.6	967.1	967.1
Other Local Revenue	124.6	122.8	125.7	135.6	122.1	122.1
Inter-program Transfers	(0.0)	0.0	0.1	0.0	-	-
Interfund Transfers-In	23.6	22.7	0.9	53.8	23.0	23.0
Other Financing Sources	15.2	2.6	1.4	0.6	-	
Total Revenue	$ 5,709.5	$ 5,878.9	$ 6,422.6	$ 7,198.4	$ 7,242.6	$ 7,242.6
Total Sources of Funds	**$ 6,534.3**	**$ 6,471.6**	**$ 7,122.8**	**$ 8,018.2**	**$ 8,371.0**	**$ 8,371.0**
Uses of Funds						
Expenditure						
Certificated Salaries	$ 2,591.7	$ 2,585.4	$ 2,782.5	$ 2,866.2	$ 3,005.1	$ 2,925.9
Classified Salaries	781.4	800.3	847.2	955.4	969.4	976.7
Benefits	1,349.6	1,385.7	1,564.9	1,738.6	1,931.0	1,925.2
Books and Supplies	165.5	182.2	275.6	342.5	1,342.7	833.3
Services and Other Operating Expenditures	775.4	667.5	712.5	896.8	788.8	828.5
Capital Outlay	23.3	32.3	15.6	18.4	8.4	15.0
Other Outgo	160.6	117.9	106.7	71.9	91.8	92.9
Total Expenditure	$ 5,847.5	$ 5,771.4	$ 6,305.0	$ 6,889.8	$ 8,137.3	$ 7,597.6
Ending Balance						
Non-spendable - Cash, Inventories, Others	$ 18.5	$ 19.6	$ 20.7	$ 20.7	$ 20.7	$ 20.7
Restricted	138.5	192.9	124.5	180.3		158.7
Committed	-	-	-	218.3		-
Assigned	122.6	336.4	418.4	453.3	55.4	435.1
Reserve For Revenue Uncertainties	303.1	-	-	-		-
Reserve For Economic Uncertainties	65.4	65.4	65.4	72.4	76.0	76.0
Unassigned/Unappropriated	38.8	85.9	188.8	183.4	81.6	82.9
Total Ending Balance	$ 686.8	$ 700.3	$ 817.8	$ 1,128.4	$ 233.7	$ 773.4
Total Uses of Funds	**$ 6,534.3**	**$ 6,471.6**	**$ 7,122.8**	**$ 8,018.2**	**$ 8,371.0**	**$ 8,371.0**

FUND 010 - GENERAL FUND – UNRESTRICTED

(Amounts in millions)	2012-13 Actual	2013-14 Actual	2014-15 Actual	2015-16 3rd Interim	2016-17 Authorized	2016-17 Estimated
Sources of Funds						
Beginning Balance						
Non-spendable - Cash, Inventories, Others	$ 10.2	$ 17.5	$ 19.6	$ 20.7	$ 20.7	$ 20.7
Restricted	-	-	-	-	-	-
Committed	-	-	-	-	218.3	218.3
Assigned	162.2	122.6	336.4	418.4	453.3	453.3
Reserve For Revenue Uncertainties	303.1	303.1	-	-	-	-
Reserve For Economic Uncertainties	65.4	65.4	65.4	65.4	72.4	72.4
Unassigned/Unappropriated	96.2	38.8	85.9	188.8	183.4	183.4
Audit Adjustments	0.2	(94.1)	-	-	-	-
Other Restatements	-	-	-	-	-	-
Total Beginning Balance	$ 637.2	$ 453.3	$ 507.3	$ 693.3	$ 948.1	$ 948.1
Revenue						
Revenue Limit/Local Control Funding Formula	$ 2,752.8	$ 4,351.1	$ 4,742.1	$ 5,274.4	$ 5,416.5	$ 5,416.5
Federal Revenue	22.6	21.4	20.1	14.4	8.2	8.2
Other State Revenue	1,220.7	108.8	141.7	372.1	214.0	214.0
Other Local Revenue	103.8	106.5	102.8	123.4	110.1	110.1
Inter-program Transfers	(679.3)	(857.2)	(927.2)	(1,124.6)	(1,209.7)	(1,179.5)
Interfund Transfers-In	14.0	18.6	0.3	53.5	23.0	23.0
Other Financing Sources	15.2	2.6	1.3	0.6	-	-
Total Revenue	$ 3,449.7	$ 3,751.8	$ 4,081.1	$ 4,713.9	$ 4,562.2	$ 4,592.4
Total Sources of Funds	**$ 4,087.0**	**$ 4,205.1**	**$ 4,588.4**	**$ 5,407.2**	**$ 5,510.2**	**$ 5,540.5**
Uses of Funds						
Expenditure						
Certificated Salaries	$ 1,749.9	$ 1,813.2	$ 1,946.1	$ 2,056.9	$ 2,176.5	$ 2,123.1
Classified Salaries	400.4	465.0	505.5	576.4	570.3	581.0
Benefits	846.8	923.5	948.0	1,062.2	1,187.5	1,186.6
Books and Supplies	66.6	73.6	115.7	232.0	918.3	544.8
Services and Other Operating Expenditures	349.4	341.5	359.5	513.8	392.6	451.3
Capital Outlay	19.8	17.6	7.8	13.3	7.5	12.5
Other Outgo	106.7	63.4	12.4	4.5	23.9	26.5
Total Expenditure	$ 3,539.6	$ 3,697.8	$ 3,895.2	$ 4,459.1	$ 5,276.5	$ 4,925.8
Ending Balance						
Non-spendable - Cash, Inventories, Others	$ 17.5	$ 19.6	$ 20.7	$ 20.7	$ 20.7	$ 20.7
Restricted	-	-	-		-	-
Committed	-	-	-	218.3	-	-
Assigned	122.6	336.4	418.4	453.3	55.4	435.1
Reserve For Revenue Uncertainties	303.1	-	-		-	-
Reserve For Economic Uncertainties	65.4	65.4	65.4	72.4	76.0	76.0
Unassigned/Unappropriated	38.8	85.9	188.8	183.4	81.6	82.9
Total Ending Balance	$ 547.4	$ 507.3	$ 693.3	$ 948.1	$ 233.7	$ 614.7
Total Uses of Funds	**$ 4,087.0**	**$ 4,205.1**	**$ 4,588.4**	**$ 5,407.2**	**$ 5,510.2**	**$ 5,540.5**

FUND 010 - GENERAL FUND – RESTRICTED

(Amounts in millions)	2012-13 Actual	2013-14 Actual	2014-15 Actual	2015-16 3rd Interim	2016-17 Authorized	2016-17 Estimated
Sources of Funds						
Beginning Balance						
Non-spendable - Cash, Inventories, Others	$ 1.0	$ 1.0	$ -	$ -	$ -	$ -
Restricted	186.6	138.5	192.9	124.5	180.3	180.3
Committed		-	-	-	-	-
Assigned	-	-	-	-	-	-
Reserve For Revenue Uncertainties	-	-	-	-	-	-
Reserve For Economic Uncertainties	-	-	-	-	-	-
Unassigned/Unappropriated	-	-	-	-	-	-
Audit Adjustments	-	-	-	2.0	-	-
Other Restatements	-	-	-	-	-	-
Total Beginning Balance	$ 187.6	$ 139.4	$ 192.9	$ 126.5	$ 180.3	$ 180.3
Revenue						
Revenue Limit/Local Control Funding Formula	$ 160.9	$ -	$ -	$ -	$ -	$ -
Federal Revenue	607.3	535.9	626.6	586.9	705.7	705.7
Other State Revenue	781.8	713.6	763.9	760.4	753.1	753.1
Other Local Revenue	20.8	16.3	22.9	12.2	12.0	12.0
Inter-program Transfers	679.3	857.2	927.3	1,124.6	1,209.7	1,179.5
Interfund Transfers-In	9.6	4.1	0.8	0.3	-	-
Other Financing Sources	-	-	-	-	-	-
Total Revenue	$ 2,259.7	$ 2,127.1	$ 2,341.4	$ 2,484.5	$ 2,680.4	$ 2,650.2
Total Sources of Funds	**$ 2,447.3**	**$ 2,266.6**	**$ 2,534.4**	**$ 2,611.0**	**$ 2,860.8**	**$ 2,830.5**
Uses of Funds						
Expenditure						
Certificated Salaries	$ 841.8	$ 772.1	$ 836.4	$ 809.3	$ 828.6	$ 802.8
Classified Salaries	381.0	335.4	341.7	379.0	399.1	395.8
Benefits	502.8	462.2	616.8	676.4	743.6	738.6
Books and Supplies	98.8	108.6	160.0	110.4	424.4	288.5
Services and Other Operating Expenditures	426.1	326.1	352.9	383.0	396.3	377.2
Capital Outlay	3.4	14.7	7.8	5.1	1.0	2.6
Other Outgo	53.9	54.5	94.3	67.4	67.9	66.4
Total Expenditure	$ 2,307.9	$ 2,073.6	$ 2,409.9	$ 2,430.7	$ 2,860.8	$ 2,671.8
Ending Balance						
Non-spendable - Cash, Inventories, Others	$ 1.0	$ -	$ -		$ -	
Restricted	138.5	192.9	124.5	180.3	-	158.7
Committed	-	-	-		-	
Assigned	-	-	-		-	
Reserve For Revenue Uncertainties	-	-	-		-	
Reserve For Economic Uncertainties	-	-	-		-	
Unassigned/Unappropriated	-	-	-		-	
Total Ending Balance	$ 139.4	$ 192.9	$ 124.5	$ 180.3	$ -	$ 158.7
Total Uses of Funds	**$ 2,447.3**	**$ 2,266.6**	**$ 2,534.4**	**$ 2,611.0**	**$ 2,860.8**	**$ 2,830.5**

General Fund – Unrestricted and Restricted
EXPENDITURES BY SUB-OBJECT

(Amounts in millions)			2012-13 Actual Amounts	2013-14 Actual Amounts	2014-15 Actual Amounts	2015-16 3rd Interim Estimate	2016-17 Authorized Amounts	2016-17 Estimated Amounts
IFS Object	SACS Object							
Certificated Salaries								
1100	1100	Salaries - Teachers	$ 2,025.4	$ 2,014.7	$ 2,141.2	$ 2,166.0	$ 2,496.4	$ 2,437.2
1200	1300	Salaries - School Administrators	138.1	131.5	131.1	182.8	205.3	182.9
1300	1300	Salaries - Supervisors	110.1	123.9	153.4	121.8	139.1	123.5
1400	1200	Salaries - Librarians	6.4	7.0	8.4	10.0	10.3	10.8
1500	1200	Salaries - Counselors	142.0	139.2	160.9	186.5	198.2	203.6
1600	1200	Salaries - Nurses & Health Employees	56.1	56.0	60.0	64.4	76.6	75.0
1700	1300	Salaries - Superintendents	1.9	1.8	2.1	2.4	2.4	2.4
1800	1300	Salaries - Non-school Administrators	5.5	5.7	6.9	6.7	5.5	6.8
1900	1900	Other Certificated Employees	106.2	105.6	118.6	125.6	133.8	146.2
Total Certificated Salaries			$ 2,591.7	$ 2,585.4	$ 2,782.5	$ 2,866.2	$ 3,267.6	$ 3,188.5
Classified Salaries								
2100	2100	Instructional Aides	$ 203.8	$ 203.3	$ 206.6	$ 219.8	$ 235.9	$ 243.0
2200	2300	Classified Administrators	20.5	22.0	26.4	38.6	26.5	25.1
2300	2400	Clerical and Office Employees	205.9	213.2	242.4	274.5	276.9	270.4
2400	2200	Maintenance & Operations Employees	204.3	204.6	215.2	258.6	258.7	276.2
2500	2200	Food Service Employees	1.4	0.4	0.3	0.3	0.2	0.3
2600	2200	Transportation Employees	61.4	67.5	62.4	60.3	69.4	61.2
2900	2900	Other Classified Employees	84.1	89.3	93.9	103.3	101.9	100.5
Total Classified Salaries			$ 781.4	$ 800.3	$ 847.2	$ 955.4	$ 969.4	$ 976.7
Employee Benefits								
3100	3100	State Teachers Retirement System	$ 207.7	$ 206.8	$ 377.3	$ 469.8	$ 575.6	$ 566.8
3200	3200	Public Employees Retirement System	98.3	98.9	93.5	102.6	131.7	139.4
3300	3300	Social Security, Medicare, PARS	94.2	95.8	102.4	110.4	121.6	117.0
3400	3400	Benefits - Employee Health Benefits	545.9	574.2	578.2	593.0	663.9	663.9
3500	3500	Benefits - Unemployment Insurance	41.4	5.1	3.8	3.4	2.4	2.4
3600	3600	Benefits - Workers Compensation	95.6	104.2	164.5	114.8	108.1	108.1
3700	3700	Benefits - Retiree Health Benefits	253.1	287.8	245.3	344.6	327.7	327.7
3800	3800	Benefits - PERS Recapture	0.7	-	-	-	-	-
3900	3900	Benefits - General	12.8	12.9	0.0	0.0	-	-
Total Employee Benefits			$ 1,349.6	$ 1,385.7	$ 1,564.9	$ 1,738.6	$ 1,931.0	$ 1,925.2
Books and Supplies								
4100	4100	Textbooks	$ 22.9	$ 33.4	$ 63.0	$ 92.7	$ 68.6	$ 97.2
4200	4200	Other Books	0.4	1.5	8.4	8.1	2.4	3.0
4300	4300	Instructional Materials	54.6	21.3	46.7	60.6	811.0	268.9
4400	4400	Non-Capitalized Equipment	17.9	25.5	49.7	46.6	7.7	41.4
4500	4300	General Supplies	60.0	99.7	99.3	125.1	179.8	151.9
4600	4300	Pupil Transportation Supplies	9.0	0.6	8.4	9.3	10.7	8.4
4700	4700	Food Services Supplies	0.6	0.2	0.2	0.1	0.1	0.1
Total Books and Supplies			$ 165.5	$ 182.2	$ 275.6	$ 342.5	$ 1,080.4	$ 571.0

General Fund – Unrestricted and Restricted
EXPENDITURES BY SUB-OBJECT

(Amounts in millions)			2012-13 Actual Amounts	2013-14 Actual Amounts	2014-15 Actual Amounts	2015-16 3rd Interim Estimate	2016-17 Authorized Amounts	2016-17 Estimated Amounts
IFS Object	SACS Object							
Other Operating Expense								
5100	5800	Instructional Consultants	$ 74.6	$ 20.1	$ 329.3	$ 31.9	$ 23.6	$ 23.5
5200	5200	Travel & Conference Expenses	8.3	9.5	10.6	11.4	4.8	7.0
5300	5300	Dues and Memberships	0.7	0.8	0.8	2.4	1.6	1.7
5400	5400	Insurance	87.3	58.3	60.5	162.5	38.8	37.8
5500	5500	Utilities & Housekeeping Services	113.6	124.2	130.9	130.1	139.9	142.3
5600	5600	Rentals, Leases & Repairs	18.6	17.4	15.1	20.0	22.8	19.6
5700	5700	Subagreements	-	-	-	-	-	-
5800	5800	Other Services & Operating Expenses	447.9	408.3	133.0	509.9	521.3	562.7
5900	5900	Telephone, Pager & Postage	24.5	28.8	32.3	28.5	35.8	33.8
Total Operating Expense			$ 775.4	$ 667.5	$ 712.5	$ 896.8	$ 788.7	$ 828.4
Capital Outlay								
6100	6100	Sites & Improvement of Sites	$ 0.4	$ -	$ -	$ 0.0	$ 0.6	$ 0.0
6200	6200	Buildings & Improvement of Buildings	12.0	13.7	5.4	6.8	3.7	4.3
6300	6300	Books & Media for Libraries	5.7	(0.2)	-	-	-	-
6400	6400	Equipment	2.9	18.8	10.2	10.2	3.4	9.3
6500	6500	Equipment Replacement	2.3	-	-	1.3	0.7	1.4
Total Capital Outlay			$ 23.3	$ 32.3	$ 15.6	$ 18.4	$ 8.4	$ 15.0
Other Outgo								
7100	7100	Tuition	$ 0.2	$ 5.2	$ 5.4	$ 6.7	$ 6.7	$ 6.8
7200	7200	Other Transfer Out	1.0	55.7	1.1	1.1	1.0	1.0
7300	7300	Interprogram Support Costs	(12.6)	(72.0)	(28.2)	(21.4)	(21.6)	(21.6)
7600	7600	InterfundTransfers	171.0	129.0	127.6	84.5	105.8	105.8
7700	7400	Other Uses	0.9	54.5	0.9	0.9	-	0.9
Total Other Outgo			$ 160.6	$ 117.9	$ 106.7	$ 71.9	$ 91.8	$ 92.9
Total Expenditures			$ 5,847.5	$ 5,771.4	$ 6,305.0	$ 6,889.8	$ 8,137.3	$ 7,597.6

General Fund – Unrestricted
EXPENDITURES BY SUB-OBJECT

(Amounts in millions)			2012-13 Actual Amounts	2013-14 Actual Amounts	2014-15 Actual Amounts	2015-16 3rd Interim Estimate	2016-17 Authorized Amounts	2016-17 Estimated Amounts
IFS Object	SACS Object							
Certificated Salaries								
1100	1100	Salaries - Teachers	$ 1,473.8	$ 1,500.3	$ 1,575.6	$ 1,629.5	$ 1,970.1	$ 1,938.6
1200	1300	Salaries - School Administrators	110.4	108.5	107.4	156.5	180.8	157.5
1300	1300	Salaries - Supervisors	59.0	70.7	90.3	72.1	86.4	70.8
1400	1200	Salaries - Librarians	4.9	5.7	7.1	9.3	9.7	10.1
1500	1200	Salaries - Counselors	62.1	70.2	90.0	108.3	112.3	116.8
1600	1200	Salaries - Nurses & Health Employees	15.7	16.1	19.2	21.2	27.8	26.2
1700	1300	Salaries - Superintendents	1.9	1.8	2.1	2.4	2.4	2.4
1800	1300	Salaries - Nonschool Administrators	3.7	3.8	5.1	4.9	3.6	4.9
1900	1900	Other Certificated Employees	18.5	36.0	49.3	52.8	46.0	58.4
Total Certificated Salaries			$ 1,749.9	$ 1,813.2	$ 1,946.1	$ 2,056.9	$ 2,439.0	$ 2,385.6
Classified Salaries								
2100	2100	Instructional Aides	$ 4.0	$ 4.0	$ 3.7	$ 5.0	$ 4.1	$ 14.8
2200	2300	Classified Administrators	15.3	18.4	24.1	36.4	23.8	22.5
2300	2400	Clerical and Office Employees	156.6	175.4	205.5	233.5	237.9	231.3
2400	2200	Maintenance & Operations Employees	157.3	158.9	165.4	187.7	178.9	196.5
2500	2200	Food Service Employees	0.3	0.3	0.3	0.3	0.2	0.3
2600	2200	Transportation Employees	32.0	66.8	62.0	60.2	69.4	61.2
2900	2900	Other Classified Employees	34.9	41.2	44.5	53.4	56.1	54.5
Total Classified Salaries			$ 400.4	$ 465.0	$ 505.5	$ 576.4	$ 570.3	$ 581.0
Employee Benefits								
3100	3100	State Teachers Retirement System	$ 142.2	$ 146.2	$ 168.6	$ 217.1	$ 270.5	$ 264.8
3200	3200	Public Employees Retirement System	56.1	63.3	58.6	65.4	82.2	90.6
3300	3300	Social Security, Medicare, PARS	52.2	58.9	63.7	70.3	75.7	72.1
3400	3400	Benefits - Employee Health Benefits	339.2	377.5	380.8	397.5	456.5	456.5
3500	3500	Benefits - Unemployment Insurance	27.1	3.9	2.7	2.4	1.7	1.6
3600	3600	Benefits - Workers Compensation	61.7	70.6	111.1	79.1	74.3	74.3
3700	3700	Benefits - Retiree Health Benefits	157.3	190.2	162.5	230.4	226.6	226.6
3800	3800	Benefits - PERS Recapture	(1.8)	-	-	-	-	-
3900	3900	Benefits - General	12.8	12.9	0.0	-	-	-
Total Employee Benefits			$ 846.8	$ 923.5	$ 948.0	$ 1,062.2	$ 1,187.5	$ 1,186.6
Books and Supplies								
4100	4100	Textbooks	$ 1.6	$ 4.7	$ 0.3	$ 69.7	$ 47.7	$ 76.3
4200	4200	Other Books	0.2	1.0	3.9	1.1	0.4	0.9
4300	4300	Instructional Materials	22.9	(7.9)	14.6	36.1	526.1	77.7
4400	4400	Non-Capitalized Equipment	4.9	7.8	22.3	31.3	2.8	36.5
4500	4300	General Supplies	30.0	67.5	66.2	84.5	68.3	82.6
4600	4300	Pupil Transportation Supplies	7.0	0.5	8.3	9.3	10.7	8.4
4700	4700	Food Services Supplies	0.1	0.1	0.1	0.1	0.1	0.1
Total Books and Supplies			$ 66.6	$ 73.6	$ 115.7	$ 232.0	$ 656.0	$ 282.4

General Fund – Unrestricted
EXPENDITURES BY SUB-OBJECT

(Amounts in millions)			2012-13 Actual Amounts	2013-14 Actual Amounts	2014-15 Actual Amounts	2015-16 3rd Interim Estimate	2016-17 Authorized Amounts	2016-17 Estimated Amounts
Other Operating Expense								
5100	5800	Instructional Consultants	$ 3.7	$ 5.2	$ 54.3	$ 12.4	$ 7.0	$ 6.9
5200	5200	Travel & Conference Expenses	2.8	3.6	4.0	5.1	2.9	5.2
5300	5300	Dues and Memberships	0.6	0.7	0.7	2.3	1.6	1.7
5400	5400	Insurance	87.3	58.3	60.5	162.5	38.8	37.8
5500	5500	Utilities & Housekeeping Services	113.5	124.1	130.9	130.1	139.9	142.3
5600	5600	Rentals, Leases & Repairs	13.3	13.2	13.4	17.2	19.8	16.6
5700	5700	Subagreements	-	-	(0.2)	-	-	-
5800	5800	Other Services & Operating Expenses	104.2	107.8	64.0	156.1	146.8	207.3
5900	5900	Telephone, Pager & Postage	24.0	28.4	32.0	28.1	35.5	33.5
Total Operating Expense			$ 349.4	$ 341.5	$ 359.5	$ 513.8	$ 392.4	$ 451.2
Capital Outlay								
6100	6100	Sites & Improvement of Sites	$ 0.4	$ -	$ -	$ 0.0	$ 0.6	$ 0.0
6200	6200	Buildings & Improvement of Buildings	11.6	14.1	4.1	4.2	3.6	4.2
6300	6300	Books & Media for Libraries	5.7	(0.2)	-	-	-	-
6400	6400	Equipment	1.9	3.7	3.7	7.7	2.5	6.8
6500	6500	Equipment Replacement	0.2	-	-	1.3	0.7	1.4
Total Capital Outlay			$ 19.8	$ 17.6	$ 7.8	$ 13.3	$ 7.4	$ 12.4
Other Outgo								
7100	7100	Tuition	$ 0.2	$ 5.2	$ 5.4	$ 6.7	$ 6.7	$ 6.8
7200	7200	Other Transfer Out	1.0	1.1	1.1	1.1	1.0	1.0
7300	7300	Interprogram Support Costs	(66.4)	(72.0)	(118.1)	(88.8)	(89.5)	(88.0)
7600	7600	InterfundTransfers	171.0	129.0	123.1	84.5	105.8	105.8
7700	7400	Other Uses	0.9	-	0.9	0.9	-	0.9
Total Other Outgo			$ 106.7	$ 63.4	$ 12.4	$ 4.5	$ 23.9	$ 26.5
Total Expenditures			$ 3,539.6	$ 3,697.8	$ 3,895.2	$ 4,459.1	$ 5,276.5	$ 4,925.8

General Fund – Restricted
EXPENDITURES BY SUB-OBJECT

(Amounts in millions)			2012-13 Actual Amounts	2013-14 Actual Amounts	2014-15 Actual Amounts	2015-16 3rd Interim Estimate	2016-17 Authorized Amounts	2016-17 Estimated Amounts
IFS Object	SACS Object							
Certificated Salaries								
1100	1100	Salaries - Teachers	$ 551.7	$ 514.4	$ 565.5	$ 536.5	$ 526.3	$ 498.6
1200	1300	Salaries - School Administrators	27.7	23.0	23.7	26.4	24.5	25.5
1300	1300	Salaries - Supervisors	51.1	53.2	63.1	49.7	52.8	52.8
1400	1200	Salaries - Librarians	1.4	1.3	1.3	0.7	0.7	0.7
1500	1200	Salaries - Counselors	79.9	69.1	70.9	78.2	85.9	86.8
1600	1200	Salaries - Nurses & Health Employees	40.5	39.9	40.7	43.2	48.8	48.8
1700	1300	Salaries - Superintendents	0.0	-	-	-	-	-
1800	1300	Salaries - Nonschool Administrators	1.8	1.8	1.8	1.8	1.9	1.9
1900	1900	Other Certificated Employees	87.7	69.6	69.3	72.9	87.8	87.8
Total Certificated Salaries			$ 841.8	$ 772.1	$ 836.4	$ 809.3	$ 828.6	$ 802.8
Classified Salaries								
2100	2100	Instructional Aides	$ 199.9	$ 199.3	$ 202.9	$ 214.8	$ 231.8	$ 228.2
2200	2300	Classified Administrators	5.3	3.5	2.3	2.2	2.6	2.6
2300	2400	Clerical and Office Employees	49.4	37.8	37.0	41.0	39.0	39.1
2400	2200	Maintenance & Operations Employee	47.0	45.7	49.8	70.9	79.8	79.8
2500	2200	Food Service Employees	1.0	0.1	0.0	0.0	0.0	0.0
2600	2200	Transportation Employees	29.3	0.8	0.4	0.2	0.0	0.0
2900	2900	Other Classified Employees	49.2	48.2	49.4	49.9	45.8	46.0
Total Classified Salaries			$ 381.0	$ 335.4	$ 341.7	$ 379.0	$ 399.1	$ 395.8
Employee Benefits								
3100	3100	State Teachers Retirement System	$65.5	$60.6	$208.7	$252.7	$305.2	$301.9
3200	3200	Public Employees Retirement System	42.2	35.7	34.9	37.2	49.6	48.8
3300	3300	Social Security, Medicare, PARS	42.1	36.9	38.6	40.1	45.9	44.9
3400	3400	Benefits - Employee Health Benefits	206.7	196.7	197.4	195.5	207.3	207.3
3500	3500	Benefits - Unemployment Insurance	14.3	1.2	1.1	0.9	0.8	0.7
3600	3600	Benefits - Workers Compensation	33.9	33.5	53.3	35.7	33.8	33.8
3700	3700	Benefits - Retiree Health Benefits	95.8	97.6	82.8	114.3	101.1	101.1
3800	3800	Benefits - PERS Recapture	2.5	-	-	-	-	-
3900	3900	Benefits - General	-	-	(0.0)	0.0	-	-
Total Employee Benefits			$ 502.8	$ 462.2	$ 616.8	$ 676.4	$ 743.6	$ 738.6
Books and Supplies								
4100	4100	Textbooks	$21.3	$28.7	$62.7	$23.0	$20.9	$20.9
4200	4200	Other Books	0.2	0.5	4.5	7.0	2.1	2.1
4300	4300	Instructional Materials	31.7	29.2	32.0	24.4	284.9	191.3
4400	4400	Non-Capitalized Equipment	13.0	17.7	27.4	15.2	4.9	4.9
4500	4300	General Supplies	30.1	32.2	33.2	40.6	111.6	69.3
4600	4300	Pupil Transportation Supplies	2.0	0.1	0.1	0.0	-	-
4700	4700	Food Services Supplies	0.5	0.1	0.1	0.1	0.1	0.1
Total Books and Supplies			$ 98.8	$ 108.6	$ 160.0	$ 110.4	$ 424.4	$ 288.5

General Fund – Restricted
EXPENDITURES BY SUB-OBJECT

(Amounts in millions)			2012-13 Actual Amounts	2013-14 Actual Amounts	2014-15 Actual Amounts	2015-16 3rd Interim Estimate	2016-17 Authorized Amounts	2016-17 Estimated Amounts
Other Operating Expense								
5100	5800	Instructional Consultants	$ 70.9	$ 14.9	$ 275.2	$ 19.5	$ 16.6	$ 16.6
5200	5200	Travel & Conference Expenses	5.5	5.9	6.6	6.3	1.9	1.9
5300	5300	Dues and Memberships	0.1	0.1	0.1	0.1	0.0	0.0
5400	5400	Insurance	0.0	0.0	0.0	0.0	-	-
5500	5500	Utilities & Housekeeping Services	0.2	0.1	0.1	0.0	0.0	0.0
5600	5600	Rentals, Leases & Repairs	$5.3	4.2	1.7	2.8	3.0	3.0
5700	5700	Subagreement for Services	$0.0	-	-	-	-	-
5800	5800	Other Services & Operating Expenses	343.7	300.5	69.0	353.8	374.5	355.4
5900	5900	Telephone, Pager & Postage	0.4	0.4	0.4	0.4	0.2	0.2
Total Operating Expense			$ 426.1	$ 326.1	$ 352.9	$ 383.0	$ 396.3	$ 377.2
Capital Outlay								
6100	6100	Sites & Improvement of Sites	$ (0.1)	$ -	$ -	$ 0.0	$ 0.0	$ 0.0
6200	6200	Buildings & Improvement of Buildings	0.4	(0.4)	1.3	2.6	0.1	0.1
6300	6300	Books & Meida for Libraries	-	-	-	-	-	-
6400	6400	Equipment	1.0	15.1	6.5	2.4	0.9	2.5
6500	6500	Equipment Replacement	2.1	-	-	-	-	-
Total Capital Outlay			$ 3.4	$ 14.7	$ 7.8	$ 5.1	$ 1.0	$ 2.6
Other Outgo								
7200	7200	Other Transfer Out	$ -	$ -	$ -	$ -	$ -	$ -
7300	7300	Interprogram Support Costs	53.8	54.5	89.8	67.4	67.9	66.4
7600	7600	InterfundTransfers	0.1	0.0	4.5	-	-	-
Total Other Outgo			$ 53.9	$ 54.5	$ 94.3	$ 67.4	$ 67.9	$ 66.4
Total Expenditures			$ 2,307.9	$ 2,073.6	$ 2,409.9	$ 2,430.7	$ 2,860.8	$ 2,671.8

GENERAL FUND – RESTRICTED SPECIALLY FUNDED
SOURCES OF FUNDS

(amounts in millions)

Resource	SACS Resource Text	Beginning Balance	Carryover	New Revenue	Contribution	Grand Total
	Federal Sources					
3010	NCLB: Title I, Part A, Basic Grants Low-Income and Neglected		$64.2	$316.8		$380.9
3025	NCLB: Title I, Part D, Local Delinquent Programs		0.4	1.0		1.4
3060	NCLB: Title I, Part C, Migrant Ed (Regular and Summer Program)		0.0	1.2	-0.5	0.7
3061	NCLB: Title I, Migrant Ed Summer Program				0.5	0.5
3110	NCLB: Title I, Part C, Even Start Migrant Education (MEES)		0.0	0.0		0.1
3180	NCLB: Title I, School Improvement Grant		5.0	16.0		21.0
3315	Special Ed: IDEA Preschool Grants, Part B, Sec 619			5.6	-0.7	4.9
3318	Special Ed: IDEA Part B, Sec 619, Preschool Grants Early Intervening Services				0.7	0.7
3320	Special Ed: IDEA Preschool Local Entitlement, Part B, Sec 611			12.6	-1.6	10.9
3332	Special Ed: IDEA Part B, Sec 611, Preschool Local Entitlement Early Intervening				1.6	1.6
3385	Special Ed: IDEA Early Intervention Grants			1.2		1.2
3410	Department of Rehab: Workability II, Transition Partnership			0.9		0.9
3550	Vocational Programs: Voc & Appl Tech Secondary II C, Sec 131 (Carl Perkins Act)		0.6	7.4		8.0
4035	NCLB: Title II, Part A, Teacher Quality			41.6		41.6
4124	NCLB: Title IV, Part B, 21st Century Community Learning Centers Program		2.5	17.9		20.4
4201	NCLB: Title III, Immigrant Education Program		1.0			1.0
4203	NCLB: Title III, Limited English Proficient (LEP) Student Program		2.3	11.2		13.5
4510	Indian Education			0.0		0.0
5610	Workforce Investment Act (WIA) From Other Agencies (LWIB)		0.0	0.2		0.2
5630	NCLB: Title X McKinney-Vento Homeless Assistance Grants			0.2		0.2
5650	FEMA Public Assistance Funds	0.1	0.0			0.1
5810	Other Federal		8.3	34.3		42.6
	Total Federal Sources	$0.1	$84.3	$468.1	$0.0	$552.5
	State Sources					
6010	After School Education and Safety (ASES)			$76.6		$76.6
6264	Educator Effectiveness	39.1				39.1
6382	California Career Pathways Trust		1.2	3.9		5.1
6385	Governor's CTE Initiative: California Partnership Academies		0.7			0.7
6386	California Partnership Academies: Green and Clean Academies		0.0			0.0
6690	Tobacco-Use Prevention Education: Grades Six Through Twelve		1.0	1.2		2.2
7010	Agricultural Vocational Incentive Grants		0.0			0.0
7091	Economic Impact Aid: Limited English Proficiency (LEP)	1.1				1.1
7220	Partnership Academies Program		1.5			1.5
7810	Other State		0.0	10.1		10.1
	Total State Resources	$40.3	$4.5	$91.7	$0.0	$136.5
	Local Sources					
9010	Other Local		0.9	$11.2		$12.2
	Total Local Resources	$0.0	$0.9	$11.2	$0.0	$12.2
	Total Restricted Program Sources	**$40.4**	**$89.8**	**$571.0**	**$0.0**	**$701.1**

FUND 110 - ADULT EDUCATION FUND - UNRESTRICTED

This fund is used mainly for educating students in Community Adult Schools as well as a small number of high school students (concurrently-enrolled students).

(Amounts in millions)	2012-13 Actual	2013-14 Actual	2014-15 Actual	2015-16 3rd Interim	2016-17 Authorized	2016-17 Estimated
Sources of Funds						
Beginning Balance						
Non-spendable - Cash, Inventories, Others	$ 0.1	$ 0.1	$ 0.0	$ 0.0	$ 0.0	$ 0.0
Restricted	-	8.8	8.9	5.4	17.9	-
Committed	5.6	-	-	-	-	17.9
Assigned	-	-	-	-	6.3	6.3
Unassigned/Unappropriated	-	-	-	-	-	-
Audit Adjustments	-	-	-	-	-	-
Other Restatements	-	-	-	-	-	-
Total Beginning Balance	$ 5.6	$ 8.8	$ 9.0	$ 5.4	$ 24.2	$ 24.2
Revenue						
Local Control Funding Formula	$ -	$ 57.1	$ 58.1	-	$ -	$ -
Federal Revenue	-	-	-	-	-	-
Other State Revenue	1.8	1.6	3.5	97.7	95.3	95.3
Other Local Revenue	1.7	2.2	1.5	0.6	0.4	0.4
Interfund Transfers-In	60.6	-	3.3	1.2	-	-
Other Financing Sources	-	-	-	-	-	-
Total Revenue	$ 64.0	$ 60.9	$ 66.4	$ 99.5	$ 95.7	$ 95.7
Total Sources of Funds	**$ 69.7**	**$ 69.7**	**$ 75.4**	**$ 104.9**	**$ 119.9**	**$ 119.9**
Uses of Funds						
Expenditure						
Certificated Salaries	$ 25.8	$ 24.4	$ 28.1	$ 32.4	$ 49.5	$ 49.5
Classified Salaries	9.6	9.8	10.9	11.5	14.2	14.2
Benefits	16.7	17.0	19.3	22.6	24.1	24.1
Books and Supplies	3.6	3.2	4.1	5.7	22.8	22.8
Services and Other Operating Expenditures	3.3	4.2	4.0	4.2	5.0	5.0
Capital Outlay	0.8	0.2	0.2	0.3	0.2	0.2
Other Outgo	1.0	2.0	3.4	4.1	4.0	4.0
Total Expenditure	$ 60.8	$ 60.7	$ 70.0	$ 80.7	$ 119.9	$ 119.9
Ending Balance						
Non-spendable - Cash, Inventories, Others	$ 0.1	$ 0.0	$ 0.0	$ 0.0	$ 0.0	$ 0.0
Restricted	8.8	8.9	5.4	17.9	-	-
Committed	-	-	-	-		
Assigned	-	-	-	6.3	-	-
Unassigned/Unappropriated	-	-	-	-	-	-
Total Ending Balance	$ 8.8	$ 9.0	$ 5.4	$ 24.2	$ 0.0	$ 0.0
Total Uses of Funds	**$ 69.7**	**$ 69.7**	**$ 75.4**	**$ 104.9**	**$ 119.9**	**$ 119.9**

FUND 110 - ADULT EDUCATION FUND - RESTRICTED

This includes grant funds used for education of adult students.

(Amounts in millions)	2012-13 Actual	2013-14 Actual	2014-15 Actual	2015-16 3rd Interim	2016-17 Authorized	2016-17 Estimated
Sources of Funds						
Beginning Balance						
Non-spendable - Cash, Inventories, Others	$ -	$ -	$ -	$ -	$ -	$ -
Restricted	4.4	0.0	-	-	-	-
Committed	-	-	-	-	-	-
Assigned	-	-	-	-	-	-
Unassigned/Unappropriated	-	-	-	-	-	-
Audit Adjustments	-	-	-	-	-	-
Other Restatements	-	-	-	-	-	-
Total Beginning Balance	$ 4.4	$ 0.0	$ -	$ -	$ -	$ -
Revenue						
Local Control Funding Formula	$ -	$ -	$ -	$ -	$ -	$ -
Federal Revenue	20.4	17.1	11.5	14.1	14.8	14.8
Other State Revenue	6.2	0.1	0.3	0.7	1.5	1.5
Other Local Revenue	0.1	0.1	0.1	0.2	0.5	0.5
Interfund Transfers-In	-	-	-	-	-	-
Other Financing Sources	-	-	-	-	-	-
Total Revenue	$ 26.7	$ 17.3	$ 11.9	$ 15.0	$ 16.8	$ 16.8
Total Sources of Funds	**$ 31.1**	**$ 17.3**	**$ 11.9**	**$ 15.0**	**$ 16.8**	**$ 16.8**
Uses of Funds						
Expenditure						
Certificated Salaries	$ 10.9	$ 10.8	$ 7.7	$ 9.4	$ 7.7	$ 7.7
Classified Salaries	0.5	0.5	0.4	0.4	0.4	0.4
Benefits	4.7	4.8	3.3	4.0	2.5	2.5
Books and Supplies	4.1	1.0	0.2	0.6	6.1	6.1
Services and Other Operating Expenditures	0.2	0.2	0.3	0.5	0.0	0.0
Capital Outlay	0.2	0.0	-	0.1	-	-
Other Outgo	10.5	0.1	0.0	0.0	0.0	0.0
Total Expenditure	$ 31.0	$ 17.3	$ 11.9	$ 15.0	$ 16.8	$ 16.8
Ending Balance						
Non-spendable - Cash, Inventories, Others	$ -	$ -	$ -	$ -	$ -	$ -
Restricted	0.0	-	-	-	-	-
Committed	-	-	-	-	-	-
Assigned	-	-	-	-	-	-
Unassigned/Unappropriated	-	-	-	-	-	-
Total Ending Balance	$ 0.0	$ -	$ -	$ -	$ -	$ -
Total Uses of Funds	**$ 31.1**	**$ 17.3**	**$ 11.9**	**$ 15.0**	**$ 16.8**	**$ 16.8**

FUND 120 - CHILD DEVELOPMENT FUND - UNRESTRICTED

This fund provides half-day and full-day programs. Fees are based on each family's ability to pay.

(Amounts in millions)	2012-13 Actual	2013-14 Actual	2014-15 Actual	2015-16 3rd Interim	2016-17 Authorized	2016-17 Estimated
Sources of Funds						
Beginning Balance						
Non-spendable - Cash, Inventories, Others	$ 0.0	$ 0.0	$ 0.0	$ 0.0	$ 0.0	$ 0.0
Restricted	-	-	-	-	-	-
Committed	-	-	-	-	-	-
Assigned	0.1	0.1	0.6	0.6	0.5	0.5
Unassigned/Unappropriated	-	-	-	-	-	-
Audit Adjustments	-	0.6	-	-	-	-
Other Restatements	-	-	-	-	-	-
Total Beginning Balance	$ 0.1	$ 0.7	$ 0.6	$ 0.6	$ 0.5	$ 0.5
Revenue						
Local Control Funding Formula	$ -	$ -	$ -	$ -	$ -	$ -
Federal Revenue	24.6	20.3	25.7	4.5	4.5	4.5
Other State Revenue	67.6	72.1	80.3	105.4	116.9	116.9
Other Local Revenue	2.6	3.1	3.2	3.5	3.4	3.4
Interfund Transfers-In	15.3	30.2	25.0	32.2	33.5	33.5
Other Financing Sources	-	-	-	-	-	-
Total Revenue	$ 110.1	$ 125.7	$ 134.3	$ 145.5	$ 158.3	$ 158.3
Total Sources of Funds	**$ 110.2**	**$ 126.4**	**$ 134.9**	**$ 146.0**	**$ 158.8**	**$ 158.8**
Uses of Funds						
Expenditure						
Certificated Salaries	$ 34.0	$ 35.3	$ 37.5	$ 39.2	$ 43.7	$ 43.7
Classified Salaries	34.7	42.3	43.0	45.9	45.8	45.8
Benefits	34.1	39.9	43.1	48.4	51.2	51.2
Books and Supplies	1.7	1.6	1.6	3.2	7.4	7.4
Services and Other Operating Expenditures	2.4	2.5	2.6	3.5	5.3	5.3
Capital Outlay	-	-	-	-	-	-
Other Outgo	3.2	4.1	6.6	5.4	5.5	5.5
Total Expenditure	$ 110.1	$ 125.8	$ 134.4	$ 145.5	$ 158.8	$ 158.8
Ending Balance						
Non-spendable - Cash, Inventories, Others	$ 0.0	$ 0.0	$ 0.0	$ 0.0	$ 0.0	$ 0.0
Restricted	-	-	-	-	-	-
Committed	-	-	-	-	-	-
Assigned	0.1	0.6	0.6	0.5	-	-
Unassigned/Unappropriated	-	-	-	-	-	-
Total Ending Balance	$ 0.1	$ 0.6	$ 0.6	$ 0.5	$ 0.0	$ 0.0
Total Uses of Funds	**$ 110.2**	**$ 126.4**	**$ 134.9**	**$ 146.0**	**$ 158.8**	**$ 158.8**

FUND 120 - CHILD DEVELOPMENT FUND - RESTRICTED

This includes grant funds used for education of pre-school children.

(Amounts in millions)	2012-13 Actual	2013-14 Actual	2014-15 Actual	2015-16 3rd Interim	2016-17 Authorized	2016-17 Estimated
Sources of Funds						
Beginning Balance						
Non-spendable - Cash, Inventories, Others	$ -	$ -	$ -	$ -	$ -	$ -
Restricted	-	-	-	-	-	-
Committed	-	-	-	-	-	-
Assigned	-	-	-	-	-	-
Unassigned/Unappropriated	-	-	-	-	-	-
Audit Adjustments	-	-	-	-	-	-
Other Restatements	-	-	-	-	-	-
Total Beginning Balance	$ -	$ -	$ -	$ -	$ -	$ -
Revenue						
Local Control Funding Formula	$ -	$ -	$ -	$ -	$ -	$ -
Federal Revenue	-	-	-	0.4	-	-
Other State Revenue	0.7	0.0	0.0	0.0	0.5	0.5
Other Local Revenue	2.5	2.6	3.2	3.3	1.5	1.5
Interfund Transfers-In	-	-		-	-	-
Other Financing Sources	-	-	-	-	-	-
Total Revenue	$ 3.2	$ 2.6	$ 3.3	$ 3.8	$ 2.0	$ 2.0
Total Sources of Funds	**$ 3.2**	**$ 2.6**	**$ 3.3**	**$ 3.8**	**$ 2.0**	**$ 2.0**
Uses of Funds						
Expenditure						
Certificated Salaries	$ 1.4	$ 1.5	$ 1.7	$ 1.7	$ -	$ -
Classified Salaries	0.5	0.2	0.3	0.4	-	-
Benefits	0.8	0.6	0.7	0.7	-	-
Books and Supplies	0.4	0.2	0.3	0.8	2.0	2.0
Services and Other Operating Expenditures	0.0	0.1	0.0	0.1	-	-
Capital Outlay	0.0	-	-	-	-	-
Other Outgo	0.1	0.1	0.2	0.1	-	-
Total Expenditure	$ 3.2	$ 2.6	$ 3.3	$ 3.8	$ 2.0	$ 2.0
Ending Balance						
Non-spendable - Cash, Inventories, Others	$ -	$ -	$ -	$ -	$ -	$ -
Restricted	-	-	-	-	-	-
Committed	-	-	-	-	-	-
Assigned	-	-	-	-	-	-
Unassigned/Unappropriated	-	-	-	-	-	-
Total Ending Balance	$ -	$ -	$ -	$ -	$ -	$ -
Total Uses of Funds	**$ 3.2**	**$ 2.6**	**$ 3.3**	**$ 3.8**	**$ 2.0**	**$ 2.0**

FUND 130 - CAFETERIA FUND

This fund provides all school nutrition programs in elementary and secondary schools.

(Amounts in millions)	2012-13 Actual	2013-14 Actual	2014-15 Actual	2015-16 3rd Interim	2016-17 Authorized	2016-17 Estimated
Sources of Funds						
Beginning Balance						
Non-spendable - Cash, Inventories, Others	$ 13.1	$ 10.1	$ 6.7	$ 5.7	$ 5.7	$ 5.7
Restricted	5.8	14.7	19.4	22.5	15.0	15.0
Committed	-	-	-	-	-	-
Assigned	-	-	-	-	-	-
Unassigned/Unappropriated	-	-	-	-	-	-
Audit Adjustments	-	-	-	-	-	-
Other Restatements	-	-	-	-	-	-
Total Beginning Balance	$ 18.9	$ 24.9	$ 26.0	$ 28.2	$ 20.7	$ 20.7
Revenue						
Local Control Funding Formula	$ -	$ -	$ -	$ -	$ -	$ -
Federal Revenue	268.1	297.0	306.5	320.2	322.1	322.1
Other State Revenue	18.6	20.5	22.7	22.4	21.9	21.9
Other Local Revenue	6.6	6.6	7.3	8.1	8.9	8.9
Interfund Transfers-In	39.4	-	-	-	-	-
Other Financing Sources	-	-	-	-	-	-
Repayment*	-	36.6	-	-	-	-
Support	14.4	14.4	50.0	13.9	38.6	38.6
CIPR	0.9	0.9	1.3	-	-	-
Total Revenue	$ 347.9	$ 376.0	$ 387.8	$ 364.7	$ 391.5	$ 391.5
Total Sources of Funds	**$ 366.8**	**$ 400.8**	**$ 413.8**	**$ 392.8**	**$ 412.2**	**$ 412.2**
Uses of Funds						
Expenditure						
Certificated Salaries	$ -	$ -	$ -	$ -	$ -	$ -
Classified Salaries	86.0	88.7	97.5	87.7	87.4	87.4
Benefits	78.8	81.7	82.9	85.0	93.6	93.6
Books and Supplies	163.3	188.3	182.3	182.0	194.0	194.0
Services and Other Operating Expenditures	1.9	2.4	2.4	2.9	2.8	2.8
Capital Outlay	1.7	1.5	2.4	1.4	0.7	0.7
Other Outgo	10.1	12.1	18.2	13.1	12.5	12.5
Total Expenditure	$ 341.9	$ 374.8	$ 385.7	$ 372.2	$ 391.0	$ 391.0
Ending Balance						
Non-spendable - Cash, Inventories, Others	$ 10.1	$ 6.7	$ 5.7	$ 5.7	$ 6.2	$ 6.2
Restricted	14.7	19.4	22.5	15.0	15.0	15.0
Committed	-	-	-	-	-	-
Assigned	-	-	-	-	-	-
Unassigned/Unappropriated	-	-	-	-	-	-
Total Ending Balance	$ 24.9	$ 26.0	$ 28.2	$ 20.7	$ 21.2	$ 21.2
Total Uses of Funds	**$ 366.8**	**$ 400.8**	**$ 413.8**	**$ 392.8**	**$ 412.2**	**$ 412.2**

*Repayment per MOU with CDE dated March 18, 2011

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CAPITAL PROJECTS FUNDS

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FUND 210 - MEASURE R

Measure R was a local bond measure approved by the voters in March 2004. The total value of the bond was $3.35 million. The funds are used for new school construction and repairs to existing schools. Most projects also receive matching State funds.

(Amounts in millions)	2012-13 Actual	2013-14 Actual	2014-15 Actual	2015-16 3rd Interim	2016-17 Authorized	2016-17 Estimated
Sources of Funds						
Beginning Balance						
Non-spendable - Cash, Inventories, Others	$ 0.3	$ 0.3	$ 0.2	$ 0.6	$ 1.2	$ 1.2
Restricted	967.9	784.3	457.1	335.3	229.7	229.7
Committed	-	-	-	-	-	-
Assigned	-	-	-	-	-	-
Unassigned/Unappropriated	-	-	-	-	-	-
Audit Adjustments	-	(2.3)	-	1.8	-	-
Other Restatements	-	-	-	-	-	-
Total Beginning Balance	$ 968.2	$ 782.3	$ 457.4	$ 337.7	$ 230.9	$ 230.9
Revenue						
Local Control Funding Formula	$ -	$ -	$ -	$ -	$ -	$ -
Federal Revenue	-	-	-	-	-	-
Other State Revenue	-	-	-	-	-	-
Other Local Revenue	10.4	7.7	18.9	6.3	1.7	1.7
Interfund Transfers-In	60.6	-	57.9	16.2	-	-
Other Financing Sources	-	-	75.2	-	160.0	160.0
Total Revenue	$ 71.0	$ 7.7	$ 152.0	$ 22.5	$ 161.7	$ 161.7
Total Sources of Funds	**$ 1,039.2**	**$ 790.0**	**$ 609.4**	**$ 360.2**	**$ 392.6**	**$ 392.6**
Uses of Funds						
Expenditure						
Certificated Salaries	$ -	$ -	$ -	$ -	$ -	$ -
Classified Salaries	38.8	45.1	50.2	22.9	29.3	29.3
Benefits	18.6	21.1	28.4	9.8	9.8	9.8
Books and Supplies	2.2	3.3	0.2	2.8	-	-
Services and Other Operating Expenditures	18.8	22.9	38.6	27.0	0.1	0.1
Capital Outlay	142.3	235.7	139.0	62.3	352.2	102.7
Other Outgo	33.9	4.6	17.0	4.6	-	-
Total Expenditure	$ 254.6	$ 332.6	$ 273.4	$ 129.4	$ 391.3	$ 141.8
Ending Balance						
Non-spendable - Cash, Inventories, Others	$ 0.3	$ 0.2	$ 0.6	$ 1.2	$ 1.2	$ 1.2
Restricted	784.3	457.1	335.3	229.7	-	-
Committed	-	-	-	-	-	-
Assigned	-	-	-	-	-	249.5
Unassigned/Unappropriated	-	-	-	-	-	-
Total Ending Balance	$ 784.6	$ 457.4	$ 336.0	$ 230.9	$ 1.2	$ 250.7
Total Uses of Funds	**$ 1,039.2**	**$ 790.0**	**$ 609.4**	**$ 360.2**	**$ 392.6**	**$ 392.6**

FUND 211 – BUILDING FUND-PROPOSITION BB

Proposition BB was a local bond issue approved by the voters in April 1997. This is used for construction of new schools and repair and modernization of existing schools, often with State matching funds.

(Amounts in millions)	2012-13 Actual	2013-14 Actual	2014-15 Actual	2015-16 3rd Interim	2016-17 Authorized	2016-17 Estimated
Sources of Funds						
Beginning Balance						
Non-spendable - Cash, Inventories, Others	$ 3.0	$ 3.0	$ 2.1	$ 3.0	$ 3.0	$ 3.0
Restricted	18.2	15.5	16.0	11.8	5.7	5.7
Committed	-	-	-	-	-	-
Assigned	-	-	-	-	-	-
Unassigned/Unappropriated	-	-	-	-	-	-
Audit Adjustments	-	-	-	-	-	-
Other Restatements	-	-	-	-	-	-
Total Beginning Balance	$ 21.2	$ 18.5	$ 18.2	$ 14.8	$ 8.7	$ 8.7
Revenue						
Local Control Funding Formula	$ -	$ -	$ -	$ -	$ -	$ -
Federal Revenue	-	-	-	-	-	-
Other State Revenue	-	-	-	-	-	-
Other Local Revenue	0.3	0.2	0.2	0.1	0.0	0.0
Interfund Transfers-In	29.1	-	2.0	0.0	-	-
Other Financing Sources	-	-	-	-	-	-
Total Revenue	$ 29.4	$ 0.2	$ 2.2	$ 0.2	$ 0.0	$ 0.0
Total Sources of Funds	**$ 50.6**	**$ 18.8**	**$ 20.3**	**$ 15.0**	**$ 8.8**	**$ 8.8**
Uses of Funds						
Expenditure						
Certificated Salaries	$ -	$ -	$ -	$ -	$ -	$ -
Classified Salaries	0.0	0.0	0.0	0.1	-	-
Benefits	0.0	0.0	0.0	0.0	-	-
Books and Supplies	0.0	-	0.3	0.0	-	-
Services and Other Operating Expenditures	3.4	0.1	1.1	0.1	-	-
Capital Outlay	1.0	0.5	4.1	0.7	5.8	3.9
Other Outgo	27.7	-	-	5.4	-	-
Total Expenditure	$ 32.0	$ 0.6	$ 5.5	$ 6.3	$ 5.8	$ 3.9
Ending Balance						
Non-spendable - Cash, Inventories, Others	$ 3.0	$ 2.1	$ 3.0	$ 3.0	$ 3.0	$ 3.0
Restricted	15.5	16.0	11.8	5.7	-	-
Committed	-	-	-	-	-	-
Assigned	-	-	-	-	-	1.8
Unassigned/Unappropriated	-	-	-	-	-	-
Total Ending Balance	$ 18.5	$ 18.2	$ 14.8	$ 8.7	$ 3.0	$ 4.8
Total Uses of Funds	**$ 50.6**	**$ 18.8**	**$ 20.3**	**$ 15.0**	**$ 8.8**	**$ 8.8**

FUND 212 – BUILDING FUND

This fund accounts for proceeds from the sale of bonds, state allowances and other resources designated for facility expansion.

(Amounts in millions)	2012-13 Actual	2013-14 Actual	2014-15 Actual	2015-16 3rd Interim	2016-17 Authorized	2016-17 Estimated
Sources of Funds						
Beginning Balance						
Non-spendable - Cash, Inventories, Others	$ -	$ -	$ -	$ -	$ -	$ -
Restricted	-	-	-	0.0	-	-
Committed	-	-	-	-	-	-
Assigned	1.4	3.5	4.3	8.2	8.8	8.8
Unassigned/Unappropriated	-	-	-	-	-	-
Audit Adjustments	-	-	-	-	-	-
Other Restatements	-	-	-	-	-	-
Total Beginning Balance	$ 1.4	$ 3.5	$ 4.3	$ 8.2	$ 8.8	$ 8.8
Revenue						
Local Control Funding Formula	$ -	$ -	$ -	$ -	$ -	$ -
Federal Revenue	-	-	-	-	-	-
Other State Revenue	-	-	-	-	-	-
Other Local Revenue	2.1	0.7	3.4	1.1	0.7	0.7
Interfund Transfers-In	-	0.1	-	-	-	-
Other Financing Sources	-	-	0.4	-	-	-
Total Revenue	$ 2.1	$ 0.9	$ 3.9	$ 1.1	$ 0.7	$ 0.7
Total Sources of Funds	**$ 3.5**	**$ 4.4**	**$ 8.2**	**$ 9.3**	**$ 9.5**	**$ 9.5**
Uses of Funds						
Expenditure						
Certificated Salaries	$ -	$ -	$ -	$ -	$ -	$ -
Classified Salaries	-	-	0.0	-	-	-
Benefits	-	-	0.0	-	-	-
Books and Supplies	-	-	-	-	-	-
Services and Other Operating Expenditures	0.0	0.0	-	-		-
Capital Outlay	0.0	0.0	-	-	9.5	0.6
Other Outgo	-	-	-	0.5	-	-
Total Expenditure	$ 0.0	$ 0.0	$ 0.0	$ 0.5	$ 9.5	$ 0.6
Ending Balance						
Non-spendable - Cash, Inventories, Others	$ -	$ -	$ -	$ -	$ -	$ -
Restricted Ending Balance	-	-	0.0	-	-	-
Committed	-	-	-	-	-	-
Assigned	3.5	4.3	8.2	8.8	-	8.9
Unassigned/Unappropriated	-	-	-	-	-	-
Total Ending Balance	$ 3.5	$ 4.3	$ 8.2	$ 8.8	$ -	$ 8.9
Total Uses of Funds	**$ 3.5**	**$ 4.4**	**$ 8.2**	**$ 9.3**	**$ 9.5**	**$ 9.5**

FUND 213 – MEASURE K

This fund is for new school construction and repair and modernization of existing schools. It was a local bond issue passed by voters in November 2002. Most projects receive a State match.

(Amounts in millions)	2012-13 Actual	2013-14 Actual	2014-15 Actual	2015-16 3rd Interim	2016-17 Authorized	2016-17 Estimated
Sources of Funds						
Beginning Balance						
Non-spendable - Cash, Inventories, Others	$ -	$ -	$ -	$ (0.2)	$ -	$ -
Restricted	273.4	296.1	252.7	208.1	195.2	195.2
Committed	-	-	-	-	-	-
Assigned	-	-	-	-	-	-
Unassigned/Unappropriated	-	-	-	-	-	-
Audit Adjustments	-	(1.0)	-	-	-	-
Other Restatements	-	-	-	-	-	-
Total Beginning Balance	$ 273.4	$ 295.1	$ 252.7	$ 207.9	$ 195.2	$ 195.2
Revenue						
Local Control Funding Formula	$ -	$ -	$ -	$ -	$ -	$ -
Federal Revenue	-	-	-	-	-	-
Other State Revenue	-	-	-	-	-	-
Other Local Revenue	2.1	2.1	1.6	1.6	1.5	1.5
Interfund Transfers-In	84.3	-	9.1	34.8	-	-
Other Financing Sources	-	-	-	-	-	-
Total Revenue	$ 86.4	$ 2.1	$ 10.8	$ 36.4	$ 1.5	$ 1.5
Total Sources of Funds	**$ 359.8**	**$ 297.2**	**$ 263.4**	**$ 244.3**	**$ 196.8**	**$ 196.8**
Uses of Funds						
Expenditure						
Certificated Salaries	$ -	$ -	$ -	$ -	$ -	$ -
Classified Salaries	4.4	3.6	2.3	4.3	23.5	23.5
Benefits	2.1	1.7	0.8	4.8	9.0	9.0
Books and Supplies	0.4	0.6	0.8	1.7	-	-
Services and Other Operating Expenditures	5.2	3.4	3.5	11.1	-	-
Capital Outlay	38.2	35.2	21.5	13.0	164.3	21.8
Other Outgo	13.3	-	26.6	14.1	-	-
Total Expenditure	$ 63.7	$ 44.5	$ 55.5	$ 49.1	$ 196.8	$ 54.3
Ending Balance						
Non-spendable - Cash, Inventories, Others	$ -	$ -	$ (0.2)	$ -	$ -	$ -
Restricted	296.1	252.7	208.1	195.2	-	-
Committed	-	-	-	-	-	-
Assigned	-	-	-	-	-	142.5
Unassigned/Unappropriated	-	-	-	-	-	-
Total Ending Balance	$ 296.1	$ 252.7	$ 207.9	$ 195.2	$ -	$ 142.5
Total Uses of Funds	**$ 359.8**	**$ 297.2**	**$ 263.4**	**$ 244.3**	**$ 196.8**	**$ 196.8**

FUND 214 – MEASURE Y

Measure Y was a local bond issue approved by the voters in November 2005. The total value of the bond was $3.985 billion. This is used for school construction and modernization with the goal of having all schools follow the traditional calendar.

(Amounts in millions)	2012-13 Actual	2013-14 Actual	2014-15 Actual	2015-16 3rd Interim	2016-17 Authorized	2016-17 Estimated
Sources of Funds						
Beginning Balance						
Non-spendable - Cash, Inventories, Others	$ 0.5	$ 0.5	$ 3.3	$ (0.0)	$ 0.1	$ 0.1
Restricted	843.4	640.4	395.9	131.1	13.9	13.9
Committed	-	-	-	-	-	-
Assigned	-	-	-	-	-	-
Unassigned/Unappropriated	-	-	-	-	-	-
Audit Adjustments	-	(7.8)	-	-	-	-
Other Restatements	-	-	-	-	-	-
Total Beginning Balance	$ 843.9	$ 633.1	$ 399.2	$ 131.0	$ 14.0	$ 14.0
Revenue						
Local Control Funding Formula	$ -	$ -	$ -	$ -	$ -	$ -
Federal Revenue	-	-	-	-	-	-
Other State Revenue	-	-	-	-	-	-
Other Local Revenue	14.6	12.9	6.7	1.2	0.0	0.0
Interfund Transfers-In	89.1	-	54.3	42.1	-	-
Other Financing Sources	-	-	60.6	0.0	382.2	382.2
Total Revenue	$ 103.8	$ 12.9	$ 121.6	$ 43.3	$ 382.2	$ 382.2
Total Sources of Funds	**$ 947.7**	**$ 646.0**	**$ 520.7**	**$ 174.4**	**$ 396.2**	**$ 396.2**
Uses of Funds						
Expenditure						
Certificated Salaries	$ -	$ -	$ -	$ -	$ -	$ -
Classified Salaries	17.7	8.0	10.6	17.7	52.6	52.6
Benefits	7.4	3.9	27.9	14.9	21.0	21.0
Books and Supplies	4.5	2.5	1.9	6.0	-	-
Services and Other Operating Expenditures	14.0	(0.6)	3.7	9.6	1.0	1.0
Capital Outlay	219.5	226.3	297.8	110.4	321.5	101.6
Other Outgo	43.6	6.6	47.8	1.7	-	-
Total Expenditure	$ 306.8	$ 246.8	$ 389.7	$ 160.3	$ 396.1	$ 176.2
Ending Balance						
Non-spendable - Cash, Inventories, Others	$ 0.5	$ 3.3	$ (0.0)	$ 0.1	$ 0.1	$ 0.1
Restricted	640.4	395.9	131.1	13.9	-	-
Committed	-	-	-	-	-	-
Assigned	-	-	-	-	-	219.8
Unassigned/Unappropriated	-	-	-	-	-	-
Total Ending Balance	$ 640.9	$ 399.2	$ 131.0	$ 14.0	$ 0.1	$ 220.0
Total Uses of Funds	**$ 947.7**	**$ 646.0**	**$ 520.7**	**$ 174.4**	**$ 396.2**	**$ 396.2**

FUND 215 – MEASURE Q

Measure Q was a local bond issue approved by voters in November 2008. The total value of the bond was $7 billion. This is used for continuation of repair and modernization of existing schools, green technology, and upgrade of schools to modern technology.

(Amounts in millions)	2012-13 Actual	2013-14 Actual	2014-15 Actual	2015-16 3rd Interim	2016-17 Authorized	2016-17 Estimated
Sources of Funds						
Beginning Balance						
Non-spendable - Cash, Inventories, Others	$ -	$ -	$ -	$ -	$ -	$ -
Restricted	-	-	-	-	497.6	497.6
Committed	-	-	-	-	-	-
Assigned	-	-	-	-	-	-
Unassigned/Unappropriated	-	-	-	-	-	-
Audit Adjustments	-	-	-	-	-	-
Other Restatements	-	-	-	-	-	-
Total Beginning Balance	$ -	$ -	$ -	$ -	$ 497.6	$ 497.6
Revenue						
Local Control Funding Formula	$ -	$ -	$ -	$ -	$ -	$ -
Federal Revenue	-	-	-	-	-	-
Other State Revenue	-	-	-	-	-	-
Other Local Revenue	-	-	-	1.0	4.2	4.2
Interfund Transfers-In	-	-	-	-	-	-
Other Financing Sources	-	-	-	649.0	500.0	500.0
Total Revenue	$ -	$ -	$ -	$ 650.0	$ 504.2	$ 504.2
Total Sources of Funds	**$ -**	**$ -**	**$ -**	**$ 650.0**	**$ 1,001.7**	**$ 1,001.7**
Uses of Funds						
Expenditure						
Certificated Salaries	$ -	$ -	$ -	$ -	$ -	$ -
Classified Salaries	-	-	-	36.5	21.4	21.4
Benefits	-	-	-	9.5	6.3	6.3
Books and Supplies	-	-	-	14.1	11.5	11.5
Services and Other Operating Expenditures	-	-	-	36.8	-	-
Capital Outlay	-	-	-	32.7	954.5	330.7
Other Outgo	-	-	-	22.9	8.0	8.0
Total Expenditure	$ -	$ -	$ -	$ 152.4	$ 1,001.7	$ 378.0
Ending Balance						
Non-spendable - Cash, Inventories, Others	$ -	$ -	$ -	$ -	$ -	$ -
Restricted	-	-	-	497.6	-	-
Committed	-	-	-	-	-	-
Assigned	-	-	-	-	-	623.8
Unassigned/Unappropriated	-	-	-	-	-	-
Total Ending Balance	$ -	$ -	$ -	$ 497.6	$ -	$ 623.8
Total Uses of Funds	**$ -**	**$ -**	**$ -**	**$ 650.0**	**$ 1,001.7**	**$ 1,001.7**

FUND 351 – COUNTY SCHOOLS FACILITIES FUND

This fund is a consolidation of the various County School Facilities Funds that LAUSD had several years back.

(Amounts in millions)	2012-13 Actual	2013-14 Actual	2014-15 Actual	2015-16 3rd Interim	2016-17 Authorized	2016-17 Estimated
Sources of Funds						
Beginning Balance						
Non-spendable - Cash, Inventories, Others	$ -	$ -	$ 0.0	$ -	$ -	$ -
Restricted	505.0	454.3	545.0	471.1	430.0	430.0
Committed	-	-	-	-	-	-
Assigned	-	-	-	-	-	-
Unassigned/Unappropriated	-	-	-	-	-	-
Audit Adjustments	-	-	-	-	-	-
Other Restatements	-	-	-	-	-	-
Total Beginning Balance	$ 505.0	$ 454.3	$ 545.0	$ 471.1	$ 430.0	$ 430.0
Revenue						
Local Control Funding Formula	$ -	$ -	$ -	$ -	$ -	$ -
Federal Revenue	-	-	-	-	-	-
Other State Revenue	162.6	105.2	15.4	45.1	4.1	4.1
Other Local Revenue	2.9	24.4	3.5	3.0	3.2	3.2
Interfund Transfers-In	110.2	-	2.0	2.0	-	-
Other Financing Sources	-	-				
Total Revenue	$ 275.6	$ 129.6	$ 20.9	$ 50.2	$ 7.3	$ 7.3
Total Sources of Funds	**$ 780.6**	**$ 583.9**	**$ 565.9**	**$ 521.3**	**$ 437.3**	**$ 437.3**
Uses of Funds						
Expenditure						
Certificated Salaries	$ -	$ -	$ -	$ -	$ -	$ -
Classified Salaries	0.3	0.1	0.6	3.4	-	-
Benefits	0.1	0.0	0.2	2.0	-	-
Books and Supplies	0.1	0.0	0.0	1.1	-	-
Services and Other Operating Expenditures	0.4	0.6	1.5	10.5	-	-
Capital Outlay	70.6	38.2	30.8	34.2	437.3	100.8
Other Outgo	254.8	-	61.6	40.1	-	-
Total Expenditure	$ 326.3	$ 38.9	$ 94.7	$ 91.3	$ 437.3	$ 100.8
Ending Balance						
Non-spendable - Cash, Inventories, Others	$ -	$ 0.0	$ -	$ -	$ -	$ -
Restricted	454.3	545.0	471.1	430.0	-	-
Committed	-	-	-	-	-	-
Assigned	-	-	-	-	-	336.6
Unassigned/Unappropriated	-	-	-	-	-	-
Total Ending Balance	$ 454.3	$ 545.0	$ 471.1	$ 430.0	$ -	$ 336.6
Total Uses of Funds	**$ 780.6**	**$ 583.9**	**$ 565.9**	**$ 521.3**	**$ 437.3**	**$ 437.3**

FUND 400 – SPECIAL RESERVE FUND-CRA

This fund is for school construction projects paid from Community Redevelopment Agency funds.

(Amounts in millions)	2012-13 Actual	2013-14 Actual	2014-15 Actual	2015-16 3rd Interim	2016-17 Authorized	2016-17 Estimated
Sources of Funds						
Beginning Balance						
Non-spendable - Cash, Inventories, Others	$ -	$ -	$ -	$ -	$ -	$ -
Restricted	19.7	20.7	34.2	52.3	36.3	36.3
Committed	-	-	-	-	-	-
Assigned	-	-	-	-	-	-
Unassigned/Unappropriated	-	-	-	-	-	-
Audit Adjustments	-	-	0.5	-	-	-
Other Restatements	-	-	-	-	-	-
Total Beginning Balance	$ 19.7	$ 20.7	$ 34.6	$ 52.3	$ 36.3	$ 36.3
Revenue						
Local Control Funding Formula	$ -	$ -	$ -	$ -	$ -	$ -
Federal Revenue	-	-	-	-	-	-
Other State Revenue	-	-	-	-	-	-
Other Local Revenue	13.9	19.0	23.5	17.3	12.9	12.9
Interfund Transfers-In	-	-	-	0.0	-	-
Other Financing Sources	-	-	-	-	-	-
Total Revenue	$ 13.9	$ 19.0	$ 23.5	$ 17.3	$ 12.9	$ 12.9
Total Sources of Funds	**$ 33.7**	**$ 39.7**	**$ 58.1**	**$ 69.6**	**$ 49.2**	**$ 49.2**
Uses of Funds						
Expenditure						
Certificated Salaries	$ -	$ -	$ -	$ -	$ -	$ -
Classified Salaries	2.7	3.1	3.3	1.6	0.4	0.4
Benefits	1.0	1.5	1.6	0.8	0.7	0.7
Books and Supplies	6.8	0.0	0.1	0.2	-	-
Services and Other Operating Expenditures	1.4	0.9	0.7	0.6	0.1	0.1
Capital Outlay	1.1	0.0	0.0	0.0	33.1	23.8
Other Outgo	-	-	0.1	30.0	15.0	15.0
Total Expenditure	$ 12.9	$ 5.5	$ 5.8	$ 33.3	$ 49.2	$ 39.9
Ending Balance						
Non-spendable - Cash, Inventories, Others	$ -	$ -	$ -	$ -	$ -	$ -
Restricted	20.7	34.2	52.3	36.3	-	-
Committed	-	-	-	-	-	-
Assigned	-	-	-	-	-	9.3
Unassigned/Unappropriated	-	-	-	-	-	-
Total Ending Balance	$ 20.7	$ 34.2	$ 52.3	$ 36.3	$ -	$ 9.3
Total Uses of Funds	**$ 33.7**	**$ 39.7**	**$ 58.1**	**$ 69.6**	**$ 49.2**	**$ 49.2**

FUND 401 – SPECIAL RESERVE FUND

This fund mainly provides for buildings and capital improvements to relieve overcrowded schools.

(Amounts in millions)	2012-13 Actual	2013-14 Actual	2014-15 Actual	2015-16 3rd Interim	2016-17 Authorized	2016-17 Estimated
Sources of Funds						
Beginning Balance						
Non-spendable - Cash, Inventories, Others	$ -	$ -	$ -	$ -	$ -	$ -
Restricted	137.4	94.0	77.2	84.9	77.4	77.4
Committed	-	-	-	-	-	-
Assigned	-	-	-	-	-	-
Unassigned/Unappropriated	-	-	-	-	-	-
Audit Adjustments	-	-	-	(0.0)	-	-
Other Restatements	-	-	-	-	-	-
Total Beginning Balance	$ 137.4	$ 94.0	$ 77.2	$ 84.8	$ 77.4	$ 77.4
Revenue						
Local Control Funding Formula	$ -	$ -	$ -	$ -	$ -	$ -
Federal Revenue	-	-	0.0	-	-	-
Other State Revenue	-	-	-	0.1	-	-
Other Local Revenue	14.2	16.8	11.6	9.2	16.2	16.2
Interfund Transfers-In	3.0	4.6	46.1	3.1	-	-
Other Financing Sources	24.8	-	0.2	-	-	-
Total Revenue	$ 42.0	$ 21.4	$ 57.9	$ 12.4	$ 16.2	$ 16.2
Total Sources of Funds	**$ 179.4**	**$ 115.4**	**$ 135.1**	**$ 97.2**	**$ 93.5**	**$ 93.5**
Uses of Funds						
Expenditure						
Certificated Salaries	$ -	$ -	$ -	$ -	$ -	$ -
Classified Salaries	0.4	0.9	0.5	2.5	-	-
Benefits	0.2	0.4	0.2	1.6	-	-
Books and Supplies	1.2	1.5	0.4	0.9	-	-
Services and Other Operating Expenditures	4.6	1.5	0.4	0.5	-	-
Capital Outlay	35.5	17.1	8.8	8.8	93.5	21.9
Other Outgo	43.5	16.9	39.8	5.6	0.0	0.0
Total Expenditure	$ 85.4	$ 38.2	$ 50.2	$ 19.8	$ 93.5	$ 21.9
Ending Balance						
Non-spendable - Cash, Inventories, Others	$ -	$ -	$ -	$ -	$ -	$ -
Restricted	94.0	77.2	84.9	77.4	-	-
Committed	-	-	-	-	-	-
Assigned	-	-	-	-	-	71.7
Unassigned/Unappropriated	-	-	-	-	-	-
Total Ending Balance	$ 94.0	$ 77.2	$ 84.9	$ 77.4	$ -	$ 71.7
Total Uses of Funds	**$ 179.4**	**$ 115.4**	**$ 135.1**	**$ 97.2**	**$ 93.5**	**$ 93.5**

FUND 402 – SPECIAL RESERVE FUND-FEMA

This is comprised of funds received from the Federal Emergency Management Agency (FEMA) and is used for the repair of damages due to the 1994 Northridge earthquake.

(Amounts in millions)	2012-13 Actual	2013-14 Actual	2014-15 Actual	2015-16 3rd Interim	2016-17 Authorized	2016-17 Estimated
Sources of Funds						
Beginning Balance						
Non-spendable - Cash, Inventories, Others	$ -	$ -	$ -	$ -	$ -	$ -
Restricted	0.2	0.2	7.6	7.1	5.8	5.8
Committed	-	-	-	-	-	-
Assigned	-	-	-	0.1	0.1	0.1
Unassigned/Unappropriated	-	-	-	-	-	-
Audit Adjustments	-	-	-	-	-	-
Other Restatements	-	-	-	-	-	-
Total Beginning Balance	$ 0.2	$ 0.2	$ 7.6	$ 7.2	$ 5.9	$ 5.9
Revenue						
Local Control Funding Formula	$ -	$ -	$ -	$ -	$ -	$ -
Federal Revenue	-	5.7	-	-	-	-
Other State Revenue	-	1.6	-	-	-	-
Other Local Revenue	-	-	-	0.1	-	-
Interfund Transfers-In	-	-	-	-	-	-
Other Financing Sources	-	-	-	-	-	-
Total Revenue	$ -	$ 7.3	$ -	$ 0.1	$ -	$ -
Total Sources of Funds	**$ 0.2**	**$ 7.6**	**$ 7.6**	**$ 7.2**	**$ 5.9**	**$ 5.9**
Uses of Funds						
Expenditure						
Certificated Salaries	$ -	$ -	$ -	$ -	$ -	$ -
Classified Salaries	-	-	0.0	0.2	-	-
Benefits	-	-	0.0	0.1	-	-
Books and Supplies	-	-	-	0.0	-	-
Services and Other Operating Expenditures	-	-	0.0	0.2	-	-
Capital Outlay	-	-	0.4	0.9	5.8	5.8
Other Outgo	-	-	-	-	-	-
Total Expenditure	$ -	$ -	$ 0.4	$ 1.3	$ 5.8	$ 5.8
Ending Balance						
Non-spendable - Cash, Inventories, Others	$ -	$ -	$ -	$ -	$ -	$ -
Restricted	0.2	7.6	7.1	5.8	-	-
Committed	-	-	-	-	-	-
Assigned Ending Balance	-	-	-	0.1	0.1	0.1
Unassigned/Unappropriated	-	-	-	-	-	-
Total Ending Balance	$ 0.2	$ 7.6	$ 7.1	$ 5.9	$ 0.1	$ 0.1
Total Uses of Funds	**$ 0.2**	**$ 7.6**	**$ 7.6**	**$ 7.2**	**$ 5.9**	**$ 5.9**

FUND 403 – SPECIAL RESERVE FUND-FEMA-HAZARD MITIGATION

This is comprised of funds received from the Federal Emergency Management Agency (FEMA) to reduce hazards. District matching funds are required to receive the State funds. In the past, these funds have been used mainly to replace pendant lighting and suspended ceilings at schools.

	2012-13	2013-14	2014-15	2015-16	2016-17	2016-17
(Amounts in millions)	*Actual*	*Actual*	*Actual*	*3rd Interim*	*Authorized*	*Estimated*
Sources of Funds						
Beginning Balance						
Non-spendable - Cash, Inventories, Others	$ -	$ -	$ -	$ -	$ -	$ -
Restricted	-	2.0	2.0	2.1	2.1	2.1
Committed	-	-	-	-	-	-
Assigned	2.0	-	-	-	-	-
Unassigned/Unappropriated	-	-	-	-	-	-
Audit Adjustments	-	-	-	-	-	-
Other Restatements	-	-	-	-	-	-
Total Beginning Balance	$ 2.0	$ 2.0	$ 2.0	$ 2.1	$ 2.1	$ 2.1
Revenue						
Local Control Funding Formula	$ -	$ -	$ -	$ -	$ -	$ -
Federal Revenue	-	-	-	-	-	-
Other State Revenue	-	-	-	-	-	-
Other Local Revenue	-	-	0.0	0.0	-	-
Interfund Transfers-In	-	-	-	-	-	-
Other Financing Sources	-	-	-	-	-	-
Total Revenue	$ -	$ -	$ 0.0	$ 0.0	$ -	$ -
Total Sources of Funds	**$ 2.0**	**$ 2.0**	**$ 2.1**	**$ 2.1**	**$ 2.1**	**$ 2.1**
Uses of Funds						
Expenditure						
Certificated Salaries	$ -	$ -	$ -	$ -	$ -	$ -
Classified Salaries	-	-	-	-	-	-
Benefits	-	-	-	-	-	-
Books and Supplies	-	-	-	-	-	-
Services and Other Operating Expenditures	-	-	-	-	-	-
Capital Outlay	-	-	-	-	-	-
Other Outgo	-	-	-	-	-	-
Total Expenditure	$ -	$ -	$ -	$ -	$ -	$ -
Ending Balance						
Non-spendable - Cash, Inventories, Others	$ -	$ -	$ -	$ -	$ -	$ -
Restricted	2.0	2.0	2.1	2.1	2.1	-
Committed	-	-	-	-	-	-
Assigned	-	-	-	-	-	2.1
Unassigned/Unappropriated	-	-	-	-	-	-
Total Ending Balance	$ 2.0	$ 2.0	$ 2.1	$ 2.1	$ 2.1	$ 2.1
Total Uses of Funds	**$ 2.0**	**$ 2.0**	**$ 2.1**	**$ 2.1**	**$ 2.1**	**$ 2.1**

FUND 250 – CAPITAL FACILITIES FUND

This fund is used to account for developer fees levied on new residential, commercial, or industrial projects within the District boundaries. Revenues, which may vary widely from year to year, are used for the construction of new school facilities.

(Amounts in millions)	2012-13 Actual	2013-14 Actual	2014-15 Actual	2015-16 3rd Interim	2016-17 Authorized	2016-17 Estimated
Sources of Funds						
Beginning Balance						
Non-spendable - Cash, Inventories, Others	$ -	$ -	$ -	$ -	$ -	$ -
Restricted	-	-	-	-	-	$ -
Committed	-	-	-	-	-	$ -
Assigned	52.0	95.9	142.8	175.6	184.2	$ 184.2
Unassigned/Unappropriated	-	-	-	-	-	$ -
Audit Adjustments	-	-	-	-	-	$ -
Other Restatements	-	-	-	-	-	$ -
Total Beginning Balance	$ 52.0	$ 95.9	$ 142.8	$ 175.6	$ 184.2	$ 184.2
Revenue						
Local Control Funding Formula	$ -	$ -	$ -	$ -	$ -	$ -
Federal Revenue	-	-	-	-	-	-
Other State Revenue	-	-	-	-	-	-
Other Local Revenue	47.8	59.9	78.9	78.8	80.1	80.1
Interfund Transfers-In	9.5	-	-	-	-	-
Other Financing Sources	-	-	-	-	-	-
Total Revenue	$ 57.3	$ 59.9	$ 78.9	$ 78.8	$ 80.1	$ 80.1
Total Sources of Funds	**$ 109.4**	**$ 155.8**	**$ 221.7**	**$ 254.4**	**$ 264.4**	**$ 264.4**
Uses of Funds						
Expenditure						
Certificated Salaries	$ -	$ -	$ -	$ -	$ -	$ -
Classified Salaries	0.3	0.6	0.5	0.6	0.5	0.5
Benefits	0.2	0.2	0.2	0.3	0.2	0.2
Books and Supplies	0.0	0.0	0.0	0.0	0.0	0.0
Services and Other Operating Expenditures	0.7	0.4	0.7	2.8	31.0	31.0
Capital Outlay	1.9	2.2	23.5	29.7	223.1	33.0
Other Outgo	10.4	9.6	21.3	36.7	9.6	9.6
Total Expenditure	$ 13.5	$ 13.0	$ 46.2	$ 70.2	$ 264.4	$ 74.3
Ending Balance						
Non-spendable - Cash, Inventories, Others	$ -	$ -	$ -	$ -	$ -	$ -
Restricted	$ -	$ -	$ -	$ -	$ -	$ -
Committed	-	-	-	-	-	-
Assigned	$ 95.9	$ 142.8	$ 175.6	184.2	-	190.1
Unassigned/Unappropriated	-	-	-	-	-	-
Total Ending Balance	$ 95.9	$ 142.8	$ 175.6	$ 184.2	$ -	$ 190.1
Total Uses of Funds	**$ 109.4**	**$ 155.8**	**$ 221.7**	**$ 254.4**	**$ 264.4**	**$ 264.4**

FUND 300 – STATE SCHOOL BUILDING LEASE/PURCHASE FUND

This is used for school construction projects to relieve overcrowding.

(Amounts in millions)	2012-13 Actual	2013-14 Actual	2014-15 Actual	2015-16 3rd Interim	2016-17 Authorized	2016-17 Estimated
Sources of Funds						
Beginning Balance						
Non-spendable - Cash, Inventories, Others	$ -	$ -	$ -	$ -	$ -	$ -
Restricted	4.3	4.3	4.4	5.9	6.0	6.0
Committed	-	-	-	-	-	-
Assigned	-	0.1	-	-	-	-
Unassigned/Unappropriated	-	-	-	-	-	-
Audit Adjustments	-	0.0	-	-	-	-
Other Restatements	-	-	-	-	-	-
Total Beginning Balance	$ 4.3	$ 4.4	$ 4.4	$ 5.9	$ 6.0	$ 6.0
Revenue						
Local Control Funding Formula	$ -	$ -	$ -	$ -	$ -	$ -
Federal Revenue	-	-	-	-	-	-
Other State Revenue	-	-	1.6	-	-	-
Other Local Revenue	0.1	0.1	0.1	0.1	-	-
Interfund Transfers-In	0.1	-	-	-	-	-
Other Financing Sources	-	-	-	-	-	-
Total Revenue	$ 0.2	$ 0.1	$ 1.7	$ 0.1	$ -	$ -
Total Sources of Funds	**$ 4.6**	**$ 4.5**	**$ 6.0**	**$ 6.0**	**$ 6.0**	**$ 6.0**
Uses of Funds						
Expenditure						
Certificated Salaries	$ -	$ -	$ -	$ -	$ -	$ -
Classified Salaries	-	-	-	-	-	-
Benefits	-	-	-	-	-	-
Books and Supplies	-	-	-	-	-	-
Services and Other Operating Expenditures	-	-	-	-	-	-
Capital Outlay	0.2	0.0	0.0	-	6.0	6.0
Other Outgo	0.0	0.1	0.1	-	-	-
Total Expenditure	$ 0.2	$ 0.2	$ 0.1	$ -	$ 6.0	$ 6.0
Ending Balance						
Non-spendable - Cash, Inventories, Others	$ -	$ -	$ -	$ -	$ -	$ -
Restricted	4.3	4.4	5.9	6.0	-	-
Committed	-	-	-	-	-	-
Assigned	0.1	-	-	-	-	-
Unassigned/Unappropriated	-	-	-	-	-	-
Total Ending Balance	$ 4.4	$ 4.4	$ 5.9	$ 6.0	$ -	$ -
Total Uses of Funds	**$ 4.6**	**$ 4.5**	**$ 6.0**	**$ 6.0**	**$ 6.0**	**$ 6.0**

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DEBT SERVICE FUNDS

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FUND 510 – BOND INTEREST AND REDEMPTION FUND

This fund provides principal and interest payments on outstanding local bonds approved by the voters. The source of revenue is local property taxes.

(Amounts in millions)	2012-13 Actual	2013-14 Actual	2014-15 Actual	2015-16 3rd Interim	2016-17 Authorized	2016-17 Estimated
Sources of Funds						
Beginning Balance						
Non-spendable - Cash, Inventories, Others	$ -	$ -	$ -	$ -	$ -	$ -
Restricted	689.9	750.5	712.6	779.5	838.8	838.8
Committed	-	-	-	-	-	-
Assigned	-	-	-	-	-	-
Unassigned/Unappropriated	-	-	-	-	-	-
Audit Adjustments	(8.3)	-	-	(6.1)	-	-
Other Restatements	-	-	-	-	-	-
Total Beginning Balance	$ 681.6	$ 750.5	$ 712.6	$ 773.4	$ 838.8	$ 838.8
Revenue						
Local Control Funding Formula	$ -	$ -	$ -	$ -	$ -	$ -
Federal Revenue	73.8	67.9	68.4	68.6	68.7	68.7
Other State Revenue	5.4	5.3	4.4	5.3	5.2	5.2
Other Local Revenue	891.8	767.6	812.8	821.2	814.8	814.8
Interfund Transfers-In	-	-	-	-	-	-
Other Financing Sources	-	1,890.1	395.2	760.6	-	-
Total Revenue	$ 971.0	$ 2,730.8	$ 1,280.7	$ 1,655.6	$ 888.8	$ 888.8
Total Sources of Funds	**$ 1,652.5**	**$ 3,481.4**	**$ 1,993.4**	**$ 2,429.0**	**$ 1,727.5**	**$ 1,727.5**
Uses of Funds						
Expenditure						
Certificated Salaries	$ -	$ -	$ -	$ -	$ -	$ -
Classified Salaries	-	-	-	-	-	-
Benefits	-	-	-	-	-	-
Books and Supplies	-	-	-	-	-	-
Services and Other Operating Expenditures	-	-	-	-	-	-
Capital Outlay	-	-	-	-	-	-
Other Outgo	902.0	2,768.7	1,213.9	1,590.2	888.8	888.8
Total Expenditure	$ 902.0	$ 2,768.7	$ 1,213.9	$ 1,590.2	$ 888.8	$ 888.8
Ending Balance						
Non-spendable - Cash, Inventories, Others	$ -	$ -	$ -	$ -	$ -	$ -
Restricted	750.5	712.6	779.5	838.8	838.8	838.8
Committed	-	-	-	-	-	-
Assigned	-	-	-	-	-	-
Unassigned/Unappropriated	-	-	-	-	-	-
Total Ending Balance	$ 750.5	$ 712.6	$ 779.5	$ 838.8	$ 838.8	$ 838.8
Total Uses of Funds	**$ 1,652.5**	**$ 3,481.4**	**$ 1,993.4**	**$ 2,429.0**	**$ 1,727.5**	**$ 1,727.5**

FUND 530 – TAX OVERRIDE FUND

This fund repays indebtedness resulting from earlier tax levies. The total debt to be repaid is $0.59 million and the repayment schedule ended on June 30, 2010.

(Amounts in millions)	2012-13 Actual	2013-14 Actual	2014-15 Actual	2015-16 3rd Interim	2016-17 Authorized	2016-17 Estimated
Sources of Funds						
Beginning Balance						
Non-spendable - Cash, Inventories, Others	$ -	$ -	$ -	$ -	$ -	$ -
Restricted	0.3	0.3	0.4	0.4	0.4	0.4
Committed	-	-	-	-	-	-
Assigned	-	-	-	-	-	-
Unassigned/Unappropriated	-	-	-	-	-	-
Audit Adjustments	-	-	-	-	-	-
Other Restatements	-	-	-	-	-	-
Total Beginning Balance	$ 0.3	$ 0.3	$ 0.4	$ 0.4	$ 0.4	$ 0.4
Revenue						
Local Control Funding Formula	$ -	$ -	$ -	$ -	$ -	$ -
Federal Revenue	-	-	-	-	-	-
Other State Revenue	0.0	0.1	-	-	-	-
Other Local Revenue	0.0	0.0	0.0	0.0	-	-
Interfund Transfers-In	-	-	-	-	-	-
Other Financing Sources	-	-	-	-	-	-
Total Revenue	$ 0.0	$ 0.1	$ 0.0	$ 0.0	$ -	$ -
Total Sources of Funds	**$ 0.3**	**$ 0.4**	**$ 0.4**	**$ 0.4**	**$ 0.4**	**$ 0.4**
Uses of Funds						
Expenditure						
Certificated Salaries	$ -	$ -	$ -	$ -	$ -	$ -
Classified Salaries	-	-	-	-	-	-
Benefits	-	-	-	-	-	-
Books and Supplies	-	-	-	-	-	-
Services and Other Operating Expenditures	-	-	-	-	-	-
Capital Outlay	-	-	-	-	-	-
Other Outgo	-	-	-	-	0.4	0.4
Total Expenditure	$ -	$ -	$ -	$ -	$ 0.4	$ 0.4
Ending Balance						
Non-spendable - Cash, Inventories, Others	$ -	$ -	$ -	$ -	$ -	$ -
Restricted	0.3	0.4	0.4	0.4	-	-
Committed	-	-	-	-	-	-
Assigned	-	-	-	-	-	-
Unassigned/Unappropriated	-	-	-	-	-	-
Total Ending Balance	$ 0.3	$ 0.4	$ 0.4	$ 0.4	$ -	$ -
Total Uses of Funds	**$ 0.3**	**$ 0.4**	**$ 0.4**	**$ 0.4**	**$ 0.4**	**$ 0.4**

FUND 560 – CAPITAL SERVICES FUND

This is to repay Certificates of Participation (COPs) which are funds borrowed for capital projects where bond financing is not available. Repayment is from general purpose funds or other funds such as developer fees.

(Amounts in millions)	2012-13 Actual	2013-14 Actual	2014-15 Actual	2015-16 3rd Interim	2016-17 Authorized	2016-17 Estimated
Sources of Funds						
Beginning Balance						
Non-spendable - Cash, Inventories, Others	$ -	$ -	$ -	$ -	$ -	$ -
Restricted	59.4	54.4	55.1	55.8	56.6	56.6
Committed	-	-	-	-	-	-
Assigned	-	-	-	-	-	-
Unassigned/Unappropriated	-	-	-	-	-	-
Audit Adjustments	-	-	-	-	-	-
Other Restatements	-	-	-	-	-	-
Total Beginning Balance	$ 59.4	$ 54.4	$ 55.1	$ 55.8	$ 56.6	$ 56.6
Revenue						
Local Control Funding Formula	$ -	$ -	$ -	$ -	$ -	$ -
Federal Revenue	0.6	0.6	0.6	0.6	0.6	0.6
Other State Revenue	-	-	-	-	-	-
Other Local Revenue	0.2	0.2	0.2	0.2	0.3	0.3
Interfund Transfers-In	41.2	46.5	50.1	43.6	43.3	43.3
Other Financing Sources	-	-	-	-		
Total Revenue	$ 42.0	$ 47.3	$ 50.8	$ 44.4	$ 44.1	$ 44.1
Total Sources of Funds	**$ 101.4**	**$ 101.6**	**$ 105.9**	**$ 100.2**	**$ 100.7**	**$ 100.7**
Uses of Funds						
Expenditure						
Certificated Salaries	$ -	$ -	$ -	$ -	$ -	$ -
Classified Salaries	-	-	-	-	-	-
Benefits	-	-	-	-	-	-
Books and Supplies	-	-	-	-	-	-
Services and Other Operating Expenditures	-	-	-	-	-	-
Capital Outlay	-	-	-	-	-	-
Other Outgo	47.0	46.6	50.1	43.6	44.1	44.1
Total Expenditure	$ 47.0	$ 46.6	$ 50.1	$ 43.6	$ 44.1	$ 44.1
Ending Balance						
Non-spendable - Cash, Inventories, Others	$ -	$ -	$ -	$ -	$ -	$ -
Restricted	54.4	55.1	55.8	56.6	56.6	56.6
Committed	-	-	-	-	-	-
Assigned	-	-	-	-	-	-
Unassigned/Unappropriated	-	-	-	-	-	-
Total Ending Balance	$ 54.4	$ 55.1	$ 55.8	$ 56.6	$ 56.6	$ 56.6
Total Uses of Funds	**$ 101.4**	**$ 101.6**	**$ 105.9**	**$ 100.2**	**$ 100.7**	**$ 100.7**

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INTERNAL SERVICE FUNDS

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FUND 670 – HEALTH AND WELFARE BENEFITS FUND

This fund provides insurance or reimbursement for medical, vision, and dental care for eligible employees and retirees and costs of administration. Costs for such benefits have been growing faster than revenues.

(Amounts in millions)	2012-13 Actual	2013-14 Actual	2014-15 Actual	2015-16 3rd Interim	2016-17 Authorized	2016-17 Estimated
Sources of Funds						
Beginning Balance						
Non-spendable - Cash, Inventories, Others	$ -	$ -	$ -	$ -	$ -	$ -
Restricted	-	-	-	-	-	-
Committed	-	-	-	-	-	-
Assigned	-	328.1	331.5	295.1	311.3	311.3
Unassigned/Unappropriated	297.8	-	-	-	-	-
Audit Adjustments	-	-	(2.5)	-	-	-
Other Restatements	-	-	-	-	-	-
Total Beginning Balance	$ 297.8	$ 328.1	$ 328.9	$ 295.1	$ 311.3	$ 311.3
Revenue						
Local Control Funding Formula	$ -	$ -	$ -	$ -	$ -	$ -
Federal Revenue	-	-	-	-	-	-
Other State Revenue	-	-	-	-	-	-
Other Local Revenue	918.1	932.5	951.3	1,026.2	1,054.6	1,054.6
Interfund Transfers-In	10.4	10.8	10.1	4.3	0.0	0.0
Other Financing Sources	-	-	-	-	-	-
Total Revenue	$ 928.5	$ 943.3	$ 961.4	$ 1,030.4	$ 1,054.6	$ 1,054.6
Total Sources of Funds	**$ 1,226.3**	**$ 1,271.4**	**$ 1,290.3**	**$ 1,325.6**	**$ 1,365.8**	**$ 1,365.8**
Uses of Funds						
Expenditure						
Certificated Salaries	$ -	$ -	$ -	$ -	$ -	$ -
Classified Salaries	1.7	1.7	1.9	2.1	2.6	2.6
Benefits	0.9	1.0	0.9	1.2	1.3	1.3
Books and Supplies	0.2	0.2	0.3	0.2	0.5	0.5
Services and Other Operating Expenditures	895.4	937.1	992.1	1,010.8	990.9	990.9
Capital Outlay	-	-	-	-	-	-
Other Outgo	-	-	-	-	-	-
Total Expenditure	$ 898.2	$ 939.9	$ 995.2	$ 1,014.3	$ 995.2	$ 995.2
Ending Balance						
Non-spendable - Cash, Inventories, Others	$ -	$ -	$ -	$ -	$ -	$ -
Restricted	-	-	-	-	-	-
Committed	-	-	-	-	-	-
Assigned	328.1	331.5	295.1	311.3	370.6	370.6
Unassigned/Unappropriated	-	-	-	-	-	-
Total Ending Balance	$ 328.1	$ 331.5	$ 295.1	$ 311.3	$ 370.6	$ 370.6
Total Uses of Funds	**$ 1,226.3**	**$ 1,271.4**	**$ 1,290.3**	**$ 1,325.6**	**$ 1,365.8**	**$ 1,365.8**

FUND 671 – WORKERS' COMPENSATION FUND

This fund pays for medical and other payments to employees who were injured in the course of their employment with the District and the necessary cost of administering the fund. Revenues come from each fund that has positions.

(Amounts in millions)	2012-13 Actual	2013-14 Actual	2014-15 Actual	2015-16 3rd Interim	2016-17 Authorized	2016-17 Estimated
Sources of Funds						
Beginning Balance						
Non-spendable - Cash, Inventories, Others	$ -	$ -	$ -	$ -	$ -	$ -
Restricted	2.8	-	-	-	-	-
Committed	-	-	-	-	-	-
Assigned	-	2.4	3.4	2.9	23.7	23.7
Unassigned/Unappropriated	-	-	-	-	-	-
Audit Adjustments	-	-	-	-	-	-
Other Restatements	-	-	(4.0)	-	-	-
Total Beginning Balance	$ 2.8	$ 2.4	$ (0.6)	$ 2.9	$ 23.7	$ 23.7
Revenue						
Local Control Funding Formula	$ -	$ -	$ -	$ -	$ -	$ -
Federal Revenue	-	-	-	-	-	-
Other State Revenue	-	-	-	-	-	-
Other Local Revenue	106.3	116.8	183.1	127.8	120.8	120.8
Interfund Transfers-In	-	-	-	-	-	-
Other Financing Sources	-	-	-	-	-	-
Total Revenue	$ 106.3	$ 116.8	$ 183.1	$ 127.8	$ 120.8	$ 120.8
Total Sources of Funds	**$ 109.0**	**$ 119.3**	**$ 182.5**	**$ 130.7**	**$ 144.5**	**$ 144.5**
Uses of Funds						
Expenditure						
Certificated Salaries	$ -	$ -	$ -	$ 0.3	$ 0.3	$ 0.3
Classified Salaries	2.8	2.5	2.8	2.6	3.4	3.4
Benefits	1.5	1.4	1.3	1.3	1.5	1.5
Books and Supplies	0.0	0.1	0.0	0.1	0.1	0.1
Services and Other Operating Expenditures	102.3	112.0	175.5	102.8	116.7	116.7
Capital Outlay	-	-	-	-	-	-
Other Outgo	-	-	-	-	-	-
Total Expenditure	$ 106.6	$ 115.9	$ 179.6	$ 107.0	$ 121.9	$ 121.9
Ending Balance						
Non-spendable - Cash, Inventories, Others	$ -	$ -	$ -	$ -	$ -	$ -
Restricted	-	-	-	-	-	-
Committed	-	-	-	-	-	-
Assigned	2.4	3.4	2.9	23.7	22.6	22.6
Unassigned/Unappropriated	-	-	-	-	-	-
Total Ending Balance	$ 2.4	$ 3.4	$ 2.9	$ 23.7	$ 22.6	$ 22.6
Total Uses of Funds	**$ 109.0**	**$ 119.3**	**$ 182.5**	**$ 130.7**	**$ 144.5**	**$ 144.5**

FUND 672 – LIABILITY SELF INSURANCE

This fund provides resources for liability claims and judgments against the District and the cost of administering them.

(Amounts in millions)	2012-13 Actual	2013-14 Actual	2014-15 Actual	2015-16 3rd Interim	2016-17 Authorized	2016-17 Estimated
Sources of Funds						
Beginning Balance						
Non-spendable - Cash, Inventories, Others	$ -	$ -	$ -	$ -	$ -	$ -
Restricted	3.2	-	-	-	-	-
Committed	-	-	-	-	-	-
Assigned	-	2.8	2.4	0.6	1.7	1.7
Unassigned/Unappropriated	-	-	-	-	-	-
Audit Adjustments	-	-	-	-	-	-
Other Restatements	-	-	-	-	-	-
Total Beginning Balance	$ 3.2	$ 2.8	$ 2.4	$ 0.6	$ 1.7	$ 1.7
Revenue						
Local Control Funding Formula	$ -	$ -	$ -	$ -	$ -	$ -
Federal Revenue	-	-	-	-	-	-
Other State Revenue	-	-	-	-	-	-
Other Local Revenue	80.2	51.6	54.8	155.8	31.8	31.8
Interfund Transfers-In	-	-	-	-	-	-
Other Financing Sources	-	-	-	-	-	-
Total Revenue	$ 80.2	$ 51.6	$ 54.8	$ 155.8	$ 31.8	$ 31.8
Total Sources of Funds	**$ 83.4**	**$ 54.4**	**$ 57.2**	**$ 156.4**	**$ 33.5**	**$ 33.5**
Uses of Funds						
Expenditure						
Certificated Salaries	$ 0.2	$ 0.2	$ 0.2	$ 0.2	$ 0.2	$ 0.2
Classified Salaries	0.8	0.8	0.9	1.0	1.7	1.7
Benefits	0.5	0.5	0.5	0.5	0.8	0.8
Books and Supplies	0.0	0.0	0.1	0.0	0.1	0.1
Services and Other Operating Expenditures	79.1	50.5	53.5	153.0	27.8	27.8
Capital Outlay	-	-	-	-	-	-
Other Outgo	-	-	-	-	-	-
Total Expenditure	$ 80.5	$ 52.0	$ 55.1	$ 154.7	$ 30.5	$ 30.5
Ending Balance						
Non-spendable - Cash, Inventories, Others	$ -	$ -	$ -	$ -	$ -	$ -
Restricted	-	-	-	-	-	-
Committed	-	-	-	-	-	-
Assigned	2.8	2.4	0.6	1.7	2.9	2.9
Unassigned/Unappropriated	-	-	-	-	-	-
Total Ending Balance	$ 2.8	$ 2.4	$ 0.6	$ 1.7	$ 2.9	$ 2.9
Total Uses of Funds	**$ 83.4**	**$ 54.4**	**$ 57.2**	**$ 156.4**	**$ 33.5**	**$ 33.5**

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FIDUCIARY FUND

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FUND 713 - OTHER POST-EMPLOYMENT BENEFITS FUND

This fund is comprised of other post-employment benefit contributions.

(Amounts in millions)	2012-13 Actual	2013-14 Actual	2014-15 Actual	2015-16 3rd Interim	2016-17 Authorized	2016-17 Estimated
Sources of Funds						
Beginning Balance						
Non-spendable - Cash, Inventories, Others	$ -	$ -	$ -	$ -	$ -	$ -
Restricted	-	-	-	-	-	-
Committed	-	-	-	-	-	-
Assigned	-	-	60.0	90.2	142.3	142.3
Unassigned/Unappropriated	-	-	-	-	-	-
Audit Adjustments	-	-	-	-	-	-
Other Restatements	-	-	-	-	-	-
Total Beginning Balance	$ -	$ -	$ 60.0	$ 90.2	$ 142.3	$ 142.3
Revenue						
Local Control Funding Formula	$ -	$ -	$ -	$ -	$ -	$ -
Federal Revenue	-	-	-	-	-	-
Other State Revenue	-	-	-	-	-	-
Other Local Revenue	-	60.0	30.0	52.3	78.0	78.0
Interfund Transfers-In	-	-	-	-	-	-
Other Financing Sources	-	-	-	-	-	-
Total Revenue	$ -	$ 60.0	$ 30.0	$ 52.3	$ 78.0	$ 78.0
Total Sources of Funds	**$ -**	**$ 60.0**	**$ 90.0**	**$ 142.4**	**$ 220.3**	**$ 220.3**
Uses of Funds						
Expenditure						
Certificated Salaries	$ -	$ -	$ -	$ -	$ -	$ -
Classified Salaries	-	-	-	-	-	-
Benefits	-	-	-	-	-	-
Books and Supplies	-	-	-	-	-	-
Services and Other Operating Expenditures	-	-	0.1	0.1	-	-
Capital Outlay	-	-	-	-	-	-
Other Outgo	-	-	-	-	-	-
Total Expenditure	$ -	$ -	$ 0.1	$ 0.1	$ -	$ -
Ending Balance						
Non-spendable - Cash, Inventories, Others	$ -	$ -	$ -	$ -	$ -	$ -
Restricted	-	-	-	-	-	-
Committed	-	-	-	-	-	-
Assigned	-	60.0	90.2	142.3	220.3	220.3
Unassigned/Unappropriated	-	-	-	-	-	-
Total Ending Balance	$ -	$ 60.0	$ 90.2	$ 142.3	$ 220.3	$ 220.3
Total Uses of Funds	**$ -**	**$ 60.0**	**$ 90.0**	**$ 142.4**	**$ 220.3**	**$ 220.3**

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APPENDICES

INTRODUCTION

This Section provides information the District's budget for the 2016-17 fiscal year. Included in this Section are the following:

Appendix A – Frequently Asked Questions. This section provides questions and answers regarding the District's Final Budget.

Appendix B – Budget Principles and Processes. This section explains the District's general principles used in preparing its budget, and the process for developing and amending the budget.

Appendix C – District and Community Profile. These pages provide information about the District students and communities characteristics.

Appendix D – Number of Schools and Centers. This section includes the number of schools and centers.

Appendix E – District Enrollment Trends and Projection
This section provides information on District enrollment trends. The District uses data on live births in Los Angeles County and historical grade retention ratios, as well as economic factors and other relevant information, to project enrollment. The grade retention ratio uses past trends to estimate student progress to the next grade level. Enrollments in kindergarten are calculated as a percentage of live births in Los Angeles County five years earlier. Separate Enrollment charts are provided for District schools, fiscally independent charter schools and total district-wide enrollment.

Special Education Enrollment Data Report by Disability. This page provides enrollment data for special education students by disability type.

Appendix F – Average Daily Attendance (ADA). These pages provide information regarding Average Daily Attendance (ADA). The State uses ADA to allocate many funding sources to local education agencies. ADA is based on actual in-seat attendance and attendance credit.

Appendix G – District Funds
How Education is Funded in California. This section provides detail on how California funds its schools, and information on the state's K-12 education finance laws since the 1970s.

Appendix G1 – Equity Based Index
Equity Based Index / Targeted Student Population. This section provides a breakdown of funds targeting Low Income, English Learners and Foster Youth.

Appendix H – Allocation of Funds.
School Staff and Resources. These pages provide information on the staffing of District schools, based on existing allocation formulas. This information is provided for elementary and secondary schools, magnet schools, options schools, special education schools and programs, adult schools, regional occupational centers and programs, and other schools for which the District allocates positions and other resources.

District Class Size. These pages provide information about the District's current and historical class sizes.

Restricted Program Funds per Pupil Rates. This section provides information on the allocation of Restricted Funds by Program Code including Title I Part A, and Title III.

Appendix I – Special Education. These pages provide revenue and expenditure information for Special Education. This section also provides information on resources provided to schools to support Students With Disabilities.

Appendix J – Other Funding Sources.
Lottery. The California State Lottery contributes to local education agencies as a supplement to other state funding. Lottery revenue is allocated for the sole purpose of instruction. Proposition 20 established a portion of the Lottery revenue for instructional materials. The remaining portion is for other instructional expense.

Title I, II, and III. This section provides the estimated carryover and entitlement of funds from these sources and gives a breakdown for the allocation of these funds.

Appendix K – Budget and Finance Policy. These pages provide the complete text of the District's Budget and Finance Policy, as adopted by the Board of Education in June 2004.

Appendix L – District Debt Management Policy. These pages provide the complete text of the District's Debt Management Policy, as adopted by the Board of Education.

Appendix M – Capital Budget. This page provides a hyperlink for information regarding the District's capital facilities plan and other major capital expenditures anticipated during the next several years.

Appendix N - Notes. These pages provide information regarding a number of items throughout the budget.

Appendix O - Glossary of Abbreviations. These pages provide definitions of terms and abbreviations appearing throughout the budget document.

APPENDICES

APPENDIX A – FREQUENTLY ASKED QUESTIONS

What legal requirements govern the District's budget process?

The legal requirements for school district budgeting are spelled out in the California Education Code. The District is required to adopt a budget each year by June 30th. The Superintendent and Chief Financial Officer must certify that the budget is balanced in the budget year, and based on reasonable income and expenditure assumptions, that the District's budget will be balanced for the two subsequent fiscal years as well. Thus, based on the best information available, we have considered the LAUSD's likely revenues and expenditures in 2017-18 and 2018-19 when balancing the 2016-17 budget.

Any time LAUSD enters into a collective bargaining agreement, we are required to submit a multi-year projection to determine the District's ability to meet its financial obligations in the current year and two subsequent fiscal years.

What happens when the State adopts its budget after the Constitutional deadline?

The State Constitution requires that the legislature adopts a State Budget no later than June 15th of the preceding fiscal year, and that the Governor sign the proposed State Budget Act no later than June 30th. When the Legislature and the Governor miss their deadlines, the requirements for school district budget development do not change. LAUSD is required to submit its 2016-17 Final Budget to the Los Angeles County Office of Education no later than July 1, 2016 to meet its legal obligation regardless of the adoption date of the State budget.

Does the Final Budget include an estimate of student enrollment?

Yes. The Los Angeles Unified School District uses data on live births in Los Angeles County and historical grade retention ratios, as well as economic factors and other relevant information, to project enrollment. Estimated enrollments in grades 1 through 12 are calculated using a variety of scenarios, generally involving weighted and true averages. The grade retention ratio measures the percentage of students expected to progress to the next grade level from one year to the next based on past trends. Enrollments in kindergarten are calculated as a percentage of live births in Los Angeles county five years earlier.

What does it mean to be a "declining enrollment" district?

Enrollment peaked in 2002-03 at 746,831, and has declined each year since. This decline is due to several factors including reduced birth rates in Los Angeles county and cost-of-living increases such as housing. Declining enrollment affects both revenue and expenditures. However, declining enrollment typically causes a more rapid decline in revenues following the first year in which declining-enrollment districts are essentially "held harmless" for the decline. In addition, the increase in the number of students enrolled in direct-funded (fiscally-independent) charter schools contributes to the change in revenue and expenditures District-wide.

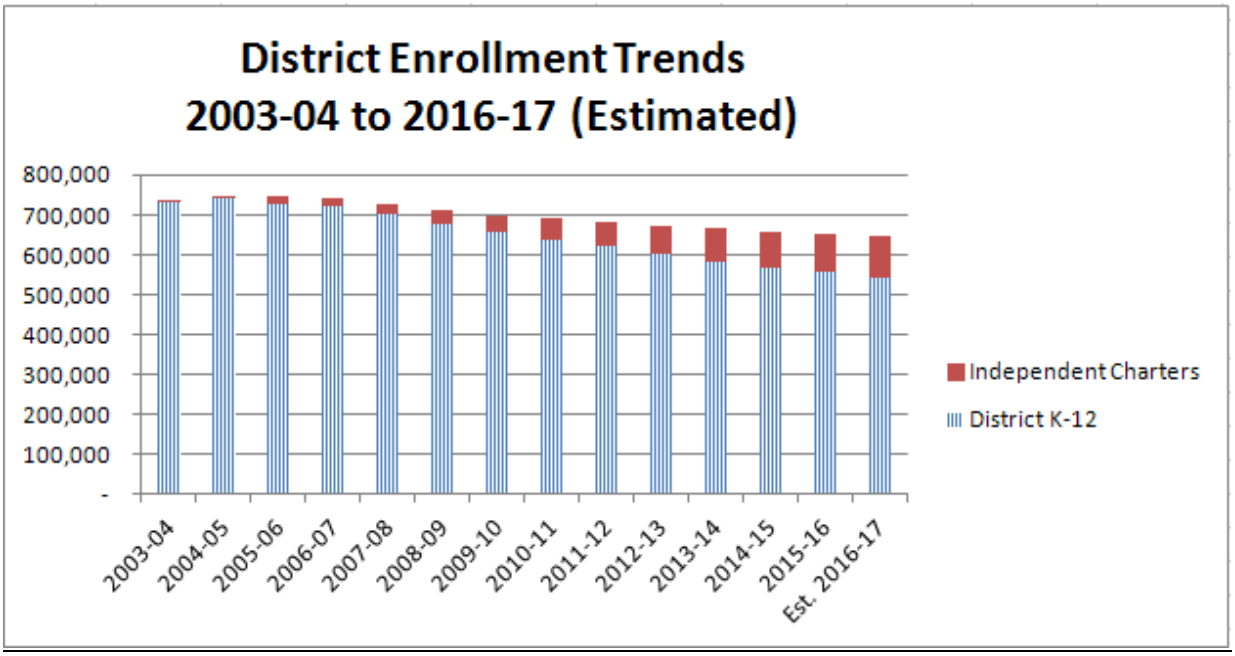
What causes LAUSD's non-charter school enrollment to decline?

LAUSD's non-charter school enrollment declines as students transfer to charter schools, other school districts, county-operated schools, private schools, or move out of state.

How do charter schools impact LAUSD's enrollment projections?

Direct-funded (fiscally-independent) charter school data includes both schools that have converted from non-charter to direct-funded charter school status (conversion charters) and schools that began as direct-funded charters (start-up charters).

The chart below shows the increase in the students enrolled in direct-funded (fiscally-independent) charter schools over the last decade.



What is the Local Control Funding Formula (LCFF) and how is it different from the revenue limits?

Below is an excerpt from the California Department of Education's FAQs on LCFF.

One of the goals of the LCFF is to simplify how state funding is provided to local educational agencies (LEAs). Under the old funding system, each school district was funded based on a unique revenue limit, multiplied by its average daily attendance (ADA). In addition, districts received restricted funding for over 50 categorical programs which were designed to provide targeted services based on the demographics and needs of the students in each district.

Under the LCFF funding system, revenue limits and most state categorical programs have been eliminated. The LCFF creates funding targets based on student characteristics and provides greater flexibility to use these funds to improve student outcomes. For school districts and charter schools, the LCFF funding targets consist of grade span-specific base grants plus supplemental and concentration

grants that are calculated based on student demographic factors. For county offices of education (COEs), the LCFF funding targets consist of an amount for COE oversight activities and instructional programs.

When will the Local Control Funding Formula be implemented?

Implementation of the LCFF began in fiscal year 2013-14. The state Department of Finance estimates that full funding under the LCFF will be achieved by fiscal year 2020-21. In the intervening years, the State provides LEA's increased funding each year until the target entitlement is met. For example, year one could be funded at 80% of target entitlement, year two at 85%, year three at 90%, year four at 92%, year five at 93%, year six at 95%, year seven at 98%, and year eight at 100%. LCFF funding is dependent on the LEA's ADA and available State funding. It is possible for an LEA to reach full funding before the eighth year.

How are "unduplicated pupils" defined for purposes of calculating the LCFF supplemental and concentration grants?

Supplemental and concentration grants are calculated based on the percentage of K-12 "unduplicated pupil count" to total enrollment. For purposes of the LCFF, the unduplicated pupil count includes pupils who are English learners, qualilfy for free or reduced-price meals under the National School Lunch Program, or are foster youth. An "unduplicated student count" means that each pupil is counted only once even if the pupil meets more than one of these criteria.

What is the difference between a "duplicated" and an "unduplicated" student count?

An *unduplicated* student count is the actual number of low-income, English learner, or foster youth students enrolled at a school site. Each student is counted only once even if he or she meets more than one criteria.

A *duplicated* student count is the total count of low-income, English learner, and foster youth students, counting each student based on the number of criteria he or she meets. A student that is both low-income and foster youth is counted twice. A student with all three characteristics is counted three times.

What is the Local Control Accountability Plan (LCAP)?

The LCAP is an important component of the Local Control Funding Formula (LCFF). Under the LCFF, LEAs are required to prepare a LCAP which describes how they intend to meet annual goals for all pupils including specific activities to address state and local priorities. The LAUSD's LCAP is available on the LAUSD's website at www.lausd.net.

Which resources are in the Unrestricted General Fund and which are not?

The *Unrestricted* General Fund includes most of LAUSD's K-12 operating programs. The following are examples of unrestricted funds.

- Funding for teachers, administrators, clerical, and custodial staff at schools
- Funding for recreation-oriented after-school programs
- Funding for the administration of the District including general management, finance, information technology, and human resources

The *Restricted* General Fund includes the following resources:

- Federal categorical funds for low-income, low-achieving, or limited-English-proficient students, including Title I (Socio-economically Disadvantaged), Title II A (High Quality Teachers), and Title III (English Learners)
- Funding for LAUSD's special education program
- Funding for school maintenance such as repairs
- State and federal funding for instructionally-oriented before and after-school programs

What is the difference between "authorized" and "estimated" budgets?

Authorized budget reflects amounts that are available to be spent based on the planned level of need. *Estimated* budget, on the other hand, reflects the expected expenditure level based on historical trend and current available information that may affect the estimates.

What is the difference between Proposition 30 and Proposition 39, and what impact do they have on the budget?

Proposition 30, The Schools and Local Public Safety Protection Act of 2012, approved by the voters on November 6, 2012, temporarily increases the state's sales tax rate for all taxpayers and the personal income tax rates for upper-income taxpayers. It continues to help fund a portion of the LCFF. The temporary increases in sales tax and taxes of high income earners will end in 2016 and 2018, respectively, unless renewed or extended.

Proposition 39, The California Clean Energy Jobs Act, is a five-year program that started in fiscal year 2013-14 that provides funding for efficiency-related upgrades to school facilities, including installation of green energy technologies. It is not for instructional purposes. The California Clean Energy Jobs Act allocates revenue to local education agencies to support energy efficiency and alternative energy projects, along with related improvements and repairs that contribute to reduced operating costs and improved health and safety conditions in public schools.

How can employee benefits be reported in both the General Fund and the Health & Welfare Benefits Fund? Isn't that double counting?

The District established the Health & Welfare Benefits Fund to meet the requirements of the Governmental Accounting Standards Board. The Health & Welfare Benefits Fund receives contributions from various "user" funds with positions that earn medical benefits. Examples of user funds include the General Fund, Cafeteria Fund, Capital Funds, and other funds with positions that earn medical benefits. User fund contributions are transferred to the Health & Welfare Benefits Fund. Expenditures in this fund represent the actual insurance premiums paid to outside providers. As a result, contributions from the user funds are reported as expenditures in the user funds, and as revenue in the Health & Welfare Benefits Fund.

Why does the estimated amount of required budget reductions change over time?

The District receives or develops new financial information throughout the fiscal year.

Beginning balance and revenue estimates change at the following periods:

- When the Governor announces his Proposed Budget in January
- When the Governor publishes the May Revise Budget
- When the Legislature and the Governor adopt the State Budget in June or later
- At the First Period Interim Financial Report submission to LACOE in December
- At the Second Period Interim Financial Report submission to LACOE in March
- In years requiring a Third Interim Financial Report in June, when the report is presented
- At various times during the year when the California Department of Education publishes the apportionments

Expenditure and ending balance estimates change at the following periods:

- When the Governor announces his Proposed Budget in January
- When the Governor publishes the "May Revise" Budget
- When the budget is being developed
- When we are able to develop better cost estimates internally
- At the First Period Interim Financial Report submission to LACOE in December
- At the Second Period Interim Financial Report submission to LACOE in March
- In years requiring a Third Interim Financial Report in June, when the report is presented
- During the course of the fiscal year when new revenue sources become available and when schools or offices process budget adjustments with ongoing ("continuous") budget implications

The Budget Services & Financial Planning Division keeps the Superintendent and the Board of Education updated on a regular basis regarding significant changes to the District's revenue and expenditure estimates.

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APPENDICES

APPENDIX B – BUDGET PRINCIPLES AND PROCESSES

A. Principles of Budgeting and Accounting

The California School Accounting Manual and the California Education Code govern budget development for California school districts, and their standards form the basis for development of the District's Adopted Final Budget. Among these standards are:

Basis for Accounting. The California School Accounting Manual mandates that districts use either the accrual basis or the modified accrual basis in accounting for revenues and expenditures. The difference between the two is as follows:

- In the *Modified Accrual Basis*, revenues are recognized in the period when they become available and measurable, and expenditures are recognized when a liability is incurred, regardless of when the receipt or payment of cash takes place. School districts use the modified accrual basis in accounting for governmental funds such as the General Fund and Adult Education Fund.

- In the *Accrual Basis*, revenues are recorded when earned, and expenditures are recorded when a liability is incurred, regardless of when the receipt or payment of cash takes place. School districts use the accrual basis in proprietary funds such as Self-Insurance Funds.

Basis for Budgeting. The California School Accounting Manual also mandates the basis for school district budgeting. It requires that "generally, for California (school districts), the basis of budgeting should be the same as the basis of accounting used in the audited financial statements. Budgetary accounting must conform to the account codes in the standardized account code structure." California school districts are required to display their budgets by fund, by object, and by function.

Budgetary accounts are "projections and show how much is estimated to be spent or received during a given period of time to carry out the local educational agency's (LEA's) goals." In general, budgetary accounts have two purposes: (1) to record the estimated revenues of a fund by source and amount, and (2) to record and control the limits that are set on the expenditure levels by the appropriations. The recording of actual revenue and expenditures allows a comparison to the available amounts to be committed or expended within the limits set by law or by the governing board.

Revenue Budget. For each fund, the revenue budget anticipates all income from federal, state, and local sources, as well as the anticipated beginning balance. The total of beginning balance and income is the maximum amount a school district may legally budget to spend for any fund.

Expenditure Budget. Each fund has an expenditure budget reflecting the fund's authorized costs, and, for most funds, the anticipated expenditure level.

B. The budget process

Budget Preparation. The first step in preparing the budget is to determine the cost to continue the existing program. Enrollment-related costs are adjusted for projected changes. Costs not directly controllable by the District, such as utilities, retirement contributions, insurance, continuing contractual obligations, and legal costs, are adjusted to reflect estimated expenditures for the coming fiscal year.

Estimates of income are developed based on a review of federal and State statutory provisions and local revenue sources. Beginning balance amounts for the budget year are calculated utilizing a comparison of anticipated revenues and expenditures for the current year. The projected beginning balances and revenues are compared to the cost of continuing current programs to determine whether budget reductions may be necessary or whether unanticipated amounts may be available for allocation.

Board and public participation. Board meetings are scheduled for discussion of proposed budget changes. A public hearing, at which any member of the public may address the Board regarding the District's proposed budget, is mandated prior to Board adoptions of the Final Budget in June.

C. Budget revision process

Budget adjustments. The Budget Services and Financial Planning Division either receives or initiates well over 20,000 requests annually to adjust or revise the adopted budget. Generally, a budget adjustment (B.A.) enables a school or office to use funds previously budgeted for a particular purpose.

Certain limitations apply to B.A.s. For example, schools or offices may not transfer funds from a restricted program into an unrestricted one (e.g., transfers from Title I into a District-funded school instructional materiel account would not be permitted).

B.A.s may be either continuous (ongoing), or limited to the remainder of the current fiscal year. They may be either "routine," requiring only normal handling by staff, or "non-routine," requiring formal approval by the Board of Education.

Categories of "non-routine" B.A.s are determined by the Board, and are currently defined as follows:

A. All B.A.s from Undistributed Reserves.
B. All B.A.s which increase the total number of regular, non-school-based budgeted positions, except for those that are fully funded from the budgeted resources of the requesting office ("cost-neutral" budget adjustments).

In addition to the above, California Education Code §42602 authorizes Boards of Education to increase income to reflect unanticipated new revenues during the course of the fiscal year.

APPENDICES

APPENDIX C – DISTRICT AND COMMUNITY PROFILE

The Los Angeles Unified School District covers 710 square miles, encompassing most of the City of Los Angeles, all or parts of 31 other cities, and various unincorporated areas of Los Angeles County. Approximately 4.8 million people live within the District's boundaries, including 3.8 million who live within Los Angeles City limits.

District Characteristics

The Los Angeles Unified School District is the nation's second largest school district. Its student population mirrors the ethnic and financial diversity of the communities it serves:

Enrollment. The total K-12 enrollment as of September 2015 was 635,207 students, including those attending magnet, opportunity, and continuation schools and centers, charter schools, and schools for the handicapped. Total K-12 enrollment was divided between regular District schools (528,065) and fiscally independent charter schools (107,142). When one includes individuals served through community adult schools, regional occupational centers, skills centers, and early childhood education centers, the District's total enrollment is approximately 678,025.

Student Characteristics. The District's students come from a wide variety of backgrounds. According to the most recent 2015-16 survey, which does not include independent charter school data, some 94 languages other than English are spoken in LAUSD schools by the District's 141,434 students who were still learning to speak English proficiently, with the primary non-English languages being Spanish (92.5% of English learners), Armenian (1.2%), Korean (1.0%), Tagalog (0.8%), Arabic (0.5%), Russian (0.5%), Farsi (0.4%), Cantonese (0.3%), and Vietnamese (0.3%). The District's student population can be summarized by ethnicity as follows: Hispanic (73.8%), Black, not Hispanic (8.3%), White, not Hispanic (10.0%), Asian (6.0%), American Indian/Alaskan Native (0.2%), Pacific Islander (0.3%), Multiple (1.1%), and Not Reported (0.3%). Approximately 75.73% of LAUSD students qualify for special funding under federal poverty guidelines. (Source – LAUSD 2015-16 Consolidated Application).

Structure and Number of Schools. In the 2015-16 fiscal year, the District is divided into six Local Districts which serve elementary, middle, and senior high schools. The Local Districts provide support to 18 primary centers, 451 elementary schools, 83 middle schools, 97 high schools, 23 multi-grade or "span" schools, and 43 magnet schools. For the 2015-16 school year, there are an additional 568 District school/center sites, which can be summarized as follows:

- 156 Magnet Centers
- 3 Other Learning Communities
- 12 Special Education Schools
- 77 Options Schools (including 23 AEWC)
- 86 Early Education Centers
- 10 Adult Education Service Centers
- 2 Home/Hospital
- 8 Fiscally Independent Charter Primary Schools
- 60 Fiscally Independent Charter Elementary Schools
- 40 Fiscally Independent Charter Middle Schools
- 57 Fiscally Independent Charter High Schools
- 56 Fiscally Independent Charter Span Schools
- 1 Center for Advanced Transition Skills (multiple physical locations)

Employees. Based on employee reporting and classifications for the 2015-16 fiscal year, the District had 59,823 regular employees, including 26,827 teachers, 6,626 certificated support personnel and administrators, and 26,370 classified personnel. A "certificated" employee must hold a requisite teaching, support service or an administrative services credential.

Community Characteristics

Economic Characteristics. Los Angeles is the most populous county in the nation, and is larger in population than 43 states. Population eclipsed the 10 million mark in 2013, and will continue on a modest growth of just under one percent per year. Los Angeles County's largest industry clusters by employment are entertainment, trade (transportation, logistics and distribution), health care, business services, knowledge creation, and fashion.

The various elements of the Los Angeles County economy experience cyclical trends. Among the trends seen in 2016 are the following:

- Los Angeles County's population continues to increase. The Los Angeles County Economic Development Corporation (LAEDC) projects an increase of approximately 61,100 or 0.6% in 2016 and 41,000 or 0.4% in 2017.

- Total estimated 2016 nonfarm employment in Los Angeles County is expected to increase by 1.7% or 73,400 jobs, following an increase of 2.2% or 94,700 jobs in 2015. By 2017, nonfarm employment is expected to increase to 4.44 million. This exceeds the peak of 4.23 million reached in 2007.

- LAEDC projects total personal income will increase by 4.4% in 2016 and 5.3% in 2017. The per capita personal income is expected to average $53,200 in 2016, up by 3.9% over 2015.

- LAEDC forecasts the Consumer Price Index will increase by 1.1% in 2016 and 2.2% in 2017.

- LAEDC forecasts an average unemployment rate for Los Angeles County of 6.2% for 2016, a slight decrease from 2015 average of 6.9%. The unemployment rate is expected to decline in 2017 to an average 5.9%. The largest employment gains in 2016 are predicted in health care and social assistance, professional scientific & technology, administration & support, leisure & hospitality, and retail trade.

- Approximately 22,831 new housing permits were issued in 2015, a 22.0% increase from 18,707 permits issued in 2014. LAEDC estimates that approximately 26,000 permits will be issued in 2016 and 29,600 permits will be issued in 2017.

- The value of nonresidential building permits issued during 2015 decreased by 17.9% from 2014. LAEDC forecasts a 9.2% gain in 2016, followed by a 7.8% gain in 2017.

- The LA County median home price for 2015 was $476,830, up by 6.1% year-over-years.

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APPENDICES

APPENDIX D – NUMBER OF SCHOOLS AND CENTERS

School Sites

The table on the following page shows the preliminary number of schools and centers budgeted for operation for the 2016-17 school year. Generally, Continuation High Schools and Magnet Centers share sites with a regular school. Adult Education Service Areas are groups of sites, operating under ten location codes in shared facilities with secondary schools or stand-alone Division of Adult and Career Education sites which provide academic and career technical training. Alternative Education Work Centers provide alternative instruction to high school-aged students within the various Adult Education Service Areas.

Grade Level Configuration

Elementary schools include students from kindergarten through sixth grade. Middle schools have sixth through eighth grade students, and senior high schools have ninth through twelfth grade students. Some magnet schools follow a traditional grade configuration while others include kindergarten through the twelfth grade. Span schools can include combinations of elementary and secondary grades or secondary grades only.

School Size

Individual schools vary widely in enrollment size. Elementary schools range from less than 200 to more than 1,000 pupils. Middle schools range from less than 300 to more than 1,500, and senior high schools range from less than 300 to more than 2 ,200. Magnet schools range from less than 300 to more than 1,500 pupils. Some Magnet Centers serve less than 100 pupils, while other magnet centers enroll 800 or more.

Most Special Education Schools and Opportunity Schools have enrollments between 100 and 300 pupils. Continuation High Schools generally have fewer than 200 pupils.

Enrollment ranges in this section are based on projected enrollments used for preliminary staffing allocations for 2016-17.

APPENDIX D - NUMBER OF SCHOOLS AND CENTERS 2016-17

	TOTAL	MULTI-TRACK	SINGLE TRACK	CONTINUOUS
K-12 Separate School Campus				
Primary School Centers	19		19	
Elementary Schools	451		451	
Middle Schools	83		83	
Senior High Schools	96	1	95	
Option Schools	54		52	2
Magnet Schools	44		44	
Multi-level Schools	24		24	
Special Education Schools	12		12	
Home/Hospital	2		2	
Sub Total	**785**	**1**	**782**	**2**
K-12 Magnet Centers				
Elementary	46		46	
Middle	62		62	
Senior	61		61	
Sub Total	**169**	**0**	**169**	**0**
Other Schools				
Other Learning Communities	1		1	
Adult Education Service Centers	10		10	
Alternative Education Work Centers	23		23	
Early Education Centers	86		86	
Sub Total	**120**	**0**	**120**	**0**
TOTAL	**1,074**	**1**	**1,071**	**2**
Fiscally Independent Charter Schools				
Primary School Centers	8		8	
Elementary Schools	62	1	61	
Middle Schools	40		40	
Senior High Schools	59		59	
Multi-level Schools	59	4	55	
Total Charter Schools	**228**	**5**	**223**	**0**
GRAND TOTAL SCHOOLS AND CENTERS	**1,302**	**6**	**1,294**	**2**

APPENDICES

APPENDIX E – DISTRICT ENROLLMENT TRENDS

This section provides information and data related to the number of students served in the District's schools.

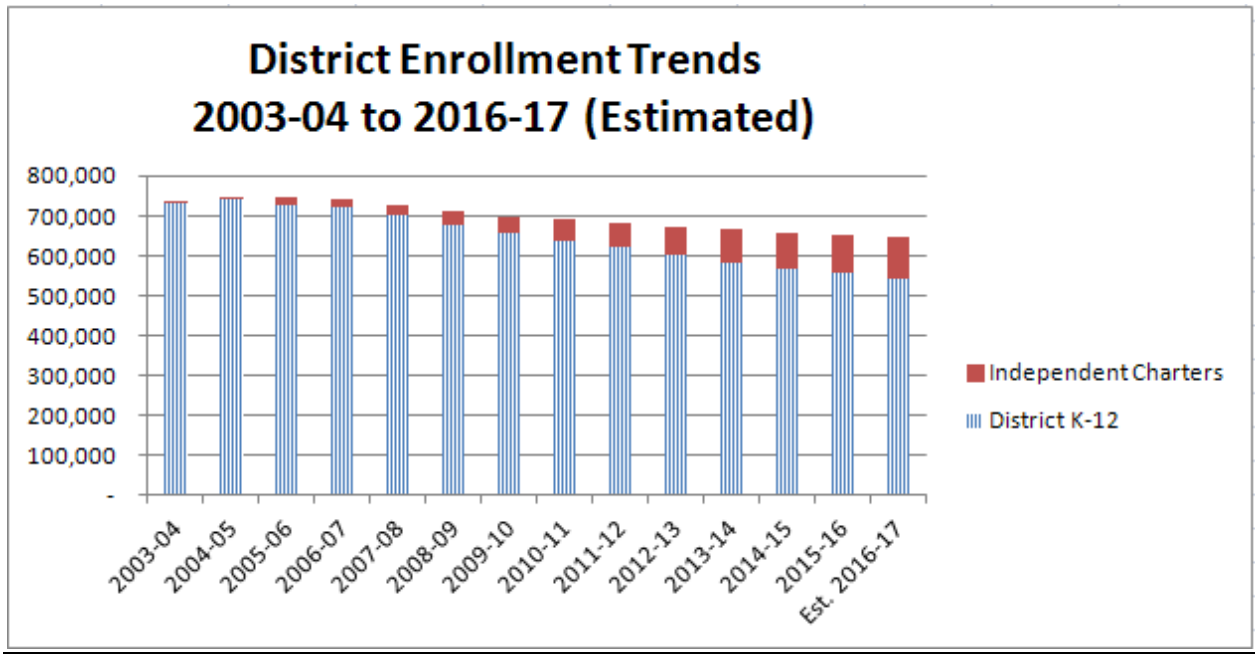
Enrollment and Enrollment Projections. To project enrollment, the Los Angeles Unified School District uses data on live births in Los Angeles County, historical grade retention ratios, economic factors, and other relevant information. Estimated enrollments in grades 1 through 12 are calculated using a variety of scenarios, generally involving weighted and true averages. The grade retention ratio measures the percentage of students expected to progress to the next grade level from one year to the next, based on past trends. Kindergarten enrollments are calculated as a percentage of live births in Los Angeles County from five years earlier.

Enrollment peaked in 2002-03 at 746,831, and has declined each year since. This is due to several factors, including the reduced birth rate in Los Angeles County and the increasing cost of living, including housing, in southern California.

Declining enrollment affects both revenue and expenditures. However, declining enrollment typically causes a more rapid decline in revenues after the first year. This is because declining enrollment districts are essentially "held harmless" for the decline from the previous year. Another contributing factor to the change in revenue and expenditure District-wide is the increase in the percentage of students enrolled in independent charter schools.

The District's enrollment projections differentiate between students in fiscally-independent charter and non-charter locations. This helps the District estimate the impact of fiscally-independent charter schools on the District's budget. The fiscally-independent charter school data include both schools that have converted from non-charter to fiscally-independent charter school status ("conversion charters") and schools that began their existence as fiscally-independent charter schools ("start-up charters").

The chart below shows the increase in the number of students enrolled in independent charter schools over the past decade. In contrast, the District's total K-12 enrollment has declined over the same period.



APPENDIX E - ENROLLMENT PROJECTIONS

Norm Day Enrollment - Including Independent Charter Schools

	2009-10 Actual	2010-11 Actual	2011-12 Actual	2012-13 Actual	2013-14 Actual	2014-15 Actual	2015-16 Actual	2016-17 Estimated	2017-18 Estimated	2018-19 Estimated
LA County - Live Births Lagged 5 Years	**151,504**	**150,377**	**151,837**	**151,837**	**147,684**	**139,679**	**133,160**	**130,312**	**131,697**	**127,194**
Graded Enrollment										
Kindergarten	51,193	51,638	52,846	53,262	55,315	55,604	56,420	55,214	55,999	54,746
Grade 1	51,798	51,904	51,692	52,143	50,892	49,751	46,870	47,019	46,197	46,818
Grade 2	50,674	50,406	50,230	50,353	51,070	49,664	48,747	45,953	46,036	45,046
Grade 3	50,376	49,165	48,946	48,736	49,154	49,773	48,646	47,199	44,561	44,667
Grade 4	49,982	49,176	47,860	47,755	47,783	47,629	48,615	46,881	45,614	43,140
Grade 5	49,430	49,204	48,126	47,068	47,384	46,792	47,041	47,817	46,185	44,969
Grade 6	47,622	47,221	47,249	46,020	45,173	45,435	44,884	45,125	46,093	44,671
Grade 7	48,084	46,756	46,186	46,150	45,269	44,050	44,116	44,311	44,616	45,571
Grade 8	48,595	47,125	46,062	45,295	45,381	44,207	43,410	43,362	43,440	42,895
Grade 9	63,549	60,439	58,920	55,872	53,339	52,493	49,354	49,895	50,624	51,816
Grade 10	53,543	52,306	50,527	49,478	48,282	46,757	47,826	46,647	44,476	43,842
Grade 11	43,884	45,040	43,477	42,308	41,822	42,227	40,267	39,999	40,133	37,769
Grade 12	34,733	36,279	37,280	36,748	36,489	37,113	37,734	36,996	34,759	34,276
Total graded enrollment	**643,463**	**636,659**	**629,401**	**621,188**	**617,353**	**611,495**	**603,930**	**596,418**	**588,733**	**580,226**
K-5 enrollment	303,453	301,493	299,700	299,317	301,598	299,213	296,339	290,083	284,592	279,386
6-8 enrollment	144,301	141,102	139,497	137,465	135,823	133,692	132,410	132,798	134,149	133,137
9-12 enrollment	195,709	194,064	190,204	184,406	179,932	178,590	175,181	173,537	169,992	167,703
Total graded enrollment	**643,463**	**636,659**	**629,401**	**621,188**	**617,353**	**611,495**	**603,930**	**596,418**	**588,733**	**580,226**
Other enrollment										
Special day classes in regular schools	26,465	26,308	25,851	25,691	25,891	25,237	24,622	24,383	24,227	23,914
Special day classes in special ed schools	3,552	3,555	3,537	3,291	2,893	2,319	2,304	2,311	2,313	2,328
Continuation and opportunity schools	4,961	5,126	5,444	5,546	5,359	4,442	4,351	4,351	4,595	4,717
Nonpublic schools										
Total Other enrollment	**34,978**	**34,989**	**34,832**	**34,528**	**34,143**	**31,998**	**31,277**	**31,045**	**31,135**	**30,959**
Total graded and other enrollment	**678,441**	**671,648**	**664,233**	**655,716**	**651,496**	**643,493**	**635,207**	**627,463**	**619,868**	**611,185**

APPENDIX E - ENROLLMENT PROJECTIONS

Norm Day Enrollment - Independent Charter Schools Only

	2009-10 Actual	2010-11 Actual	2011-12 Actual	2012-13 Actual	2013-14 Actual	2014-15 Actual	2015-16 Actual	2016-17 Estimated	2017-18 Estimated	2018-19 Estimated
LA County - Live Births Lagged 5 Years	**151,504**	**150,377**	**151,837**	**151,837**	**147,684**	**139,679**	**133,160**	**130,312**	**131,697**	**127,194**
Graded Enrollment										
Kindergarten	3,599	4,704	5,169	5,432	6,147	6,368	7,131	6,923	7,159	7,159
Grade 1	3,341	4,174	4,823	5,135	5,529	5,972	5,871	6,898	6,861	6,867
Grade 2	3,036	3,782	4,190	4,752	5,097	5,486	5,917	5,875	6,980	6,867
Grade 3	2,828	3,427	3,831	4,183	4,762	5,166	5,563	5,933	5,856	6,810
Grade 4	2,792	3,259	3,564	3,966	4,314	4,755	5,292	5,501	5,867	5,782
Grade 5	3,141	3,552	3,930	4,272	4,836	5,135	5,692	6,159	6,446	6,741
Grade 6	4,998	5,855	7,144	7,310	8,183	9,295	9,759	10,077	10,794	10,929
Grade 7	4,354	5,276	6,515	7,255	7,806	8,555	9,533	9,532	10,092	10,466
Grade 8	3,273	4,193	5,430	6,267	7,085	7,444	8,393	9,533	9,546	10,319
Grade 9	9,433	9,822	11,040	11,604	11,478	12,053	12,478	12,535	12,643	12,490
Grade 10	7,824	8,441	10,151	10,407	11,018	11,112	11,386	12,478	12,607	12,640
Grade 11	6,528	7,110	8,987	9,454	9,711	10,341	10,296	11,386	12,434	12,596
Grade 12	5,122	5,892	7,519	8,529	8,947	9,288	9,831	10,296	11,333	12,438
Total graded enrollment	**60,269**	**69,487**	**82,293**	**88,566**	**94,913**	**100,970**	**107,142**	**113,126**	**118,618**	**122,104**
K-5 enrollment	18,737	22,898	25,507	27,740	30,685	32,882	35,466	37,289	39,169	40,226
6-8 enrollment	12,625	15,324	19,089	20,832	23,074	25,294	27,685	29,142	30,432	31,714
9-12 enrollment	28,907	31,265	37,697	39,994	41,154	42,794	43,991	46,695	49,017	50,164
Total graded enrollment	**60,269**	**69,487**	**82,293**	**88,566**	**94,913**	**100,970**	**107,142**	**113,126**	**118,618**	**122,104**
Other enrollment										
Special day classes in regular schools	374	448	495	546	468	90	0	0	0	0
Special day classes in special ed schools										
Continuation and opportunity schools										
Nonpublic schools										
Total other enrollment	**374**	**448**	**495**	**546**	**468**	**90**	**0**	**0**	**0**	**0**
Total graded and other enrollment	**60,643**	**69,935**	**82,788**	**89,112**	**95,381**	**101,060**	**107,142**	**113,126**	**118,618**	**122,104**

APPENDIX E - ENROLLMENT PROJECTIONS

Norm Day Enrollment - Excluding Independent Charter Schools

	2009-10 Actual	2010-11 Actual	2011-12 Actual	2012-13 Actual	2013-14 Actual	2014-15 Actual	2015-16 Actual	2016-17 Estimated	2017-18 Estimated	2018-19 Estimated
LA County - Live Births Lagged 5 Years	**151,504**	**150,377**	**151,837**	**151,837**	**147,684**	**139,679**	**133,160**	**130,312**	**131,697**	**127,194**
Graded Enrollment										
Kindergarten	47,594	46,934	47,677	47,830	49,168	49,236	49,289	48,291	48,840	47,587
Grade 1	48,457	47,730	46,869	47,008	45,363	43,779	40,999	40,121	39,336	39,951
Grade 2	47,638	46,624	46,040	45,601	45,973	44,178	42,830	40,078	39,056	38,179
Grade 3	47,548	45,738	45,115	44,553	44,392	44,607	43,083	41,266	38,705	37,857
Grade 4	47,190	45,917	44,296	43,789	43,469	42,874	43,323	41,380	39,747	37,358
Grade 5	46,289	45,652	44,196	42,796	42,548	41,657	41,349	41,658	39,739	38,228
Grade 6	42,624	41,366	40,105	38,710	36,990	36,140	35,125	35,048	35,299	33,742
Grade 7	43,730	41,480	39,671	38,895	37,463	35,495	34,583	34,779	34,524	35,105
Grade 8	45,322	42,932	40,632	39,028	38,296	36,763	35,017	33,829	33,894	32,576
Grade 9	54,116	50,617	47,880	44,268	41,861	40,440	36,876	37,360	37,981	39,326
Grade 10	45,719	43,865	40,376	39,071	37,264	35,645	36,440	34,169	31,869	31,202
Grade 11	37,356	37,930	34,490	32,854	32,111	31,886	29,971	28,613	27,699	25,173
Grade 12	29,611	30,387	29,761	28,219	27,542	27,825	27,903	26,700	23,426	21,838
Total graded enrollment	**583,194**	**567,172**	**547,108**	**532,622**	**522,440**	**510,525**	**496,788**	**483,292**	**470,115**	**458,122**
K-5 enrollment	284,716	278,595	274,193	271,577	270,913	266,331	260,873	252,794	245,423	239,160
6-8 enrollment	131,676	125,778	120,408	116,633	112,749	108,398	104,725	103,656	103,717	101,423
9-12 enrollment	166,802	162,799	152,507	144,412	138,778	135,796	131,190	126,842	120,975	117,539
Total graded enrollment	**583,194**	**567,172**	**547,108**	**532,622**	**522,440**	**510,525**	**496,788**	**483,292**	**470,115**	**458,122**
Other enrollment										
Special day classes in regular schools	26,091	25,860	25,356	25,145	25,423	25,147	24,622	24,383	24,227	23,914
Special day classes in special ed schools	3,552	3,555	3,537	3,291	2,893	2,319	2,304	2,311	2,313	2,328
Continuation and opportunity schools	4,961	5,126	5,444	5,546	5,359	4,442	4,351	4,351	4,595	4,717
Nonpublic schools	0									
Total other enrollment	**34,604**	**34,541**	**34,337**	**33,982**	**33,675**	**31,908**	**31,277**	**31,045**	**31,135**	**30,959**
Total graded and other enrollment	**617,798**	**601,713**	**581,445**	**566,604**	**556,115**	**542,433**	**528,065**	**514,337**	**501,250**	**489,081**

APPENDICES

APPENDIX E – SPECIAL EDUCATION ENROLLMENT DATA REPORT BY DISABILITY

Students with Disabilities - Including Fiscally Independent Charter Schools

	ID	HH	DEAF	SLI	VI	ED	OI	OHI	SLD	DB	AUT	TBI	Total
Dec 2009	4,511	1,140	437	8,836	498	2,298	2,422	6,463	46,445	11	9,322	149	**82,532**
Dec 2010	4,543	1,248	422	12,264	495	2,076	2,419	7,067	40,961	23	10,555	142	**82,215**
Dec 2011	4,455	1,251	422	12,772	530	2,080	2,372	7,617	39,689	21	10,902	146	**82,257**
Dec 2012	4,388	1,265	391	12,536	508	1,862	2,242	8,185	39,010	19	12,225	134	**82,765**
Dec 2013	4,257	1,331	364	12,250	502	1,775	2,276	8,409	38,360	16	12,695	129	**82,364**
Dec 2014	4,251	1,312	341	11,881	486	1,683	2,263	9,021	37,899	18	13,494	110	**82,759**
Dec 2015	4,332	1,331	339	12,037	473	1,637	2,197	9,540	37,584	13	14,315	116	**83,914**

Students with Disabilities - Excluding Fiscally Independent Charter Schools

	ID	HH	DEAF	SLI	VI	ED	OI	OHI	SLD	DB	AUT	TBI	Total
Dec 2009	4,425	1,070	425	8,243	480	2,247	2,378	6,017	43,364	11	9,028	139	**77,827**
Dec 2010	4,460	1,178	412	11,488	476	2,034	2,374	6,486	37,856	23	10,200	132	**77,119**
Dec 2011	4,342	1,173	412	11,806	514	2,009	2,304	6,777	35,917	21	10,389	135	**75,799**
Dec 2012	4,274	1,180	382	11,468	494	1,780	2,175	7,139	34,747	19	11,544	123	**75,325**
Dec 2013	4,144	1,239	355	11,171	490	1,697	2,208	7,287	34,000	16	11,928	118	**74,653**
Dec 2014	4,107	1,205	329	10,606	471	1,562	2,185	7,562	32,623	18	12,530	102	**73,300**
Dec 2015	4,156	1,207	324	10,675	457	1,493	2,113	7,842	31,434	13	13,149	110	**72,973**

Students with Disabilities - Fiscally Independent Charter Schools Only

	ID	HH	DEAF	SLI	VI	ED	OI	OHI	SLD	DB	AUT	TBI	Total
Dec 2009	86	70	12	593	18	51	44	446	3,081	0	294	10	**4,705**
Dec 2010	83	70	10	776	19	42	45	581	3,105	0	355	10	**5,096**
Dec 2011	113	78	10	966	16	71	68	840	3,772	0	513	11	**6,458**
Dec 2012	114	85	9	1,068	14	82	67	1,046	4,263	0	681	11	**7,440**
Dec 2013	113	92	9	1,079	12	78	68	1,122	4,360	0	767	11	**7,711**
Dec 2014	144	107	12	1,275	15	121	78	1,459	5,276	0	964	8	**9,459**
Dec 2015	176	124	15	1,362	16	144	84	1,698	6,150	0	1,166	6	**10,941**

Data Source: CASEMIS - December Reports

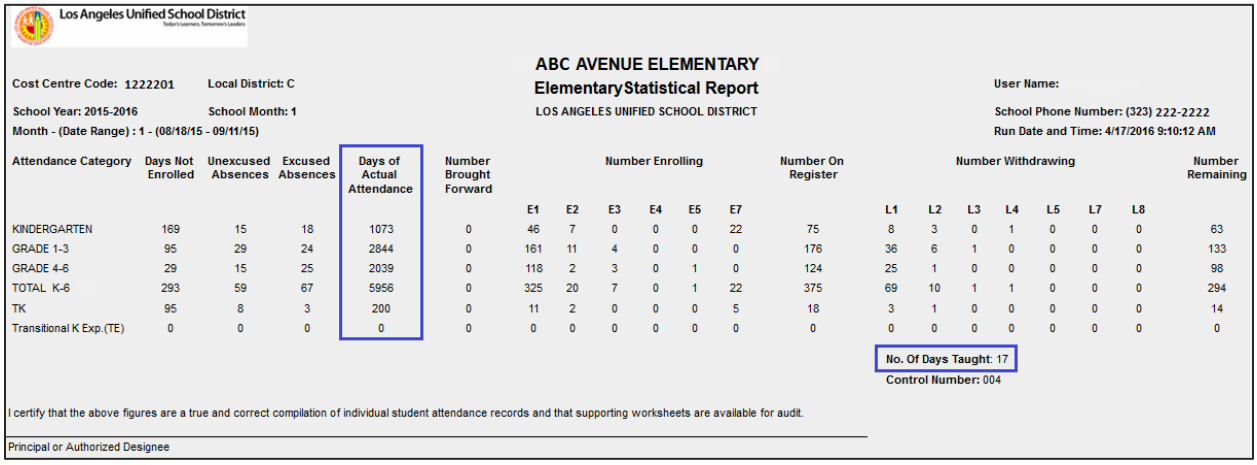
Primary Disability Categories: Intellectual Disability (ID), Hard of Hearing (HH), Deafness (DEAF), Speech or Language Impairment (SLI), Visual Impairment (VI), Emotional Disturbance (ED), Orthopedic Impairment (OI), Other Health Impairment (OHI), Specific Learning Disability (SLD), Autism (AUT), Traumatic Brain Injury (TBI)

APPENDIX F – AVERAGE DAILY ATTENDANCE

General Description

Average Daily Attendance (ADA) is a measure of pupil attendance which is used as the basis for providing revenue to school districts, as well as a means of measuring unit costs.

Only in-seat and applicable attendance credit are considered in the calculation of ADA. Student attendance is reported by each school each school month through the statistical report. Below is a sample of an elementary statistical report for school month 1 with the attendance column and instructional days highlighted.



Los Angeles Unified School District

ABC AVENUE ELEMENTARY
Elementary Statistical Report
LOS ANGELES UNIFIED SCHOOL DISTRICT

Cost Centre Code: 1222201 Local District: C
School Year: 2015-2016 School Month: 1
Month - (Date Range) : 1 - (08/18/15 - 09/11/15)

User Name:
School Phone Number: (323) 222-2222
Run Date and Time: 4/17/2016 9:10:12 AM

Attendance Category	Days Not Enrolled	Unexcused Absences	Excused Absences	Days of Actual Attendance	Number Brought Forward	Number Enrolling						Number On Register	Number Withdrawing							Number Remaining
						E1	E2	E3	E4	E5	E7		L1	L2	L3	L4	L5	L7	L8	
KINDERGARTEN	169	15	18	1073	0	46	7	0	0	0	22	75	8	3	0	1	0	0	0	63
GRADE 1-3	95	29	24	2844	0	161	11	4	0	0	0	176	36	6	1	0	0	0	0	133
GRADE 4-6	29	15	25	2039	0	118	2	3	0	1	0	124	25	1	0	0	0	0	0	98
TOTAL K-6	293	59	67	5956	0	325	20	7	0	1	22	375	69	10	1	1	0	0	0	294
TK	95	8	3	200	0	11	2	0	0	0	5	18	3	1	0	0	0	0	0	14
Transitional K Exp.(TE)	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0

No. Of Days Taught: 17
Control Number: 004

I certify that the above figures are a true and correct compilation of individual student attendance records and that supporting worksheets are available for audit.

Principal or Authorized Designee

Generally, ADA is calculated by dividing the total number of pupil days of attendance by the number of instructional days in an ADA reporting period. Using the above statistical report, the ADA for school month 1 is calculated by dividing the Total K-6 Attendance by the No. of Days Taught (i.e., 5,956/17 = 350.35)

Here is another way of looking at ADA. Suppose over 3 instructional days, 30 students attended on day 1, 29 students attended on day 2, and 31 students attended on day 3. The total number of pupil days of attendance would be calculated as 30 + 29 + 31 = 90. Since there are 3 instructional days in this period, the ADA would be 90/3 = 30.

Day 1	30 students
Day 2	29 students
Day 3	31 students
Total days of attendance of all students	90
Total number of instructional days	3
Average Daily Attendance	90/3 = 30

An exception to the above formula involves the use of fixed divisors (in place of the number of instructional days) in calculating ADA for Community Day Schools, Extended Year Special Education, and Extended Year Special Education-Nonpublic Schools.

ADA Reporting Periods

First Period (P-1) This reporting period is from July 1 through the school month ending on or before December 31. The ADA reported in this period is used by the State to estimate the amount of legally authorized revenue to school districts. It serves as a basis for State progress payments to districts during the second semester.

Second Period (P-2) This reporting period is from July 1 through the school month ending on or before April 15. The ADA reported in this period is used by the State to apportion most budget year revenue to school districts.

Annual Period This reporting period is from July 1 through June 30. *Annual* ADA is used primarily to develop unit program costs. The California State Lottery revenue and LCFF revenue of Community Day Schools, Extended Year Special Education, and Nonpublic Schools (both Special Education and Extended Year Special Education) are based on *annual* ADA.

ADA As The Basis Of Revenue

Revenue ADA reflects the ADA used to calculate the district's revenue. Generally, the basis for K-12 revenue is ***P-2 ADA***; however, Community Day Schools , Extended Year Special Education, and Non-Public Schools are based on ***annual ADA***.

For apportionment purposes, the table below best describes the various types of ADA reported and the reporting period on which revenue is based.

Grade Level/Program ADA	Reporting Period of Revenue ADA
K-12 (includes General Education, Special Education, Continuation Education, Opportunity Classes, and Home & Hospital Program)	P-2
Extended Year Special Education	Annual
Community Day School	Annual
Special Education - Nonpublic Schools/LCI	Annual
Extended Year Special Education – Nonpublic Schools/LCI	Annual

For school districts experiencing an enrollment decline from one year to the next, Education Code Section 42238 allows school districts to use the greater of the current year or prior year P-2 ADA as the funded LCFF ADA, adjusted for prior year ADA of students who transferred to and from the school district and its charter schools. On the other hand, charter schools are funded based on the current year ADA only.

Estimated Funded ADA

Due to the Local Control Funding Formula, the reporting of ADA to the State has changed. Beginning fiscal year 2013-14, local education agencies affected by the change in the State's funding formula report ADA according to the following grade spans: TK/K-3, 4-6, 7-8, 9-12. This reporting format applies to all programs funded based on ADA, which include K-12 programs, Community Day Schools, Extended Year Special Education, and Nonpublic Schools (Special Education and Extended Year Special Education).

The table below shows the estimated ADAs that were used as the basis for estimating the 2016-17 LCFF entitlements. The estimated ADAs for the non-charter schools are net of the prior year estimated ADAs of students who transferred to and from the District and the charter schools. It also reflects the larger of the current year or prior year ADAs as authorized by Education Code 42238 which is applicable for school districts experiencing decline in enrollment.

Grade Span	Estimated Funded ADA	
	Non-charter Schools	Locally-funded (Affiliated) Charter Schools
K-3	157,456.54	15,861.71
4-6	110,668.19	10,562.80
7-8	64,653.95	6,023.29
9-12	124,568.18	9,156.04
Total	457,346.85	41,603.84

The LCFF estimated entitlements for the locally-funded (affiliated) charter schools are calculated separately by school since they are considered as individual local education agencies. The declining enrollment provision mentioned above does not apply to charter schools. Charter schools are funded based on the current fiscal year's ADA.

Non-ADA Programs

Up until fiscal year 2007-08, funding for Adult Education, Regional Occupational Centers, and Regional Occupational Program was based on ADA generated by these programs. Due to changes in State funding formulas, these programs no longer rely on ADA for funding. Instead, they are funded by the Adult Education Block Grant (AEBG) .

As part of the Regional Occupational Centers/Program, the district offers programs for **apprentices** which are funded by the State based on the lesser of the actual hours earned or the State-approved number of hours times a rate per hour. The apprenticeship hours are reported to the California Community Colleges Chancellor's Office who allocates the funding to LAUSD. The funding for this program is outside of the LCFF funding formula.

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APPENDICES

APPENDIX G – HOW EDUCATION IS FUNDED IN CALIFORNIA

Prior to the 1970s, California's schools were financed largely with property tax revenues imposed for the benefit of local school districts. This led to dramatic differences in school district funding. A school district with very high property values could raise more revenue per pupil with a low property tax rate, while a district with low property values could raise less with a much higher property tax rate. The state attempted to reduce these differences by providing more state aid to low-property wealth districts. Despite this effort, per pupil revenues varied considerably between districts. In fiscal year 1968-69, for example, per pupil expenditures ranged from $577 in Baldwin Park to $1,232 in Beverly Hills.[1] This disparity lead to the important Serrano v. Priest (1976) equal protection litigation, which was resolved through statutory enactments that called for a general equalization of state apportionment revenue to school districts.

In 1978, voters approved Proposition 13. The new law limited property tax rates to 1 percent of a property's assessed value at the time of acquisition. Proposition 13 reduced property tax revenues available for local governments and school districts. To cushion the impact to school districts, the state Legislature shifted state dollars to schools.

With the adoption of Proposition 98 (1988) and Proposition 111 (1990), a minimum funding level from State and local property taxes was provided to K-14 public schools. California schools today receive the large majority of their funding from the State, primarily from income and sales tax revenues. To a much lesser extent, districts also receive some local property revenues that are collected at the local level but distributed by the State. Income and sales taxes are more volatile revenue sources than property taxes. When the economy sours, unemployment rises, leading to fewer purchases. This correspondingly leads to less income and goods to be taxed. As a result, fewer dollars become available for schools.

California school districts therefore face dramatic cyclical funding variations as the economy rises and falls. Further, California's Governor and State Legislature, whose vote on the State Budget Act determines how State funds may be spent, have enormous control over the ability of local school districts to utilize funding to meet the specific needs of their students. Approximately 60% of all school district funds in California are general purpose in nature; the remaining 40% are restricted to specific purposes, such as the needs of special education students, low income students, limited English-proficient students, and specific grade levels. This greatly constrains local boards of education in their spending decisions. They are further constrained in their ability to raise taxes independently of the State. Bond issues, usually limited to building programs, require a 55% vote for passage. Parcel tax measures require a 2/3 vote.

[1] California Budget Project, *School Finance in California and the Proposition 98 Guarantee* (April 2006).

The Governor has recently proposed revising the state's allocation formula for school districts to increase flexibility at the local level. This proposal is known as the Local Control Funding Formula (LCFF). Under LCFF, the state would provide a base grant for all students and additional grants for high-need students such as English Learners and socio-economically disadvantaged pupils.

The following provides information on legislation and court rulings that have significantly affected California's educational funding.[2]

Senate Bill 90 (1972) – In 1972, the Legislature established revenue limits for California public schools. The legislation placed ceilings on the amount of tax money each district could receive per pupil. This was in order to help reduce the wide differences in school funding between high and low property-wealth districts. The 1972-73 general purpose spending level became the base amount in determining each district's annual revenue limit.

***Serrano v. Priest* (1976)** – This 1976 California Supreme Court decision declared the existing system of financing schools unconstitutional because it violated the equal protection clause of the State Constitution. The Court ruled that property tax rates and per pupil expenditures should be equalized and that, by 1980, the difference in revenue limits per pupil should be less than $100 (the "Serrano band"). This allowable difference in revenue limits has subsequently been adjusted for inflation. In equalizing funding, districts are divided into three types: elementary, high school, and unified. They are then further divided into small and large districts to ensure that appropriate funding comparisons are made. Special purpose or "categorical" funds are excluded from this calculation.

Assembly Bill 65 (1977) – In response to the *Serrano* decision, the California State Legislature passed AB 65, creating an annual inflation adjustment based on a sliding scale in order to equalize revenue limits among districts over time. Higher inflation increases were provided to districts with low revenue limits, with lower (occasionally no) inflation adjustments for high revenue districts.

Proposition 13 (1978) – This constitutional amendment (the "Jarvis Amendment") approved by California voters in 1978 limits property taxes to 1% of a property's assessed value, and caps increases in assessed value at 2% annually or the percentage growth in the Consumer Price Index, whichever is less. It also mandated a 2/3 vote for approval of new taxes, such as parcel taxes.

Assembly Bill 8 (1978) – In response to Proposition 13, the Legislature established a formula for dividing property taxes among cities, counties, and school districts. This shielded schools from some of the measure's effects. In the process, the State replaced the lost property taxes and effectively took control of school district funding.

Gann Limit (Proposition 4, 1979) – Proposition 4 created a constitutional limit on government spending at every level in the State, including school districts. No agency's expenditures can exceed its Gann Limit, which is adjusted annually for inflation and population increase.

Senate Bill 813 (1983) – SB 813 provided additional money to school districts through equalization of revenue limits and new categorical programs, longer school day/year, and higher beginning teachers' salaries. It also established statewide model curriculum standards.

[2] Many of these rulings have been amended by subsequent legislation.

Lottery Initiative (1984) – In November 1984, voters approved Proposition 37, a constitutional amendment establishing the California State Lottery. Provisions guarantee that a minimum of 34% of total lottery receipts be distributed to public schools, colleges, and universities. Funds are to supplement, not replace, State support for education. Lottery funds cannot be used for purchase or construction of facilities, for land, or research. Under Proposition 20, passed in March 2000, 50% of lottery funding above the 1997-98 funding level must be used for purchase of instructional materials.

Proposition 98 (1988) – This constitutional amendment guarantees a minimum funding level from State and property taxes for K-14 public schools in a complex formula based on State tax revenues. It also requires each school to prepare and publicize an annual School Accountability Report Card (SARC) that covers at least 13 required topics. A 2/3 vote of the Legislature and the Governor's signature are required to suspend Proposition 98 for a year.

Proposition 111 (1990) – This constitutional amendment changed the inflation index for the Gann Limit calculation, effectively raising the limit. Additionally, the minimum Proposition 98 funding guarantee was changed to reflect the growth of California's overall economy. It did so by shifting the adjustment from the growth of per capita personal income (which historically has tended to be a lower amount) to the growth in State per capita General Fund revenues plus one-half percent.

Assembly Bill 1200 (1991) – AB 1200 established a system for school district accounting practices that specifies how districts must report their revenues and expenditures. It requires that districts project their fiscal solvency two years out, and provide the State with Board-approved financial interim reports twice annually. County offices of education are made responsible for monitoring and providing technical assistance to their districts. AB 2756 (2004) adds to the responsibilities and control of county offices of education over the budget and expenditure reporting of local districts.

Class Size Reduction, K-3 (SB 1777, 1996) – This legislation provided incentives for school districts to reduce K-3 classes to a pupil-teacher ratio of no more than 20 to 1, and provided additional funding to districts that met these ratios. A one-time allocation of $25,000 per added classroom was also made available.

Senate Bill 1468 (1997) – This legislation changed the way average daily attendance (ADA) is counted, largely eliminating the concept of "excused absences" and basing ADA on students who are actually at school. To ensure that districts did not lose a large proportion of their revenue, the per-pupil revenue limit rate was adjusted by the average attendance rates of each individual school district.

Assembly Bill 602 (1997) – This legislation revised the state's allocation formula for special education funding for school districts. The formula distributes a large share of special education funds based on total student population of each school district, rather than the number of special education students at each district or the specific needs of those students.

Assembly Bill 1115 (1999) – Under the terms of this bill, an independent charter school is deemed a school of the chartering school district for the purposes of establishing its special education local plan ("SELPA") status unless it designates otherwise in its charter petition. As such, independent charter schools which are members of a school district's SELPA are entitled to an equitable share of special education services and funding.

Assembly Bill 1600 (1999) – This bill gave charter schools the option to receive funding directly from the State, rather than from their local district, in the form of a block grant.

Proposition 39 (2000) – This constitutional amendment established a 55% vote threshold for the issuance of school facilities construction bonds. In order to issue bonds under Proposition 39, the District must, among other things, use Proposition 39 bond funds only for those projects specifically listed in the ballot measure and strategic execution plans; create and maintain a citizens' bond oversight committee; and annually ensure that performance and financial audits are conducted for Proposition 39 facilities projects. Proposition 39 also requires the District to offer reasonably equivalent District school facility space to independent charter schools.

Proposition 49 (2002) – This voter initiative, otherwise known as the "The After School Education and Safety Program Act of 2002," increased state funding for before and after school programs at elementary and middle schools. Funding is provided to the District through a competitive grant process with priority given to school sites that have at least 50 percent of its students receiving free and reduced priced lunch. A portion of state funding under Proposition 49 satisfies the revenue limit guarantee under Proposition 98.

Assembly Bill 825 (2009) – Under the terms of this bill, the District receives funding for its Integration Program and for other instructional program needs as part of a targeted instructional improvement block grant.

Senate Bill 1133 (Quality Education Investment Act of 2006) – Adopted in 2006 as a settlement of the CTA v. Schwarzenegger et al. lawsuit, the QEIA program provides targeted funding for eligible schools in API deciles 1, 2 and 3. The funding is to be used primarily for class-size reduction purposes and overall academic achievement goals.

Education Trailer Bill - Senate Bill 4 of the 2009-10 Third Extraordinary Session (SBX3 4, 2009) – For fiscal years 2008-09 through 2012-13, this bill established: (1) Categorical Program Flexibility, which grouped categorical programs into Tiers I, II, and III, and identified Tier III programs as unrestricted; (2) the public hearing requirement as a condition for receipt of Tier III funds; (3) the use of 2008-09 as the base year in calculating for most of the Tier III categorical programs and use of 2007-08 as the base year for calculating the revenue limit-related Tier III categorical programs; and (4) the use of June 30, 2008 ending balances as unrestricted funds with a few program exceptions. See the glossary for additional details on Tiers I, II, and III programs. In addition, SBX3 4 relaxed K-3 Class Size Reduction penalties for fiscal years 2008-09 through 2011-12 only.

Proposition 30 (2012) – The initiative passed on November 2012 provides for a personal income tax increase over seven years for California residents with an annual income over $250,000, through the end of 2018. This also provides for an increase in sales tax by 0.25 percent over four years (from January 1, 2013 through December 31, 2016). This initiative funds K-12 public education among other purposes.

Local Control Funding Formula (2013) – This legislation simplified the state's allocation formula for school districts. The new funding formula intends to increase transparency for state funding to schools and increase flexibility at the local level. Under LCFF, the state provides a base grant for all students and additional grants for high-need students such as English Learners and socio-economically disadvantaged pupils.

Proposition 39 (2013) – The California Clean Energy Jobs Act changed the corporate income tax code and allocates projected revenue to the state General Fund and the Clean Energy Job Creation Fund for 5

fiscal years beginning 2013-14. Under the initiative, available funds are to be used for eligible projects to improve energy efficiency and expand clean energy generation in schools. School Districts can request funding by submitting an application to the California Energy Commission.

Source: This section of the budget relies heavily on information found in the *State Funding of K-12 Education* section of the State Funding of Education website, from *EdSource*.

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APPENDICES

APPENDIX G1 – EQUITY-BASED INDEX

Overview

The District uses an "equity-based" index that identifies the neediest schools to guide the state's allocation of new supplemental funds in an equitable manner.

Duplicated vs. Unduplicated
LAUSD's equity-based index identifies the share of English learners, and low-income, and foster youth at each school using a "duplicated" count. In other words, if a student is both an English learner and low-income, they are counted twice. Using duplicated counts provides our neediest schools with the additional resources our students need and deserve.

New Resources Allocated Under the Equity-Based Index
Some of the new resources allocated to schools under the equity-based index for 2016-17 include:

- A new early education program for four-year-olds, with highest priority given to schools with the largest shares of high-needs students.
- Realigned K-12 Arts Program aimed to serving the neediest youth in areas with arts program deficits. Arts program deficits are determined using the equity-based index, and the availability of current arts program instruction and resources at each school.

Monitoring
We will continue to look at those multiple measures of a school's community to ensure we are appropriately prioritizing the schools that need additional resources. In addition, we will continue to review the outcome measures in our Local Control Accountability Plan (LCAP) each year to ensure that these additional resources are making the expected impact on student achievement.

Methodology

Equity-Based percentage =

$$\frac{\text{\# of low income students + \# of English Learners + \# of Foster Youth + \# of Homeless students}}{\text{Total \# of students}}$$

- **High Schools**: Ranked all schools in descending order by duplicated percentage
- **Middle and SPAN Schools**: Ranked all schools in descending order by duplicated percentage and funding using the LCFF (Local Control Funding Formula) model
- **Elementary Schools:** Ranked schools in descending order by enrollment and duplicated percentage
- Note: Schools operating under a budget autonomy model (per pupil schools) already received additional supplemental and concentration dollars during budget development via the LCFF funding model. Schools identified in the Reed settlement will also receive resources and supports via that settlement

Z-Time for Pupil Services and Attendance Counselor (PSA) and/or Psychiatric Social Worker (PSW)

- **Middle and High Schools**: based on descending order by duplicated percentage for school site purchases of PSA and/or PSW

Proposed Los Angeles Unified School District Investments to Support Targeted Youth

		May Revise Investment 2016-17	CDE Revised Investment 2016-17	CDE Total Investment 2016-17	Revised Investment 2017-18	CDE Revised Investment 2017-18	Total Investment 2017-18	Investment 2018-19	CDE Revised Investment 2018-19	Total Investment 2018-19
1	4 Year Old TK Program	$ 35.8	$ 35.8	$ 42.8	$ -	$ -	$ 42.8	$ -	$ -	$ 42.8
2	A - G Dropout Intervention	$ -	$ -	$ 15.0	$ 15.0	$ -	$ 15.0	$ -	$ -	$ 15.0
3	Afterschool Program	$ -	$ -	$ 7.3	$ -	$ -	$ 7.3	$ -	$ -	$ 7.3
4	Allocation to schools TSP	$ -	$ -	$ 12.0	$ 4.0	$ -	$ 12.0	$ -	$ -	$ 12.0
5	Arts Plan	$ 5.1	$ 5.1	$ 12.9	$ 2.5	$ -	$ 12.9	$ -	$ -	$ 12.9
6	Arts Program	$ -	$ -	$ 18.6	$ -	$ -	$ 18.6	$ -	$ -	$ 18.6
7	Assistant Principal - Secondary	$ -	$ -	$ 3.0	$ -	$ -	$ 3.0	$ -	$ -	$ 3.0
8	Assistant Principal - Elementary	$ -	$ -	$ 10.3	$ -	$ -	$ 10.3	$ -	$ -	$ 10.3
9	Clerical - High School	$ -	$ -	$ 5.0	$ -	$ -	$ 5.0	$ -	$ -	$ 5.0
10	Counseling Support	$ -	$ -	$ 13.0	$ -	$ -	$ 13.0	$ -	$ -	$ 13.0
11	Custodial	$ -	$ -	$ 2.5	$ -	$ -	$ 2.5	$ -	$ -	$ 2.5
12	Diploma Project	$ -	$ -	$ 2.0	$ -	$ -	$ 2.0	$ -	$ -	$ 2.0
14	English Learner Coaches	$ -	$ -	$ 4.7	$ -	$ -	$ 4.7	$ -	$ -	$ 4.7
15	Family Source System	$ -	$ -	$ 1.2	$ -	$ -	$ 1.2	$ -	$ -	$ 1.2
16	Foster Youth Achievement Program	$ 1.0	$ 1.0	$ 12.0	$ -	$ -	$ 12.0	$ -	$ -	$ 12.0
17	Health and Student Supports	$ -	$ -	$ 3.5	$ -	$ -	$ 3.5	$ -	$ -	$ 3.5
18	Homeless Program	$ 0.25	$ 0.25	$ 2.1	$ -	$ -	$ 2.1	$ -	$ -	$ 2.1
19	Instructional Technology Support (VLC)	$ 0.50	$ 0.50	$ 3.0	$ 1.5	$ -	$ 3.0	$ -	$ -	$ 3.0
20	Librarians - Middle School	$ 1.0	$ 1.0	$ 5.0	$ 2.0	$ -	$ 5.0	$ -	$ -	$ 5.0
21	Library Aides + Health Benefits	$ -	$ -	$ 11.0	$ -	$ -	$ 11.0	$ -	$ -	$ 11.0
22	Local Control Accountability Support	$ -	$ -	$ 0.1	$ -	$ -	$ 0.1	$ -	$ -	$ 0.1
23	M&O and Routine Maintenance	$ -	$ -	$ 1.5	$ -	$ -	$ 1.5	$ -	$ -	$ 1.5
24	National Board for Professional Teaching Standards	$ -	$ -	$ 2.0	$ -	$ -	$ 2.0	$ -	$ -	$ 2.0
25	Nurses - High School	$ 2.0	$ 2.0	$ 8.5	$ 2.0	$ -	$ 8.5	$ -	$ -	$ 8.5
26	On-going Major Maintenance	$ -	$ -	$ 15.0	$ -	$ -	$ 15.0	$ -	$ -	$ 15.0
27	Options Program	$ (0.5)	$ (0.5)	$ 1.5	$ -	$ -	$ 1.5	$ -	$ -	$ 1.5
28	Parent Engagement	$ -	$ -	$ 4.6	$ -	$ -	$ 4.6	$ -	$ -	$ 4.6
29	Per Pupil Schools - Targeted Support	$ 6.0	$ 6.0	$ 47.0	$ -	$ -	$ 47.0	$ -	$ -	$ 47.0
30	PSA/PSW/ Secondary Counselors	$ 1.2	$ 1.2	$ 5.2	$ -	$ -	$ 5.2	$ -	$ -	$ 5.2
31	Reduce Class Size HS Math and ELA by 2	$ -	$ -	$ 7.0	$ -	$ -	$ 7.0	$ -	$ -	$ 7.0
32	Reduce Class Size MS Math & ELA by 2	$ -	$ -	$ 6.0	$ -	$ -	$ 6.0	$ -	$ -	$ 6.0
33	Registration Time for Schools	$ -	$ -	$ 4.6	$ -	$ -	$ 4.6	$ -	$ -	$ 4.6
34	Restorative Justice Counselors	$ 1.0	$ 1.0	$ 3.7	$ -	$ -	$ 3.7	$ -	$ -	$ 3.7
35	School Climate & Restorative Justice	$ 2.0	$ 2.0	$ 6.5	$ -	$ -	$ 6.5	$ -	$ -	$ 6.5
36	School Enrollment Placement & Assessment	$ 0.2	$ 0.2	$ 0.2	$ -	$ -	$ 0.2	$ -	$ -	$ 0.2
37	School Police	$ -	$ -	$ (13.1)	$ -	$ -	$ (13.1)	$ -	$ -	$ (13.1)
38	School Readiness Language Development Program	$ (20.0)	$ (20.0)	$ -	$ -	$ -	$ -	$ -	$ -	$ -
39	School Site Budget Autonomy	$ -	$ -	$ -	$ 32.0	$ -	$ -	$ 4.5	$ -	$ -
40	School Technology Support (MCSA)	$ -	$ -	$ 7.0	$ -	$ -	$ 7.0	$ -	$ -	$ 7.0
41	Special Ed Aides - longer hours	$ -	$ -	$ 4.7	$ -	$ -	$ 4.7	$ -	$ -	$ 4.7
42	Special Education Supp/Conc increase	$ -	$ -	$ 17.7	$ -	$ -	$ 17.7	$ -	$ -	$ 17.7
43	Standard English Learner	$ -	$ -	$ 2.5	$ -	$ -	$ 2.50	$ -	$ -	$ 2.5
44	Student Engagement	$ -	$ -	$ 0.3	$ -	$ -	$ 0.25	$ -	$ -	$ 0.3
45	Targeted Support for Middle & SPAN	$ (3.5)	$ (3.5)	$ (0.0)	$ -	$ -	$ (0.0)	$ -	$ -	$ (0.0)
46	Teacher Support (Reed Settlement)	$ -	$ -	$ 30.0	$ (30.0)	$ (28.0)	$ 2.0	$ -	$ -	$ 2.0
47	Teacher, Elective	$ 24.2	$ 24.2	$ 24.2	$ -	$ -	$ 24.2	$ -	$ -	$ 24.2
48	Teacher, Elementary (grades 4-5/6)	$ 3.0	$ 3.0	$ 3.0	$ 3.0	$ -	$ 3.0	$ -	$ -	$ 3.0
49	Title I hold harmless Schools	$ (0.3)	$ (0.3)	$ 0.0	$ -	$ -	$ 0.0	$ -	$ -	$ 0.0
50	Undetermined	$ -	$ 245.5	$ 245.5	$ -	$ 212.2	$ 457.7	$ -	$ 26.2	$ 484.0
	Total	$ 59.0	$ 304.5	$ 622.1	$ 32.0	$ 184.2	$ 806.3	$ 4.5	$ 26.2	$ 832.5

APPENDIX G1 – TARGETED STUDENT POPULATION BUDGET

These funds are intended to support the needs of Low Income, Foster Youth, Redesignated Fluent English Proficient (RFEPs), and English Learners (ELs).

Total Sources	$ 146,752,080
Estimated Carryover	8,088,285
Total	$ 154,840,365

Budgeted Expenditures	Rate	No. of Students	Amount
Per Pupil Allocations			
Supplemental	$ 150.00	417,955	$ 62,693,250
Concentration	$ 400.00	135,960	54,384,000
Add'l Support for Salary and FB Adjustments			1,549,701
Subtotal			$ 118,626,951
Programs			
Access to Core Coaches			$ 10,690,270
Advanced Learning Options			380,000
Asian Pacific and Other Languages (APOLO)			1,957,076
College Readiness			465,037
International Baccalaureate			3,700,000
LAS Links CTB-McGrawHill ELD Assessment for EL & SEL			300,000
LD EL Achievement Plan			700,000
Master Plan/Office of Civil Rights and Voluntary Agreement			4,541,148
Targeted Interventions-Charter Schools			20,000
Subtotal			$ 22,753,531
School Support			
Academic English Mastery Program			$ 658,321
Continuation Schools Technology & Currucular Support			400,000
Counseling Coordinators			508,482
Community Representatives			190,007
Data Coordinators			284,148
English Language Arts Elementary Coordinators			283,948
English Language Arts Secondary Coordinators			289,086
English Language Development Compliance Coordinators			916,741
English Language Development Elementary Coordinators			911,786
English Language Development Secondary Coordinators			899,925
Federal & State Education Programs			10,000
Human Resouces Certificated, Recruitment, Selection, and Credential			134,527
Administrators of Parent & Community Engagement Center			292,444
Multilingual and Multicultural Education Department			3,570,800
Migrant Education			151,159
Office of Data and Accountability /School Information Branch			355,476
Parent and Community Services Branch			1,041,522
Parent Community Facilitator			23,772
Parent Educator Coaches			800,077
Performance Management Branch			270,809
Reserved for Enrollment and Carryover Adjustments			94,650
School Enrollment Placement and Assessment (S.E.P.A.)			869,487
Translations Unit			172,718
UCLA/LAUSD Collaborative			329,998
Subtotal			$ 13,459,883
Total Uses			$ 154,840,365

APPENDICES

APPENDIX H – SCHOOL STAFF AND RESOURCES

Introduction

The School Staff and Resources section describes the staff and non-staff allocations made to most District schools based on Board-approved allocation rates or "norms." Staffing ratios are provided for regular elementary schools, regular secondary schools, magnet and alternative schools, early childhood centers, community adult schools, regional occupational centers (ROC) and skills centers.

Personnel resources provided on a "norm" basis include positions such as teachers, principals, assistant principals, librarians, clerical, and other office personnel. Staffing allocations also included non-classroom support personnel as guidance, welfare, attendance, physical and mental health personnel, campus aides, and maintenance and operations staff.

A separate listing is provided to show materiel and supplies allocation rates, which cover needs such as basic instructional materials, textbooks, custodial, gardening and operational supplies, and school/ community advisory committee expenses.

For resources allocated specifically for students with disabilities, please see Appendix I.

APPENDIX H
SCHOOL STAFF AND RESOURCES

Regular Elementary Schools

Staffing of elementary schools is based on established norm tables and District policies. The norm tables prescribe the numbers and types of positions for a given enrollment. For certain positions, enrollment is weighted or adjusted to reflect extraordinary need. In addition to norm tables, other District policies allocate off-norm positions to schools with identified special needs.

ELEMENTARY NORMS – 2016-17

CERTIFICATED - Based on District Norm Charts

1 teacher per 24 students in Kindergarten
1 teacher per 24 students in grades 1-3
1 teacher per 39 students in grades 4-6*

Continuing for fiscal year 2016-17, elementary students enrolled in an approved Dual Language Program, Maintenance Bilingual Program, Transitional Bilingual Program or Foreign Language Immersion Program classes (e.g., Spanish, Korean, Mandarin, French, etc.) will be normed separately from the non-dual language classes based on a 24:1 student teacher ratio for each program language in grades K-3. However, grades 4-5/6 will be normed separately based on the applicable grade 4-5/6 norm table.

Substitute days – 10 days per norm register carrying teacher

1 principal per school
1 assistant principal for single track school with 1,110 to 1,809 students
2 assistant principals for schools with 1,810 to 2,419 students
3 assistant principals for schools with 2,420 or more students

CLASSIFIED

1 school administrative assistant per school, plus:
.5 office technician for schools with enrollments up to 300
1 office technicians for schools with enrollments of 301 to 749
2 office technicians for schools with enrollments of 750 to 1,499
3 office technicians for schools with enrollments of 1,500 to 2,249
4 office technicians for schools with enrollments of 2,250 to 2,999
5 office technicians for schools with enrollments of 3,000 to 3,479
6 office technicians for schools with enrollments of 3,480 and above

**Designated schools involved in the court-ordered integration programs received additional positions to provide an overall ratio of one teacher for every 30.5 students in grades 4-6 for Predominantly Hispanic, Black, Asian and other Non-Anglo schools; and 36.0 in grades 4-6 for Desegregated/Receiver schools.*

Regular Secondary Schools

Staffing of secondary schools is based on established norm tables and District policies. The norm tables prescribe the numbers and types of positions for a given enrollment. At the secondary level, teacher norm tables are modified to provide only five teaching periods. In addition, other District policies allocate off-norm positions to schools with identified special needs.

SECONDARY NORMS – 2016-17

CERTIFICATED – Based on District Norm Charts

1 teacher per 42.5 students in middle schools*
1 teacher per 42.5 students in senior high schools**
1 principal per school
1 assistant principal, secondary counseling services per school with enrollment of 800 to 1,354
1 assistant principal per school with enrollment of 1,355 to 1,749
2 assistant principal per school with enrollment of 1,750 to 2,088
3 assistant principal per school with enrollment of 2,089 to 4,233
4 assistant principal per school with enrollment of at least 4,234

Continuing for fiscal year 2016-17, secondary schools with students enrolled in an approved Dual Language Program will be allocated 6 auxiliary periods per school participating in this program, e.g., Dual Language Program, Maintenance Bilingual Program, and Foreign Language Immersion Program.

Substitute days – 10 days per norm register carrying teacher

CLASSIFIED

1 school administrative assistant per school, plus:
.5 clerical position for middle schools with enrollments up to 550 plus 1 clerical position for each additional 500 students over 700
.5 clerical position for senior high schools with enrollments of up to 550, plus 1 clerical position for each additional 500 students over 700
financial manager per middle school – financial manager at middle school will serve two (2) sites
1 senior financial manager per senior high school

**Designated middle schools involved in the court-ordered integration programs received additional positions to provide an overall ratio of one teacher for every 34.0 students in academic classes for Predominantly Hispanic, Black, Asian and other Non-Anglo schools; and 39.5 students in academic classes for Desegregated/Receiver schools.*

***Designated senior high schools involved in the court-ordered integration programs received additional positions to provide an overall ratio of one teacher for every 34.0 9^{th} and 10^{th} grade students in academic classes for Predominantly Hispanic, Black, Asian and other Non-Anglo schools; and 39.5 9^{th} and 10^{th} grade students in academic classes for Desegregated/Receiver schools.*

Magnet Schools

Several Magnet Schools provide services for both elementary and secondary students. Basic teacher allocations are determined by the magnet and alternative school norm tables for total enrollment. Other staff is based on District policy.

MAGNET NORMS – 2016-17

Magnet schools and centers identified as serving Predominantly Hispanic, Black, Asian, and Other Non-Anglo students:

1 teacher per 24.0 students in grades K-3
1 teacher per 30.5 students in grades 4-5
1 teacher per 34.0 students in grades 6-8
1 teacher per 34.0 students in grades 9-12

All other magnet schools and centers:
1 teacher per 24.0 students in grades K-3
1 teacher per 34.0 students in grades 4-5
1 teacher per 36.5 students in grades 6-8
1 teacher per 36.5 students in grades 9-12

Substitute days – 10 days per norm register carrying teacher

APPENDIX H
SCHOOL STAFF AND RESOURCES

Options Schools

Options schools serve students for whom placement in the regular school environment is not in the best interest of the students. Because these students require an individualized program to meet their unique academic and behavior needs, a lower pupil/teacher norm is provided.

CONTINUATION NORMS – 2016-17

1 teacher per 29 students per continuation school
1 principal per continuation school
1 school office manager/clerk per continuation school

OPPORTUNITY AND COMMUNITY DAY SCHOOL NORMS – 2016-17

1 teacher per 21 students per opportunity and community day school
1 principal per opportunity and stand-alone community day school
1 assistant principal per opportunity school and stand-alone community day school – sites with enrollment greater than 500
1 school administrative assistant per opportunity school and stand-alone community day school

INDEPENDENT STUDY NORMS – 2016-17

1 teacher per 30 students per independent study school
1 principal
2 assistant principals
1 school administrative assistant

APPENDIX H
SCHOOL STAFF AND RESOURCES

Early Childhood Education Centers

Early Childhood Education Centers are staffed based on the guidelines and staffing ratios established by Education Code 8264.8, 5CCR 18290, 18291, and 18292 for administrative, certificated, and classified personnel. The Los Angeles Unified School District maintains at least the following minimum ratios in all early education centers.

1:8 adult-child ratio
1:24 teacher-child ratio

Staffing is allocated based on enrollment capacity and hours of operation. Compliance with these ratios shall be determined based on actual attendance.

EARLY CHILDHOOD EDUCATION CENTERS NORMS – 2016-17

CERTIFICATED

1	principal for two (2) early childhood centers
1	teacher per 24 students in each early childhood center
*	teacher 4-hour

CLASSIFIED

1	office manager per early childhood center
1	housekeeper per each early childhood center
4	aide 3-hour for early childhood centers with enrollment capacity of 96
5	aide 3-hour for early childhood centers with enrollment capacity of 120
6	aide 3-hour for early childhood centers with enrollment capacity of 144
7	aide 3-hour for early childhood centers with enrollment capacity of 168
8	aide 3-hour for early childhood centers with enrollment capacity of 192
8	aide 8-hour for early childhood centers with enrollment capacity of 96
10	aide 8-hour for early childhood centers with enrollment capacity of 120
12	aide 8-hour for early childhood centers with enrollment capacity of 144
14	aide 8-hour for early childhood centers with enrollment capacity of 168
16	aide 8-hour for early childhood centers with enrollment capacity of 192

* Based upon individual school needs.

APPENDIX H
SCHOOL STAFF AND RESOURCES

Community Adult Schools

Community Adult Schools (CAS) are staffed based on established staffing guidelines for administrative and classified personnel.

Teacher positions are allocated at each school site from the teacher hour allocation. Due to wide variances in the programs offered at each site, teacher hours are allocated based on available funding and community need. In addition, other District programs allocate additional positions to schools with identified special community needs.

COMMUNITY ADULT SCHOOL NORMS – 2016-17

CERTIFICATED

1	principal
2	assistant principals, operations
2	assistant principals, adult counseling services

CLASSIFIED

1	school administrative assistant
2	occupational center financial manager
1	school office computer coordinator
*	office technicians

* Based upon individual school needs.

APPENDIX H
SCHOOL STAFF AND RESOURCES

Regional Occupational Centers (ROC)/Skills Centers (SC)

Regional Occupational Centers (ROC)/Skills Centers (SC) are staffed based on established staffing guidelines for administrative and classified personnel.

Due to wide variances in the programs offered at each site, teacher hours are allocated based on available funding and community needs. In addition, other District programs allocate additional positions to schools with identified special community needs.

ROC/SKILLS CENTERS NORMS – 2016-17

CERTIFICATED

1	principal
2	assistant principals, operations
2	assistant principals, adult counseling services

CLASSIFIED

1	school administrative assistant
1	occupational center financial manager
1	school office computer coordinator
*	office technicians

* Based upon individual school needs.

Regional Occupational Program

The Regional Occupational Program is staffed based on the needs of the program. Additional staff may be allocated based on the needs of the secondary schools that the program serves.

APPENDIX H
SCHOOL STAFF AND RESOURCES

Support Personnel

SUPPORT ALLOCATIONS – 2016-17
Custodial personnel are allocated to schools as follows:

Custodial Personnel – K – 12 Schools
Custodial Personnel allocations for K-12 schools are based on a combination of factors, mainly space (square footage of different types of areas) and student enrollment. For most K - 12 schools, allocations are based on the following:

- The minimum staffing allocation for a K-12 school is 16 hours and each school is allocated a Plant Manager within the allocation. Schools may also be allocated an Assistant Plant Manager based on the number of custodial hours on the night shift. The Plant Manager level is determined by the size of the campus. The placement of an Assistant Plant Manager as well as the levels of both the Plant Manager and Assistant Plant Manager can only be changed after review by Personnel Commission.
- Square footage area of interior space and exterior area hardscape and planted areas are used to determine a time value to clean the spaces daily.
- A Budget reduction factor is applied based on available funding for custodial staffing.
- An Enrollment factor of .41 minute per enrolled student is added back in after the above reduction.
- Custodial time is rounded to the nearest 4 hour increment to determine the amount of staffing budgeted for the school site.
- High schools and middle schools are also allocated C – basis School Facilities Attendant(s) whose main duty is to service restrooms and provide other miscellaneous duties within their job classification description when the school is in session.
- One full-time Pool Custodian is budgeted to each secondary school with a swimming pool.

Custodial allocations are also augmented based on enrollment at schools using the criteria below. These criteria and allocations are subject to change based on availability of funds in Program 11694.

- Elementary schools with an enrollment greater than 626 students, and allocated 16 hours of custodial time will receive an additional 4 hours custodial allocation.
- Middle schools with an enrollment greater than 1702 will receive an additional 4 hour custodial allocation.
- An additional 4 hours of custodial time is allocated to secondary schools with swimming pools.

High school custodial allocations are augmented by 4 hours from the Local Control Funding Formula (LCFF) program funding (Program 10400). Allocation is dependent on the school's

ranking based on its three-year average Student Index by Duplicated Percentages. Shared sites receive only one 4-hour position for the entire campus. A position in a shared site that is funded by this allocation can be closed only with the approval of all the administrators in that shared site.

Custodial Personnel – Special Education Centers
Custodial staffing allocations for Special Education Centers are calculated similarly to K – 12 schools except that budget reduction factor and enrollment factor are not considered.

Custodial Personnel – Special Education in Traditional Schools
Custodial staffing allocation for combined special education and traditional school sites is first calculated like a traditional site. Custodial site allocation may be added due to:

- Increased size of campuses after the campuses are combined.
- Increased enrollment after the campuses are combined.
- Multiple Disability program: schools with two to three MD programs get additional 4 hours and schools with four or more MD programs get 8 additional hours.
- Special conditions of other custodial challenges not present before the combination of the sites.

Custodial Personnel – Option Schools
Custodial allocations for continuation schools, opportunity schools, community day schools, and independent study schools are calculated similarly to K-12 sites subject to the following guidelines:

- Continuation schools, opportunity schools, community day schools, and independent study schools are often contained within a larger K-12 campus. For these sites, enrollment and square footage values are included in the main site's allocation.
- The continuation school, opportunity schools, community day school, or independent study school program contribute funding based on the size of the area used on the main campus. The time apportioned to the continuation schools, opportunity schools, community day schools, or independent study schools and the funding program are included on the main site's custodial allotment sheet.

When a continuation school, opportunity school, community day school, or independent study school is not co-located with a larger campus, custodial allocation is calculated similarly to a typical K-12 school site.

Custodial Personnel – Adult Education Sites
Custodial allocations for Adult Education sites are calculated similarly to K-12 sites. Stand-alone Adult Education sites are assigned to a team cleaning group consisting of an appropriate level plant manager and an assistant plant manager as needed. The Division of Adult Education funds custodial staffing for these sites.

When Adult Education uses a portion of a larger host campus, funding for custodial services is provided by the Division of Adult Education based on the amount of space used for the program.

Campus Aides

Campus aides are allocated to provide a minimum of six (6) hours of supervision support to all Elementary, Middle, and Span schools. Additional allocations are made based upon security considerations.

Librarians

District-funded credentialed school librarians are allocated to senior high schools with libraries as follows. For SPAN high schools with middle school enrollment, the allocation is based on the count of students in grades 6-12. Additional allocations may be provided to schools based on District-determined criteria. Schools may purchase additional librarian time from their budget based on student needs.

Enrollment	FTE
1 – 1,150	0.5
1,151+	1.0

School Nurses

District-funded credentialed school nurses are allocated as follows. Schools may purchase additional nursing time from their budget based on student needs.

Enrollment	Day per week
1 – 1,800	1.0
1,801 – 3,000	1.5
3,001 and above	2.0

School Psychologists

School Psychologists and related personnel are allocated to schools based primarily on student population size and type of school. The following allocations represent minimum requirements for general education K-12 schools.

Elementary Schools.	.25 day per week
Middle Schools	.4 day per week
Senior High Schools	.5 day per week

In combination with special education and general educations allocations, schools purchase additional psychological services based on need for services and the schools' ability to fund the positions from categorical funds.

Pupil Services and Attendance Counselors

Schools also purchase Pupil Services and Attendance Counselors based on both the need for child welfare and attendance services in the school population and the schools' ability to fund the positions.

APPENDIX H
SCHOOL STAFF AND RESOURCES

Material and Supplies Allocation Rates

Instructional material, school advisory committee expense funds, and various operational supplies are also allocated to schools according to fixed formulas.

INSTRUCTIONAL MATERIALS

Program		2015-16 Rate		2016-17 Rate	
General Education -	K-6	$16.00	per Enrl.	$16.00	per Enrl.
	7-8	20.00	per Enrl.	20.00	per Enrl.
	9-12	22.00	per Enrl.	22.00	per Enrl.
Instructional Materials Block Grant			*		*
Community Adult School			*		*
Options Programs		739.00	per Teacher	739.00	per Teacher
Regional Occupational Centers and Skills Centers			*		*
Regional Occupational Program			*		*

* - *Allocations are determined based on schools' need.*

APPENDIX H
SCHOOL STAFF AND RESOURCES

Material and Supplies Allocation Rates

OPERATIONAL SUPPLIES

Type	2015-16 Rate	2016-17 Rate
Custodial, Gardening, and Other Operational Supplies –		
Community Adult Schools	$ 112.50 per custodial hour (separate site) +3.20 per enrolled student (all sites)	$ 112.50 per custodial hour (separate site) +3.20 per enrolled student (all sites)
Continuation Schools	$ 32.65 per custodial hour +7.49 per enrolled student	$ 32.65 per custodial hour +7.49 per enrolled student
Opportunity Schools	$ 75.50 per custodial hour +6.14 per enrolled student	$ 75.50 per custodial hour +6.14 per enrolled student
Regular Schools	$ 132.60 per custodial hour +3.80 per enrolled student	$ 132.60 per custodial hour +3.80 per enrolled student
ROCs and Skills Centers	$ 130.00 per custodial hour +3.20 per enrolled student	$ 130.00 per custodial hour +3.20 per enrolled student
ROP	$ 130.00 per custodial hour +3.20 per enrolled student	$ 130.00 per custodial hour +3.20 per enrolled student
Special Education	$ 53.95 per custodial hour +9.05 per enrolled student	$ 53.95 per custodial hour +9.05 per enrolled student
Administrative Sites	$ 204.00 per custodial hour	$ 204.00 per custodial hour

OTHER

Type	2015-16 Rate	2016-17 Rate
School Community Advisory Council Expenses –		
Community Adult Schools	$ 500.00 per School	$ 500.00 per School
ROCs and Skills Centers	$ 500.00 per School	$ 500.00 per School

APPENDICES

APPENDIX H – DISTRICT CLASS SIZE

This section provides information related to student teacher ratios at District's schools.

District policy pertaining to the recommendation of staffing for most Certificated and Clerical personnel at District schools is based on recommended staffing tables that take into account student enrollment and other school characteristics.

The chart on the next page provides a historical comparison of teacher to student staffing ratios by school type and integration status.

APPENDIX H - DISTRICT CLASS SIZE

Type of School	Subject(s)	Grade Level	2007-08 Policy	2008-09 Policy	2009-10 Policy	2010-11 Policy	2011-12 Policy	2012-13 Policy	2013-14 Policy	2014-15 Policy	2015-16 Policy	2016-17 Policy
Elementary District Norm	All	K	29.50	29.50	29.50	29.50	29.50	29.50	29.50	29.50	29.50	29.50
Elementary District Norm	All	1-3	32.00	32.00	32.00	32.00	32.00	32.00	32.00	32.00	32.00	32.00
Elementary District Norm	All	4-5/(6)	37.00	37.00	39.00	39.00	39.00	39.00	39.00	39.00	39.00	39.00
Elementary PHBAO	All	K	20.00	20.00	24.00	24.00	24.00	24.00	24.00	24.00	24.00	24.00
Elementary PHBAO	All	1-3	20.00	20.00	24.00	24.00	24.00	24.00	24.00	24.00	24.00	24.00
Elementary PHBAO	All	4-5/(6)	28.50	28.50	30.50	30.50	30.50	30.50	30.50	30.50	30.50	30.50
Elementary PHBAO Magnet	All	K-3	20.00	20.00	24.00	24.00	24.00	24.00	24.00	24.00	24.00	24.00
Elementary PHBAO Magnet	All	4-5/(6)	28.50	28.50	30.50	30.50	30.50	30.50	30.50	30.50	30.50	30.50
Elementary Desegregated	All	K	20.00	20.00	24.00	24.00	24.00	24.00	24.00	24.00	24.00	24.00
Elementary Desegregated	All	1-3	20.00	20.00	24.00	24.00	24.00	24.00	24.00	24.00	24.00	24.00
Elementary Desegregated	All	4-5/(6)	34.00	34.00	36.00	36.00	36.00	36.00	36.00	36.00	36.00	36.00
Elem Deseg Magnet	All	K-3	20.00	20.00	24.00	24.00	24.00	24.00	24.00	24.00	24.00	24.00
Elem Deseg Magnet	All	4-5/(6)	31.50	31.50	34.00	34.00	34.00	34.00	34.00	34.00	34.00	34.00
Middle District Norm	All	6-8	40.08	40.08	42.50	42.50	42.50	42.50	42.50	42.50	42.50	42.50
Middle PHBAO	Academic - 4 period	6-8	31.33	31.33	34.00	34.00	34.00	34.00	34.00	34.00	34.00	34.00
Middle PHBAO	Nonacad - 2 periods	6-8	40.08	40.08	42.50	42.50	42.50	42.50	42.50	42.50	42.50	42.50
Middle PHBAO	Combined	6-8	33.79	33.79	36.43	36.43	36.43	36.43	36.43	36.43	36.43	36.43
Middle PHBAO Magnet	All	6-8	31.33	31.33	34.00	34.00	34.00	34.00	34.00	34.00	34.00	34.00
Middle Desegregated	Academic - 4 period	6-8	36.83	36.83	39.50	39.50	39.50	39.50	39.50	39.50	39.50	39.50
Middle Desegregated	Nonacad - 2 periods	6-8	40.08	40.08	42.50	42.50	42.50	42.50	42.50	42.50	42.50	42.50
Middle Desegregated	Combined	6-8	37.86	37.86	40.45	40.45	40.45	40.45	40.45	40.45	40.45	40.45
Middle Deseg Magnet	All	6-8	33.83	33.83	36.50	36.50	36.50	36.50	36.50	36.50	36.50	36.50

APPENDIX H - DISTRICT CLASS SIZE

Type of School	Subject(s)	Grade Level	2007-08 Policy	2008-09 Policy	2009-10 Policy	2010-11 Policy	2011-12 Policy	2012-13 Policy	2013-14 Policy	2014-15 Policy	2015-16 Policy	2016-17 Policy
High School District Norm	All		40.50	40.50	42.50	42.50	42.50	42.50	42.50	42.50	42.50	42.50
High School PHBAO	Academic	9-10	32.00	32.00	34.00	34.00	34.00	34.00	34.00	34.00	34.00	34.00
High School PHBAO	Nonacad	9-10	40.50	40.50	42.50	42.50	42.50	42.50	42.50	42.50	42.50	42.50
High School PHBAO	Academic	11-12	40.50	40.50	42.50	42.50	42.50	42.50	42.50	42.50	42.50	42.50
High School PHBAO	Nonacad	11-12	40.50	40.50	42.50	42.50	42.50	42.50	42.50	42.50	42.50	42.50
High School Desegregated	Academic	9-10	37.50	37.50	39.50	39.50	39.50	39.50	39.50	39.50	39.50	39.50
High School Desegregated	Nonacad	9-10	40.50	40.50	42.50	42.50	42.50	42.50	42.50	42.50	42.50	42.50
High School Desegregated	Academic	11-12	40.50	40.50	42.50	42.50	42.50	42.50	42.50	42.50	42.50	42.50
High School Desegregated	Nonacad	11-12	40.50	40.50	42.50	42.50	42.50	42.50	42.50	42.50	42.50	42.50
High School PHBAO Magnet	All	9-12	32.00	32.00	34.00	34.00	34.00	34.00	34.00	34.00	34.00	34.00
High School Deseg Magnet	All	9-12	34.50	34.50	36.50	36.50	36.50	36.50	36.50	36.50	36.50	36.50
Community Day Schools, Opportunity Schools and Pregnant Minor					20.00	21.00	21.00	21.00	21.00	21.00	21.00	21.00
Continuation Schools					27.00	29.00	29.00	29.00	29.00	29.00	29.00	29.00
Independent Study - City of Angels					27.00	30.00	30.00	30.00	30.00	30.00	30.00	30.00

APPENDIX H – RESTRICTED PROGRAM SCHOOL PER PUPIL RATES

PER PUPIL RATE COMPARISONS
Fiscal Year 2015-16 to Fiscal Year 2016-17
As of May 9, 2016

Program	Description	Allocation Basis	Program Code	FY 2016-17	FY 2015-16
Title I, Part A[1]	Socioeconomically Disadvantaged	K-12: 65-100% Poverty K-12: 50-64.99% Poverty	7S046	$682.00 $518.00	$682.00 $518.00
Title I, Part A (Parents)	Socioeconomically Disadvantaged	K-12: 65-100% Poverty K-12: 50-64.99% Poverty	7E046	$ 11.00 $ 9.00	$ 11.00 $ 9.00
Title 1, Part A	Title I Hold Harmless	Schools falling below 50% poverty for the first time in FY 2016-17	7S046	$329.00	$329.00
Title 1, Part A (Parents)	Title I Hold Harmless	Schools falling below 50% poverty for the first time in FY 2016-17	7E046	$ 6.00	$ 6.00
Title III	Limited English Proficient	Schools with no Access to Core Coach allocation Schools with Access to Core Coach allocation	7S176	$ 16.00 $ -	$ 16.00 $ -
Targeted Student Population	Local Control Funding Formula	Supplemental-EL, Low Income and Foster Youth Unduplicated Count Concentration-above 55% of Unduplicated Count	10183	$150.00 $400.00	$150.00 $400.00

[1]Title I Targeted Assistance Schools (TAS) will be funded from program 70S46.

APPENDICES

APPENDIX I – SPECIAL EDUCATION

Financial Details

This program ensures the provision of programs, services, and supports for students with disabilities, as determined by their Individualized Education Program (IEP) and in accordance with State and Federal regulations.

Amounts in $ millions	2013-14 Actual Amounts	2014-15 Actual Amounts	2015-16 3rd Interim Estimates	2016-17 Authorized Amounts	2016-17 Estimated Amounts
Sources of Funds					
Beginning Balance	$ 3.6	$ 4.4	$ 3.5	$ 3.6	$ 3.6
Revenue					
Non-Charter Schools:					
Federal Revenues	110.9	111.7	90.1	114.1	114.1
State Revenues	353.2	362.9	350.4	338.6	338.6
Local Revenues	0.1	0.2	0.1	0.2	0.2
LCFF - Transportation	41.2	41.2	41.2	41.2	41.2
Contribution-Fair Share from FI Charter Schools	13.2	14.3	20.7	19.4	19.4
Support to Transportation Programs	32.3	35.7	35.5	34.3	34.3
Support to Special Education Programs	725.8	776.0	885.0	947.5	917.3
Direct-Funded (fiscally-independent) Charter Schools					
Federal Revenues	14.9	17.0	18.9	20.3	20.3
State Revenues	44.8	51.2	56.6	60.3	60.3
Total Revenue	$ 1,336.5	$ 1,410.3	$ 1,498.5	$ 1,575.8	$ 1,545.6
Total Sources of Funds	**$ 1,340.1**	**$ 1,414.7**	**$ 1,502.0**	**$ 1,579.4**	**$ 1,549.2**
Uses of Funds					
Expenditure					
Certificated Salaries	$ 449.2	$ 470.7	$ 511.7	$ 556.8	$ 523.4
Classified Salaries	216.6	227.0	239.6	253.4	249.8
Employee Benefits	326.6	333.3	371.8	390.0	383.8
Books and Supplies	26.7	30.6	18.4	20.4	30.0
Other Operating Expenses	221.3	226.9	238.0	236.5	237.6
SELPA FI Charter School Expenditures	59.7	68.2	75.5	80.6	80.6
Capital Outlay	0.4	0.4	0.1	0.1	0.1
Other Outgo	35.2	54.0	43.3	41.7	40.3
Total Expenditure	**$ 1,335.7**	**$ 1,411.2**	**$ 1,498.4**	**$ 1,579.4**	**$ 1,545.6**
Ending Balance					
Restricted Ending Balances	$ 4.4	$ 3.5	$ 3.6	$ 0.0	$ 3.6
Total Ending Balance	$ 4.4	$ 3.5	$ 3.6	$ 0.0	$ 3.6
Total Uses of Funds	**$ 1,340.1**	**$ 1,414.7**	**$ 1,502.0**	**$ 1,579.4**	**$ 1,549.2**

Special Day Programs serve pupils whose nature or severity of disability may preclude participation in a general education program for a majority of the school day.

Resource Specialist Programs provide instructional services for individuals with exceptional needs in general education schools. Resource specialist students are assigned to their general education classroom for a majority of the school day and receive services from the resource specialist teacher either directly in a collaborative basis with the general education classroom teacher or a Learning Center Model.

Designated Instruction and Services are provided to special education students who require assistance in a particular area, such as language, speech, audiology, mobility, adaptive physical education, vision, counseling, etc. to enable students to access the educational program. Student/teacher ratios vary by type of service, except for language, speech, and hearing which generally does not exceed a caseload of 55 students.

Assistant Principal, Special Education Centers

Large enrollment schools or schools serving low incidence groups may be allocated one assistant principal, or other designated position, per school based on available resources and school priorities.

Assistant Principal, Elementary Instructional Specialist (APEIS)

The Assistant Principal, Elementary Instructional Specialist (APEIS) supports collaborative general and special education instructional programs and assists in meeting special education compliance obligations such as: developing and implementing the Individualized Education Program (IEP) process; Modified Consent Decree (MCD) outcome data collection, monitoring and corrective actions; supporting appropriate instruction and services; and facilitating parent involvement for students with disabilities. Additionally, the APEIS works to ensure that programs/services are provided in the least restrictive environment.

Special Education Norm Table Guide

These do not include Related Services and their required teacher ratios.

Acronym	Name	Teacher Norm for Students Up to 8 Years Old	Teacher Norm for Students 9 Years Old & Above	Notes
AUT	Autism	6	6	
CBI	Community Based Instruction	14	14	
DHH	Deaf/Hard of Hearing	6-8	8-10	
ED	Emotional Disturbance	8	8	
EE	Early Education	10	N/A	
IDEC	Intensive Diagnostic Educational Centers	10	10	Class sessions are half day (in elementary schools) and four periods (in middle schools).
IDM	Intellectual Disability-Moderate	12 or 14*	12 or 14*	
IDS	Intellectual Disability-Severe	12	12	
LILC	Low Incidence Learning Center	8	8	
MD	Multiple Disabilities	6	8	
MDS	Multiple Disability-Severe	10	10	
PAL	Preschool for All	10	-	
PCC	Preschool Collaborative Classroom	10	-	Also 1 GE Teacher, only at EECs.
PCC/ETK	Expanded Transitional Kindergarten	8	-	Total class norms at 24 with 8 SWD and 16 GE children. Also receives 1 GE Teacher. To replace PCC program at non-EEC locations.
PSC	Preschool Collaborative	8	-	
PSM	Preschool Moderate	10	-	Expected to be phased out in Fiscal Year 2016-17.
RSP	Resource Specialist Program	24-28	24-28	
SLD	Specific Learning Disability	12	12	
VI	Visually Impairment	8	10	
Special Education Centers		10	10	

Note: APH (Speech or Language Impairment Aphasia) programs have been closed or converted from K-12 (only a few Pre-K schools have the program for Fiscal Year 2016-17: Garden Grove El, Haynes El, President El, Serrania El, and Van Deene El).

*12 if a 4 year age span

Clerical Support

The District shall ensure that schools continue to receive resources dedicated to clerical support to meet special education, Section 504, Hughes Bill, and *Chanda Smith* Consent Decree compliance and operational needs. These resources will be allocated as follows: 79 hours per pay period of clerical time for (a) elementary schools with enrollment below 500; (b) middle schools with enrollment below 1,000; and senior high schools with enrollment below: 1,700. One full-time office assistant will be allocated for (a) elementary schools with enrollment of 500 and above; (b) middle schools with enrollment of 1,000 and above; and (c) senior high schools with enrollment of 1,700 and above. These allocations are included in the clerical norm tables.

Program 12817 ($85 per student with active IEP)

Program 12817 is a resource allocated to schools to support Special Education compliance (MEM-6511.0). The allocation is provided as a supplement to the school budget to be used in conjunction with all available resources at a school site. Funds support substitute coverage for special education and general education teachers to attend IEP team meetings and may be used to manage and organize clerical activities for special education compliance. These funds cannot be used in place of the mandated requirement to assign clerical time for Modified Consent Decree compliance (Ref 5640.2).

The allocation for 2016-17 is $85 per student with an active IEP. The first allocation is distributed during Budget Development. A second allocation takes place after norm day. Additional requests may be granted based on school needs (i.e. addition of students with IEPs) by submitting a Budget Adjustment Request.

Instructional Material

To purchase equipment or instructional materials/supplies to support students with disabilities in core or alternate curriculum programs:

Centrally Purchased Curriculum/Instructional Materials for Students with Disabilities

The Division of Special Education purchases the Unique Learning System and Oxford Picture Dictionary curriculum and materials for use in alternate curriculum programs. In addition, the Division purchases assessments that support progress monitoring of students on the alternate curriculum. Schools generally receive these materials after the teacher attends the required training(s), which are announced in District memoranda and the Alternate Curriculum e-Newsletter.

From time to time, the Division of Special Education also purchases supplemental K-12 instructional materials in the areas of literacy, numeracy, behavior, social skills/social communication, and transition skills that are specifically selected to benefit students with disabilities in core/general education programs. Implementation of these programs is a school site decision, unless required by the District.

Schools would receive these materials after the teacher attends the required training(s), which are announced in District memoranda and the K-12 Instruction Snapshot e-Newsletter.

Supplemental Instructional Materials – Students with Disabilities (General Education Curriculum or Alternate Curriculum)

Students with disabilities are included in the District-wide and school-site achievement goals identified in the Single Plan for Student Achievement (SPSA). These goals target the academic, behavioral, and social emotional needs of all students. Therefore, schools may decide to select instructional programs and materials aligned to their goals, and then target supplemental instructional materials purchases for at-risk learners and students with disabilities as part of its SPSA activities, including any funds needed to train teachers in the programs or materials. Schools would use site-based funds allocated for those purposes (e.g., Title I, Title III, TSP, SIG, etc.). As of July 2015, the Division of Special Education no longer provides schools with Program 12544 funds for students who attend special day classes for the majority of the school day. Alternate Curriculum and/or Supplemental Core Curriculum and Instructional materials will be purchased centrally and distributed to schools (refer to MEM-6511.0). See the Budget and Program Handbook for suggested goals and activities that target the needs of students with disabilities.

For general supplies (such as paper, ink, markers, or construction paper), schools should utilize funds from the General Fund School Program (program 13027). Please refer any questions regarding the general fund allocation in program 13027 to your school fiscal specialist.

Classroom Management

The Division of Special Education uses student data in Welligent and Classroom Management to determine allocations for schools. Schools are expected to ensure that student and staff information in Welligent and Classroom Management is up-to-date and correct. Schools should refer to REF-6325.0, "Annual Reporting of SEAC Data and Program Support Assignments Using the Welligent Integrated system for District-operated and Charter-operated Schools", July 2014,[1] for requirements and procedures.

Transition Teachers

Transition teachers serve District high schools and middle schools. At the middle school level, the teachers facilitate transition assessment to 13 year olds to assist them in identifying their strengths and interests and facilitate lessons on career awareness and the transition to high school. At the high school level, transition teachers support ITP compliance, provide transition instruction and assessment, make connections or referrals to outside agencies, assist students with post-secondary planning, and run supported work programs amongst other duties. Transition teachers also facilitate job development, placement and follow up services for student workers in the supported work programs: Direct Hire Preparation, Workability, and the Transition Partnership Program.

According to IDEA (Individuals with Disabilities Education Act), transition services means a coordinated set of activities for a student with a disability that is designed within an outcome-oriented process, that promotes movement from school to post-school activities, including post-secondary education, vocational training, integrated employment (including supported employment), continuing and adult

[1] Current as of 4/18/16. School is responsible to verify that reference noted is current policy.

education, adult services, independent living, or community participation. Transition services is based on the individual student's needs, taking into account the student's preferences and interests; and includes instruction, related services, community experiences, the development of employment and other post-school adult living objectives, and if appropriate, acquisition of daily living skills and functional vocational evaluation.

Inclusion Facilitators

Inclusion Facilitators provide itinerant support to students with severe disabilities placed full time in general education classes, but are not considered Designated Instruction and Services (DIS) providers. The students served by this support are students who typically require extensive curricular accommodations and/or modifications, behavioral interventions, or assistance with social skills in order to participate in the standards-based instructional program. The caseload for Inclusion Facilitators is determined by student IEP identification of the need for support and the area a facilitator is assigned.

APPENDICES

APPENDIX J - LOTTERY

The California State Lottery began on November 6, 1984 when voters passed Proposition 37, the California State Lottery Act, authorizing the creation of a lottery. It was intended to provide more money to schools without imposing extra taxes. Accordingly, the Lottery was required to provide at least 34% of its revenues to public education, supplementing (not replacing) other funds provided by California. Another 50% of its revenue must be paid to the public in the form of prizes, making a mandated minimum of 84% of all funds that must be given back to the public in the form of prizes or funds for public education. The remainder of 16% was to be spent on administration such as salaries and running the games.

On April 8, 2010, Governor Schwarzenegger signed into law Assembly Bill 142 which reallocates Lottery revenues to maximize the amount of funding allocated to public education, i.e., 87% returned to the public for prizes and for public education, and a maximum of 13% for administration. It also required the Lottery to meet minimum levels of contribution to public education. Revenues to education are placed in a special fund known as the California State Lottery Education Fund, which holds revenues until they are allocated on a per capita basis using prior year certified average daily attendance data.

LEAs such as public K-12 schools, community colleges, the California State University, the University of California, the Hastings College of the Law, and other specialized public school jurisdictions benefit from the sale of lottery tickets. From October 1985 to fiscal year 2014-15, the California Lottery has contributed $29.4 billion to California public schools and $23.6 billion of that was allocated to K-12 schools.

LEAs receive Lottery funding based on the current year's annual average daily attendance. Lottery funds can only be used for instructional purposes. It cannot be used for acquisition of property, construction of facility, or funding of research. In addition, Proposition 20 stipulates that 50% of funding above the 1997-98 level be spent on instructional materials.

STATEWIDE LOTTERY RATES PER ADA
For Fiscal Years 2008-09 Through 2014-15

Calendar Year	Base	Prop. 20*	Total
2008-09	$109.76	$13.52	$ 123.28
2009-10	$110.25	$15.50	$ 125.75
2010-11	$112.00	$17.00	$ 129.00
2011-12	$125.42	$30.34	$ 155.76
2012-13	$120.33	$25.17	$ 145.50
2013-14	$128.23	$33.85	$162.08
2014-15	$129.25	$36.30	$165.55

Since the inception of the Lottery through fiscal year 2014-15, LAUSD received a cumulative total of $2.7 billion. The table below details the amounts received by LAUSD for fiscal years 2003-04 through 2014-15.

LAUSD LOTTERY REVENUE*
For Fiscal Years 2003-04 Through 2014-15
(Amounts in millions)

Calendar Year	Base	Prop. 20**	Total
2003-04	$90.9	$13.9	$ 104.8
2004-05	93.1	17.5	110.6
2005-06	96.7	22.2	118.9
2006-07	88.7	16.6	105.3
2007-08	82.7	12.5	95.2
2008-09	77.7	9.7	87.4
2009-10	77.6	12.3	89.9
2010-11	77.0	13.1	90.1
2011-12	84.3	21.5	105.8
2012-13	78.9	19.1	98.0
2013-14	77.0	20.6	97.6
2014-15	75.9	21.4	97.5

*Data from California Department of Education
**Should be spent for instructional materials

APPENDIX J
TITLE I, PART A SOCIOECONOMICALLY-DISADVANTAGED STUDENTS

These funds are used to meet the educational needs of low-achieving students in the District's highest-poverty schools.

Estimated Entitlement	$ 316,752,531	
Estimated Carryover	64,177,064	*
Total	**$ 380,929,595**	

Budgeted Expenditures	No. of Students	Rate	Amount
School Discretionary Per Pupil Allocations			
Poverty % = 100% -65%	356,855	$ 682.00	$ 243,375,110
Poverty % = 64.99% -50%	30,101	$ 518.00	15,592,318
	386,956		$ 258,967,428
Hold Harmless Schools	934	$ 329.00	307,286
Subtotal			**$ 259,274,714**
Parent Involvement Reservation			
Per Pupil Allocations			
Poverty % = 100% -65%	356,855	$ 11.00	$ 3,925,405
Poverty % = 64.99% -50%	30,101	$ 9.00	270,909
			$ 4,196,314
Hold Harmless Schools	934	$ 6.00	$ 5,604
Local District Administrator of Parent & Community Engagement Centers			448,407
District Parent Educator Coaches			765,558
Northeast Parent Community Facilitator			39,618
Parent Community Student Services Branch			1,526,489
Private Schools Equitable Share			244,995
Subtotal			**$ 7,226,985**
Private Schools			
Per Pupil Allocations			
Poverty % = 100% -65%	11,994	$ 682.00	$ 8,179,908
Poverty % = 64.99% -50%	1,614	$ 518.00	836,052
Subtotal	13,608		**$ 9,015,960**
Mandatory Reservations (Reservation Required)			
Homeless Program			$ 1,005,030
Neglected Program			675,902
Private School Capital Expense			471,658
Subtotal			**$ 2,152,590**

APPENDIX J
TITLE I, PART A SOCIOECONOMICALLY-DISADVANTAGED STUDENTS

Core Waiver Implementation		
2016 Summer Program*	$	10,500,000
Current Year Programs		42,782,948
Subtotal	**$**	**53,282,948**
Assistance to School (Reservation Allowed)		
A-G Diploma Counselor	$	10,481,751
Private School Equitable Share		367,800
College and Career Coach (Middle School)		8,006,199
Private School Equitable Share		280,934
Leveled Reading Program		1,932,200
Private School Equitable Share		67,800
Subtotal	**$**	**21,136,684**
Administration		
Administration-Basic	$	4,506,819
Administration-Neglected		229,971
District Title I Coordinators		1,860,148
Reserve - Salary, Benefit, and Carryover Adjustments		9,467,810
Indirect Support 3.47%		12,774,966
Subtotal	**$**	**28,839,714**
Total Expenditures	**$**	**380,929,595**

Notes: * $30.3 million of FY 2015-16 budget is allocated to Beyond the Bell for the administration of CORE Waiver Extended Learning Opportunities, Summer which concludes on July 29, 2016 (FY 2016-17).

APPENDIX J
TITLE II, PART A – TEACHER AND PRINCIPAL TRAINING AND RECRUITING

These funds increase the academic achievement of all students by helping schools improve teacher and principal quality through professional development and ensure all teachers are highly qualified.

Estimated Entitlement		**$**	**41,572,001**
Budgeted Expenditures			**Amount**
Pre K - 12 Curriculum Services			
Administrator Development		$	271,752
College & Career Counseling			174,158
District positions			6,834,351
Office of Curriculum, Instruction / School Support			4,520,655
Subtotal		**$**	**11,800,916**
Human Resources (HR)			
HR-Administrator Development / School Support			834,687
HR-Human Capital			234,105
HR-Certificated Performance Evaluation Support			1,483,681
HR-Certificated Placement & Assignments			2,464,395
HR-Certificated Workforce Management			3,012,665
HR-District Intern - LISTOS Program			892,524
HR-Employee Performance Accountability			195,394
HR-Beginning Teacher Growth & Development			754,165
HR-NBC Teachers Unit			113,000
HR-Office of Chief Human Resources Officer			278,448
HR-Personnel Research & Assessment			471,616
HR-Professional Learning			1,325
HR-Teacher Growth Office			652,896
HR-Teacher Support Development			145,060
Subtotal		**$**	**11,533,961**
Stipends			
National Board Certified Teacher Stipends		$	9,000,000
Bilingual Differential Salaries			1,670,000
Subtotal		**$**	**10,670,000**
Private Schools Equitable Share		**$**	**4,901,695**
Other			
Declining Enrollment Adjustment	2.60%	$	566,514
Indirect Cost	3.47%		1,394,171
Indirect Cost - Admin.(Private Schools)	2.00%		98,034
Potential Funding Variance	2.00%		606,710
Subtotal		**$**	**2,665,429**
Total Expenditures		**$**	**41,572,001**

APPENDIX J
TITLE III, PART A – LIMITED ENGLISH PROFICIENCY

These funds are used to ensure that limited-English proficient (LEP) students attain English proficiency and meet the same academic standards that other students are expected to meet.

Estimated Entitlement	$	11,221,739
Estimated Carryover		2,283,502
Total	**$**	**13,505,241**

Budgeted Expenditures	No. of LEP Students	Rate		Amount
Resources to Support Schools				
Title III Access to Core Coaches (191.00 FTE's)			$	11,580,903
Per Pupil Allocation for schools without coach	67,624	$ 16.00		1,081,984
Multilingual and Multicultural Education Department Professional Development				310,890
Subtotal			**$**	**12,973,777**
Private Schools Equitable Share	1,310	$ 90.52	**$**	**118,581**
Private School Initial Assessment			**$**	**60,000**
Indirect Cost (2% Cap)			**$**	**264,809**
Reserve for Adjustment			**$**	**88,074**
Total Expenditures			**$**	**13,505,241**

APPENDICES

APPENDIX K – BUDGET AND FINANCE POLICY (ADOPTED NOVEMBER 2013)

I. Purpose of the Budget and Finance Policy

The California School Accounting Manual, the State's financial guide for school districts, defines a budget as "a plan of financial operation consisting of an estimate of proposed income and expenditures for a given period and purpose". It is through the budget that the Board and Superintendent set priorities and allocate resources.

California school districts, including LAUSD, are bound by legal requirements, administrative regulations, and oversight protocols during the budget process. These include:

Legal Requirements for Budget

- Budgets must show a plan for all proposed expenditures of the school district and of all estimated revenues for the fiscal year (Education Code 42122).
- School districts may not spend more than authorized in the adopted Final Budget, as adjusted during the fiscal year (Education Code 42600).

Administrative Regulations for Budget

- The California School Accounting Manual provides detailed definitions of income and expenditure categories together with approved budget and accounting practices.
- The Superintendent of Public Instruction annually issues budget and expenditure documents that specify the income and expenditure categories to be reflected in each school district budget.

Oversight Processes for Budget

- The Los Angeles County Office of Education (LACOE) monitors the financial health of the District with oversight and review from the Superintendent of Public Instruction (Education Code 33127, 33128, 42120 et seq., 42637).
- Should a district's financial condition deteriorate below the State's standards, LACOE is authorized to take corrective action. This could include assuming management of that District's financial affairs (Education Code 42127.3).

The District must also comply with the Governmental Accounting Standards Board's (GASB) accounting standards and rules. The budget process should also strive to meet the Government Finance Officers Association's (GFOA) best practices for finance, accounting, and budgeting by government agencies.

Consistent with State law and regulation, the LAUSD budget is developed, adopted, refined and reviewed on a timely basis, through an annual cycle, as highlighted by the table below.

Timetable of LAUSD Budget Process

Timing	Activity
December	• First Interim Report released projecting current and future year's revenues, expenditures, and balances.
January	• Governor proposes the State Budget to the Legislature for the next fiscal year • District Staff analyzes Governor's Proposed State Budget for Board • District staff presents enrollment projections to Board
March	• Second Interim Report released projecting current year revenues, expenditures, & balances • Budget Services &Financial Planning Division presents • District's 3-year financial forecast to Board • Board discusses recommendations for Budget Issues • General Fund - funding levels presented
April	• Board receives input from stakeholders regarding next year's budget • Board votes on adoption of Budget Issues for next year's budget • School Budget Development
May	• Governor releases May Revision of proposed State Budget • Categorical Funding levels presented
June	• Board adopts Final Budget for coming year
June/July/August	• State budget adopted • If necessary, Board holds special meetings to consider changes to Final Budget

II. Finance and Budget Policy

To assist the Board of Education in making sound policy, guide the development of the District's budget, enhance the management of the District's finances, minimize the risk of LACOE action, and reduce potential audit concerns, the Board has adopted this Finance and Budget Policy which is based on five core principles. The budget should:

1. Be based on the goals of the Board and Superintendent.
2. Be based on sound financial principles.
3. Be clear and easy to understand.
4. Be timely, and easy to manage at the school level.
5. Be based on a process that informs stakeholders.

This policy was developed after reviewing the document "Recommended Budget Practices" developed by the GFOA. The policy is also consistent with the standards and criteria established by the State Board of Education (Education Code Sections 33127, 33128), as well as current GASB rules and standards. To the extent that LAUSD's current budgeting and accounting practices are not in compliance with this policy, implementation of this policy is to be phased in.

The Finance and Budget Policy is a "living document." LAUSD expects that it will evolve over time to best connect District policy, budgeting, and financing principles.

Principle One: The budget should be based on the goals of the Board of Education and Superintendent.

The Board of Education and Superintendent have the primary responsibility for developing and articulating the District's goals; these goals will be the framework for the budget.

Principle Two: The budget should be based on sound financial principles.

LAUSD's budget should be based on financial principles that will keep the District viable and able to sustain its key programs over time. The following specific financial principles, based on law, expert advice and experience, are offered to this end:

a) Structurally Balanced Operating Budget
b) Appropriate Use of One-Time Revenues
c) Alignment of Budget with Expected Expenditures
d) Maintenance of Appropriate and Adequate Fund Balance and Reserves
e) Revenue Maximization
f) Revenue and Expenditure Estimation
g) Cost Recovery through Fees and Charges
h) Capital Plan
i) Asset Management
j) Prudent Debt Management
k) Program Sustainability
l) GASB Compliance

A) STRUCTURALLY BALANCED OPERATING BUDGET

The Superintendent must annually prepare and recommend a structurally balanced budget where operating revenues are equal to, or exceed, operating expenditures (Education Code Sections 42100, 42127.5).

The Office of the Chief Financial Officer shall prepare the First and Second Period Interim Financial Reports in accordance with the law and make appropriate recommendations to the Board if financial adjustments are necessary. Annual appropriations shall be made to responsibly address all identified liabilities, including pension, vacation accrual, workers' compensation, and retiree health needs.

SECTION B IS DELETED PER BOARD OF EDUCATION AMENDMENT

~~B) APPROPRIATE USE OF ONE TIME REVENUES~~

~~Ongoing District expenditures should not exceed ongoing revenues. One-time revenues should be applied first toward restoration of Operating Reserves (as described under Section D below). This will assist meeting the minimum three year reserve target amount in accordance with AB1200 (the "Three Year Sustainability Plan"). By definition, one time revenues cannot be relied on in future budget periods. This policy on one-time revenues minimizes the disruptive effects on services.~~

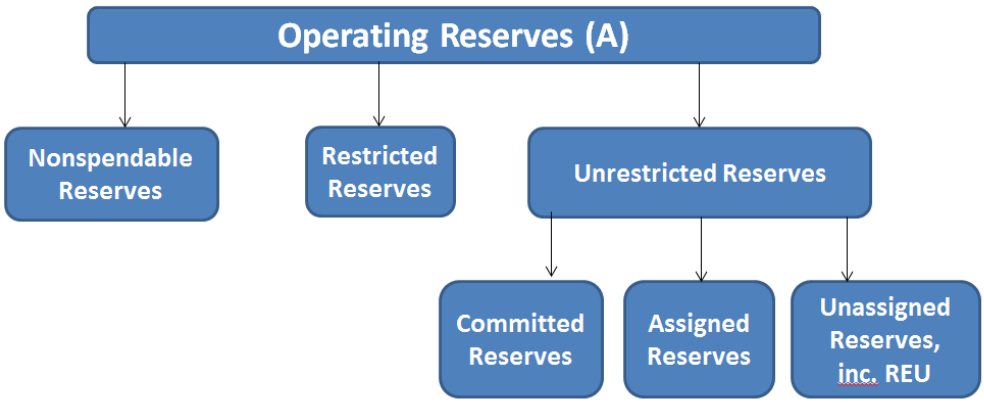
~~Any new or unanticipated unrestricted revenues recognized during the current fiscal year should also be applied to reduce any operating deficit or unplanned one time mandatory cost before being used for other purposes.~~

C) ALIGNMENT OF BUDGET WITH EXPECTED EXPENDITURES

Actual expenditures should closely approximate the estimated appropriation. To the extent that funding is required for expenditures spanning fiscal years, appropriate financial techniques should be identified and employed.

D) MAINTENANCE OF APPROPRIATE AND ADEQUATE FUND BALANCES AND RESERVES

LAUSD shall strive to maintain certain reserve funds to provide financial stability. The reserves describe in these policies supersedes all prior District reserve policies. These reserve funds shall be for operations or for liabilities, and includes, but not limited to, the following described categories:



A. Operating Reserves:

The purpose of operating reserves is to set aside monies and to meet the minimum reserves policy target in the Three-Year Sustainability Plan.

The current classifications of fund balances[1] are as follows:

- Non-spendable fund balance *(inherently non-spendable)* This category includes reserves for Revolving Cash, Stores, and Prepaid Expenditures
- Restricted fund balance *(externally enforceable limitations on use)* This category includes balances related federal and state programs.
- Committed fund balance *(self-imposed limitations on use)*
- Assigned fund balance *(limitation resulting from intended use)*
- Unassigned fund balance *(residual resources for unrestricted use)*

General Fund Balance Policy:

The District shall maintain Total General Fund balances at a level which is 5 % or more of Total General Fund expenditures and net transfers out (the "5% Minimum Reserve Threshold"). This level is the minimum necessary to sustain the District's strong credit ratings.

Reserve funding levels shall be reviewed annually and adjusted as appropriate. The reserve policy is as follows:

1. The District shall maintain at least the 5% Minimum Reserve Threshold in the Three-Year Sustainability Plan.
2. Whenever the District projects a failure to meet the 5% Minimum Reserve Threshold, all one-time monies received shall be set-aside until the Threshold is met in each of the years.
3. In addition, other recommendations will be developed to restore reserve balances.

[1] Under GASB Statement No. 54, Fund Balance Reporting and Government Fund Type Definitions.

These recommendations will be completed within the next fiscal year.

Reserve for Economic Uncertainties:

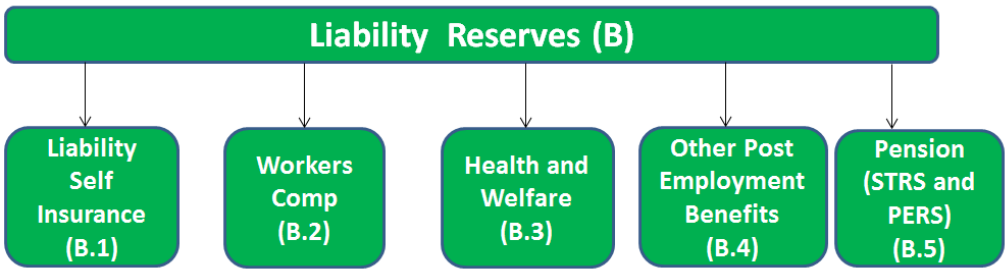
This is a legally required reserve which is currently at 1% of General Fund appropriations.

Reserves for Revolving Cash, Stores, and Prepaid Expenditures:

The District's accounting practice establishes a reserve for revolving cash, stores, and prepaid expenditures.

B. Liability Reserves:

The purpose of the Liability Reserves is to set aside monies for legal liabilities. Funding these liability reserves provides resources to help prevent disruptive reductions to LAUSD operating programs.



B.1 Liability Self-Insurance Fund:

Liability Self Insurance funding will be based on the current year claims and the amount to fully fund the estimated liability as determined by a third party actuarial report.

B.2 Worker's Compensation Fund:

Worker's Compensation funding will be based on the current year claims and the amount to fully fund the estimated liability as determined by a third party actuarial report.

B.3 Health and Welfare Fund:

Health & Welfare funding will be based on the Health and Welfare Memorandum of

Agreement in place.

B.4 Other Post-Employment Benefits (OPEB) Fund:

The District will establish an irrevocable trust for its OPEB liability (OPEB Trust) to:

1. Minimize encroachment on the District's operating budget;
2. Provide funding to protect retiree benefits;
3. Improve the return on investment on the Trust assets;

4. Align contributions to more adequately recover costs from federal, capital and grant programs;
5. Provide a proactive response to address the impacts of GASB 45 on the District's finances; and
6. Preserve the District's net assets.

Contributions to the Trust will be annually calculated and distributed as follows:

1. An annual per employee set aside, at rates consistent with the District's current budget assumptions and policies, will be contributed to the OPEB Trust on or before June 30th. Such contributions will be subject to maintaining an

   Unrestricted General Fund balance of 5% of the unrestricted revenue. These Trust contributions will be made from all appropriate funding sources. The annual OPEB per employee growth rates will continue until such time that the District will be able to reasonably meet its unfunded liability in accordance with GASB standards.[2]

2. In the event that the Unrestricted General Fund is above 5% of the unrestricted revenues (after the annual OPEB contribution has been determined), an additional contribution from the assigned OPEB reserve will be placed in the Trust.

~~B.5 Supplemental Pension Set-aside/Reserve Fund:~~

~~Subject to the requirements of Principle Two Section B, fifty percent of any new one- time funds identified after the final budget adoption will be put into a Supplemental Pension Set-aside/Reserve Fund. This fund is established in anticipation of GASB 67 and 68.~~

(Proposed Change in the Budget and Finance Policy)

E) REVENUE MAXIMIZATION

LAUSD receives the majority of its funding from the State of California. To supplement these funds, LAUSD shall seek additional revenues from other funding sources including the Federal Government, foundations, corporations, mandate funding, parent and community organizations, and through new and changes to funding legislations. These additional resources should be for purposes that are consistent with the District's goals and objectives and which complement the LAUSD's resources. LAUSD shall also seek the approval of granting agencies to provide flexibility in the use of scarce resources.

[2] This policy was not implemented in the 2015-16 Final Budget. The funds were used to fund the board-approved Health & Welfare and salary increase agreements.

F) REVENUE AND EXPENDITURE ESTIMATION

LASUD shall strive to include in the budget all revenues that can reasonably be expected for the fiscal year. The Chief Financial Officer shall appropriate funds for expenditure based on a prudent assessment of the risks associated with each revenue source. The authority to spend in part or all of the budgeted revenue will be provided based on revenue certainty.

Reserve for Anticipated Balances:

This is a non-budget add reserve requested by the Los Angeles County of Education to allow for technical adjustment for expenditure.

G) COST RECOVERY THROUGH FEES AND CHARGES

LAUSD may charge fees to recover costs of certain services, such as those provided to charter schools. LAUSD shall set fees so that they cover the entire cost of the service provided, including all direct and indirect costs subject to any legal restrictions.

H) CAPITAL PLAN

LAUSD will strive to provide comprehensive planning and budgeting for its capital needs by:

- Developing, on a periodic basis, a Statement of Need for capital programs.
- Annually adopting a multi-year capital budget that identifies the projects planned, the estimated cost of each project, the expected sources of revenue for each project, and the fiscal year or years in which project funds must be committed.
- Annually presenting an analysis of the future operational impact of the capital projects.

I) ASSET MANAGEMENT

The District will strive to:

- Budget appropriate amounts so that physical assets are properly maintained and replaced when needed.
- Maintain inventories of assets and the condition of major assets assessed on a regular basis to develop appropriate replacement and maintenance programs.
- Prepare a maintenance plan to sustain the need to maintain the value of its assets and protect the health and safety of students and employees.
- Annually estimate and set aside resources for preventative maintenance.

J) PRUDENT DEBT MANAGEMENT

LAUSD shall adhere to the Debt Management Policy as adopted by the Board of Education.

K) PROGRAM SUSTAINABILITY

To achieve sustainability, LAUSD should strive to:

- Link multi-year programs to multi-year funding. When funding is non-continuous, the program should be identified as limited.
- Set parameters for multi-year programs and offices by identifying specific "sunset dates" for program termination as well as the ending date for personnel assignments funded in the program.
- Make defined fiscal commitments rather than open-ended commitments (e.g. fund health benefits at a specific cost level rather than a specific service level).
- Identify impact on the budget of unfunded mandates and other spending pressures.

L) GASB STANDARDS FOR FINANCIAL ACCOUNTING AND REPORTING

The Governmental Accounting Standards Board promotes rules governing financial accounting and reporting. LAUSD shall comply with these rules. LAUSD shall strive to receive the GFOA Certificate for Excellence in Financial Reporting annually.

Principle Three: The budget should be clear and easy to understand.

A broad cross-section of stakeholders in the District rely on LAUSD's budget and related financial documents for crucial financial information. These stakeholders include parents, teachers, community groups, administrators, and oversight bodies. LAUSD's budget should be organized and presented in such a way that both lay persons and experts can understand:

- What the District intends to do and how it intends to do it
- The District's overall financial condition
- The historical context for LAUSD programs

In addition, LAUSD should strive to develop its annual budget in a manner consistent with the GFOA standards for budget presentation. These guidelines are established to provide appropriate disclosure of financial information to the public and other interested parties, while facilitating management decisions on program expenditures.

LAUSD has identified guidelines for the presentation of budgets consistent with GFOA standards from four perspectives:

a) Policy Document
b) Financial Plan
c) Operations Guide
d) Communications Device

Principle Four: The budget should be timely and easy to manage at the school level.

The process of managing the budget is easier for schools and offices if they have access to systems and training. The District will define the parameters under which schools and offices will manage their budgets.

Principle Five: The budget process should inform stakeholders.

Prior to the adoption of the final budget, District staff will inform stakeholders in accordance with the budget Timetable and materials will be posted to the website.

III. FUND BALANCE POLICY AND PROCEDURES

A. PURPOSE

This Fund Balance Policy establishes the policy and procedures for reporting and maintaining fund balance in the District's financial statements. The policy also authorizes and directs the Chief Financial Officer to prepare financial reports which accurately categorize fund balance as per Governmental Accounting Standards Board (GASB) Statement No. 54, Fund Balance Reporting and Government Fund Type Definitions, effective beginning the 2010-11 fiscal year.

B. GENERAL POLICY

There are five separate components of fund balance. Each component identifies the extent to which the District is bound by constraints on the specific purpose for which amounts can be spent.

- Nonspendable fund balance *(inherently nonspendable)*
- Restricted fund balance *(externally enforceable limitations on use)*
- Committed fund balance *(self-imposed limitations on use)*
- Assigned fund balance *(limitation resulting from intended use)*
- Unassigned fund balance *(residual resources for unrestricted use)*

The first two components listed above are not addressed in this policy due to the nature of their restrictions. An example of nonspendable fund balance is inventory. Restricted fund balance is either imposed by law or constrained by grantors, contributors, or laws or regulations of other governments. This policy is focused on the last three components listed above.

The District considers restricted fund balances to have been spent first when expenditure is incurred for purposes for which both restricted and unrestricted fund balance is available. Similarly, when an expenditure is incurred for purposes for which amounts in any of the unrestricted classifications of fund balance could be used, the District considers committed amounts to be reduced first, followed by assigned amounts, and then unassigned amounts.

C. PROVISIONS Committed Fund Balance

The Governing Board, as the District's highest level of decision-making authority, may commit
Fund balances for specific purposes pursuant to constraints imposed by formal actions. Commitment of funds can be made through the adoption of the budget as long as the intent to commit the funds is specifically stated. These committed amounts cannot be used for any other purpose unless the Governing Board removes or changes the specific use through formal action. Governing Board action to

commit fund balance needs to occur within the fiscal reporting period, no later than June 30. The amount which will be committed can be determined subsequently but prior to the release of the District's financial statements.

Pursuant to GASB 54, the District commits to maintaining the Deferred Maintenance and Adult Education funds to support programs for which the funds were originally established. Amounts transferred into or retained in the funds will be determined annually per Board adoption of the budget and approval of the year end unaudited actuals report.

Assigned Fund Balance
Amounts that are neither restricted nor committed may be constrained by the District's intent to be used for specific purposes. This policy hereby delegates the authority to assign amounts to the Superintendent, or designee.

Unassigned Fund Balance
These are residual positive net resources for the General Fund in excess of what can properly be classified in one of the other four categories. There are some reserves that do not meet the requirements of the aforementioned components of fund balance. For financial statement reporting purposes, these reserves are included in the unassigned fund balance. This includes:

- **Reserve For Economic Uncertainty** – The District will maintain an economic uncertainty reserve, consisting of unassigned amounts, of at least 1% of total General Fund expenditures and other financing uses in accordance with Section 15450 of the California Code of Regulations. The primary purpose of this reserve is to avoid the need for service level reductions in the event that an economic downturn causes revenues to be substantially lower than budgeted. In the event that the District must expend all or part of this reserve, the District will identify and implement a budgetary plan to replenish this reserve the following year. This reserve may be increased by legal requirement.

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APPENDICES

APPENDIX L – DEBT MANAGEMENT POLICY (ADOPTED MAY 2016)

Los Angeles Unified School District

DEBT MANAGEMENT POLICY

Prepared by:

The Office of the Chief Financial Officer

May 10, 2016

DEBT MANAGEMENT POLICY

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The policies set forth in this Debt Management Policy (the "Policy") have been developed to provide guidelines for the issuance of general obligation bonds, certificates of participation ("COPs") and other forms of indebtedness by the Los Angeles Unified School District (the "District"). While the issuance of debt can be an appropriate method of financing capital projects, careful and consistent monitoring of such debt issuance is required to preserve the District's credit strength and budget and financial flexibility. These guidelines will serve the District in determining the appropriate uses for debt financing and debt structures as well as establishing prudent debt management goals.

Background

The District has enjoyed some of the highest credit ratings of any major urban school district in the nation for many years. Prior to the District's most recent General Obligation Bond ("GO Bond") sale in March 2016, the District's General Obligation Bond ratings were Aa2 by Moody's Investors Service ("Moody's") and AA- by Standard & Poor's Corporation ("S&P"). The District's COPs ratings have been rated A1 (Moody's) and A+ (Standard & Poor's). Following the passage of State Senate Bill 222 which created a statutory lien in the voter approved property taxes that secure California school district GOs which went into effect on January 1, 2016, some rating agencies modified their methodology. The ratings on the District's GOs that were sold in March 2016 (after this reporting period) were AAA, AA+, and Aa3 by Fitch Ratings ("Fitch"), Kroll Bond Rating Agency ("Kroll") and Moody's, respectively.

High GO credit ratings reduce the interest costs paid by the District on the amounts borrowed which results in lower property taxes paid by the District's taxpayers to pay the debt service. Lower interest rates on the COPs reduce the burden on the District's operating funds. The District's debt management policies are intended to assist in maintaining the District's high credit ratings so that access to borrowed funds is provided at the lowest possible interest rates,, as well as to provide basic guidelines for the prudent use and management of debt issued to finance the District's capital needs. Additionally, these policies are intended to set forth selection criteria for certain financial consultants and attorneys which will ensure a fair and open selection process, provide opportunities for all firms (including small business enterprises) to participate in District contracts, and result in the selection of the best qualified partners.

The **District** faces continuing capital infrastructure and cash requirements. **In particular, the District is presently engaged in building new schools and modernizing existing schools with the Facilities Improvement Program to be completed over the next several years.** The costs of these requirements will be met, in large part, through the issuance of various types of debt instruments **and other long-term financial obligations.** U**nder "Proposition BB", "Measure K", "Measure R", "Measure Y" and "Measure Q" adopted by the voters in April 1997, November 2002, March 2004, November 2005 and November 2008, respectively, the District has a combined $20.605 billion in general obligation bond authorization for its Facilities Improvement Program and other capital and General Fund relief projects**. Consequently, the **District** has seen an increase in its levels of debt and other obligations and needs to anticipate future issuance of debt obligations as well**, some of which may be repaid from the District's General Fund.**[1] With these additional debt issuances, the effects of decisions regarding type of issue, method of sale, and

[1] For purposes of this policy, long-term obligations such as lease payments in support of COPs will be considered "debt."

payment structure become ever more critical to the **District**'s fiscal health. To help ensure the **District**'s creditworthiness, an established policy of managing the **District'**s debt is essential. To this end, the Board **of Education of the District** (the "Board") recognizes this Policy to be financially prudent and in the **District**'s best economic interest. In addition, the District's practices with respect to monitoring its outstanding debt issues for compliance with all Internal Revenue Service requirements and other transaction requirements are set forth in Appendix A to this Policy.

Article I.

The purpose of the Policy is to provide a functional tool for debt management and capital planning, as well as to enhance the **District**'s ability to manage its general obligation bond debt, tax and revenue anticipation notes, and lease financings in a conservative and prudent manner. In following this Policy, the **District** shall pursue the following goals:

- The District shall strive to fund capital improvements from referendum-approved general obligation bond issues to preserve the availability of its General Fund for District operating purposes and other purposes that cannot be funded by such bond issues.

- The **District** shall endeavor to attain the best possible credit rating for each debt issue in order to reduce interest costs, within the context of preserving financial flexibility and meeting capital funding requirements.

- The **District** shall take all practical precautions and proactive measures to avoid any financial decision that will negatively impact current credit ratings on existing or future debt issues.

- The **District** shall remain mindful of its statutory debt limit in relation to assessed value growth within the school district and the tax burden needed to meet long-term capital requirements.

- The **District** shall consider market conditions and District cash flows when timing the issuance of debt.

- The **District** shall determine the amortization (maturity) schedule which will best fit with the overall debt structure of the **District** at the time the new debt is issued.

- The District shall match the term of the issue to the useful lives of assets whenever practicable and economic, while considering repair and replacement costs of those assets to be incurred in the future.

- The District shall, when planning for the issuance of new debt, consider the impact of such new debt on overlapping debt of local, state and other governments that overlap with the **District**.

- The **District** shall, when issuing debt, assess financial alternatives to include new and innovative financing approaches, including whenever feasible categorical grants, revolving loans or other State/federal aid, so as to minimize the contribution from the District's General Fund.

- The District shall, when planning for the sizing and timing of debt issuance, consider its ability to expend the funds obtained in a timely, efficient and economical manner.

- The District shall ensure that local and emerging businesses will be considered for and used in lead and other roles in the financing team when appropriate.

The key financial management tools and goals that are intrinsic to the Policy include:

A. Budget and Finance Policy: The District recognizes the importance of emergency reserves, including liquidity in the General Fund, that can provide a financial cushion in years of poor revenue receipts. A reserve fund policy has been adopted by the Board as part of its Budget and Finance Policy.

B. Capital Financing Plan: The Office of the Chief Financial Officer will prepare a Capital Financing Plan in conjunction with the capital budget.

C. Annual Debt Report: The Chief Financial Officer will annually prepare for and submit to the Superintendent and the Board a Debt Report as further described under Section 4.02 herein.

Article II.

Section 2.01 **AUTHORITY AND PURPOSES OF THE ISSUANCE OF DEBT**

The laws of the State of California authorize the issuance of debt by the **District**, and confer upon it the power and authority to **make lease payments,** contract debt, borrow money, and issue bonds for public improvement projects. Under these provisions, the **District** may contract debt to pay for the cost of acquiring, constructing, reconstructing**, rehabilitating, replacing,** improving, extending, enlarging, and equipping such projects; to refund existing debt; **or to provide for cash flow needs.**

Section 2.02 **TYPES OF DEBT AUTHORIZED TO BE ISSUED**

A. Short-Term: The **District** may issue fixed-rate and/or variable rate short-term debt, which may include tax **and revenue** anticipation notes **("TRANs"),** when such instruments allow the **District** to meet its cash flow requirements. However, the District's general objective is to manage its cash position in a manner so that internally generated cash flow is sufficient to meet expenditures. The District may also issue commercial paper in the context of funding shorter-term acquisitions, such as equipment, or interim funding for capital costs that will ultimately be replaced with longer-term COPs. The District may also participate in an annual pooled financing of delinquent property taxes to the extent that the Chief Financial Officer determines such financing produces significant benefit to the District. The District may also issue bond anticipation notes ("BANs") to provide interim financing for bond projects that will ultimately be paid from general obligation bonds.

B. Long-Term: Debt issues may be used to finance essential capital facilities, projects and certain equipment where it is appropriate to spread the cost of the projects over more than one budget

year. In so doing, the District recognizes that future taxpayers who will benefit from the investment will pay a share of its cost. Projects which are not appropriate for spreading costs over future years will not be financed with long-term debt. Long-term debt will not, under any circumstances, be used to fund District operations.

The **District** may issue long-term debt which includes, but is not limited to, **general obligation** bonds. GO Bonds **may be issued under Article XIII A of the State Constitution, either under Section 1(b)(2) which requires at least a two-thirds majority or Section 1(b)(3) ("**Proposition **39") which requires approval by at least 55% of voters, subject to additional restrictions.**

The **District** may also enter into long-term leases and/or issue Certificates of Participation or lease revenue bonds ("LRBs") for public facilities, property, and equipment. The decision as to whether to issue COPs or LRBs would depend on which structure is expected to be more cost effective. The District may issue COPs or LRBs in variable rate mode as long as the requirements in Section 3.08A hereof are met.

C. Equipment Financing: Lease obligations are a routine and appropriate means of financing capital equipment. However, lease obligations also have the greatest impact on budget flexibility. Therefore, efforts will be made to fund capital equipment with pay-as-you-go financing where feasible, and only the highest priority equipment purchases will be funded with lease obligations. With the exception of leases undertaken through the District's standard procurement process, all equipment with a useful life of less than six years shall be funded on a pay-as-you-go basis unless the following conditions are met:

i. In connection with the proposed District budget, the Superintendent makes the finding that there is an "economic necessity" based on a significant economic downturn, earthquake or other natural disaster and there are no other viable sources of funds to fund the equipment purchase.

ii. The Board concurs with the Superintendent's finding in the adoption of the budget.

iii. The debt ceilings in Section 3.08 of this Policy are not exceeded.

D. Lease Financing of Real Property: Lease financing for facilities is appropriate for facilities for which there is insufficient time to obtain voter approval or in instances where obtaining voter approval is not feasible. Such financings will be structured in accordance with Section 3.01 of the Policy. If and when voter approved debt proceeds become available subsequently, the District will use such proceeds to take out the financing where appropriate.

E. Use of Asset Transfer COPs/LRBs: The District will use an "asset transfer" COPs or LRBs to finance emergency capital needs for which there are no other viable financing options. Additionally, asset transfer COPs may be used if significant savings in financing costs can be generated compared to other financing alternatives.

F. Identified Repayment Source: The District will, when feasible, issue debt with a defined revenue source in order to preserve the use of General Fund supported debt for projects with no stream of user-fee revenues. Examples of revenue sources include voter-approved taxes that repay general obligation or special tax bonds.

G. Use of General Obligation Bonds: Voter-approved general obligation bonds typically provide the lowest cost of borrowing and do not impact the District's General Fund. **General obligation bond** debt, to the extent authorized for the **District,** requires **either two-thirds approval of the voters (in the case of traditional general obligation bonds) or 55%** approval **of the voters** (in the case of general obligation bonds issued pursuant to Proposition 39). In recognition of the difficulty in achieving the required voter approval to issue general obligation bonds, such bonds will be generally limited to facilities and projects that provide wide public benefit and for which broad public support has been generated.

H. Use of Revenue Bonds: Revenue bonds supported solely from fees are not included when bond rating agencies calculate debt ratios. Repayment of such bonds would rely on dedicated, pledged funds such as developer fees. Accordingly, in order to preserve General Fund debt capacity and budget flexibility, revenue bonds will be preferred to General Fund supported debt when a distinct and identifiable revenue stream can be identified to support the issuance of bonds at a cost effective rate.

I. Pay-As-You-Go Financing: Except in extenuating circumstances, the District will fund routine maintenance projects in each year's capital program with pay-as-you-go financing. Extenuating circumstances may include unusually large and non-recurring budgeted expenditures, or when depleted reserves and weak revenues would require the delay or deletion of necessary capital projects.

J. Use of Special Financing Structures: The District may use special financing structures permitted by the federal government if they are determined to result in sufficiently lower financing costs versus traditional tax-exempt bonds and/or COPs/LRBs that offset any additional administrative and compliance costs and risks.

K. Capital Appreciation Debt: The District may use Capital Appreciation Bonds ("CABs") for various forms of debt (e.g., GO Bonds, LRBs, etc.) pursuant to the law. However, CABs generally result in higher interest costs and may fail to match the cost of the project to the benefits received over the time period the CABs are outstanding. CABs will not be used unless the Board determines it is

necessary to issue them for urgent projects that cannot be more cost-effectively financed by an alternative method.

Section 2.03 **STATE LAW**

Section 18 of Article XVI of the State Constitution contains the basic "debt limitation" formula applicable to the District.

Sections 1(b)(2) and 1(b)(3) of Article **XIII A** of the **State Constitution allow** the **District** to issue **traditional** general obligation bonds and **Proposition 39** bonds**, respectively. The statutory authority for issuing general obligation** bonds (including CABs) **is contained in Section 15000 *et seq.* of the Education Code. Additional provisions applicable only to Proposition 39 general obligation bonds are contained in Section 15264 *et seq.* of** the **Education Code. An alternative procedure for issuing general obligation bonds is also available in Section 53506 *et seq.* of the Government Code.**

The statutory authority for issuing TRANs is contained in Section 53850 *et seq.* of the Government Code. Authority for lease financings is found in Section 17455 *et seq.* of the Education Code and additional authority is contained in Sections 17400 *et seq.*, 17430 *et seq.* and 17450 *et seq.* of the Education Code. The District may also issue **Mello-Roos** bonds pursuant to Section **53311 *et seq.*** of the **Government Code.**

Section 2.04 **ANNUAL REVIEW**

The Policy shall be reviewed and submitted to the Board for approval separately from the budget at least annually. The Chief Financial Officer is the designated administrator of the Policy and has overall responsibility, with the Board's approval, for decisions related to the structuring of all District debt issues. The Chief Financial Officer may delegate the day-to-day responsibility for managing the District's debt and lease financings. The Board is the obligated issuer of all District debt and awards all purchase contracts for bonds, COPs/LRBs, TRANs and any other debt issuances**.**

Article III.

Section 3.01 **STRUCTURE OF DEBT ISSUES**

A. Maturity of Debt: The duration of a debt issue shall be consistent, to the extent possible, with the economic or useful life of the improvement or asset that the issue is financing. The final maturity of the debt shall be equal to or less than the useful life of the assets being financed, and the average life of the financing shall not exceed 120% of the average life of the assets being financed. In addition, the District shall consider the overall impact of the current and future debt burden of the financing when determining the duration of the debt issue.

i. General Obligation Bonds:

A. THE FINAL MATURITY OF GENERAL OBLIGATION BONDS WILL BE LIMITED TO THE SHORTER OF THE AVERAGE USEFUL LIFE OF THE ASSET FINANCED OR 25 YEARS WHEN SUCH BONDS ARE ISSUED PURSUANT TO THE EDUCATION CODE.

B. THE FINAL MATURITY OF GENERAL OBLIGATION BONDS ISSUED UNDER THE GOVERNMENT CODE WILL BE LIMITED TO THE SHORTER OF THE AVERAGE USEFUL LIFE OF THE ASSET FINANCED OR 40 YEARS. PER AB 182, THE MATURITY OF THE BONDS MAY NOT EXCEED 30 YEARS UNLESS THERE IS NO COMPOUNDING OF INTEREST.

C. GENERAL OBLIGATION BOND ISSUES WILL GENERALLY BE SIZED TO THE AMOUNT REASONABLY EXPECTED TO BE REQUIRED FOR UP TO TWO YEARS' EXPENDITURE REQUIREMENTS.

ii. Lease-Purchase Obligations: The final maturity of equipment or real property lease obligations will be limited to the useful life of the assets to be financed. The final maturity of real property obligations will also consider the size of the financing.

iii. Mello-Roos Obligations and Revenue Bonds: These obligations, although repaid through additional taxes levied on a discrete group of taxpayers or from pledged developer fees, constitute overlapping indebtedness of the District and have an impact on the overall level of debt affordability. The District will develop separate guidelines for the issuance of such obligations as the need arises.

B. Debt Service Structure: The **District** shall design the financing schedule and repayment of debt so as to take best advantage of market conditions, provide flexibility, and, as practical, to recapture or maximize its debt capacity for future use. Annual debt service payments will generally be structured on a level basis per component financed; however, principal amortization may occur more quickly or slowly where permissible, to meet debt repayment, tax rate, and flexibility goals.

C. Capitalized Interest: Unless required for structuring purposes, the District will avoid the use of capitalized interest in order to avoid unnecessarily increasing the bond size and interest expense. Certain types of financings such as COPs or LRBs may require that interest on the debt be paid from capitalized interest until the District has use and possession of the pledged asset. However, the District may pledge assets using an asset-transfer structure as collateral for the issue in order to eliminate the need for capitalized interest.

D. Call Provisions: The Chief Financial Officer and Controller, based upon analysis from the financial advisor of the economics of callable versus non-callable features, shall set forth call provisions for each issue.

Section 3.02 SALE OF SECURITIES

There are three methods of sale: competitive, negotiated, and private placement. The preferred method of sale shall be the competitive method as it is likely to result in the lowest interest cost to the District. All three methods of sale shall be considered for all issuance of debt, however**, as each method has the potential to achieve the lowest financing cost given the right conditions**. Any award through negotiation shall be subject to approval by the **District, generally by the** Chief Financial Officer **or other person designated by the** Chief Financial Officer**,** to ensure that interest costs are in accordance with comparable market interest rates. When a competitive bidding process is deemed the most advantageous method of sale for the **District**, award will be based upon, among other factors, the lowest offered True Interest Cost ("TIC"). While not used as frequently as negotiated or competitive sale methods, a private placement sale would be appropriate when the financing can or must be structured for a single or limited number of purchasers or where the terms of the private placement are more beneficial to the District than either a negotiated or competitive sale would provide.

Section 3.03 MARKETS

The **District** shall consider products and conditions in the capital markets in meeting the **District**'s financing needs. When practical in its financing program, the **District** shall consider local and regional markets as well as retail and institutional investors.

Section 3.04 CREDIT ENHANCEMENTS AND DERIVATIVES

The **District** may enter into credit enhancement agreements such as municipal bond insurance, surety bonds, letters of credit, and lines of credit with commercial banks, municipal bond insurance companies, or other financial entities when their use is judged to lower borrowing costs, eliminate restrictive covenants, or have a net economic benefit to the financing. The District shall use a competitive process to select providers of such products to the extent applicable. In order to assure that the District uses credit enhancement cost-effectively, the Chief Financial Officer will review an economic analysis, by maturity where appropriate, prepared by the financial advisor before selecting which maturities to insure.

The District may also undertake certain hedging strategies in connection with its debt issues only if it provides a clear net economic benefit. The credit rating of any counterparty must be at least A+ at the time of the transaction. Authorized strategies include interest rate caps and their variants. The Chief Financial Officer may develop an appropriate policy regarding interest rate swaps and other derivatives for approval by the Board. Such policy, if approved, will be integrated into this Policy.

Section 3.05 IMPACT ON OPERATING BUDGET AND DISTRICT DEBT BURDEN

When considering any debt issuance, the potential impact of debt service and additional operating costs associated with new projects on the operating budget of the District, both short and long-term, will be evaluated. The projected ratio of annual debt service secured by the General Fund to General Fund expenditures is one method, as is the additional debt burden of overlapping agencies on taxpayers. The cost of debt issued for major capital repairs or replacements should be judged against the potential cost of delaying such repairs.

Section 3.06 DEBT LIMITATION

Section 15106 of the **Education** Code limits the **District's** total outstanding bonded debt (i.e., the principal portion only) to **2.5**% of the assessed **valuation of the taxable property of the District.** Thus, Section 15106 of the **Education** Code limits the issuance of new debt when the District has total bonded indebtedness in excess of 2.5% of the assessed valuation in the District. **TRANs** and **lease payment obligations in support of COPs/LRBs** generally do not count against this limit **except as provided in Section 17422 of the Education Code.**

Section 3.07 DEBT ISSUED TO FINANCE OPERATING COSTS

The **District can**not finance general operating costs from debt having maturities greater than **thirteen months.** However, the **District** may deem it necessary to finance cash flow requirements under certain conditions. Such cash flow borrowing **must be payable from taxes, income, revenue, cash receipts and other moneys attributable to the** fiscal year **in which the debt is issued**. General operating costs include, but are not limited to, those items normally funded in the **District's** annual operating budget and having a useful life of less than one year.

The CFO will review potential financing methods to determine which method results in the lowest cost to the District. Potential financing sources include Tax and Revenue Anticipation Notes (TRANs), commercial bank lines of credit, temporary borrowing from the County of Los Angeles Treasurer, and internal temporary interfund borrowing. In analyzing the impact on District cost, the CFO will consider the lost interest earnings for the District funds providing temporary borrowing capacity.

Section 3.08 CREDIT RATING METHODOLOGIES AND DEBT BURDEN RATIOS

Credit Rating Methodologies: The District's credit ratings are an important factor that directly impact the interest cost of the District's debt. As noted earlier, following the enactment of SB222, some rating agencies revised their approach to determining California school districts' general obligation bond ratings. Fitch now rates California school district GOs based on the strength of the property tax pledge and tax base that provides the security for their repayment. However, along with the GO bond rating, Fitch releases a separate Issuer Default Rating (IDR) that reflects their broader analysis of the overall credit quality of a district's operations including governance, management, financial performance, liquidity position, etc. Kroll also recognizes the strength of the property tax pledge and tax base, but also considers the overall credit quality of the districts' operations and provides a single rating on a district's GOs. Moody's and Standard and Poor's also release a single rating on GOs that incorporates a broad analysis of credit quality. For any District COPS/LRBs that are secured solely by the District's general fund, the ratings from all agencies are based on an analysis of the overall credit quality of the District. To achieve the highest credit ratings and lowest cost of funds on its GOs and COPs/LRBs across all rating agencies, it is therefore important for the District to consider the impact of financial decisions on the credit quality of its GOs and COPs/LRBs.

Debt Burden Ratios: As noted in Section3.06, the District may issue "bonds" in an amount no greater than 2.5% of taxable property within the school district. The 2.5% issuance limit is known as the District's bonding capacity, with "bonds" referring to GO Bonds. Even though COPs/LRBs do not technically constitute "debt" under California's Constitution and, thus, are excluded from the 2.5% bonding limit, the rating agencies and the investor community evaluate the District's debt position based on all of its outstanding long-term obligations whether or not such obligations are repaid from taxpayer-approved tax levies, the General Fund or developer fee sources. Therefore, the debt burden ratios described below include both long-term GO Bonds and long-term COPs/LRBs as "debt" in the respective calculations.

The following debt burden ratios should be considered in developing debt issuance plans:

- Ratio of **Outstanding** Debt to Assessed Value. The ratio "Direct Debt" shall be calculated using both GO Bonds and COPs. In addition, the ratio "Overall Direct Debt" or "Overall Debt" shall be calculated by aggregating all debt issues attributable to agencies located in the District as presented in the California Municipal Statistics Overlapping Debt Statement. It is important to monitor the levels and growth of Direct Debt and Overall Debt as they portray the debt burden borne by the District's taxpayers and serve as proxies for taxpayer capacity to take on additional debt in the future.

- **Ratio of Outstanding** Debt Per Capita. The formula for this computation is **Outstanding** Debt divided by the population residing within the District, based upon the most recent estimates as determined by the United States Bureau of the Census. **Ratios shall be computed for both "Direct Debt Per Capita" and "Overall Debt Per Capita".**

- Ratio of Annual Lease Debt Service to General Fund Expenditures. The formula for this computation is annual lease debt service expenditures divided by General Funds (i.e., General and Debt Service Funds) expenditures (excluding interfund transfers) as reported in the most recent Comprehensive Annual Financial Report ("CAFR").

- Proportion of Fixed-Rate and Variable-Rate COPs Issues. The District can benefit from some variable rate exposure in its portfolio of COPs/LRBs. However, the District shall keep its variable rate exposure, to the extent not hedged or swapped to a fixed rate, at or below 20% of the total principal of outstanding COPs/LRBs or $100 million, whichever is less. "Hedges" include unrestricted cash resources as well as interest rate products such as caps and collars. Under no circumstances will the District issue variable rate debt for arbitrage purposes. If variable rate debt is used, the Chief Financial Officer will periodically, but at least annually, determine whether it is appropriate to convert the debt to fixed interest rates.

A. Debt Affordability: The determination of how much indebtedness the District should incur will be based on a Capital Financing Plan (the "Plan") that is periodically developed by the Office of the Chief Financial Officer, which analyzes the long-term infrastructure needs of the District, and the impact of planned debt issuances on the long-term affordability of all outstanding debt. The Plan will be based on the District's current capital plan and will include all District financings to be repaid from the General Fund, special funds or *ad valorem* property taxes. The affordability of the

issuance of debt will be determined by evaluating, among other factors, the impact such issuance has on the District's credit ratings and borrowing costs and analyzing debt service metric trends over time.

B. Targets and Ceilings for Debt Affordability: One of the factors contributing to the District's high credit ratings is its moderate General Fund-supported debt level relative to other large issuers and as compared to the resources available to repay the debt. The issuance of debt to be repaid from the General Fund and other internal District resources (typically, the District's certificates of participation) must be carefully monitored to maintain a balance between debt and said resources.

The District's credit environment is also affected by the District's issuance of its General Obligation Bonds paid from voter approved tax levies as well as the debt issuance activities of other agencies (for example, the City of Los Angeles, the County of Los Angeles and the Los Angeles Community College District) whose jurisdictions overlap those of the District ("Overlapping Debt"). It is important for the District to examine debt burden ratios for such Overlapping Debt even though such debt is not paid from the District's General Fund or other internal resources. Further, the tax receipts used to repay the District's General Obligation Bonds are levied and collected by the County of Los Angeles and are not controlled by the District. The District shall include data on the Overlapping Debt burden along with the debt that is repaid from the District's General Fund or from any tax revenues deposited into special funds not supporting revenue bonds (the District's Direct Debt) in the Statistical Section of its annual CAFR.

Table 1 lists the debt burden factors that will be monitored by the Chief Financial Officer in the case of debt to be repaid from the General Fund or other District resources. These factors will be compared to targeted and maximum levels for those factors. The targets and ceilings are intended to guide policy. The targets and ceilings do not mean that debt issuance is automatically approved if there is room under a particular target or ceiling. On the contrary, each and every proposed debt issuance must be individually presented to and approved by the Board of Education.

Table 2 indicates the benchmark debt burden ratios to be monitored by the Chief Financial Officer that recognize the combined direct debt and overall debt of the District, as applicable.

The Office of the Chief Financial Officer shall annually prepare or cause to be prepared a Debt Report providing details of the calculations of debt ratios and projections of the impact of future debt issuance on the District's direct debt. The Office of the Chief Financial Officer shall also develop appropriate appendices to the Debt Report containing relevant information on any rating agency and/or Government Finance Officers Association debt policy guidelines with respect to debt burden ratios.

DEBT RATIOS: THE FOLLOWING TABLE SETS FORTH THE DEBT RATIOS TO BE MONITORED UNDER THE POLICY AND THEIR TARGETED LEVELS AND POLICY CEILINGS, IF APPLICABLE.

Table 1

Debt Factor	Target	Ceiling
COP Debt Service Limit (gross)	2.0% of General Funds Expenditures	2.5% of General Funds Expenditures
COP Gross Annual Debt Service Cap	$105 Million	

Table 2

Debt Burden Ratio	Benchmark
Direct Debt to Assessed Value	Moody's Median for Aa Rated School Districts With Student Population Above 200,000
	Standard & Poor's Mean for AA Rated School Districts With Student Population Above 150,000
Overall Debt to Assessed Value	Moody's Median for Aa Rated School Districts With Student Population Above 200,000
	Standard & Poor's Mean for AA Rated School Districts With Student Population Above 150,000
Direct Debt Per Capita	Standard & Poor's Median for AA Rated School Districts With Student Population Above 150,000
	Standard & Poor's Mean for AA Rated School Districts With Student Population Above 150,000
Overall Debt Per Capita	Standard & Poor's Median for AA Rated School Districts With Student Population Above 150,000
	Standard & Poor's Mean for AA Rated School Districts With Student Population Above 150,000

"Direct Debt" includes all debt that is repaid from the General Fund or from any tax revenues deposited into special funds not supporting revenue bonds.

"Overall Debt" includes any debt that is paid from general tax revenues and special assessments by residents in the District. This includes debt issued by other agencies whose taxing boundaries overlap the District, such as the City of Los Angeles, the County of Los Angeles and the Metropolitan Water District, but excludes revenue bonds with dedicated repayment sources.

C. Monitor Impact on District Taxpayer of Voter-Approved Taxes: In addition to the analysis of the District's debt affordability, the Plan will review the impact of debt issuance on District taxpayers. This analysis will incorporate the District's General Obligation Bond tax levies as well as tax rates imposed by overlapping jurisdictions as reported in the District's CAFR. In addition, the District will monitor the performance of the actual tax levy rate per $100,000 of assessed value for each General Obligation Bond authorization versus what the tax levy rate was expected to be at the time of the original bond election and include said performance in the Debt Report. The Measure K, Measure R, Measure Y and Measure Q Bonds were each authorized with a tax levy limitation of $60 per $100,000 of assessed value to repay bonds issued under each authorization (Measure).

Section 3.09 **USE OF CORPORATIONS AS LESSOR FOR COPS ISSUES**

The District has established two special purpose corporations to assist in COPs financings as lessor: the LAUSD Financing Corporation and the LAUSD Administration Building Financing Corporation. The District shall use these corporations rather than private corporations as lessor whenever feasible. The District shall maintain proper records relating to the corporations and prepare audits as required.

Article IV.

Section 4.01 **CAPITAL IMPROVEMENT PROGRAM**

Planning and management of the District's Capital Improvement Program rests primarily with the Facilities Services Division under the Superintendent's direction, subject to review by the Bond Oversight Committee and approval by the Board of Education. The Facilities Master Plan and Strategic Execution Plans provide an overall description of the District's current Facilities Improvement Program. The Facilities Services Division will, as appropriate, supplement and revise these plans in keeping with the District's current needs for the acquisition, development and/or improvement of District's real estate and facilities. The plans must include a summary of total cost of each project, schedules for the projects, the expected quarterly cash requirements, and annual appropriations, in order for the projects to be completed. The Office of the Chief Financial Officer shall prepare an annual Capital Financing Plan in conjunction with the **capital program budget as part of the annual budget for the District.**

Section 4.02 **REPORTING OF DEBT**

The CAFR will serve as the repository for statements of indebtedness. The fiscal year debt statements in each CAFR certify the amount of **(i) new** debt **issued**, **(ii)** debt **outstanding**, **(iii)** debt **authorized but not**

issued, **(iv)** assessed valuation and **(v) outstanding** debt expressed as a percentage of **assessed** valuation**, each** as of the end of the fiscal year **to which the CAFR relates**. The CAFR will be posted on the District's website, on the District's dissemination agent's website and on the Municipal Securities Rulemaking Board's Electronic Municipal Market Access (EMMA) website.

The CFO will also produce an annual Debt Report which covers the following information: (i) bonded debt limitation and assessed valuation growth, (ii) debt outstanding, (iii) bonds authorized but unissued, (iv) debt refundings, (v) tax rate performance on outstanding bonds, (vi) cost of district debt, and (vii) credit ratings. This report will be provided to the Board and uploaded to the District's website.

Section 4.03 FINANCIAL DISCLOSURE

The CFO shall designate a Chief Disclosure Officer (currently the Deputy Chief Financial Officer) and Disclosure Coordinator (currently the Director of Capital Fund Compliance). Together, they shall be responsible for the District's disclosure compliance functions, in conjunction with the disclosure counsel appointed by the District.

The **District** shall prepare or cause to be prepared appropriate disclosures as required by Securities and Exchange Commission Rule 15c2-12, the federal government, the State of California, rating agencies, bond insurers, underwriters, bond counsel, investors, taxpayers, and other persons or entities entitled to disclosure to ensure compliance with applicable laws and regulations **and agreements to provide ongoing disclosure**.

The District shall make available its annual CAFRs, budgets, and Official Statements on the District's website, the District's dissemination agent's website, and on the Electronic Municipal Market Access (EMMA) website so that interested persons have a convenient way to locate major financial reports and documents pertaining to the District's finances and debt.

Section 4.04 REVIEW OF FINANCING PROPOSALS

All capital financing proposals involving a pledge of the **District**'s credit through the sale of securities, execution of loans or lease agreements, or otherwise directly or indirectly lending or pledging of the **District**'s credit initially shall be referred to the Chief **Financial** Officer who shall determine the financial feasibility of such proposal and make recommendations accordingly to the **Board.**

Section 4.05 ESTABLISHING FINANCING PRIORITIES

The Chief **Financial** Officer shall administer and coordinate the Policy and the **District's** debt issuance program and activities, including timing of issuance, method of sale, structuring the issue, and marketing strategies. The Chief **Financial** Officer shall, as appropriate, **report to** the **Superintendent** and the **Board** regarding the status of the current and future year programs and make specific recommendations.

Section 4.06 RATING AGENCY AND CREDIT ENHANCER RELATIONS

The **District** shall endeavor to maintain effective relations with the rating agencies and credit enhancers. The Chief **Financial** Officer along with the **District**'s general financial advisor shall meet with, make presentations to, or otherwise communicate with the rating agencies on a consistent and as appropriate basis in order to keep the agencies informed about the **District'**s capital plans, debt issuance program, and other appropriate financial information. The CFO with the District's General Financial Advisor shall communicate with credit enhancers as appropriate to determine if a cost effective product for the District is commercially available with reasonable terms and conditions.

Section 4.07 INVESTMENT COMMUNITY RELATIONS

The **District** shall endeavor to maintain a positive relationship with the investment community. The Chief **Financial** Officer shall, as necessary, prepare reports and other forms of communication regarding the **District**'s indebtedness, as well as its future financing plans. This includes information presented to the media and other public sources of information. To the extent applicable, such communications shall be posted on the District's website.

Section 4.08 REFUNDING AND RESTRUCTURING POLICY

Whenever deemed to be in the best interest of the **District**, the **District** shall consider refunding or restructuring outstanding debt when financially advantageous or beneficial for debt repayment and structuring flexibility. The Chief Financial Officer shall review a net present value analysis of any proposed refunding in order to make a determination regarding the cost-effectiveness of the proposed refunding. The minimum net present value savings as a percentage of the refunded aggregate principal amount to be considered for refunding shall be no less than 3% per maturity unless, at the discretion of the Chief Financial Officer, a lower percentage is more applicable, for situations including, but not limited to, maturities with only a few years until maturity or COPs being defeased or redeemed from proceeds of GO Bonds or other structuring considerations. In addition, the net present value savings must exceed any negative arbitrage associated with the refunding, subject to the Chief Financial Officer's discretion. Another consideration in deciding which debt to refinance and the timing of the refinancing shall be maximization of the District's expected net savings over the life of the bonds.

The Chief Financial Officer may waive the 3% per maturity savings threshold when evaluating a fixed rate refunding of variable rate debt, as the refinancing of certain variable rate structures may provide other substantial benefits to the District that include, but are not limited to, elimination of interest rate risk, renewal risk, and counterparty risk.

The Chief Financial Officer shall be empowered to restructure escrow funds for the District's refunded Bonds and COPs from time to time when savings can be achieved. The Chief Financial Officer shall review a savings analysis of any proposed restructuring in order to make a determination regarding its cost-effectiveness. The target net savings shall be no less than $1.0 million unless, at the discretion of the Chief Financial Officer, a lower amount is more appropriate given the nature of the particular escrow fund. Any savings from such restructuring shall be applied in accordance with legal and tax considerations and legal analysis at the time such savings are available.

Section 4.09 INVESTMENT OF BORROWED PROCEEDS

The **District** acknowledges its on-going fiduciary responsibilities to actively manage the proceeds of debt issued for public purposes in a manner that is consistent with California **law** governing the investment of public funds and with the permitted securities covenants of related bond documents executed by the **District**. Where applicable, the **District**'s official investment policy and legal documents for particular debt issuance shall govern specific methods of investment of bond related proceeds. Preservation of principal will be the primary goal of any investment strategy followed by the availability of funds, followed by return on investment.

The District shall competitively bid the purchase of investment securities (except State and Local Government Series (SLGs) issued by the US Treasury), investment contracts, float contracts, forward purchase agreements and any other investments pertaining to its tax-exempt debt issues. A duly registered investment advisor or the County of Los Angeles Treasurer-Tax Collector shall solicit bids for investment products. Eligible and qualified providers, but not any of the members of the District's financial advisor pool, may bid on investment products.

The management of public funds shall enable the **District** to respond to changes in markets or changes in payment or construction schedules so as to (i) ensure liquidity and (ii) minimize risk.

Section 4.10 FEDERAL ARBITRAGE REBATE REQUIREMENT

The **District** shall maintain or cause to be maintained an appropriate system of accounting to calculate bond investment arbitrage earnings in accordance with the Tax Reform Act of 1986, as amended or supplemented and applicable United States Treasury regulations related thereto.

Section 4.11 TRANSACTION RECORDS

The Chief Financial Officer or designee shall maintain complete records of decisions made in connection with each financing, including the selection of members of the financing team, the structuring of the financing, selection of credit enhancement products and providers, and selection of investment products. Each transaction file shall include the official transcript for the financing, the final number runs and a post-pricing summary of the debt issue. The Chief Financial Officer shall timely provide a summary of each financing to the Board.

Section 4.12 FINANCING TEAM MEMBERS

A. Retention of Consultants

I. GENERAL: ALL FINANCIAL ADVISORS, INVESTMENT ADVISORS, BOND COUNSEL, DISCLOSURE COUNSEL, TAX COUNSEL, AND UNDERWRITERS WILL BE SELECTED FROM POOLS TO BE CREATED THROUGH A REQUEST FOR PROPOSALS (RFP) OR REQUEST FOR QUALIFICATIONS (RFQ) PROCESS, WHICHEVER IS MOST APPROPRIATE GIVEN THE CIRCUMSTANCES. IN ISOLATED INSTANCES, SUCH CONTRACTS MAY BE AWARDED ON A SOLE SOURCE BASIS IF IT IS CLEAR THAT AN

RFP/RFQ PROCESS WOULD NOT BE FEASIBLE OR IN THE DISTRICT'S INTERESTS. THE DISTRICT'S CONTRACTING POLICIES WILL APPLY TO ALL CONTRACTS WITH FINANCE PROFESSIONALS. GENERALLY, CONTRACTS FOR FINANCIAL ADVISORS, INVESTMENT ADVISORS, UNDERWRITERS, AND BOND, TAX, AND DISCLOSURE COUNSELS WILL BE FOR UP TO FIVE YEARS.

MEMBERS OF THE FINANCING TEAM FOR EACH SPECIFIC TRANSACTION WILL BE IDENTIFIED AND PRESENTED TO THE BOARD AS PART OF THE FINANCING TRANSACTION BOARD REPORT OR AS A SEPARATE INFORMATIVE. IF HOWEVER, AN URGENT FINANCING OPPORTUNITY OR NEED ARISES SUCH THAT THERE IS NOT ENOUGH TIME TO OBTAIN BOARD APPROVAL OF THE FINANCING TEAM THROUGH THE REGULAR PROCESS, THE SUPERINTENDENT MAY AUTHORIZE THE APPOINTMENT OF THE TEAM.

II. *UNDERWRITERS: THE MINIMUM QUALIFICATIONS FOR UNDERWRITERS TO BE CONSIDERED FOR DISTRICT TRANSACTIONS ARE: THE FIRM MUST HAVE A PERMANENT OFFICE IN THE STATE OF CALIFORNIA; THE FIRM MUST HAVE COMPLETED AT LEAST TEN (10) FINANCINGS IN THE PRIOR TWO YEARS; THE FIRM MUST MAINTAIN NET CAPITAL OF AT LEAST $100,000 AT ALL TIMES; THE LEAD INVESTMENT BANKER MUST HAVE AT LEAST THREE YEARS OF EXPERIENCE WORKING ON LARGE, COMPLEX TRANSACTIONS AND MUST BE AUTHORIZED TO SIGN A BOND PURCHASE CONTRACT; THE FIRM MUST HOLD AND MAINTAIN AT ALL TIMES ALL APPROPRIATE AND REQUIRED FEDERAL AND STATE LICENSES AND REGISTRATIONS; AND THE FIRM MUST AT ALL TIMES HAVE AT LEAST ONE FULL-TIME PROFESSIONAL EMPLOYEE WITH A NASD SERIES 53 LICENSE (MUNICIPAL SECURITIES PRINCIPAL).*

BASED UPON EVALUATION OF SUBMITTED STATEMENTS OF QUALIFICATIONS, UNDERWRITING FIRMS WILL BE ASSIGNED TO ONE OF FOUR SPECIFIC TIERS:

Tier	Eligible Syndicate Assignments
Senior Manager	Senior, co-senior, or co-manager on any transaction
Co-Senior Manager	Co-senior or co-manager on any transaction; senior manager on transactions under $200 million principal amount.
Co-Manager	Co-manager on any transaction.

Emerging Firm	Co-manager with a reduced liability on appropriate transactions.

IN THE EVENT THE DISTRICT ISSUES BONDS THROUGH A NEGOTIATED SALE, THE SELECTION OF UNDERWRITERS WILL BE BASED UPON A MINI-RFP PROCESS AND WILL GENERALLY BE FOR A SINGLE TRANSACTION. THE MINI-RFP WILL SPECIFY THE SCORING SYSTEM FOR SELECTION OF THE UNDERWRITERS AND WILL CONSIDER THE FOLLOWING FACTORS IN DECREASING ORDER OF PRIORITY:

1. *PAST PERFORMANCE ON FINANCING TRANSACTIONS. EXCEPTIONALLY STRONG OR POOR RESULTS ON DISTRICT TRANSACTIONS WILL CARRY EXTRA WEIGHT.*
2. *ANALYSIS OF THE DISTRICT'S FINANCING NEEDS AND PROPOSED FINANCING STRUCTURE, RECOMMENDED MARKETING PLAN AND DETERMINATION THAT THE FIRM HAS SUFFICIENT NET CAPITAL.*
3. *PROPOSED UNDERWRITING FEES, INCLUDING TAKEDOWN, DIRECT EXPENSES, AND THE COST OF UNDERWRITER'S COUNSEL.*
4. *DEMONSTRATED COMMITMENT TO, TRACK RECORD IN, AND INVESTING IN THE COMMUNITIES SERVED BY THE LAUSD.*

UNDERWRITERS MAY BE SELECTED FOR MULTIPLE TRANSACTIONS IF MULTIPLE ISSUANCES ARE PLANNED FOR THE SAME PROJECT. IN ADDITION, THE DISTRICT WILL INCLUDE AT LEAST ONE FIRM WITH AN OFFICE WITHIN THE DISTRICT'S BOUNDARIES ON EACH STANDARD, FIXED RATE FINANCING TRANSACTION.

iii. General Financial Advisor: The District will retain a general financial advisory team to provide general advice on the District's debt management program, financial condition, budget options and rating agency relationships. Additionally, the general financial advisor will structure the District's General Obligation and refunding bond issuances and may be used on an as-needed basis to structure issuances that do not fall into the other categories of District debt obligations. Any firm serving as general financial advisor must be duly registered at all times with both the Securities and Exchange Commission (SEC) and the Municipal Securities Rulemaking Board (MSRB) and must also hold any certifications and/or licenses required by the SEC and/or MSRB.

iv. Bond Counsel, Tax Counsel, and Disclosure Counsel: The District will select bond, tax, disclosure and/or other financial counselto assist with debt issuances or special projects that do not fall under the bonds, COPs, and TRANs categories of District debt obligations. Additionally, one or more of the firms may be selected to provide general legal advice on, among other things, debt financing, disclosure documents, and continuing disclosure.

v. Range of Financings: Financial advisory, external legal counsel, and underwriting teams will be selected for the District's COPs financings, TRANs, Mello-Roos, special revenue bonds and any other bond program which may be created. Depending on particular expertise and consultant availability, some firms may be used on more than one program. However, efforts will be made to establish different teams to provide a number of firms the opportunity to participate in District contracts.

B. Use of Independent Financial Advisors

i. Use of Independent Financial Advisors: Any firm serving as financial advisor must be duly registered as a municipal advisor on financings at all times with both the Securities and Exchange Commission (SEC) and the Municipal Securities Rulemaking Board (MSRB) and must also hold any certifications and/or licenses required by the SEC and/or MSRB. In recognition of the fact that in a financing the goals of the underwriters and the issuer may inherently conflict, the District will strive to hire financial advisors who do not participate in the underwriting or trading of bonds or other securities. Under certain circumstances, however, it may be in the District's interests to hire an investment banking firm to act as financial advisor on specific bond issues, although said firm must comply with any SEC and/or MSRB rules and restrictions pertaining to broker-dealer or investment banks serving as financial advisor.

ii. Financial Advisor Pool: The CFO will maintain a pool of financial advisors separated into two tiers.

a. Firms in the General Financial Advisor Tier may be used for various financial projects for which the District requires advanced financial expertise not available within the District. The General FA Tier will also be used to select the District's Independent Registered Municipal Advisor (IRMA). Firms in the General FA Tier may serve as financial advisors on the District's debt issuances.

b. Firms in the Transactional Financial Advisor Tier may serve the district as financial advisors on the District's debt issuances.

iii. Independent Registered Municipal Advisor: The Office of the Chief Financial Officer will select a specific firm to serve as the District's IRMA, as defined by the SEC. In order to facilitate open communication with underwriters, the District will prepare and post on its website a letter stating that the District has an IRMA. Before acting on any proposal received from underwriters, the District will provide the proposal to the IRMA and consider all feedback received from the IRMA.

iv. Use of Investment Advisors for Investment Advice: Although, in most instances, the Office of the Chief Financial Officer will make all investment decisions relative to temporary investments pending the expenditure of bond proceeds, an investment advisor may provide investment advice on refundings and other transactions with specialized investment needs. Any firm serving as investment advisor on a District transaction must

be registered at all times as an investment advisor with both the Securities and Exchange Commission (SEC) and the Municipal Securities Rulemaking Board (MSRB), as applicable, must hold any certifications and/or licenses required by the SEC and/or MSRB, and must present its Form ADV or equivalent and written fee proposal to the District prior to commencement of any work.

C. Disclosure by Financing Team Members; Ethics

All financing team members will be required to provide full and complete disclosure, under penalty of perjury, relative to any and all agreements with other financing team members and outside parties. The extent of the disclosure may vary depending on the nature of the transaction. However, in general terms, no agreements will be permitted which would compromise a firm's ability to provide independent advice which is solely in the best interests of the District, or which could reasonably be perceived as a conflict of interest. All financing team members shall abide by the Board's code of ethics.

Section 4.13 SPECIAL SITUATIONS

Changes in the capital markets, District programs and other unforeseen circumstances may from time to time produce situations that are not covered by the Policy. These situations may require modifications or exceptions to achieve policy goals. Management flexibility is appropriate and necessary in such situations, provided specific authorization is received from the Board.

APPENDIX A

LOS ANGELES UNIFIED SCHOOL DISTRICT

LAUSD LONG-TERM DEBT—TAX COMPLIANCE PROCEDURES

Statement of Purpose

This Tax Compliance Policy (the "Policy") sets forth specific policies of the Los Angeles Unified School District (the "District") designed to monitor tax compliance by the District with respect to Tax-Advantaged Obligations,[2] including but not limited to post-issuance tax compliance with applicable provisions of the Internal Revenue Code of 1986, as amended (the "Code"), and regulations promulgated thereunder (the "Treasury Regulations").

This Policy is intended to document and supplement existing practices and describe various procedures and systems implemented and to be implemented to demonstrate compliance with the requirements that must be satisfied at the time of, and subsequent to, the issuance of Tax-Advantaged Obligations. Compliance with applicable provisions of the Code and the Treasury Regulations is an on-going process and an integral component of the District's debt management program. Accordingly, implementation of this Policy will require ongoing surveillance through, and sometimes beyond, the final maturity of the related issue of Tax-Advantaged Obligations and, likely, consultation with legal counsel beyond the initial engagement for the issuance of particular obligations.

This Policy is meant to set forth best practices and procedures and is intended to be revised over time. The Policy is meant to be the District's initiative to document compliance with the provisions of the Federal tax law addressing Tax-Advantaged Bonds. Given the size, scope and complexity of the District's financings and school construction and maintenance program, strict compliance with all elements of this Policy will require ongoing review and refinement of the Policy. Any failure to conform to any component of this Policy shall in no way infer that the District is not in compliance with the provisions of the Code applicable to Tax-Advantaged Obligations of the District.

Policies and Procedures Generally

[2] The District issues (i) bonds, certificates of participation and other obligations, the interest on which is intended to be excluded from gross income for federal income tax purposes ("Tax-Exempt Obligations") and (ii) bonds and other obligations, which provide certain credits to bondholders in lieu of or in addition to interest payments or interest subsidy payments to issuers (*e.g.*, Build America Bonds and Qualified School Construction Bonds), that finance property that was otherwise eligible to be financed with proceeds of Tax Exempt Obligations ("Tax Credit/Subsidy Obligations," collectively with Tax-Exempt Obligations, "Tax-Advantaged Obligations").

The District's Chief Financial Officer ("CFO") will establish a Tax Compliance Officer (currently the Director of Capital Fund Compliance) for monitoring tax compliance with regard to debt offerings. The CFO shall also be responsible for ensuring an adequate succession plan for transferring tax compliance responsibility when changes in staff occur.

The Tax Compliance Officer should coordinate procedures for record retention and review of such records as more fully described herein and needs to gain familiarity with Internal Revenue Service ("IRS") Forms 8038-G, 8038-B, 8038-CP, 14002, and relevant provisions of the Code and the Treasury Regulations, including but not limited to Treasury Regulations Sections 1.141-2, 1.141-3, 1.141-12, and 1.148-1 through 1.150-2.

The Tax Compliance Officer needs to review tax compliance procedures and systems on a periodic basis, but not less than annually, and consult with the District's General Counsel, Chief Financial Officer, Chief Facilities Executive and bond counsel as appropriate and as needed.

Electronic media will be the preferred method for storage of all records maintained by the District in connection with tax compliance. Document maintenance requirements may change over time, and the Tax Compliance Officer shall consult with bond counsel to develop and maintain a comprehensive records retention policy so as to facilitate continuing compliance with the provisions of the Code applicable to the District's Tax-Advantaged Obligations. The District will maintain the following categories of records with respect to each issue of its outstanding Tax-Advantaged Obligations:

(i) DOCUMENTATION RELATING TO THE AUTHORIZATION, SALE AND ISSUANCE OF TAX-ADVANTAGED OBLIGATIONS;

(ii) DOCUMENTATION SETTING FORTH THE DATES, AMOUNTS AND PURPOSES OF EACH EXPENDITURE OF TAX-ADVANTAGED OBLIGATIONS WERE EXPENDED, AS MORE FULLY DESCRIBED UNDER "EXPENDITURE OF PROCEEDS" BELOW;

(iii) DOCUMENTATION OF ARRANGEMENTS GOVERNING THE USE OF PROPERTY FINANCED WITH PROCEEDS OF EACH ISSUE OF TAX-ADVANTAGED OBLIGATIONS, AS MORE FULLY DESCRIBED UNDER "PRIVATE USE AND OWNERSHIP" BELOW; AND

(iv) DOCUMENTATION RELATING TO THE INVESTMENT OF PROCEEDS AND REPLACEMENT PROCEEDS ALLOCABLE TO EACH ISSUE OF TAX-ADVANTAGED OBLIGATIONS.

The foregoing records shall be maintained by the District under the supervision of the Tax Compliance Officer for a period of not less than six years after the final payment of principal on such Tax-Advantaged Obligations, provided that with respect to property financed with proceeds of Tax-Advantaged Obligations, such records shall be maintained for a period of not less than six years after the final payment of principal on such Tax-Advantaged Obligations or any Tax-Advantaged Obligations issued to refund, directly or indirectly, the issue of Tax-Advantaged Obligations that financed such property.

Issuance of Obligations

With respect to each new issue of Tax-Advantaged Obligations, the Tax Compliance Officer is to (a) obtain and store a closing binder and/or CD or other electronic copy of the relevant and customary transaction documents, (b) confirm that bond counsel or tax counsel has filed with IRS Form 8038-G or Form 8038-B for such issue, and (c) coordinate receipt and retention of relevant books and records with respect to the investment and expenditure of the proceeds of such Tax-Advantaged Obligations. Documentation to be maintained shall include, but not be limited to:

(i) RESOLUTIONS OF THE DISTRICT AND THE COUNTY AUTHORIZING THE ISSUANCE OF THE BONDS;

(ii) BOND PURCHASE AGREEMENT;

(iii) (PRELIMINARY OFFICIAL STATEMENT, OFFICIAL STATEMENT AND ANY OTHER DOCUMENTATION CIRCULATED TO POTENTIAL INVESTORS;

(iv) CERTIFICATIONS WITH RESPECT TO DELIVERY OF TAX-ADVANTAGED BONDS AND THE RECEIPT OF THE PURCHASE PRICE THEREFOR;

(v) TAX CERTIFICATE OR TAX COMPLIANCE AGREEMENT (INCLUDING EXHIBITS, SUCH AS AN ISSUE PRICE CERTIFICATE OF THE UNDERWRITER OR, IN THE EVENT OF A PRIVATE PLACEMENT, THE PURCHASER);

(vi) SCHEDULES PREPARED BY THE FINANCIAL ADVISOR OR UNDERWRITER SETTING FORTH THE SOURCES AND USES OF FUNDS, PROJECTED EXPENDITURE OF PROCEEDS, PROJECTED INVESTMENT EARNINGS ON PROCEEDS AND COMPUTATION OF YIELDS, TOGETHER WITH ANY VERIFICATION REPORTS ISSUED IN CONNECTION WITH THE ISSUE;

(vii) WITH RESPECT TO GUARANTEED INVESTMENT AGREEMENTS, OR YIELD RESTRICTED DEFEASANCE ESCROWS, DOCUMENTATION EVIDENCING COMPLIANCE WITH THREE-BID RULES SET FORTH IN TREASURY REGULATION SECTION 1.148-5;

(viii) ANY VERIFICATION REPORTS ISSUED WITH RESPECT TO THE ISSUE; AND

(ix) INFORMATION REPORTING FORMS FILED WITH THE INTERNAL REVENUE SERVICE, AND PROOFS OF FILINGS SUCH FORMS.

Expenditure of Proceeds

The administrator of each office that is responsible for spending proceeds of the District's Tax—Advantaged Bonds will maintain records setting forth the date and amount of each disbursement of

proceeds of Tax-Advantaged Obligations administered by its office, together with invoices or other proofs with respect to each disbursement, the name of the vendor or other payee, an identification of the facility or other property acquired, constructed, improved or renovated with the proceeds of such disbursement and a brief description of the actual work performed or property acquired with the proceeds of such disbursement. Within 120 days following the end of each fiscal year of the District, the Tax Compliance Officer shall obtain records setting forth with respect to each disbursement of proceeds of Tax-Advantaged Obligations:

(i) THE DATE OF SUCH DISBURSEMENT;

(ii) THE AMOUNT OF SUCH DISBURSEMENT;

(iii) THE FUNDING SOURCE (E.G., SPECIFIC GO MEASURE OR COPS ISSUE);

(iv) THE LOCATION CODE AND LOCATION NAME;

(v) THE OBJECT OF EXPENDITURE; AND

(vi) THE PROJECT NUMBER AND DESCRIPTION, WHEN AVAILABLE, OR A BRIEF DESCRIPTION OF THE TYPE OF THE EXPENDITURE.

Within six months after the end of each fiscal year, the Tax Compliance Officer shall prepare a report setting forth the date, amount and purpose of each disbursement of proceeds of each issue of Tax-Advantaged Bonds during the prior fiscal year (the "Issue Expenditure Reports"). The term "purpose" shall mean each separate school facility financed with a disbursement or a description of other property financed with such disbursement.

Private Use and Ownership

Tax-Advantaged Obligations may lose their tax status if a bond issue meets (1) the private business use test (*i.e.*, results in Private Use (defined below)) in Section 141(b)(1) of the Internal Revenue Code of 1986, as amended (the "Code") and (2) (a) the private security or payment test ("Private Security or Payments") in Section 141(b)(2) of the Code (collectively, the "Private Business Test"), or (b) the private loan financing test in Section 141(c) of the Code. The Private Business Test relates to the use of the proceeds of an issue and the test is met if more than the lesser of (1) $15,000,000 and (2) 10 percent[3] of the proceeds of an issue meet both prongs of the Private Business test.

[3] Such ten percent limitation is reduced to five percent with respect to Private Use that is either unrelated to governmental uses of proceeds of the same issue, or disproportionate to related governmental uses of proceeds of such issue.

Definition of Private Payments. For purposes of this Policy, "Private Payments" means payments derived, directly or indirectly, in respect of property used or to be used for Private Use. The District will periodically enter into arrangements that result in Private Use but will not involve any Private Payments. Except in the case of certificates of participation, which involve leases of properties that are used in a Private Use or secures obligations that financed property used in a Private Use, or loans of bond proceeds, arrangements that result in Private Use, but do not involve Private Payments, will not cause the District's general obligation bonds to become private activity bonds.[4]

Definition of Private Use. For purposes of this Policy, the term "Private Use" means any activity that constitutes a trade or business that is carried on by persons or entities other than state or local governmental entities ("Nongovernmental Entities"). State or local governmental entities are referred to herein as "Governmental Entities." The United States of America is not treated as a Governmental Entity. Any activity carried on by a person other than a natural person is treated as a trade or business. Any asset financed with Tax-Advantaged Obligations not owned by a Governmental Entity will be considered to be used in a Private Use.

In most cases, Private Use will occur only if a Nongovernmental Entity has a special legal entitlement to use the bond financed property. Such a special legal entitlement includes ownership or actual or beneficial use pursuant to a lease, management, service or incentive payment contract, output contract, research agreement or similar arrangement. Private Use may also be established solely on the basis of a special economic benefit to one or more Nongovernmental Entities.

Management and Service Contracts. With respect to management and service contracts, the determination of whether a particular contract results in Private Use shall be based on the application of the Code and Treasury Regulations, including particularly Revenue Procedure 97-13, 1997-1 C.B. 632, as amended by Revenue Procedure 2001-39, 2001-2 C.B. 39, a summary of which is attached hereto as Exhibit A. Such management and service contracts include, but are not limited to, operating agreements, construction management agreements, business services agreements, technical consulting services agreements and other similar agreements. Further, for purposes of determining the nature of a Private Use, any management or service contract that is properly characterized as a lease for federal income tax purposes is treated as a lease. Consequently, any such agreements, even though referred to as a management or service contract may nevertheless be treated as a lease. In determining whether a management or service contract is properly characterized as a lease, it is necessary to consider all of the facts and circumstances, including the following factors: (i) the degree of control over the property that

[4] Private use alone may cause the Private Business Test limitations to be exceeded in the event that the obligations to that financed the privately used property are also secured by property used in a private use. For example, certificates of participation in a lease of property that is involved in a private use that finance property that is also used in a private business use may become taxable private activity bonds even if the District receives no payments with respect to such property.

is exercised by a nongovernmental person; and (ii) whether a nongovernmental person bears risk of loss of the financed or refinanced property.

Short-Term Use Exception. Arrangements fitting within either of the following two exceptions will not result in Private Use.

Use Pursuant to Generally Applicable and Uniformly Applied Rates. Use pursuant to an arrangement will not result in Private Use if (A) the arrangement does not transfer ownership of the property to a nongovernmental person, (B) the term of the use under the arrangement, including all renewal options, is not longer than 100 days, and (C) compensation under the arrangement is based on generally applicable and uniformly applied rates.

Use Pursuant to Negotiated Arm's Length Arrangements. Use pursuant to an arrangement will not result in Private Use if (A) the arrangement does not transfer ownership of the property to a nongovernmental person, (B) the term of the use under the arrangement, including all renewal options, is not longer than 50 days, and (C) the arrangement is a negotiated arm's-length arrangement and compensation under the arrangement is at fair market value.

Construction Contracts and Other Purchases of Capital Assets. A contract with a nongovernmental person to construct capital assets or to sell capital assets to the District does not generally result in Private Use unless additional services are being provided by the nongovernmental person in connection with such contract, *e.g.*, construction management or consulting services. Such services with respect to bond financed property must be analyzed for Private Use under Revenue Procedure 97-13.

Materials and Commodity Supply Contracts. A contract or purchase order for materials, commodities, inventory or other supplies from a nongovernmental person does not generally result in Private Use unless there are additional services being provided by the nongovernmental person in connection with the contracts, *e.g.*, consulting services. Such service arrangements with respect to bond financed property must be analyzed for Private Use under Revenue Procedure 97-13.

Ownership of bond financed property. If bond financed property is owned by a nongovernmental person, such ownership will be considered Private Use of the asset for purposes of the Private Use rules.

Leases of bond financed property. All leases of bond financed property to a nongovernmental person constitute Private Use of such property unless an exception for short term use is satisfied.

Nonpossessory Incidental Use. Any non-possessory incidental use such as vending machines, bank machines and similar uses may be excluded from the Private Use rules to the extent of 2.5% of an issue of Tax-Advantaged Obligations. Such use of bond financed property shall be tracked by Tax Compliance Designee.

Joint Ventures, Partnerships or other forms of Joint Ownership. Entry into a joint venture, partnership or other form of joint ownership with a nongovernmental person generally gives rise to Private Use. Such arrangements with respect to bond financed property must be reviewed by bond counsel.

Special Priority Rights or Special Economic Benefits. A contract which conveys special priority rights or special economic benefits in bond financed property to a nongovernmental person may create Private Use. In determining whether special economic benefit gives rise to Private Use of bond financed property, it is necessary to consider all of the facts and circumstances, including one or more of the following factors: (a) whether the bond financed property is functionally related or physically proximate to property used in the trade or business of a nongovernmental person; (b) whether only a small number of nongovernmental persons receive the economic benefit; and (c) whether the cost of the bond financed property is treated as depreciable by the nongovernmental person. Such arrangements with respect to bond financed property must be reviewed by bond counsel.

Compilation and Maintenance of Logs Listing Arrangements Potentially Involving Private Trade or Business Use.

From time to time, the District enters into the following types of arrangements involving bond financed property:

- Use Agreements and Leases with Charter Schools
- After School Programs
- Summer Camps
- Civic Center Leases
- Naming Rights
- Other Leases, Licenses or Use Agreements Involving Bond Financed Property

The arrangements described above will be referred to in this Policy as "Arrangements".

The Tax Compliance Officer will retain copies of the Arrangements, and maintain a log listing such Arrangements, which shall note with respect to each Arrangement (i) whether such Arrangement conforms to the Short-Term Use Exception described above, and (ii) if not, the amount of payments to be received by the District and whether such payments exceed the District's incremental costs of operating and maintaining the subject facility arising from the Private Use of the subject property.

The Tax Compliance Officer shall also compile and maintain a separate list of each arrangement described above that will not qualify for the Short-Term Use Exception and that provides payments to

the District that will exceed the District's incremental cost of operating and maintaining the subject facility arising from the arrangement (referred to as the "Potential Private Use Contract Log").[5] Each item listed in the Private Use Contract Log shall set forth (i) the issue or issues of Tax Advantaged Bonds that financed property used in connection with such arrangement, (ii) the amount of proceeds of such issue allocable to such property, and (iii) the amount of payments expected with respect to such arrangement, net of the incremental costs incurred by the District to operate and maintain the facility as a result of such arrangement.

The Tax Compliance Officer shall also compile and maintain the following logs:

- Property Disposition Log. The Tax Compliance Officer shall compile and maintain a log listing all assets of the District purchased with proceeds of Tax Advantaged Obligations that have been sold or otherwise disposed by the District (each, a "Disposition"). The log should include with respect to each Disposition, the Issue of Tax-Advantaged Bonds that financed the acquisition, construction or renovation of such asset and the amount of proceeds of such issue that are allocable to such asset (the "Property Disposition Log").

- Private Loan Log. The Tax Compliance Officer shall compile and maintain a log listing all proceeds of each issue of Tax-Advantaged Obligations applied to make loans to third parties (the "Private Loan Log").

The Tax Compliance Designee shall update the respective logs at least annually.

Structuring of Arrangements to Avoid Private Use or Private Payments. It is the Policy of the District that to the extent consistent with the business objectives of the District, any potential Arrangement which might result in Private Use of bond financed property shall be structured so as to avoid or minimize Private Payments.

Dispositions. No transfer, sale or other proposed disposition of bond financed property by the District shall take place without the prior review and approval by the General Counsel, after consultation with bond counsel.

Remedial Actions. In the event that the District is unable to satisfy the limitations with respect to Private Use and Private Payments with respect to any issue of Tax-Advantaged Obligations, the Tax Compliance Officer shall consult with the General Counsel, the Chief Financial Officer and bond counsel and work with bond counsel to effect a remedial actions or take such other actions as shall be required to maintain the tax-advantaged status of such bonds. The Tax Compliance Officer shall provide any information regarding the bond financed property to effectuate such remedial action to the General

[5] Arrangements involving property that was financed with proceeds of any of the District's certificates of participation will be listed in the Potential Private Use Contract Log regardless of whether the District is to receive any payments under such Arrangements.

Counsel and the Chief Financial Officer. The Tax Compliance Officer must maintain copies of the documentation with respect to the remedial action with the Potential Private Use Contract Log and attach such copies to the transcript of closing documents it maintains with respect to each affected issue of Tax-Advantaged Obligations.

Periodic Review. Although the District will monitor Private Use of assets financed with Tax-Advantaged Obligations and Private Payments relating to such use, the Tax Compliance Officer will no less frequently than annually review and update the Potential Private Use Contract Log, the Disposition Log the Private Loan Log and the log that it maintains with respect to each issue of Tax-Advantaged Obligations. The Tax Compliance Officer shall at least annually prepared a detailed calculation of all existing Private Use and Private Payments, if any, that occurred during the prior year (the "Private Use Calculation") with respect to each issue of the District's Tax-Advantaged Obligations. The Potential Private Use Contract Log, the Disposition Log and the Private Use calculations are referred to herein as the "Annual Reports." The Tax Compliance Officer will provide the Annual Reports, reflecting activity through the last day of each fiscal year, to the General Counsel by November 30th of the following fiscal year.

Arbitrage and Rebate

Section 148 of the Code, the regulations promulgated thereunder and the pronouncement relating thereto (the "Arbitrage Rules") are intended to ensure that issuers, such as the District, are issuing Tax-Advantaged Obligations for the primary purpose of financing property needed by the District to carry-out its governmental purposes, and not for the purpose of taking advantage of the difference between its tax-advantaged costs of borrowing and its ability, if any, to invest proceeds of such obligations in higher yielding obligations. Continuing compliance with the Arbitrage Rules primarily involves ensuring that proceeds of Tax-Advantaged Obligations ("Proceeds") are invested in accordance with yield limitations set forth in the Arbitrage Rules, except to the extent an exception to such yield limitation cannot be satisfied, and rebating certain investment earnings to the United States Treasury. With respect to certain issues of Tax-Advantaged Obligations, the District will need to ensure that all proceeds and investment earnings are either expended on qualifying projects within specified periods, or portions of such issues are timely redeemed.

Specific post-issuance procedures to effect compliance with the Arbitrage Rules are addressed below. However, the procedures set forth herein are not intended to be exhaustive and further procedures may need to be identified and implemented, in consultation with the District's staff, bond counsel, tax counsel, if any, and the District's financial advisors and investment advisors. Since proceeds of the District's bond issues are deposited in a Building Fund administered and invested by the Los Angeles County Treasurer and Tax Collector (the "County Treasurer"), and the County Treasurer collects and invests moneys to be used to pay debt service on the District's Tax-Advantaged Obligations, the

County Treasurer shall also be involved in the development and implementation of this Policy insofar as this Policy relates to compliance with the Arbitrage Rules.

Procedures Generally – the following policies relate to procedures and systems for monitoring post-issuance compliance generally with the Arbitrage Rules.

(i) THE TAX COMPLIANCE OFFICER SHALL BE RESPONSIBLE FOR MONITORING THE DISTRICT'S POST-ISSUANCE ARBITRAGE COMPLIANCE ISSUES. THE CHIEF FINANCIAL OFFICER OF THE DISTRICT SHALL BE RESPONSIBLE FOR ENSURING AN ADEQUATE SUCCESSION PLAN FOR TRANSFERRING POST-ISSUANCE ARBITRAGE COMPLIANCE RESPONSIBILITY WHEN CHANGES IN STAFF OCCUR.

(ii) THE TAX COMPLIANCE OFFICER SHOULD COORDINATE PROCEDURES FOR RECORD RETENTION AND REVIEW IN ACCORDANCE WITH THE PROVISIONS OF THIS POLICY DESCRIBED BELOW. IN ADDITION, THE TAX COMPLIANCE OFFICER SHALL ENSURE THAT ADEQUATE RECORDS ARE ESTABLISHED AND MAINTAINED TO SET FORTH THE DATE, AMOUNT AND NATURE OF EACH EXPENDITURE OF PROCEEDS OF EACH ISSUE OF TAX-ADVANTAGED OBLIGATIONS AND INVESTMENT EARNINGS THEREON (THE "PROCEEDS"). SUCH RECORDS SHALL BE CONSISTENT WITH AND MAY BE PART OF THE ISSUE EXPENDITURE REPORTS DESCRIBED UNDER "EXPENDITURE OF PROCEEDS" ABOVE. THE TAX COMPLIANCE OFFICER SHALL ALSO ESTABLISH AND MAINTAIN A RECORD OF EACH INVESTMENT OF PROCEEDS, WHICH SHALL INCLUDE (I) THE PURCHASE DATE, (II) THE PURCHASE PRICE, (III) INFORMATION ESTABLISHING THAT THE PURCHASE PRICE IS THE FAIR MARKET VALUE AS OF SUCH DATE (*E.G.*, THE PUBLISHED QUOTED BID BY A DEALER IN SUCH AN INVESTMENT ON THE DATE OF PURCHASE), (IV) ANY ACCRUED INTEREST PAID, (V) THE FACE AMOUNT, (VI) THE COUPON RATE, (VII) PERIODICITY OF INTEREST PAYMENTS, (VIII) DISPOSITION PRICE, (IX) ANY ACCRUED INTEREST RECEIVED, AND (X) DISPOSITION DATE. TO THE EXTENT ANY INVESTMENT BECOMES ALLOCABLE TO PROCEEDS AFTER IT WAS ORIGINALLY PURCHASED, IT SHALL BE TREATED AS IF IT WERE ACQUIRED AT ITS FAIR MARKET VALUE AT THE TIME IT BECOMES ALLOCABLE TO PROCEEDS. TO THE EXTENT PROCEEDS ARE MAINTAINED BY THE COUNTY TREASURER, THE TAX COMPLIANCE OFFICER SHALL ADVISE THE COUNTY TREASURER OF THE REQUIREMENT TO MAINTAIN SUCH RECORDS WITH RESPECT TO EACH INVESTMENT OF PROCEEDS BY THE COUNTY TREASURER, AND OBTAIN A COPY OF SUCH RECORDS FROM THE COUNTY TREASURER AT LEAST ANNUALLY.

(iii) THE TAX COMPLIANCE OFFICER SHOULD REVIEW POST-ISSUANCE ARBITRAGE COMPLIANCE PROCEDURES AND SYSTEMS WITH BOND COUNSEL OR TAX COUNSEL AT LEAST ANNUALLY.

The following procedures shall be implemented with respect to the issuance of each issue of Tax-Advantaged Obligations:

(i) FOLLOWING THE ISSUANCE OF EACH ISSUE OF TAX ADVANTAGED OBLIGATIONS, THE TAX COMPLIANCE OFFICER SHALL OBTAIN AND MAINTAIN EACH OF THE DOCUMENTS LISTED ABOVE UNDER "ISSUANCE OF OBLIGATIONS" INCLUDING, A FULLY EXECUTED TAX CERTIFICATE WITH RESPECT TO SUCH ISSUE AND ANY INFORMATION REPORTING FORMS FILED WITH THE INTERNAL REVENUE SERVICE WITH RESPECT TO EACH ISSUE, TOGETHER WITH PROOF OF FILING. A COPY OF SUCH CERTIFICATE AND INFORMATION REPORTING FORMS, TOGETHER WITH THE TIMETABLE (AS DEFINED BELOW), SHALL BE PROVIDED TO THE COUNTY TREASURER AS SOON AS PRACTICABLE AFTER THE ISSUE DATE OF EACH ISSUE OF TAX-ADVANTAGED OBLIGATIONS.

(ii) THE TAX COMPLIANCE OFFICER SHOULD CONFIRM THAT BOND COUNSEL HAS FILED WITH THE INTERNAL REVENUE SERVICE (THE "IRS") THE APPLICABLE INFORMATION REPORT (E.G., FORM 8038-G, FORM 8038 OR FORM 8038-B) FOR SUCH ISSUE.

(iii) THE TAX COMPLIANCE OFFICER SHOULD COORDINATE RECEIPT AND RETENTION OF RELEVANT BOOKS AND RECORDS WITH RESPECT TO THE INVESTMENT AND EXPENDITURE OF THE PROCEEDS OF SUCH TAX-ADVANTAGED OBLIGATIONS WITH OTHER MEMBERS OF THE DISTRICT'S STAFF AND STAFF OF THE COUNTY TREASURER.

(iv) A RECORD SHOULD BE MAINTAINED WITH RESPECT TO EACH ISSUE OF TAX-ADVANTAGED OBLIGATIONS CONTAINING A SCHEDULE SETTING FORTH (I) THE LATEST DATE SUCH PROCEEDS MAY BE INVESTED AT AN UNRESTRICTED YIELD, (II) THE BENCHMARKS THAT MUST BE SATISFIED IN ORDER TO MEET AN EXCEPTION TO THE ARBITRAGE REBATE RULES, (III) THE DATES ON WHICH ANY ARBITRAGE REBATE COMPUTATIONS ARE REQUIRED TO BE COMPLETED AND ARBITRAGE REBATE IS REQUIRED TO BE PAID TO THE UNITED STATES TREASURY AND (IV) ANY DATE BY WHICH PROCEEDS ARE REQUIRED TO EITHER BE EXPENDED OR APPLIED TO REDEEM BONDS AND ANY OTHER DATES ON WHICH ALL OR A PORTION OF THE PROCEEDS OF SUCH ISSUE ARE REQUIRED OR EXPECTED TO BE EXPENDED (THE "TIMETABLE")

Arbitrage – the following procedures should be carried-out from the issue date through the final redemption date of each issue of Tax-Advantaged Obligations:

(i) THE TAX COMPLIANCE OFFICER SHOULD COORDINATE THE TRACKING OF EXPENDITURES AND ANY INVESTMENT EARNINGS WITH OTHER APPLICABLE DISTRICT STAFF, INCLUDING STAFF OF THE FACILITIES DIVISION. THE TAX COMPLIANCE OFFICER SHOULD OBTAIN AND REVIEW AT LEAST MONTHLY REPORTS OF THE EXPENDITURE AND INVESTMENT OF PROCEEDS OF EACH ISSUE OF TAX-ADVANTAGED OBLIGATIONS THAT ARE ON DEPOSIT IN THE DISTRICT'S BUILDING FUND. THE TAX COMPLIANCE OFFICER SHOULD MAINTAIN A PROCEDURE FOR THE ALLOCATION OF PROCEEDS OF THE ISSUE AND INVESTMENT EARNINGS TO EXPENDITURES, INCLUDING THE REIMBURSEMENT OF PRE-ISSUANCE EXPENDITURES.

(ii) THE TAX COMPLIANCE OFFICER SHOULD OBTAIN A COMPUTATION OF THE YIELD ON EACH ISSUE OF TAX-ADVANTAGED OBLIGATIONS FROM THE DISTRICT'S FINANCIAL

ADVISOR, AND OBTAIN FROM BOND COUNSELOR TAX COUNSEL A LISTING OF ALL ARBITRAGE YIELD RESTRICTIONS ATTRIBUTABLE TO PROCEEDS OR AMOUNTS TREATED AS PROCEEDS OF EACH ISSUE. FOR EXAMPLE, WITH RESPECT TO EACH ISSUE OF QUALIFIED SCHOOL CONSTRUCTION BONDS, THE TAX COMPLIANCE OFFICER SHOULD OBTAIN FROM TAX COUNSEL OR BOND COUNSEL THE YIELD LIMITATION WITH RESPECT TO ANY INVESTED SINKING FUND ESTABLISHED FOR SUCH ISSUE.

(iii) THE TAX COMPLIANCE OFFICER SHOULD MONITOR COMPLIANCE WITH THE APPLICABLE "TEMPORARY PERIOD" (AS DEFINED IN THE CODE AND TREASURY REGULATIONS), AND EXPECTATIONS FOR THE EXPENDITURE OF PROCEEDS OF THE ISSUE, AND ADVISE THE COUNTY TREASURER OF THE NEED TO YIELD RESTRICT INVESTMENTS WITH RESPECT TO PROCEEDS THAT ARE NOT ELIGIBLE TO BE INVESTED AT AN UNRESTRICTED YIELD PURSUANT TO A TEMPORARY PERIOD.

(iv) THE TAX COMPLIANCE OFFICER SHOULD COORDINATE WITH THE COUNTY TREASURER AND THE BOND TRUSTEE, IF APPLICABLE, TO ENSURE THAT INVESTMENTS ACQUIRED WITH PROCEEDS OF EACH ISSUE OF TAX-ADVANTAGED OBLIGATIONS ARE PURCHASED AT FAIR MARKET VALUE. IN DETERMINING WHETHER AN INVESTMENT IS PURCHASED AT FAIR MARKET VALUE, ANY APPLICABLE TREASURY REGULATION SAFE HARBOR MAY BE USED. IN THE EVENT PROCEEDS ARE INVESTED IN AN INVESTMENT CONTRACT OR ANY OTHER INVESTMENT THAT IS NOT TRADED ON AN ESTABLISHED MARKET, AND FOR WHICH FAIR MARKET VALUES ARE NOT CONTINUALLY PUBLISHED, THE TAX COMPLIANCE OFFICER OR COUNTY TREASURER SHALL CONSULT WITH BOND COUNSEL OR TAX COUNSEL TO ENSURE THAT FAIR MARKET RULES SET FORTH IN THE TREASURY REGULATIONS ARE SATISFIED.

(v) THE TAX COMPLIANCE OFFICER SHOULD COORDINATE WITH THE COUNTY TREASURER, THE CHIEF FACILITIES EXECUTIVE AND THE APPLICABLE BOND TRUSTEE TO AVOID FORMAL OR INFORMAL CREATION OF FUNDS REASONABLY EXPECTED TO BE USED TO PAY DEBT SERVICE ON SUCH ISSUE WITHOUT DETERMINING IN ADVANCE WHETHER SUCH FUNDS MUST BE INVESTED AT A RESTRICTED YIELD.

(vi) THE TAX COMPLIANCE OFFICER SHOULD CONSULT WITH BOND COUNSEL OR TAX COUNSEL PRIOR TO ENGAGING IN ANY POST-ISSUANCE CREDIT ENHANCEMENT TRANSACTIONS (E.G., BOND INSURANCE, LETTER OF CREDIT) OR HEDGING TRANSACTIONS (E.G., INTEREST RATE SWAPS, CAPS).

(vii) THE TAX COMPLIANCE OFFICER SHOULD COORDINATE WITH BOND COUNSEL TO IDENTIFY SITUATIONS IN WHICH COMPLIANCE WITH APPLICABLE YIELD RESTRICTIONS DEPENDS UPON LATER INVESTMENTS AND MONITOR IMPLEMENTATION OF ANY SUCH RESTRICTIONS.

(viii) THE TAX COMPLIANCE OFFICER SHOULD COORDINATE WITH THE ARBITRAGE REBATE CONSULTANT, AS DESCRIBED IN (IX) BELOW, TO MONITOR COMPLIANCE WITH SIX-

MONTH, 18-MONTH OR 2-YEAR SPENDING EXCEPTIONS TO THE REBATE REQUIREMENT, AS APPLICABLE.

(ix) THE TAX COMPLIANCE OFFICER SHOULD COORDINATE WITH CHIEF FINANCIAL OFFICER TO ENSURE THAT THE DISTRICT CONTINUOUSLY ENGAGES A FIRM NATIONALLY RECOGNIZED IN THE AREA OF ARBITRAGE REBATE COMPLIANCE WITH RESPECT TO EACH ISSUE OF TAX-ADVANTAGED OBLIGATIONS TO ARRANGE, AS APPLICABLE, FOR TIMELY COMPUTATION OF ARBITRAGE REBATE OR ARBITRAGE YIELD REDUCTION LIABILITY AND, IF REBATE OR A YIELD REDUCTION PAYMENT IS DUE TO THE IRS, FOR TIMELY FILING OF FORM 8038-T AND, TO ARRANGE TIMELY PAYMENT OF SUCH REBATE LIABILITY. SUCH ARBITRAGE REBATE CONSULTANT SHALL ALSO CONFIRM WHETHER ANY OF THE SPENDING EXCEPTIONS TO THE ARBITRAGE REBATE RULES ARE SATISFIED. THE TAX COMPLIANCE OFFICER SHOULD ENSURE THAT EACH ARBITRAGE REBATE CONSULTANT IS PROVIDED WITH A COPY OF THE TIMETABLE WITH RESPECT TO EACH ISSUE OF TAX-ADVANTAGED OBLIGATIONS AND THAT THE CONTRACT OR ENGAGEMENT LETTER WITH SUCH ARBITRAGE REBATE CONSULTANT PROVIDES FOR SUCH ARBITRAGE REBATE CONSULTANT TO WORK WITH THE DISTRICT TO REFINE THE TIMETABLE AND PROVIDE TIMELY NOTIFICATION TO THE TAX COMPLIANCE OFFICER OF EACH DEADLINE SET FORTH IN THE TIMETABLE. THE TAX COMPLIANCE OFFICER SHALL MAINTAIN WITH ITS RECORDS WITH RESPECT TO EACH ISSUE OF TAX-ADVANTAGED OBLIGATIONS COPIES OF EACH REPORT SUBMITTED BY ANY ARBITRAGE REBATE CONSULTANT AND EACH FORM 8038-T FILED BY THE DISTRICT.

(x) THE TAX COMPLIANCE OFFICER SHOULD, IN THE CASE OF ANY ISSUE OF REFUNDING OBLIGATIONS, COORDINATE WITH THE DISTRICT'S FINANCIAL ADVISOR, THE APPLICABLE BOND TRUSTEE AND THE APPLICABLE ESCROW AGENT TO ARRANGE FOR THE PURCHASE OF THE REFUNDING ESCROW SECURITIES, SHOULD OBTAIN A COMPUTATION OF THE YIELD ON SUCH ESCROW SECURITIES FROM THE TREASURY'S OUTSIDE ARBITRAGE REBATE SPECIALIST AND SHOULD MONITOR COMPLIANCE WITH APPLICABLE YIELD RESTRICTIONS. TIMETABLES SHOULD BE ADJUSTED TO REFLECT THE TERMINATION OF TEMPORARY PERIODS, THE ALLOCATION OF PROCEEDS OF THE REFUNDED BONDS AS TRANSFERRED PROCEEDS OF THE REFUNDING BONDS AND OTHER MATTERS RESULTING FROM SUCH REFUNDING.

Retention of Records

Retention of Records. As described above, the District is required to prepare the Annual Reports, which summarize and analyze certain underlying documentation related to the Tax-Advantaged Obligations. In addition to the requirement to retain the Annual Report, the District will also need to retain the related underlying documentation (the "Records") described below.

Records Required to be Retained. The Records that must be retained include, but are not limited to, the following:

(i) ALL LEGAL AND ACCOUNTING DOCUMENTS RELATING TO PROCEEDS OF THE TAX-ADVANTAGED OBLIGATIONS, INCLUDING OPINIONS OF COUNSEL AND THE TAX CERTIFICATE WITH RESPECT TO EACH ISSUE OF TAX-ADVANTAGED OBLIGATIONS.

(ii) EXPENDITURE OF PROCEEDS OF TAX-ADVANTAGED OBLIGATIONS AS DESCRIBED BELOW.

(A) Documents evidencing the expenditure of the proceeds of the Tax-Advantaged Obligations and investment earnings thereon and the specific assets financed with such proceeds, including projected draw schedules and invoices (*e.g.*, records with respect to the bond accounts and funds);

(B) Documents setting forth all funds and accounts relating to the Tax-Advantaged Obligations;

(C) Documents pertaining to the investment of the proceeds of the Tax-Advantaged Obligations (*e.g.*, records with respect to the bond accounts and funds), including the purchase and sale of securities, guaranteed investment contracts, and swap/hedge transactions;

(D) With respect to all investments acquired in any fund or account in connection with the Tax-Advantaged Obligations, the information set forth under the heading "Arbitrage and Rebate" herein;

(iii) DOCUMENTS EVIDENCING ANY ALLOCATIONS WITH RESPECT TO THE PROCEEDS OF THE TAX-ADVANTAGED OBLIGATIONS.

(iv) DOCUMENTS EVIDENCING THE USE AND OWNERSHIP OF THE BOND FINANCED PROPERTY, INCLUDING CONTRACTS FOR THE USE OF SUCH PROPERTY (*E.G.*, THE ANNUAL REPORTS, AND THE LOGS DESCRIBED HEREIN, AND DOCUMENTS EVIDENCING THE SALE OR OTHER DISPOSITION OF THE BOND FINANCED PROPERTY.

Required Retention Periods. The District will retain the Records and Reports until the date that is six years after the complete retirement of the related Tax-Advantaged Obligations.

Form of Records. The District will keep all records in a manner that ensures complete access thereto for the applicable above described period either in hard copy or electronic format. If the records are kept in electronic format, compliance is necessary with the requirements of Revenue Procedure 97-22, 1997-1 C.B. 652, (or subsequent guidance provided by the Internal Revenue Service), which provides guidance for maintaining books and records by using an electronic storage system that either images their hardcopy books and records or transfers their computerized books and records to an electronic storage media (*e.g.*, an electronic data compression system).

Failure to Retain Records. A failure to maintain material records required to be retained by this Section may result in the loss of the tax status of the Tax-Advantaged Obligations and could cause additional arbitrage rebate to be owed.

Reissuance

The following policies relate to compliance with rules and regulations regarding reissuance of Tax-Advantaged Obligations issued by the District:

> The CFO and the Tax Compliance Officer in conjunction with the General Counsel are to (a) identify and consult with bond counsel regarding any post-issuance change to any terms of an issue of Tax-Advantaged Obligations, (b) request bond counsel to determine whether such potential change would cause the issue to be treated as "reissued" for federal income tax purposes, and (c) confirm with bond counsel whether any "remedial action" in connection with a "change in use" (as such terms are defined in the Code and Treasury Regulations) must be treated as a reissuance for tax purposes.

Training

The District shall engage its bond counsel or special tax counsel to provide a seminar at least annually, which shall be attended by the Tax Compliance Officer, representatives of the Chief Financial Officer, the General Counsel and the Chief Facilities Executive and staff members from each office of the District responsible for the expenditure of proceeds of the District's Tax-Advantaged Obligations. The County Treasurer and members of the Bond Oversight Committee should also be invited to participate in such seminar. Such seminar shall include a review of the District's compliance initiatives during the prior twelve-month period, discussions relating to restrictions on the use of proceeds of Tax-Advantaged Bonds, arbitrage requirements and recent developments in such areas.

APPENDIX B

LOS ANGELES UNIFIED SCHOOL DISTRICT

CONTINUING DISCLOSURE PROCEDURES

I. INTRODUCTION

A. PURPOSE

THESE CONTINUING DISCLOSURE PROCEDURES ("CONTINUING DISCLOSURE PROCEDURES" OR "PROCEDURES") OF THE LOS ANGELES UNIFIED SCHOOL DISTRICT (THE "DISTRICT") ARE INTENDED TO (A) ENSURE THAT THE DISTRICT'S CONTINUING DISCLOSURE DOCUMENTS (AS DEFINED BELOW) ARE ACCURATE AND COMPLY WITH ALL APPLICABLE FEDERAL AND STATE SECURITIES LAWS, AND (B) PROMOTE BEST PRACTICES REGARDING THE PREPARATION OF THE DISTRICT'S CONTINUING DISCLOSURE DOCUMENTS.

B. DEFINITIONS

1. "CONTINUING DISCLOSURE DOCUMENTS" MEANS (A) ANNUAL CONTINUING DISCLOSURE REPORTS FILED WITH THE MSRB AND (B) EVENT NOTICES AND ANY OTHER FILINGS WITH THE MSRB.

2. "OFFICIAL STATEMENTS" MEANS PRELIMINARY AND FINAL OFFICIAL STATEMENTS, PRIVATE PLACEMENT MEMORANDA AND REMARKETING MEMORANDA RELATING TO THE DISTRICT'S SECURITIES, TOGETHER WITH ANY SUPPLEMENTS, FOR WHICH A CONTINUING DISCLOSURE OBLIGATION IS REQUIRED.

II. KEY PARTICIPANTS

A. DISCLOSURE PRACTICES WORKING GROUP

1. COMPOSITION. THE DISCLOSURE PRACTICES WORKING GROUP (THE "DISCLOSURE WORKING GROUP") HAS BEEN CREATED BY THE CHIEF FINANCIAL OFFICER ("CFO) TO HAVE GENERAL OVERSIGHT OVER THE ENTIRE CONTINUING DISCLOSURE PROCESS. MEMBERSHIP IN THE DISCLOSURE WORKING GROUP SHALL BE APPOINTED BY THE CFO AND CONSIST OF PERSONS RELEVANT TO THE DISCLOSURE PROCESS. THE FOLLOWING PERSONS CURRENTLY CONSTITUTE THE DISCLOSURE WORKING GROUP, COMMENCING IN DECEMBER 2014.

A. CHIEF FINANCIAL OFFICER;

B. CHIEF DISCLOSURE OFFICER (CURRENTLY THE DEPUTY CHIEF FINANCIAL OFFICER);

C. DISCLOSURE COORDINATOR (CURRENTLY THE DIRECTOR OF CAPITAL FUND COMPLIANCE);

D. DISCLOSURE COUNSEL

E. ANY OTHER INDIVIDUALS APPOINTED BY THE CFO.

2. THE DISCLOSURE WORKING GROUP SHALL CONSULT WITH EXTERNAL PROFESSIONALS (SUCH AS THOSE WITH EXPERTISE AS BOND COUNSEL, TAX COUNSEL, DISCLOSURE COUNSEL, AND FINANCIAL ADVISOR) OR OTHER INTERESTED PARTIES AS THE CFO OR ANY OTHER MEMBER OF THE DISCLOSURE WORKING GROUP DETERMINE IS ADVISABLE RELATED TO CONTINUING DISCLOSURE ISSUES AND PRACTICES. MEETINGS OF THE DISCLOSURE WORKING GROUP MAY BE HELD IN PERSON OR VIA CONFERENCE CALL.

3. THE DISCLOSURE WORKING GROUP IS AN INTERNAL WORKING GROUP OF THE DISTRICT STAFF (WITH THE EXCEPTION OF DISCLOSURE COUNSEL) AND NOT A DECISION-MAKING OR ADVISORY BODY SUBJECT TO THE PROVISIONS OF THE RALPH M. BROWN ACT (GOVERNMENT CODE SECTION 54950 ET SEQ.)

4. RESPONSIBILITIES. THE DISCLOSURE WORKING GROUP IS RESPONSIBLE FOR:

A. REVIEWING AND APPROVING ALL CONTINUING DISCLOSURE DOCUMENTS AS CONTAINED IN THE DISTRICT'S PRELIMINARY AND FINAL OFFICIAL STATEMENTS BEFORE SUCH DOCUMENTS ARE POSTED;

B. REVIEWING ANNUALLY THE DISTRICT'S STATUS AND COMPLIANCE WITH CONTINUING DISCLOSURE OBLIGATIONS INCLUDING FILINGS OF ANNUAL REPORTS AND NOTICES OF LISTED EVENTS AS DESCRIBED IN SECTIONS III.B. AND III.C. BELOW;

C. REVIEWING ANY ITEMS REFERRED TO THE DISCLOSURE WORKING GROUP; AND

D. EVALUATING THE EFFECTIVENESS OF THESE CONTINUING DISCLOSURE PROCEDURES AND APPROVING CHANGES TO THESE CONTINUING DISCLOSURE PROCEDURES.

B. CHIEF DISCLOSURE OFFICER

1. APPOINTMENT. THE CFO, IN CONSULTATION WITH THE OTHER MEMBERS OF THE DISCLOSURE WORKING GROUP, SHALL SELECT AND APPOINT THE CHIEF DISCLOSURE OFFICER (CURRENTLY THE DEPUTY CHIEF FINANCIAL OFFICER).

2. RESPONSIBILITIES. THE CHIEF DISCLOSURE OFFICER IS RESPONSIBLE FOR:

A. APPROVING THE CONTINUING DISCLOSURE DOCUMENTS, LISTED EVENT NOTICES, AND VOLUNTARY FILINGS.

B. OVERSEEING THE WORK OF THE DISCLOSURE COORDINATOR.

C. DISCLOSURE COORDINATOR

1. APPOINTMENT. THE CFO, IN CONSULTATION WITH THE OTHER MEMBERS OF THE DISCLOSURE WORKING GROUP, SHALL SELECT AND APPOINT THE DISCLOSURE COORDINATOR (CURRENTLY THE DIRECTOR OF CAPITAL FUND COMPLIANCE).

2. RESPONSIBILITIES. THE DISCLOSURE COORDINATOR IS RESPONSIBLE FOR:

A. PREPARING AND FILING THE CONTINUING DISCLOSURE DOCUMENTS AND SEEKING ASSISTANCE FROM PROFESSIONALS IN THE FINANCIAL ADVISORY AND BOND, TAX, AND DISCLOSURE COUNSEL POOLS, AS NECESSARY;

B. SERVING AS A "POINT PERSON" TO COMMUNICATE ISSUES OR INFORMATION THAT SHOULD BE OR MAY NEED TO BE INCLUDED IN ANY CONTINUING DISCLOSURE DOCUMENT OR A SPECIFIC FILING OF, FOR EXAMPLE, A LISTED EVENT NOTICE OR A VOLUNTARY FILING;

C. MONITORING COMPLIANCE BY THE DISTRICT WITH THESE CONTINUING DISCLOSURE PROCEDURES, INCLUDING TIMELY DISSEMINATION OF THE ANNUAL REPORT AND EVENT FILINGS AS DESCRIBED IN SECTIONS III.B. AND C. BELOW;

D. RECOMMENDING CHANGES TO THESE CONTINUING DISCLOSURE PROCEDURES TO THE DISCLOSURE WORKING GROUP AS NECESSARY OR APPROPRIATE;

E. FOLLOWING UP WITH OTHERS, INCLUDING MANAGEMENT OF OUTSIDE CONSULTANTS ASSISTING THE DISTRICT, IN THE PREPARATION AND DISSEMINATION OF CONTINUING DISCLOSURE DOCUMENTS TO MAKE SURE THAT ASSIGNED TASKS HAVE BEEN COMPLETED ON A TIMELY BASIS AND MAKING SURE THAT THE FILINGS ARE MADE ON A TIMELY BASIS AND ARE ACCURATE;

F. TOGETHER WITH THE CFO, COORDINATING THE TIMELY PROVISION OF INFORMATION TO DISCLOSURE COUNSEL AS NEEDED TO FULFILL ITS RESPONSIBILITIES TO THE DISTRICT;

G. IN ANTICIPATION OF PREPARING CONTINUING DISCLOSURE DOCUMENTS, SOLICITING "MATERIAL" INFORMATION (AS DEFINED IN SECURITIES AND EXCHANGE COMMISSION RULE 10B-5) FROM DISTRICT UNITS;

H. MAINTAINING RECORDS DOCUMENTING THE DISTRICT'S COMPLIANCE WITH THESE CONTINUING DISCLOSURE PROCEDURES; AND

I. REVIEWING COMPLIANCE WITH AND PROVIDING APPROPRIATE CERTIFICATIONS IN CONNECTION WITH THE VARIOUS COVENANTS IN BOND, COPS, AND TRANS DOCUMENTS. THE DISCLOSURE COORDINATOR SHALL REVIEW THE BOND DOCUMENTS TO DETERMINE WHICH COVENANTS REQUIRE AN ANNUAL OR REGULAR CERTIFICATION AND MAINTAIN A LIST OF THE SAME.

J. MONITORING THE WEBSITES AND SUBSCRIBING TO THE COMMUNICATIONS (E.G., NEWS ALERTS, PRESS RELEASES, ETC.) OF EACH RATING AGENCY AND BOND INSURER (DEFINED HEREIN) IN ORDER TO BE AWARE OF ANY RATING CHANGE AS DESCRIBED IN EACH CONTINUING DISCLOSURE DOCUMENT.

III. CONTINUING DISCLOSURE FILINGS

A. OVERVIEW OF CONTINUING DISCLOSURE FILINGS

1. UNDER THE CONTINUING DISCLOSURE UNDERTAKINGS IT HAS ENTERED INTO IN CONNECTION WITH ITS DEBT OFFERINGS, THE DISTRICT IS REQUIRED TO FILE ANNUAL REPORTS ("ANNUAL REPORTS") WITH THE MUNICIPAL SECURITIES RULEMAKING BOARD'S ("MSRB") ELECTRONIC

MUNICIPAL MARKET ACCESS ("EMMA") SYSTEM IN ACCORDANCE WITH SUCH AGREEMENTS IN EACH YEAR. SUCH ANNUAL REPORTS ARE REQUIRED TO INCLUDE THE DISTRICT'S AUDITED FINANCIAL STATEMENTS AND CERTAIN UPDATED FINANCIAL AND OPERATING INFORMATION (OR MAY INCORPORATE BY REFERENCE PUBLICALLY-AVAILABLE DOCUMENTS THAT CONTAIN SUCH INFORMATION).

2. IN ACCORDANCE WITH EACH CONTINUING DISCLOSURE DOCUMENTS, IF AUDITED FINANCIAL STATEMENTS ARE NOT AVAILABLE BY THE DATE THE ANNUAL REPORT IS REQUIRED TO BE FILED, UNAUDITED FINANCIAL STATEMENTS ARE TO BE INCLUDED IN SUCH ANNUAL REPORT AND AUDITED FINANCIAL STATEMENTS SHALL BE FILED WHEN SUCH STATEMENTS BECOME AVAILABLE. IF UNAUDITED FINANCIAL STATEMENTS ARE FILED, THE COVER PAGE MAY INCLUDE A DISCLAIMER STATING THAT SUCH FINANCIAL STATEMENTS ARE UNAUDITED AND ARE SUBJECT TO ADJUSTMENTS AND MODIFICATIONS, THE RESULT OF WHICH WILL BE PRESENTED IN THE AUDITED FINANCIAL STATEMENTS. IN ADDITION, IN ACCORDANCE WITH THE APPLICABLE CONTINUING DISCLOSURE DOCUMENT, THE DISTRICT SHALL FILE OR CAUSE TO BE FILED A NOTICE OF ANY FAILURE TO PROVIDE ITS ANNUAL REPORT ON OR BEFORE THE DATE SPECIFIED IN A CONTINUING DISCLOSURE DOCUMENT.

3. THE DISTRICT IS ALSO REQUIRED UNDER ITS CONTINUING DISCLOSURE OBLIGATIONS TO FILE NOTICES OF CERTAIN EVENTS ON EMMA.

B. ANNUAL REPORTS

THE DISCLOSURE COORDINATOR SHALL ENSURE THAT THE PREPARATION OF THE DISTRICT'S ANNUAL REPORTS SHALL COMMENCE AS REQUIRED UNDER EACH SPECIFIC CONTINUING DISCLOSURE OBLIGATION. BEFORE ANY ANNUAL REPORT IS SUBMITTED TO EMMA, THE DISCLOSURE COORDINATOR SHALL CONFER WITH THE DISCLOSURE WORKING GROUP AS NEEDED REGARDING THE CONTENT AND ACCURACY OF ANY ANNUAL REPORT.

C. EVENT FILINGS

EACH MEMBER OF THE DISCLOSURE WORKING GROUP SHALL NOTIFY THE OTHER MEMBERS OF THE DISCLOSURE WORKING GROUP IF HE OR SHE BECOMES AWARE OF ANY OF THE MATERIAL EVENTS LISTED IN ANY OF THE DISTRICT'S CONTINUING DISCLOSURE CERTIFICATES. THE DISCLOSURE WORKING GROUP MAY MEET TO DISCUSS THE EVENT AND

TO DETERMINE, IN CONSULTATION WITH COUNSEL FROM THE BOND, TAX, AND DISCLOSURE COUNSEL POOL TO THE EXTENT DETERMINED BY THE DISCLOSURE COORDINATOR AND THE CFO, WHETHER A FILING IS REQUIRED OR IS OTHERWISE DESIRABLE.

D. PAYING AGENT, BOND INSURER, AND RATING AGENCY FILINGS

1. THE DISCLOSURE COORDINATOR SHALL SUBMIT TO EACH ISSUER OF A FINANCIAL GUARANTY INSURANCE OR MUNICIPAL BOND INSURANCE POLICY GUARANTEEING THE SCHEDULED PAYMENT OF PRINCIPAL OF AND INTEREST ON AN OUTSTANDING ISSUE OF BONDS WHEN DUE (A "BOND INSURER"), PAYING AGENT AND TRUSTEE SUCH ANNUAL OR INTERIM FINANCIAL INFORMATION AND OTHER INFORMATION AS IT MAY REQUEST IN ACCORDANCE WITH THE RESPECTIVE AGREEMENTS WITH THE DISTRICT.

2. EACH MEMBER OF THE DISCLOSURE WORKING GROUP SHALL NOTIFY THE OTHER MEMBERS OF THE DISCLOSURE WORKING GROUP IF HE OR SHE BECOMES AWARE OF ANY OF THE EVENTS FOR WHICH MOODY'S INVESTOR'S SERVICE, STANDARD & POOR'S RATING SERVICES, A STANDARD & POOR'S FINANCIAL SERVICES LLC BUSINESS OR ANY OTHER SUCH RATING AGENCY THEN-RATING THE DISTRICT'S BONDS (EACH, A "RATING AGENCY"), ANY BOND INSURER, PAYING AGENT OR TRUSTEE OF THE DISTRICT'S BONDS REQUIRES NOTICE. THE DISCLOSURE WORKING GROUP MAY MEET TO DISCUSS THE EVENT AND TO DETERMINE, IN CONSULTATION WITH COUNSEL FROM THE BOND, TAX, AND DISCLOSURE COUNSEL POOL TO THE EXTENT DETERMINED BY THE DISCLOSURE COORDINATOR AND THE CFO, WHETHER A FILING IS REQUIRED OR IS OTHERWISE DESIRABLE.

3. THE DISCLOSURE COORDINATOR SHALL SUBMIT TO EACH SUCH RATING AGENCY SUCH FINANCIAL AND OTHER INFORMATION IT MAY REQUEST TO OBTAIN OR MAINTAIN A RATING ON THE BONDS

E. UNCERTAINTY

THE CFO MAY DIRECT QUESTIONS REGARDING THE PROCEDURES OR DISCLOSURE TO COUNSEL FROM THE BOND, TAX AND DISCLOSURE COUNSEL POOL, THE OFFICE OF GENERAL COUNSEL, OR SUCH OTHER COUNSEL OR CONSULTANT AS HE/SHE DEEMS APPROPRIATE.

F. VOLUNTARY DISCLOSURES

THE DISTRICT'S POLICY IS TO ONLY FILE ANNUAL FINANCIAL INFORMATION AND OPERATING DATA AND LISTED EVENT NOTICES THAT ARE REQUIRED UNDER THE CONTINUING DISCLOSURE DOCUMENTS AND APPLICABLE FEDERAL SECURITIES LAWS. THE DISCLOSURE COORDINATOR MAY DETERMINE TO FILE VOLUNTARY DISCLOSURE INFORMATION THAT IS NOT REQUIRED UNDER THE CONTINUING DISCLOSURE DOCUMENTS.

IV. DOCUMENTS TO BE RETAINED

THE DISCLOSURE COORDINATOR SHALL BE RESPONSIBLE FOR MAINTAINING RECORDS DEMONSTRATING COMPLIANCE WITH THESE CONTINUING DISCLOSURE PROCEDURES. THE DISCLOSURE COORDINATOR SHALL RETAIN AN ELECTRONIC OR PAPER FILE ("DISCLOSURE FILE") FOR EACH ANNUAL REPORT THAT THE DISTRICT FILES OR CAUSES TO BE FILED ON EMMA. EACH DISCLOSURE FILE SHALL INCLUDE FINAL VERSIONS OF THE CONTINUING DISCLOSURE DOCUMENTS; WRITTEN CONFIRMATIONS, CERTIFICATIONS, LETTERS AND LEGAL OPINIONS DESCRIBED HEREIN; COPIES OF THESE CONTINUING DISCLOSURE PROCEDURES AND A LIST OF INDIVIDUALS TO WHOM THEY HAVE BEEN DISTRIBUTED AND THE DATES OF SUCH DISTRIBUTIONS; AND A WRITTEN RECORD OF THE DATES OF MEETINGS AND/OR CONFERENCE CALLS OF THE DISCLOSURE WORKING GROUP. THE DISCLOSURE FILE SHALL BE MAINTAINED IN A CENTRAL DEPOSITORY FOR A PERIOD OF FIVE YEARS FROM THE LATER OF THE DATE OF DELIVERY OF THE SECURITIES REFERENCED IN THE CONTINUING DISCLOSURE DOCUMENT, OR THE DATE THE CONTINUING DISCLOSURE DOCUMENT IS PUBLISHED, POSTED, OR OTHERWISE MADE PUBLICALLY AVAILABLE, AS APPLICABLE.

V. EDUCATION

A. THE CFO SHALL ENSURE THAT THE DISCLOSURE COORDINATOR AND THE DISCLOSURE WORKING GROUP ARE PROPERLY TRAINED TO UNDERSTAND AND PERFORM THEIR RESPONSIBILITIES. SUCH TRAINING MAY INCLUDE TRAINING SESSIONS CONDUCTED BY CONSULTANTS WITH EXPERTISE IN MUNICIPAL SECURITIES LAW, MUNICIPAL SECURITIES COMPLIANCE AND DISCLOSURE OR BY ATTENDANCE AT CONFERENCES, OR OTHER APPROPRIATE METHODS IDENTIFIED BY THE CFO.

B. THE DISTRICT SHALL ENGAGE A LAW FIRM OF NATIONALLY RECOGNIZED STANDING IN MATTERS PERTAINING TO THE FEDERAL SECURITIES LAWS ("DISCLOSURE COUNSEL") ITS DISCLOSURE COUNSEL TO PROVIDE A SEMINAR AT LEAST ANNUALLY, WHICH SHALL BE ATTENDED BY THE DISCLOSURE COORDINATOR, REPRESENTATIVES OF THE CHIEF FINANCIAL OFFICER AND THE GENERAL COUNSEL, AND MEMBERS OF THE DISTRICT'S BOARD OF EDUCATION. MEMBERS OF THE BOND OVERSIGHT COMMITTEE SHOULD ALSO BE INVITED TO PARTICIPATE IN SUCH SEMINAR. SUCH SEMINAR SHALL INCLUDE A REVIEW OF THE DISTRICT'S DISCLOSURE COMPLIANCE INITIATIVES DURING THE PRIOR TWELVE-MONTH PERIOD.

VI. AMENDMENTS

OTHER THAN TIMELY MEETING THE REQUIREMENTS OF ITS CONTINUING DISCLOSURE DOCUMENTS CONTINUING DISCLOSURE CERTIFICATES, ANY PROVISIONS OF THESE CONTINUING DISCLOSURE PROCEDURES MAY BE WAIVED OR AMENDED AT ANY TIME UPON CONSULTATION WITH THE CFO.

APPENDICES

APPENDIX M – CAPITAL BUDGET

For up-to-date information about the District's major capital programs, please visit the following District websites:

Existing and New Facilities:

http://www.laschools.org/new-site/sep/

Information Technology Division:

http://achieve.lausd.net//site/Default.aspx?PageID=361

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APPENDICES

APPENDIX N – NOTES TO FINANCIAL STATEMENTS

NOTE 1 – SUMMARY OF ALL INTER-FUND TRANSFERS BETWEEN ALL FUNDS

	(Amounts in millions)				
Interfund Adjustments	2012-13 Actual Amounts	2013-14 Actual Amounts	2014-15 Actual Amounts	2015-16 3rd Interim Amounts	2016-17 Authorized Amounts
General Fund	$ 23.6	$ 22.7	$ 1.1	$ 53.8	$ 23.0
Cafeteria Fund	54.7	51.9	51.3	13.9	38.6
Adult Education Fund	60.6	-	3.3	1.2	-
Child Development Fund	15.3	30.2	25.0	32.2	33.5
Special Reserve Fund	3.0	4.6	46.1	3.1	-
Building Fund	-	0.1	0.4	-	-
Building Fund - Measure K	84.3	-	9.1	34.8	-
Building Fund - Measure R	60.6	-	57.9	16.2	-
Building Fund - Measure Y	89.1	-	54.3	42.1	-
Building Fund - Bond Proceeds	29.1	-	2.0	0.0	-
County School Facilities Fund	110.2	-	2.0	2.0	-
State School Building Lease/Purchase Fund	0.1	-	-	-	-
Capital Facilities Fund	9.5	-	-	-	-
Capital Services Fund	41.2	46.5	50.1	43.6	43.3
Workers' Compensation Fund	96.1	113.8	180.3	124.1	116.8
Health & Welfare Benefits Fund	905.5	936.6	958.6	1,027.1	1,052.6
Liability Self-Insurance Fund	18.5	50.8	53.6	155.3	31.3
Other Post Employment Benefit Fund	-	60.0	30.0	51.0	78.0
Total	**$ 1,601.4**	**$ 1,317.2**	**$ 1,525.1**	**$ 1,600.4**	**$ 1,417.0**

NOTE 2 – CAPITAL SERVICES FUND

The following table shows the source of funds for repayment of Certificates of Participation (COPs) and other long-term obligations, their purposes, the requirements in 2016-17, and the year in which these obligations will be fully repaid.

	Beginning Date	Ending Date	2016-17 Payment (in millions)
2005 COPs-QZAB-Repay/Int	2004-05	2020-21	$ 0.0
2007A COPs-Information Technology Projects	2006-07	2017-18	8.4
2010A COPs-Refunding of 1997A & 1998A	2009-10	2017-18	9.6
2010B COPs-Repayment Capital Project I	2009-10	2034-35	9.4
2010B1 COPs-Capital Project I/Roybal Relocation (BAB)	2014-15	2034-35	0.6
2012A COPs-Repayment/Interest-Refunding 2008A and 2008B	2011-12	2031-32	9.6
2012B COPs-Repayment/Interest-Refunding 2001B and 2002C	2011-12	2031-32	3.8
2013A COPs-Repayment/Interest-Refunding 2003B	2013-14	2027-28	1.8
			$ 43.3

APPENDICES

APPENDIX N – CAFETERIA FUND REVENUE

	Number of	Federal Reimbursement		State Reimbursement		**Total**
	Meals Served	Rate	Amount	Rate	Amount	**Revenue**
National School Lunch Program						
Special Summer						
Lunch	*1,018,386*	$3.7450	**$ 3,813,856**	$ -	**$ -**	**$ 3,813,856**
Breakfast	-	2.1325	**-**	-	**-**	**-**
Snack	*287,343*	0.8875	**255,017**	-	**-**	**255,017**
			$ 4,068,873		**$ -**	**$ 4,068,873**
Special Assistance Program						
Lunch						
Free	*42,092,236*	3.2130	**135,242,354**	$0.2271	**9,559,147**	**$ 144,801,501**
Reduced-price	*2,079,992*	2.8050	**5,834,378**	0.2271	**472,366**	**6,306,744**
Full Price	*8,931,912*	0.3774	**3,370,904**	-	**-**	**3,370,904**
National School Breakfast (Regular)*						
Free	96,350	1.6932	**163,140**	0.2271	**21,881**	**185,021**
Reduced-price	13,766	1.3872	**19,096**	0.2271	**3,126**	**22,222**
Full Price	143,324	0.2958	**42,395**	-	**-**	**42,395**
Needy Breakfast*						
Free	*46,765,829*	2.0298	**94,925,280**	0.2271	**10,620,520**	**105,545,800**
Reduced-price	*3,147,748*	1.7238	**5,426,088**	0.2271	**714,854**	**6,140,942**
Full Price	*14,091,018*	0.2958	**4,168,123**	-	**-**	**4,168,123**
Snacks						
Free	*6,480*	0.8568	**5,552**	-	**-**	**5,552**
Reduced-price		0.4284	**-**	-	**-**	**-**
Full Price		0.0714	**-**	-	**-**	**-**
			$ 249,197,310		**$ 21,391,894**	**$ 270,589,204**
Child and Adult Care Food Program						
Lunch						
Free	*1,442,337*	3.1314	**4,516,534**	$0.1691	**$ 243,899**	**$ 4,760,433**
Reduced-price	*175,276*	2.7234	**477,347**	$0.1691	**29,639**	**506,986**
Full Price	*211,312*	0.2958	**62,506**	-	**-**	**62,506**
Breakfast						
Free	*1,327,002*	1.6932	**2,246,880**	$0.1691	**224,396**	**2,471,276**
Reduced-price	*161,636*	1.3872	**224,221**	$0.1691	**27,333**	**251,554**
Full Price	*194,758*	0.2958	**57,609**	-	**-**	**57,609**
Snacks						
Free	*1,284,407*	0.8568	**1,100,480**	-	**-**	**1,100,480**
Reduced-price	*156,133*	0.4284	**66,887**	-	**-**	**66,887**
Full Price	*188,220*	0.0714	**13,439**	-	**-**	**13,439**
Supper	*12,752,499*	3.1314	**39,933,175**	-	**-**	**39,933,175**
			$ 48,699,078		**$ 525,267**	**$ 49,224,345**
Cash In-lieu of Commodities	*14,581,424*	0.2423	**3,533,079**		**$ -**	**$ 3,533,079**
Donated Commodities			**16,587,890**		**-**	**16,587,890**
Total Revenue			**$ 322,086,230**		**$ 21,917,161**	**$ 344,003,391**

**Includes Breakfast In The Classroom (BIC)*

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APPENDICES

APPENDIX O – GLOSSARY AND ABBREVIATIONS

GLOSSARY

Abatement – A complete or partial cancellation of an expenditure or revenue item.

Academic Performance Index (API) – The API measures student achievement on certain standardized tests. Several Governor's Initiative programs use schools' API scores and their growth over time on the Index to determine funding.

Accounts Payable – Amounts due and owed to private persons, business firms, governmental units, or others for goods received and/or services rendered. It includes amounts billed but not yet paid.

Accounts Receivable - Amounts due and owed from private persons, business firms, governmental units, or others for goods received and/or services rendered. It includes amounts billed but not received.

Accrual Basis of Accounting – An accounting method in which revenues are recorded when earned, and expenditures when a liability is incurred, regardless of when the receipt or payment of cash takes place. School districts use the accrual basis of accounting for proprietary funds such as the Cafeteria and Self-Insurance funds, and fiduciary funds such as the Annuity Reserve Fund. (See also Cash Basis of Accounting and Modified Accrual Basis of Accounting).

Administered Budget – An administered budget refers to resources managed by a division but spent elsewhere. For example, Facilities Services Division manages the utilities budget for schools and offices, but the expenditures are distributed to schools and offices.

Administrative Service Charge – A credit (negative) amount budgeted to reflect indirect administrative services costs charged to certain programs. This is necessary to eliminate duplication of the cost in the total District budget.

Ad Valorem Tax – A tax based on a percentage of the value of goods or services.

Arbitration – A form of alternative dispute resolution in which a third party reviews the evidence in the case and imposes a decision that is legally binding for both sides and enforceable.

Appropriation – An authorization granted by the governing board to make expenditures and to incur obligations for special purposes. An appropriation is usually limited in purpose, amount, and the time period during which it may be expended.

Audit – An examination of documents, records, and accounts for the purpose of (1) determining the propriety of transactions; (2) ascertaining whether transactions are recorded properly; and (3) determining whether statements drawn from accounts reflect an accurate picture of financial operations and financial status for a given period of time.

Authorized (budgeted) Amount – The maximum budget authority granted by the governing board, as opposed to the "estimated amount". "Authorized" and "estimated" amounts will differ when, for example, actual grant revenues or expenditures are projected to be less than the authorized amount.

Authorized Positions – Positions, both filled and vacant, for which authority is provided in the budget.

Average Daily Attendance – A measure of pupil attendance used as the basis for providing revenue to school districts and as a measure of unit costs. Only in-seat attendance is counted in computing ADA.

Base Grant Funding – In LCFF, it is the result of multiplying the Base Grant Per ADA of each grade span by the funded ADAs of each respective grade span. All students generate Base funding.

Bond – A certificate containing a written promise to pay a specified amount of money, called the face value, at a fixed time in the future, called the date of maturity, and specifying interest at a fixed rate, usually payable periodically.

Budget – A plan of financial operation consisting of an estimate of proposed revenue and expenditures for a given period and purpose. The term usually indicates a financial plan for a single fiscal year.

Budget Adjustment (or "Budget Transfer") – Is an adjustment that may increase or decrease revenues or expenditures, or a change in amounts between objects of expenditures. The adjustment can be for the current fiscal year or for multi-years.

California State Lottery – Proposition 37, passed by the voters in November 1984, established the California Lottery. The lottery distributes funds to school districts for instructional purposes. Lottery funds cannot be used for purchase or construction of facilities, for land, or research. Because the initiative does not define "instructional," school districts have wide latitude in the use of lottery funds. Districts are required to utilize 50% of any increased funding above the 1997-1998 base year for instructional materials.

Capital Expenditures – According to the California School Accounting Manual, capital expenditures are those "for sites, buildings, books, and equipment, including leases with option to purchase, that meet the LEA's (Local Education Agency) threshold for capitalization." Categories of expenses recorded as capital expenditures include land, buildings, site improvements, and some types of equipment. Equipment also includes library books and project management costs that can be assigned to an individual capital project.

Capital Outlay – Amounts paid for fixed assets or additions to fixed assets, including land or existing buildings, improvement of grounds, construction of buildings, additions to buildings, remodeling of buildings, or initial and additional equipment.

Capital Project Funds – District funds dedicated to facilities construction and repair.

Career Technology Education - A program of study that involves a multiyear sequence of courses that integrates core academic knowledge with technical and occupational knowledge to provide students with a pathway to postsecondary education and careers.

Carryover (or Carryforward) – Unexpended balances that are carried forward from one fiscal year to the next in accordance with programmatic or District guidelines. Funds may carry forward at a particular cost center or may be carried forward and redistributed as part of a new fiscal year's allocation depending on program guidelines.

Cash Basis of Accounting – An accounting method in which revenues are recorded when cash is received and expenditures (or expenses) are recorded when cash is disbursed. School districts do not use the cash basis of accounting. (See Accrual Basis of Accounting and Modified Accrual Basis of Accounting).

Categorical Programs – Programs that fund activities that are supplemental to the District's basic instructional program. These programs may be included in the General Fund Restricted, Unrestricted, or in a number of special funds.

Certificated Salaries – Salaries paid for services that require a teaching credential. These include teachers, counselors, assistant principals, and principals.

Certificates of Participation (COPs) – A financing technique which provides funding through the sale of papers backed by a specific capital asset for capital cost items.

Charter School – Under State law, charter schools operate semi-autonomously of the District. A locally-funded (affiliated) charter school continues to receive funding from the District but develops curriculum that may differ from that of a non-charter school.A direct-funded (fiscally- independent) charter school receives funding directly from the State and develops curriculum in compliance with state and federal guidelines.

Child Days of Enrollment – Children's centers generate revenue based on Child Days of Enrollment as opposed to K-12 schools which uses average daily attendance as the basis for revenue.

Civic Center Rentals - Rental of space at school sites during non-school hours by designated groups. The District is required to charge an appropriate amount for the use of the facilities. These charges become part of the District's General Fund revenues.

Classified Salaries – Salaries for services that do not require a teaching credential such as clerical and custodial staff.

COLA – See Cost of Living Adjustment

Common Core State Standards (CCSS) - Common standards across all states for English and Math. This is a change from the previous state-by-state systems. Instead of taking the California Standards Test in May, students will take the new test, called the Smarter Balanced Assessment.

Community Day School (CDS) – A school site that serve students who have been expelled, referred by SARB, or denied attendance at a regular school site. By law, these schools must be located on sites separated from regular District campuses.

Compensatory Education – Comprised of ESSA (Every Student Succeeds Act)Titles I, II, and III; provides supplemental funding for schools who qualify for funding under program guidelines. These include students receiving free or reduced-price meals and English learners.

Concentration Grant Funding – In LCFF, school districts that have unduplicated pupil percentage greater than 55% are entitled to the Concentration Grant Funding. For each grade span, this is calculated by multiplying the Base Grant Funding by the Unduplicated Pupil Percentage in excess of 55% times 50%.

Concurrently-Enrolled – Students that are enrolled simultaneously in a K-12 school and in a Regional Occupational Center or Adult Education Program.
Continuous – See "Ongoing."

Cost of Living Adjustment (COLA) - This is a percentage calculated by the State and is based on the Implicit Price Deflator as of the month of May prior to the beginning of each fiscal year. The LCFF rates per ADA are increased annually to reflect the COLA.

Current Expense of Education – The current General Fund operating expenditures for kindergarten through grade twelve. This excludes expenditures for food services, community services, non-agency activities, fringe benefits for retired persons, acquisition and construction of facilities, and other outgo items.

Debt Limit – The maximum amount of legally-permitted debt.

Debt Service – Expenditures for retirement of debt and interest on debt (e.g., COPS and bonds).

Deficit Spending – The excess of actual expenditures over actual revenues (also referred to as an operating deficit).

Designated Ending Balance – The portion of the previous year's ending balance committed by statute or by District policy and therefore unavailable for general purpose spending.

Developer Fees – District revenue resulting from fees levied upon new residential, commercial, or industrial development projects within the District's boundaries in order to obtain additional funds for the construction of schools.

Direct Services – Services that are delivered at a school site where the student is the direct recipient or beneficiary of the services. Examples include personnel that provide direct, hands-on instruction to students.

District-Defined Programs – Programs within the General Fund that are summarized as distinct programs within the budget document. District-Defined Programs are selected for increased transparency in the budget because they have significant financial implications or because the Board has indicated a desire that financial information about the program be reflected in the budget document.

Education Protection Act (EPA) - The Education Protection Account (EPA) provides local educational agencies (LEAs) with general purpose state aid funding pursuant to Proposition 30, The Schools and Local Public Safety Protection Act of 2012, approved by the voters on November 6, 2012. The EPA funding is a component of an LEA's total LCFF entitlement as calculated in the Principal Apportionment.

Elementary and Secondary Education Act (ESEA) - In 1965, President Lyndon B. Johnson passed the Elementary and Secondary Education Act as a part of the "War on Poverty." ESEA emphasizes equal access to education and establishes high standards and accountability. The law authorizes federally funded education programs that are administered by the states. In 2002, Congress amended ESEA and reauthorized it as the No Child Left Behind Act (NCLB). On January 12, 2015, U.S. Education Secretary Arne Duncan called on Congress to create a law that will improve access to high-quality preschool, foster innovation, and advances equity and access. http://www.ed.gov/esea

Employee Benefits – Expenditures for employer contributions to retirement plans, for social security, workers' compensation, unemployment insurance, health and medical benefits, and other employee "fringe benefits."

Encroachment – Costs of a district-defined program such as Special Education that exceed the program's earned income. Encroachment is covered through inter-program adjustments, usually from General Fund – Unrestricted Program resources.

Encumbrance – An obligation such as a salary, purchase order, contract, or other commitment to spend, that has been recognized in the accounting records but not yet finalized as a formal expenditure.

Enterprise Funds – Funds used to account for activities of an LEA (Local Education Agency) that, because of their income-producing character, are similar to those found in the private sector.

Entitlement – An apportionment that is based on specific qualifications or a formula defined in statute.

Estimated (Budgeted) Amount – The estimated amount of revenues or expenditures, as opposed to the "authorized" amount, which is the maximum budget authority granted by the governing board. "Authorized" and "estimated" amounts will differ when, for example, actual grant revenues or expenditures are projected to be less than the authorized amount.

Every Student Succeeds Act (ESSA) – ESSA was signed by President Obama on December 20, 2015, and reauthorizes the 50-year-old Elementary and Secondary Education Act (ESEA), the nation's national education law.

Expenditure – The cost of goods received or services rendered.

Federal Emergency Management Act (FEMA) – A funding source for building repairs related to the January 17, 1994 earthquake, and for hazard mitigation measures. FEMA funds may also be allocated for other natural disasters.

Federal Jobs Bill - United States Senate Bill S3206, otherwise known as the Keep Our Educators Working Act of 2010, provided $23 billion to help keep teachers, principals, librarians and other school personnel employed as states faced crippling budget shortfalls.

Fees – Amounts collected from or paid to individuals or groups for services or for use of a facility or service rendered.

Fiduciary Funds – District funds utilized as holding accounts for amounts owed to employees under various agreements.

Final Budget – The Final Budget is the District's official operating budget upon board adoption, which must occur prior to June 30 of the preceding budget year. The Final Budget is submitted to the Los Angeles County Office of Education (LACOE) for approval in accordance with guidelines provided in the Education Code.

Fiscal Year – A period of one year, the beginning and ending dates of which are fixed by statute. The fiscal year for California school districts begins July 1st and ends on June 30th.

Function – Under the Standardized Account Code Structure (SACS), function refers to activities or services performed to accomplish a goal.
Fund – A sum of money or other resources set aside for the purpose of carrying on specific activities or attaining certain objectives.

Fund Balance – According to the California School Accounting Manual (Procedure No. 207), the fund balance is determined by subtracting the fund's total liabilities from the total assets. The difference is the fund balance.

Fund Balance Classification - GASB 54 implements a five-tier fund balance classification that depicts the extent to which the district is bound by spending constraint imposed on the use of its resources.

- **Non-spendable Fund Balance** consists of funds that cannot be spent due to their form. These include inventory and prepaid items or funds that are legally or contractually required to remain intact, such as the principal of a permanent endowment.

- **Restricted Fund Balance** consists of funds that are subject to externally imposed and legal constraints.
- **Committed Fund Balance** consists of funds that are subject to internal policies and constraints. These policies are self-imposed by the District's highest level of decision making authority.
- **Assigned Fund Balance** consists of funds that are intended to be used for a specific purpose by the district's highest level or an official with the authority to assign funds.
- **Unassigned Fund Balance** consists of residual fund balance that has not been classified in the previous four categories. It represents resources available for future spending.

General Fund – The fund used to summarize costs of the District's basic operations. The District's General Fund includes both restricted and unrestricted activities.

Goal – Under the Standardized Account Code Structure (SACS), a goal defines an objective or set of objectives for the LEA (Local Education Agency). It is used to account for the cost of instruction and other services by the instructional goals and objectives of an LEA.

Governor's Budget – The Governor's Proposed State Budget, or "Governor's Budget," is published each January, and represents his initial public disclosure of his financial assumptions and spending priorities for the coming fiscal year.

Grade Span – In LCFF, it refers to the grouping of student grade levels such as K-3, 4-6, 7-8, and 9-12.

Grant – A contribution, either in money or material goods, made by one governmental agency to another. Grants may be for specific or, rarely, for general purposes.

Implemented Budget – Budget for restricted programs that has been allocated to specific appropriations for expenditure.

Indirect Cost – Elements of cost necessary in the operation of a district or in the performance of a service that are of such nature that the amount applicable to each accounting unit cannot be determined readily. It consists of those business and administrative costs (e.g., accounting, budgeting, personnel, purchasing) that benefit the entire district.

Indirect Cost Rate – A method for claiming reimbursement of indirect costs from federal and state categorical funds. It is the ratio (expressed as a percentage) of the indirect costs to direct base costs.

Inter-fund Transfers – Income and expenditures initially recorded in the General Fund and then transferred, in accordance with accounting requirements, to a special fund.

Interim Reports – Accounting reports prepared as of a date or a period during the fiscal year. They include budgetary estimates, financial transactions during current year-to-date, and end-of-year projections. California school districts are required to publish a first interim report in December based upon October data, and a second interim report in March based on January data. A third interim report may be required by the County Office of Education if it has significant concerns regarding the financial viability of a district.

Internal Service Funds – District funds dedicated to self-insurance of costs such as employee health and medical benefits, liability insurance, and worker's compensation.

Inter-program Costs – Costs of a district-defined program that exceed the program's income must be covered from other General Fund revenues. Such costs are covered through "inter-program" transfers from the unrestricted General Program.

LCAP – Local Control Accountability Plan – See Local Control Accountability Plan below.

LCFF – Local Control Funding Formula – See Local Control Funding Formula below.

Least Restrictive Environment – A special Education program; describes the legal requirement to educate students with disabilities with their non-disabled peers to the greatest extent appropriate.

Limited – See "One-time."

Local Control Accountability Plan (LCAP) – A Board-adopted Districtwide plan identifying the academic interventions and strategies that will be implemented to address the academic needs of students receiving supplemental and concentration funding under the Governor's Local Control Funding Formula (LCFF). The plan is a required component of the annual District budget document adopted by each district Board of Education.

Local Control Funding Formula (LCFF) – The Governor's public education funding reform, which replaced the Revenue Limit funding formula and most state categorical sources, with a base grant funding, and needs-based supplemental grant funding based on the number of identified students who are English Learners, socio-economically disadvantaged, or who are in foster care. The formula also provides a concentration grant funding for Districts with unduplicated student counts exceeding 55% in any one of the previously mentioned supplemental funding categories.

Local Education Agency (LEA) – This pertains to a school district, a charter school, or a county office of education which operates a public elementary or secondary education.

Mandated Cost Reimbursements – The California constitution requires that the State reimburse local governmental entities, including school districts, for the cost of complying with State or court mandates. The reimbursement is known as a Mandated Cost Reimbursement.

May Revision (or "May Revise") – Published each May, this State document updates the Governor's Budget published in January with regard to the Governor's State revenue projections and spending priorities for the coming fiscal year.

Measure K – The "Safe Healthy Neighborhood Schools Act (of 2002)" is a school bond measure that authorizes LAUSD to issue $3.35 billion in bonds for repair and renovation of existing schools and to build neighborhood schools to improve local schools and relieve classroom overcrowding. Passed by 64% of the Los Angeles County voters; November 2002. http://www.laschools.org/bond/faq

Measure Q – The "Safe, Healthy Neighborhood Schools Act (of 2008)" is a school bond measure that authorizes LAUSD to issue $7 billion in bonds to continue repair/upgrade of aging classrooms. Passed by 69% of the Los Angeles County voters; November 2008. http://www.laschools.org/bond/faq

Measure R – The "Safe and Healthy Neighborhood Schools Improvement Act of 2004" is a school bond measure that authorizes LAUSD to issue $3.87 billion in bonds to continue repair/upgrade of aging classrooms and build neighborhood schools. Passed by 63% of the Los Angeles County voters; March 2004. http://www.laschools.org/bond/faq

Measure Y – The "**Safe and Healthy Neighborhood Schools Repair and Construction Measure of 2005**"is a school bond measure that authorizes LAUSD to issue $3.985 billion in bonds to continue repair/upgrade of aging classrooms and to build new neighborhood schools. Passed by 66% of the Los Angeles County voters; November 2005. http://www.laschools.org/bond/faq

Modified Accrual Basis of Accounting – In the modified accrual basis of accounting, revenues are recognized in the period when they become available and measurable, and expenditures when a liability is incurred, regardless of when the receipt or payment of cash takes place. School districts use the modified accrual basis of accounting for operating funds such as the General Fund and Adult Education Fund.

Multi-year Financial Plan – A plan that presents financial estimates of programs in tabular form for a period of years. These estimates reflect the future financial impact of current decisions. California school districts are required to publish three-year financial plans reflecting estimates for the budget year and two subsequent fiscal years.

Next Generation Science Standards (NGSS) - New K–12 science standards have been developed that are rich in content and practice, arranged in a coherent manner across disciplines and grades to provide all students an internationally benchmarked science education.

Norms – For most schools, the District uses Board-approved "norms" to determine the base number of teachers, school administrators, school clerical positions, and various resources at each school. Norms generally use student enrollments to determine the resources to be allocated to individual schools. For example, norms may dictate that schools should receive 1 teacher per 30 students, one clerical employee per 100 students, one counselor per 500 students, etc.

To calculate norm allocations, the District uses the number of students enrolled at each school on "norm day," which is generally the Friday of the fourth week of school. Other factors may also be used in norm allocations. For example, the allocation of custodians is based on a complex formula that includes the school's square footage. The District norms are published in the form of "norm tables" which describe the factors utilized in determining the individual norms.

Objects of Expenditure – California school districts are required to develop their budgets and report expenditures by "Object of Expenditure," which reflects specific categories of cost such as Teachers' Salaries, Textbooks, etc.

One-time – Revenue or expenditure line-items not expected to continue into the subsequent year.
Ongoing – Revenue or expenditure line-items that are expected to continue into the subsequent year.

Operational Budget – The positions and other resources which enable an operating unit to perform the functions for which it is responsible. Distinguished from administered budgets in that the unit controlling and benefiting from the resources are one and the same.
Overdraft – The amount by which expenditures and encumbrances exceed the budget available for them.

Pending Distribution – Accounts in the budget held for distribution to expendable appropriations during the course of the fiscal year. Generally, funds are placed in a Pending Distribution account because of funding uncertainty or because no spending plan has been received. Funds must be transferred from the Pending Distribution account to expendable accounts before spending may occur.

Position Control – A system developed to control salary and benefit costs by comparing budgeted positions to assignments and payroll so that only employees with budgeted positions and active assignments can be paid.

Program Code – Five-digit code used in budgeting and controlling expenditures. Use of program codes facilitates tracking and identification of specific expenditures. Also referred to as *Appropriation Code*.

Proposition 20 - The "Cardenas Textbook Act of 2000" – changed the way the portion of the state's annual lottery revenues are distributed to public education by mandating that of the future growth in lottery funds, 50-percent of that increase must go to K-14 public schools to be spent on instructional materials. Passed by **53%** the **California** voters; March 2000.
http://ballotpedia.org/California_Proposition_20,_Lottery_Funds_for_Textbooks_(2000)

Proposition 30 - The Schools and Local Public Safety Protection Act of 2012, approved by the voters on November 6, 2012, temporarily increases the state's sales tax rate for all taxpayers and the personal income tax rates for upper-income taxpayers. This partly funds the LCFF.

Proposition 39 – The California Energy Conservation Grant, provides funding to support energy efficiency and alternative energy projects, along with related improvements and repairs that contribute to reduced operating costs and improved health and safety conditions in public schools.

Proposition 47 – The "Kindergarten-University Public Education Facilities Bond Act of 2002" – Authorized California to issue $13.05 billion in bonds to provide funding for necessary education facilities to relieve overcrowding and to repair older schools. Funds will be targeted to areas of the greatest need and must be spent according to strict accountability measures. Passed by 59% of the California voters; November 2002.
http://ballotpedia.org/California_Proposition_47,_Bonds_for_School_Construction_(2002)

Proposition 49 – **The "Before and After School Programs Act**," increased funding for before and after school programs in California. Starting in 2004-2005, it permanently earmarked a portion of the state's general fund for before and after school programs. Passed by 56.7% of the California voters; November 2002.
http://ballotpedia.org/California_Proposition_49,_Funding_for_Before_and_After_School_Programs_(2002)

Proposition 55 – **The "State Kindergarten-University Public Education Facilities Bond Act of 2004"** authorized the State of California to issue $10 billion of general obligation bonds for construction and renovation of K-12 school facilities and $2.3 billion of general obligation bonds for construction and renovation of higher education facilities. Passed by 50.1-percent of the California voters; March of 2004.
http://ballotpedia.org/California_Proposition_55,_Bonds_for_Schools_(March_2004)

Proposition 98 – **The "Classroom Instructional Improvement and Accountability Act (of 1988)**: requires a minimum percentage of the state budget to be spent on K-14 education, guaranteeing an annual increase in education in the California budget. As a result of Proposition 98, a minimum of 40% of California's general fund spending is mandated to be spent on education. Passed by 50.7-percent of the California voters; November 1988.
http://ballotpedia.org/California_Proposition_98,_Mandatory_Education_Spending_(1988)

Proposition BB – A school bond measure that authorizes LAUSD to use $2.4 billion in bonds for the construction of new schools and the repair and modernization of existing schools through the district to improve local schools and relieve classroom overcrowding. Passed by 71% of the Los Angeles County voters; April 1997. http://www.laschools.org/bond/faq

Proportionality Requirement – A Local Control Funding Formula calculation that identifies the minimum level of increased or improved services for students in need that must be demonstrated by the District each year.

Public Employees' Retirement System (PERS) – Unless exempted by state law, classified employees, their district, and the State contribute to this retirement fund.

Quality Education Investment Act – Funds approved as part of the settlement of the *CTA v. Schwarzenegger* lawsuit, intended to improve education, primarily through class-size reduction, at Decile 1 and 2 schools. Funds are provided over a seven-year period, with participating schools determined through a random lottery. Schools must meet achievement criteria in order to remain eligible for funding. Funding for this program began in 2007-08.

RAB – See Reserve for Anticipated Balances

Regional Occupational Centers (ROC) – Provide vocational training classes for high school youth and adults in a variety of occupations.

Requisition – A document submitted initiating a purchase order to secure specified articles, services, or issuance of materials from stores, a warehouse, or a vendor.

Reserve – An account used to earmark a portion of a Fund, to indicate that it is not currently available for expenditure or is set aside for future use at the Board's discretion. Amounts held in reserve cannot be expended without the Board's formal approval.

Reserve for Anticipated Balances (RAB) – The Reserve for Anticipated Balances serves to identify the difference between the estimated and authorized budgeted revenues and/or authorized and estimated expenditures in the adopted budget.

Reserve for Economic Uncertainties (REU) – Districts are required to maintain a reserve to offset the potential impact of unanticipated expenditures or revenue shortfalls. For LAUSD, it is a minimum of 1% of General Fund total expenditures and other financing uses.

Restricted – Program funding that is limited to specific students or types of expenditure, e.g., Title I, AB 602 Special Education funds, etc. See *Categorical*. Also see *Unrestricted*.

Revenues – The funding available to an organization from outside sources. Revenues are the primary financial resource of a fund.

Routine Restricted Maintenance Account or Routine Repair and General Maintenance Program – Provides for the repair of school district buildings, equipment, and grounds, as well as for planning and implementation of alterations and improvements of existing structures. School districts are required to commit 3% of their budgeted total General Fund expenditures and other financing uses for purposes of routine repair and general maintenance as a condition of participating in the State building program. The General Fund transfer to the Deferred Maintenance Fund, if any, can comprise half of one percent. Maintenance costs to other funds such as the Adult Education Fund or Child Development Fund can also be applied toward the 3% requirement.

SACS-2000 – The form used by local school districts to report financial information to the County Office of Education. It replaced the J-200 reporting form. "SACS" is the abbreviation commonly used for Standardized Account Code Structure.

Smarter Balanced Assessments - Next-generation assessments that are aligned to the Common Core State Standards (CCSS). (http://www.corestandards.org/) in English language arts/literacy and mathematics for grades 3-8 and 11. The Smarter Balanced Assessment System will give parents and students more accurate and actionable information about what students are learning. Because these

assessments are computer adaptive (http://www.smarterbalanced.org/smarter-balanced-assessments/computer-adaptive-testing/), they will also provide better information about the needs and successes of individual students.

Special Education Program – A school-based program providing instruction and support services based on an Individualized Education Program (IEP). To qualify for an IEP, a student must be assessed and determined to have a disability as defined by the Individuals with Disabilities Education Act (IDEA) and have a need for specialized services in order to access the instructional program.

Special Education Local Plan Area (SELPA) – IDEA requires that each State organize in a way that allows effective programming and services be provided to students with disabilities. In the State of California, the mechanism used to meet this requirement is the Special Education Local Planning Area or SELPA. Each SELPA develops and maintains a local plan describing how special education programs and services are provided to students with disabilities within the boundaries of the SELPA. Due to its size, the Los Angeles Unified School District is a single-district SELPA.

Special Education – Low Incidence – In order to ensure students with certain disabilities have access to highly specialized equipment and materials, the State of California provides restricted funding to support the needs of students who are Deaf or Hard of Hearing, Blind or Visually Impaired and/or who have serious physical disability. The state refers to these disabilities as "low incidence."

Special Funds – Separate financial entities within the budget which provide for specified activities, as defined in the California Education Code. Examples are Adult Education Fund, Building Fund, Cafeteria Fund, etc.

Standardized Account Code Structure (SACS) – Statewide standardization of school district budgeting and accounting codes in order to increase uniformity of accounting and facilitate statewide data collection and analysis.

State Teachers' Retirement System (STRS) – State law requires certificated employees, school districts, and the State to contribute to this retirement fund.

Statutory COLA – See Cost of Living Adjustment

Student Body Fund – An agency fund to control the receipts and the disbursements of student association activities. Student body funds are not the property of the school district and are not reflected in the District budget or accounts.

Student Integration Program – Combined the Court-Ordered and Voluntary Desegregation Programs to create a wide variety of programs to address the harms of racial isolation in District schools. The *Crawford v. LAUSD* legal decision formally created this program.

Supplemental Grant Funding – In LCFF, every student identified as either English Learner, eligible for free or reduced-priced meal, or foster youth, generate this funding. This is calculated by multiplying the Base Grant Funding by the Unduplicated Pupil Percentage times 20%. This funding is dedicated to students identified as indicated above.

Targeted Instructional Improvement Block Grant (TIIBG) – Funds the costs of ongoing desegregation efforts and, if funds remain, the needs of underachieving schools. It replaces Student Integration funding in the 2002-03 State Budget.

Targeted Student Population – Under the Local Control Funding Formula, targeted pupils are those classified as English learners (EL), meet income requirements to receive free or reduced-price meal (FRPM), foster youth, or any combination of these factors.

Tax and Revenue Anticipation Notes (TRANs) – Short-term notes issued in anticipation of receipt of revenues, typically for cash flow purposes.

Teachers As A Priority (TAP) Program – State-funded program intended to enhance the ability of low-performing schools to attract and retain quality teaching staff.

Undesignated Ending Balance – The portion of the current fiscal year's ending balance that is uncommitted and available for discretionary use for the following fiscal year. All balances are one-time in nature.

Ungraded – Some programs, such as special education, group children into classes based on ability level rather than grade level. Such programs are reflected in the "Ungraded" section of attendance/enrollment reports.

Unimplemented Budget – Reflects Restricted Program income that has not yet been received but is anticipated in the budget. As grants are received during the year, the budgets of these programs will be implemented, or placed into expendable appropriations.

Unrestricted – Refers to programs which provide funding that may be used for any educational purpose at the discretion of the Board of Education.

Weighted Student Formula – A method of allocating resources based on the characteristics of student populations. Weighted student formulas provide a basic per pupil allocation with additional resources – based on student weights – for economically-disadvantaged, English learners, special education, or other defined student populations.

ABBREVIATIONS

A&I – Alterations and Improvements of Buildings or Sites

AB – Assembly Bill. Applies to State legislation (e.g., Assembly Bill 602 would be abbreviated as AB 602)

ABE - Adult Basic Education Program

ACA – Assembly Concurrent Amendment

ACR – Assembly Concurrent Resolution

ADA – Average Daily Attendance

AEBG – Adult Education Block Grant

AEWC – Alternative Education and Work Center

AFDC – Aid for Dependent Children

AP – Advanced Placement

API – Academic Performance Index

AYP – Adequate Yearly Progress

BA – Budget Adjustment ("Budget Transfer")

BSA – Budgeting for Student Achievement

BTSA – Beginning Teacher Support and Assessment

CE – Certificated Salaries

CAHSEE – California High School Exit Examination

CALPADS – California Longitudinal Pupil Achievement Data System

CalWORKs – California Work Opportunity and Responsibility to Kids

CAP – Capacity Adjustment Program; a TIIBG/Student Integration Program

CBEDS – California Basic Education Data System

CBEST – California Basic Education Skills Test

CBET – Community-Based English Tutoring Program

CDE – Child Days of Enrollment (used in Child Development Fund)

CDE – California Department of Education

CDS – Community Day Schools

COLA – Cost of Living Adjustment

Comp. Ed. – Compensatory Education

COPs – Certificates of Participation

CPI – Consumer Price Index

CPR – California Performance Review

CRA – Community Redevelopment Agency

CSAM - California School Accounting Manual

CSR – Class Size Reduction

CSR – Comprehensive School Reform

CST – California Standards Test

CTA – California Teachers' Association

CTE – Career Technology Education

CTEIG – Career Technology Education Incentive Grant

CY – Current Year

DDP – District-Defined Program

DIS – Designated Instructional Services (or Designated Instruction and Services); a Special Education program

DOF – California Department of Finance

DRS– Desegregated Receiver Schools; aTIIBG/Student Integration Program

E.C. – Education Code

EIA – Economic Impact Aid. This program has two components: EIA-Bilingual and EIA-Compensatory Education

ELAP – English Language Acquisition Program

EL – English Learner

ELL – English Language Literacy Program
EPA – Education Protection Act

ERAF – Education Revenue Augmentation Fund

ERP – Enterprise Resource Planning

ESEA – Elementary and Secondary Education Act

ESSA – Every Student Succeeds Act

ESL – English as Second Language

FEMA – Federal Emergency Management Act, or Federal Emergency Management Agency

FRPM – Free or Reduced Price Meal

FSEP – Federal and State Education Programs

FTE – Full-time Equivalent

GAAP – Generally Accepted Accounting Principles

GASB – Governmental Accounting Standards Board

GATE – Gifted and Talented Education Program

GED – General Educational Development

GFOA – Government Finance Officers' Association

GO – General Obligation (Bond)

IASA – Improving America's Schools Act

IDEA – Individuals with Disabilities Education Act

IEP – Individualized Education Program

IMA – Instructional Materials (or "Materiel")

ITD – Information Technology Division

KLCS – TV – The District-owned and operated television station

LACOE – Los Angeles County Office of Education

LAEP – Los Angeles Educational Partnership

LAO – Legislative Analyst's Office
LCAP – Local Control Accountability Plan

LCFF – Local Control Funding Formula

LCI – Licensed Children's Institution

LEA – Local Educational Agency

LEP – Limited English Proficient or Proficiency

LRE– Least Restrictive Environment; a Special Education program

NC – Non-Certificated (Classified) Salaries

NCLB – No Child Left Behind

NPA – Nonpublic Agency; a Special Education program

NPS – Nonpublic School; a Special Education program

NSF – National Science Foundation

OASDHI - Old Age, Survivors', Disability and Health Insurance (Social Security)

OPEB – Other Post-Employment Benefits

P-1 – The First Principal Apportionment period (for attendance accounting and State allocation purposes)

P-2 – The Second Principal Apportionment period (for attendance accounting and State allocation purposes)

PD – Pending Distribution

PARS – Public Agency Retirement System

PERS – Public Employees' Retirement System

PHBAO –Primarily Latino, Black, Asian, and Other Non-Anglo; a TIIBG/Student Integration Program

PI – Program Improvement

PL – Public Law. Applies to federal legislation (e.g., Public Law 94-142 would be abbreviated as PL 94-142)

PPF – Per Pupil Funding

PSP – Priority Staffing Program; a TIIBG/Student Integration Program

PWT – Permits With Transportation; a TIIBG/Student Integration Program

PYA – Prior Year Adjustment

QEIA – Quality Education Investment Act

QZAB – Qualified Zone Academy Bonds

RIF – Reduction in force

ROC/P – Regional Occupational Centers/Programs

RRGM – Routine Repair and General Maintenance

RSP – Resource Specialist Program; a Special Education Program

SACS – Standardized Account Code Structure

SARB – School Attendance Review Board

SARC – School Accountability Report Card

SB – Senate Bill. Applies to State legislation (e.g., Senate Bill 602 would be abbreviated SB 602)

SBE – State Board of Education

SCA – Senate Constitutional Amendment

SDC – Special Day Class; a Special Education program

SELPA – Special Education Local Plan Area

SFP (or SFEP) – Specially-Funded Programs (or Specially-Funded Educational Programs). Now referred to as restricted programs.

SI – School Improvement Program

SRLDP – School Readiness Language Development Program; a TIIBG/Student Integration Program

STAR – Standardized Testing and Reporting

STRS – State Teachers' Retirement System

TAP (or TAAP) – Teachers As A Priority

TIIBG – Targeted Instructional Improvement Block Grant

TRANs – Tax and Revenue Anticipation Notes

TSP – Targeted Student Population

TUPE – Tobacco Use Prevention Education

UCTP – Urban Classroom Teacher Program; a TIIBG/Student Integration Program

WIA – Workforce Investment Act

WIOA – Workforce Investment and Opportunity Act (replaced WIA)

YRS – Year-Round Schools

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BUDGET SERVICES AND FINANCIAL PLANNING DIVISION

Cheryl Simpson, *Director*

Branch/Section/Unit
Adult Education Fiscal Support Services
Attendance & Enrollment Section
Budget Development and Analysis Support
Cafeteria Fiscal Support
Early Childhood Education Fiscal Support
Facilities Fiscal Support Services
Instructional Program Fiscal Support
ITD Fiscal Support Services
Position Management and Systems
School Fiscal Services
SELPA Fiscal Support
Student Support Programs Fiscal Services

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