

# LAUSD

## Budget Update June 23<sup>rd</sup>

The Los Angeles Unified School District (LAUSD) pays its bills almost entirely with money from the State. As a result, California's deepening budget crisis has required severe budget reductions.



# What can parents, guardians, and communities do to help?

- Learn about why LAUSD needs a parcel tax
- Lobby state and federal elected officials personally and in writing
- Encourage perfect attendance for students and teachers
- Volunteer to work in our schools
- Contribute to LAUSD's non-profit Educational Foundation to support individual schools or programs



# What the Superintendent and Board of Education must do today?

- The Board must adopt a proposed budget by July 1st.
- Under AB 1200, the proposed budget must demonstrate that the District will meet its financial obligations next year and is consistent with its multi-year obligations.
- By August 15<sup>th</sup>, LACOE must review the proposed budget, based on State standards and criteria, and must 1) approve or 2) disapprove the budget, or 3) require additional budget balancing measures.



**After measures have been taken and all available and allowable Stimulus funds used, we still have to resolve the budget deficit.**

<b>Year</b>	<b>Total Initial Deficits (General Fund unrestricted)</b>	<b>Board Approved Reductions &amp; Adjustments</b>	<b>Federal Stabilization &amp; IDEA Dollars</b>	<b>Remaining Reductions to be Approved</b>
2008-09	\$700.9M	\$569.2M	\$0	\$131.7M
2009-10	\$869.5M	\$333.0M	\$393.2	\$143.3M
2010-11	\$1,009.8M	\$327.3M	\$188.8*	\$493.7M
2011-12	\$1,142.4M	\$298.8M	\$0	\$843.6M

\* We do not have a guarantee from Sacramento on the remaining \$154.4 million of State Fiscal Stabilization in October. Special education Stimulus dollars make up the remaining \$34.4 million in 2010-11.

# Budget deficit solutions for 2008-09: \$131.7M

New recommendations based on increased deficit figures for 2008-09 include:

- **Categorical Program Reductions: \$75.2 M**
- **Deferred Maintenance: \$28.0 M**
- **Borrowing (Certificate of Participation) \$21.4 M**
- **Additional Central Office Reductions \$2.3 M**
- **Supply Balances (Instructional Materials Account) \$4.8 M**

# Budget deficit solutions for 2009-10: \$143.3M

New recommendations based on increased deficit figures for 2009-10 include:

- **Cancellation of elementary and middle summer school and intersession, and limited high school classes = \$33 M**
- **Transportation cuts across the board = up to \$16 M**
- **Central office streamlining = \$17.3 M**
- **Moving some non-school staff to a 10 month calendar= \$12 M**
- **Deferred maintenance = \$25 M**
- **Categorical program reductions = \$40 M**

# Initial budget recommendations for 2010-11 \$493.7M & 2011-12 \$843.6M deficits

## Problem

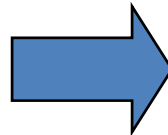
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<b>Recommendations</b>	<b>2010-11</b>	<b>2011-12</b>
2009-10 Ongoing Items	215.4	219.3
Deferral of textbook adoptions (ELA)	20	40
Streamline business operations	14.2	20.4
Basis Change and Differentials	7.6	7.6
Move central programs to other funding (e.g. SRLDP, 10 schools)	37	49.8
Consolidation of schools	5.4	10.9
Reduce routine maintenance	17.5	32.6
Reduce transportation budget	18.8	27.9
School Support Staffing Ratios	36.7	45.1
<b>Subtotal Recommendations</b>	<b>372.6</b>	<b>453.6</b>

# Remaining Budget Deficits for 2010-11 & 2011-12

To balance the remainder of the budget in 2010-11 & 2011-12 we will have to continue to reduce many programs. To avoid this situation we are going to pursue a parcel tax and ask all employees to share responsibilities.

- Parcel Tax (if it does not pass in 2009-10 we will have to reduce these programs and services in 2010-11 and or take additional shared commitments to close the \$121.1 M)



	2010-11	2011-12
K-3 Class Size Reduction (29:1)	47.3	47.3
Full Day Kindergarten	0	46.5
Arts & Music Program	14.4	28.8
School Safety & Cleanliness	20	20
School Administration & Support	10.9	20.9
Salary Reduction	28.5	226.5
Total	121.1	390

- Additional Shared commitments
  - 1% salary reduction = ~\$40 M



**As a community we must join together; parents, guardians, municipalities, industry partners, bargaining units and employees to help in this crisis.**

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