

# LOS ANGELES UNIFIED SCHOOL DISTRICT

BUDGET SERVICES & FINANCIAL PLANNING DIVISION

## SUPERINTENDENT'S FINAL BUDGET



2015-2016



# **LOS ANGELES UNIFIED SCHOOL DISTRICT**

## **SUPERINTENDENT'S 2015-16 FINAL BUDGET**

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**Cheryl Simpson  
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**Prepared by  
Budget Services and Financial Planning Division**

**June 23, 2015**



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**RAMON C. CORTINES**  
**SUPERINTENDENT OF SCHOOLS**

June 10, 2015

Dear LAUSD Family:

Over the last year, and with the support of our school communities, parents and staff, we have worked to return stability and calm to the District. As we move away from the State's recent financial crisis, I am pleased that we have remained focused on the District's educational priorities and have even been able to offer salary increases and a new health benefits agreement to our employees.

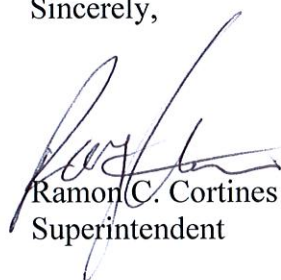
We are now entering the third year of executing the Local Control Funding Formula (LCFF)/Local Control Accountability Plan. Through increased LCFF funding, we have made a number of important investments in our highest-need students. These investments support foster youth, student engagement, School Climate and Restorative Justice, the realignment of the arts program, parent engagement, and other critical focus areas of the District.

Additionally, the increased LCFF funding enabled us to balance the District's budget for 2015-16 and 2016-17. Despite this progress, we must be cautious about paying for ongoing programs with one-time funds, as we plan for the future.

We must also be aware of our significant long-term challenges. Pension costs are projected to double over the next several years and health benefit expenses are continuing to increase. At the same time, we are faced with declining student enrollment – year after year – and the slowing down of LCFF revenue. We must, therefore, carefully plan and prudently manage so as to maximize resources for our schools. This means we need to return to the practice of developing multi-year, balanced budgets, while we collaboratively advocate for adequate funding for our highest-needs students throughout the District.

I look forward to working with the Board of Education and our school communities to continue the District's path toward financial stability.

Sincerely,



Ramon C. Cortines  
Superintendent



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

**INFORMATIVE**

**TO:** Members, Board of Education  
Ramon Cortines, Superintendent

**DATE:** June 11, 2015

**FROM:** Megan K. Reilly, Chief Financial Officer

**SUBJECT: ADOPTION OF SUPERINTENDENT'S 2015-16 FINAL BUDGET**

On June 23 the Board will be asked to approve the Local Control Accountability Plan (LCAP) and the Superintendent's 2015-16 Final Budget. The adoption of the LCAP Plan and Budget, after public hearing on June 16<sup>th</sup>, represent the culmination of months of public discussions about District instructional priorities and investments.

**I. MAJOR HIGHLIGHTS**

Below are the major highlights that are included in the 2015-16 Superintendent's Proposed Final Budget:

- The 2015-16 Final Budget incorporates the 2014-15 one-time unrestricted ending balance of \$114.7 million<sup>1</sup>. This balance is used to help balanced the budget.
- The 2015-16 Final Budget is balanced due to higher revenue from the state and the implementation of the fiscal stabilization plan adopted by the Board last March.
- Includes an additional proportionality investment<sup>2</sup> of \$170 million for 2015-16; the total new investments (inclusive of new investments initiated in 2014-15) is \$316 million. The program supported by these investments include Board priorities such as an A to G and Zero dropout initiative, and Dual Language and Magnet program expansions.
- Using the Department of Finance Estimates, FY 2016-17 is in balanced but FY 2017-18 remains with a deficit of \$333.4 million. In accordance with AB1200, a fiscal stabilization plan is required to address the FY 2017-18 deficit (Option I).
- The Los Angeles County of Education (LACOE) guidelines recommends that districts do not count on the Gap funding for 2016-17 and 2017-18 or ,if they do, requires districts to provide an alternative plan. Option 2 of the proposed fiscal stabilization plan is the required alternative plan in the event that revenues do not materialize in 2016-17 and 2017-18. However, Option 2's proposed reduction for the 2017-18 is untenable. If

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<sup>1</sup> See Attachment A for additional details on the Third Interim Report.

<sup>2</sup> Attachment B provides for the List of Additional Investment for 2015-16.

implemented, it would be difficult for the District to retain any semblance of good educational programs for our students.

## II. FISCAL PICTURE

### **The District is Balanced in 2015-16 and 2016-17.**

The 2015-16 Final Budget is balanced due to higher revenue from the Local Control Funding Formula (LCFF) gap funding, an increase in one-time discretionary funding and the implementation of the fiscal stabilization plan adopted by the Board last March. The fiscal stabilization plan includes central and program reductions, one-time alternative funding solutions and “redesigned” of district programs such as Arts, After School and Maintenance.

The table below provides a summary reconciliation of 2015-16 and 2016-17:

<b>Reconciliation from First Interim to this year’s budget (December 2014 to June 2015)</b>	<b>2015-16</b>	<b>2016-17</b>
Estimated non-cumulative deficit (as of December 2014)	(\$326.0)	(\$462.8)
Revenues from January Governor’s Budget (net of \$39M)	\$233.3	\$94.5
Fiscal Stabilization Plan (approved March 2015)	\$132.9	\$72.9
Health & Welfare and Salary Compensation Increase <sup>3</sup>	(\$184.7)	(\$174.8)
Revenues from May Revised (net of \$60 million)	\$354.5	\$127.6
Changes in revenue/expenditure estimates for 2015-16 (1 <sup>st</sup> to 3 <sup>rd</sup> Interim Financial Report as of June 1)	(\$65.1)	\$83.9
2014-15 Beginning balance (as of June 2015) <sup>4</sup>	\$114.7	\$41.3
Committed Balance (one-time funding from May Revise)	(\$218.3)	\$218.3
Estimated 2015-16 ending balance (as of June 2016)	\$41.3	\$0.9

### **Local Control Funding Formula (LCFF) and Local Control Accountability Plan (LCAP)**

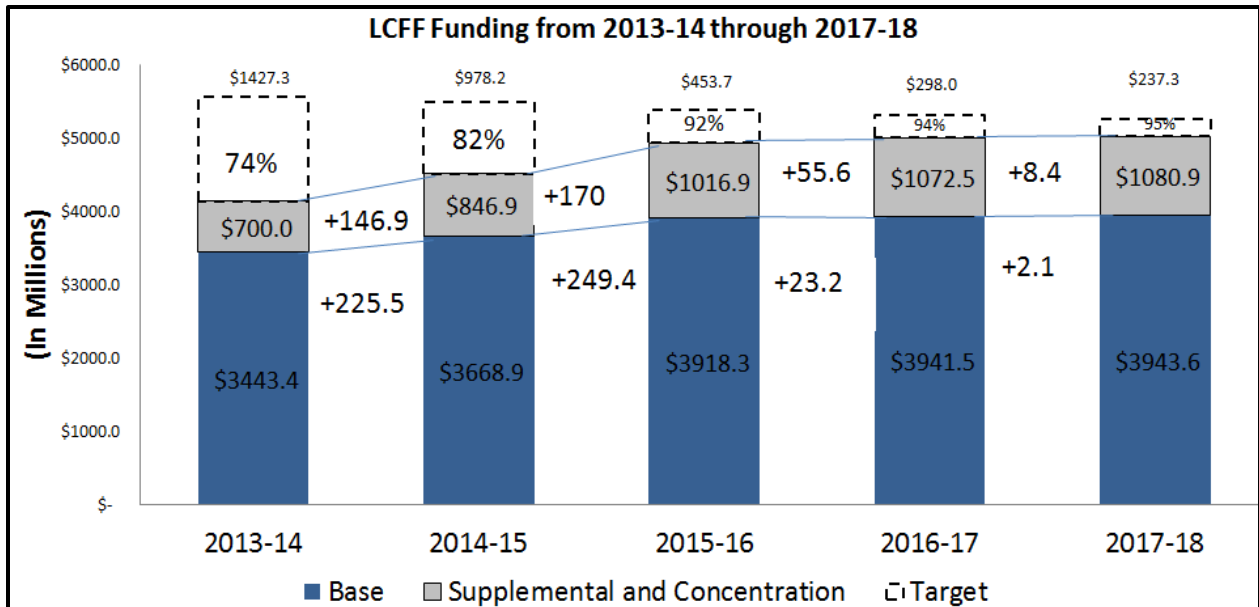
LAUSD will be investing a total of \$170 million for Supplemental and Concentration purposes.

This spending must specifically increase or improve services for students in our unduplicated student population as reflected in the District’s LCAP. Estimated Supplemental and Concentration spending in 2015-16 is over a \$1 billion with base spending totaling \$3.9 billion.

<sup>3</sup> This represents the additional cost of the salary agreement from the District’s original proposal of 2%/2%/2.5%. The total health and welfare and salary increase across the budget years is \$1.4 billion.

<sup>4</sup> See Attachment A for additional details on the Third Interim Report.





However, it is important to note that the District LCFF funding growth will be slowing down as the District reaches the target LCFF funding levels. By 2015-16, the District will have reached 92% of its LCFF target funding level. Consequently, in 2017-18, the net increase to LCFF funding is at approximately \$10 million from 2016-17, with \$8 million of the increase set to be spent on supplemental and concentration purposes.

### **Caution in the Use of One-time Funds.**

The District must remain cautious with the use of one-time discretionary funds when expanding ongoing programs and initiatives. This year, school districts received a large one-time pay down of the Proposition 98 maintenance factor, which totaled nearly \$11 billion that was owned to schools districts. Under the May Revision, the amount of this maintenance factor pay-down has been reduced to \$772 million; consequently, we should not anticipate a continued influx of one-time revenue sources at the same levels. In the proposed Budget, part of the one-time fund (\$218.3 million) received by the District is to be committed in 2015-16 for ongoing labor agreements cost.

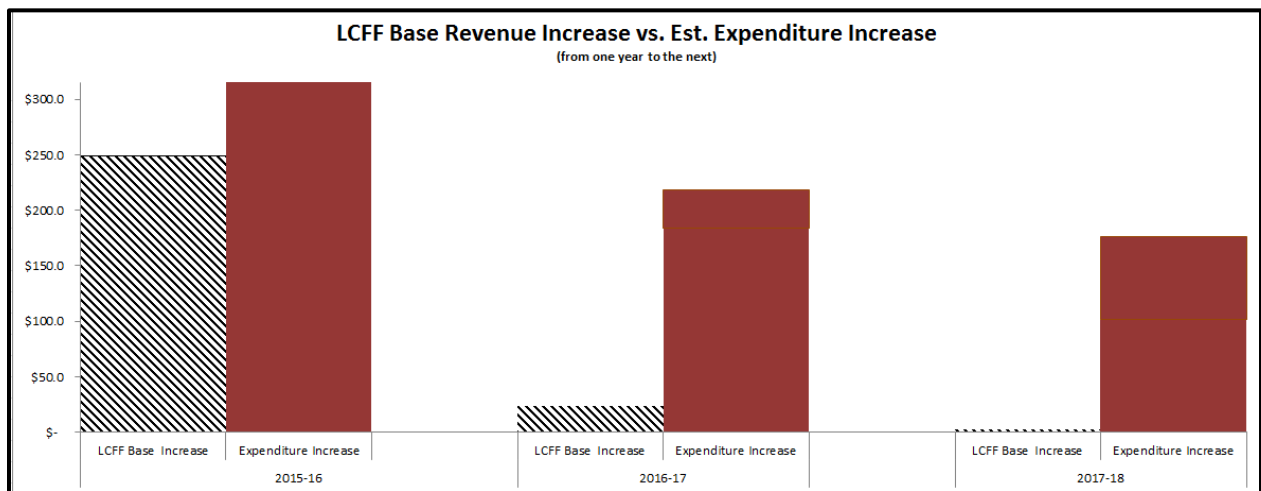
In general, with an end point to Proposition 30 funding, the deceleration of LCFF growth revenues and the decreasing levels of one-time revenues, the District must make sure that investments in new programs are sustainable.

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, if no new ongoing revenue is available. Any remain 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.

### **FY 2017-18 Deficit and Fiscal Stabilization Plan**

The overall multi-year outlook has improved with new revenues from the LCFF. However, the District continues to be challenged with structural issues such as declining enrollment, increases in fixed expenditures, and growth in pension (CalSTRS and CalPERS) and health and retiree benefit costs.

As discussed above, increases in LCFF revenue are projected to slow down year over year as the gap between total need and the target LCFF funding levels narrow. The CalSTRS employer contribution rate is projected to increase to 19.1% or approximately \$300 million by 2020-21. The growth of these expenditures outpaces the increase in revenues.



LACOE requires a viable fiscal stabilization plan that will be used as a consideration of their approval of the District 2015-16 Final Budget. With the District 2015-16 and 2016-17 in balanced, the fiscal stabilization plan is needed for 2017-18 (Option 1). The proposed fiscal stabilization plan is included as attachment B of the Final Budget Board Report.

LACOE's final budget guidelines also recommend that the District set aside 2016-17 and 2017-18 Gap funding or have an alternative plan in the event the funding do not materialize. The alternative plan for 2016-17 and 2017-18 (Option 2) is also presented in attachment B of the Final Budget Board Report.

### **Ending Balances Reserve Requirement**

The District's estimated ending balance in 2014-15 is \$114.7 million and 2015-16 is \$41.3 million. However in the District's case, the unassigned ending balance is a factor in balancing 2016-17.

The District's assigned ending balances are mostly attributable to the general fund school allocation which is the school sites main discretionary accounts and the school site programs with specific revenues.

The estimated ending balances for 2015-16 and the two outyears are as follows:

<b>Ending Balance (in millions)<sup>5</sup></b>	<b>14-15</b>	<b>15-16</b>	<b>16-17</b>	<b>17-18</b>
Non-spendable (inherently non-spendable)	\$19.6	\$19.6	\$19.6	\$19.6
Restricted (externally enforceable limitations)	\$124.4	\$58.4	\$44.8	\$35.9
Committed (self-imposed by highest level of authority)	\$0.0	\$218.3	\$0.0	\$0.0
Assigned (limitation resulting from intended use)*	\$341.0	\$308.9	\$312.6	\$309.9
Unassigned- (Reserve for Economic Uncertainties)*	\$65.4	\$72.4	\$72.4	\$72.4
Unassigned (residual resources for unrestricted use)*	\$114.7	\$41.3	\$0.9	(\$333.4)
<b>Estimated Total Ending Balance</b>	<b>\$665.2</b>	<b>\$718.9</b>	<b>\$450.3</b>	<b>\$104.5</b>

\*Ending balance subject to the “Cap” requirements, if in effect.

### III. FISCAL ISSUES:

- *Declining Enrollment and Increasing Fixed Cost.* The District must continue to actively manage the challenges to its base resources resulting from increased fixed costs, such as increased pension costs and legal liability increases. These remain as significant challenges because the District is in a declining enrollment environment.
- *Attendance and Unduplicated Count Reporting.* The District continues to address and mitigate issues related to the attendance reporting and unduplicated counts. Progress is being made but the funds set aside will not be available until the audit of the system is finalized in December 2015.

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<sup>5</sup> Below are the definitions of the different ending balance categories:

- Non-spendable balances are monies that are unavailable for spending. An example of non-spendable balance is inventory.
- Restricted balances are monies can legally be only spent for specific purposes. The specific purposes is either imposed by law or constrained by grantors, contributors or law and regulation of other government entities. Examples of these include federal grants such as Title I and state grants such as the Quality Education Investment Act (QEIA) and Common Core.
- 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. These committed amounts cannot be used for any other purposes unless the Board removes or changes the specific purposes through formal action. Examples of these include set aside for salary compensation or a formal fiscal stabilization arrangement.
- Assigned balances are monies that can be used for any purpose but has been designated for specific future uses. Examples of this are school site allocations, donation and filming accounts.
- Unassigned balances are monies that can be used for any purposes and has not been designated for any specific future use. It is also important to note that the unassigned balance includes the statutorily required Reserve for Economic Uncertainty (1% of the total general fund.)

- LCFF Gap Funding Relied Upon Already. The District has already spent the new LCFF revenues based on the Department of Finance estimates through 2017-18 and yet it still faces a deficit. In its Final Budget guidelines, LACOE indicated that the District should not count on the 2016-17 and 2017-18 LCFF Gap funding for planning purposes. However, the District had already assumed and relied upon the Gap funding revenues. LCFF funding estimates for the out-years still remain uncertain and any changes in Gap funding could impact these projected deficits.

The increase in education funding is mostly due to the passing of Proposition 30 (Education Protection Account – EPA<sup>6</sup>) which will sunset in the next few years. The Sales Tax component of \$1.4 billion is scheduled to end in 2015, while the Personal Income Tax component of over \$6.0 billion is scheduled to end in 2018.

- Proportionality Requirement Must be Met. The District must also ensure that Proportionality funding is budgeted and spent in accordance with the District's approved Local Control Accountability Plan (LCAP). The District must also look at the investments as an opportunity to refocus available resources on Board Priorities such as A to G and Zero Dropout initiative and the same time redesigned programs such as Arts, After School and Maintenance programs by using the equity index to better serve our students.
- Negative Net Position and Long Term Liability. The current budget does not reflect any contribution to Other Post-Employment Benefits (OPEB) Trust. This is contrary to the Board adopted finance and budget policy. The funds originally set aside for this purpose was used to pay for the health and welfare agreement as well as portion of the salary increase. One-time revenues received by the district during the fiscal year need to be use to replace the funds originally set aside for the OPEB trust contribution.

If not addressed, the increase in long term liability obligations will result in the District's Government-wide Net Positions becoming negative in the near future. This means that the total assets will be less than the total liabilities. This brings into questions the District's future ability to remain a going concern.

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<sup>6</sup> 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.

#### IV. NEXT STEPS

The District must remain vigilant, agile and resilient. There must be adequate on-going funding for all continuing expenditures, such as salaries and benefits for permanent employees, associated with any new initiatives or investments. There must be continued growth in revenues through increased attendance, and we must continue to align how we allocate school resources with the new funding formula.

Use of one time funds must be cautious and strategic, and only for one time investments or reserves. The District should also continue to find creative solutions to address fixed cost and long term liability issues. The District must continue to seek out cost efficiencies and larger academic returns on our investments. We must look within our current resources for many of these solutions.

On the State level, the District must continue to advocate that State funding goals address not just “targeted” levels of funding but “adequacy” levels of funding for our youth.

The District’s budget is a living document that will need to be continuously updated during the fiscal year. The District budget will be updated as new development occurs. 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: Michelle King  
David Holmquist  
Jefferson Crain  
Ruth Perez  
Thelma Melendez  
John Walsh  
Cheryl Simpson

## **ATTACHMENT A: THIRD INTERIM FINANCIAL REPORT UPDATE 2014-15**

### **CHANGES IN REVENUES, EXPENDITURES, AND ENDING BALANCE (GENERAL FUND – UNRESTRICTED & RESTRICTED)**

**Revenues** - The Third Interim shows a net increase in total General Fund – Unrestricted revenue of \$11.4 million, which represents a 0.2% variance compared to the Second Interim projection. This net increase is attributed mainly to the following:

- \$13.6 million increase in LCFF revenue resulting from an increase in gap funding rate from 29.15% to 29.97% and higher than projected average daily attendance for affiliated Charter Schools.
- \$5.3 million decrease in LCFF revenue transfer to Adult Education Fund.
- \$8.6 million decrease in LCFF revenues due to changes in unduplicated count percentages. From Second Interim, the District's projected unduplicated count of targeted students decreased from 84.61% to 83.5% in Third Interim (excluding affiliated charter schools).

General Fund – Restricted revenue increased by \$4.4 million or 0.3% compared to the Second Interim Projection. Major federal grants are subject to unearned revenue accounting and therefore revenues are only recognized when expenditures are incurred. The increases in the deferred type revenues are due to the corresponding increases in expenditures is primarily due to salary increases as a result of labor agreements and changes in benefits.

**Expenditures** - The Third Interim shows a net increase in General Fund – Unrestricted expenditures of \$80.3 million, which represents a 2.0% variance compared to the Second Interim. The net increase is primarily due to the following:

- \$102 million increase in salaries and related benefits mainly resulting from the recently concluded bargaining agreements with UTLA, Unit E and CSEA.
- \$43.3 million increased contribution to the Workers' Compensation Fund due to higher liability reserves per the most recent actuarial report.
- \$35.4 million projected increase in instructional materials to fund the additional requirements of the textbook program.
- \$63.7 million projected decrease in Other Post-Employment Benefit (OPEB) expenditure resulting from the cancellation of the planned contribution to the OPEB Trust for the current fiscal year.
- \$9.3 million decrease in reserve for bad debts resulting from an increase in the collection of receivables.
- \$5.5 million decrease in the operating expenditures for central office programs.
- \$6.3 million decrease in salaries for the District's School Discretionary Account primarily due to lower expenditure for contract pool teachers than projected at Second Interim.
- \$6.5 million decrease in the Home-to-School Transportation programs.
- \$3.5 million decrease in the Software Bundle Program as cost recovery is higher than program disbursements.

General Fund – Restricted expenditures show a net increase of \$24.0 million, mainly in Special

Education expenditures, this increase is primarily attributable to the increase in salaries as a result of the implementation of the compensation increase agreements.

**Net Contributions/Transfers/Indirect Cost** - The Third Interim shows an overall increase in total General Fund – Unrestricted Net Contributions, Transfers, and Indirect Costs of \$16.7 million. This increase represents a 1.8% variance compared to Second Interim projections. Primary contributors to this increase are:

- Decreases in Transfers Out of \$8.2 million, primarily due to lower than anticipated program costs in the Child Development Fund (\$2.6 million) and more effective food cost management in the Cafeteria Fund (\$5.7 million)
- Overall General Fund contributions increase mainly due to higher projected Special Education program expenditures brought about by salary increase (\$21.8 million) and an increase in Ongoing and Major Maintenance Program support (\$3.7 million).

The General Fund – Restricted Net Contributions, Transfers and Indirect Costs increased by \$24.4 million primarily resulting from the contribution to Special Education and Ongoing and Major Maintenance Program as discussed above.

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

- A projected decrease in total General Fund – Unrestricted ending fund balance of \$85.5 million.
- A projected increase in General Fund - Restricted ending fund balance of \$4.7 million.

**Table 1**  
**Summary of 2014-15 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	\$4,740.20	\$4,729.90	\$10.30	\$ -	\$ -	\$ -
Federal Revenues	19.00	20.20	(1.20)	604.40	600.30	4.10
Other State Revenues	141.80	141.60	0.20	619.70	620.80	(1.10)
Other Local Revenues	94.70	92.60	2.10	30.20	28.80	1.40
Total Revenues	<b>\$4,995.70</b>	<b>\$4,984.30</b>	<b>\$11.40</b>	<b>\$ 1,254.30</b>	<b>\$ 1,249.90</b>	<b>\$ 4.40</b>

**Table 2**  
**Summary of 2014-15 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	\$1,961.60	\$1,891.00	\$70.60	\$ 823.60	\$ 793.60	\$ 30.00
Classified Salaries	513.60	511.00	\$2.60	344.30	348.80	(4.50)
Employee Benefits	955.70	965.10	(\$9.40)	480.80	473.40	7.40
Books & Supplies	198.10	161.00	\$37.10	140.60	142.70	(2.10)
Services & Operating Expenses	370.70	393.00	(\$22.30)	368.00	377.70	(9.70)
Capital Outlay	6.30	4.40	\$1.90	4.00	1.10	2.90
Other Outgo	8.50	8.50	\$0.00	-	-	-
<b>Total Expenditures</b>	<b>\$4,014.50</b>	<b>\$3,934.00</b>	<b>\$80.50</b>	<b>\$2,161.30</b>	<b>\$2,137.30</b>	<b>\$ 24.00</b>

**Table 3**  
**Summary of 2014-15 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	\$117.50	\$116.30	\$1.20	\$ (88.30)	\$ (87.20)	\$ (1.10)
Transfers In	-	-	-	0.80	0.80	-
Other Sources	2.50	3.20	(0.70)			-
	120.00	119.50	0.50	(87.50)	(86.40)	(1.10)
Transfer Out	(137.70)	(145.90)	8.20	(4.30)	(4.30)	-
Contribution	(930.20)	(904.80)	(25.40)	930.20	904.80	25.40
	(1,067.90)	(1,050.70)	(17.20)	925.90	900.50	25.40
<b>Net</b>	<b>(947.90)</b>	<b>(931.20)</b>	<b>(\$16.70)</b>	<b>838.40</b>	<b>814.10</b>	<b>\$24.30</b>



Table 4

## Summary of 2014-15 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	\$19.60	\$19.60	\$ -			\$ -
Restricted			-	\$ 124.40	\$119.70	4.70
Committed	-	102.40	(102.40)			-
Assigned	341.00	393.90	(52.90)			-
Unassigned-Reserve for						
Economic Uncertainties	65.40	65.40	-			-
Unassigned/Unappropriated	114.70	45.10	69.60			-
2014-15 Ending Balance	<b>\$540.70</b>	<b>\$626.40</b>	<b>(\$85.70)</b>	<b>\$124.40</b>	<b>\$119.70</b>	<b>\$4.70</b>

## LAUSD Investments to Support Targeted Youth

Investment Description	Current Year 2014-15	Governor's January Additional Investment 2015-16	May Revise Additional Investment 2015-16	Total Investment 2015-16	Total Investment 2016-17	Total Investment 2017-18
4 Year Old TK Program	\$ -	\$ -	\$ 7.0	\$ 7.0	\$ 8.5	\$ 8.5
A - G Dropout Intervention	\$ -	\$ 3.0	\$ 12.0	\$ 15.0	\$ 15.0	\$ 15.0
Afterschool Program	\$ -	\$ 7.3	\$ -	\$ 7.3	\$ 7.3	\$ 7.3
Allocation to schools TSP (former EIA)	\$ 9.0	\$ 3.0	\$ -	\$ 12.0	\$ 12.0	\$ 16.0
Arts Plan	\$ 2.5	\$ 4.0	\$ 1.3	\$ 7.8	\$ 15.2	\$ 15.2
Arts Program	\$ -	\$ 18.6	\$ -	\$ 18.6	\$ 18.6	\$ 18.6
Assistant Principal - Secondary	\$ -	\$ 2.0	\$ 1.0	\$ 3.0	\$ 7.0	\$ 7.0
Assistant Principal - Elementary	\$ 7.0	\$ 2.0	\$ 1.3	\$ 10.3	\$ 13.7	\$ 13.7
Clerical - High School LCFF Norms	\$ 1.5	\$ 1.5	\$ 2.0	\$ 5.0	\$ 7.0	\$ 7.0
Counseling Support	\$ -	\$ 13.0	\$ -	\$ 13.0	\$ 14.0	\$ 14.0
Custodial	\$ 1.5	\$ 1.0	\$ -	\$ 2.5	\$ 3.5	\$ 3.5
Diploma Project	\$ -	\$ 2.0	\$ -	\$ 2.0	\$ 2.0	\$ 2.0
Early Education and Family Literacy Grants	\$ 0.8	\$ (0.8)	\$ -	\$ -	\$ -	\$ -
English Learner Coaches*	\$ 4.3	\$ 0.4	\$ -	\$ 4.7	\$ 4.7	\$ 4.7
Family Source System*	\$ 1.1	\$ -	\$ 0.1	\$ 1.2	\$ 1.2	\$ 1.2
Foster Youth Achievement Program*	\$ 8.9	\$ 1.0	\$ 1.1	\$ 11.0	\$ 12.0	\$ 12.0
Health and Student Supports*	\$ 2.5	\$ -	\$ 1.0	\$ 3.5	\$ 3.5	\$ 3.5
Homeless Program	\$ -	\$ -	\$ 1.8	\$ 1.80	\$ 1.80	\$ 1.8
Instructional Technology Support (VLC)	\$ 2.5	\$ -	\$ -	\$ 2.5	\$ 2.5	\$ 2.5
Librarians - Middle School	\$ 1.5	\$ 1.5	\$ 1.0	\$ 4.0	\$ 5.0	\$ 7.0
Library Aides + Health Benefits	\$ 6.0	\$ 5.0	\$ -	\$ 11.0	\$ 11.0	\$ 11.0
Local Control Accountability Support	\$ -	\$ 0.14	\$ -	\$ 0.14	\$ 0.14	\$ 0.14
M&O and Routine Maintenance (20%)	\$ 1.5	\$ -	\$ -	\$ 1.5	\$ 1.5	\$ 1.5
National Board for Professional Teaching Standards	\$ 2.0	\$ -	\$ -	\$ 2.0	\$ 2.0	\$ 2.0
Nurses - High School LCFF Norms	\$ 1.5	\$ 2.0	\$ 3.0	\$ 6.5	\$ 8.5	\$ 10.5
On-going Major Maintenance	\$ -	\$ 15.0	\$ -	\$ 15.0	\$ 15.0	\$ 15.0
Options Program	\$ 1.0		\$ 1.0	\$ 2.0	\$ 3.0	\$ 3.0
Parent Engagement	\$ 4.6	\$ -	\$ -	\$ 4.6	\$ 5.3	\$ 5.3
Per Pupil Schools - Targeted Support	\$ 26.8	\$ 4.0	\$ 10.2	\$ 41.0	\$ 54.0	\$ 54.0
PSA/PSW/ Secondary Counselors	\$ -	\$ 4.0	\$ -	\$ 4.0	\$ 5.0	\$ 5.0
Reduce Class Size HS Math and ELA by 2	\$ 7.0	\$ -	\$ -	\$ 7.0	\$ 14.0	\$ 14.0
Reduce Class Size MS Math & ELA by 2	\$ 6.0	\$ -	\$ -	\$ 6.0	\$ 12.0	\$ 12.0
Registration Time for Schools	\$ 4.6	\$ -	\$ -	\$ 4.6	\$ 4.6	\$ 4.6
Restorative Justice Counselors*	\$ 0.7	\$ -	\$ 2.0	\$ 2.7	\$ 2.7	\$ 2.7
School Climate & Restorative Justice	\$ 3.5	\$ 1.0		\$ 4.5	\$ 6.5	\$ 6.5
School Police	\$ -	\$ -	\$ (13.1)	\$ (13.1)	\$ (13.1)	\$ (13.1)
School Readiness Language Development Program	\$ -	\$ -	\$ 20.0	\$ 20.0	\$ 20.0	\$ 20.0
School Technology Support (MCSA)	\$ 1.8	\$ 5.2	\$ -	\$ 7.0	\$ 7.0	\$ 7.0
Special Ed Aides - longer hours	\$ 4.7	\$ -	\$ -	\$ 4.7	\$ 4.7	\$ 4.7
Special Education Supp/Conc increase	\$ 17.7	\$ -	\$ -	\$ 17.7	\$ 17.7	\$ 17.7
Standard English Learner	\$ 2.5	\$ -	\$ -	\$ 2.5	\$ 2.5	\$ 2.5
Student Engagement	\$ -	\$ -	\$ 0.25	\$ 0.25	\$ 0.25	\$ 0.25
Targeted Support for Middle & SPAN	\$ 3.5	\$ -	\$ -	\$ 3.5	\$ 3.5	\$ 3.5
Teacher Support (Reed Settlement)	\$ 25.6	\$ (2.6)	\$ 7.0	\$ 30.0	\$ 30.0	\$ 30.0
Title I hold harmless Schools*	\$ 0.3	\$ -	\$ -	\$ 0.3	\$ 0.3	\$ 0.3
Total	\$ 164.4	\$ 110.0	\$ 60.0	\$ 317.6	\$ 372.6	\$ 380.6
Proportionality Requirement	\$ 146.9		\$ 170.0		\$ 55.0	\$ 8.0

\*Previously funded by carryover dollars.

# TABLE OF CONTENTS

	<u>Page</u>
<b>I. Introduction and Summary</b>	
<b>A. Introduction</b>	
Board Report .....	1
Budget Overview .....	19
<b>LAUSD's Budget Information and Reports</b>	
Breaking Down LAUSD's Budget .....	21
Budgeted Expenditures by Major Group and Resource .....	26
Budgeted Expenditures by Service .....	38
School Site Budgets .....	46
<b>Significant Policy Affecting District's Budget</b>	
Budget and Finance Policy – Summary .....	47
Debt Management Information – Summary .....	49
<b>B. Summary</b>	
<b>Budget and Fund Highlights</b>	
Description of "Funds" Utilized by the District .....	53
Unconsolidated Summary of Sources and Uses by Type of Fund .....	58
Unconsolidated Summary of Revenues by Fund .....	59
Unconsolidated Summary of Expenditures by Fund .....	60
General Fund Unrestricted and Restricted Revenues .....	61
Unconsolidated Revenue Budget General Fund Unrestricted by Source .....	63
Unconsolidated Revenue Budget General Fund Restricted by Source .....	64
General Fund Unrestricted & Restricted Estimated Expenditure by Object .....	66
General Fund Unrestricted & Restricted Multi-Year Projections .....	70
<b>II. Financial Details</b>	
Introduction .....	75
<b>Revenues and Expenditures by Fund</b>	
<b>Operating Funds</b>	
General Fund – Unrestricted & Restricted Programs .....	77
General Fund – Unrestricted Programs .....	78
General Fund – Restricted Programs .....	79
General Fund – Unrestricted & Restricted Programs – Expenditures by Sub-Object .....	80
General Fund – Unrestricted Programs – Expenditures by Sub-Object .....	82
General Fund – Restricted Programs – Expenditures by Sub-Object .....	84
Total Sources General Fund – Restricted Programs .....	86
General Fund – Restricted Programs – Special Education Program .....	87
<b>Other Funds</b>	
Adult Education Fund – Unrestricted Programs .....	89
Adult Education Fund – Restricted Programs .....	90
Child Development Fund – Unrestricted Programs .....	91
Child Development Fund – Restricted Programs .....	92
Cafeteria Fund .....	93
<b>Capital Funds</b>	
Building Fund – Measure R .....	94
Building Fund – Proposition BB .....	95
Building Fund .....	96
Building Fund – Measure K .....	97
Building Fund – Measure Y .....	98
Building Fund – Measure Q .....	99
County School Facilities Fund .....	100
Special Reserve Fund – CRA .....	101
Special Reserve Fund .....	102
Special Reserve Fund – FEMA .....	103
Special Reserve Fund – FEMA – Hazard Mitigation .....	104
Capital Facilities Account Fund .....	105
State School Building Lease/Purchase Fund .....	106

<b>Debt Service Funds</b>	
Bond Interest & Redemption Fund .....	107
Tax Override Fund .....	108
Capital Services Fund .....	109

<b>Internal Service Funds</b>	
Health & Welfare Benefits Fund .....	110
Workers' Compensation Self Insurance Fund .....	111
Liability Self-Insurance Fund .....	112

<b>Fiduciary Funds</b>	
Attendance Incentive Reserve Fund .....	113
Other Post Employment Benefit Fund .....	114

<b>III</b>	<b>Appendices</b>	
	Introduction .....	115
	Appendix A      Frequently Asked Questions .....	117
	Appendix B      Budget Principles and Processes .....	123
	Appendix C      District and Community Profile .....	125
	Appendix D      Number of Schools and Centers .....	127
	Appendix E      District Enrollment .....	129
	Appendix F      Average Daily Attendance .....	137
	Appendix G      District Funds .....	141
	Appendix H      Allocation of Funds .....	151
	Appendix I      Other Funding Sources .....	165
	Appendix J      Budget and Finance Policy .....	171
	Appendix K      District Debt Management Policy .....	183
	Appendix L      Capital Budget .....	225
	Appendix M      Notes .....	227
	Appendix N      Fiscal Stabilization Plan .....	231
	Appendix O      Glossary of Budget Terms and Abbreviations .....	233



# LOS ANGELES UNIFIED SCHOOL DISTRICT

## Board of Education Report

<b>Report Number:</b>	533-14/15
<b>Date:</b>	June 23, 2015
<b>Subject:</b>	Adoption of the Superintendent's 2015-16 Final Budget and Fiscal Stabilization Plan for 2016-17 and 2017-18 Commitment of 2015-16 balance for ongoing cost of Compensation Increase Approval of Education Protection Account Resolution for 2015-16
<b>Responsible Staff:</b>	
Name	Cheryl Simpson
Office/Division	Budget Services and Financial Planning Division
Telephone No.	213-241-2100

### BOARD REPORT

**Action Proposed:** Staff seeks authorization for the following actions:

- (1) Adoption of the Superintendent's 2015-16 Final Budget to be filed, as approved, with the County Superintendent of Schools on State Form SACS-2015 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 of this Board Report and the Budget Assumptions and Policies set forth in this Board Report (Attachment A).
- (3) Adoption of Fiscal Stabilization Plan for 2016-17 and 2017-18 to meet the Statutory AB 1200 requirement as set forth in the State Criterion and Standards (Attachment B).
- (4) Approve the enclosed Resolution Regarding Expenditures from the Educational Protection Account ("EPA") for Fiscal Year 2015-16 as required under Proposition 30 (Attachment B). Funds from the EPA will not be used for administrator salaries or benefits or for any other administrative costs. (Attachment C)
- (5) Commits \$218.3 million of estimated balances in 2015-16 for the specific use of the ongoing portion of the salary compensation



## LOS ANGELES UNIFIED SCHOOL DISTRICT

### Board of Education Report

increases.

#### **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 the Los Angeles County Office of Education (LACOE) on or before July 1.

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

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 D 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 the 2015-16 and the fiscal plan for 2016-17 and 2017-18 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 2015-16.

Committed amounts cannot be used for any other purpose unless the Board takes subsequent formal action.



## LOS ANGELES UNIFIED SCHOOL DISTRICT Board of Education Report

### **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 2015-16.

### **Issues and Analysis:**

### **Attachments:**

☐ Informative

☐ Desegregation  
Impact Statement



**LOS ANGELES UNIFIED SCHOOL DISTRICT**  
**Board of Education Report**

Respectfully submitted,

A handwritten signature in blue ink, appearing to read "Ramon Cortines".

Ramon Cortines  
Superintendent of Schools

APPROVED BY:

A handwritten signature in blue ink, appearing to read "Michelle King".

MICHELLE KING  
Senior Deputy Superintendent

APPROVED &  
PRESENTED BY:

A handwritten signature in blue ink, appearing to read "Megan Reilly".

MEGAN REILLY  
Chief Financial Officer

REVIEWED BY:

A handwritten signature in blue ink, appearing to read "David Holmquist".

DAVID HOLMQUIST  
General Counsel

☒ Approved as to form.

A handwritten signature in blue ink, appearing to read "Cheryl Simpson".

CHERYL SIMPSON  
Director of Budget Services and Financial  
Planning

☒ Approved as to budget impact statement.



## BUDGET ASSUMPTIONS AND POLICIES

The Superintendent's 2015-16 Final Budget reflects the following:

2015-16 Fiscal Year:

1. 1.02% of COLA and a 53.08% GAP funding percentage for the Local Control Funding Formula (LCFF) revenue.
2. 1.02% COLA for selected categorical programs outside of the LCFF.
3. LCFF ADA of 470,836.97 for regular District schools and 40,053.76 for affiliated charter schools.
4. Three-year average unduplicated count and percentage of 417,737 and 83.19% average for regular District schools and 15,656 and 37.52% on average for affiliated charter schools.
5. Education Protection Account (EPA) portion of LCFF of \$614.3 million to be spent for instruction.
6. Proportionality expenditure increase requirement of \$170 million.
7. 1.02% COLA on the State-funded portion of Special Education (AB 602 funding).
8. A net enrollment decline of 15,690 from 2014-15 for non-charter and affiliated charter schools. Independent Charter school enrollment is estimated to increase by approximately 8,966.
9. Salaries compensation increases for bargaining units that have settled.

(in millions)	2014-15	2015-16	2016-17	2017-18
Total Salary Increase	\$185.3	\$345.8	\$396.1	\$396.1

10. Funding for employee health and medical benefits at the per participant rate set forth in the 2015-2017 Health and Welfare agreement.
11. No contribution to the Other Postemployment Benefit Plans (OPEB) Trust for 2015-16. This is contrary to the Board adopted Budget and Finance Policy adopted 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 remain 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.

12. Increase of 1.85% in State Teachers' Retirement System (STRS) rates for 2015-16 from 8.88% to 10.73%.
13. Increase of 0.076% in California Public Employees' Retirement System (CalPERS) rates for 2015-16 from 11.771% to 11.847%

Summary of Selected Employee Benefits:

General Funds (in millions)	2014-15	2015-16	2016-17	2017-18
CalSTRS	\$213.3	\$292.6	\$341.6	\$391.2
CalPERS	\$92.3	\$94.6	\$105.9	\$134.7
Health and Welfare	\$775.4	\$809.5	\$854.7	\$838.3
Workers' Compensation Contribution	\$144.1	\$96.8	\$109.1	\$122.9
OPEB Trust	\$0	\$0	\$0	\$0

14. A California Consumer Price Index (CPI) of 2.2% on other operating expenditures, except utilities which is projected to increase by 6%.
15. Ongoing and major maintenance resources totaling \$211.0 million, reflecting approximately 3% of budgeted General Fund expenditures.
16. Cafeteria Program support of \$60.8 million in 2015-16 and Child Development support of \$41 million in 2015-16.
17. Contribution of \$122.8 million to the Worker's Compensation fund. Inclusion of total Workers' Compensation actuarially determined funded liability of \$477.5 million.
18. Inclusion of 2015-16 bond measure, debt service, COPs proceeds funds and other interfund transfer expenditures.

Summary of Selected Other Fixed Cost

	2014-15	2015-16	2016-17	<u>2017-18</u>
Utilities	\$126.6	\$139.0	\$143.2	\$150.2
Maintenance (RRGM)	\$106.1	\$211.0	\$213.4	\$216.0
Debt Service	\$36.4	\$34.3	\$33.7	\$33.6
Adult Education*	<u>\$64.4</u>	\$0	\$0	\$0
Child <u>Development Fund</u> Support	\$34.4	\$41.0	\$40.2	\$40.2
Cafeteria Support	\$57.5	\$60.8	\$60.2	\$54.0
Liability Self Insurance Contribution	\$57.8	\$36.1	\$36.8	\$36.1
Special Education**	\$816.4	\$939.2	\$973.4	\$1,047.5

\*\*The District Adult Education Program remains at \$67 million using the new state funding

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

19. A Reserve for Economic Uncertainties totaling \$72 million, reflecting the statutory 1% budgeted expenditure requirement.
20. Inclusion of 2015-16 beginning balances in the General Fund and other funds, reflecting the estimated ending balance as of June 30, 2015 (contained the District's Third Period Interim Financial Report.)
21. Estimated 2015-16 ending balances for the General Fund and other district funds, reflecting the difference between anticipated 2015-16 revenue and expenditure levels
22. Authority to transfer amounts, as necessary, to implement technical adjustments related to the 2015-16 budget.
23. Authority to implement new 2015-16 revenues and increase budgeted appropriations accordingly.
24. \*Carryover of General Fund School Program (program 3027) to individual school sites.
25. \*Commitment to set aside funds in 2015-16 to cover the ongoing portion of the salary increase in 2016-17. Funds committed are to be used the portion of ongoing Board-approved salary increase. Final amounts available for commitment will be determined during the year end closing process of the fiscal year.
26. \*A reimbursement to the General Fund from the General Obligation Bonds for capital projects initiatives paid with Ongoing and Major Maintenance resources (8150).
27. \*A transfer from the Community Redevelopment Agency Fund to the General Fund initially paid for the Ongoing and Major Maintenance resources.

\*These assumptions are part of the District Fiscal Stabilization Plan. The Fiscal Stabilization plan is required in accordance with AB1200.

2016-17 and 2017-18 Fiscal Years:

1. Based on the Los Angeles County of Education (LACOE) 2015-16 Budget Assumption Guidelines, the 2016-17 and 2017-18 Local Control Funding Formula (LCFF) revenue calculation assumes the following:

	2014-15	2015-16	2016-17	2017-18
Cost of Living Adjustment (COLA)	0.85%	1.02%	1.60%	2.48%
GAP Funding (%)	29.97%	53.08%	37.4%	36.7%
GAP Funding* (in millions)	\$418.6	\$513.3	\$178.0	\$137.8

\*GAP Funding for Base, Supplement and Concentration Grants.

- Per LACOE's 2015-16 Final Budget Guidelines, the District should not count on GAP funding for 2016-17 and 2017-18. The District has reflected this revenue for 2016-17 and 2017-18. The LACOE guidelines recommends that schools districts assign, reserve or otherwise set aside any projected increases in revenues as a result of 2016-17 and 2017-18 Gap funding. If a district chooses to budget these funds they must have a contingency or alternative plan in place should it not materialized. The option B 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 457,937.77 and 442,180.02 for regular District schools and 40,053.76 and 40,053.76 for affiliated charter schools for 2016-17 and 2017-18, respectively.
  3. For 2016-17 and 2017-18, 3-year average unduplicated counts of 400,582 and 386,932 or 82.43%, of 3-year average enrollment for regular District schools and 15,656, and 15,656 or 37.52% on average for affiliated charter schools.
  4. EPA portion of the LCFF revenue of \$614.3 million in 2016-17 and \$614.3 million in 2016-17, for instruction.
  5. Calculated proportionality requirement of \$33.6 million in 2016-17 with an additional \$21.4 million for a total additional investment of \$55 million and \$8.5 million in 2017-18 for regular District schools.
  6. For 2016-17 and 2017-18, 1.60% and 2.48% COLA, respectively, on the State portion of Special Education (AB 602 funding).
  7. For 2016-17 and 2017-18, 1.60% and 2.48% COLA, respectively, for categorical programs outside of LCFF.
  8. For 2016-17, an enrollment decline of 16,629 for non-charter and affiliated charter schools; independent charter school enrollment is estimated to increase by 6,318. For 2017-18, an enrollment decline of 14,010 for non-charter and affiliated charter schools; independent charter school enrollment is estimated to increase by 6,226.

9. CPI of 2.50% in 2016-17 and 2.90% in 2017-18 on other operating expenditures, except utilities which were projected to increase by 4% for each fiscal year
10. Increase of 1.85% in CalSTRS rates for 2016-17 and 2017-18 for estimated total rates of 12.58% and 14.43%, respectively.
11. Increase in CalPERS rate of 1.203% and 3.55% for 2016-17 and 2017-18, respectively with estimated total rates of 13.05% and 16.6%.
12. Funding for employee health and medical benefits at the per participant rate pursuant to the 2015-2017 Health and Welfare agreement.
13. No OPEB Trust contribution for 2016-17 and for 2017-18. 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.
14. Ongoing and major maintenance resources of \$213.4 million in 2016-17 and \$216.0 million in 2017-18, reflecting approximately 3% of budgeted General Fund expenditures.
15. Represents a release of the committed funds for ongoing portion of the salary increases (2014-15 agreements) in 2016-17.
16. Representing the proposed fiscal stabilization plan (Option 1), inclusion of balancing adjustments for 2017-18 of \$333.4 million. This includes the 2016-17 beginning balances in the General fund of \$41.3 million.
17. Per LACOE's 2015-16 Budget Assumption Guidelines, an alternative fiscal stabilization plan (Option 2) is presented should the plan fails to materialize. This increase the 2016-17 and 2018-17 deficit to \$ 177.2 million and \$644 million for a cumulative two-year deficit of \$821.2 million. The increase in the deficit represents the Gap funding attributable to 2016-17 of \$178 million and 2017-18 of \$309.7 million.

## 2015-16 FINAL BUDGET

## FISCAL STABILIZATION PLAN FOR 2016-17 AND 2017-18 (IN MILLIONS)

Options	Option 1 Using DOF Estimates		Option 2 <sup>1</sup> Following LACOE Guidance	
	16-17	17-18	16-17	17-18
Deficit	\$ (258.7)	\$ (334.3)	\$ (436.8)	\$ (644.0)
Released of Committed Funds	\$ 218.3	\$ -	\$ 218.3	\$ -
Balance from 15-16, 16-17	\$ 41.3	\$ 0.9	\$ 41.3	\$ -
Deficit to Address	\$ 0.9	\$ (333.4)	\$ (177.2)	\$ (644.0)
Onetime Sources <sup>2</sup>	\$ -	\$ 120.0	\$ 20.0	\$ 100.0
Program Reduction <sup>3</sup>	\$ -	\$ 216.6	\$ 157.2	\$ 544.0
Subtotal	\$ -	\$ 336.6	\$ 177.2	\$ 644.0
Balance	\$ 0.90	\$ 3.15	\$ 0.05	\$ (0.0)

**Notes:**

1. LACOE guidelines recommends that school districts assign, reserve or otherwise set aside any projected increases in revenues as a result of 2016-17 and 2017-18 Gap funding. If a district chooses to budget these funds they must have a contingency or alternative plan in place should it not materialized. Option B of the proposed fiscal stabilization plan is the District's alternative plan in the event that these revenues does not materialized.

2. One time sources includes changes in carryover policies for per pupil schools (\$120 million)

3. Program reductions include decrease in central and districtwide programs as well as increase in classsize in Grades 4 through 12, administrator, counselor and clerical norms.

**Option 1 - Using DOF Estimates\***

FY 2016-17 started with a deficit of \$258.7 million, but is balanced with the used of the Committed Balance of \$218.3 million and the estimated ending balance of \$41.3 million from 2015-16. Reductions in **2017-18** includes a 20% cut across districtwide programs, an increase in class size of 3 for grades 4 to 12 and an increase of plus 200 in other norm tables.

**Option 2 - Following LACOE Guidance - Alternative Plan in the event GAP funding do not materialize.\***

Beginning 2016-17, reductions include a 10% cut across districtwide programs, **25% cut in central offices**, an increase in class size of plus 2 in grades 4 to 12 and an increase of plus 100 in other norm tables. For 2017-18, **option "A" reduction of \$217 million plus an additional reductions of \$330 million.**

\* Any new revenues will be used to mitigate the proposed reduction in Option 1 or 2.

**2015-16 FINAL BUDGET**  
**FISCAL STABILIZATION PLAN FOR 2016-17 AND 2017-18 (IN MILLIONS)**

Scenario	Option 1	Option 2	
	Using DOF Estimates	Following LACOE Guidance	
	2017-18 Only	2016-17	2017-18
Deficit as of Final Budget	\$ (333.4)	\$ (177.2)	\$ (644.)
SCHOOL CARRYOVER POLICY CHANGE	\$ 120.	\$ 20.	\$ 100.
Additional Onetime Funds	\$ 120.	\$ 20.	\$ 100.
Expenditure/Program Reduction			
ASSISTANT PRINCIPAL - SECONDARY COUNSELING SERVICES	\$ 1.8	\$ 1.	<p>The 17-18 reduction in option "1" plus \$330 million of additional reduction will need to be identified.</p> <p>This is equivalent to a plus 5 increase in class size, a plus 500 in other norm tables and over 50% cut in districtwide programs.</p>
ADMINISTRATORS	\$ 9.3	\$ 5.1	
REGIONAL OCCUPATION CENTER/PROGRAMS	\$ 12.2	\$ 12.2	
ATHLETICS	\$ 1.2	\$ 0.6	
CAMPUS AIDES	\$ 4.7	\$ 2.4	
CENTRAL OFFICE/EDUCATIONAL SERVICE CENTERS	\$ 38.5	\$ 46.2	
CLERICAL SUPPORT	\$ 13.6	\$ 7.2	
COUNSELORS	\$ 5.7	\$ 3.4	
CUSTODIANS	\$ 26.8	\$ 14.	
EARLY CHILDHOOD DEVELOPMENT	\$ 8.1	\$ 4.	
FACILITIES MAINTENANCE/OPERATIONS	\$ 8.6	\$ 4.3	
FINANCIAL MANAGERS	\$ 1.9	\$ 1.	
HEALTH SERVICES	\$ 1.5	\$ 0.8	
LIBRARY AIDES	\$ 0.4	\$ 0.2	
NURSES	\$ 2.9	\$ 1.5	
OPTIONS PROGRAM	\$ 3.1	\$ 1.6	
SCHOOL POLICE	\$ 8.7	\$ 4.3	
TEACHERS	\$ 67.6	\$ 47.7	
Total Expenditure Program Reduction	\$ 216.6	\$ 157.2	\$ 544.
Total Solution	\$ 336.6	\$ 177.2	\$ 644.

**RESOLUTION REGARDING EXPENDITURES FROM THE EDUCATION  
PROTECTION ACCOUNT FOR FISCAL YEAR 2015-16**

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 30<sup>th</sup> 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 \_\_\_\_\_, 2015.

\_\_\_\_\_  
Board President

\_\_\_\_\_  
Executive Officer of the Board

ATTACHMENT 2  
2015-16 Education Protection Account  
Budgeted Expenditures by Function - Detail

**Expenditures through: June 30, 2016**

**For Fund 01, Resource 1400 Education Protection Account**

Description	Object Codes	Amount
<b>AMOUNT AVAILABLE FOR THIS FISCAL YEAR</b>		
Adjusted Beginning Fund Balance	9791-9795	0.00
Revenue Limit Sources	8010-8099	614,264,011.00
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
<b>TOTAL AVAILABLE</b>		<b>614,264,011.00</b>
<b>EXPENDITURES AND OTHER FINANCING USES</b>		
<b>(Objects 1000-7999)</b>		
Instruction	1000-1999	614,264,011.00
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
<b>TOTAL EXPENDITURES AND OTHER FINANCING USES</b>		<b>614,264,011.00</b>
<b>BALANCE (Total Available minus Total Expenditures and Other Financing Uses)</b>		<b>0.00</b>

## **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 and state reasons for the reserve being greater than the minimum.

In 2013-14, the District has move into a decentralization budgeting model where resources are allocation into school sites allowing them more flexibility on using their budgets based on their local decisions. As a result of this change, schools are held accountable for the funds but the same time is allowed full carryover of any savings that are incurred.

Approximately 65% 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 discretionary account used by the schools sites for their local needs. These categories also contain the unspent Target Student Population (TSP) programs and Charter School Categorical Block grants monies at the school sites. Some of these accounts also are 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 the attendance and unduplicated count issues. These are one-time balances and will be released once the reconciliation and/or audit are finalized in December 2015.

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

Lastly the salary Increase set aside is for a bargaining unit (Unit A) with a “me too” clause that has not yet settled.

The Unassigned/Unappropriated balances are amounts that could be used for any purposes and has not been designated for any specific use. However in the District’s case, the unassigned ending balance of \$41.7 million in 2015-16 is a factor in balancing 2016-17.

The table below shows the calculation of the minimum reserve requirement as well as the estimated assigned and unassigned ending balance for fiscal 2015-16 through 2017-18:

Calculation of Minimum (in millions)	2015-16	2016-17	2017-18
Expenditure & Other Financing Uses	\$ 7,085.5	\$ 7,112.9	\$ 7,198.4
Minimum Reserve Levels applicable for the District	1%	1%	1%
Minimum Reserve Requirements	\$ 70.9	\$ 71.1	\$ 72.0
Reserve Cap (if CAP is in effect) is 3 times minimum reserve requirement	\$ 212.6	\$ 213.4	\$ 216.0
<b>Estimated Assigned and Unassigned Ending Balance</b>			
Assigned Ending Balances	\$ 308.9	\$ 312.6	\$ 309.9
Unassigned Ending Balances			
-Reserve for Economic Uncertainty (9789)	\$ 72.4	\$ 72.4	\$ 72.4
-Unassigned/Unappropriated (after fiscal plan)	\$ 41.7	\$ -	\$ -
Total Assigned and Unassigned Ending Balance	\$ 422.6	\$ 384.6	\$ 381.9
<b>Excess over Minimum</b>	<b>\$ 352.1</b>	<b>\$ 313.9</b>	<b>\$ 310.3</b>
<b>Excess over Cap Reserve Requirement (if in effect)</b>	<b>\$ 210.4</b>	<b>\$ 171.6</b>	<b>\$ 166.3</b>

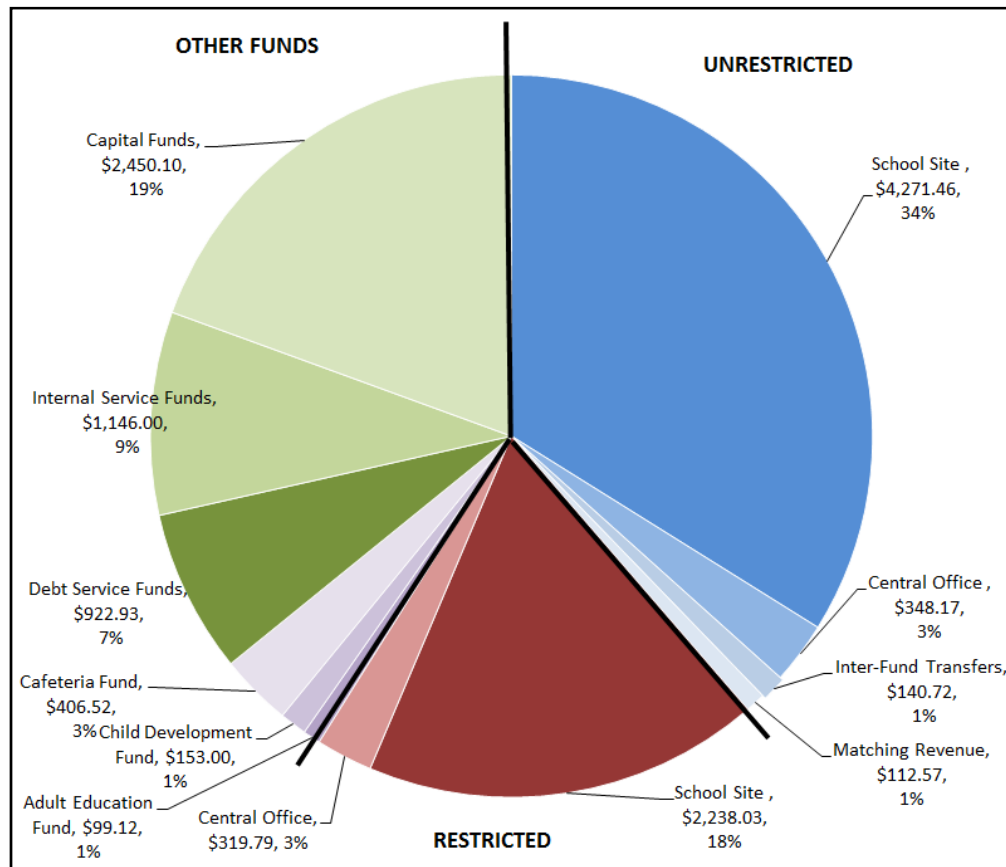
The assigned ending balances are amounts that can be used for any purpose but has been designated for a specific future use by the District. The District's Assigned ending balances are further broken out into the following categories:

Breakdown of Assigned Balances (in millions)	2015-16	2016-17	2017-18
General Fund School Allocation	\$ 130.6	\$ 128.2	\$ 125.8
Districtwide Cost	\$ 92.8	\$ 97.1	\$ 102.7
School Site Programs	\$ 79.2	\$ 80.9	\$ 75.0
Central Office	\$ 5.9	\$ 5.9	\$ 5.9
Salary Increase Set Aside	\$ 0.4	\$ 0.6	\$ 0.6
<b>Total Assigned Ending Balance</b>	<b>\$ 308.9</b>	<b>\$ 312.6</b>	<b>\$ 309.9</b>





## 2015-2016 Superintendent's Final Budget



### Summary (all amounts in millions\*)

<b>Total Adopted Budget for FY 2015-2016</b>	<b>\$12,608.41</b>	
<b>UNRESTRICTED BUDGET</b>		
School Site Resources	\$4,271.46	88%
Central Office	\$348.17	7%
Inter-Fund Transfer	\$140.72	3%
Matching Revenue	\$112.57	2%
<b>Total Unrestricted Expenditures</b>	<b>\$4,872.92</b>	<b>100%</b>
<b>RESTRICTED BUDGET AND OTHER FUNDS</b>		
Restricted General Fund - School Site	\$2,238.03	29%
Restricted General Fund - Central Office	\$319.79	4%
Capital Funds	\$2,450.10	32%
Internal Service Funds**	\$1,146.00	15%
Debt Service Funds**	\$922.93	12%
Cafeteria Fund	\$406.52	5%
Child Development Fund	\$153.00	2%
Adult Education Fund	\$99.12	1%
<b>Total Restricted &amp; Other Expenditures</b>	<b>\$7,735.49</b>	<b>100%</b>

\*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 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.





**BREAKING DOWN LAUSD'S BUDGET**

**Introduction**

This section is a discussion of the District's overall budget. It summarizes in general terms the various components of the budget with particular attention given to the General Fund.

BREAKING DOWN LAUSD'S BUDGET

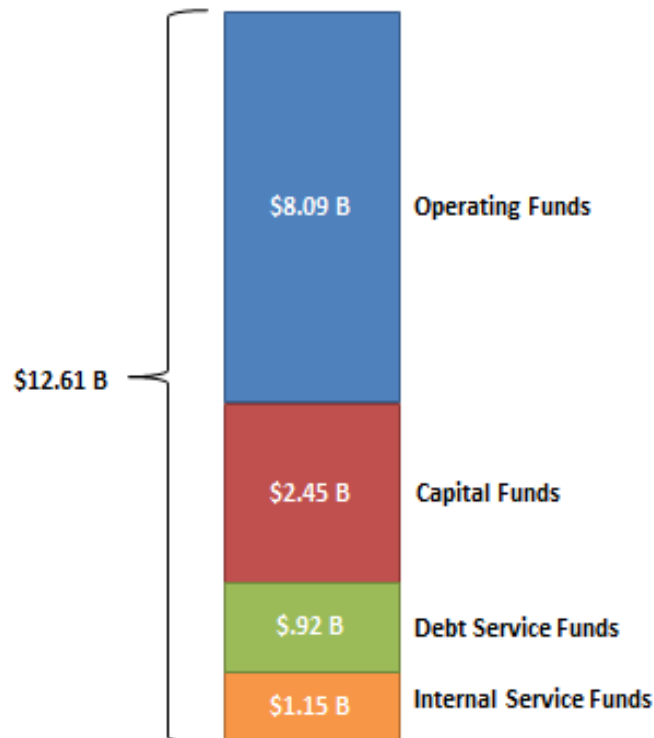
LAUSD's budget, like the District itself, is large and complex. This section discusses the different parts of the budget, with particular attention paid to the General Fund budget. All dollar amounts represent totals for the 2015-16 school year.

**The "Total Budget"**

As required by California law, LAUSD's budget is reported by "Fund." The uses of these different funds can be summarized into five main categories:

- A. Fiduciary Funds – moneys used to account for assets held in trust
- B. Internal Service Funds – moneys used for goods or services given internally to other District funds on a cost reimbursement basis
- C. Debt Service Funds – moneys used for the payment of principal and interest on long-term bonds
- D. Capital Project Funds – moneys used for the purchase or construction of facilities
- E. Operating Funds – moneys used to fund the general, day-to-day operation of the District's schools and offices

**Figure 1: Total Budget**



*\* Figures rounded, graphic not to scale, amounts in billions*

Figure 1: Total Budget above shows the District's five budget categories, and the size of each combined, for a total of approximately \$12.61 billion. This would seem to represent the total amount the District has budgeted for the 2015-16 school year, but unfortunately it is a much more complicated story than that. Let us unpack this "Total Budget" one section at a time.

Fiduciary Funds, accounts for resources to be distributed to a trust for Other-Post-Employment Benefits.

Internal Services Funds, which total approximately \$1.15 billion, account for the payment of employee health & welfare benefits, workers' compensation, and liability insurance. These funds are for accounting purposes as required by State law. They serve as "pass-through" accounts. In other words, the \$1.15 billion in expenditures here already show up in other funds, and to count them in addition to the other funds would be counting them twice. For this reason, Internal Service Funds should not be considered as part of the funds that help operate District schools.

Debt Service Funds, which total approximately \$.92 billion, account for the payment of interest and principal on the District's long-term bonds. Like Internal Service Funds, these funds also exist for accounting purposes as required by State law, serving as "pass-through" accounts. The \$.92 billion in expenditures already show up in the other funds (primarily the Capital Funds), and to count them on top of the other funds would be counting them twice. For this reason, Debt Service Funds should not be considered part of the funds that help operate District schools.

Capital Funds, which total approximately \$2.45 billion, are used for the acquisition or construction of capital facilities. The funding comes primarily from the sale of voter approved bonds. These funds are prohibited from being used on general day-to-day operations, as voters approved them for specific capital uses. In addition, the capital projects undertaken will benefit current and future students, as the capital projects are meant to last for decades. For this reason, Capital Funds should not be considered part of the funds that help operate District schools.

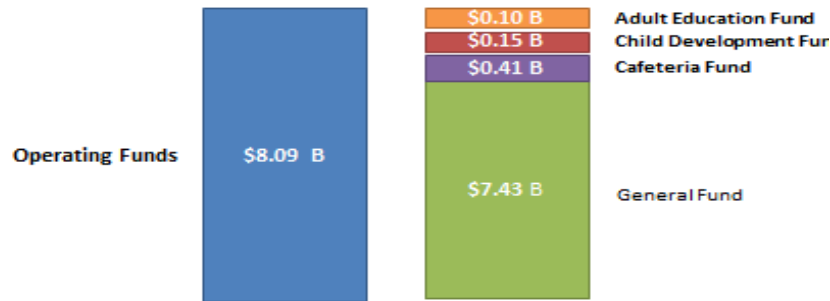
### **The Operating Funds**

After peeling away these funds, we are left with \$8.09 billion in Operating Funds. The uses of these funds can be summarized into four categories:

- A. Adult Education Fund – moneys used to operate the District's Adult Education programs
- B. Child Development Fund – moneys used to operate the District's Early Childhood Education Centers
- C. Cafeteria Fund – moneys used to operate the District's food service program
- D. General Fund – moneys used for the basic instructional and administrative operations of the District

## SUPERINTENDENT'S 2015-16 FINAL BUDGET

**Figure 2: Operating Funds**



*\* Figures rounded, graphic not to scale, amounts in billions*

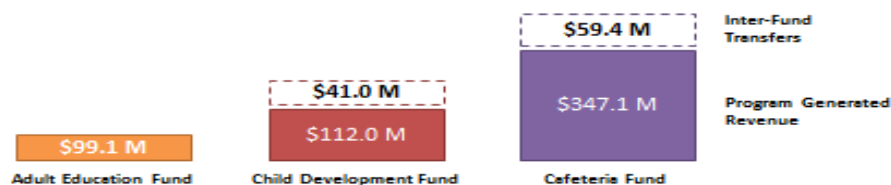
Figure 2: The figure above shows the breakdown of the District's Operating Funds, which total \$8.09 billion. However, this is not a complete representation of the total amount spent on these programs. This is because the General Fund subsidizes each of the other three operating funds, and these "inter-fund transfers" show up twice in the totals above. These "double counts" occur because State law requires the District to account for inter-fund transfers in this way; funds show up in the total for the General Fund, and in the totals for the other operating funds. Here is a breakdown of the inter-fund transfers to the Adult Education, Child Development, and Cafeteria funds:

<i>(amounts in \$millions)</i>	<b>Program Generated Revenue</b>	<b>Inter-fund Transfer (from General Fund)</b>	<b>Total Budget</b>
Adult Education Fund	\$ 99.1	\$0.0	\$99.1
Child Development Fund*	\$112.0	\$41.0	\$153.0
Cafeteria Fund	\$347.1	\$59.4	\$406.5
<b>Total</b>	<b>\$558.2</b>	<b>\$100.4</b>	<b>\$658.6</b>

*\* These amounts include the Unrestricted and Restricted totals*

The \$100.4 million total in Inter-fund transfers is included in the General Fund total, but is also included in the totals of the other two operating funds. The funds that these three programs generate on their own, and the subsidy that the two programs receive from the General Fund, are reflected below in Figure 3: Inter-fund Transfers.

**Figure 3: Inter-fund Transfers**



*\* Figures rounded, graphic not to scale, amounts in millions*

## **The General Fund**

The \$7.14 billion General Fund Budget includes the Unrestricted Program and the Restricted Program:

1. General Fund Unrestricted: funds that can be used for any general education purpose
2. General Fund Restricted: funds that must be used for a specific purpose

Funding for the General Fund Restricted Program comes from numerous sources, each with different restrictions. For example, Title I (federal) funds are for the benefit of low-income and neglected children.

A large component of the General Fund Restricted program is the District's Special Education Program. This program provides a variety of services for students with special education needs. The total projected cost of this mandated program in the 2015-16 school year is \$1.59 billion. However, the District does not receive enough dedicated program revenue to cover this cost. As a result, the District must take \$969.4 million from its Unrestricted Program and transfer it to the Special Education Program in what is called an inter-program transfer (not to be confused with inter-fund transfers). Other inter-program transfers include those for ongoing and major maintenance of facilities and several smaller programs. In total, these transfers cost the Unrestricted Program \$1.2 billion. Figure 3: General Fund below shows the impact of these inter-program transfers on the Unrestricted and Restricted programs:

**Figure 3: General Fund**



*\*Figures rounded, graphic not to scale, amounts in billions*

The figures on the right-hand side above, which are after the inter-program transfers, match those that appear in the Financial Details section of this Budget Book. They reflect the fact that \$1.2 billion was transferred from the Unrestricted Program to the Restricted Program.

**BUDGETED 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 EXPENDITURES BY MAJOR GROUP AND RESOURCE, 2015-16  
DOLLARS IN MILLIONS

Major Group	Unrestricted	Restricted	Other	Grand Total	Description
4 YEAR OLD TK ACADEMIC PROGRAM	\$7.00			\$7.00	Program designed to prepare 4 year old students for kindergarten who are not part of the Transitional Kindergarten program.
ACADEMIC DECATHLON	\$0.58			\$0.58	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	\$4.18			\$4.18	Class size reduction literacy classes for secondary schools.
ACCREDITATION	\$0.32			\$0.32	Western Association of Schools & Colleges reimbursement for school applications, annual membership fees, visiting committee members expenses, and school expenses (coordinatorship, overtime, substitutes, & reprographics).
ADMINISTRATOR STIPENDS	\$0.20			\$0.20	Stipends for school administrators.
ADMINISTRATORS (ASSISTANT PRINCIPAL - SECONDARY COUNSELING SERVICES)	\$10.22			\$10.22	Administrators of counseling services for school sites.
ADMINISTRATORS (PRINCIPALS & ASSISTANT PRINCIPALS)	\$147.37	\$0.00		\$147.37	School site instructional leaders and operations administrator.
ADULT EDUCATION/ REGIONAL OCCUPATION CENTER/PROGRAMS	\$53.71	\$26.20	\$67.98	\$147.90	Provides quality career technical education and training to a diverse population of high school youth and adult students.
ADVANCED PLACEMENT FEE	\$2.34			\$2.34	Reimbursement by students to take Advanced Placement tests.
ADVISORS	\$0.77	\$1.29		\$2.06	Supports instructional needs of various programs and offices.
AFTERSCHOOL PROGRAMS	\$0.29	\$97.03		\$97.32	Afterschool programs.
A-G IMPLEMENTATION	\$15.02			\$15.02	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	\$32.38			\$32.38	Elementary Arts Teachers to support the Arts program.
ATHLETICS	\$11.53			\$11.53	Provides auxiliary positions for Athletic Directors, athletic coach differentials, and rental of spectator materiel (i.e. bleachers) for athletic events.
AUDIT FEES AND FINDINGS	\$9.00			\$9.00	Contract for the District's external audits and audit questions cost.

DISTRICT EXPENDITURES BY MAJOR GROUP AND RESOURCE, 2015-16  
DOLLARS IN MILLIONS

Major Group	Unrestricted	Restricted	Other	Grand Total	Description
BEGINNING TEACHERS SUPPORT AND ASSESSMENT (BTSA)	\$3.10			\$3.10	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	\$1.86		\$364.22	\$366.08	Operational support of the Cafeteria program (includes grants).
CAFETERIA, INTER-FUND TRANSFER	\$60.80			\$60.80	Income and expenditures initially recorded in the General Fund and then transferred, in accordance with accounting requirements, to a special fund.
CAMPUS AIDES	\$33.75	\$0.10		\$33.85	Campus aides for selected schools.
CAP AND GOWN	\$2.00			\$2.00	Resources to provide caps and gowns to graduating seniors.
CAPITAL FUNDS			\$2,272.60	\$2,272.60	Resources for the repayment of principal and interest on certificates of participation (COPs), and other capital projects.
CAREER TECHNICAL EDUCATION			\$0.80	\$0.80	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.
CATEGORICAL PROGRAM ADVISORS		\$29.20		\$29.20	Supports instructional needs of various programs at school sites.
CENTRAL OFFICE/EDUCATIONAL SERVICE CENTERS	\$341.35	\$82.14	\$147.33	\$570.83	Resources that support school sites and day to day operations of the District.
CERTIFICATED SUPPLEMENTAL TIME (X, Z, & PROFESSIONAL DEVELOPMENT)	\$14.27	\$23.80		\$38.08	Resources for additional certificated assignments.
CHARTER SCHOOL CATEGORICAL BLOCK GRANT	\$23.63			\$23.63	Categorical Block Grant and Allocation in Lieu of EIA (Economic Impact Aid) for Affiliated Charter Schools from the State.
CHARTER SCHOOL FEE FOR SERVICE	\$5.97	\$0.35		\$6.32	Charter school fees for district provided services.
CHARTER SCHOOL OVERSIGHT FEE	\$25.43			\$25.43	Charter school fees for district provided services.
CIVIC CENTER	\$2.40			\$2.40	Rental of district facilities by community groups.
CLASS SIZE REDUCTION HIGH SCHOOLS - MATH & ELA	\$6.97			\$6.97	Resources to reduce class sizes at senior high schools.
CLASS SIZE REDUCTION MIDDLE SCHOOLS - MATH & ELA	\$7.01			\$7.01	Resources to reduce class sizes at middle schools.
CLASSIFIED OVERTIME, X & Z TIME	\$0.27	\$0.48		\$0.75	Resources for additional classified assignments.
CLERICAL SUBSTITUTES	\$11.81			\$11.81	Replacement resources for absent clerical support positions.



DISTRICT EXPENDITURES BY MAJOR GROUP AND RESOURCE, 2015-16  
DOLLARS IN MILLIONS

Major Group	Unrestricted	Restricted	Other	Grand Total	Description
CLERICAL SUPPORT	\$122.49	\$7.55		\$130.04	School site clerical positions (i.e. School Administrative Assistant, Office Technicians).
COACHES INSTRUCTIONAL	\$6.95	\$29.08		\$36.04	Supports instructional needs at school sites.
COORDINATED EARLY INTERVENING SERVICES		\$19.73		\$19.73	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.
COORDINATORS	\$0.00	\$21.93		\$21.93	Supports instructional needs of various programs and offices.
COUNSELING AIDES	\$0.02	\$0.65		\$0.67	Assist Counselors with student counseling.
COUNSELING SUPPORT	\$13.00			\$13.00	Resources to support academic career & college counseling.
COUNSELING TIME (REGISTRATION)	\$5.49			\$5.49	Resources to support registration time prior to school opening.
COUNSELORS	\$47.69	\$10.82		\$58.51	Student or youth counseling and/or guidance.
COUNSELORS - CONTRACT POOL	\$0.97			\$0.97	Contract pool counselors.
COUNSELORS, PUPIL SERVICES & ATTENDANCE (PSA)	\$13.85	\$12.89		\$26.75	Works with students, parents, and school personnel to increase student attendance.
CUSTODIAL OVERTIME & RELIEF	\$0.32	\$0.10		\$0.42	Resources for additional custodial assignments.
CUSTODIAL SUPPLIES	\$4.89	\$0.02		\$4.91	Supplies to support the maintenance and cleanliness of school sites.
CUSTODIANS	\$144.61			\$144.61	Supports and maintains the cleanliness of school sites and offices.
DATA PROCESSING	\$8.50			\$8.50	Information Technology (IT) equipment, materials, and software licensing.
DEBT SERVICE	\$3.43	\$0.07	\$923.41	\$926.90	Payment for principal and interest for Certificate of Participation (COPs) and other debt instruments.
DIFFERENTIALS/LONGEVITIES	\$7.12	\$0.72		\$7.83	Supplemental salary resources for years of service, and degrees per collective bargaining.
DIPLOMA PROJECT	\$2.00			\$2.00	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	\$29.50			\$29.50	Donations by individuals or groups to schools.
DUAL LANGUAGE PROGRAM	\$6.20			\$6.20	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.

DISTRICT EXPENDITURES BY MAJOR GROUP AND RESOURCE, 2015-16  
DOLLARS IN MILLIONS

Major Group	Unrestricted	Restricted	Other	Grand Total	Description
EARLY CHILDHOOD DEVELOPMENT			\$136.32	\$136.32	Early Childhood Development.
EARLY CHILDHOOD DEVELOPMENT, INTER-FUND TRANSFER	\$41.00			\$41.00	Income and expenditures initially recorded in the General Fund and then transferred, in accordance with accounting requirements, to a special fund.
EARLY RETIREMENT INCENTIVE	\$9.30			\$9.30	Annuity liability for early retirement incentive offered in 2009-2010.
EMPLOYEE BENEFITS/ADJUSTMENTS/PUBLIC EMPLOYEE RETIREMENTS	-\$40.46	-\$2.14		-\$42.60	Payment to the state for reduced employer contribution to Public Employees' Retirement System.
EMPLOYEES LOANED TO AGENCIES/OFFICE	\$4.04			\$4.04	District employees loaned to other entities. The District is reimbursed for salaries.
ENERGY REBATE CONSERVATION	\$0.90			\$0.90	Improvement of buildings and job-cost materials.
ENGLISH LEARNER IMPLEMENTATION AND SUPPORT	\$6.30			\$6.30	Support for English Learner students to improve academic achievement.
E-RATE MATCH/REBATE	\$26.02			\$26.02	Local revenue funding for the E-Rate Match/Rebate program.
ESTIMATED CARRYOVER	\$35.52			\$35.52	Projected unspent resources.
EVALUATION	\$0.23			\$0.23	Training instructional personnel in a robust and detailed way to view instruction.
FACILITIES MAINTENANCE/OPERATIONS	\$50.46	\$0.09		\$50.54	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	\$2.53			\$2.53	General Fund resources for facilities projects.
FAMILY SOURCE SYSTEM	\$1.26			\$1.26	Focuses on engaging parents and students with resources to improve academic achievement and to lift families out of poverty.
FILMING	\$5.04		\$0.01	\$5.05	Funds received from Filming and Photography. School resources yet to be allocated.
FINANCIAL MANAGERS	\$10.35			\$10.35	Manages and advises on financial matters and accounting procedures pertaining to student body funds.
FIRE DAMAGE	\$2.46			\$2.46	Repair fire damage.
FOSTER YOUTH ACHIEVEMENT PROGRAM	\$11.68			\$11.68	Resources to increase academic and support services to Foster Youth.
GENERAL SUPPLIES	\$8.21			\$8.21	School site resources to support the instructional program and operations.
GIFTED AND TALENTED PROGRAM (GATE)	\$1.28			\$1.28	Supports staff training for employees who work with gifted students.

DISTRICT EXPENDITURES BY MAJOR GROUP AND RESOURCE, 2015-16  
DOLLARS IN MILLIONS

Major Group	Unrestricted	Restricted	Other	Grand Total	Description
HEALTH SERVICES	\$9.40	\$21.74		\$31.14	Personnel and operational expenses of Student Health & Human Services Division (i.e., Physician, Coordinator- Nurses, PSA, Audiometrists & Student Discipline, clerical support, mileage, nurse substitute). Mandated nursing services, attendance recovery, additional psychologist support.
HOMELESS YOUTH ACHIEVEMENT PLAN	\$1.80			\$1.80	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.
HOUSEKEEPERS			\$5.27	\$5.27	Performs general housekeeping duties in an Early Education Center.
IMA-LIBRARY FINES	\$0.64			\$0.64	Fees and fines for lost and damaged books.
INDIRECT COST	-\$95.82	\$26.57		-\$69.25	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 AIDES	\$0.12	\$3.21		\$3.33	Assist certificated employees in developing and presenting specialized educational materials and in conducting instructional activities requiring specialized education, training, or vocational experience.
INSTRUCTIONAL MATERIALS	\$93.43	\$199.62	\$2.02	\$295.07	Resources that support and/or supplement the core instructional program and operations.
INSTRUCTIONAL TECHNOLOGY SUPPORT (VLC)	\$5.06			\$5.06	Resources to support virtual learning.
INSURANCE PREMIUMS	\$29.25			\$29.25	Cost of insurance coverage for liability, property, and vehicle.
INTER FUND TRANSFERS			\$82.42	\$82.42	Income and expenditures initially recorded in the General Fund and then transferred, in accordance with accounting requirements, to a special fund.
INTER-FUND TRANSFER CERTIFICATE OF PARTICIPATION (COPS)	\$34.31	\$6.99	\$9.58	\$50.88	Income and expenditures initially recorded in the General Fund and then transferred, in accordance with accounting requirements, to a special fund.
INTER-FUND TRANSFER MEDICARE PART D	\$4.60			\$4.60	Income and expenditures initially recorded in the General Fund and then transferred, in accordance with accounting requirements, to a special fund.
INTERNAL SERVICE FUNDS			\$1,141.96	\$1,141.96	Payments and claims for Health and Welfare Fund and Workers' Compensation.
JUNIOR RESERVE OFFICER TRAINING CORPS (JROTC)	\$5.52			\$5.52	Teacher positions for the JROTC program.
LCFF COUNTY OFFICE TRANSFERS	\$6.70			\$6.70	Reimbursement to County Offices of Education for District-referred students.

DISTRICT EXPENDITURES BY MAJOR GROUP AND RESOURCE, 2015-16  
DOLLARS IN MILLIONS

Major Group	Unrestricted	Restricted	Other	Grand Total	Description
LIABILITY RESERVE	\$15.65			\$15.65	Reserve.
LIBRARY AIDES	\$11.64	\$1.54		\$13.19	Provides assistance to students and teachers in a school library media center.
LOCAL INITIATIVE SCHOOL	\$1.14			\$1.14	Local School Initiative support resources.
LUMP SUM VACATION	\$12.68			\$12.68	Lump sum vacation and other benefits.
MAGNET SCHOOLS RESOURCES	\$19.59			\$19.59	Additional resources for magnet schools and centers.
MILEAGE & TUITION REIMBURSEMENT	\$1.58	\$0.01		\$1.59	Mileage and Tuition reimbursement due to a bargaining unit agreement.
NEW SCHOOLS START UP COSTS	\$1.65			\$1.65	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	\$6.22			\$6.22	Funds received from non filming rental. School resources yet to be allocated.
NURSES	\$23.44	\$17.14		\$40.58	Support health services.
OFF-NORM & ONE TIME SCHOOL ALLOCATIONS	\$15.45			\$15.45	One-time allocations such as teachers, administrators and clerical positions and other off-norm positions.
ONGOING & MAJOR MAINTENANCE	\$16.51	\$184.71		\$201.22	Regular Routine General Maintenance program, Plant Maintenance, School Bathroom Renovation, & Plant Maintenance Salaries.
OPTIONS PROGRAM	\$66.63	\$0.22		\$66.85	Options schools are designed to provide students a smaller, more personalized education supported by knowledgeable, supportive educators working collaboratively.
PARAPROFESSIONAL TEACHER TRAINING	\$0.85			\$0.85	A paraeducator (instructional assistant/aide) career ladder program that leads to a teacher preparation program
PARENT INVOLVEMENT	\$4.82	\$11.99		\$16.81	Parent support through workshops, trainings, communications, and school involvement.
PERSONNEL WITH PENDING CASES	\$20.47			\$20.47	Personnel housed pending personnel action.
PHYSICAL EDUCATION TEACHER INCENTIVE	\$1.67			\$1.67	Provides funding to hire credentialed physical education teachers in selected schools serving grades kindergarten and first through eight.
PROFESSIONAL DEVELOPMENT		\$1.08		\$1.08	Resources to support the professional development of District employees.
PROP 39 CHARTER SCHOOL CO-LOCATION	\$2.40			\$2.40	Charter school fees for district provided services.
PROP 39 CLEAN ENERGY		\$77.84		\$77.84	Funds that support retrofit projects which will help ensure long-term energy savings.
PROPERTY RENTALS	\$11.02			\$11.02	Rental expense for leasing of school facilities.
PSYCHIATRIC SOCIAL WORKERS	\$5.71	\$7.09		\$12.81	Provides specialized services to identified students to remove emotional, behavioral, and family crisis barriers to learning.
PSYCHOLOGISTS	\$9.25	\$11.15		\$20.40	Provides specialized pupil services for individuals or groups.

DISTRICT EXPENDITURES BY MAJOR GROUP AND RESOURCE, 2015-16  
DOLLARS IN MILLIONS

Major Group	Unrestricted	Restricted	Other	Grand Total	Description
REASONABLE ACCOMMODATIONS	\$5.07	\$0.01		\$5.08	Resources provided to employees with disabilities. Resources include Education Aides, Teacher Assistants, Sign Language Interpreters, and Special Education Assistants.
RESERVE FOR APPROVED SALARY INCREASES	\$139.48	\$6.21	\$0.60	\$146.29	Resources for salary increases.
RESERVE FOR NEW GRANTS		\$93.25	\$5.01	\$98.27	Resources for pending grants.
RESTORATIVE JUSTICE PROGRAM	\$2.95			\$2.95	Program to help improve student behavior and provide alternatives to suspensions and expulsions.
RUBBISH/TRASH DISPOSAL	\$6.86			\$6.86	Trash disposal for all schools and offices.
SALARY OVERPAYMENT	\$3.00			\$3.00	Estimated salary overpayments of District personnel.
SCHOOL POLICE	\$58.41		\$0.57	\$58.98	Safety and security for schools and district property.
SCHOOL READINESS LANGUAGE DEVELOPMENT PROGRAM	\$22.02			\$22.02	An oral language program that prepares students for kindergarten.
SCHOOL TECHNOLOGY SUPPORT (MCSA)	\$5.21			\$5.21	Microcomputer Support Assistants assigned to provide onsite local technical support for schools.
SPECIAL EDUCATION INTERDISTRICT EXCESS COST PAYMENT	\$0.65			\$0.65	General Fund Unrestricted support for the Special Education program.
SPED-ADAPTED PHYSICAL EDUCATION		\$22.85		\$22.85	Adapted Physical Education is a diversified program of developmental gross motor activities, games, sports, and rhythms suited to the interests, capacities and limitations of students with disabilities who may not safely and/or successfully engage in unrestricted participation in the vigorous activities of the general physical education program, modified general physical education program or in a specially designed physical education program in a special day programs.
SPED-ADMINISTRATORS-SPED CENTERS		\$2.94		\$2.94	Instructional leaders and operations administrators at Special Education Centers.
SPED-ALLOCATION TO SCHOOLS FOR COMPLIANCE		\$6.09		\$6.09	Allocation for support of Special Education Compliance based on active Individualized Education Programs (IEPs) in Welligent.
SPED-ASSISTANT OVERTIME-X & Z TIME/RENORMING		\$9.10		\$9.10	Resources for additional Special Education Assistant assignments replacement for absent assistants, and renorming.
SPED-ASSISTANT PRINCIPAL ELEMENTARY INSTRUCTIONAL SPECIALIST		\$25.39		\$25.39	Provide support for Special Education compliance at elementary schools.

DISTRICT EXPENDITURES BY MAJOR GROUP AND RESOURCE, 2015-16  
DOLLARS IN MILLIONS

Major Group	Unrestricted	Restricted	Other	Grand Total	Description
SPED-ASSISTANTS		\$341.48		\$341.48	Assist teachers by caring for the physical needs of students with disabilities and helping in their training and education through the presentation of educational materials or exercises.
SPED-ASSISTANTS-PRESCHOOL		\$35.40		\$35.40	Assist teachers by caring for the physical needs of students with disabilities and helping in their training and education through the presentation of educational materials or exercises.
SPED-ASSISTIVE TECHNOLOGY		\$2.66		\$2.66	"Assistive Technology service" means any service that directly assists a student with a disability in the selection, acquisition, or use of an assistive technology device.
SPED-CAREER & TRANSITION PROGRAM		\$12.42		\$12.42	The District Office of Transition Services assists in the planning and delivery of transition services for all students with disabilities, beginning at age 14 (or younger, if appropriate) to prepare them for transition from school to adult living.
SPED-CENTRAL OFFICE		\$19.57		\$19.57	Resources that support Special Education needs at school sites and day to day operations of the District.
SPED-CLERICAL SUPPORT-SPED CENTERS		\$3.73		\$3.73	Clerical Positions at Special Education Centers (i.e. School Administrative Assistant, Office Technicians).
SPED-DEAF AND HARD OF HEARING		\$7.94		\$7.94	The Deaf and Hard of Hearing (DHH) program serves eligible students with a documented hearing loss that negatively impacts communication skills and/or access to the core curriculum.
SPED-DONATIONS		\$1.28		\$1.28	Support for students with disabilities provided to various schools and offices by donors.
SPED-EDUCATIONALLY RELATED INTENSIVE COUNSELING SERVICES		\$42.03		\$42.03	Provide educationally related counseling services that may include individual counseling, group counseling, family consultation, and/or family support as needed.
SPED-EXTENDED SCHOOL YEAR	\$6.06	\$13.12		\$19.18	Resources provided to special education students to prevent instructional regression.
SPED-IMA ALLOCATION TO SCHOOLS		\$1.89		\$1.89	Allocation to support and/or supplement the core instructional program and operations for students with disabilities.
SPED-IMA-EQUIP-MATERIAL		\$15.63		\$15.63	Instructional materials and equipment used to support students with disabilities.
SPED-INCLUSION PROGRAM		\$3.75		\$3.75	Resources to support students with disabilities in general education settings.
SPED-INDIRECT COST		\$46.83		\$46.83	Elements of cost necessary in the operation of a District or in the performance of a service that are such a nature that the amount applicable to each accounting unit cannot be determined readily.

DISTRICT EXPENDITURES BY MAJOR GROUP AND RESOURCE, 2015-16  
DOLLARS IN MILLIONS

Major Group	Unrestricted	Restricted	Other	Grand Total	Description
SPED-INFANT PROGRAM SERVICES		\$4.26		\$4.26	Provide early intervention services for children birth to three years of age identified with a hearing loss, visual impairment, or severe orthopedic impairment. Provide resources and education to family members and other caregivers. Families and staff develop an Individualized Family Service Plan(IFSP) that guides the service delivery.
SPED-LEAST RESTRICTIVE ENVIRONMENT COUNSELORS		\$1.26		\$1.26	LRE Counselors provide counseling services to students with physical disabilities who are eligible for counseling through their Individualized Education Program (IEP).
SPED-NON PUBLIC SERVICES		\$175.10		\$175.10	Payments to certified non-District nonpublic schools/agencies for services provided to district students with disabilities.
SPED-NURSES		\$12.54		\$12.54	Provide health services to students with disabilities.
SPED-OCCUPATIONAL & PHYSICAL THERAPY		\$24.84		\$24.84	School physical therapy assesses and addresses following areas: posture, balance, strength, coordination, mobility; and gross motor skills. School occupational therapy assesses and addresses the following areas: postural stability, fine motor skills, visual perception and integration; and sensory motor.
SPED-OPTIONS	\$0.04	\$8.99		\$9.03	Special Education at Options Schools.
SPED-PASS THRU FOR INDEPENDENT CHARTERS		\$75.47		\$75.47	Expenditure account that records Special Education expenditures for fiscally independent charter schools. The amount recorded matches the revenue provided to these charter schools.
SPED-PRESCHOOL PROGRAM SERVICES (INCLUDING ITINERANTS)		\$22.68		\$22.68	Provide special education services for children ages 3-5 who have been identified with one of Federal and State defined special education eligibilities. Children are served in the least restrictive environment. Emphasis is placed on the development of language, social emotional, motor and pre-academic skills. Families and staff work together to develop an IEP that guides the service delivery for each child.
SPED-PRIVATE SCHOOLS SUPPORT		\$1.35		\$1.35	Provide support and collaboration for private school teachers who work with student with disabilities.
SPED-PROGRAM SPECIALISTS-CERTIFICATED		\$6.34		\$6.34	Program Specialists plan programs, coordinate curricular resources, and monitor the effectiveness of programs for students with disabilities.
SPED-PSYCHIATRIC SOCIAL WORKERS		\$2.33		\$2.33	Provide case management; individual, group, and family therapy, and mental health consultation to general and special education population.

DISTRICT EXPENDITURES BY MAJOR GROUP AND RESOURCE, 2015-16  
DOLLARS IN MILLIONS

Major Group	Unrestricted	Restricted	Other	Grand Total	Description
SPED-PSYCHOLOGISTS		\$30.47		\$30.47	Provide assessment and counseling services to students with disabilities.
SPED-REIMBURSEMENT-DUE PROCESS		\$10.59		\$10.59	Reimbursement to parents, schools and agencies based on Due Process agreements involving students with disabilities.
SPED-SPEECH & LANGUAGE		\$46.57		\$46.57	School-based Speech Therapy supports the educational program for students who have a disorder in communication involving articulation, language, fluency and/or voice.
SPED-TEACHER-ITINERANTS		\$0.96		\$0.96	Special Education Itinerant Teacher Positions.
SPED-TEACHER-RESOURCE SPECIALIST PROGRAM		\$125.25		\$125.25	Resource Specialist Program Teacher Positions.
SPED-TEACHER-SPECIAL DAY PROGRAM	\$0.10	\$277.07		\$277.17	Special Day Program Teacher Positions.
SPED-TEACHER-SPECIAL DAY PROGRAM-PRESCHOOL		\$51.49		\$51.49	Special Day Program Preschool Teacher Positions.
SPED-TEACHER-SUPPL & SUB TIME/RENORMING/PROF DEVELOPMENT		\$9.09		\$9.09	Resources for additional teacher assignments, , replacement for absent teachers, renorming, and professional development.
SPED-TEMPORARY PERSONNEL ACCOUNT		\$0.23		\$0.23	Resources to support the instructional program and operations at Special Education Centers.
SPED-TRANSPORTATION	\$67.44			\$67.44	Transportation for Students with Disabilities.
SPED-VISUALLY IMPAIRED		\$6.13		\$6.13	The Visually Impaired (VI) program provides services to students with vision impairments. These services may be provided in general education classroom, services in a VI special day program on a general education campus, itinerant services for student at special education school and the school for the Visually Impaired.
STUDENT ENGAGEMENT	\$0.25			\$0.25	Resources to support student engagement as specified under the Local Control Funding Formula.
STUDENT ENROLLMENT PLACEMENT ASSESSMENT CENTER	\$0.81			\$0.81	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	\$4.45	\$3.90		\$8.35	Provides health, mental health, and learning support services to students.
SUBSTITUTES-DAY TO DAY AND LONG-TERM	\$68.08	\$3.52		\$71.60	Replacement resources for absent teachers. Includes funding for long-term substitutes, long-term clerical substitutes, and Contract Pool Teachers.
SUMMER SCHOOL-CREDIT RECOVERY	\$1.00			\$1.00	To fund the summer school program for credit recovery courses.



DISTRICT EXPENDITURES BY MAJOR GROUP AND RESOURCE, 2015-16  
DOLLARS IN MILLIONS

Major Group	Unrestricted	Restricted	Other	Grand Total	Description
TARGETED STUDENT POPULATION	\$161.80			\$161.80	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.
TARGETED SUPPORT FOR MIDDLE AND SPAN SCHOOLS	\$3.48			\$3.48	Resources to support middle and span schools.
TEACHER - LIBRARY MEDIA	\$12.17	\$1.02		\$13.19	Aligns the school library media program, collection, and services with the school curriculum.
TEACHER ACADEMIC DIFFERENTIALS	\$1.02			\$1.02	Supplemental pay for coordinating academic activities (i.e. Yearbook, Musicals, Decathlon).
TEACHER ASSISTANTS	\$0.42	\$37.57		\$37.99	Provides reinforcement and support of instruction under the direct supervision of a highly qualified classroom teacher.
TEACHER SUPPORT REED SETTLEMENT	\$30.24			\$30.24	Provides reinforcement and support of instruction under the direct supervision of a highly qualified classroom teacher.
TEACHERS	\$2,067.42	\$46.50		\$2,113.92	Resources to improve teacher retention and academic achievement at Reed schools.
TEACHERS - CONTRACT POOL	\$30.38			\$30.38	Contract pool teachers.
TECHNOLOGY	\$2.97			\$2.97	Technology infrastructure and support for schools.
TELEPHONE	\$21.54	\$0.03	\$0.49	\$22.06	Telephone services for all schools.
TEMPORARY PERSONNEL ACCOUNT	\$10.49	\$0.27		\$10.76	Resources to support the instructional program and operations.
TESTING	\$1.58			\$1.58	Standards and assessment testing, and testing coordinator differentials for select schools.
TEXTBOOKS	\$56.84	\$17.73		\$74.56	District funded textbooks.
TRANSPORTATION	\$79.32	\$2.61		\$81.93	Bus transportation for all District traveling program students including magnet.
UTILITIES	\$135.58			\$135.58	Electrical, water, and gas expenses for schools.
UTLA RELEASE TIME	\$0.25			\$0.25	Authorized release time for teachers.
VEHICLE REPAIRS/REPLACEMENT	\$11.94			\$11.94	Vehicle maintenance expenditures for school buses.
WATER/TOXIC TESTING/FEES & PERMIT (CA CLEAN AIR)	\$3.52			\$3.52	Air Quality Management district fees.
<b>Grand Total</b>	<b>\$4,795.08</b>	<b>\$2,652.72</b>	<b>\$5,160.60</b>	<b>\$12,608.40</b>	

**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>



The first report shows budgeted expenditures that are supported by base LCFF resources. Base LCFF resources are intended to support all students, regardless of student need. The second report shows budgeted expenditures that are supported by supplemental and concentration LCFF resources. These resources are specifically intended to support students that are Low-Income, English Learner, or Foster Youth.

BASE EXPENDITURES BY SERVICE, 2015-2016  
LCFF RESOURCES ONLY

<b>Base Services by Major Group</b>	<b>Sum of Base</b>
<b>S1A - All Students - Parental Involvement</b>	<b>\$150,873</b>
PARENT INVOLVEMENT	\$150,873
<b>S1B - All Students - Professional Development</b>	<b>\$2,505,098</b>
ADVISORS	\$709,275
BEGINNING TEACHERS SUPPORT AND ASSESSMENT (BTSA)	\$949,734
PARAPROFESSIONAL TEACHER TRAINING	\$846,089
<b>S1C - All Students - Curriculum</b>	<b>\$144,262,660</b>
INSTRUCTIONAL MATERIALS	\$87,426,368
TEXTBOOKS	\$56,836,292
<b>S1D - All Students - Instruction</b>	<b>\$1,484,189,030</b>
CERTIFICATED SUPPLEMENTAL TIME (X, Z, & PROFESSIONAL DEVELOPMENT)	\$13,688,598
DIFFERENTIALS/LONGEVITIES	\$7,113,055
DUAL LANGUAGE PROGRAM	\$6,200,000
EVALUATION	\$225,000
INSTRUCTIONAL AIDES	\$121,299
MAGNET SCHOOLS RESOURCES	\$19,320,163
OFF-NORM & ONE TIME SCHOOL ALLOCATIONS	\$12,837,689
PHYSICAL EDUCATION TEACHER INCENTIVE	\$1,506,396
SUBSTITUTES-DAY TO DAY AND LONG-TERM	\$59,356,078
TEACHER - LIBRARY MEDIA	\$7,755,337
TEACHER ACADEMIC DIFFERENTIALS	\$979,949
TEACHER ASSISTANTS	\$403,921
TEACHERS	\$1,324,299,772
TEACHERS - CONTRACT POOL	\$30,381,773
<b>S1E - All Students - Assessment</b>	<b>\$6,524,514</b>
INSTRUCTIONAL TECHNOLOGY SUPPORT (VLC)	\$1,265,856
STUDENT ENROLLMENT PLACEMENT ASSESSMENT CENTER	\$814,713
TECHNOLOGY	\$2,966,024
TESTING	\$1,477,921
<b>S1F - All Students - Programs &amp; Interventions</b>	<b>\$32,608,882</b>
ACADEMIC DECATHLON	\$580,040
ALL CITY MARCHING BAND	\$150,000
ARTS PROGRAM	\$4,663,401
ATHLETICS	\$11,425,611
GIFTED AND TALENTED PROGRAM (GATE)	\$1,275,349
JUNIOR RESERVE OFFICER TRAINING CORPS (JROTC)	\$5,361,996
OPTIONS PROGRAM	\$8,166,669
SUMMER SCHOOL-CREDIT RECOVERY	\$985,816
<b>S1G - All Students - Student Health &amp; Human Services</b>	<b>\$28,649,053</b>
HEALTH SERVICES	\$8,381,204
NURSES	\$17,061,715
STUDENT HEALTH AND HUMAN SUPPORT PERSONNEL	\$3,206,134
<b>S1H - All Students - Special Education</b>	<b>\$482,150,741</b>
COORDINATED EARLY INTERVENING SERVICES	\$19,729,342
SPED-ADAPTED PHYSICAL EDUCATION	\$4,512,116

\* includes TIIG and Transportation funding; excludes Affiliated Charter school funds

BASE EXPENDITURES BY SERVICE, 2015-2016  
LCFF RESOURCES ONLY

<b>Base Services by Major Group</b>	<b>Sum of Base</b>
SPED-ADMINISTRATORS-SPED CENTERS	\$680,870
SPED-ALLOCATION TO SCHOOLS FOR COMPLIANCE	\$3,746,897
SPED-ASSISTANT OVERTIME-X & Z TIME/RENORMING	\$1,738,134
SPED-ASSISTANT PRINCIPAL ELEMENTARY INSTRUCTIONAL SPECIALIST	\$5,875,088
SPED-ASSISTANTS	\$67,435,915
SPED-ASSISTANTS-PRESCHOOL	\$20,994,394
SPED-ASSISTIVE TECHNOLOGY	\$525,291
SPED-CAREER & TRANSITION PROGRAM	\$7,338,277
SPED-CENTRAL OFFICE	\$4,526,528
SPED-CLERICAL SUPPORT-SPED CENTERS	\$862,766
SPED-DEAF AND HARD OF HEARING	\$1,577,941
SPED-DONATIONS	\$793,722
SPED-EDUCATIONALLY RELATED INTENSIVE COUNSELING SERVICES	\$8,889,024
SPED-EXTENDED SCHOOL YEAR	\$8,716,319
SPED-IMA ALLOCATION TO SCHOOLS	\$1,170,661
SPED-IMA-EQUIP-MATERIAL	\$9,646,787
SPED-INCLUSION PROGRAM	\$2,203,591
SPED-INFANT PROGRAM SERVICES	\$2,646,501
SPED-LEAST RESTRICTIVE ENVIRONMENT COUNSELORS	\$740,977
SPED-NON PUBLIC SERVICES	\$27,890,996
SPED-NURSES	\$2,868,254
SPED-OCCUPATIONAL & PHYSICAL THERAPY	\$4,905,091
SPED-OPTIONS	\$2,118,843
SPED-PASS THRU FOR INDEPENDENT CHARTERS	\$35,139,623
SPED-PRESCHOOL PROGRAM SERVICES (INCLUDING ITINERANTS)	\$13,963,022
SPED-PRIVATE SCHOOLS SUPPORT	\$838,912
SPED-PROGRAM SPECIALISTS-CERTIFICATED	\$3,937,818
SPED-PSYCHIATRIC SOCIAL WORKERS	\$539,366
SPED-PSYCHOLOGISTS	\$7,048,866
SPED-REIMBURSEMENT-DUE PROCESS	\$6,575,098
SPED-SPEECH & LANGUAGE	\$9,197,489
SPED-TEACHER-ITINERANTS	\$188,780
SPED-TEACHER-RESOURCE SPECIALIST PROGRAM	\$28,345,610
SPED-TEACHER-SPECIAL DAY PROGRAM	\$62,806,278
SPED-TEACHER-SPECIAL DAY PROGRAM-PRESCHOOL	\$30,589,125
SPED-TEACHER-SUPPL & SUB TIME/RENORMING/PROF DEVELOPMENT	\$2,057,346
SPED-TEMPORARY PERSONNEL ACCOUNT	\$140,696
SPED-TRANSPORTATION	\$67,438,117
SPED-VISUALLY IMPAIRED	\$1,210,271
<b>S1I - All Students - Adult &amp; Career Education</b>	<b>\$29,127,479</b>
ADULT EDUCATION/ REGIONAL OCCUPATION CENTER/PROGRAMS	\$29,127,479
<b>S1J - All Students - Early Childhood Education</b>	<b>\$41,003,215</b>
EARLY CHILDHOOD DEVELOPMENT, INTER-FUND TRANSFER	\$41,003,215
<b>S1K - All Students - Other School Personnel</b>	<b>\$522,229,960</b>
ADMINISTRATOR STIPENDS	\$200,000

\* includes TIIG and Transportation funding; excludes Affiliated Charter school funds

BASE EXPENDITURES BY SERVICE, 2015-2016  
LCFF RESOURCES ONLY

<b>Base Services by Major Group</b>	<b>Sum of Base</b>
ADMINISTRATORS (ASSISTANT PRINCIPAL - SECONDARY COUNSELING SERVICES)	\$9,411,734
ADMINISTRATORS (PRINCIPALS & ASSISTANT PRINCIPALS)	\$122,791,495
CAMPUS AIDES	\$23,942,504
CLASSIFIED OVERTIME, X & Z TIME	\$262,583
CLERICAL SUBSTITUTES	\$11,749,015
CLERICAL SUPPORT	\$108,844,084
COACHES INSTRUCTIONAL	\$5,632,429
COUNSELING AIDES	\$18,048
COUNSELING TIME (REGISTRATION)	\$1,009,619
COUNSELORS	\$44,772,263
COUNSELORS - CONTRACT POOL	\$965,592
COUNSELORS, PUPIL SERVICES & ATTENDANCE (PSA)	\$9,739,892
CUSTODIAL OVERTIME & RELIEF	\$317,868
CUSTODIAL SUPPLIES	\$4,609,191
CUSTODIANS	\$132,985,536
EARLY RETIREMENT INCENTIVE	\$9,300,000
EMPLOYEE BENEFITS/ADJUSTMENTS/PUBLIC EMPLOYEE RETIREMENTS	-\$39,108,590
FINANCIAL MANAGERS	\$9,888,127
LUMP SUM VACATION	\$12,677,700
PERSONNEL WITH PENDING CASES	\$20,472,143
PSYCHIATRIC SOCIAL WORKERS	\$5,712,383
PSYCHOLOGISTS	\$8,846,604
REASONABLE ACCOMMODATIONS	\$4,380,058
SALARY OVERPAYMENT	\$3,000,000
TEMPORARY PERSONNEL ACCOUNT	\$9,809,682
<b>S1L - All Students - Central Office &amp; Educational Service Centers</b>	<b>\$196,621,635</b>
CENTRAL OFFICE/EDUCATIONAL SERVICE CENTERS	\$292,443,787
INDIRECT COST	-\$95,822,152
<b>S1M - All Students - Departments &amp; Districtwide Supports</b>	<b>\$901,935,982</b>
ACCREDITATION	\$322,500
AUDIT FEES AND FINDINGS	\$8,996,502
CAFETERIA	\$1,862,079
CAFETERIA, INTER-FUND TRANSFER	\$60,803,942
CAP AND GOWN	\$2,000,000
DATA PROCESSING	\$8,503,137
DEBT SERVICE	\$3,488,655
FACILITIES MAINTENANCE/OPERATIONS	\$47,029,458
FIRE DAMAGE	\$960,134
GENERAL SUPPLIES	\$7,712,927
INSURANCE PREMIUMS	\$29,248,756
INTER-FUND TRANSFER CERTIFICATE OF PARTICIPATION (COPS)	\$34,314,188
LIABILITY RESERVE	\$15,650,040
LOCAL INITIATIVE SCHOOL	\$1,138,907
MILEAGE & TUITION REIMBURSEMENT	\$1,575,000
NEW SCHOOLS START UP COSTS	\$648,436

\* includes TIIG and Transportation funding; excludes Affiliated Charter school funds

BASE EXPENDITURES BY SERVICE, 2015-2016  
LCFF RESOURCES ONLY

<b>Base Services by Major Group</b>	<b>Sum of Base</b>
ONGOING & MAJOR MAINTENANCE	\$211,003,301
PROPERTY RENTALS	\$11,018,802
RESERVE FOR APPROVED SALARY INCREASES	\$138,300,768
RUBBISH/TRASH DISPOSAL	\$6,858,429
SCHOOL POLICE	\$58,386,003
TELEPHONE	\$21,539,325
TRANSPORTATION	\$79,297,089
UTILITIES	\$135,579,801
UTLA RELEASE TIME	\$245,000
VEHICLE REPAIRS/REPLACEMENT	\$11,936,146
WATER/TOXIC TESTING/FEES & PERMIT (CA CLEAN AIR)	\$3,516,657
<b>Grand Total</b>	<b>\$3,871,959,120</b>

*\* includes TIIG and Transportation funding; excludes Affiliated Charter school funds*

SUPPLEMENTAL EXPENDITURES BY SERVICE, 2015-2016

<b>Supplemental Services by Major Group</b>	<b>Sum of Supplemental Amount</b>
<b>S2A - Low Income Pupils - Staffing, professional development augmentations and recruitment and retention enhancements.</b>	<b>\$39,394,147</b>
4 YEAR OLD ACADEMIC PROGRAM	\$7,000,000
BEGINNING TEACHERS SUPPORT AND ASSESSMENT (BTSA)	\$2,150,931
TEACHER SUPPORT REED SETTLEMENT	\$30,243,216
<b>S2B - Low Income Pupils - Budget Autonomy to support school's academic plan.</b>	<b>\$161,801,635</b>
TARGETED STUDENT POPULATION	\$161,801,635
<b>S3A - English Learners &amp; redesignated fluent English proficient pupils - Implement Elementary English Learner Master Plan.</b>	<b>\$74,620,762</b>
ACCELERATED ACADEMIC LITERACY	\$4,183,533
CENTRAL OFFICE/EDUCATIONAL SERVICE CENTERS	\$40,951,591
COACHES INSTRUCTIONAL	\$1,165,980
ENGLISH LEARNER IMPLEMENTATION AND SUPPORT	\$6,300,782
SCHOOL READINESS LANGUAGE DEVELOPMENT PROGRAM	\$22,018,876
<b>S4A - Foster Youth - Augmentation to counselors, psychiatric social workers, psychologist, and pupil services. Individual learning plan for each foster youth.</b>	<b>\$12,947,128</b>
FAMILY SOURCE SYSTEM	\$1,264,412
FOSTER YOUTH ACHIEVEMENT PROGRAM	\$11,682,716
<b>S5A - All unduplicated populations - Ensuring the success of students with disabilities.</b>	<b>\$449,880,696</b>
SPED-ADAPTED PHYSICAL EDUCATION	\$8,897,158
SPED-ADMINISTRATORS-SPED CENTERS	\$1,146,013
SPED-ASSISTANT OVERTIME-X & Z TIME/RENORMING	\$3,427,317
SPED-ASSISTANT PRINCIPAL ELEMENTARY INSTRUCTIONAL SPECIALIST	\$9,888,717
SPED-ASSISTANTS	\$132,972,645
SPED-ASSISTIVE TECHNOLOGY	\$1,035,789
SPED-CENTRAL OFFICE	\$7,618,874
SPED-CLERICAL SUPPORT-SPED CENTERS	\$1,452,174
SPED-DEAF AND HARD OF HEARING	\$3,093,091
SPED-EDUCATIONALLY RELATED INTENSIVE COUNSELING SERVICES	\$16,366,228
SPED-EXTENDED SCHOOL YEAR	\$5,110,335
SPED-NON PUBLIC SERVICES	\$46,945,030
SPED-NURSES	\$4,884,930
SPED-OCCUPATIONAL & PHYSICAL THERAPY	\$9,672,040
SPED-OPTIONS	\$3,499,481
SPED-PSYCHIATRIC SOCIAL WORKERS	\$907,840
SPED-PSYCHOLOGISTS	\$11,864,375
SPED-SPEECH & LANGUAGE	\$18,135,951
SPED-TEACHER-ITINERANTS	\$372,243
SPED-TEACHER-RESOURCE SPECIALIST PROGRAM	\$48,772,273
SPED-TEACHER-SPECIAL DAY PROGRAM	\$107,891,804
SPED-TEACHER-SUPPL & SUB TIME/RENORMING/PROF DEVELOPMENT	\$3,539,929
SPED-VISUALLY IMPAIRED	\$2,386,457

SUPPLEMENTAL EXPENDITURES BY SERVICE, 2015-2016

<b>Supplemental Services by Major Group</b>	<b>Sum of Supplemental Amount</b>
<b>S5B - All unduplicated populations - Augmentation to Special Education Services addressing over-referral and identification of students</b>	<b>\$22,230,000</b>
SPED-ADAPTED PHYSICAL EDUCATION	\$773,866
SPED-ALLOCATION TO SCHOOLS FOR COMPLIANCE	\$30,658
SPED-ASSISTANT OVERTIME-X & Z TIME/RENORMING	\$298,105
SPED-ASSISTANTS	\$11,565,835
SPED-ASSISTANTS-PRESCHOOL	\$979,546
SPED-ASSISTIVE TECHNOLOGY	\$90,092
SPED-CAREER & TRANSITION PROGRAM	\$374,039
SPED-DEAF AND HARD OF HEARING	\$259,727
SPED-EDUCATIONALLY RELATED INTENSIVE COUNSELING SERVICES	\$834,484
SPED-EXTENDED SCHOOL YEAR	\$377,455
SPED-IMA-EQUIP-MATERIAL	\$55,141
SPED-INCLUSION PROGRAM	\$127,172
SPED-INDIRECT COST	\$32,355
SPED-LEAST RESTRICTIVE ENVIRONMENT COUNSELORS	\$42,763
SPED-NURSES	\$33,983
SPED-OCCUPATIONAL & PHYSICAL THERAPY	\$841,265
SPED-OPTIONS	\$134,124
SPED-PRESCHOOL PROGRAM SERVICES (INCLUDING ITINERANTS)	\$116,180
SPED-SPEECH & LANGUAGE	\$1,577,448
SPED-TEACHER-ITINERANTS	\$32,377
SPED-TEACHER-RESOURCE SPECIALIST PROGRAM	\$630,989
SPED-TEACHER-SPECIAL DAY PROGRAM	\$1,395,844
SPED-TEACHER-SPECIAL DAY PROGRAM-PRESCHOOL	\$1,373,185
SPED-TEACHER-SUPPL & SUB TIME/RENORMING/PROF DEVELOPMENT	\$45,798
SPED-VISUALLY IMPAIRED	\$207,572
<b>S5C- All unduplicated populations - Focus on school climate and student engagement at campuses of highest need, based-on unduplicated student concentrations.</b>	<b>\$140,717,628</b>
AFTERSCHOOL PROGRAMS	\$7,300,000
A-G IMPLEMENTATION	\$15,015,009
CAMPUS AIDES	\$8,091,848
CERTIFICATED SUPPLEMENTAL TIME (X, Z, & PROFESSIONAL DEVELOPMENT)	\$524,775
CLERICAL SUPPORT	\$4,963,942
COUNSELING SUPPORT	\$13,000,000
COUNSELING TIME (REGISTRATION)	\$4,381,530
COUNSELORS, PUPIL SERVICES & ATTENDANCE (PSA)	\$4,000,000
CUSTODIANS	\$2,611,771
DIPLOMA PROJECT	\$2,000,000
EMPLOYEE BENEFITS/ADJUSTMENTS/PUBLIC EMPLOYEE RETIREMENTS	-\$1,203,517
ESTIMATED CARRYOVER	\$35,522,993
HEALTH SERVICES	\$1,003,344
HOMELESS YOUTH ACHIEVEMENT PLAN	\$1,800,000
INSTRUCTIONAL MATERIALS	\$450,919



SUPPLEMENTAL EXPENDITURES BY SERVICE, 2015-2016

<b>Supplemental Services by Major Group</b>	<b>Sum of Supplemental Amount</b>
INSTRUCTIONAL TECHNOLOGY SUPPORT (VLC)	\$3,797,567
NURSES	\$4,981,855
OFF-NORM & ONE TIME SCHOOL ALLOCATIONS	\$2,450,176
ONGOING & MAJOR MAINTENANCE	\$16,509,005
RESTORATIVE JUSTICE PROGRAM	\$2,945,605
SCHOOL TECHNOLOGY SUPPORT (MCSA)	\$5,210,806
STUDENT HEALTH AND HUMAN SUPPORT PERSONNEL	\$1,000,000
SUBSTITUTES-DAY TO DAY AND LONG-TERM	\$4,360,000
<b>S5D - All unduplicated populations - Provide more resources to support parent engagement at the local level: Increase parental engagement, training, and workshops across the district.</b>	<b>\$4,921,791</b>
PARENT INVOLVEMENT	\$4,671,791
STUDENT ENGAGEMENT	\$250,000
<b>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.</b>	<b>\$51,934,079</b>
ADMINISTRATORS (PRINCIPALS & ASSISTANT PRINCIPALS)	\$14,131,921
ARTS PROGRAM	\$26,400,000
LIBRARY AIDES	\$11,402,158
<b>S5F - All unduplicated populations - Focus on middle school english language arts &amp; math providing class size reduction in middle school english classes &amp; librarians.</b>	<b>\$14,571,973</b>
CLASS SIZE REDUCTION MIDDLE SCHOOLS - MATH & ELA	\$7,008,021
TARGETED SUPPORT FOR MIDDLE AND SPAN SCHOOLS	\$3,482,025
TEACHER - LIBRARY MEDIA	\$4,081,927
<b>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.</b>	<b>\$90,264,633</b>
ADULT EDUCATION/ REGIONAL OCCUPATION CENTER/PROGRAMS	\$24,830,000
CLASS SIZE REDUCTION HIGH SCHOOLS - MATH & ELA	\$6,974,633
OPTIONS PROGRAM	\$58,460,000
<b>Grand Total</b>	<b>\$1,063,284,473</b>

## **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 School Spending Report.

The School Budget Summary Report provides an overview on school funding and the 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 School Spending Report provides budget and expenditure information with available balances by program name. In addition, this report is exportable to Excel. The School Spending Report is updated daily.

The Portal Page for each school can be accessed through the District's home page at <http://notebook.lausd.net/schoolsearch/selectors.jsp> Search for a school by name, school code, or 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.

LOS ANGELES UNIFIED SCHOOL DISTRICT

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.

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.

**LOS ANGELES UNIFIED SCHOOL DISTRICT**

**DEBT MANAGEMENT INFORMATION**

**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 November 2013, 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 April 2015.
- 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 2013-14 Comprehensive Annual Financial Report (pg. 145), 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, 2013**  
**(in \$000s)**

Total Assessed Valuation	\$503,677,919
Bonded Debt Limitation (2.5% times Assessed Valuation)	\$12,591,948
Less: Outstanding General Obligation Bonds <sup>1</sup>	10,299,194
<b><i>Equals: Legal Debt Margin<sup>1</sup></i></b>	<b><u><u>\$2,292,754</u></u></b>

<sup>1</sup> 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.

## SUPERINTENDENT'S 2015-16 FINAL BUDGET

**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:

<b>Fiscal Year</b>	<b>Population Los Angeles Unified<sup>(1)</sup></b>	<b>Total Assessed Value</b>	<b>Gross Debt <sup>(2)</sup></b>	<b>Debt Service Monies Available <sup>(3)</sup></b>	<b>Net Debt <sup>(2)</sup></b>	<b>Net Debt to Assessed Value</b>	<b>Net Debt Per Capita</b>
2004-05	4,775,778	331,925,137	5,108,370	217,807	4,890,563	1.4734%	\$1,024
2005-06	4,784,682	363,869,479	6,243,197	309,525	5,933,672	1.6307%	\$1,240
2006-07	4,825,016	402,608,837	7,066,456	268,111	6,798,345	1.6886%	\$1,409
2007-08	4,839,918	440,914,390	8,008,138	417,991	7,590,147	1.7215%	\$1,568
2008-09	4,853,617	474,789,798	8,670,693	490,953	8,179,740	1.7228%	\$1,685
2009-10	4,875,984	474,977,291	12,577,382	354,884	12,222,498	2.5733%	\$2,507
2010-11	4,564,712	463,845,551	12,309,089	442,118	11,866,971	2.5584%	\$2,600
2011-12	4,576,585	469,095,225	11,952,863	416,294	11,536,569	2.4593%	\$2,521
2012-13	4,610,596	480,075,491	11,569,749	459,309	11,110,440	2.3143%	\$2,410
2013-14	4,649,352	503,677,920	11,397,794	326,582	11,071,212	2.1981%	\$2,381

(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 2015-16 by Fund.** The following table indicates the amounts included in the 2015-16 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):

<b>Fund</b>	<b>Budgeted Amount (millions)</b>
Bond Interest and Redemption Fund	\$ 892.0
Capital Services Fund	44.2
<b>TOTAL</b>	<b>\$936.2</b>





## DESCRIPTION OF FUNDS IN THE DISTRICT'S BUDGET

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.<sup>1</sup>

### 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 §§ 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.

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<sup>1</sup> Definitions reflect the California School Accounting Manual descriptions where available, augmented by information from the District budget and the District’s 2006-07 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.

**SUPERINTENDENT'S 2015-16 FINAL BUDGET**  
**Unconsolidated Summary of Sources and Uses by Type of Fund**

Amounts in millions	2011-12 Actual Amounts	2012-13 Actual Amounts	2013-14 Actual Amounts	2014-15 3rd Interim Amounts	2015-16 Authorized Amounts	2015-16 Estimated Amounts
<b>Operating Funds</b>						
Beginning Balance	\$923.9	\$853.8	\$858.6	\$641.8	\$692.5	\$692.5
Revenue	\$6,511.2	\$6,261.4	\$6,229.9	\$8,283.2	\$7,792.2	\$7,792.2
Total Sources of Funds	\$7,435.0	\$7,115.2	\$7,088.5	\$8,925.1	\$8,484.7	\$8,484.7
<b>Uses of Funds</b>						
Expenditure	\$6,581.5	\$6,394.6	\$6,352.5	\$6,910.8	\$8,085.9	\$7,744.0
Ending Balance	\$853.6	\$720.6	\$735.9	\$2,014.3	\$398.8	\$740.7
Total Uses of Funds	\$7,435.0	\$7,115.2	\$7,088.5	\$8,925.1	\$8,484.7	\$8,484.7
<b>Capital Funds</b>						
<b>Sources of Funds</b>						
Beginning Balance	\$3,695.0	\$2,828.8	\$2,404.2	\$1,945.2	\$1,511.8	\$1,511.8
Revenue	\$1,128.0	\$681.8	\$261.0	\$507.9	\$1,396.6	\$1,396.6
Total Sources of Funds	\$4,823.1	\$3,510.6	\$2,665.2	\$2,453.1	\$2,908.3	\$2,908.4
<b>Uses of Funds</b>						
Expenditure	\$1,994.2	\$1,095.4	\$720.5	\$941.3	\$2,450.1	\$1,756.0
Ending Balance	\$2,828.8	\$2,415.2	\$1,944.8	\$1,511.8	\$458.3	\$702.7
Total Uses of Funds	\$4,823.1	\$3,510.6	\$2,665.2	\$2,453.1	\$2,908.4	\$2,458.7
<b>Debt Service Funds</b>						
<b>Sources of Funds</b>						
Beginning Balance	\$806.7	\$741.3	\$805.2	\$768.1	\$814.6	\$814.6
Revenue	\$1,050.7	\$1,013.0	\$2,778.1	\$921.7	\$923.1	\$923.1
Total Sources of Funds	\$1,857.5	\$1,754.2	\$3,583.4	\$1,689.7	\$1,737.7	\$1,737.7
<b>Uses of Funds</b>						
Expenditure	\$1,107.9	\$949.0	\$2,815.3	\$875.2	\$923.0	\$923.0
Ending Balance	\$749.6	\$805.2	\$768.1	\$814.6	\$814.7	\$814.7
Total Uses of Funds	\$1,857.5	\$1,754.2	\$3,583.4	\$1,689.7	\$1,737.7	\$1,737.7
<b>Internal Service Funds</b>						
<b>Sources of Funds</b>						
Beginning Balance	\$250.5	\$303.8	\$333.4	\$337.3	\$310.3	\$310.3
Revenue	\$1,055.4	\$1,114.9	\$1,111.7	\$1,193.2	\$1,148.7	\$1,148.7
Total Sources of Funds	\$1,305.8	\$1,418.7	\$1,445.1	\$1,530.5	\$1,459.0	\$1,459.0
<b>Uses of Funds</b>						
Expenditure	\$1,002.1	\$1,085.3	\$1,107.8	\$1,220.1	\$1,146.0	\$1,146.0
Ending Balance	\$303.8	\$333.4	\$337.3	\$310.3	\$313.0	\$313.0
Total Uses of Funds	\$1,305.8	\$1,418.7	\$1,445.1	\$1,530.5	\$1,459.0	\$1,459.0
<b>Fiduciary Funds</b>						
<b>Sources of Funds</b>						
Beginning Balance	\$0.0	\$0.0	\$0.0	\$0.0	\$92.1	\$92.1
Revenue	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0
Total Sources of Funds	\$0.0	\$0.0	\$0.0	\$0.0	\$92.1	\$92.1
<b>Uses of Funds</b>						
Expenditure	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0
Ending Balance	\$0.0	\$0.0	\$0.0	\$92.1	\$92.1	\$92.1
Total Uses of Funds	\$0.0	\$0.0	\$0.0	\$92.1	\$92.1	\$92.1

**SUPERINTENDENT'S 2015-16 FINAL BUDGET**  
**Unconsolidated Summary of Revenues by Fund**

Amounts in millions

	2011-12 Actual Amounts	2012-13 Actual Amounts	2013-14 Actual Amounts	2014-15 3rd Interim Amounts	2015-16 Authorized Amounts	2015-16 Estimated Amounts
<i>Operating Funds</i>						
General Fund - Unrestricted (001&003/010)	\$3,275.1	\$3,449.7	\$3,215.8	\$5,243.7	\$4,627.9	\$4,656.5
General Fund - Restricted (003/010)	\$2,613.3	\$2,259.7	\$2,431.0	\$2,425.6	\$2,511.2	\$2,482.6
Adult Education Fund - Unrestricted (029/110)	\$130.6	\$64.0	\$60.9	\$67.4	\$70.1	\$70.1
Adult Education Fund - Restricted (029/110)	\$23.0	\$26.7	\$17.3	\$12.2	\$24.0	\$24.0
Child Development Fund - Unrestricted (011/120)	\$129.6	\$110.1	\$126.3	\$140.3	\$147.4	\$147.4
Child Development Fund - Restricted (011/120)	\$3.6	\$3.2	\$2.6	\$3.1	\$5.6	\$5.6
Cafeteria Fund (030/130)	\$336.0	\$347.9	\$376.0	\$391.0	\$406.0	\$406.0
Deferred Maintenance Fund (027/140)	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0
<i>Total Operating Funds</i>	\$6,511.2	\$6,261.4	\$6,229.9	\$8,283.2	\$7,792.2	\$7,792.2
<i>Capital Funds</i>						
Building Fund - Measure R (043/210)	\$532.0	\$71.0	\$7.7	\$135.8	\$162.6	\$162.6
Building Fund - Proposition BB (045/211)	\$24.7	\$29.4	\$0.2	\$1.0	\$0.0	\$0.0
Building Fund (070/212)	\$0.4	\$2.1	\$0.9	\$3.6	\$0.7	\$0.7
Building Fund - Measure K (044/213)	\$81.2	\$86.4	\$2.1	\$29.5	\$1.3	\$1.3
Building Fund - Measure Y (042/214)	\$74.4	\$103.8	\$12.9	\$137.9	\$383.8	\$383.8
Building Fund - Measure Q (041/215)	\$0.0	\$0.0	\$0.0	\$0.0	\$701.0	\$701.0
County Sch Facilities Fund (066/351)	\$131.6	\$275.6	\$129.6	\$48.2	\$45.9	\$45.9
Special Reserve Fund - CRA (017/400)	\$9.9	\$13.9	\$19.0	\$24.3	\$11.3	\$11.3
Special Reserve Fund (015/401)	\$231.7	\$42.0	\$21.4	\$54.6	\$24.0	\$24.0
Capital Facilities Acct Fund (073/250)	\$41.6	\$57.3	\$59.9	\$71.3	\$66.0	\$66.0
State Sch Bldg Lease/Purch Fund (074/300)	\$0.6	\$0.2	\$0.1	\$1.7	\$0.0	\$0.0
<i>Total Capital Funds</i>	\$1,128.0	\$681.8	\$261.0	\$507.9	\$1,396.6	\$1,396.6
<i>Debt Service Funds</i>						
Bond Interest & Redemption Fund (004/510)	\$827.0	\$971.0	\$2,730.8	\$870.5	\$878.4	\$878.4
Capital Services Fund (071/560)	\$223.8	\$42.0	\$47.3	\$51.1	\$44.7	\$44.7
<i>Total Debt Service Funds</i>	\$1,050.7	\$1,013.0	\$2,778.1	\$921.7	\$923.1	\$923.1
<i>Internal Service Funds</i>						
Health & Welfare Benefits Fund (021/670)	\$942.8	\$928.5	\$943.3	\$961.3	\$998.5	\$998.5
Worker's Compensation Fund (013/671)	\$82.2	\$106.3	\$116.8	\$181.0	\$121.6	\$121.6
Liability Self-Insurance Fund (016/672)	\$30.3	\$80.2	\$51.6	\$50.8	\$28.6	\$28.6
<i>Total Internal Service Funds</i>	\$1,055.4	\$1,114.9	\$1,111.7	\$1,193.2	\$1,148.7	\$1,148.7
<i>Fiduciary Funds</i>						
Attendance Incentive Reserve Fund (046/710)	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0
Other Post Employment Benefit Fund (713)	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0
<i>Total Fiduciary Funds</i>	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0
<b><i>Total All Funds</i></b>	<b>\$9,745.3</b>	<b>\$9,071.1</b>	<b>\$10,380.8</b>	<b>\$10,905.9</b>	<b>\$11,260.6</b>	<b>\$11,260.6</b>

**SUPERINTENDENT'S 2015-16 FINAL BUDGET**  
**Unconsolidated Summary of Expenditures by Fund**

Amounts in millions

	2011-12 Actual Amounts	2012-13 Actual Amounts	2013-14 Actual Amounts	2014-15 3rd Interim Amounts	2015-16 Authorized Amounts	2015-16 Estimated Amounts
<i>Operating Funds</i>						
General Fund - Unrestricted (001&003/010)	\$3,274.2	\$3,539.6	\$3,345.7	\$4,034.6	\$4,791.7	\$4,537.5
General Fund - Restricted (003/010)	\$2,693.1	\$2,307.9	\$2,425.6	\$2,253.8	\$2,635.6	\$2,547.9
Adult Education Fund - Unrestricted (029/110)	\$128.7	\$60.8	\$60.7	\$71.3	\$75.1	\$75.1
Adult Education Fund - Restricted (029/110)	\$26.4	\$31.0	\$17.3	\$12.2	\$24.0	\$24.0
Child Development Fund - Unrestricted (011/120)	\$129.6	\$110.1	\$125.8	\$140.4	\$147.4	\$147.4
Child Development Fund - Restricted (011/120)	\$3.6	\$3.2	\$2.6	\$3.1	\$5.6	\$5.6
Cafeteria Fund (030/130)	\$325.9	\$341.9	\$374.8	\$395.4	\$406.5	\$406.5
Deferred Maintenance Fund (027/140)	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0
<i>Total Operating Funds</i>	\$6,581.5	\$6,394.6	\$6,352.5	\$6,910.8	\$8,085.9	\$7,744.0
<i>Capital Funds</i>						
Building Fund - Measure R (043/210)	\$316.0	\$254.6	\$332.6	\$219.8	\$535.8	\$329.2
Building Fund - Proposition BB (045/211)	\$27.1	\$32.0	\$0.6	\$8.9	\$4.9	\$4.9
Building Fund (070/212)	\$0.7	\$0.0	\$0.0	\$0.0	\$8.6	\$8.6
Building Fund - Measure K (044/213)	\$86.8	\$63.7	\$44.5	\$92.7	\$190.8	\$114.1
Building Fund - Measure Y (042/214)	\$996.1	\$306.8	\$246.8	\$332.0	\$585.6	\$397.2
Building Fund - Measure Q (041/215)	\$0.0	\$0.0	\$0.0	\$0.0	\$413.2	\$413.2
County Sch Facilities Fund (066/351)	\$339.1	\$326.3	\$39.0	\$173.1	\$466.0	\$243.5
Special Reserve Fund - CRA (017/400)	\$0.9	\$12.9	\$5.5	\$5.6	\$48.0	\$48.0
Special Reserve Fund (015/401)	\$211.9	\$85.4	\$38.2	\$53.2	\$67.7	\$67.7
Special Reserve Fund - FEMA (022/402)	\$0.0	\$0.0	\$0.0	\$0.1	\$7.5	\$7.5
Capital Facilities Acct Fund (073/250)	\$15.1	\$13.5	\$13.0	\$55.9	\$116.2	\$116.2
State Sch Bldg Lease/Purch Fund (074/300)	\$0.6	\$0.2	\$0.2	\$0.1	\$5.9	\$5.9
<i>Total Capital Funds</i>	\$1,994.2	\$1,095.4	\$720.5	\$941.3	\$2,450.1	\$1,756.0
<i>Debt Service Funds</i>						
Bond Interest & Redemption Fund (004/510)	\$861.7	\$902.0	\$2,768.7	\$824.8	\$878.4	\$878.4
Capital Services Fund (071/560)	\$246.2	\$47.0	\$46.6	\$50.4	\$44.2	\$44.2
<i>Total Debt Service Funds</i>	\$1,107.9	\$949.0	\$2,815.3	\$875.2	\$923.0	\$923.0
<i>Internal Service Funds</i>						
Health & Welfare Benefits Fund (021/670)	\$856.6	\$898.2	\$939.9	\$988.3	\$994.6	\$994.6
Worker's Compensation Fund (013/671)	\$114.8	\$106.6	\$115.9	\$180.6	\$122.8	\$122.8
Liability Self-Insurance Fund (016/672)	\$30.7	\$80.5	\$52.0	\$51.2	\$28.6	\$28.6
<i>Total Internal Service Funds</i>	\$1,002.1	\$1,085.3	\$1,107.8	\$1,220.1	\$1,146.0	\$1,146.0
<i>Fiduciary Funds</i>						
Other Post Employment Benefit Fund (713)	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0
<i>Total Fiduciary Funds</i>	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0
<b><i>Total All Funds</i></b>	<b>\$10,685.7</b>	<b>\$9,524.3</b>	<b>\$10,996.1</b>	<b>\$9,947.4</b>	<b>\$12,605.1</b>	<b>\$11,569.1</b>

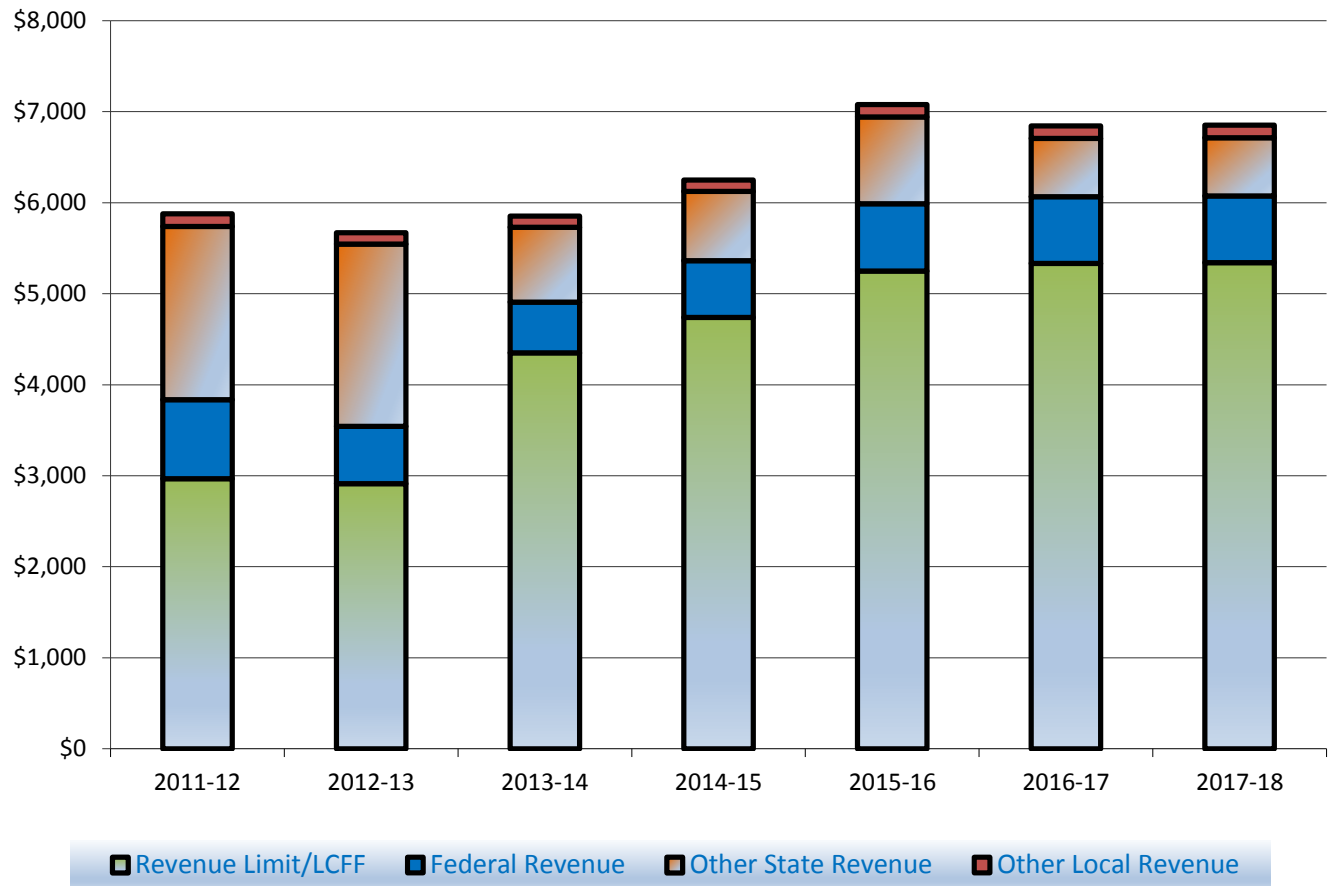


## **General Fund Unrestricted & Restricted Revenues**

The 2015-16 General Fund is estimated at \$7.8 billion.

- The District's Local Control Funding Formula (LCFF) revenue for the current fiscal year is \$5.2 billion for both non-charter and affiliated (locally-funded) charter schools. This revenue is reflected in the Unrestricted General Fund.
- The estimated LCFF revenue assumed a 1.02% COLA and a 53.08% gap funding.
- California's estimated statewide LCFF funding based on the May Revise Budget is \$53.1 billion.

**GENERAL FUND**  
**Unrestricted & Restricted Revenues**  
**(Excluding Other Financing Sources)**



	2011-12 Actual	2012-13 Actual	2013-14 Actual	2014-15 Estimated	2015-16 Estimated	2016-17 Estimated	2017-18 Estimated
<i>(Amounts in millions)</i>							
Revenue Limit Sources/ Local Control Funding Formula*	\$2,968.2	\$2,913.7	\$4,351.1	\$4,740.2	\$5,250.0	\$5,333.5	\$5,342.0
Federal Revenues	\$868.0	\$629.9	\$557.3	\$623.4	\$739.2	\$733.1	\$733.1
Other State Revenues*	\$1,903.5	\$2,002.5	\$822.4	\$761.3	\$953.8	\$640.4	\$639.1
Other Local Revenues	\$139.1	\$124.6	\$122.8	\$124.9	\$136.1	\$137.3	\$138.4
<b>Subtotal</b>	<b>\$5,878.7</b>	<b>\$5,670.7</b>	<b>\$5,853.6</b>	<b>\$6,249.8</b>	<b>\$7,079.1</b>	<b>\$6,844.3</b>	<b>\$6,852.6</b>
Other Financing Sources	\$9.6	\$38.8	\$25.3	\$3.4	\$60.0		
<b>Total Revenues</b>	<b>\$5,888.4</b>	<b>\$5,709.5</b>	<b>\$5,878.9</b>	<b>\$6,253.2</b>	<b>\$7,139.1</b>	<b>\$6,844.3</b>	<b>\$6,852.6</b>

Note: Totals may not be the same due to rounding of amounts.

\*Local Control Funding Formula implemented in 2013-14 includes selected state categorical revenues.

**SUPERINTENDENT'S 2015-16 FINAL BUDGET**  
**Unconsolidated Revenue Budget General Fund Unrestricted by Source**

	2011-12 Actual Amounts	2012-13 Actual Amounts	2013-14 Actual Amounts	2014-15 3rd Interim Amounts	2015-16 Authorized Amounts	2015-16 Estimated Amounts
<i>Amounts in \$ millions</i>						
<b>UNRESTRICTED PROGRAMS</b>						
<b>Federal Revenues</b>						
Medicare Part D Subsidy	\$9.8	\$10.4	\$10.8	\$9.2	\$4.6	\$4.6
Medi-Cal Admin Activity	\$5.4	\$7.7	\$6.7	\$6.1	\$6.0	\$6.0
All Other Federal Revenues	\$5.1	\$4.5	\$3.9	\$3.7	\$4.1	\$4.1
<b>Total Federal Revenues</b>	<b>\$20.2</b>	<b>\$22.6</b>	<b>\$21.4</b>	<b>\$19.0</b>	<b>\$14.7</b>	<b>\$14.7</b>
<b>State Revenues</b>						
K-12 Revenue Limit (State portion)	\$2,034.1	\$1,172.2	\$0.0	\$0.0	\$0.0	\$0.0
Local Control Funding Formula	\$0.0	\$0.0	2,944.7	3,315.2	3,774.0	3,774.0
Education Protection Act	\$0.0	\$659.4	592.5	611.5	614.3	614.3
Adult Education Fund Entitlement	\$35.4	\$163.2	0.0	0.0	0.0	0.0
Targeted Instrucl Improv Grant (AB825)	\$459.5	\$460.4	0.0	0.0	0.0	0.0
Class Size Reduction (K-3)	\$151.2	\$147.6	0.0	0.0	0.0	0.0
California State Lottery	\$82.3	\$83.3	81.1	82.8	66.7	66.7
ROC/Skills Center Entitlement	\$55.4	\$57.5	2.4	2.7	3.2	3.2
Supplemental Hourly Program	\$57.4	\$57.4	0.0	0.0	0.0	0.0
School/Library Improvement Block Grant	\$43.6	\$43.6	0.0	0.0	0.0	0.0
Instructional Materials Block Grant, incl. Williams	\$35.5	\$35.5	0.0	0.0	0.0	0.0
Year-Round School Operational Grants	\$14.2	\$0.0	0.0	0.0	0.0	0.0
Deferred Maintenance Funding	\$26.0	\$25.9	0.0	0.0	0.0	0.0
Prof Dev Block Grant AB825 & Instr Buyout	\$23.2	\$23.2	0.0	0.0	0.0	0.0
School Counselors Grades 7 - 12	\$16.7	\$16.7	0.0	0.0	0.0	0.0
Class Size Reduction (9)	\$12.3	\$12.3	0.0	0.0	0.0	0.0
Arts & Music Block Grant	\$8.7	\$8.7	0.0	0.0	0.0	0.0
School Safety & Violence Prevention Program	\$7.7	\$7.7	0.0	0.0	0.0	0.0
CAHSEE Intensive Instructional Services	\$6.1	\$6.1	0.0	0.0	0.0	0.0
Mandated Cost Reimbursement	\$0.0	\$15.2	18.7	53.6	328.7	328.7
Staff Development - Reading / Math	\$5.4	\$5.4	0.0	0.0	0.0	0.0
Gifted and Talented Students	\$4.5	\$4.5	0.0	0.0	0.0	0.0
Pupil Retention Block Grant AB825	\$4.3	\$4.3	0.0	0.0	0.0	0.0
Charter Categorical Block Grant	\$6.3	\$14.5	0.0	0.0	0.0	0.0
Pupil Assessment	\$3.5	\$2.3	2.2	2.2	4.0	4.0
California Peer Assistance & Review Program	\$2.6	\$2.6	0.0	0.0	0.0	0.0
All Other State Revenue, inc remaining Gov Props	\$23.7	\$23.0	3.5	0.3	0.2	0.2
<b>Total State Revenues</b>	<b>\$3,119.5</b>	<b>\$3,052.4</b>	<b>\$3,645.1</b>	<b>\$4,068.3</b>	<b>\$4,791.1</b>	<b>\$4,791.1</b>
<b>Local Revenue</b>						
K-12 Revenue Limit (Local portion)	\$764.8	\$921.2	\$813.8	\$813.5	\$861.8	\$861.8
Interest	\$16.5	\$18.4	4.0	4.6	2.1	2.1
E-Rate Reimbursement	\$15.7	\$14.9	14.5	20.3	26.1	26.1
Donations	\$12.8	\$11.4	12.4	10.2	13.1	13.1
Charter - Fee for Service	\$14.0	\$11.4	10.9	11.2	11.5	11.5
All Other Local Revenue	\$55.2	\$47.8	64.7	48.4	48.3	48.3
<b>Total Local Revenues</b>	<b>\$879.0</b>	<b>\$1,025.0</b>	<b>\$920.3</b>	<b>\$908.2</b>	<b>\$962.9</b>	<b>\$962.9</b>
<b>Other Financing Sources</b>						
Interfund Transfers	\$0.8	\$14.0	\$18.6	\$0.2	\$60.0	\$60.0
Insurance Proceeds	\$3.2	\$15.2	0.8	1.7	0.0	0.0
Long Tem Debt Proceeds Capital Leases	\$0.9	\$0.0	1.7	0.8	0.0	0.0
Contributions to Restricted Programs	-\$748.6	-\$679.3	0.0	-930.3	-1,200.7	-1,200.7
<b>Total Other Financing Sources</b>	<b>-\$743.6</b>	<b>-\$650.2</b>	<b>\$21.1</b>	<b>-\$927.6</b>	<b>-\$1,140.7</b>	<b>-\$1,140.7</b>
<b>Total Unrestricted Resources</b>	<b>\$3,275.1</b>	<b>\$3,449.7</b>	<b>\$4,607.9</b>	<b>\$4,067.9</b>	<b>\$4,628.0</b>	<b>\$4,628.0</b>

**SUPERINTENDENT'S 2015-16 FINAL BUDGET**  
**Unconsolidated Revenue Budget General Fund-Restricted by Source**

		2011-12 Actual Amounts	2012-13 Actual Amounts	2013-14 Actual Amounts	2014-15 3rd Interim Estimates	2015-16 Estimated Amounts
	Amounts in \$ millions					
Sacs Resource	Sacs Resource Name					
	<b>Federal Revenues</b>					
3010	NCLB: Title I, Part A, Basic Grants Low-Income and Neglected	\$387.2	\$301.0	\$231.2	\$282.1	\$372.6
3310	Sp Ed: IDEA Basic Local Assist Entitlement, Part B, Sec 611 (formerly PL 94-142)	\$115.7	\$105.1	\$117.0	\$119.9	\$115.7
4035	NCLB: Title II, Part A, Teacher Quality	\$48.5	\$51.7	\$46.6	\$42.7	\$41.8
4203	NCLB: Title III, Limited English Proficient (LEP) Student Program	\$23.8	\$19.5	\$15.1	\$17.5	\$18.5
4124	NCLB: Title IV, Part B, 21st Century Community Learning Centers Program	\$20.5	\$16.5	\$16.7	\$16.6	\$20.9
5640	Medi-Cal Billing Option	\$16.0	\$13.8	\$17.8	\$14.5	\$15.5
3320	Special Ed: IDEA Preschool Local Entitlement, Part B, Sec 611	\$10.9	\$10.0	\$11.1	\$14.0	\$11.0
3327	Special Ed: IDEA Mental Health P-B611	\$4.7	\$5.3	\$7.0	\$7.0	\$6.9
3180	NCLB: Title I, School Improvement Grant	\$1.3	\$15.5	\$17.5	\$31.7	\$29.3
3315	Special Ed: IDEA Preschool Grants, Part B, Sec 619	\$4.8	\$4.0	\$5.1	\$6.9	\$4.9
3550	Carl D. Perkins Career and Technical Education: Secondary, Section 131	\$5.6	\$6.1	\$5.6	\$6.7	\$7.9
3060	NCLB: Title I, Part C, Migrant Ed (Regular and Summer Program)	\$1.5	\$1.9	\$1.9	\$1.5	\$1.0
3410	Department of Rehab: Workability II, Transition Partnership	\$1.2	\$1.3	\$1.3	\$1.3	\$1.4
3385	Special Ed: IDEA Early Intervention Grants	\$1.2	\$1.2	\$1.2	\$1.2	\$1.2
3025	NCLB: Title I, Part D, Local Delinquent Programs	\$1.7	\$0.9	\$1.1	\$0.8	\$1.4
9010	Other Restricted Local	\$0.0	\$0.0	\$2.7	\$3.7	\$0.7
3181	NCLB: ARRA Title I, School Improvement Grant	\$14.4	\$17.2	\$5.9	\$1.4	\$0.0
5610	Workforce Investment Act (WIA) From Other Agencies (LWIB)	\$0.9	\$1.1	\$1.0	\$1.0	\$0.0
4810	Other ARRA Programs	\$1.6	\$1.6	\$0.7	\$0.5	\$0.0
5652	FEMA Hazard Mitigation Grant	\$1.2	\$0.1	\$0.0	\$0.0	\$0.0
3011	NCLB: ARRA Title I, Part A, Basic Grants Low Income and Neglected	\$12.6	\$0.0	\$0.0	\$0.0	\$0.0
3026	NCLB: ARRA Title I, Part D, Local Delinquent Programs	\$0.3	\$0.0	\$0.0	\$0.0	\$0.0
3030	NCLB: Title I, Part B, Reading First Program	\$0.7	\$0.0	\$0.0	\$0.0	\$0.0
3031	NCLB: Title I, Part B, Reading First, Sp Educ Teacher Prof Dev't Pilot Prog	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0
3200	ARRA: State Fiscal Stabilization Fund	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0
3205	ARRA Education Jobs Fund SB847	\$114.1	\$0.0	\$0.0	\$0.0	\$0.0
3311	Special Ed: IDEA Local Assistance, Part B, Sec 611, Private School ISPs	\$1.3	\$1.0	\$1.8	\$1.9	\$0.0
3313	Special Ed: ARRA IDEA Part B, Sec 611, Basic Local Assistance	\$15.8	\$0.0	\$0.0	\$0.0	\$0.0
3314	Special Ed: ARRA IDEA Part B, Sec 611, Local Assistance Private School ISPs	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0
3316	Special Ed: IDEA Preschool Accountability Grants, Part B, Sec 619	\$0.2	\$0.1	\$0.2	\$0.1	\$0.1
3319	Special Ed: ARRA IDEA Part B, Sec 619, Preschool Grants	\$0.6	\$0.0	\$0.0	\$0.0	\$0.0
3324	Special Ed: ARRA IDEA Part B, Sec 611, Preschool Local Entitlement	\$0.9	\$0.0	\$0.0	\$0.0	\$0.0
3345	Special Ed: IDEA Preschool Staff Development, Part B, Sec 619	\$0.1	\$0.0	\$0.0	\$0.1	\$0.0
3061	NCLB: Title I, Migrant Ed Summer Program	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0
3312	Special Ed: IDEA Local Assistance, Part B, Sec 611, Early Intervening Services	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0
3318	Special Ed: IDEA Part B, Sec 619, Preschool Grants Early Intervening Services	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0
3332	Special Ed: IDEA Part B, Sec 611, Preschool Local Entitlement Early Intervening	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0
3710	NCLB: Title IV, Part A, Drug-Free Schools	\$0.1	\$0.0	\$0.0	\$0.0	\$0.0
4045	NCLB: Title II, Part D, Enhancing Educ Through Technology, Formula Grants	\$2.2	\$0.0	\$0.0	\$0.0	\$0.0
4046	NCLB: Title II, Part D, Enhancing Educ Through Technology, Competitive Grants	\$0.3	\$0.0	\$0.0	\$0.0	\$0.0
4047	NCLB: ARRA Title II, Part D, Enhancing Education Through Technology	\$4.7	\$0.0	\$0.0	\$0.0	\$0.0
4048	NCLB: ARRA Title II, Part D, Enhancing Ed Through Tech, Competitive Grants	\$2.4	\$0.0	\$0.0	\$0.0	\$0.0
4050	NCLB: Title II, Part B, CA Mathematics and Science Partnerships	\$0.8	\$0.4	\$0.0	\$0.0	\$0.0
4230	Bilingual Education: Discretionary Grants, Title III	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0
4510	Indian Education	\$0.2	\$0.2	\$0.2	\$0.3	\$0.0
4610	NCLB: Title V, Part B, Public Charter Schools Grants	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0
5314	Child Nutrition: Equipment Assistance Grants	\$0.0	\$0.0	\$0.0	\$0.1	\$0.0
5630	NCLB: Title X McKinney-Vento Homeless Assistance Grants	\$0.1	\$0.2	\$0.2	\$0.2	\$0.0
5635	NCLB: ARRA Title X McKinney-Vento Homeless Assistance	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0
5650	FEMA Public Assistance Fund	\$0.0	\$0.0	\$0.1	\$0.0	\$0.0
5810	Other Restricted Federal	\$26.2	\$31.3	\$27.2	\$30.7	\$73.7
	<b>Total Federal Revenues</b>	<b>\$846.3</b>	<b>\$607.3</b>	<b>\$535.9</b>	<b>\$604.4</b>	<b>\$724.5</b>

**SUPERINTENDENT'S 2015-16 FINAL BUDGET**  
**Unconsolidated Revenue Budget General Fund-Restricted by Source**

		2011-12 Actual Amounts	2012-13 Actual Amounts	2013-14 Actual Amounts	2014-15 3rd Interim Estimates	2015-16 Estimated Amounts
	Amounts in \$ millions					
Sacs Resource	Sacs Resource Name					
	<b>State Revenues</b>					
6500	Special Education	\$512.3	\$500.4	\$359.0	\$361.6	\$365.6
6010	After School Education and Safety (ASES)	\$73.8	\$72.6	\$76.4	\$75.8	\$77.2
7400	Quality Education Investment Act	\$111.1	\$81.0	\$67.0	\$80.2	\$0.0
6512	Special Ed: Mental Health Services	\$26.0	\$35.8	\$36.1	\$36.2	\$36.3
6230	California Clean Energy Jobs Act	\$0.0	\$0.0	\$29.9	\$24.0	\$26.0
6300	Lottery: Instructional Materials	\$19.3	\$20.6	\$23.0	\$24.0	\$17.7
6510	Special Ed: Early Ed Individuals with Exceptional Needs (Infant Program)	\$3.0	\$3.0	\$3.0	\$3.1	\$3.1
7220	Partnership Academies Program	\$2.4	\$1.9	\$2.0	\$2.7	\$1.7
6690	Tobacco-Use Prevention Education: Grade School	\$0.0	\$0.6	\$1.0	\$1.6	\$0.7
6385	Governor's CTE Initiative: California Partnership Academies	\$1.8	\$1.0	\$0.9	\$1.2	\$0.9
6386	California Partnership Academies: Green and Clean Academies	\$0.4	\$0.5	\$0.2	\$0.2	\$0.1
2200	Continuation Education (Education Code sections 42244 and 48438)	\$25.1	\$18.9	\$0.0	\$0.0	\$0.0
2430	Community Day Schools	\$0.1	\$0.3	\$0.0	\$0.0	\$0.0
6020	CSIS: California School Information Service	\$0.2	\$0.0	\$0.0	\$0.0	\$0.0
6240	Healthy Start: Planning Grants and Operational Grants	\$0.3	\$0.2	\$0.2	\$0.0	\$0.0
6250	Early Mental Health Initiative (EMHI) (Department of Mental Health)	\$0.2	\$0.0	\$0.0	\$0.0	\$0.0
6286	English Language Acquisition Program, Teacher Training & Student Assistance	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0
6355	ROCP: Training & Certification for Community Care (Dept Develop Service)	\$0.3	\$0.2	\$0.0	\$0.0	\$0.0
6360	Pupils with Disabilities Attending ROC/P	\$1.8	\$0.7	\$0.0	\$0.0	\$0.0
6378	California Health Science Capacity Building Project	\$0.1	\$0.1	\$0.1	\$0.1	\$0.0
6381	Linked Learning Pilot Program	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0
6513	Special Ed: State Pre School Grant (Ages 3-4-5)	\$0.0	\$0.0	\$0.2	\$0.0	\$0.0
6515	Special Ed: Infant Discretionary Funds	\$0.1	\$0.1	\$0.1	\$0.1	\$0.1
6520	Special Ed: Project Workability I LEA	\$0.7	\$0.7	\$0.8	\$0.8	\$0.0
6530	Special Ed: Low Incidence Entitlement	\$0.1	\$0.1	\$0.0	\$0.0	\$0.0
6535	Special Ed: Personnel Staff Development	\$0.4	\$0.2	\$0.0	\$0.0	\$0.0
6225	Emergency Repair Program - Williams Case	\$0.0	\$0.0	\$0.0	\$3.9	\$0.0
6382	California Career Pathways Trust	\$0.0	\$0.0	\$0.0	\$3.7	\$3.8
7370	Supplementary Programs: Specialized Secondary	\$0.0	\$0.0	\$0.4	\$0.1	\$0.0
6660	Tobacco-Use Prevention Education: Elementary Grades 4-8 (09-10)	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0
6670	Tobacco-Use Prevention Education: High School	\$0.1	\$0.0	\$0.0	\$0.0	\$0.0
7090	Economic Impact Aid (EIA)	\$26.6	\$1.2	\$0.0	\$0.0	\$0.0
7091	Economic Impact Aid: Limited English Proficiency (LEP)	\$102.5	\$124.0	\$0.0	\$0.0	\$0.0
7230	Transportation: Home to School	\$36.5	\$36.4	\$0.0	\$0.0	\$0.0
7240	Transportation: Special Education (Severely Disabled/Orthopedically Impaired)	\$41.3	\$41.2	\$0.0	\$0.0	\$0.0
7391	School Community Violence Prevention Grant	\$0.6	\$0.1	\$0.0	\$0.0	\$0.0
7405	Common Core State Standards	\$0.0	\$0.0	\$114.0	\$0.0	\$0.0
7810	Other Restricted State	\$0.8	\$0.9	-\$0.7	\$0.6	\$18.0
	<b>Total State Revenues</b>	<b>\$987.8</b>	<b>\$942.7</b>	<b>\$713.6</b>	<b>\$619.9</b>	<b>\$551.2</b>
	<b>Local Revenues</b>					
9010	Other Restricted Local	\$30.6	\$30.1	\$20.4	\$30.7	\$34.8
	<b>Total Local Revenues</b>	<b>\$30.6</b>	<b>\$30.1</b>	<b>\$20.4</b>	<b>\$30.7</b>	<b>\$34.8</b>
	Transfers from Unrestricted Programs	\$748.6	\$679.3	\$857.2	\$930.3	\$1,172.1
	<b>Total Restricted Resources</b>	<b>\$2,613.3</b>	<b>\$2,259.4</b>	<b>\$2,127.1</b>	<b>\$2,185.3</b>	<b>\$2,482.5</b>

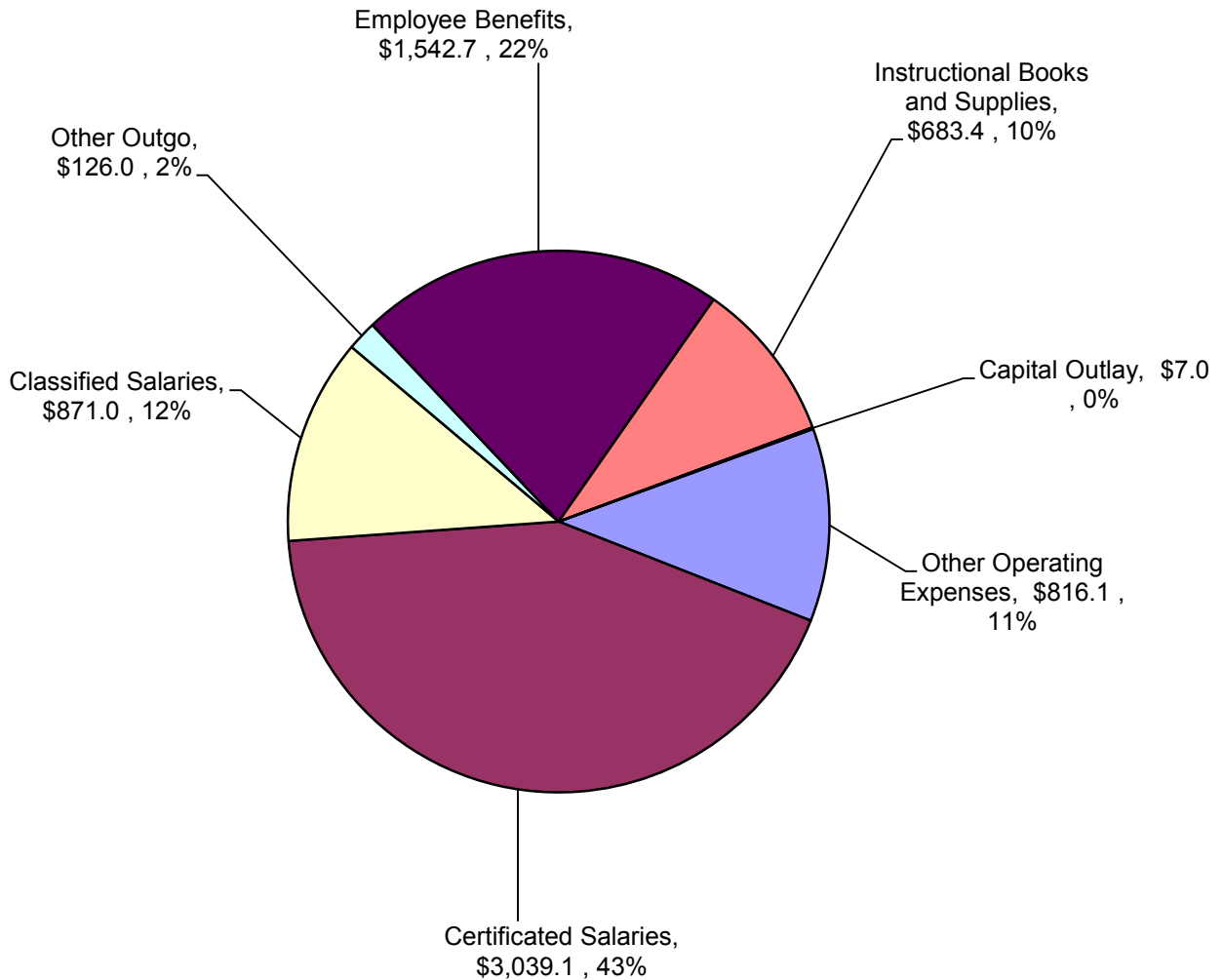
## **General Fund's Unrestricted and Restricted Estimated Expenditures by Object**

The accompanying graph shows General Fund's estimated expenditures by "object of expenditure." The objects classify expenditures according to the types of items purchased or services obtained.

- "Certificated Salaries" include the salaries of teachers, librarians, counselors, nurses, school, and District administrators.
- "Classified Salaries" include the salaries of instructional aides, office employees, custodians, carpenters, plumbers, bus drivers, and those non-certificated employees who manage and supervise their work.
- "Employee Benefits" include the cost of retirement plans, employee health insurance, and Workers' Compensation Insurance.
- "Books and Supplies" include the cost of textbooks, instructional materials, general supplies, and fuel.
- "Other Operating Expenses" include the cost of contracts, utilities, rents and leases, travel expense, and instructional consultants.
- "Capital Outlay" includes the cost of facilities (land and buildings), books and media for libraries, and equipment. Most of the District's capital outlay costs are in bond funds devoted specifically to school construction and modernization.
- "Other Outgo" includes miscellaneous items that are not usually considered part of the current expense of education.

**General Fund**  
**Estimated Expenditure Budget By Major Object**

(Amounts in millions and percent to total)

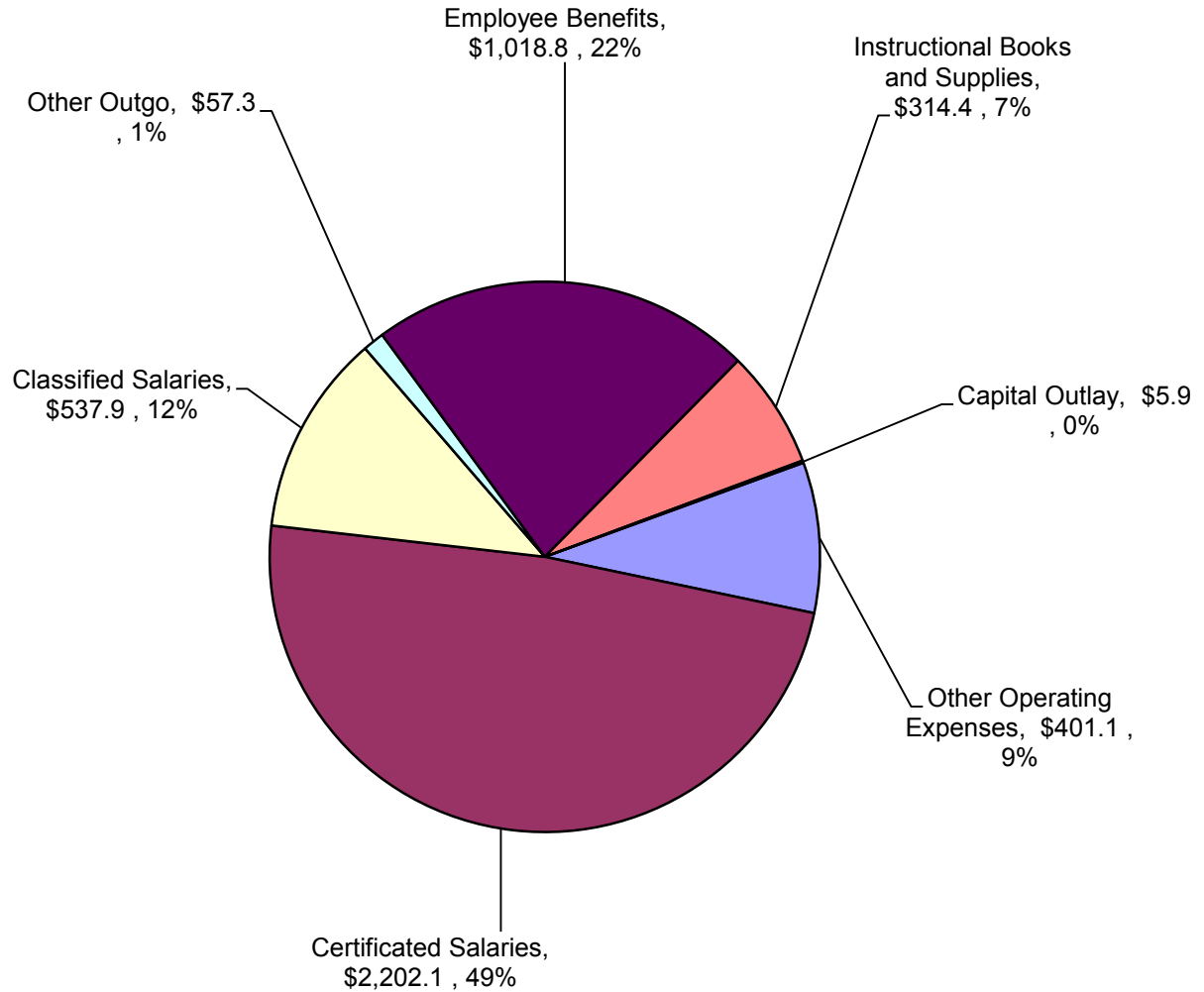


**TOTAL = \$ 7,085.3**

*Note: Individual amounts may not add to total due to rounding.*

**General Fund - Unrestricted**  
**Estimated Expenditure Budget By Major Object**

(Amounts in millions and percent to total)



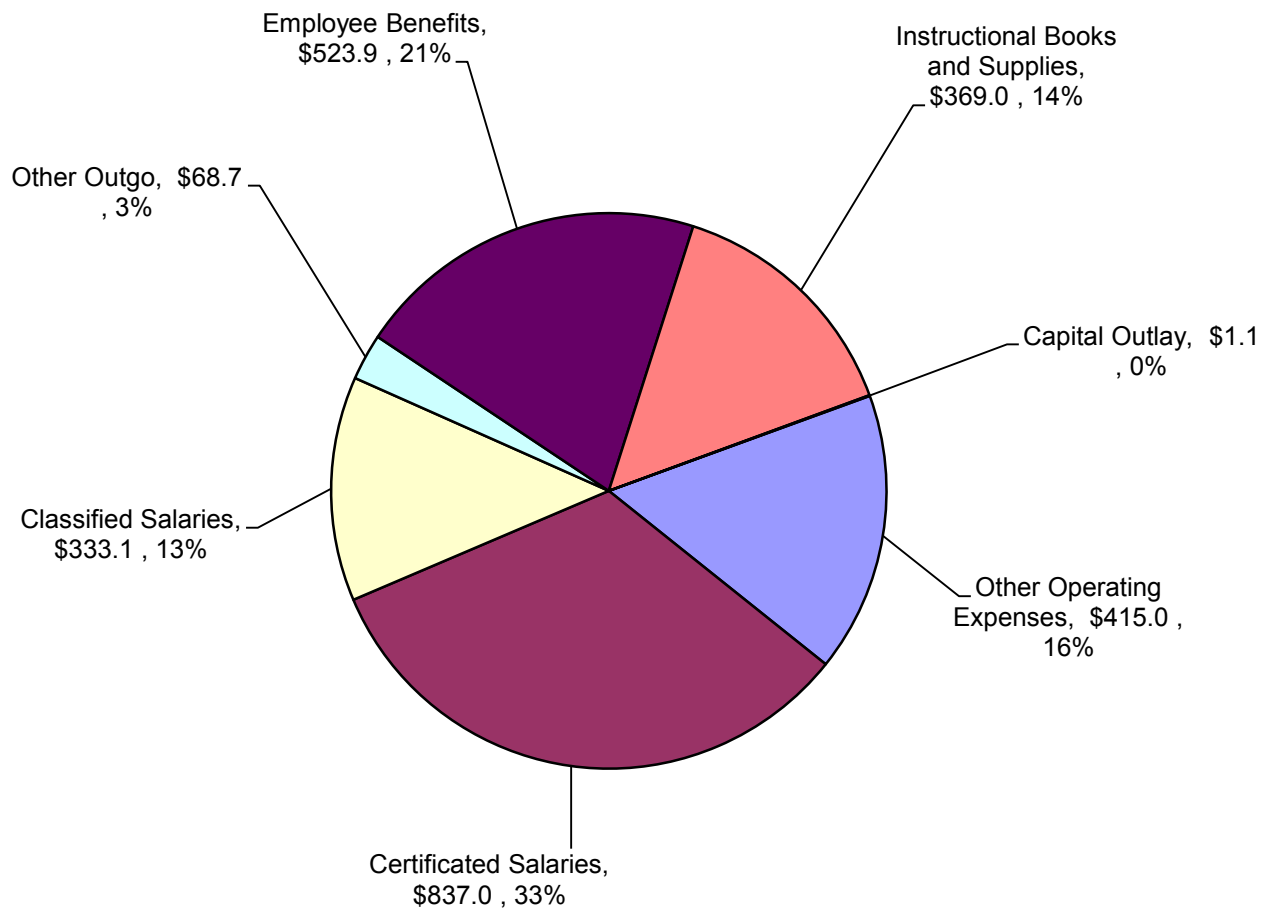
**TOTAL = \$ 4,537.5**

*Note: Individual amounts may not add to total due to rounding.*



**General Fund - Restricted**  
**Estimated Expenditure Budget By Major Object**

(Amounts in millions and percent to total)



**TOTAL = \$ 2,547.8**

*Note: Individual amounts may not add to total due to rounding.*

**General Fund's Unrestricted & Restricted Multi-Year Projection**

AB1200 (Chapter 1213/1991) and AB2756 (Chapter 52/2004) were enacted in response to a number of near bankruptcies, an increase in requests for state emergency loans, and a number of school districts going into financial distress. As a 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 county as part of its fiscal solvency review process.

The projections in the MYP are calculated based on a given set of assumptions and are expected to change as various factors change. The assumptions used are listed in the Budget Assumptions and Policies pages in Attachment A of the Board Report.

**Multi-Year Projection  
General Fund  
Unrestricted/Restricted**

(Amounts in millions)		2010-11 Actual Amounts	2011-12 Actual Amounts	2012-13 Actual Amounts	2013-14 Actual Amounts	2014-15 Estimated Amounts	2015-16 Estimated Amounts	2016-17 Estimated Amounts	2017-18 Estimated Amounts
<b>Beginning Balance</b>		<b>\$662.9</b>	<b>\$903.5</b>	<b>\$824.8</b>	<b>\$592.7</b>	<b>\$700.3</b>	<b>\$665.2</b>	<b>\$718.9</b>	<b>\$450.3</b>
<b>Revenues and Other Financing Sources</b>									
LCFF/Revenue Limit Sources	8010-8099	\$3,056.4	\$2,968.2	\$2,913.7	\$4,351.1	\$4,740.2	\$5,250.0	\$5,333.5	\$5,342.0
Federal Revenues	8100-8299	\$1,066.5	\$868.0	\$629.9	\$557.3	\$623.4	\$739.2	\$733.1	\$733.1
Other State Revenues	8300-8599	\$2,031.8	\$1,903.5	\$2,002.5	\$822.4	\$761.4	\$953.8	\$640.4	\$639.1
Other Local Revenues	8600-8799	\$171.6	\$139.1	\$124.6	\$122.8	\$124.9	\$136.1	\$137.3	\$138.4
Other Financing Sources									
Transfers In	8900-8929	\$88.1	\$5.5	\$23.6	\$22.7	\$0.8	\$0.0	\$0.0	\$0.0
Other Sources	8930-8979	\$3.0	\$4.2	\$15.2	\$2.6	\$2.5	\$60.0	\$0.0	\$0.0
Contribution to Restricted Programs	8980-8999	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0
<b>Total Revenues and Other Financing Sources</b>		<b>\$6,417.4</b>	<b>\$5,888.4</b>	<b>\$5,709.5</b>	<b>\$5,878.9</b>	<b>\$6,253.4</b>	<b>\$7,139.1</b>	<b>\$6,844.3</b>	<b>\$6,852.6</b>
<b>Total Sources of Funds</b>		<b>\$7,080.3</b>	<b>\$6,791.9</b>	<b>\$6,534.3</b>	<b>\$6,471.6</b>	<b>\$6,953.6</b>	<b>\$7,804.3</b>	<b>\$7,563.2</b>	<b>\$7,302.9</b>
<b>Expenditures and Other Financing Uses</b>									
Certificated Salaries	1000-1999	\$2,813.1	\$2,681.6	\$2,591.7	\$2,585.4	\$2,785.2	\$3,039.1	\$3,130.9	\$3,126.2
Classified Salaries	2000-2999	\$854.2	\$819.2	\$781.4	\$800.3	\$857.8	\$871.0	\$913.7	\$913.7
Employee Benefits	3000-3999	\$1,338.6	\$1,365.8	\$1,349.6	\$1,385.7	\$1,436.5	\$1,542.8	\$1,651.5	\$1,726.4
Books & Supplies	4000-4999	\$353.4	\$231.1	\$165.5	\$182.2	\$338.7	\$683.4	\$445.0	\$458.5
Services, Other Operating Expenses	5000-5999	\$681.4	\$698.0	\$775.4	\$666.5	\$738.7	\$816.1	\$844.3	\$854.0
Capital Outlay	6000-6999	\$71.6	\$43.6	\$23.3	\$33.3	\$10.3	\$7.0	\$8.1	\$8.3
Other Outgo	7100-7299	\$0.2	\$1.2	\$1.2	\$6.3	\$7.6	\$7.6	\$7.6	\$7.6
Other Outgo	7400-7499	\$1.7	\$1.3	\$0.9	\$0.9	\$0.9	\$0.9	\$0.9	\$0.9
Direct Support/Indirect Costs	7300-7399	-\$9.2	-\$27.4	-\$12.6	-\$17.4	-\$29.2	-\$23.2	-\$23.2	-\$25.1
Other Financing Uses	7610-7699	\$75.8	\$152.8	\$171.0	\$128.1	\$141.9	\$140.7	\$134.1	\$127.8
<b>Total Expenditures and Other Financing Uses</b>		<b>\$6,180.8</b>	<b>\$5,967.3</b>	<b>\$5,847.5</b>	<b>\$5,771.4</b>	<b>\$6,288.4</b>	<b>\$7,085.5</b>	<b>\$7,112.9</b>	<b>\$7,198.4</b>
<b>Ending Fund Balance</b>		<b>\$899.6</b>	<b>\$824.6</b>	<b>\$686.8</b>	<b>\$700.2</b>	<b>\$665.2</b>	<b>\$718.9</b>	<b>\$450.3</b>	<b>\$104.5</b>
<b>Total Uses of Funds</b>		<b>\$7,080.3</b>	<b>\$6,791.9</b>	<b>\$6,534.3</b>	<b>\$6,471.6</b>	<b>\$6,953.6</b>	<b>\$7,804.3</b>	<b>\$7,563.2</b>	<b>\$7,302.9</b>
<b>Change in Fund Balance</b>		<b>\$236.7</b>	<b>-\$78.9</b>	<b>-\$138.0</b>	<b>\$107.5</b>	<b>-\$35.0</b>	<b>\$53.7</b>	<b>-\$268.6</b>	<b>-\$345.8</b>
<b>Components of Ending Balance:</b>									
Non Spendable-Inventories/Cash/Others		\$10.4	\$11.2	\$18.5	\$19.6	\$19.6	\$19.6	\$19.6	\$19.6
Restricted Ending Balances		\$266.4	\$186.6	\$138.5	\$192.9	\$124.4	\$59.1	\$44.8	\$35.9
Committed Ending Balances		\$0.0	\$0.0	\$0.0	\$0.0	\$0.0	\$218.3	\$0.0	\$0.0
Assigned Ending Balances									
Other Designations/Carryovers		\$147.0	\$162.2	\$223.7	\$336.4	\$341.0	\$308.2	\$312.6	\$309.9
Reserve for Revenue Uncertainties-Gap Funding		\$0.0	\$303.1	\$202.0	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0
Unassigned Ending Balances									
Reserve for Economic Uncertainties		\$65.4	\$65.4	\$65.4	\$65.4	\$65.4	\$72.4	\$72.4	\$72.4
Undesignated/Unassigned Ending Balances		\$410.3	\$96.2	\$38.8	\$85.9	\$114.7	\$41.3	\$0.9	-\$333.4
<b>Total Ending Balance</b>		<b>\$899.6</b>	<b>\$824.6</b>	<b>\$686.8</b>	<b>\$700.2</b>	<b>\$665.2</b>	<b>\$718.9</b>	<b>\$450.3</b>	<b>\$104.5</b>

**Multi-Year Projection  
General Fund  
Unrestricted**

(Amounts in millions)			2010-11 Actual Amounts	2011-12 Actual Amounts	2012-13 Actual Amounts	2013-14 Actual Amounts	2014-15 Estimated Amounts	2015-16 Estimated Amounts	2016-17 Estimated Amounts	2017-18 Estimated Amounts
<b>Beginning Balance</b>			<b>\$366.9</b>	<b>\$636.1</b>	<b>\$637.2</b>	<b>\$453.3</b>	<b>\$507.3</b>	<b>\$540.8</b>	<b>\$659.8</b>	<b>\$405.5</b>
<b>Revenues and Other Financing Sources</b>										
LCFF/Revenue Limit Sources	8010-8099		\$2,886.0	\$2,798.9	\$2,752.8	\$4,351.1	\$4,740.2	\$5,250.0	\$5,333.5	\$5,342.0
Federal Revenues	8100-8299		\$22.0	\$20.2	\$22.6	\$21.4	\$19.0	\$14.7	\$10.1	\$10.1
Other State Revenues	8300-8599		\$1,169.9	\$1,085.4	\$1,220.7	\$108.8	\$141.8	\$402.8	\$89.4	\$87.1
Other Local Revenues	8600-8799		\$112.7	\$114.3	\$103.8	\$106.5	\$94.7	\$101.1	\$101.7	\$103.0
Other Financing Sources										
Transfers In	8900-8929		\$28.6	\$0.8	\$14.0	\$18.6	\$0.1	\$0.0	\$0.0	\$0.0
Other Sources	8930-8979		\$3.0	\$4.2	\$15.2	\$2.6	\$2.5	\$60.0	\$0.0	\$0.0
Contribution to Restricted Programs	8980-8999		-\$740.8	-\$748.6	-\$679.3	-\$857.2	-\$930.3	-\$1,172.1	-\$1,208.2	-\$1,284.9
<b>Total Revenues and Other Financing Sources</b>			<b>\$3,481.3</b>	<b>\$3,275.1</b>	<b>\$3,449.7</b>	<b>\$3,751.8</b>	<b>\$4,068.0</b>	<b>\$4,656.6</b>	<b>\$4,326.5</b>	<b>\$4,257.3</b>
<b>Total Sources of Funds</b>			<b>\$3,848.2</b>	<b>\$3,911.2</b>	<b>\$4,087.0</b>	<b>\$4,205.1</b>	<b>\$4,575.4</b>	<b>\$5,197.3</b>	<b>\$4,986.3</b>	<b>\$4,662.8</b>
<b>Expenditures and Other Financing Uses</b>										
Certificated Salaries	1000-1999		\$1,726.3	\$1,709.7	\$1,749.9	\$1,813.2	\$1,961.6	\$2,202.1	\$2,207.2	\$2,202.6
Classified Salaries	2000-2999		\$395.7	\$410.6	\$400.4	\$465.0	\$513.6	\$537.9	\$545.0	\$545.0
Employee Benefits	3000-3999		\$770.4	\$823.0	\$846.8	\$923.5	\$955.7	\$1,018.8	\$1,112.4	\$1,142.0
Books & Supplies	4000-4999		\$143.0	\$88.2	\$66.6	\$73.6	\$198.1	\$314.4	\$256.2	\$268.2
Services, Other Operating Expenses	5000-5999		\$152.2	\$195.9	\$349.4	\$341.5	\$370.7	\$401.1	\$395.9	\$403.6
Capital Outlay	6000-6999		\$11.6	\$17.7	\$19.8	\$17.6	\$6.3	\$5.9	\$6.2	\$6.4
Other Outgo	7100-7299		\$0.2	\$1.2	\$1.2	\$6.3	\$7.6	\$7.6	\$7.6	\$7.6
Other Outgo	7400-7499		\$1.7	\$1.3	\$0.9	\$0.9	\$0.9	\$0.9	\$0.9	\$0.9
Direct Support/Indirect Costs	7300-7399		-\$59.9	-\$126.4	-\$66.4	-\$72.0	-\$117.5	-\$91.9	-\$84.1	-\$109.8
Other Financing Uses	7610-7699		\$74.9	\$152.8	\$171.0	\$128.1	\$137.7	\$140.7	\$134.1	\$127.8
<b>Total Expenditures and Other Financing Uses</b>			<b>\$3,216.0</b>	<b>\$3,274.2</b>	<b>\$3,539.6</b>	<b>\$3,697.8</b>	<b>\$4,034.6</b>	<b>\$4,537.5</b>	<b>\$4,581.5</b>	<b>\$4,594.2</b>
<b>Ending Fund Balance</b>			<b>\$632.2</b>	<b>\$637.0</b>	<b>\$547.4</b>	<b>\$507.3</b>	<b>\$540.8</b>	<b>\$659.8</b>	<b>\$404.8</b>	<b>\$68.6</b>
<b>Total Uses of Funds</b>			<b>\$3,848.2</b>	<b>\$3,911.2</b>	<b>\$4,087.0</b>	<b>\$4,205.1</b>	<b>\$4,575.4</b>	<b>\$5,197.3</b>	<b>\$4,986.3</b>	<b>\$4,662.8</b>
<b>Change in Fund Balance</b>			<b>\$265.3</b>	<b>\$0.9</b>	<b>-\$89.9</b>	<b>\$54.0</b>	<b>\$33.5</b>	<b>\$119.0</b>	<b>-\$255.0</b>	<b>-\$336.9</b>
<b>Components of Ending Balance:</b>										
Non Spendable-Inventories/Cash/Others			\$9.4	\$10.2	\$17.5	\$19.6	\$19.6	\$19.6	\$19.6	\$19.6
Restricted Ending Balances			\$0.0	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0
Committed Ending Balances			\$0.0	\$0.0	\$0.0	\$0.0	\$0.0	\$218.3	\$0.0	\$0.0
Assigned Ending Balances										
Other Designations/Carryovers			\$147.0	\$162.2	\$223.7	\$336.4	\$341.0	\$308.2	\$312.6	\$309.9
Reserve for Revenue Uncertainties-Gap Funding			\$0.0	\$303.1	\$202.0	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0
Unassigned Ending Balances										
Reserve for Economic Uncertainties			\$65.4	\$65.4	\$65.4	\$65.4	\$65.4	\$72.4	\$72.4	\$72.4
Undesignated/Unassigned Ending Balances			\$410.3	\$96.2	\$38.8	\$85.9	\$114.7	\$41.3	\$0.9	-\$333.4
<b>Total Ending Balance</b>			<b>\$632.2</b>	<b>\$637.0</b>	<b>\$547.4</b>	<b>\$507.3</b>	<b>\$540.8</b>	<b>\$659.8</b>	<b>\$405.5</b>	<b>\$68.6</b>

**Multi-Year Projection  
General Fund  
Restricted**

(Amounts in millions)		2010-11 Actual Amounts	2011-12 Actual Amounts	2012-13 Actual Amounts	2013-14 Actual Amounts	2014-15 Estimated Amounts	2015-16 Estimated Amounts	2016-17 Estimated Amounts	2017-18 Estimated Amounts
<b>Beginning Balance</b>		<b>\$296.0</b>	<b>\$267.4</b>	<b>\$187.6</b>	<b>\$139.4</b>	<b>\$192.9</b>	<b>\$124.4</b>	<b>\$59.1</b>	<b>\$44.8</b>
<b>Revenues and Other Financing Sources</b>									
LCFF/Revenue Limit Sources	8010-8099	\$170.4	\$169.3	\$160.9	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0
Federal Revenues	8100-8299	\$1,044.5	\$847.7	\$607.3	\$535.9	\$604.4	\$724.5	\$723.0	\$723.0
Other State Revenues	8300-8599	\$861.9	\$818.1	\$781.8	\$713.6	\$619.7	\$551.0	\$551.0	\$552.0
Other Local Revenues	8600-8799	\$59.0	\$24.9	\$20.8	\$16.3	\$30.2	\$35.0	\$35.6	\$35.4
Other Financing Sources									
Transfers In	8900-8929	\$59.5	\$4.7	\$9.6	\$4.1	\$0.8	\$0.0	\$0.0	\$0.0
Other Sources	8930-8979	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0
Contribution to Restricted Programs	8980-8999	\$740.8	\$748.6	\$679.3	\$857.2	\$930.3	\$1,172.1	\$1,208.2	\$1,284.9
<b>Total Revenues and Other Financing Sources</b>		<b>\$2,936.1</b>	<b>\$2,613.3</b>	<b>\$2,259.7</b>	<b>\$2,127.1</b>	<b>\$2,185.3</b>	<b>\$2,482.6</b>	<b>\$2,517.8</b>	<b>\$2,595.3</b>
<b>Total Sources of Funds</b>		<b>\$3,232.1</b>	<b>\$2,880.7</b>	<b>\$2,447.3</b>	<b>\$2,266.6</b>	<b>\$2,378.2</b>	<b>\$2,607.0</b>	<b>\$2,576.9</b>	<b>\$2,640.1</b>
<b>Expenditures and Other Financing Uses</b>									
Certificated Salaries	1000-1999	\$1,086.8	\$971.9	\$841.8	\$772.1	\$823.6	\$837.0	\$923.7	\$923.7
Classified Salaries	2000-2999	\$458.6	\$408.7	\$381.0	\$335.4	\$344.3	\$333.1	\$368.7	\$368.7
Employee Benefits	3000-3999	\$568.2	\$542.8	\$502.8	\$462.2	\$480.8	\$523.9	\$539.0	\$584.4
Books & Supplies	4000-4999	\$210.4	\$142.9	\$98.8	\$108.6	\$140.6	\$369.0	\$188.7	\$190.3
Services, Other Operating Expenses	5000-5999	\$529.2	\$502.0	\$426.1	\$325.1	\$368.0	\$415.0	\$448.4	\$450.5
Capital Outlay	6000-6999	\$59.9	\$25.8	\$3.4	\$15.7	\$4.0	\$1.1	\$1.9	\$1.9
Other Outgo	7100-7299	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0
Other Outgo	7400-7499	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0
Direct Support/Indirect Costs	7300-7399	\$50.7	\$99.0	\$53.8	\$54.5	\$88.3	\$68.7	\$60.9	\$84.7
Other Financing Uses	7610-7699	\$0.9	\$0.0	\$0.1	\$0.0	\$4.3	\$0.0	\$0.0	\$0.0
<b>Total Expenditures and Other Financing Uses</b>		<b>\$2,964.7</b>	<b>\$2,693.1</b>	<b>\$2,307.9</b>	<b>\$2,073.6</b>	<b>\$2,253.8</b>	<b>\$2,547.9</b>	<b>\$2,531.4</b>	<b>\$2,604.1</b>
<b>Ending Fund Balance</b>		<b>\$267.4</b>	<b>\$187.6</b>	<b>\$139.4</b>	<b>\$192.9</b>	<b>\$124.4</b>	<b>\$59.1</b>	<b>\$45.5</b>	<b>\$35.9</b>
<b>Total Uses of Funds</b>		<b>\$3,232.1</b>	<b>\$2,880.7</b>	<b>\$2,447.3</b>	<b>\$2,266.6</b>	<b>\$2,378.2</b>	<b>\$2,607.0</b>	<b>\$2,576.9</b>	<b>\$2,640.1</b>
<b>Change in Fund Balance</b>		<b>-\$28.6</b>	<b>-\$79.8</b>	<b>-\$48.1</b>	<b>\$53.5</b>	<b>-\$68.5</b>	<b>-\$65.3</b>	<b>-\$13.6</b>	<b>-\$8.9</b>
<b>Components of Ending Balance:</b>									
Non Spendable-Inventories/Cash/Others		\$1.0	\$1.0	\$1.0	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0
Restricted Ending Balances		\$266.4	\$186.6	\$138.5	\$192.9	\$124.4	\$59.1	\$44.8	\$35.9
Committed Ending Balances		\$0.0	\$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	\$0.0
Reserve for Revenue Uncertainties-Gap Funding		\$0.0	\$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	\$0.0
Undesignated/Unassigned Ending Balances		\$0.0	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0
<b>Total Ending Balance</b>		<b>\$267.4</b>	<b>\$187.6</b>	<b>\$139.4</b>	<b>\$192.9</b>	<b>\$124.4</b>	<b>\$59.1</b>	<b>\$44.8</b>	<b>\$35.9</b>



## **FINANCIAL DETAILS**

### **Introduction**

The Financial Details Section presents District budget information that is more detailed than the summary and graphic information presented in the Fund Highlights.

This section includes tables for revenue and expenditures by fund, and General Fund details.

# General Fund Unrestricted & Restricted



**SUPERINTENDENT'S 2015-16 FINAL BUDGET**  
**OPERATING FUND**  
**General Fund - Unrestricted and Restricted Programs (001&003/010)**

General Fund is the primary operating fund for the K - 12 program.

	2011-12 Actual Amounts	2012-13 Actual Amounts	2013-14 Actual Amounts	2014-15 3rd Interim Estimate	2015-16 Authorized Amounts	2015-16 Estimated Amounts
Amounts in \$ millions						
<b>Sources of Funds</b>						
<i>Beginning Balance</i>						
Non Spendable-Inventories, Cash, Others	\$10.4	\$11.2	\$18.5	\$19.6	\$19.6	\$19.6
Restricted Beginning Balances	\$266.4	\$186.6	\$138.5	\$192.9	\$124.4	\$124.4
Assigned Beginning Balances	\$147.0	\$162.2	\$223.7	\$336.4	\$341.0	\$341.0
Reserve for Revenue Uncertainties	\$0.0	\$303.1	\$202.0	\$0.0	\$0.0	\$0.0
Unassigned Beginning Balances						
Reserve for Economic Uncertainties	\$65.4	\$65.4	\$65.4	\$65.4	\$65.4	\$65.4
Undesignated/Unassigned Beginning Balances	\$410.3	\$96.2	\$38.8	\$85.9	\$114.7	\$114.7
Restatement of Beginning Balances	\$5.1	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0
Audit Adjustments	-\$1.1	\$0.2	-\$94.1	\$0.0	\$0.0	\$0.0
<b>Total Beginning Balance</b>	<b>\$903.5</b>	<b>\$824.8</b>	<b>\$592.8</b>	<b>\$700.2</b>	<b>\$665.1</b>	<b>\$665.1</b>
<i>Revenue</i>						
Revenue Limit Revenues	\$2,968.2	\$2,913.7	\$4,351.1	\$0.0	\$0.0	\$0.0
Local Control Funding Formula	\$0.0	\$0.0	\$0.0	\$4,740.2	\$5,250.0	\$5,250.0
Federal Revenues	\$868.0	\$629.9	\$557.3	\$623.4	\$739.2	\$739.2
State Revenues	\$1,903.5	\$2,002.5	\$822.4	\$761.5	\$953.8	\$953.8
Local Revenues	\$139.1	\$124.6	\$122.8	\$124.9	\$136.1	\$136.1
Interfund Transfers In	\$5.5	\$23.6	\$22.7	\$0.9	\$0.0	\$0.0
Other Financing Sources	\$4.2	\$15.2	\$2.6	\$2.5	\$60.0	\$60.0
Interprogram Transfers	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0
<b>Total Revenue</b>	<b>\$5,888.4</b>	<b>\$5,709.5</b>	<b>\$5,878.9</b>	<b>\$6,253.4</b>	<b>\$7,139.1</b>	<b>\$7,139.1</b>
<b>Total Sources of Funds</b>	<b>\$6,791.9</b>	<b>\$6,534.3</b>	<b>\$6,471.7</b>	<b>\$6,953.6</b>	<b>\$7,804.2</b>	<b>\$7,804.2</b>
<b>Uses of Funds</b>						
<i>Expenditure</i>						
Certificated Salaries	\$2,681.6	\$2,591.7	\$2,585.3	\$2,785.2	\$2,894.8	\$3,039.1
Classified Salaries	\$819.2	\$781.4	\$800.4	\$857.9	\$912.9	\$871.0
Employee Benefits	\$1,365.8	\$1,349.6	\$1,385.7	\$1,436.5	\$1,544.6	\$1,542.7
Books and Supplies	\$231.1	\$165.5	\$182.2	\$338.7	\$720.0	\$683.4
Pending School Sites and Program Plans	\$0.0	\$0.0	\$0.0	\$0.0	\$468.4	\$0.0
Other Operating Expenses	\$698.0	\$775.4	\$666.6	\$738.7	\$753.5	\$816.1
Capital Outlay	\$43.6	\$23.3	\$33.3	\$10.3	\$6.4	\$7.0
Other Outgo	\$127.9	\$160.6	\$117.9	\$121.3	\$126.7	\$126.0
<b>Total Expenditure</b>	<b>\$5,967.3</b>	<b>\$5,847.5</b>	<b>\$5,771.4</b>	<b>\$6,288.5</b>	<b>\$7,427.2</b>	<b>\$7,085.3</b>
<i>Ending Balance</i>						
Non Spendable-Inventories, Cash, Others	\$11.2	\$18.5	\$19.6	\$19.6	\$19.6	\$19.6
Restricted Ending Balances	\$186.6	\$138.5	\$192.9	\$124.4	\$0.0	\$59.1
Committed Ending Balances	\$0.0	\$0.0	\$0.0	\$0.0	\$218.3	\$218.3
Assigned Ending Balances	\$162.2	\$223.7	\$336.4	\$341.0	\$46.5	\$308.2
Reserve for Revenue Uncertainties	\$303.1	\$202.0	\$0.0	\$0.0	\$0.0	\$0.0
Unassigned Ending Balances						
Reserve for Economic Uncertainties	\$65.4	\$65.4	\$65.4	\$65.4	\$72.4	\$72.4
Undesignated/Unassigned Ending Balances	\$96.2	\$38.8	\$85.9	\$114.7	\$20.3	\$41.3
<b>Total Ending Balance</b>	<b>\$824.6</b>	<b>\$686.8</b>	<b>\$700.2</b>	<b>\$665.1</b>	<b>\$377.1</b>	<b>\$718.9</b>
<b>Total Uses of Funds</b>	<b>\$6,791.9</b>	<b>\$6,534.3</b>	<b>\$6,471.6</b>	<b>\$6,953.7</b>	<b>\$7,804.3</b>	<b>\$7,804.2</b>

**SUPERINTENDENT'S 2015-16 FINAL BUDGET**  
**OPERATING FUND**  
**General Fund - Unrestricted Programs (001&003/010)**

General Fund - Unrestricted are those funds that can be used for any general education purpose. Per SBX3 4, starting FY 2009-10, Tier III Categorical funds have been classified Unrestricted General Fund. With the implementation of LCFF, starting FY 2013-14, additional Categorical programs have been classified Unrestricted General Fund.

	2011-12 Actual Amounts	2012-13 Actual Amounts	2013-14 Actual Amounts	2014-15 3rd Interim Estimate	2015-16 Authorized Amounts	2015-16 Estimated Amounts
Amounts in \$ millions						
<b>Sources of Funds</b>						
<i>Beginning Balance</i>						
Non Spendable-Inventories, Cash, Others	\$9.4	\$10.2	\$17.5	\$19.6	\$19.6	\$19.6
Restricted Beginning Balances	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0
Assigned Beginning Balances	\$147.0	\$162.2	\$223.7	\$336.4	\$341.0	\$341.0
Reserve for Revenue Uncertainties	\$0.0	\$303.1	\$202.0	\$0.0	\$0.0	\$0.0
Unassigned Beginning Balances						
Reserve for Economic Uncertainties	\$65.4	\$65.4	\$65.4	\$65.4	\$65.4	\$65.4
Undesignated/Unassigned Beginning Balances	\$410.3	\$96.2	\$38.8	\$85.9	\$114.7	\$114.7
Restatement of Beginning Balances	\$5.1	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0
Audit Adjustments	-\$1.1	\$0.2	-\$94.1	\$0.0	\$0.0	\$0.0
<b>Total Beginning Balance</b>	<b>\$636.1</b>	<b>\$637.2</b>	<b>\$453.3</b>	<b>\$507.3</b>	<b>\$540.7</b>	<b>\$540.7</b>
<i>Revenue</i>						
Revenue Limit Revenues	\$2,798.9	\$2,752.8	\$4,351.1	\$0.0	\$0.0	\$0.0
Local Control Funding Formula	\$0.0	\$0.0	\$0.0	\$4,740.2	\$5,250.0	\$5,250.0
Federal Revenues	\$20.2	\$22.6	\$21.4	\$19.0	\$14.7	\$14.7
State Revenues	\$1,085.4	\$1,220.7	\$108.8	\$141.8	\$402.8	\$402.8
Local Revenues	\$114.3	\$103.8	\$106.5	\$94.7	\$101.1	\$101.1
Interfund Transfers In	\$0.8	\$14.0	\$18.6	\$0.1	\$0.0	\$0.0
Other Financing Sources	\$4.2	\$15.2	\$2.6	\$2.5	\$60.0	\$60.0
Interprogram Transfers	-\$748.6	-\$679.3	-\$857.2	-\$930.3	-\$1,200.7	-\$1,172.1
<b>Total Revenue</b>	<b>\$3,275.1</b>	<b>\$3,449.7</b>	<b>\$3,751.8</b>	<b>\$4,068.0</b>	<b>\$4,627.9</b>	<b>\$4,656.5</b>
<b>Total Sources of Funds</b>	<b>\$3,911.2</b>	<b>\$4,087.0</b>	<b>\$4,205.1</b>	<b>\$4,575.3</b>	<b>\$5,168.6</b>	<b>\$5,197.2</b>
<b>Uses of Funds</b>						
<i>Expenditure</i>						
Certificated Salaries	\$1,709.7	\$1,749.9	\$1,813.2	\$1,961.6	\$2,116.2	\$2,202.1
Classified Salaries	\$410.6	\$400.4	\$465.0	\$513.6	\$552.1	\$537.9
Employee Benefits	\$823.0	\$846.8	\$923.5	\$955.7	\$1,005.0	\$1,018.8
Books and Supplies	\$88.2	\$66.6	\$73.6	\$198.1	\$350.6	\$314.4
Pending School Sites and Program Plans	\$0.0	\$0.0	\$0.0	\$0.0	\$331.8	\$0.0
Other Operating Expenses	\$195.9	\$349.4	\$341.5	\$370.7	\$376.9	\$401.1
Capital Outlay	\$17.7	\$19.8	\$17.6	\$6.3	\$5.9	\$5.9
Other Outgo	\$29.0	\$106.7	\$63.4	\$28.7	\$53.3	\$57.3
<b>Total Expenditure</b>	<b>\$3,274.2</b>	<b>\$3,539.6</b>	<b>\$3,697.8</b>	<b>\$4,034.7</b>	<b>\$4,791.7</b>	<b>\$4,537.5</b>
<i>Ending Balance</i>						
Non Spendable-Inventories, Cash, Others	\$10.2	\$17.5	\$19.6	\$19.6	\$19.6	\$19.6
Restricted Ending Balances	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0
Committed Ending Balances	\$0.0	\$0.0	\$0.0	\$0.0	\$218.3	\$218.3
Assigned Ending Balances	\$162.2	\$223.7	\$336.4	\$341.0	\$46.5	\$308.2
Reserve for Revenue Uncertainties	\$303.1	\$202.0	\$0.0	\$0.0	\$0.0	\$0.0
Unassigned Ending Balances						
Reserve for Economic Uncertainties	\$65.4	\$65.4	\$65.4	\$65.4	\$72.4	\$72.4
Undesignated/Unassigned Ending Balances	\$96.2	\$38.8	\$85.9	\$114.7	\$20.3	\$41.3
<b>Total Ending Balance</b>	<b>\$637.0</b>	<b>\$547.4</b>	<b>\$507.3</b>	<b>\$540.7</b>	<b>\$377.1</b>	<b>\$659.8</b>
<b>Total Uses of Funds</b>	<b>\$3,911.2</b>	<b>\$4,087.0</b>	<b>\$4,205.1</b>	<b>\$4,575.4</b>	<b>\$5,168.7</b>	<b>\$5,197.3</b>

**SUPERINTENDENT'S 2015-16 FINAL BUDGET**  
**OPERATING FUND**  
**General Fund - Restricted Programs (003/010)**

General Fund - Restricted are those funds received from external sources for a specific purpose. Per SBX3 4, starting FY 2009-10, Tier III Categorical funds have been classified Unrestricted General Fund. With the implementation of LCFF, starting FY 2013-14, additional Categorical programs have been classified Unrestricted General Fund.

	2011-12 Actual Amounts	2012-13 Actual Amounts	2013-14 Actual Amounts	2014-15 3rd Interim Estimate	2015-16 Authorized Amounts	2015-16 Estimated Amounts
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Amounts in \$ millions

**Sources of Funds**

*Beginning Balance*

Non Spendable-Inventories, Cash, Others	\$1.0	\$1.0	\$1.0	\$0.0	\$0.0	\$0.0
Restricted Beginning Balances	\$266.4	\$186.6	\$138.5	\$192.9	\$124.4	\$124.4
Assigned Beginning Balances	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0
Unassigned Beginning Balances						
Audit Adjustments	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0
<b>Total Beginning Balance</b>	<b>\$267.4</b>	<b>\$187.6</b>	<b>\$139.5</b>	<b>\$192.9</b>	<b>\$124.4</b>	<b>\$124.4</b>

*Revenue*

Revenue Limit Revenues	\$169.3	\$160.9	\$0.0	\$0.0	\$0.0	\$0.0
Local Control Funding Formula	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0
Federal Revenues	\$847.7	\$607.3	\$535.9	\$604.4	\$724.5	\$724.5
State Revenues	\$818.1	\$781.8	\$713.6	\$619.7	\$551.0	\$551.0
Local Revenues	\$24.9	\$20.8	\$16.3	\$30.2	\$35.0	\$35.0
Interfund Transfers In	\$4.7	\$9.6	\$4.1	\$0.8	\$0.0	\$0.0
Other Financing Sources	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0
Interprogram Transfers	\$748.6	\$679.3	\$857.2	\$930.3	\$1,200.7	\$1,172.1
<b>Total Revenue</b>	<b>\$2,613.3</b>	<b>\$2,259.7</b>	<b>\$2,127.1</b>	<b>\$2,185.4</b>	<b>\$2,511.2</b>	<b>\$2,482.6</b>
<b>Total Sources of Funds</b>	<b>\$2,880.7</b>	<b>\$2,447.3</b>	<b>\$2,266.6</b>	<b>\$2,378.3</b>	<b>\$2,635.6</b>	<b>\$2,607.0</b>

**Uses of Funds**

*Expenditure*

Certificated Salaries	\$971.9	\$841.8	\$772.1	\$823.6	\$778.6	\$837.0
Classified Salaries	\$408.7	\$381.0	\$335.4	\$344.3	\$360.8	\$333.1
Employee Benefits	\$542.8	\$502.8	\$462.2	\$480.8	\$539.6	\$523.9
Books and Supplies	\$142.9	\$98.8	\$108.6	\$140.6	\$369.4	\$369.0
Pending School Sites and Program Plans	\$0.0	\$0.0	\$0.0	\$0.0	\$136.7	\$0.0
Other Operating Expenses	\$502.0	\$426.1	\$325.1	\$368.0	\$376.6	\$415.0
Capital Outlay	\$25.8	\$3.4	\$15.7	\$4.0	\$0.5	\$1.1
Other Outgo	\$99.0	\$53.9	\$54.5	\$92.6	\$73.4	\$68.7
<b>Total Expenditure</b>	<b>\$2,693.1</b>	<b>\$2,307.9</b>	<b>\$2,073.6</b>	<b>\$2,253.8</b>	<b>\$2,635.6</b>	<b>\$2,547.8</b>

*Ending Balance*

Non Spendable-Inventories, Cash, Others	\$1.0	\$1.0	\$0.0	\$0.0	\$0.0	\$0.0
Restricted Ending Balances	\$186.6	\$138.5	\$192.9	\$124.4	\$0.0	\$59.1
Assigned Ending Balances	\$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
Undesignated/Unassigned Ending Balances	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0
<b>Total Ending Balance</b>	<b>\$187.6</b>	<b>\$139.4</b>	<b>\$192.9</b>	<b>\$124.4</b>	<b>\$0.0</b>	<b>\$59.1</b>
<b>Total Uses of Funds</b>	<b>\$2,880.7</b>	<b>\$2,447.3</b>	<b>\$2,266.5</b>	<b>\$2,378.2</b>	<b>\$2,635.6</b>	<b>\$2,606.9</b>

**SUPERINTENDENT'S 2015-16 FINAL BUDGET**  
**OPERATING FUND**  
**General Fund - Unrestricted and Restricted Programs**  
**Expenditures by Sub-Object**

			2011-12	2012-13	2013-14	2014-15	2015-16	2015-16
			Actual	Actual	Actual	3rd Interim	Authorized	Estimated
			Amounts	Amounts	Amounts	Estimate	Amounts	Amounts
Amounts in \$ millions								
IFS	SACS							
Object	Object							
<i>Certificated Salaries</i>								
1100	1100	Salaries - Teachers	\$2,086.2	\$2,025.4	\$2,014.7	\$2,126.8	\$2,205.5	\$2,356.3
1200	1300	Salaries - School Administrators	\$144.7	\$138.1	\$131.5	\$134.9	\$200.5	\$147.7
1300	1300	Salaries - Supervisors	\$109.9	\$110.1	\$123.9	\$166.1	\$119.6	\$135.9
1400	1200	Salaries - Librarians	\$7.3	\$6.4	\$7.0	\$8.5	\$8.5	\$8.6
1500	1200	Salaries - Counselors	\$152.9	\$142.0	\$139.2	\$161.0	\$165.8	\$161.1
1600	1200	Salaries - Nurses & Health Employees	\$58.3	\$56.1	\$56.0	\$59.5	\$69.6	\$62.2
1700	1300	Salaries - Superintendents	\$2.4	\$1.9	\$1.8	\$2.3	\$2.2	\$2.3
1800	1300	Salaries - Non-school Administrators	\$5.1	\$5.5	\$5.7	\$6.8	\$5.5	\$6.7
1900	1900	Other Certificated Employees	\$114.9	\$106.2	\$105.6	\$119.4	\$117.7	\$158.2
<i>Total Certificated Salaries</i>			\$2,681.6	\$2,591.7	\$2,585.4	\$2,785.2	\$2,894.8	\$3,039.1
<i>Classified Salaries</i>								
2100	2100	Instructional Aides	\$215.0	\$203.8	\$203.3	\$206.7	\$233.3	\$209.3
2200	2300	Classified Administrators	\$20.0	\$20.5	\$21.8	\$36.3	\$23.8	\$22.7
2300	2400	Clerical and Office Employees	\$215.9	\$205.9	\$213.2	\$244.2	\$278.9	\$241.9
2400	2200	Maintenance & Operations Employees	\$220.8	\$204.3	\$204.8	\$218.2	\$214.2	\$235.7
2500	2200	Food Service Employees	\$1.4	\$1.4	\$0.4	\$0.4	\$0.2	\$0.4
2600	2200	Transportation Employees	\$60.8	\$61.4	\$67.5	\$54.9	\$62.3	\$56.9
2900	2900	Other Classified Employees	\$85.3	\$84.1	\$89.3	\$97.1	\$100.1	\$104.1
<i>Total Classified Salaries</i>			\$819.2	\$781.4	\$800.3	\$857.8	\$912.9	\$871.0
<i>Employee Benefits</i>								
3100	3100	State Teachers Retirement System	\$215.6	\$207.7	\$206.8	\$240.0	\$309.3	\$321.4
3200	3200	Public Employees Retirement System	\$99.9	\$98.3	\$98.9	\$96.4	\$106.9	\$97.3
3300	3300	Social Security, Medicare, PARS	\$98.2	\$94.2	\$95.8	\$102.3	\$116.6	\$107.5
3400	3400	Benefits - Employee Health Benefits	\$552.2	\$545.9	\$574.2	\$549.5	\$594.6	\$600.5
3500	3500	Benefits - Unemployment Insurance	\$62.7	\$41.4	\$5.1	\$4.1	\$2.3	\$2.4
3600	3600	Benefits - Workers Compensation	\$71.6	\$95.6	\$104.2	\$162.9	\$109.6	\$109.8
3700	3700	Benefits - Retiree Health Benefits	\$248.7	\$253.1	\$287.8	\$281.2	\$305.4	\$303.9
3800	3800	Benefits - PERS Recapture	\$4.0	\$0.7	\$0.0	\$0.0	\$0.0	\$0.0
3900	3900	Benefits - General	\$13.0	\$12.8	\$12.9	\$0.0	\$0.0	\$0.0
<i>Total Employee Benefits</i>			\$1,365.8	\$1,349.6	\$1,385.7	\$1,436.5	\$1,544.6	\$1,542.8
<i>Books and Supplies</i>								
4100	4100	Textbooks	\$43.1	\$22.9	\$33.4	\$106.6	\$74.9	\$164.5
4200	4200	Other Books	\$0.6	\$0.4	\$1.5	\$7.9	\$0.3	\$4.0
4300	4300	Instructional Materials	\$58.7	\$54.6	\$21.3	\$66.1	\$880.2	\$317.8
4400	4400	Non-Capitalized Equipment	\$41.8	\$17.9	\$25.5	\$47.2	\$6.2	\$22.1
4500	4300	General Supplies	\$76.1	\$60.0	\$99.7	\$101.0	\$215.5	\$164.5
4600	4300	Pupil Transportation Supplies	\$9.7	\$9.0	\$0.6	\$9.6	\$11.1	\$10.4
4700	4700	Food Services Supplies	\$1.0	\$0.6	\$0.2	\$0.3	\$0.1	\$0.1
<i>Total Books and Supplies</i>			\$231.1	\$165.5	\$182.2	\$338.7	\$1,188.4	\$683.4

**SUPERINTENDENT'S 2015-16 FINAL BUDGET**  
**OPERATING FUND**  
**General Fund - Unrestricted and Restricted Programs**  
**Expenditures by Sub-Object**

			2011-12 Actual Amounts	2012-13 Actual Amounts	2013-14 Actual Amounts	2014-15 3rd Interim Estimate	2015-16 Authorized Amounts	2015-16 Estimated Amounts
<i>Other Operating Expense</i>								
5100	5800	Instructional Consultants	\$86.5	\$74.6	\$20.1	\$33.4	\$20.9	\$21.8
5200	5200	Travel & Conference Expenses	\$7.2	\$8.3	\$9.5	\$10.2	\$4.4	\$7.9
5300	5300	Dues and Memberships	\$0.6	\$0.7	\$0.8	\$0.8	\$0.5	\$0.7
5400	5400	Insurance	\$37.2	\$87.3	\$58.3	\$57.9	\$35.6	\$36.6
5500	5500	Utilities & Housekeeping Services	\$105.4	\$113.6	\$124.2	\$133.4	\$141.9	\$144.2
5600	5600	Rentals, Leases & Repairs	\$37.2	\$18.6	\$17.4	\$17.0	\$28.4	\$16.8
5700	5700	Subagreements	\$0.0	\$0.0	(\$4.0)	(\$3.0)	\$0.0	\$0.0
5800	5800	Other Services & Operating Expenses	\$399.7	\$447.9	\$412.3	\$454.7	\$489.9	\$501.6
5900	5900	Telephone, Pager & Postage	\$24.1	\$24.5	\$28.8	\$34.4	\$31.8	\$86.5
<i>Total Operating Expense</i>			\$698.0	\$775.4	\$667.5	\$738.7	\$753.5	\$816.1
<i>Capital Outlay</i>								
6100	6100	Sites & Improvement of Sites	\$1.1	\$0.4	\$0.0	\$0.0	\$0.6	\$0.2
6200	6200	Buildings & Improvement of Buildings	\$15.8	\$12.0	\$13.7	\$2.5	\$2.2	\$0.2
6300	6300	Books & Media for Libraries	\$4.9	\$5.7	\$0.0	\$0.0	\$0.0	\$0.0
6400	6400	Equipment	\$16.7	\$2.9	\$18.8	\$7.8	\$2.9	\$4.7
6500	6500	Equipment Replacement	\$5.1	\$2.3	\$0.0	\$0.0	\$0.7	\$1.9
<i>Total Capital Outlay</i>			\$43.6	\$23.3	\$32.5	\$10.3	\$6.4	\$7.0
<i>Other Outgo</i>								
7100	7100	Tuition	\$0.2	\$0.2	\$5.2	\$6.6	\$7.4	\$6.6
7200	7200	Other Transfer Out	\$1.0	\$1.0	\$1.1	\$1.0	\$1.0	\$1.0
7300	7300	Interprogram Support Costs	(\$27.4)	(\$12.6)	(\$17.4)	(\$29.2)	(\$22.4)	(\$22.4)
7400	7400	Other outgo	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0
7600	7600	Interfund Transfers	\$152.8	\$171.0	\$128.1	\$141.9	\$140.7	\$140.7
7700	7400	Other Uses	\$1.3	\$0.9	\$0.9	\$0.9	\$0.0	\$0.1
<i>Total Other Outgo</i>			\$127.9	\$160.6	\$117.9	\$121.2	\$126.7	\$126.0
Total Expenditures			\$5,967.3	\$5,847.5	\$5,771.5	\$6,288.4	\$7,427.2	\$7,085.5

**SUPERINTENDENT'S 2015-16 FINAL BUDGET**  
**OPERATING FUND**  
**General Fund - Unrestricted Programs**  
**Expenditures by Sub-Object**

	2011-12 Actual Amounts	2012-13 Actual Amounts	2013-14 Actual Amounts	2014-15 3rd Interim Estimate	2015-16 Authorized Amounts	2015-16 Estimated Amounts
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Amounts in \$ millions

IFS      SACS  
Object   Object

*Certificated Salaries*

1100	1100	Salaries - Teachers	\$1,432.1	\$1,473.8	\$1,436.0	\$1,572.2	\$1,684.8	\$1,760.3
1200	1300	Salaries - School Administrators	\$116.9	\$110.4	\$103.3	\$111.3	\$177.9	\$125.3
1300	1300	Salaries - Supervisors	\$59.7	\$59.0	\$64.2	\$101.3	\$78.6	\$94.3
1400	1200	Salaries - Librarians	\$5.1	\$4.9	\$5.7	\$7.2	\$7.7	\$7.7
1500	1200	Salaries - Counselors	\$53.9	\$62.1	\$65.4	\$93.4	\$91.4	\$93.3
1600	1200	Salaries - Nurses & Health Employees	\$16.0	\$15.7	\$16.0	\$19.9	\$21.9	\$20.6
1700	1300	Salaries - Superintendents	\$2.4	\$1.9	\$1.8	\$2.3	\$2.2	\$2.3
1800	1300	Salaries - Nonschool Administrators	\$3.5	\$3.7	\$3.5	\$5.0	\$3.7	\$4.9
1900	1900	Other Certificated Employees	\$20.1	\$18.5	\$25.3	\$49.0	\$47.9	\$93.4
<i>Total Certificated Salaries</i>			\$1,709.7	\$1,749.9	\$1,721.2	\$1,961.6	\$2,116.2	\$2,202.1

*Classified Salaries*

2100	2100	Instructional Aides	\$4.6	\$4.0	\$3.8	\$4.7	\$3.6	\$4.9
2200	2300	Classified Administrators	\$15.6	\$15.3	\$17.0	\$33.7	\$21.9	\$21.0
2300	2400	Clerical and Office Employees	\$166.1	\$156.6	\$167.7	\$207.2	\$246.1	\$210.6
2400	2200	Maintenance & Operations Employees	\$161.1	\$157.3	\$151.7	\$168.2	\$163.8	\$186.8
2500	2200	Food Service Employees	\$0.3	\$0.3	\$0.3	\$0.4	\$0.2	\$0.4
2600	2200	Transportation Employees	\$30.5	\$32.0	\$16.9	\$54.1	\$62.3	\$56.3
2900	2900	Other Classified Employees	\$32.4	\$34.9	\$40.3	\$45.3	\$54.2	\$58.0
<i>Total Classified Salaries</i>			\$410.6	\$400.4	\$397.6	\$513.6	\$552.1	\$537.9

*Employee Benefits*

3100	3100	State Teachers Retirement System	\$139.8	\$142.2	\$139.1	\$170.8	\$229.3	\$235.1
3200	3200	Public Employees Retirement System	\$57.2	\$56.1	\$55.1	\$61.9	\$69.9	\$63.3
3300	3300	Social Security, Medicare, PARS	\$53.0	\$52.2	\$52.4	\$63.9	\$74.6	\$64.8
3400	3400	Benefits - Employee Health Benefits	\$328.3	\$339.2	\$348.6	\$361.7	\$365.1	\$383.2
3500	3500	Benefits - Unemployment Insurance	\$39.1	\$27.1	\$3.8	\$3.0	\$1.6	\$1.7
3600	3600	Benefits - Workers Compensation	\$44.6	\$61.7	\$65.9	\$109.7	\$74.0	\$75.4
3700	3700	Benefits - Retiree Health Benefits	\$148.0	\$157.3	\$174.9	\$184.6	\$190.6	\$195.2
3800	3800	Benefits - PERS Recapture	\$0.1	(\$1.8)	\$0.0	\$0.0	\$0.0	\$0.0
3900	3900	Benefits - General	\$13.0	\$12.8	\$12.9	\$0.0	\$0.0	\$0.0
<i>Total Employee Benefits</i>			\$823.0	\$846.8	\$852.6	\$955.7	\$1,005.0	\$1,018.8

*Books and Supplies*

4100	4100	Textbooks	\$23.7	\$1.6	\$0.7	\$71.3	\$57.1	\$146.7
4200	4200	Other Books	\$0.3	\$0.2	\$1.0	\$3.8	\$0.3	\$4.0
4300	4300	Instructional Materials	\$23.4	\$22.9	(\$18.6)	\$17.3	\$512.3	\$72.4
4400	4400	Non-Capitalized Equipment	\$9.3	\$4.9	\$7.0	\$22.0	\$2.4	\$14.0
4500	4300	General Supplies	\$27.4	\$30.0	\$59.4	\$74.2	\$98.9	\$66.7
4600	4300	Pupil Transportation Supplies	\$4.1	\$7.0	(\$7.9)	\$9.5	\$11.1	\$10.3
4700	4700	Food Services Supplies	\$0.0	\$0.1	\$0.1	\$0.0	\$0.1	\$0.1
<i>Total Books and Supplies</i>			\$88.2	\$66.6	\$41.7	\$198.1	\$682.3	\$314.3

**SUPERINTENDENT'S 2015-16 FINAL BUDGET**  
**OPERATING FUND**  
**General Fund - Unrestricted Programs**  
**Expenditures by Sub-Object**

			2011-12 Actual Amounts	2012-13 Actual Amounts	2013-14 Actual Amounts	2014-15 3rd Interim Estimate	2015-16 Authorized Amounts	2015-16 Estimated Amounts
<i>Other Operating Expense</i>								
5100	5800	Instructional Consultants	\$7.3	\$3.7	\$2.2	\$6.9	\$5.0	\$5.8
5200	5200	Travel & Conference Expenses	\$2.5	\$2.8	\$3.5	\$4.2	\$2.6	\$4.0
5300	5300	Dues and Memberships	\$0.5	\$0.6	\$0.7	\$0.7	\$0.5	\$0.7
5400	5400	Insurance	\$37.2	\$87.3	\$58.3	\$57.9	\$35.6	\$36.6
5500	5500	Utilities & Housekeeping Services	\$105.2	\$113.5	\$123.9	\$133.4	\$141.9	\$144.1
5600	5600	Rentals, Leases & Repairs	\$26.5	\$13.3	\$10.5	\$15.3	\$20.8	\$15.5
5700	5700	Subagreements	(\$87.0)	\$0.0	(\$4.0)	(\$3.0)	\$0.0	\$0.0
5800	5800	Other Services & Operating Expenses	\$80.7	\$104.2	\$62.0	\$121.5	\$138.9	\$108.1
5900	5900	Telephone, Pager & Postage	\$23.1	\$24.0	\$27.8	\$34.0	\$31.5	\$86.2
<i>Total Operating Expense</i>			\$195.9	\$349.4	\$285.0	\$370.7	\$376.9	\$401.1
<i>Capital Outlay</i>								
6100	6100	Sites & Improvement of Sites	\$0.9	\$0.4	\$0.0	\$0.0	\$0.6	\$0.2
6200	6200	Buildings & Improvement of Buildings	\$11.0	\$11.6	\$14.1	\$2.4	\$2.1	\$0.2
6300	6300	Books & Media for Libraries	\$4.9	\$5.7	\$0.0	\$0.0	\$0.0	\$0.0
6400	6400	Equipment	\$0.7	\$1.9	\$3.7	\$3.8	\$2.5	\$3.7
6500	6500	Equipment Replacement	\$0.2	\$0.2	\$0.0	\$0.0	\$0.7	\$1.9
<i>Total Capital Outlay</i>			\$17.7	\$19.8	\$17.8	\$6.3	\$5.9	\$5.9
<i>Other Outgo</i>								
7100	7100	Tuition	\$0.2	\$0.2	\$5.2	\$6.6	\$7.4	\$6.6
7200	7200	Other Transfer Out	\$1.0	\$1.0	\$1.1	\$1.0	\$1.0	\$1.0
7300	7300	Interprogram Support Costs	(\$126.4)	(\$66.4)	(\$75.3)	(\$117.5)	(\$95.8)	(\$91.1)
7400	7400	Other outgo	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0
7600	7600	InterfundTransfers	\$152.8	\$171.0	\$97.9	\$137.7	\$140.7	\$140.7
7700	7400	Other Uses	\$1.3	\$0.9	\$0.9	\$0.9	\$0.0	\$0.1
<i>Total Other Outgo</i>			\$29.0	\$106.7	\$29.8	\$28.6	\$53.3	\$57.3
Total Expenditures			\$3,274.2	\$3,539.6	\$3,345.7	\$4,034.6	\$4,791.7	\$4,537.5

**SUPERINTENDENT'S 2015-16 FINAL BUDGET**  
**OPERATING FUND**  
**General Fund - Restricted Programs**  
**Expenditures by Sub-Object**

	2011-12 Actual Amounts	2012-13 Actual Amounts	2013-14 Actual Amounts	2014-15 3rd Interim Estimate	2015-16 Authorized Amounts	2015-16 Estimated Amounts
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Amounts in \$ millions

IFS      SACS  
Object   Object

*Certificated Salaries*

1100	1100	Salaries - Teachers	\$654.0	\$551.7	\$578.7	\$554.6	\$520.6	\$596.0
1200	1300	Salaries - School Administrators	\$27.7	\$27.7	\$28.2	\$23.6	\$22.6	\$22.4
1300	1300	Salaries - Supervisors	\$50.2	\$51.1	\$59.7	\$64.7	\$41.0	\$41.6
1400	1200	Salaries - Librarians	\$2.1	\$1.4	\$1.3	\$1.2	\$0.8	\$0.9
1500	1200	Salaries - Counselors	\$99.0	\$79.9	\$73.9	\$67.5	\$74.4	\$67.8
1600	1200	Salaries - Nurses & Health Employees	\$42.3	\$40.5	\$40.0	\$39.7	\$47.7	\$41.6
1700	1300	Salaries - Superintendents	\$0.1	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0
1800	1300	Salaries - Nonschool Administrators	\$1.7	\$1.8	\$2.2	\$1.8	\$1.8	\$1.8
1900	1900	Other Certificated Employees	\$94.8	\$87.7	\$80.3	\$70.4	\$69.8	\$64.8
<i>Total Certificated Salaries</i>			\$971.9	\$841.8	\$864.2	\$823.6	\$778.6	\$837.0

*Classified Salaries*

2100	2100	Instructional Aides	\$210.4	\$199.9	\$199.5	\$202.0	\$229.7	\$204.4
2200	2300	Classified Administrators	\$4.4	\$5.3	\$4.8	\$2.5	\$2.0	\$1.7
2300	2400	Clerical and Office Employees	\$49.8	\$49.4	\$45.5	\$37.1	\$32.8	\$31.3
2400	2200	Maintenance & Operations Employees	\$59.7	\$47.0	\$53.1	\$50.0	\$50.4	\$48.9
2500	2200	Food Service Employees	\$1.1	\$1.0	\$0.1	\$0.0	\$0.0	\$0.0
2600	2200	Transportation Employees	\$30.3	\$29.3	\$50.6	\$0.8	\$0.0	\$0.6
2900	2900	Other Classified Employees	\$53.0	\$49.2	\$49.1	\$51.8	\$45.9	\$46.2
<i>Total Classified Salaries</i>			\$408.7	\$381.0	\$402.7	\$344.3	\$360.8	\$333.1

*Employee Benefits*

3100	3100	State Teachers Retirement System	\$75.8	\$65.5	\$67.7	\$69.2	\$80.0	\$86.3
3200	3200	Public Employees Retirement System	\$42.6	\$42.2	\$43.8	\$34.5	\$37.0	\$34.0
3300	3300	Social Security, Medicare, PARS	\$45.2	\$42.1	\$43.4	\$38.4	\$42.0	\$42.7
3400	3400	Benefits - Employee Health Benefits	\$223.9	\$206.7	\$225.6	\$187.8	\$229.5	\$217.3
3500	3500	Benefits - Unemployment Insurance	\$23.6	\$14.3	\$1.3	\$1.1	\$0.7	\$0.7
3600	3600	Benefits - Workers Compensation	\$27.0	\$33.9	\$38.3	\$53.2	\$35.7	\$34.4
3700	3700	Benefits - Retiree Health Benefits	\$100.8	\$95.8	\$112.9	\$96.5	\$114.8	\$108.6
3800	3800	Benefits - PERS Recapture	\$3.9	\$2.5	\$0.0	\$0.0	\$0.0	\$0.0
3900	3900	Benefits - General	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0
<i>Total Employee Benefits</i>			\$542.8	\$502.8	\$533.1	\$480.8	\$539.6	\$523.9

*Books and Supplies*

4100	4100	Textbooks	\$19.3	\$21.3	\$32.8	\$35.3	\$17.7	\$17.7
4200	4200	Other Books	\$0.3	\$0.2	\$0.5	\$4.1	\$0.0	\$0.0
4300	4300	Instructional Materials	\$35.4	\$31.7	\$39.9	\$48.8	\$367.9	\$245.3
4400	4400	Non-Capitalized Equipment	\$32.6	\$13.0	\$18.5	\$25.2	\$3.7	\$8.1
4500	4300	General Supplies	\$48.8	\$30.1	\$40.3	\$26.8	\$116.6	\$97.7
4600	4300	Pupil Transportation Supplies	\$5.7	\$2.0	\$8.4	\$0.1	\$0.0	\$0.1
4700	4700	Food Services Supplies	\$0.9	\$0.5	\$0.1	\$0.2	\$0.1	\$0.1
<i>Total Books and Supplies</i>			\$142.9	\$98.8	\$140.5	\$140.6	\$506.1	\$369.0



**SUPERINTENDENT'S 2015-16 FINAL BUDGET**  
**OPERATING FUND**  
**General Fund - Restricted Programs**  
**Expenditures by Sub-Object**

2011-12 Actual Amounts	2012-13 Actual Amounts	2013-14 Actual Amounts	2014-15 3rd Interim Estimate	2015-16 Authorized Amounts	2015-16 Estimated Amounts
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Amounts in \$ millions

IFS      SACS  
Object   Object

*Other Operating Expense*

5100	5800	Instructional Consultants	\$79.2	\$70.9	\$17.9	\$26.5	\$15.8	\$16.0
5200	5200	Travel & Conference Expenses	\$4.8	\$5.5	\$6.1	\$6.0	\$1.8	\$3.9
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	\$0.0	\$0.0
5500	5500	Utilities & Housekeeping Services	\$0.2	\$0.2	\$0.3	\$0.0	\$0.0	\$0.1
5600	5600	Rentals, Leases & Repairs	\$10.7	\$5.3	\$6.9	\$1.7	\$7.6	\$1.3
5700	5700	Subagreement for Services	\$87.0	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0
5800	5800	Other Services & Operating Expenses	\$319.0	\$343.7	\$350.3	\$333.2	\$351.0	\$393.5
5900	5900	Telephone, Pager & Postage	\$1.0	\$0.4	\$1.0	\$0.4	\$0.2	\$0.3
<i>Total Operating Expense</i>			<b>\$502.0</b>	<b>\$426.1</b>	<b>\$382.5</b>	<b>\$368.0</b>	<b>\$376.6</b>	<b>\$415.0</b>

*Capital Outlay*

6100	6100	Sites & Improvement of Sites	\$0.2	(\$0.1)	\$0.0	\$0.0	\$0.0	\$0.0
6200	6200	Buildings & Improvement of Buildings	\$4.8	\$0.4	(\$0.4)	\$0.0	\$0.1	\$0.1
6300	6300	Books & Meida for Libraries	\$0.0	\$0.0	(\$0.2)	\$0.0	\$0.0	\$0.0
6400	6400	Equipment	\$15.9	\$1.0	\$15.1	\$4.0	\$0.4	\$1.0
6500	6500	Equipment Replacement	\$4.9	\$2.1	\$0.0	\$0.0	\$0.0	\$0.0
<i>Total Capital Outlay</i>			<b>\$25.8</b>	<b>\$3.4</b>	<b>\$14.5</b>	<b>\$4.0</b>	<b>\$0.5</b>	<b>\$1.1</b>

*Other Outgo*

7100	7100	Tuition	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0
7200	7200	Other Transfer Out	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0
7300	7300	Interprogram Support Costs	\$99.0	\$53.8	\$57.9	\$88.3	\$73.4	\$68.7
7400	7400	Other outgo	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0
7600	7600	InterfundTransfers	\$0.0	\$0.1	\$30.2	\$4.3	\$0.0	\$0.0
7900	7900	Undistributed Reserves	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0
<i>Total Other Outgo</i>			<b>\$99.0</b>	<b>\$53.9</b>	<b>\$88.1</b>	<b>\$92.6</b>	<b>\$73.4</b>	<b>\$68.7</b>

Total Expenditures	\$2,693.1	\$2,307.9	\$2,425.6	\$2,253.8	\$2,635.6	\$2,547.9
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**SUPERINTENDENT'S 2015-16 FINAL BUDGET**  
**OPERATING FUND**  
**Total Sources General Fund Restricted Programs**

Reporting Resource	SACS RESOURCE	Beginning Balance	Carryover	New Revenue	Contribution	Total Sources
<b>Federal Sources</b>						
3010	NCLB: Title I, Part A, Basic Grants Low-Income and Neglected		\$89.8	\$282.8		\$372.6
3310	Special Ed: IDEA Basic Local Assistance Entitlement, Part B, Sec 611 (formerly I			\$115.7	-\$18.8	\$96.9
4035	NCLB: Title II, Part A, Teacher Quality			\$41.8		\$41.8
3180	NCLB: Title I, School Improvement Grant		\$13.3	\$16.0		\$29.3
4124	NCLB: Title IV, Part B, 21st Century Community Learning Centers Program		\$2.8	\$18.1		\$20.9
5640	Medi-Cal Billing Option	\$4.3		\$15.5		\$19.8
4203	NCLB: Title III, Limited English Proficient (LEP) Student Program		\$3.8	\$14.7		\$18.5
3312	Special Ed: IDEA Local Assistance				\$17.4	\$17.4
3320	Special Ed: IDEA Preschool Local Entitlement, Part B, Sec 611		\$0.0	\$10.9		\$11.0
3550	Vocational Programs: Voc & Appl Tech Secondary II C, Sec 131 (Carl Perkins Act)		\$1.0	\$6.9		\$7.9
3327	Special Ed: IDEA Mental Health Allocation Plan, Part B, Sec 611			\$6.9		\$6.9
3315	Special Ed: IDEA Preschool Grants, Part B, Sec 619			\$4.9		\$4.9
3332	Special Ed: IDEA-B PreSch Loc Entl EIS				\$1.6	\$1.6
3311	Special Ed: IDEA Local Assistance, Part B, Sec 611, Private School ISPs				\$1.4	\$1.4
3025	NCLB: Title I, Part D, Local Delinquent Program		\$0.4	\$1.0		\$1.4
3410	Department of Rehab: Workability II, Transition Partnership			\$1.4		\$1.4
3385	Special Ed: IDEA Early Intervention Grants			\$1.2		\$1.2
3318	Special Ed: IDEA Part B, Sec 619 Preschool Grants Early Intervention Services				\$0.7	\$0.7
3060	NCLB: Title I, Part C, Migrant Ed (Regular and Summer Program)			\$1.0	-\$0.5	\$0.5
3061	NCLB: Title I, Migrant Ed Summer Program				\$0.5	\$0.5
5650	FEMA Public Assistance Funds	\$0.2				\$0.2
3316	Special Ed: IDEA Preschool Accountability Grants, Part B, Sec 619			\$0.1		\$0.1
9010	Other Local			\$0.7		\$0.7
5610	Workforce Investment Act (WIA) From Other Agencies (LWIB)			\$0.0		\$0.0
3345	Special Ed: IDEA Preschool Staff Development, Part B, Sec 619		\$0.0	\$0.0		\$0.0
5810	Other Restricted Federal	\$7.1	\$13.2	\$60.5		\$80.8
Total Federal Sources		\$11.5	\$124.4	\$600.2	\$2.4	\$738.4
<b>State Sources</b>						
6500	Special Education	\$3.5		\$365.6	\$956.6	\$1,325.7
8150	Ongoing & Major Maintenance Account (RMA: Education Code Section 17070.75)				\$211.0	\$211.0
6230	California Clean Energy Jobs Act	\$51.8		\$26.0		\$77.8
6010	After School Education and Safety (ASES)			\$77.2		\$77.2
7400	Quality Education Investment Act	\$39.2				\$39.2
6512	Special Ed: Mental Health Services			\$36.3		\$36.3
6300	Lottery: Instructional Materials			\$17.7		\$17.7
7091	Economic Impact Aid: Limited English Proficiency (LEP)	\$4.2				\$4.2
6382	California Career Pathways Trust		\$0.0	\$3.8		\$3.8
6225	Emergency Repair Program - Williams Case	\$3.7				\$3.7
6510	Special Ed: Early Ed Individuals with Exceptional Needs (Infant Program)	\$0.1		\$3.1		\$3.2
6286	English Language Acquisition Program, Teacher Training & Student Assistance	\$2.3				\$2.3
6360	Pupils with Disabilities Attending ROC/F				\$2.0	\$2.0
7220	Partnership Academies Program		\$1.7			\$1.7
6385	Governor's CTE Initiative: California Partnership Academies		\$0.9			\$0.9
6690	Tobacco Use Prevention Education: IGH School Comp		\$0.7			\$0.7
6515	Special Ed: Infant Discretionary Funds			\$0.1		\$0.1
6386	California Partnership Academies: Green and Clean Academies		\$0.1			\$0.1
6381	Linked Learning Pilot Program		\$0.0			\$0.0
7370	Supplementary Programs: Specialized Secondary		\$0.0			\$0.0
7810	Other Restricted State	\$0.5		\$18.0		\$18.5
Total State Resources		\$105.4	\$3.4	\$547.7	\$1,169.6	\$1,826.1
<b>Local Sources</b>						
9010	Other Local	\$7.5	\$1.0	\$33.8	\$0.1	\$42.4
Total Local Resources		\$7.5	\$1.0	\$33.8	\$0.1	\$42.4
<b>Total Restricted Program Sources</b>		<b>\$124.4</b>	<b>\$128.7</b>	<b>\$1,181.7</b>	<b>\$1,172.1</b>	<b>\$2,607.0</b>

**SUPERINTENDENT'S 2015-16 FINAL BUDGET**  
**OPERATING FUND**  
**General Fund - Restricted Program**  
**Special Education (D)**

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. This program is within the General Fund Restricted Programs. With the implementation of LCFF, the Transportation portion have been classified Unrestricted General Fund.

<b>Regular Program</b>	2010-11 Actual Amounts	2011-12 Actual Amounts	2012-13 Actual Amounts	2013-14 Actual Amounts	2014-15 3rd Interim Estimate	2015-16 Authorized Amounts	2015-16 Estimated Amounts
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Amounts in \$ millions

**Sources of Funds**

*Beginning Balance*

Restricted Beginning Balances	\$6.8	\$14.2	\$9.5	\$3.6	\$4.4	\$3.6	\$3.6
<b>Total Beginning Balance</b>	\$6.8	\$14.2	\$9.5	\$3.6	\$4.4	\$3.6	\$3.6

*Revenue*

Revenue Limit Revenues/LCFF	\$147.5	\$144.2	\$142.0	\$0.0	\$0.0	\$0.0	\$0.0
Federal Revenues	\$153.6	\$154.6	\$96.5	\$110.9	\$111.6	\$103.7	\$103.7
State Revenues	\$423.6	\$399.5	\$396.6	\$353.2	\$349.5	\$348.2	\$348.2
Local Revenues	\$0.2	\$0.4	\$0.3	\$0.1	\$0.2	\$0.2	\$0.2
SELPA Charter Schools Revenue	\$48.6	\$51.2	\$56.7	\$59.7	\$68.3	\$75.5	\$75.5
Contribution-Unrestricted Programs	\$582.2	\$605.5	\$599.9	\$727.6	\$804.3	\$969.4	\$923.5
Contribution-Fair Share	\$13.9	\$13.9	\$10.6	\$11.4	\$12.1	\$15.8	\$15.8
Contribution-Transportation Programs (LCFF)	\$22.2	\$25.0	\$0.0	\$0.0	\$72.1	\$73.5	\$73.5
<b>Total Revenue</b>	\$1,391.6	\$1,394.2	\$1,302.6	\$1,262.9	\$1,418.2	\$1,586.2	\$1,540.3
<b>Total Sources of Funds</b>	\$1,398.4	\$1,408.4	\$1,312.1	\$1,266.6	\$1,422.6	\$1,589.8	\$1,543.8

**Uses of Funds**

*Expenditure*

Certificated Salaries	\$425.3	\$424.5	\$434.7	\$449.2	\$469.1	\$545.6	\$560.3
Classified Salaries	\$234.9	\$229.2	\$221.5	\$198.5	\$228.8	\$251.0	\$226.4
Employee Benefits	\$299.3	\$310.7	\$320.7	\$314.2	\$340.5	\$394.6	\$364.4
Books and Supplies	\$29.7	\$24.1	\$19.0	\$15.6	\$30.6	\$44.0	\$30.8
Other Operating Expenses	\$322.0	\$300.9	\$224.9	\$191.6	\$227.8	\$233.0	\$238.7
SELPA Charter School Expenditures	\$48.6	\$51.2	\$56.7	\$59.7	\$68.3	\$75.5	\$75.5
Capital Outlay	\$0.3	\$0.8	\$0.1	\$0.4	\$0.1	\$0.1	\$0.1
Other Outgo	\$24.2	\$57.5	\$30.9	\$33.1	\$53.9	\$46.2	\$44.1
<b>Total Expenditure</b>	\$1,384.2	\$1,398.9	\$1,308.5	\$1,262.1	\$1,419.0	\$1,589.8	\$1,540.3

*Ending Balance*

Non Spendable-Inventories, Cash, Others	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0
Restricted Ending Balances	\$14.2	\$9.5	\$3.6	\$4.4	\$3.6	\$0.0	\$3.6
Assigned Ending Balances	\$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
Reserve for Revenue Uncertainties	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0
Undesignated Ending Balances	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0
<b>Total Ending Balance</b>	\$14.2	\$9.5	\$3.6	\$4.4	\$3.6	\$0.0	\$3.6
<b>Total Uses of Funds</b>	\$1,398.4	\$1,408.4	\$1,312.1	\$1,266.6	\$1,422.6	\$1,589.8	\$1,543.8

# Other Funds

**SUPERINTENDENT'S 2015-16 FINAL BUDGET**  
**OPERATING FUND**  
**Adult Education Fund - Unrestricted Programs (029/110)**

The Adult Education Fund-Unrestricted is mainly used for the operation of Community Adult Schools that serve adults and a small number of concurrently-enrolled students.

	2011-12 Actual Amounts	2012-13 Actual Amounts	2013-14 Actual Amounts	2014-15 3rd Interim Estimate	2015-16 Authorized Amounts	2015-16 Estimated Amounts
Amounts in \$ millions						
<b>Sources of Funds</b>						
<i>Beginning Balance</i>						
Non Spendable-Inventories, Cash, Others	\$0.1	\$0.1	\$0.1	\$0.0	\$0.0	\$0.0
Assigned Beginning Balances	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0
Committed Beginning Balances	\$3.6	\$5.6	\$8.8	\$8.9	\$5.0	\$5.0
<b><i>Total Beginning Balance</i></b>	<b>\$3.7</b>	<b>\$5.6</b>	<b>\$8.8</b>	<b>\$9.0</b>	<b>\$5.1</b>	<b>\$5.1</b>
<i>Revenue</i>						
Local Control Funding Formula	\$0.0	\$0.0	\$57.1	\$61.1	\$0.0	\$0.0
State Revenues	\$128.9	\$1.8	\$3.6	\$1.6	\$68.7	\$68.7
Local Revenues	\$1.7	\$1.7	\$0.2	\$1.4	\$1.4	\$1.4
Interfund Transfers In	\$0.0	\$60.6	\$0.0	\$3.3	\$0.0	\$0.0
<b><i>Total Revenue</i></b>	<b>\$130.6</b>	<b>\$64.0</b>	<b>\$60.9</b>	<b>\$67.4</b>	<b>\$70.1</b>	<b>\$70.1</b>
<b><i>Total Sources of Funds</i></b>	<b>\$134.3</b>	<b>\$69.7</b>	<b>\$69.7</b>	<b>\$76.4</b>	<b>\$75.1</b>	<b>\$75.1</b>
<b>Uses of Funds</b>						
<i>Expenditure</i>						
Certificated Salaries	\$64.6	\$25.8	\$24.4	\$29.8	\$21.2	\$21.2
Classified Salaries	\$16.5	\$9.6	\$9.8	\$11.3	\$10.0	\$10.0
Employee Benefits	\$33.0	\$16.7	\$17.0	\$17.4	\$6.3	\$6.3
Books and Supplies	\$3.9	\$3.6	\$3.2	\$5.3	\$27.8	\$27.8
Other Operating Expenses	\$3.6	\$3.3	\$4.2	\$3.8	\$5.0	\$5.0
Capital Outlay	\$1.2	\$0.8	\$0.2	\$0.1	\$2.3	\$2.3
Other Outgo	\$5.8	\$1.0	\$2.0	\$3.5	\$2.6	\$2.6
<b><i>Total Expenditure</i></b>	<b>\$128.7</b>	<b>\$60.8</b>	<b>\$60.7</b>	<b>\$71.3</b>	<b>\$75.1</b>	<b>\$75.1</b>
<i>Ending Balance</i>						
Non Spendable-Inventories, Cash, Others	\$0.1	\$0.1	\$0.0	\$0.0	\$0.0	\$0.0
Committed Ending Balances	\$5.6	\$8.8	\$8.9	\$5.0	\$0.0	\$0.0
Undesignated/Unassigned Ending Balances	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0
<b><i>Total Ending Balance</i></b>	<b>\$5.6</b>	<b>\$8.8</b>	<b>\$9.0</b>	<b>\$5.1</b>	<b>\$0.0</b>	<b>\$0.0</b>
<b><i>Total Uses of Funds</i></b>	<b>\$134.3</b>	<b>\$69.7</b>	<b>\$69.7</b>	<b>\$76.4</b>	<b>\$75.1</b>	<b>\$75.1</b>

**SUPERINTENDENT'S 2015-16 FINAL BUDGET**  
**OPERATING FUND**  
**Adult Education Fund - Restricted Programs (029/110)**

The Adult Education Fund-Restricted consists of Specially Funded Programs for Adult Education students.

2011-12 Actual Amounts	2012-13 Actual Amounts	2013-14 Actual Amounts	2014-15 3rd Interim Estimate	2015-16 Authorized Amounts	2015-16 Estimated Amounts
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Amounts in \$ millions

**Sources of Funds**

*Beginning Balance*

Restricted Beginning Balances	\$7.8	\$4.4	\$0.0	\$0.0	\$0.0	\$0.0
<b><i>Total Beginning Balance</i></b>	<b>\$7.8</b>	<b>\$4.4</b>	<b>\$0.0</b>	<b>\$0.0</b>	<b>\$0.0</b>	<b>\$0.0</b>

*Revenue*

Federal Revenues	\$16.6	\$20.4	\$17.1	\$11.6	\$19.5	\$19.5
State Revenues	\$6.2	\$6.2	\$0.1	\$0.5	\$3.5	\$3.5
Local Revenues	\$0.2	\$0.1	\$0.1	\$0.1	\$1.0	\$1.0
<b><i>Total Revenue</i></b>	<b>\$23.0</b>	<b>\$26.7</b>	<b>\$17.3</b>	<b>\$12.2</b>	<b>\$24.0</b>	<b>\$24.0</b>
<b><i>Total Sources of Funds</i></b>	<b>\$30.8</b>	<b>\$31.1</b>	<b>\$17.3</b>	<b>\$12.2</b>	<b>\$24.0</b>	<b>\$24.0</b>

**Uses of Funds**

*Expenditure*

Certificated Salaries	\$11.3	\$10.9	\$10.8	\$7.8	\$6.7	\$6.7
Classified Salaries	\$4.5	\$0.5	\$0.5	\$0.4	\$0.4	\$0.4
Employee Benefits	\$5.0	\$4.7	\$4.8	\$3.4	\$1.3	\$1.3
Books and Supplies	\$4.6	\$4.1	\$1.0	\$0.3	\$15.6	\$15.6
Other Operating Expenses	\$0.6	\$0.2	\$0.2	\$0.4	\$0.0	\$0.0
Capital Outlay	\$0.1	\$0.2	\$0.0	\$0.0	\$0.0	\$0.0
Other Outgo	\$0.1	\$10.5	\$0.1	\$0.0	\$0.0	\$0.0
<b><i>Total Expenditure</i></b>	<b>\$26.4</b>	<b>\$31.0</b>	<b>\$17.3</b>	<b>\$12.2</b>	<b>\$24.0</b>	<b>\$24.0</b>

*Ending Balance*

Restricted Ending Balances	\$4.4	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0
<b><i>Total Ending Balance</i></b>	<b>\$4.4</b>	<b>\$0.0</b>	<b>\$0.0</b>	<b>\$0.0</b>	<b>\$0.0</b>	<b>\$0.0</b>
<b><i>Total Uses of Funds</i></b>	<b>\$30.8</b>	<b>\$31.1</b>	<b>\$17.3</b>	<b>\$12.2</b>	<b>\$24.0</b>	<b>\$24.0</b>

**SUPERINTENDENT'S 2015-16 FINAL BUDGET**  
**OPERATING FUND**  
**Child Development Fund - Unrestricted Program (011/120)**

Child Development Fund provides half day and full day programs. Fees are based on each family's ability to pay.

2011-12 Actual Amounts	2012-13 Actual Amounts	2013-14 Actual Amounts	2014-15 3rd Interim Estimate	2015-16 Authorized Amounts	2015-16 Estimated Amounts
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Amounts in \$ millions

**Sources of Funds**

*Beginning Balance*

Non Spendable-Inventories, Cash, Others	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0
Restricted Beginning Balances	\$0.1	\$0.1	\$0.1	\$0.6	\$0.6	\$0.6
Audit Adjustments	\$0.0	\$0.0	\$0.0		\$0.0	\$0.0
Undesignated/Unassigned Beginning Balances	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0
<b>Total Beginning Balance</b>	\$0.1	\$0.1	\$0.1	\$0.6	\$0.6	\$0.6

*Revenue*

Federal Revenues	\$35.7	\$24.6	\$20.3	\$26.8	\$27.2	\$27.2
State Revenues	\$71.5	\$67.6	\$72.7	\$75.9	\$75.5	\$75.5
Local Revenues	\$2.9	\$2.6	\$3.1	\$3.2	\$3.1	\$3.1
Interfund Transfers In	\$19.4	\$15.3	\$30.2	\$34.4	\$41.0	\$41.0
Interprogram Transfers	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0
<b>Total Revenue</b>	\$129.6	\$110.1	\$126.3	\$140.3	\$146.9	\$146.9
<b>Total Sources of Funds</b>	\$129.7	\$110.2	\$126.4	\$140.9	\$147.4	\$147.4

**Uses of Funds**

*Expenditure*

Certificated Salaries	\$40.9	\$34.0	\$35.3	\$39.2	\$40.0	\$40.0
Classified Salaries	\$40.0	\$34.7	\$42.3	\$44.6	\$46.9	\$46.9
Employee Benefits	\$38.3	\$34.1	\$39.9	\$44.8	\$46.1	\$46.1
Books and Supplies	\$1.5	\$1.7	\$1.6	\$1.8	\$3.5	\$3.5
Other Operating Expenses	\$2.4	\$2.4	\$2.5	\$2.9	\$5.1	\$5.1
Capital Outlay	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0
Other Outgo	\$6.5	\$3.2	\$4.1	\$7.0	\$5.8	\$5.8
<b>Total Expenditure</b>	\$129.6	\$110.1	\$125.8	\$140.4	\$147.4	\$147.4

*Ending Balance*

Non Spendable-Inventories, Cash, Others	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0
Restricted Ending Balances	\$0.1	\$0.1	\$0.6	\$0.6	\$0.0	\$0.0
Undesignated/Unassigned Ending Balances	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0
<b>Total Ending Balance</b>	\$0.1	\$0.1	\$0.6	\$0.6	\$0.0	\$0.0
<b>Total Uses of Funds</b>	\$129.7	\$110.2	\$126.4	\$140.9	\$147.4	\$147.4

**SUPERINTENDENT'S 2015-16 FINAL BUDGET**  
**OPERATING FUND**  
**Child Development Fund - Restricted Program (011/120)**

Child Development Fund are Specially Funded programs for pre-school children.

2011-12 Actual Amounts	2012-13 Actual Amounts	2013-14 Actual Amounts	2014-15 3rd Interim Estimate	2015-16 Authorized Amounts	2015-16 Estimated Amounts
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Amounts in \$ millions

**Sources of Funds**

*Beginning Balance*

Non Spendable-Inventories, Cash, Others	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0
Restricted Beginning Balances	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0
Assigned Beginning Balances	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0
Undesignated/Unassigned Beginning Balances	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0
<b><i>Total Beginning Balance</i></b>	<b>\$0.0</b>	<b>\$0.0</b>	<b>\$0.0</b>	<b>\$0.0</b>	<b>\$0.0</b>	<b>\$0.0</b>

*Revenue*

Federal Revenues	\$0.1	\$0.0	\$0.0	\$0.0	\$1.0	\$1.0
State Revenues	\$0.7	\$0.7	\$0.0	\$0.0	\$0.7	\$0.7
Local Revenues	\$2.8	\$2.5	\$2.6	\$3.1	\$3.9	\$3.9
Interprogram Transfers	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0
Other Financing Sources	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0
<b><i>Total Revenue</i></b>	<b>\$3.6</b>	<b>\$3.2</b>	<b>\$2.6</b>	<b>\$3.1</b>	<b>\$5.6</b>	<b>\$5.6</b>
<b><i>Total Sources of Funds</i></b>	<b>\$3.6</b>	<b>\$3.2</b>	<b>\$2.6</b>	<b>\$3.1</b>	<b>\$5.6</b>	<b>\$5.6</b>

**Uses of Funds**

*Expenditure*

Certificated Salaries	\$0.9	\$1.4	\$1.5	\$1.7	\$1.6	\$1.6
Classified Salaries	\$1.1	\$0.5	\$0.2	\$0.3	\$0.2	\$0.2
Employee Benefits	\$0.8	\$0.8	\$0.6	\$0.7	\$0.3	\$0.3
Books and Supplies	\$0.4	\$0.4	\$0.2	\$0.2	\$3.3	\$3.3
Other Operating Expenses	\$0.1	\$0.0	\$0.1	\$0.0	\$0.1	\$0.1
Capital Outlay	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0
Other Outgo	\$0.2	\$0.1	\$0.1	\$0.2	\$0.1	\$0.1
<b><i>Total Expenditure</i></b>	<b>\$3.6</b>	<b>\$3.2</b>	<b>\$2.6</b>	<b>\$3.1</b>	<b>\$5.6</b>	<b>\$5.6</b>
<b><i>Total Uses of Funds</i></b>	<b>\$3.6</b>	<b>\$3.2</b>	<b>\$2.6</b>	<b>\$3.1</b>	<b>\$5.6</b>	<b>\$5.6</b>



**SUPERINTENDENT'S 2015-16 FINAL BUDGET**  
**OPERATING FUND**  
**Cafeteria Fund (030/130)**

Cafeteria Fund provides all school nutrition programs in elementary and secondary schools.

2011-12 Actual Amounts	2012-13 Actual Amounts	2013-14 Actual Amounts	2014-15 3rd Interim Estimate	2015-16 Authorized Amounts	2015-16 Estimated Amounts
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Amounts in \$ millions

**Sources of Funds**

*Beginning Balance*

Non Spendable-Inventories, Cash, Others	\$4.9	\$13.1	\$10.1	\$6.7	\$6.7	\$6.7
Restricted Beginning Balances	\$3.8	\$5.8	\$14.7	\$19.4	\$15.0	\$15.0
Undesignated/Unassigned Beginning Balances	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0
<b>Total Beginning Balance</b>	<b>\$8.8</b>	<b>\$18.9</b>	<b>\$24.9</b>	<b>\$26.0</b>	<b>\$21.7</b>	<b>\$21.7</b>

*Revenue*

Federal Revenues	\$221.4	\$268.1	\$297.0	\$303.1	\$314.4	\$314.4
State Revenues	\$17.8	\$18.6	\$20.5	\$21.6	\$21.9	\$21.9
Local Revenues	\$7.3	\$6.6	\$6.6	\$7.5	\$9.0	\$9.0
Repayment*	\$88.6	\$39.4	<u>\$0.0</u>	<u>\$0.0</u>	<u>\$0.0</u>	<u>\$0.0</u>
Support	\$0.0	\$14.4	<u>\$51.0</u>	<u>\$57.4</u>	<u>\$60.8</u>	<u>\$60.8</u>
CIPR	\$0.9	\$0.9	<u>\$0.9</u>	<u>\$1.4</u>	<u>\$0.0</u>	<u>\$0.0</u>
<b>Total Revenue</b>	<b>\$336.0</b>	<b>\$347.9</b>	<b>\$376.0</b>	<b>\$391.0</b>	<b>\$406.0</b>	<b>\$406.0</b>
<b>Total Sources of Funds</b>	<b>\$344.8</b>	<b>\$366.8</b>	<b>\$400.8</b>	<b>\$417.0</b>	<b>\$427.7</b>	<b>\$427.7</b>

**Uses of Funds**

*Expenditure*

Classified Salaries	\$88.4	\$86.0	\$88.7	\$98.1	\$94.4	\$94.4
Employee Benefits	\$78.0	\$78.8	\$81.7	\$86.2	\$76.0	\$76.0
Books and Supplies	\$139.1	\$163.3	\$188.3	\$187.7	\$215.4	\$215.4
Other Operating Expenses	\$3.8	\$1.9	\$2.4	\$2.5	\$3.2	\$3.2
Capital Outlay	\$0.9	\$1.7	\$1.5	\$2.2	\$3.2	\$3.2
Other Outgo	\$15.6	\$10.1	\$12.1	\$18.6	\$14.4	\$14.4
<b>Total Expenditure</b>	<b>\$325.9</b>	<b>\$341.9</b>	<b>\$374.8</b>	<b>\$395.4</b>	<b>\$406.5</b>	<b>\$406.5</b>

*Ending Balance*

Non Spendable-Inventories, Cash, Others	\$13.1	\$10.1	\$6.7	\$6.7	\$6.2	\$6.2
Restricted Ending Balances	\$5.8	\$14.7	\$19.4	\$15.0	\$15.0	\$15.0
Undesignated/Unassigned Ending Balances	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0
<b>Total Ending Balance</b>	<b>\$18.9</b>	<b>\$24.9</b>	<b>\$26.0</b>	<b>\$21.7</b>	<b>\$21.2</b>	<b>\$21.2</b>
<b>Total Uses of Funds</b>	<b>\$344.8</b>	<b>\$366.8</b>	<b>\$400.8</b>	<b>\$417.0</b>	<b>\$427.7</b>	<b>\$427.7</b>

\* Repayment per MOU with CDE dated March 18, 2011

**SUPERINTENDENT'S 2015-16 FINAL BUDGET**  
**CAPITAL FUND**  
**Building Fund - Measure R (043/210)**

Measure R was a local bond measure approved by voters in March 2004. The total value of the bond was \$ 3,350 million. This fund is used for new school construction and repairs to existing schools. Most projects also receive matching State funds.

	2011-12 Actual Amounts	2012-13 Actual Amounts	2013-14 Actual Amounts	2014-15 3rd Interim Estimate	2015-16 Authorized Amounts	2015-16 Estimated Amounts
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Amounts in \$ millions

**Sources of Funds**

*Beginning Balance*

Non Spendable-Inventories, Cash, Others	\$0.3	\$0.3	\$0.3	\$0.2	\$0.2	\$0.2
Restricted Beginning Balances	\$741.9	\$967.9	\$784.3	\$457.1	\$373.2	\$373.2
Audit Adjustments	\$10.1	\$0.0	-\$2.3		\$0.0	\$0.0
<b><i>Total Beginning Balance</i></b>	<b>\$752.3</b>	<b>\$968.2</b>	<b>\$782.3</b>	<b>\$457.4</b>	<b>\$373.4</b>	<b>\$373.4</b>

*Revenue*

Local Revenues	\$17.8	\$10.4	\$7.7	\$13.0	\$2.6	\$2.6
Interfund Transfers In	\$514.2	\$60.6	\$0.0	\$47.7	\$0.0	\$0.0
Other Financing Sources	\$0.0	\$0.0	\$0.0	\$75.2	\$160.0	\$160.0
<b><i>Total Revenue</i></b>	<b>\$532.0</b>	<b>\$71.0</b>	<b>\$7.7</b>	<b>\$135.8</b>	<b>\$162.6</b>	<b>\$162.6</b>
<b><i>Total Sources of Funds</i></b>	<b>\$1,284.2</b>	<b>\$1,039.2</b>	<b>\$790.0</b>	<b>\$593.2</b>	<b>\$536.0</b>	<b>\$536.0</b>

**Uses of Funds**

*Expenditure*

Classified Salaries	\$34.3	\$38.8	\$45.1	\$41.0	\$30.3	\$31.8
Employee Benefits	\$15.0	\$18.6	\$21.1	\$17.1	\$5.7	\$6.3
Books and Supplies	\$3.4	\$2.2	\$3.3	\$77.7	\$0.1	\$0.1
Other Operating Expenses	\$27.4	\$18.8	\$22.9	\$25.4	\$0.1	\$0.1
Capital Outlay	\$208.9	\$142.3	\$235.7	\$39.7	\$499.6	\$290.9
Other Outgo	\$27.1	\$33.9	\$4.6	\$19.0	\$0.0	\$0.0
<b><i>Total Expenditure</i></b>	<b>\$316.0</b>	<b>\$254.6</b>	<b>\$332.6</b>	<b>\$219.8</b>	<b>\$535.8</b>	<b>\$329.2</b>

*Ending Balance*

Non Spendable-Inventories, Cash, Others	\$0.3	\$0.3	\$0.2	\$0.2	\$0.2	\$0.2
Restricted Ending Balances	\$967.9	\$784.3	\$457.1	\$373.2	\$0.0	\$206.6
<b><i>Total Ending Balance</i></b>	<b>\$968.2</b>	<b>\$784.6</b>	<b>\$457.4</b>	<b>\$373.4</b>	<b>\$0.2</b>	<b>\$206.8</b>
<b><i>Total Uses of Funds</i></b>	<b>\$1,284.2</b>	<b>\$1,039.2</b>	<b>\$790.0</b>	<b>\$593.2</b>	<b>\$536.0</b>	<b>\$536.0</b>

**SUPERINTENDENT'S 2015-16 FINAL BUDGET**  
**CAPITAL FUND**  
**Building Fund - Proposition BB (045/211)**

Prop BB was a local bond issue approved by voters in April 1997. This fund is used for construction of new schools and repair and modernization of existing schools, often with State matching funds. There is \$ 0 million of unused authority.

2011-12 Actual Amounts	2012-13 Actual Amounts	2013-14 Actual Amounts	2014-15 3rd Interim Estimate	2015-16 Authorized Amounts	2015-16 Estimated Amounts
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Amounts in \$ millions

**Sources of Funds**

*Beginning Balance*

Non Spendable-Inventories, Cash, Others	\$3.0	\$3.0	\$3.0	\$2.1	\$2.1	\$2.1
Restricted Beginning Balances	\$20.6	\$18.2	\$15.5	\$16.0	\$8.2	\$8.2
Audit Adjustments	-\$0.1	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0
<b>Total Beginning Balance</b>	<b>\$23.5</b>	<b>\$21.2</b>	<b>\$18.5</b>	<b>\$18.2</b>	<b>\$10.3</b>	<b>\$10.3</b>

*Revenue*

Local Revenues	\$0.4	\$0.3	\$0.2	\$0.1	\$0.0	\$0.0
Interfund Transfers In	\$24.4	\$29.1	\$0.0	\$0.9	\$0.0	\$0.0
<b>Total Revenue</b>	<b>\$24.7</b>	<b>\$29.4</b>	<b>\$0.2</b>	<b>\$1.0</b>	<b>\$0.0</b>	<b>\$0.0</b>
<b>Total Sources of Funds</b>	<b>\$48.2</b>	<b>\$50.6</b>	<b>\$18.8</b>	<b>\$19.2</b>	<b>\$10.3</b>	<b>\$10.3</b>

**Uses of Funds**

*Expenditure*

Classified Salaries	\$0.0	\$0.0	\$0.0	\$0.3	\$0.0	\$0.0
Employee Benefits	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0
Books and Supplies	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0
Other Operating Expenses	\$0.1	\$3.4	\$0.1	\$2.7	\$0.0	\$0.0
Capital Outlay	\$1.0	\$1.0	\$0.5	\$0.5	\$4.9	\$4.9
Other Outgo	\$25.9	\$27.7	\$0.0	\$5.5	\$0.0	\$0.0
<b>Total Expenditure</b>	<b>\$27.1</b>	<b>\$32.0</b>	<b>\$0.6</b>	<b>\$8.9</b>	<b>\$4.9</b>	<b>\$4.9</b>

*Ending Balance*

Non Spendable-Inventories, Cash, Others	\$3.0	\$3.0	\$2.1	\$2.1	\$2.1	\$2.1
Restricted Ending Balances	\$18.2	\$15.5	\$16.0	\$8.2	\$3.3	\$3.3
<b>Total Ending Balance</b>	<b>\$21.2</b>	<b>\$18.5</b>	<b>\$18.2</b>	<b>\$10.3</b>	<b>\$5.4</b>	<b>\$5.4</b>
<b>Total Uses of Funds</b>	<b>\$48.2</b>	<b>\$50.6</b>	<b>\$18.8</b>	<b>\$19.2</b>	<b>\$10.3</b>	<b>\$10.3</b>

**SUPERINTENDENT'S 2015-16 FINAL BUDGET**  
**CAPITAL FUND**  
**Building Fund (070/212)**

The Building Fund is used to account for proceeds from the sale of bonds, state allowances, and other resources designated for facility expansion.

	2011-12 Actual Amounts	2012-13 Actual Amounts	2013-14 Actual Amounts	2014-15 3rd Interim Estimate	2015-16 Authorized Amounts	2015-16 Estimated Amounts
Amounts in \$ millions						
<b>Sources of Funds</b>						
<i>Beginning Balance</i>						
Restricted Beginning Balances	\$2.0	\$1.4	\$3.5	\$4.3	\$7.9	\$7.9
Audit Adjustments	-\$0.2	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0
<b><i>Total Beginning Balance</i></b>	<b>\$1.8</b>	<b>\$1.4</b>	<b>\$3.5</b>	<b>\$4.3</b>	<b>\$7.9</b>	<b>\$7.9</b>
<i>Revenue</i>						
Local Revenues	\$0.4	\$2.1	\$0.7	\$3.6	\$0.7	\$0.7
Interfund Transfers In	\$0.0	\$0.0	\$0.1	\$0.0	\$0.0	\$0.0
<b><i>Total Revenue</i></b>	<b>\$0.4</b>	<b>\$2.1</b>	<b>\$0.9</b>	<b>\$3.6</b>	<b>\$0.7</b>	<b>\$0.7</b>
<b><i>Total Sources of Funds</i></b>	<b>\$2.1</b>	<b>\$3.5</b>	<b>\$4.4</b>	<b>\$7.9</b>	<b>\$8.6</b>	<b>\$8.6</b>
<b>Uses of Funds</b>						
<i>Expenditure</i>						
Other Operating Expenses	\$0.3	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0
Capital Outlay	\$0.4	\$0.0	\$0.0	\$0.0	\$8.6	\$8.6
Other Outgo	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0
<b><i>Total Expenditure</i></b>	<b>\$0.7</b>	<b>\$0.0</b>	<b>\$0.0</b>	<b>\$0.0</b>	<b>\$8.6</b>	<b>\$8.6</b>
<i>Ending Balance</i>						
Restricted Ending Balances	\$1.4	\$3.5	\$4.3	\$7.9	\$0.0	\$0.0
<b><i>Total Ending Balance</i></b>	<b>\$1.4</b>	<b>\$3.5</b>	<b>\$4.3</b>	<b>\$7.9</b>	<b>\$0.0</b>	<b>\$0.0</b>
<b><i>Total Uses of Funds</i></b>	<b>\$2.1</b>	<b>\$3.5</b>	<b>\$4.4</b>	<b>\$7.9</b>	<b>\$8.6</b>	<b>\$8.6</b>

**SUPERINTENDENT'S 2015-16 FINAL BUDGET**  
**CAPITAL FUND**  
**Building Fund - Measure K (044/213)**

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

2011-12 Actual Amounts	2012-13 Actual Amounts	2013-14 Actual Amounts	2014-15 3rd Interim Estimate	2015-16 Authorized Amounts	2015-16 Estimated Amounts
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Amounts in \$ millions

**Sources of Funds**

*Beginning Balance*

Restricted Beginning Balances	\$270.0	\$273.4	\$296.1	\$252.7	\$189.4	\$189.4
Audit Adjustments	\$9.0	\$0.0	-\$1.0		\$0.0	\$0.0
<b>Total Beginning Balance</b>	<b>\$279.0</b>	<b>\$273.4</b>	<b>\$295.1</b>	<b>\$252.7</b>	<b>\$189.4</b>	<b>\$189.4</b>

*Revenue*

Local Revenues	\$2.6	\$2.1	\$2.1	\$1.7	\$1.3	\$1.3
Interfund Transfers In	\$78.6	\$84.3	\$0.0	\$27.8	\$0.0	\$0.0
Other Financing Resources	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0
<b>Total Revenue</b>	<b>\$81.2</b>	<b>\$86.4</b>	<b>\$2.1</b>	<b>\$29.5</b>	<b>\$1.3</b>	<b>\$1.3</b>
<b>Total Sources of Funds</b>	<b>\$360.2</b>	<b>\$359.8</b>	<b>\$297.2</b>	<b>\$282.1</b>	<b>\$190.8</b>	<b>\$190.8</b>

**Uses of Funds**

*Expenditure*

Classified Salaries	\$3.9	\$4.4	\$3.6	\$13.0	\$24.9	\$24.9
Employee Benefits	\$1.6	\$2.1	\$1.7	\$4.8	\$5.9	\$5.9
Books and Supplies	\$1.1	\$0.4	\$0.6	\$4.6	\$0.0	\$0.0
Other Operating Expenses	\$1.6	\$5.2	\$3.4	\$32.2	\$0.0	\$0.0
Capital Outlay	\$64.8	\$38.2	\$35.2	\$8.0	\$159.9	\$83.2
Other Outgo	\$13.7	\$13.3	\$0.0	\$30.2	\$0.0	\$0.0
<b>Total Expenditure</b>	<b>\$86.8</b>	<b>\$63.7</b>	<b>\$44.5</b>	<b>\$92.7</b>	<b>\$190.8</b>	<b>\$114.1</b>

*Ending Balance*

Restricted Ending Balances	\$273.4	\$296.1	\$252.7	\$189.4	\$0.0	\$76.7
<b>Total Ending Balance</b>	<b>\$273.4</b>	<b>\$296.1</b>	<b>\$252.7</b>	<b>\$189.4</b>	<b>\$0.0</b>	<b>\$76.7</b>
<b>Total Uses of Funds</b>	<b>\$360.2</b>	<b>\$359.8</b>	<b>\$297.2</b>	<b>\$282.1</b>	<b>\$190.8</b>	<b>\$190.8</b>

# SUPERINTENDENT'S 2015-16 FINAL BUDGET

## CAPITAL FUND

### Building Fund - Measure Y (042/214)

Measure Y was a local bond issue approved by voters in November 2005. The total dollar value of the bond was \$ 3,985 million. This fund is used for school construction and modernization, with a goal of returning all schools to a traditional calendar.

	2011-12 Actual Amounts	2012-13 Actual Amounts	2013-14 Actual Amounts	2014-15 3rd Interim Estimate	2015-16 Authorized Amounts	2015-16 Estimated Amounts
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Amounts in \$ millions

#### Sources of Funds

##### *Beginning Balance*

Non Spendable-Inventories, Cash, Others	\$0.5	\$0.5	\$0.5	\$3.3	\$3.3	\$3.3
Restricted Beginning Balances	\$1,763.7	\$843.4	\$640.4	\$395.9	\$201.7	\$201.7
Audit Adjustments	\$1.4	\$0.0	-\$7.8	\$0.0	\$0.0	\$0.0
<b>Total Beginning Balance</b>	<b>\$1,765.6</b>	<b>\$843.9</b>	<b>\$633.1</b>	<b>\$399.2</b>	<b>\$205.0</b>	<b>\$205.0</b>

##### *Revenue*

Local Revenues	\$23.3	\$14.6	\$12.9	\$5.8	\$1.7	\$1.7
Interfund Transfers In	\$51.0	\$89.1	\$0.0	\$71.4	\$0.0	\$0.0
Other Financing Sources	\$0.0	\$0.0	\$0.0	\$60.6	\$382.2	\$382.2
<b>Total Revenue</b>	<b>\$74.4</b>	<b>\$103.8</b>	<b>\$12.9</b>	<b>\$137.9</b>	<b>\$383.8</b>	<b>\$383.8</b>
<b>Total Sources of Funds</b>	<b>\$1,840.0</b>	<b>\$947.7</b>	<b>\$646.0</b>	<b>\$537.0</b>	<b>\$588.8</b>	<b>\$588.8</b>

#### Uses of Funds

##### *Expenditure*

Classified Salaries	\$16.8	\$17.7	\$8.0	\$31.0	\$51.8	\$51.8
Employee Benefits	\$8.8	\$7.4	\$3.9	\$13.1	\$12.5	\$12.5
Books and Supplies	\$6.5	\$4.5	\$2.5	\$8.5	\$0.0	\$0.0
Other Operating Expenses	\$9.0	\$14.0	-\$0.6	\$0.6	\$1.0	\$1.0
Capital Outlay	\$498.9	\$219.5	\$226.3	\$201.2	\$490.1	\$301.8
Other Outgo	\$456.2	\$43.6	\$6.6	\$77.7	\$30.0	\$30.0
<b>Total Expenditure</b>	<b>\$996.1</b>	<b>\$306.8</b>	<b>\$246.8</b>	<b>\$332.0</b>	<b>\$585.6</b>	<b>\$397.2</b>

##### *Ending Balance*

Non Spendable-Inventories, Cash, Others	\$0.5	\$0.5	\$3.3	\$3.3	\$3.3	\$3.3
Restricted Ending Balances	\$843.4	\$640.4	\$395.9	\$201.7	\$0.0	\$188.3
<b>Total Ending Balance</b>	<b>\$843.9</b>	<b>\$640.9</b>	<b>\$399.2</b>	<b>\$205.0</b>	<b>\$3.3</b>	<b>\$191.6</b>
<b>Total Uses of Funds</b>	<b>\$1,840.0</b>	<b>\$947.7</b>	<b>\$646.0</b>	<b>\$537.0</b>	<b>\$588.8</b>	<b>\$588.8</b>

# SUPERINTENDENT'S 2015-16 FINAL BUDGET

## CAPITAL FUND

### Building Fund - Measure Q (041/215)

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

	2011-12	2013-14	2014-15	2015-16	2015-16
	Actual	Actual	3rd Interim	Authorized	Estimated
	Amounts	Amounts	Estimate	Amounts	Amounts

Amounts in \$millions

#### Sources of Funds

##### *Beginning Balance*

Non Spendable-Inventories, Cash, Others	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0
Restricted Beginning Balances	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0
Audit Adjustments	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0
<b><i>Total Beginning Balance</i></b>	<b>\$0.0</b>	<b>\$0.0</b>	<b>\$0.0</b>	<b>\$0.0</b>	<b>\$0.0</b>

##### *Revenue*

Local Revenues	\$0.0	\$0.0	\$0.0	\$1.0	\$1.0
Interfund Transfers In	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0
Other Financing Sources	\$0.0	\$0.0	\$0.0	\$700.0	\$700.0
<b><i>Total Revenue</i></b>	<b>\$0.0</b>	<b>\$0.0</b>	<b>\$0.0</b>	<b>\$701.0</b>	<b>\$701.0</b>
<b><i>Total Sources of Funds</i></b>	<b>\$0.0</b>	<b>\$0.0</b>	<b>\$0.0</b>	<b>\$701.0</b>	<b>\$701.0</b>

#### Uses of Funds

##### *Expenditure*

Classified Salaries	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0
Employee Benefits	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0
Books and Supplies	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0
Other Operating Expenses	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0
Capital Outlay	\$0.0	\$0.0	\$0.0	\$413.2	\$413.2
Other Outgo	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0
<b><i>Total Expenditure</i></b>	<b>\$0.0</b>	<b>\$0.0</b>	<b>\$0.0</b>	<b>\$413.2</b>	<b>\$413.2</b>

##### *Ending Balance*

Non Spendable-Inventories, Cash, Others	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0
Restricted Ending Balances	\$0.0	\$0.0	\$0.0	\$287.8	\$287.8
<b><i>Total Ending Balance</i></b>	<b>\$0.0</b>	<b>\$0.0</b>	<b>\$0.0</b>	<b>\$287.8</b>	<b>\$287.8</b>
<b><i>Total Uses of Funds</i></b>	<b>\$0.0</b>	<b>\$0.0</b>	<b>\$0.0</b>	<b>\$701.0</b>	<b>\$701.0</b>

**SUPERINTENDENT'S 2015-16 FINAL BUDGET**  
**CAPITAL FUND**  
**County School Facilities Fund (066/351)**

This fund is a consolidation of all County Facilities Funds.

	2011-12 Actual Amounts	2012-13 Actual Amounts	2013-14 Actual Amounts	2014-15 3rd Interim Estimate	2015-16 Authorized Amounts	2015-16 Estimated Amounts
Amounts in \$ millions						
<b>Sources of Funds</b>						
<i>Beginning Balance</i>						
Restricted Beginning Balances	\$701.5	\$505.0	\$454.3	\$545.0	\$420.1	\$420.1
Audit Adjustments	\$11.1	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0
<b><i>Total Beginning Balance</i></b>	<b>\$712.5</b>	<b>\$505.0</b>	<b>\$454.3</b>	<b>\$545.0</b>	<b>\$420.1</b>	<b>\$420.1</b>
<i>Revenue</i>						
State Revenues	\$88.1	\$162.6	\$105.2	\$14.1	\$42.6	\$42.6
Local Revenues	\$6.0	\$2.9	\$24.4	\$3.4	\$3.3	\$3.3
Interfund Transfers In	\$37.5	\$110.2	\$0.0	\$30.7	\$0.0	\$0.0
<b><i>Total Revenue</i></b>	<b>\$131.6</b>	<b>\$275.6</b>	<b>\$129.6</b>	<b>\$48.2</b>	<b>\$45.9</b>	<b>\$45.9</b>
<b><i>Total Sources of Funds</i></b>	<b>\$844.1</b>	<b>\$780.6</b>	<b>\$583.9</b>	<b>\$593.2</b>	<b>\$466.0</b>	<b>\$466.0</b>
<b>Uses of Funds</b>						
<i>Expenditure</i>						
Classified Salaries	\$0.2	\$0.3	\$0.1	\$0.7	\$0.0	\$0.0
Employee Benefits	\$0.1	\$0.1	\$0.0	\$0.3	\$0.0	\$0.0
Books and Supplies	\$0.2	\$0.1	\$0.0	\$0.0	\$0.0	\$0.0
Other Operating Expenses	\$0.3	\$0.4	\$0.6	\$18.3	\$0.0	\$0.0
Capital Outlay	\$142.5	\$70.6	\$38.3	\$82.0	\$466.0	\$243.5
Other Outgo	\$195.9	\$254.8	\$0.0	\$71.8	\$0.0	\$0.0
<b><i>Total Expenditure</i></b>	<b>\$339.1</b>	<b>\$326.3</b>	<b>\$39.0</b>	<b>\$173.1</b>	<b>\$466.0</b>	<b>\$243.5</b>
<i>Ending Balance</i>						
Restricted Ending Balances	\$505.0	\$454.3	\$545.0	\$420.1	\$0.0	\$222.5
<b><i>Total Ending Balance</i></b>	<b>\$505.0</b>	<b>\$454.3</b>	<b>\$545.0</b>	<b>\$420.1</b>	<b>\$0.0</b>	<b>\$222.5</b>
<b><i>Total Uses of Funds</i></b>	<b>\$844.1</b>	<b>\$780.6</b>	<b>\$583.9</b>	<b>\$593.2</b>	<b>\$466.0</b>	<b>\$466.0</b>



**SUPERINTENDENT'S 2015-16 FINAL BUDGET**  
**CAPITAL FUND**  
**Special Reserve Fund - CRA (017/400)**

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

	2011-12 Actual Amounts	2012-13 Actual Amounts	2013-14 Actual Amounts	2014-15 3rd Interim Estimate	2015-16 Authorized Amounts	2015-16 Estimated Amounts
Amounts in \$ millions						
<b>Sources of Funds</b>						
<i>Beginning Balance</i>						
Restricted Beginning Balances	\$10.7	\$19.7	\$20.7	\$34.2	\$53.3	\$53.3
Undesignated/Unassigned Beginning Balances	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0
Audit Adjustments	\$0.0	\$0.0	\$0.0	\$0.5	\$0.0	\$0.0
<i>Total Beginning Balance</i>	\$10.7	\$19.7	\$20.7	\$34.6	\$53.3	\$53.3
<i>Revenue</i>						
Local Revenues	\$9.9	\$13.9	\$19.0	\$24.3	\$11.3	\$11.3
<i>Total Revenue</i>	\$9.9	\$13.9	\$19.0	\$24.3	\$11.3	\$11.3
<i>Total Sources of Funds</i>	\$20.6	\$33.7	\$39.7	\$58.9	\$64.6	\$64.6
<b>Uses of Funds</b>						
<i>Expenditure</i>						
Classified Salaries	\$0.0	\$2.7	\$3.1	\$3.3	\$2.1	\$2.1
Employee Benefits	\$0.0	\$1.0	\$1.5	\$1.6	\$0.5	\$0.5
Books and Supplies	\$0.0	\$6.8	\$0.0	\$0.1	\$0.5	\$0.5
Other Operating Expenses	\$0.8	\$1.4	\$0.9	\$0.5	\$0.3	\$0.3
Capital Outlay	\$0.0	\$1.1	\$0.0	\$0.0	\$14.6	\$14.6
Other Outgo	\$0.0	\$0.0	\$0.0	\$0.1	\$30.0	\$30.0
<i>Total Expenditure</i>	\$0.9	\$12.9	\$5.5	\$5.6	\$48.0	\$48.0
<i>Ending Balance</i>						
Restricted Ending Balances	\$19.7	\$20.7	\$34.2	\$53.3	\$16.6	\$16.6
<i>Total Uses of Funds</i>	\$19.7	\$20.7	\$34.2	\$53.3	\$16.6	\$16.6
<i>Total Uses of Funds</i>	\$20.6	\$33.7	\$39.7	\$58.9	\$64.6	\$64.6

**SUPERINTENDENT'S 2015-16 FINAL BUDGET**  
**CAPITAL FUND**  
**Special Reserve Fund (015/401)**

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

2011-12 Actual Amounts	2012-13 Actual Amounts	2013-14 Actual Amounts	2014-15 3rd Interim Estimate	2015-16 Authorized Amounts	2015-16 Estimated Amounts
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Amounts in \$ millions

**Sources of Funds**

*Beginning Balance*

Restricted Beginning Balances	\$120.8	\$137.4	\$94.0	\$77.2	\$78.6	\$78.6
Audit Adjustments	(\$3.1)	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0
<b>Total Beginning Balance</b>	<b>\$117.7</b>	<b>\$137.4</b>	<b>\$94.0</b>	<b>\$77.2</b>	<b>\$78.6</b>	<b>\$78.6</b>

*Revenue*

Federal Revenues	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0
State Revenues	\$0.0	\$0.0	\$0.0	\$0.0	\$0.6	\$0.6
Local Revenues	\$46.6	\$14.2	\$16.8	\$17.3	\$23.4	\$23.4
Interfund Transfers In	\$7.9	\$3.0	\$4.6	\$37.3	\$0.0	\$0.0
Other Financing Sources	\$177.2	\$24.8	\$0.0	\$0.0	\$0.0	\$0.0
<b>Total Revenue</b>	<b>\$231.7</b>	<b>\$42.0</b>	<b>\$21.4</b>	<b>\$54.6</b>	<b>\$24.0</b>	<b>\$24.0</b>
<b>Total Sources of Funds</b>	<b>\$349.3</b>	<b>\$179.4</b>	<b>\$115.4</b>	<b>\$131.8</b>	<b>\$102.6</b>	<b>\$102.6</b>

**Uses of Funds**

*Expenditure*

Classified Salaries	\$0.3	\$0.4	\$0.9	\$1.3	\$0.0	\$0.0
Employee Benefits	\$0.1	\$0.2	\$0.4	\$0.4	\$0.0	\$0.0
Books and Supplies	\$0.3	\$1.2	\$1.5	\$1.0	\$0.0	\$0.0
Other Operating Expenses	\$3.0	\$4.6	\$1.5	\$0.1	\$0.0	\$0.0
Capital Outlay	\$29.8	\$35.5	\$17.1	\$14.6	\$67.7	\$67.7
Other Outgo	\$178.4	\$43.5	\$16.9	\$35.8	\$0.0	\$0.0
<b>Total Expenditure</b>	<b>\$211.9</b>	<b>\$85.4</b>	<b>\$38.2</b>	<b>\$53.2</b>	<b>\$67.7</b>	<b>\$67.7</b>

*Ending Balance*

Restricted Ending Balances	\$137.4	\$94.0	\$77.2	\$78.6	\$34.9	\$34.9
<b>Total Ending Balance</b>	<b>\$137.4</b>	<b>\$94.0</b>	<b>\$77.2</b>	<b>\$78.6</b>	<b>\$34.9</b>	<b>\$34.9</b>
<b>Total Uses of Funds</b>	<b>\$349.3</b>	<b>\$179.4</b>	<b>\$115.4</b>	<b>\$131.8</b>	<b>\$102.6</b>	<b>\$102.6</b>

**SUPERINTENDENT'S 2015-16 FINAL BUDGET**  
**CAPITAL FUND**  
**Special Reserve Fund - FEMA (022/402)**

This fund is for funds received from the Federal Emergency Management Agency, mainly to repair earthquake damage from the the 1994 Northridge earthquake.

2011-12 Actual Amounts	2012-13 Actual Amounts	2013-14 Actual Amounts	2014-15 3rd Interim Estimate	2015-16 Authorized Amounts	2015-16 Estimated Amounts
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Amounts in \$ millions

**Sources of Funds**

*Beginning Balance*

Restricted Beginning Balances	\$0.2	\$0.2	\$0.2	\$7.6	\$7.5	\$7.5
<b><i>Total Beginning Balance</i></b>	<b>\$0.2</b>	<b>\$0.2</b>	<b>\$0.2</b>	<b>\$7.6</b>	<b>\$7.5</b>	<b>\$7.5</b>

*Revenue*

Federal Revenues	\$0.0	\$0.0	\$5.7	\$0.0	\$0.0	\$0.0
State Revenues	\$0.0	\$0.0	\$1.6	\$0.0	\$0.0	\$0.0
Interfund Transfers In	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0
<b><i>Total Revenue</i></b>	<b>\$0.0</b>	<b>\$0.0</b>	<b>\$7.3</b>	<b>\$0.0</b>	<b>\$0.0</b>	<b>\$0.0</b>
<b><i>Total Sources of Funds</i></b>	<b>\$0.2</b>	<b>\$0.2</b>	<b>\$7.6</b>	<b>\$7.6</b>	<b>\$7.5</b>	<b>\$7.5</b>

**Uses of Funds**

*Expenditure*

Classified Salaries	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0
Employee Benefits	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0
Books and Supplies	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0
Other Operating Expenses	\$0.0	\$0.0	\$0.0	\$0.0	\$7.5	\$7.5
Capital Outlay	\$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
<b><i>Total Expenditure</i></b>	<b>\$0.0</b>	<b>\$0.0</b>	<b>\$0.0</b>	<b>\$0.1</b>	<b>\$7.5</b>	<b>\$7.5</b>

*Ending Balance*

Restricted Ending Balances	\$0.2	\$0.2	\$7.6	\$7.5	\$0.0	\$0.0
Undesignated/Unassigned Ending Balances	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0
<b><i>Total Ending Balance</i></b>	<b>\$0.2</b>	<b>\$0.2</b>	<b>\$7.6</b>	<b>\$7.5</b>	<b>\$0.0</b>	<b>\$0.0</b>
<b><i>Total Uses of Funds</i></b>	<b>\$0.2</b>	<b>\$0.2</b>	<b>\$7.6</b>	<b>\$7.6</b>	<b>\$7.5</b>	<b>\$7.5</b>

**SUPERINTENDENT'S 2015-16 FINAL BUDGET**  
**CAPITAL FUND**  
**Special Resv Fund - FEMA - Hazard Mitigation (062/403)**

This fund is used for funds received from the Federal Emergency Management Agency to reduce hazards. District matching funds are required. In the past, these funds have been used mainly to replace pendant lighting and suspended ceilings in schools.

2011-12 Actual Amounts	2012-13 Actual Amounts	2013-14 Actual Amounts	2014-15 3rd Interim Estimate	2015-16 Authorized Amounts	2015-16 Estimated Amounts
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Amounts in \$ millions

**Sources of Funds**

*Beginning Balance*

Restricted Beginning Balances	\$2.0	\$2.0	\$2.0	\$2.0	\$2.1	\$2.1
<i>Total Beginning Balance</i>	\$2.0	\$2.0	\$2.0	\$2.0	\$2.1	\$2.1
<b><i>Total Sources of Funds</i></b>	\$2.0	\$2.0	\$2.0	\$2.1	\$2.1	\$2.1

**Uses of Funds**

*Ending Balance*

Restricted Ending Balances	\$2.0	\$2.0	\$2.0	\$2.1	\$2.1	\$2.1
<i>Total Ending Balance</i>	\$2.0	\$2.0	\$2.0	\$2.1	\$2.1	\$2.1
<b><i>Total Uses of Funds</i></b>	\$2.0	\$2.0	\$2.0	\$2.1	\$2.1	\$2.1

**SUPERINTENDENT'S 2015-16 FINAL BUDGET**  
**CAPITAL FUND**  
**Capital Facilities Account Fund (073/250)**

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

	2011-12 Actual Amounts	2012-13 Actual Amounts	2013-14 Actual Amounts	2014-15 3rd Interim Estimate	2015-16 Authorized Amounts	2015-16 Estimated Amounts
Amounts in \$ millions						
<b>Sources of Funds</b>						
<i>Beginning Balance</i>						
Restricted Beginning Balances	\$24.1	\$52.0	\$95.9	\$142.8	\$158.2	\$158.2
Audit Adjustments	\$1.4	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0
<i>Total Beginning Balance</i>	\$25.5	\$52.0	\$95.9	\$142.8	\$158.2	\$158.2
<i>Revenue</i>						
Local Revenues	\$41.6	\$47.8	\$59.9	\$70.2	\$66.0	\$66.0
Interfund Transfers In	\$0.0	\$9.5	\$0.0	\$1.0	\$0.0	\$0.0
<i>Total Revenue</i>	\$41.6	\$57.3	\$59.9	\$71.3	\$66.0	\$66.0
<i>Total Sources of Funds</i>	\$67.1	\$109.4	\$155.8	\$214.1	\$224.2	\$224.2
<b>Uses of Funds</b>						
<i>Expenditure</i>						
Classified Salaries	\$0.3	\$0.3	\$0.6	\$0.5	\$0.5	\$0.5
Employee Benefits	\$0.1	\$0.2	\$0.2	\$0.2	\$0.1	\$0.1
Books and Supplies	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0
Other Operating Expenses	\$0.6	\$0.7	\$0.4	\$7.2	\$55.7	\$55.7
Capital Outlay	\$4.1	\$1.9	\$2.2	\$22.7	\$50.3	\$50.3
Other Outgo	\$9.9	\$10.4	\$9.6	\$25.2	\$9.6	\$9.6
<i>Total Expenditure</i>	\$15.1	\$13.5	\$13.0	\$55.9	\$116.2	\$116.2
<i>Ending Balance</i>						
Restricted Ending Balances	\$52.0	\$95.9	\$142.8	\$158.2	\$108.0	\$108.0
<i>Total Ending Balance</i>	\$52.0	\$95.9	\$142.8	\$158.2	\$108.0	\$108.0
<i>Total Uses of Funds</i>	\$67.1	\$109.4	\$155.8	\$214.1	\$224.2	\$224.2

**SUPERINTENDENT'S 2015-16 FINAL BUDGET**  
**CAPITAL FUND**  
**State Sch Bldg Lease/Purch Fund (074/300)**

This fund is used for school construction projects to relieve overcrowding.

	2011-12 Actual Amounts	2012-13 Actual Amounts	2013-14 Actual Amounts	2014-15 3rd Interim Estimate	2015-16 Authorized Amounts	2015-16 Estimated Amounts
Amounts in \$ millions						
<b>Sources of Funds</b>						
<i>Beginning Balance</i>						
Restricted Beginning Balances	\$4.3	\$4.3	\$4.4	\$4.4	\$5.9	\$5.9
Audit Adjustments	\$0.0	\$0.0	\$0.0		\$0.0	\$0.0
<b><i>Total Beginning Balance</i></b>	<b>\$4.3</b>	<b>\$4.3</b>	<b>\$4.4</b>	<b>\$4.4</b>	<b>\$5.9</b>	<b>\$5.9</b>
<i>Revenue</i>						
Local Revenues	\$0.4	\$0.1	\$0.1	\$0.1	\$0.0	\$0.0
Interfund Transfers In	\$0.2	\$0.1	\$0.0	\$0.0	\$0.0	\$0.0
<b><i>Total Revenue</i></b>	<b>\$0.6</b>	<b>\$0.2</b>	<b>\$0.1</b>	<b>\$1.7</b>	<b>\$0.0</b>	<b>\$0.0</b>
<b><i>Total Sources of Funds</i></b>	<b>\$4.9</b>	<b>\$4.6</b>	<b>\$4.5</b>	<b>\$6.0</b>	<b>\$5.9</b>	<b>\$5.9</b>
<b>Uses of Funds</b>						
<i>Expenditure</i>						
Capital Outlay	\$0.6	\$0.2	\$0.0	\$0.1	\$5.9	\$5.9
Other Outgo	\$0.0	\$0.0	\$0.1	\$0.0	\$0.0	\$0.0
<b><i>Total Expenditure</i></b>	<b>\$0.6</b>	<b>\$0.2</b>	<b>\$0.2</b>	<b>\$0.1</b>	<b>\$5.9</b>	<b>\$5.9</b>
<i>Ending Balance</i>						
Restricted Ending Balances	\$4.3	\$4.4	\$4.4	\$5.9	\$0.0	\$0.0
<b><i>Total Ending Balance</i></b>	<b>\$4.3</b>	<b>\$4.4</b>	<b>\$4.4</b>	<b>\$5.9</b>	<b>\$0.0</b>	<b>\$0.0</b>
<b><i>Total Uses of Funds</i></b>	<b>\$4.9</b>	<b>\$4.6</b>	<b>\$4.5</b>	<b>\$6.0</b>	<b>\$5.9</b>	<b>\$5.9</b>

**SUPERINTENDENT'S 2015-16 FINAL BUDGET**  
**DEBT SERVICE FUND**  
**Bond Interest & Redemption Fund (004/510)**

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

2011-12 Actual Amounts	2012-13 Actual Amounts	2013-14 Actual Amounts	2014-15 3rd Interim Estimate	2015-16 Authorized Amounts	2015-16 Estimated Amounts
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Amounts in \$ millions

**Sources of Funds**

*Beginning Balance*

Restricted Beginning Balances	\$724.6	\$689.9	\$750.5	\$712.6	\$758.4	\$758.4
Audit Adjustment	\$0.0	-\$8.3	\$0.0	\$0.0	\$0.0	\$0.0
<b>Total Beginning Balance</b>	<b>\$724.6</b>	<b>\$681.6</b>	<b>\$750.5</b>	<b>\$712.6</b>	<b>\$758.4</b>	<b>\$758.4</b>

*Revenue*

Federal Revenues	\$45.2	\$73.8	\$67.9	\$68.4	\$68.4	\$68.4
State Revenues	\$5.3	\$5.4	\$5.3	\$5.2	\$5.3	\$5.3
Local Revenues	\$776.5	\$891.8	\$767.6	\$790.8	\$804.7	\$804.7
Other Financing Sources	\$0.0	\$0.0	\$1,890.1	\$6.1	\$0.0	\$0.0
<b>Total Revenue</b>	<b>\$827.0</b>	<b>\$971.0</b>	<b>\$2,730.8</b>	<b>\$870.5</b>	<b>\$878.4</b>	<b>\$878.4</b>
<b>Total Sources of Funds</b>	<b>\$1,551.6</b>	<b>\$1,652.5</b>	<b>\$3,481.4</b>	<b>\$1,583.2</b>	<b>\$1,636.8</b>	<b>\$1,636.8</b>

**Uses of Funds**

*Expenditure*

Other Outgo	\$861.7	\$902.0	\$2,768.7	\$824.8	\$878.4	\$878.4
<b>Total Expenditure</b>	<b>\$861.7</b>	<b>\$902.0</b>	<b>\$2,768.7</b>	<b>\$824.8</b>	<b>\$878.4</b>	<b>\$878.4</b>

*Ending Balance*

Restricted Ending Balances	\$689.9	\$750.5	\$712.6	\$758.4	\$758.4	\$758.4
<b>Total Ending Balance</b>	<b>\$689.9</b>	<b>\$750.5</b>	<b>\$712.6</b>	<b>\$758.4</b>	<b>\$758.4</b>	<b>\$758.4</b>
<b>Total Uses of Funds</b>	<b>\$1,551.6</b>	<b>\$1,652.5</b>	<b>\$3,481.4</b>	<b>\$1,583.2</b>	<b>\$1,636.8</b>	<b>\$1,636.8</b>

**SUPERINTENDENT'S 2015-16 FINAL BUDGET**  
**DEBT SERVICE FUND**  
**Tax Override Fund (005/530)**

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

2011-12 Actual Amounts	2012-13 Actual Amounts	2013-14 Actual Amounts	2014-15 3rd Interim Estimate	2015-16 Authorized Amounts	2015-16 Estimated Amounts
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Amounts in \$ millions

**Sources of Funds**

*Beginning Balance*

Restricted Beginning Balances	\$0.3	\$0.3	\$0.3	\$0.4	\$0.4	\$0.4
<i>Total Beginning Balance</i>	\$0.3	\$0.3	\$0.3	\$0.4	\$0.4	\$0.4
<b><i>Total Sources of Funds</i></b>	\$0.3	\$0.3	\$0.4	\$0.4	\$0.4	\$0.4

**Uses of Funds**

*Expenditure*

Other Outgo	\$0.0	\$0.0	\$0.0	\$0.0	\$0.4	\$0.4
<b><i>Total Expenditure</i></b>	\$0.0	\$0.0	\$0.0	\$0.0	\$0.4	\$0.4
<i>Ending Balance</i>						
Restricted Ending Balances	\$0.3	\$0.3	\$0.4	\$0.4	\$0.0	\$0.0
Undesignated/Unassigned Ending Balances	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0
<i>Total Ending Balance</i>	\$0.3	\$0.3	\$0.4	\$0.4	\$0.0	\$0.0
<b><i>Total Uses of Funds</i></b>	\$0.3	\$0.3	\$0.4	\$0.4	\$0.4	\$0.4



**SUPERINTENDENT'S 2015-16 FINAL BUDGET**  
**DEBT SERVICE FUND**  
**Capital Services Fund (071/560)**

This fund is used to repay Certificates of Participation (COPs). COPs 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.

2011-12 Actual Amounts	2012-13 Actual Amounts	2013-14 Actual Amounts	2014-15 3rd Interim Estimate	2015-16 Authorized Amounts	2015-16 Estimated Amounts
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Amounts in \$ millions

**Sources of Funds**

*Beginning Balance*

Restricted Beginning Balances	\$81.8	\$59.4	\$54.4	\$55.1	\$55.8	\$55.8
<b><i>Total Beginning Balance</i></b>	<b>\$81.8</b>	<b>\$59.4</b>	<b>\$54.4</b>	<b>\$55.1</b>	<b>\$55.8</b>	<b>\$55.8</b>

*Revenue*

Federal Revenues	\$0.6	\$0.6	\$0.6	\$0.6	\$0.6	\$0.6
Local Revenues	\$0.9	\$0.2	\$0.2	\$0.2	\$0.2	\$0.2
Interfund Transfers In	\$222.3	\$41.2	\$46.5	\$50.3	\$43.9	\$43.9
<b><i>Total Revenue</i></b>	<b>\$223.8</b>	<b>\$42.0</b>	<b>\$47.3</b>	<b>\$51.1</b>	<b>\$44.7</b>	<b>\$44.7</b>
<b><i>Total Sources of Funds</i></b>	<b>\$305.6</b>	<b>\$101.4</b>	<b>\$101.6</b>	<b>\$106.2</b>	<b>\$100.5</b>	<b>\$100.5</b>

**Uses of Funds**

*Expenditure*

Other Outgo	\$246.2	\$47.0	\$46.6	\$50.4	\$44.2	\$44.2
<b><i>Total Expenditure</i></b>	<b>\$246.2</b>	<b>\$47.0</b>	<b>\$46.6</b>	<b>\$50.4</b>	<b>\$44.2</b>	<b>\$44.2</b>

*Ending Balance*

Restricted Ending Balances	\$59.4	\$54.4	\$55.1	\$55.8	\$56.4	\$56.4
<b><i>Total Ending Balance</i></b>	<b>\$59.4</b>	<b>\$54.4</b>	<b>\$55.1</b>	<b>\$55.8</b>	<b>\$56.4</b>	<b>\$56.4</b>
<b><i>Total Uses of Funds</i></b>	<b>\$305.6</b>	<b>\$101.4</b>	<b>\$101.6</b>	<b>\$106.2</b>	<b>\$100.5</b>	<b>\$100.5</b>

**SUPERINTENDENT'S 2015-16 FINAL BUDGET**  
**INTERNAL SERVICE FUND**  
**Health & Welfare Benefits Fund (021/670)**

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

	2011-12 Actual Amounts	2012-13 Actual Amounts	2013-14 Actual Amounts	2014-15 3rd Interim Estimate	2015-16 Authorized Amounts	2015-16 Estimated Amounts
Amounts in \$ millions						
<b>Sources of Funds</b>						
<i>Beginning Balance</i>						
Non Spendable-Inventories, Cash, Others	\$9.4	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0
Restricted Beginning Balances	\$202.2	\$297.8	\$328.1	\$331.5	\$304.5	\$304.5
<b><i>Total Beginning Balance</i></b>	<b>\$211.6</b>	<b>\$297.8</b>	<b>\$328.1</b>	<b>\$331.5</b>	<b>\$304.5</b>	<b>\$304.5</b>
<i>Revenue</i>						
Local Revenues	\$931.7	\$918.1	\$932.5	\$952.1	\$993.9	\$993.9
Interfund Transfers In	\$11.1	\$10.4	\$10.8	\$9.2	\$4.6	\$4.6
<b><i>Total Revenue</i></b>	<b>\$942.8</b>	<b>\$928.5</b>	<b>\$943.3</b>	<b>\$961.3</b>	<b>\$998.5</b>	<b>\$998.5</b>
<b><i>Total Sources of Funds</i></b>	<b>\$1,154.4</b>	<b>\$1,226.3</b>	<b>\$1,271.4</b>	<b>\$1,292.8</b>	<b>\$1,303.0</b>	<b>\$1,303.0</b>
<b>Uses of Funds</b>						
<i>Expenditure</i>						
Classified Salaries	\$1.6	\$1.7	\$1.7	\$2.1	\$2.4	\$2.4
Employee Benefits	\$0.9	\$0.9	\$1.0	\$1.0	\$0.6	\$0.6
Books and Supplies	\$0.2	\$0.2	\$0.2	\$0.2	\$0.0	\$0.0
Other Operating Expenses	\$854.0	\$895.4	\$937.1	\$985.0	\$991.6	\$991.6
<b><i>Total Expenditure</i></b>	<b>\$856.6</b>	<b>\$898.2</b>	<b>\$939.9</b>	<b>\$988.3</b>	<b>\$994.6</b>	<b>\$994.6</b>
<i>Ending Balance</i>						
Non Spendable-Inventories, Cash, Others	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0
Restricted Ending Balances	\$297.8	\$328.1	\$331.5	\$304.5	\$308.4	\$308.4
<b><i>Total Ending Balance</i></b>	<b>\$297.8</b>	<b>\$328.1</b>	<b>\$331.5</b>	<b>\$304.5</b>	<b>\$308.4</b>	<b>\$308.4</b>
<b><i>Total Uses of Funds</i></b>	<b>\$1,154.4</b>	<b>\$1,226.3</b>	<b>\$1,271.4</b>	<b>\$1,292.8</b>	<b>\$1,303.0</b>	<b>\$1,303.0</b>

**SUPERINTENDENT'S 2015-16 FINAL BUDGET**  
**INTERNAL SERVICE FUND**  
**Workers' Compensation Fund (013/671)**

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

2011-12 Actual Amounts	2012-13 Actual Amounts	2013-14 Actual Amounts	2014-15 3rd Interim Estimate	2015-16 Authorized Amounts	2015-16 Estimated Amounts
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Amounts in \$ millions

**Sources of Funds**

*Beginning Balance*

Non Spendable-Inventories, Cash, Others	\$2.0	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0
Restricted Beginning Balances	\$33.3	\$2.8	\$2.4	\$3.4	\$3.8	\$3.8
<b>Total Beginning Balance</b>	<b>\$35.3</b>	<b>\$2.8</b>	<b>\$2.4</b>	<b>\$3.4</b>	<b>\$3.8</b>	<b>\$3.8</b>

*Revenue*

Local Revenues	\$82.2	\$106.3	\$116.8	\$181.0	\$121.6	\$121.6
<b>Total Revenue</b>	<b>\$82.2</b>	<b>\$106.3</b>	<b>\$116.8</b>	<b>\$181.0</b>	<b>\$121.6</b>	<b>\$121.6</b>
<b>Total Sources of Funds</b>	<b>\$117.5</b>	<b>\$109.0</b>	<b>\$119.3</b>	<b>\$184.4</b>	<b>\$125.3</b>	<b>\$125.3</b>

**Uses of Funds**

*Expenditure*

Certificated Salaries	\$0.0	\$0.0	\$0.0		\$0.3	\$0.3
Classified Salaries	\$2.8	\$2.8	\$2.5	\$2.8	\$3.0	\$3.0
Employee Benefits	\$1.5	\$1.5	\$1.4	\$1.4	\$0.8	\$0.8
Books and Supplies	\$0.0	\$0.0	\$0.1	\$0.0	\$0.0	\$0.0
Other Operating Expenses	\$110.5	\$102.3	\$112.0	\$176.4	\$118.7	\$118.7
<b>Total Expenditure</b>	<b>\$114.8</b>	<b>\$106.6</b>	<b>\$115.9</b>	<b>\$180.6</b>	<b>\$122.8</b>	<b>\$122.8</b>

*Ending Balance*

Non Spendable-Inventories, Cash, Others	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0
Restricted Ending Balances	\$2.8	\$2.4	\$3.4	\$3.8	\$2.5	\$2.5
<b>Total Ending Balance</b>	<b>\$2.8</b>	<b>\$2.4</b>	<b>\$3.4</b>	<b>\$3.8</b>	<b>\$2.5</b>	<b>\$2.5</b>
<b>Total Uses of Funds</b>	<b>\$117.5</b>	<b>\$109.0</b>	<b>\$119.3</b>	<b>\$184.4</b>	<b>\$125.3</b>	<b>\$125.3</b>

**SUPERINTENDENT'S 2015-16 FINAL BUDGET**  
**INTERNAL SERVICE FUND**  
**Liability Self-Insurance Fund (016/672)**

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

	2011-12 Actual Amounts	2012-13 Actual Amounts	2013-14 Actual Amounts	2014-15 3rd Interim Estimate	2015-16 Authorized Amounts	2015-16 Estimated Amounts
Amounts in \$ millions						
<b>Sources of Funds</b>						
<i>Beginning Balance</i>						
Non Spendable-Inventories, Cash, Others	\$3.6	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0
Restricted Beginning Balances	\$0.0	\$3.2	\$2.8	\$2.4	\$2.1	\$2.1
<i>Total Beginning Balance</i>	\$3.6	\$3.2	\$2.8	\$2.4	\$2.1	\$2.1
<i>Revenue</i>						
Local Revenues	\$30.3	\$80.2	\$51.6	\$50.8	\$28.6	\$28.6
Interfund Transfers In	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0
Other Financing Sources	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0
Local Miscellaneous	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0
<i>Total Revenue</i>	\$30.3	\$80.2	\$51.6	\$50.8	\$28.6	\$28.6
<i>Total Sources of Funds</i>	\$33.9	\$83.4	\$54.4	\$53.3	\$30.7	\$30.7
<b>Uses of Funds</b>						
<i>Expenditure</i>						
Certificated Salaries	\$0.2	\$0.2	\$0.2	\$0.2	\$0.2	\$0.2
Classified Salaries	\$0.9	\$0.8	\$0.8	\$0.9	\$1.1	\$1.1
Employee Benefits	\$0.5	\$0.5	\$0.5	\$0.5	\$0.3	\$0.3
Books and Supplies	\$0.0	\$0.0	\$0.0	\$0.1	\$0.1	\$0.1
Other Operating Expenses	\$29.1	\$79.1	\$50.5	\$49.6	\$26.9	\$26.9
<i>Total Expenditure</i>	\$30.7	\$80.5	\$52.0	\$51.2	\$28.6	\$28.6
<i>Ending Balance</i>						
Non Spendable-Inventories, Cash, Others	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0
Restricted Ending Balances	\$3.2	\$2.8	\$2.4	\$2.1	\$2.1	\$2.1
<i>Total Ending Balance</i>	\$3.2	\$2.8	\$2.4	\$2.1	\$2.1	\$2.1
<i>Total Uses of Funds</i>	\$33.9	\$83.4	\$54.4	\$53.3	\$30.7	\$30.7

**SUPERINTENDENT'S 2015-16 FINAL BUDGET**  
**FIDUCIARY FUND**  
**Attendance Incentive Reserve Fund (046/710)**

This fund provides rewards to UTLA-represented employees with good attendance in accordance with an agreement with UTLA.

2011-12 Actual Amounts	2012-13 Actual Amounts	2013-14 Actual Amounts	2014-15 3rd Interim Estimate	2015-16 Authorized Amounts	2015-16 Estimated Amounts
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Amounts in \$ millions

**Sources of Funds**

*Beginning Balance*

Restricted Beginning Balances	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0
<b><i>Total Beginning Balance</i></b>	<b>\$0.0</b>	<b>\$0.0</b>	<b>\$0.0</b>	<b>\$0.0</b>	<b>\$0.0</b>	<b>\$0.0</b>

*Revenue*

Local Revenues	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0
Local Miscellaneous	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0
<b><i>Total Revenue</i></b>	<b>\$0.0</b>	<b>\$0.0</b>	<b>\$0.0</b>	<b>\$0.0</b>	<b>\$0.0</b>	<b>\$0.0</b>
<b><i>Total Sources of Funds</i></b>	<b>\$0.0</b>	<b>\$0.0</b>	<b>\$0.0</b>	<b>\$0.0</b>	<b>\$0.0</b>	<b>\$0.0</b>

**Uses of Funds**

*Expenditure*

Other Operating Expenses	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0
<b><i>Total Expenditure</i></b>	<b>\$0.0</b>	<b>\$0.0</b>	<b>\$0.0</b>	<b>\$0.0</b>	<b>\$0.0</b>	<b>\$0.0</b>

*Ending Balance*

Restricted Ending Balances	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0
<b><i>Total Ending Balance</i></b>	<b>\$0.0</b>	<b>\$0.0</b>	<b>\$0.0</b>	<b>\$0.0</b>	<b>\$0.0</b>	<b>\$0.0</b>
<b><i>Total Uses of Funds</i></b>	<b>\$0.0</b>	<b>\$0.0</b>	<b>\$0.0</b>	<b>\$0.0</b>	<b>\$0.0</b>	<b>\$0.0</b>

**SUPERINTENDENT'S 2015-16 FINAL BUDGET**  
**FIDUCIARY FUND**  
**Other Post Employment Benefit Fund (713)**

This fund is to account for the Other Post Employment Benefits (OPEB) contributions.

	2011-12 Actual Amounts	2012-13 Actual Amounts	2013-14 Actual Amounts	2014-15 3rd Interim Estimate	2015-16 Authorized Amounts	2015-16 Estimated Amounts
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Amounts in \$millions

**Sources of Funds**

*Beginning Balance*

Restricted Beginning Balances	\$0.0	\$0.0	\$0.0	<u>\$60.0</u>	\$92.1	\$92.1
<b>Total Beginning Balance</b>	\$0.0	\$0.0	\$0.0	<u>\$60.0</u>	\$92.1	\$92.1

*Revenue*

In-District Premiums/Contribution	\$0.0	\$0.0	<u>\$60.0</u>	<u>\$32.1</u>	\$0.0	\$0.0
<b>Total Revenue</b>	\$0.0	\$0.0	<u>\$60.0</u>	<u>\$32.1</u>	\$0.0	\$0.0
<b>Total Sources of Funds</b>	\$0.0	\$0.0	<u>\$60.0</u>	<u>\$92.1</u>	\$92.1	\$92.1

**Uses of Funds**

*Expenditure*

Other Operating Expenses	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0
<b>Total Expenditure</b>	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0

*Ending Balance*

Restricted Beginning Balances		\$0.0	\$0.0	\$92.1	\$92.1	\$92.1
Undesignated/Unassigned Ending Balanc	\$0.0	\$0.0	<u>\$60.0</u>	\$0.0	\$0.0	\$0.0
<b>Total Ending Balance</b>	\$0.0	\$0.0	<u>\$60.0</u>	\$92.1	\$92.1	\$92.1
<b>Total Uses of Funds</b>	\$0.0	\$0.0	<u>\$60.0</u>	\$92.1	\$92.1	\$92.1

## APPENDICES

### INTRODUCTION

This Section provides information the District's budget for the 2015-16 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**

**Enrollment Trends and Projections.** 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. Estimated enrollments in grades 1 through 12 for the 2005-06 through 2016-17 school years are calculated using various scenarios, generally involving weighted and true averages. 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 regular 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.

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

**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. This appendix includes information on funded ADA.

#### **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.

**LCFF Information.** Beginning fiscal year 13-14, the Local Control Funding Formula (LCFF) replaced the revenue limit and most state categorical programs. The significantly simplified State funding formula for local education agencies was initiated by Governor Jerry Brown with the goals of transparency and greater expenditure flexibility. Full funding implementation is projected to be in fiscal year 2020-21.

**Equity Based Index / Targeted Student Population.** This section provides a breakdown of

## APPENDICES

### INTRODUCTION

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.

**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 – 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 J – 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 K – 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 L – 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 M - Notes.** These pages provide information regarding a number of items throughout the budget.

**Appendix N – Fiscal Stabilization Plan.** This is a copy of the fiscal stabilization plan approved by the Board in March 2015.

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



## **APPENDIX A**

### **FREQUENTLY ASKED QUESTIONS ABOUT THE BUDGET**

#### **What is the Local Control Funding Formula (LCFF)?**

California's FY 2013-14 state budget replaced the previous K-12 finance system with a new Local Control Funding Formula designed to significantly simplify how state funding is provided to districts. For school districts and charter schools, the LCFF creates base, supplemental, and concentration grants in place of most previously existing K-12 funding streams, including revenue limits and most state categorical programs. The goal of the LCFF is to align funding with the demographic profile of the students served, and provide greater flexibility to use these funds to improve outcomes of students.

#### **How are "unduplicated pupils" defined for purposes of calculating supplemental and concentration grant amounts?**

Supplemental and concentration grant amounts are calculated based on the percentage of "unduplicated pupils" in the District. For purposes of the LCFF, the unduplicated count includes pupils who are English learners, meet income eligibility requirements for free or reduced-price meals under the National School Lunch Program, or are in Foster care. "Unduplicated count" means that each pupil is counted only once, even if the pupil meets more than one of these criteria.

#### **What's the difference between "duplicated" and "unduplicated" headcount?**

Unduplicated headcount is the actual number of low-income, English learner, or foster youth students enrolled counting each student as 1.

Duplicated headcount is the total count of occurrences of low-income, English learner, or foster youth students. Students that are both low-income and foster youth are counted as 2. Students with all 3 characteristics are counted as 3.

#### **When will the Local Control Funding Formula be implemented?**

Implementation of the LCFF began in the 2013-14 fiscal year. The state Department of Finance estimates that achieving full funding levels under the LCFF will take eight years. During the intervening years, some LCFF provisions will be phased in (e.g., funding levels and K-3 class size).

#### **What is the Local Control Accountability Plan (LCAP)?**

The LCAP is an important component of the Local Control Funding Formula (LCFF). Under the LCFF, all districts are required to prepare an LCAP, which describes how they intend to meet annual goals for all pupils, with specific activities to address state and local priorities.

## **APPENDIX A**

### **FREQUENTLY ASKED QUESTIONS ABOUT THE BUDGET**

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

The Unrestricted General Fund includes most of the District's K-12 operating programs. For example, it includes:

- 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 (Socioeconomically Disadvantaged), Title II A (High Quality Teachers), and Title III (English learners).
- Funding for the District's special education program.
- Funding for school maintenance, such as repairs.
- Funding for school breakfasts and lunches.
- State and federal funding for instructionally-oriented before- and after-school programs.
- Funding for early childhood education programs conducted at children's centers.
- Capital funds, such as bond funds for school construction, and funds that pay principal and interest on bonded indebtedness.

#### **Does the Revised 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, including housing, in southern California.

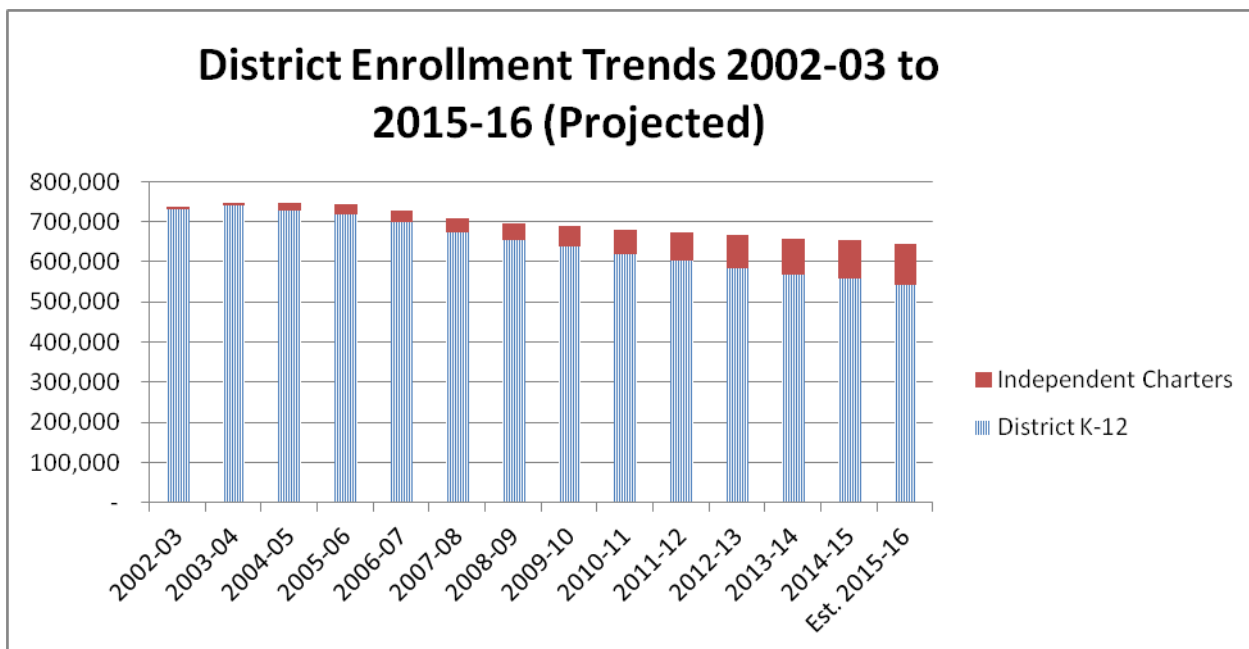
Declining enrollment affects both revenue and expenditures. However, declining enrollment typically causes a more rapid decline in revenues following the first year, in which declining enrollment districts are essentially “held harmless” for the decline. In addition, the increase in percentage of students enrolled in independent charter schools contributes to the change in revenue and expenditures District-wide.

## APPENDIX A

### FREQUENTLY ASKED QUESTIONS ABOUT THE BUDGET

#### How do charter schools impact District enrollment projections?

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 percentage of students enrolled in independent charter schools over the last decade.



#### What legal requirements govern the District’s budget process?

Legal requirements for school district budgeting are spelled out in the State Education Code.

- The District is required to adopt a budget each year by June 30<sup>th</sup>. The Superintendent and Chief Financial Officer must certify that the budget is balanced in the current year and, based on reasonable income and expenditure assumptions, that the District will be able to balance its budget for two subsequent years. Thus, based on the best information available, we have considered the District’s likely revenues and expenditures in 2015-16 and 2016-17 when balancing the 2014-15 budget.
- Any time the District enters into a collective bargaining agreement, we are required to submit a multi-year projection confirming the District’s ability to pay for the agreement in the current year and two subsequent years.

## **APPENDIX A**

### **FREQUENTLY ASKED QUESTIONS ABOUT THE BUDGET**

#### **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 15<sup>th</sup> of the preceding fiscal year, and that the Governor sign the proposed State Budget Act no later than June 30<sup>th</sup>.

When the Legislature and the Governor miss their deadlines, the requirements for school district budget development do not change. The District will be required to submit its 2014-15 Final Budget to the Los Angeles County Office of Education no later than July 1, 2014 to meet its legal obligation, regardless of the adoption date of the State budget.

#### **Is the Final Budget balanced?**

Yes. The Final Budget is balanced through the use of Proposition 30 sales tax revenues and additional revenues flowing to the District resulting from implementation of the Governor's Local Control Funding Formula effective FY 2013-14.

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

- Proposition 30 provided sales tax revenue to prevent further cuts in FY 2012-13. Furloughs were rescinded upon passage of Proposition 30 and restored the full instructional school year.
- Proposition 39 provides funding for efficiency-related upgrades to school facilities, including installation of green energy technologies. It is not instructional funding.

#### **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 different 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 are reported as expenditures in the user funds and reported as revenue in the Health & Welfare Benefits Fund.

## **APPENDIX A**

### **FREQUENTLY ASKED QUESTIONS ABOUT THE BUDGET**

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

The District receives or develops new financial information continuously. Revenue and beginning balance estimates change at the following periods:

- At the First Period Interim Financial Report in December.
- When the Governor announces his budget in January.
- At the Second Period Interim Financial Report in March.
- When the Governor publishes the “May Revise.”
- In years requiring a Third Interim Financial Report, in June, when that Report is presented.
- When the Legislature and Governor adopt the State Budget in June or later.
- At various times during the year when the State Department of Education publishes fund allocations.

Expenditure estimates change at the following periods:

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

The Budget Services & Financial Planning Division attempts to keep the Superintendent and Board updated on a regular basis regarding significant changes in the District’s revenue and expenditure estimates.



## 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 the Cafeteria and Self-Insurance Funds, and fiduciary funds such as the Annuity Reserve Fund.

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.

Budget by General Fund District Defined Program. Because the General Fund budget comprises many programs, it is divided into District Defined Programs such as Special Education, Regional Occupational Centers/Skills Centers, etc., to bring into focus programs of particular interest.

## APPENDIX B

### BUDGET PRINCIPLES AND PROCESSES

#### 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. These are public meetings that can be attended in person or viewed on the District's television station at scheduled times. Members of the public may contact the District to speak on individual budget items or on the budget as a whole. 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 object of expenditure 7900(IFS) – 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.



## 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 2014 was 643,493 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 (542,433) and fiscally independent charter schools (101,060). When one includes individuals served through community adult schools, regional occupational centers and programs, skills centers, and early childhood education centers, the District's total enrollment is approximately 717,822.

***Student Characteristics.*** The District's students come from a wide variety of backgrounds. According to the most recent 2014-15 survey, which does not include independent charter school data, some 93 languages other than English are spoken in LAUSD schools by the District's 141,490 students who were still learning to speak English proficiently, with the primary non-English languages being Spanish (92.8% of English learners), Korean (1.0%), Armenian (1.1%), Tagalog (0.8%), Cantonese (0.4%), Arabic (0.4%), Vietnamese (0.3%) and Russian (0.4%). The District's student population can be summarized by ethnicity as follows: Hispanic (74.0%), Black, not Hispanic (8.4%), White, not Hispanic (9.8%), Asian (6.0%), American Indian/Alaskan Native (0.2%), and Pacific Islander (0.4%). Approximately 77.40% of LAUSD students qualify for special funding under federal poverty guidelines. (Source – LAUSD 2014-15 Consolidated Application).

***Structure and Number of Schools.*** Continuing in the 2014-15 fiscal year, the District is divided into six Local Districts which serve elementary, middle, and senior high schools. The Local Districts provides support to 18 primary centers, 454 elementary schools, 83 middle schools, 99 high schools, 22 multi-grade or "span" schools, and 39 magnet schools. For the 2014-15 school year there are an additional 557 District school/center sites, which can be summarized as follows:

- |  |  |
|--|--|
| • 152 Magnet Centers                     | • 3 Fiscally Independent Charter Primary Schools                         |
| • 2 Other Learning Communities           | • 58 Fiscally Independent Charter Elementary Schools                     |
| • 13 Special Education Schools           | • 44 Fiscally Independent Charter Middle Schools                         |
| • 80 Options Schools (including 26 AEWG) | • 56 Fiscally Independent Charter High Schools                           |
| • 86 Early Education Centers             | • 50 Fiscally Independent Charter Span Schools                           |
| • 10 Adult Service Centers               | • 1 ROP Center   |
| • 1 Home/Hospital                        | • 1 Centers for Advanced Transition Skills (multiple physical locations) |

## APPENDIX C

*Employees.* Based on employee reporting and classifications for the 2014-15 fiscal year, the District had 59,563 regular employees, including 27,263 teachers 5,989 certificated support personnel and administrators, and 26,311 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), business services, knowledge creation and fashion.

The various elements of the Los Angeles County economy experience cyclical trends. Among the trends seen in 2015 are the following:

- Los Angeles County’s population continues to increase. The Los Angeles County Economic Development Corporation (LAEDC) projects an increase of approximately 48,400, or 0.5%, in 2015 and 39,200, or 0.4% in 2016.
- Total estimated 2015 nonfarm employment in Los Angeles County is expected to increase by 1.9% or 79,600 jobs, following an increase of 1.9%, or 78,700 jobs in 2014. In 2016, nonfarm employment is expected to increase to 4.34 million. This exceeds the peak of 4.23 million reached in 2007.
- LAEDC projects total personal income will increase by 4.6% in 2015 and 5.0% in 2016. The per capita personal income is expected to average \$50,400 in 2015, up by 4.1% over 2014.
- LAEDC forecasts the Consumer Price Index will increase by 0.1% in 2015 and 2.2% in 2016.
- LAEDC forecasts an average unemployment rate for Los Angeles County of 7.2% for 2015, a slight decrease from 2014 average of 8.2%. The unemployment rate is expected to decline in 2016 to an average 6.6%. The largest employment gains in 2015 are predicted in health services, professional scientific & technology, administration & support, construction and leisure & hospitality.
- Approximately 18,000 new housing permits were issued in 2014, a 6.8% increase from 16,850 permits issued in 2013. LAEDC estimates that approximately 20,700 permits will be issued in 2015 and 24,300 permits will be issued in 2016.
- The value of nonresidential building permits issued during 2014 increased 55.9% from 2013. LAEDC forecasts a 7.9% gain in 2015, followed by a 10.8% gain in 2016.
- The LA County median home price for 2014 was \$449,510, up by 10.8% year-over-years.

## **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 2015-16 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 students within the various Adult Education Service Areas. The ROP Center consists of a series of individual work locations identified as one school location for purpose of attendance and expenditure reporting.

#### **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 1,100 pupils. Middle schools range from less than 300 to more than 1,800, and senior high schools range from less than 200 to more than 2,500. Magnet schools range from less than 300 to more than 1,900 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 2015-16.

## APPENDIX D

### NUMBER OF SCHOOLS AND CENTERS 2015-16

	TOTAL	MULTI-TRACK	SINGLE TRACK	CONTINUOUS
K-12 Separate School Campus				
Primary School Centers	19		19	
Elementary Schools	452		452	
Middle Schools	83		83	
Senior High Schools	98	1	97	
Option Schools	54		52	2
Magnet Schools	42		42	
Multi-level Schools	22		22	
Special Education Schools	12		12	
Centers for Advanced Transition Skills (multiple physical locations)	1		1	
Home/Hospital	1		1	
Sub Total	784	1	781	2
K-12 Magnet Centers				
Elementary	46		46	
Middle	55		55	
Senior	55		55	
Sub Total	156	0	156	0
Other Schools				
Other Learning Communities	3		3	
Adult Education Service Centers	10		10	
ROP Center	1		1	
Alternative Education Work Centers	23		23	
Early Education Centers	86		86	
Sub Total	123	0	123	0
<b>TOTAL</b>	<b>1,063</b>	<b>1</b>	<b>1,060</b>	<b>2</b>
Fiscally Independent Charter Schools				
Primary School Centers	3		3	
Elementary Schools	58	1	57	
Middle Schools	44		44	
Senior High Schools	56		56	
Multi-level Schools	50		50	
Total Charter Schools	211	1	210	0
<b>GRAND TOTAL SCHOOLS AND CENTERS</b>	<b>1,274</b>	<b>2</b>	<b>1,270</b>	<b>2</b>

## APPENDIX E

### DISTRICT ENROLLMENT TRENDS

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

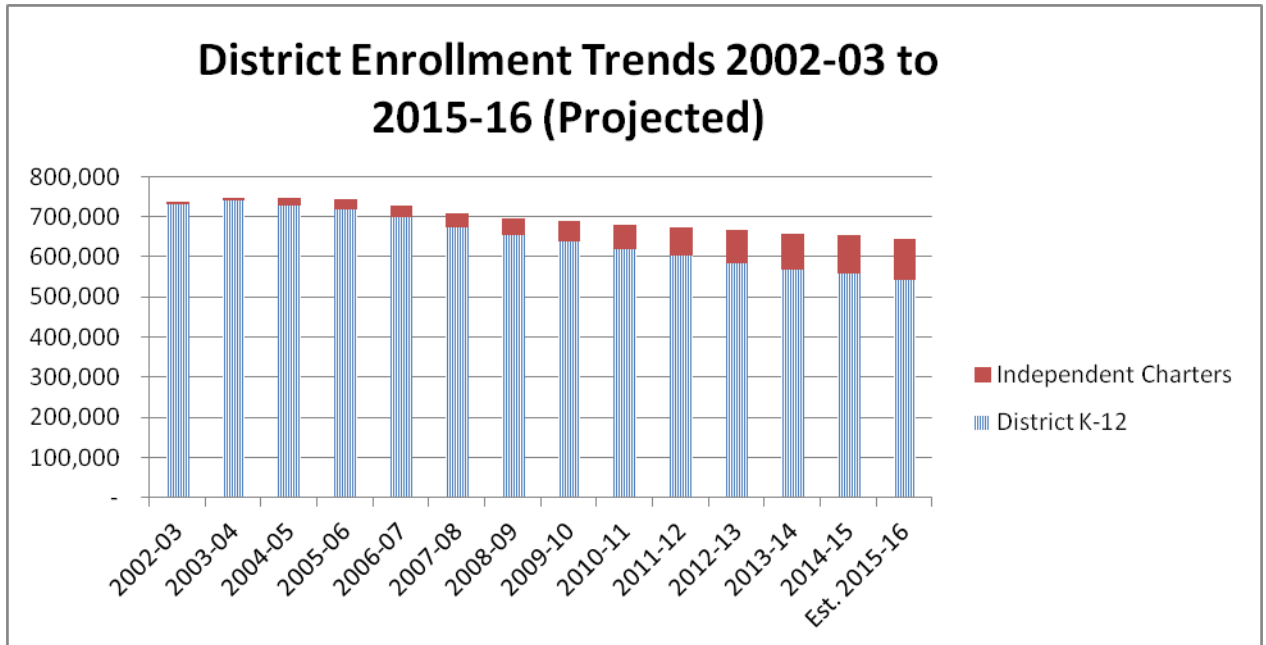
**Enrollment and Enrollment Projections.** To project enrollment, the Los Angeles Unified School District uses data on live births in Los Angeles County, historical grade retention ratios, economic factors, and other relevant information. Estimated enrollments in grades 1 through 12 are calculated using 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

	2006-07	2007-08	2008-09	2009-10	2010-11	2011-12	2012-13	2013-14	2014-15	2015-16	2016-17	2017-18
	Actual	Actual	Actual	Actual	Actual	Actual	Actual	Actual	Actual	Estimated	Estimated	Estimated
<b>LA County - Live Births Lagged 5 Years</b>	<b>153,523</b>	<b>151,167</b>	<b>152,192</b>	<b>151,504</b>	<b>150,377</b>	<b>151,837</b>	<b>151,837</b>	<b>147,684</b>	<b>139,679</b>	<b>133,160</b>	<b>130,312</b>	<b>131,697</b>
<b>Graded Enrollment</b>												
Kindergarten	52,452	50,822	50,877	51,193	51,638	52,846	53,262	55,315	55,604	56,846	55,681	56,323
Grade 1	55,267	53,543	52,305	51,798	51,904	51,692	52,143	50,892	49,751	47,008	47,179	46,261
Grade 2	54,222	53,082	52,338	50,674	50,406	50,230	50,353	51,070	49,664	48,251	45,578	45,730
Grade 3	53,348	51,814	51,418	50,376	49,165	48,946	48,736	49,154	49,773	48,030	46,743	44,228
Grade 4	53,618	51,174	50,692	49,982	49,176	47,860	47,755	47,783	47,629	48,436	46,761	45,529
Grade 5	54,205	51,787	50,206	49,430	49,204	48,126	47,068	47,384	46,792	46,960	47,830	46,247
Grade 6	53,089	50,559	49,246	47,622	47,221	47,249	46,020	45,173	45,435	45,698	46,036	47,065
Grade 7	53,702	51,458	49,557	48,084	46,756	46,186	46,150	45,269	44,050	45,788	45,882	46,053
Grade 8	51,837	51,985	50,452	48,595	47,125	46,062	45,295	45,381	44,207	43,051	43,350	42,824
Grade 9	67,816	66,643	67,029	63,549	60,439	58,920	55,872	53,339	52,493	51,962	51,409	52,578
Grade 10	52,480	51,749	51,900	53,543	52,306	50,527	49,478	48,282	46,757	45,454	44,438	43,414
Grade 11	42,399	43,536	43,082	43,884	45,040	43,477	42,308	41,822	42,227	40,538	39,063	37,852
Grade 12	29,058	31,899	34,755	34,733	36,279	37,280	36,748	36,489	37,113	36,960	34,989	33,242
<b>Total graded enrollment</b>	<b>673,493</b>	<b>660,051</b>	<b>653,857</b>	<b>643,463</b>	<b>636,659</b>	<b>629,401</b>	<b>621,188</b>	<b>617,353</b>	<b>611,495</b>	<b>604,982</b>	<b>594,939</b>	<b>587,346</b>
K-5 enrollment	323,112	312,222	307,836	303,453	301,493	299,700	299,317	301,598	299,213	295,531	289,772	284,318
6-8 enrollment	158,628	154,002	149,255	144,301	141,102	139,497	137,465	135,823	133,692	134,537	135,268	135,942
9-12 enrollment	191,753	193,827	196,766	195,709	194,064	190,204	184,406	179,932	178,590	174,914	169,899	167,086
<b>Total graded enrollment</b>	<b>673,493</b>	<b>660,051</b>	<b>653,857</b>	<b>643,463</b>	<b>636,659</b>	<b>629,401</b>	<b>621,188</b>	<b>617,353</b>	<b>611,495</b>	<b>604,982</b>	<b>594,939</b>	<b>587,346</b>
<b>Ungraded enrollment</b>												
Special day classes in regular schools	26,713	26,328	26,350	26,465	26,308	25,851	25,691	25,891	25,237	25,079	24,738	24,469
Special day classes in special ed schools	3,673	3,656	3,604	3,552	3,555	3,537	3,291	2,893	2,319	2,304	2,273	2,248
Continuation and opportunity schools	4,558	4,242	4,327	4,961	5,126	5,444	5,546	5,359	4,442	4,546	4,650	4,753
Nonpublic schools	24	11										
<b>Total ungraded enrollment</b>	<b>34,968</b>	<b>34,237</b>	<b>34,281</b>	<b>34,978</b>	<b>34,989</b>	<b>34,832</b>	<b>34,528</b>	<b>34,143</b>	<b>31,998</b>	<b>31,929</b>	<b>31,661</b>	<b>31,470</b>
<b>Total graded and ungraded enrollment</b>	<b>708,461</b>	<b>694,288</b>	<b>688,138</b>	<b>678,441</b>	<b>671,648</b>	<b>664,233</b>	<b>655,716</b>	<b>651,496</b>	<b>643,493</b>	<b>636,911</b>	<b>626,600</b>	<b>618,816</b>

# APPENDIX E

## ENROLLMENT PROJECTIONS

### Norm Day Enrollment - Independent Charter Schools Only

	2006-07	2007-08	2008-09	2009-10	2010-11	2011-12	2012-13	2013-14	2014-15	2015-16	2016-17	2017-18
	Actual	Actual	Actual	Actual	Actual	Actual	Actual	Actual	Actual	Estimated	Estimated	Estimated
LA County - Live Births Lagged 5 Years	153,523	151,167	152,192	151,504	150,377	151,837	151,837	147,684	139,679	133,160	130,312	131,697

### Graded Enrollment

Kindergarten	2,556	2,755	3,096	3,599	4,704	5,169	5,432	6,147	6,368	6,218	6,480	6,742
Grade 1	2,382	2,662	2,907	3,341	4,174	4,823	5,135	5,529	5,972	6,346	6,727	7,125
Grade 2	2,272	2,481	2,749	3,036	3,782	4,190	4,752	5,097	5,486	6,079	6,551	7,001
Grade 3	2,101	2,376	2,648	2,828	3,427	3,831	4,183	4,762	5,166	5,614	6,060	6,529
Grade 4	2,000	2,238	2,574	2,792	3,259	3,564	3,966	4,314	4,755	5,429	5,895	6,377
Grade 5	2,164	2,452	2,738	3,141	3,552	3,930	4,272	4,836	5,135	6,263	6,846	7,490
Grade 6	2,774	3,216	4,304	4,998	5,855	7,144	7,310	8,183	9,295	10,080	10,814	11,690
Grade 7	2,234	2,825	3,426	4,354	5,276	6,515	7,255	7,806	8,555	9,141	9,798	10,434
Grade 8	1,697	2,087	2,705	3,273	4,193	5,430	6,267	7,085	7,444	8,540	9,318	10,081
Grade 9	5,709	6,656	7,973	9,433	9,822	11,040	11,604	11,478	12,053	12,885	13,346	13,790
Grade 10	4,034	4,937	6,709	7,824	8,441	10,151	10,407	11,018	11,112	12,082	12,565	13,116
Grade 11	2,979	3,656	5,266	6,528	7,110	8,987	9,454	9,711	10,341	11,039	11,552	12,086
Grade 12	1,800	2,505	3,770	5,122	5,892	7,519	8,529	8,947	9,288	10,329	11,032	11,660
<b>Total graded enrollment</b>	<b>34,702</b>	<b>40,846</b>	<b>50,865</b>	<b>60,269</b>	<b>69,487</b>	<b>82,293</b>	<b>88,566</b>	<b>94,913</b>	<b>100,970</b>	<b>110,045</b>	<b>116,984</b>	<b>124,121</b>

K-5 enrollment	13,475	14,964	16,712	18,737	22,898	25,507	27,740	30,685	32,882	35,949	38,559	41,264
6-8 enrollment	6,705	8,128	10,435	12,625	15,324	19,089	20,832	23,074	25,294	27,761	29,930	32,205
9-12 enrollment	14,522	17,754	23,718	28,907	31,265	37,697	39,994	41,154	42,794	46,335	48,495	50,652
<b>Total graded enrollment</b>	<b>34,702</b>	<b>40,846</b>	<b>50,865</b>	<b>60,269</b>	<b>69,487</b>	<b>82,293</b>	<b>88,566</b>	<b>94,913</b>	<b>100,970</b>	<b>110,045</b>	<b>116,984</b>	<b>124,121</b>

### Ungraded enrollment

Special day classes in regular schools	259	227	222	374	448	495	546	468	90	90	90	90
Special day classes in special ed schools												
Continuation and opportunity schools												
Nonpublic schools												
<b>Total ungraded enrollment</b>	<b>259</b>	<b>227</b>	<b>222</b>	<b>374</b>	<b>448</b>	<b>495</b>	<b>546</b>	<b>468</b>	<b>90</b>	<b>90</b>	<b>90</b>	<b>90</b>

<b>Total graded and ungraded enrollment</b>	<b>34,961</b>	<b>41,073</b>	<b>51,087</b>	<b>60,643</b>	<b>69,935</b>	<b>82,788</b>	<b>89,112</b>	<b>95,381</b>	<b>101,060</b>	<b>110,135</b>	<b>117,074</b>	<b>124,211</b>
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# APPENDIX E

## ENROLLMENT PROJECTIONS

### Norm Day Enrollment - Excluding Independent Charter Schools

	2006-07	2007-08	2008-09	2009-10	2010-11	2011-12	2012-13	2013-14	2014-15	2015-16	2016-17	2017-18
	Actual	Actual	Actual	Actual	Actual	Actual	Actual	Actual	Actual	Estimated	Estimated	Estimated
<b>LA County - Live Births Lagged 5 Years</b>	<b>153,523</b>	<b>151,167</b>	<b>152,192</b>	<b>151,504</b>	<b>150,377</b>	<b>151,837</b>	<b>151,837</b>	<b>147,684</b>	<b>139,679</b>	<b>133,160</b>	<b>130,312</b>	<b>131,697</b>
<b>Graded Enrollment</b>												
Kindergarten	49,896	48,067	47,781	47,594	46,934	47,677	47,830	49,168	49,236	50,628	49,201	49,581
Grade 1	52,885	50,881	49,398	48,457	47,730	46,869	47,008	45,363	43,779	40,662	40,452	39,136
Grade 2	51,950	50,601	49,589	47,638	46,624	46,040	45,601	45,973	44,178	42,172	39,027	38,729
Grade 3	51,247	49,438	48,770	47,548	45,738	45,115	44,553	44,392	44,607	42,416	40,683	37,699
Grade 4	51,618	48,936	48,118	47,190	45,917	44,296	43,789	43,469	42,874	43,007	40,866	39,152
Grade 5	52,041	49,335	47,468	46,289	45,652	44,196	42,796	42,548	41,657	40,697	40,984	38,757
Grade 6	50,315	47,343	44,942	42,624	41,366	40,105	38,710	36,990	36,140	35,618	35,222	35,375
Grade 7	51,468	48,633	46,131	43,730	41,480	39,671	38,895	37,463	35,495	36,647	36,084	35,619
Grade 8	50,140	49,898	47,747	45,322	42,932	40,632	39,028	38,296	36,763	34,511	34,032	32,743
Grade 9	62,107	59,987	59,056	54,116	50,617	47,880	44,268	41,861	40,440	39,077	38,063	38,788
Grade 10	48,446	46,812	45,191	45,719	43,865	40,376	39,071	37,264	35,645	33,372	31,873	30,298
Grade 11	39,420	39,880	37,816	37,356	37,930	34,490	32,854	32,111	31,886	29,499	27,511	25,766
Grade 12	27,258	29,394	30,985	29,611	30,387	29,761	28,219	27,542	27,825	26,631	23,957	21,582
<b>Total graded enrollment</b>	<b>638,791</b>	<b>619,205</b>	<b>602,992</b>	<b>583,194</b>	<b>567,172</b>	<b>547,108</b>	<b>532,622</b>	<b>522,440</b>	<b>510,525</b>	<b>494,937</b>	<b>477,955</b>	<b>463,225</b>
K-5 enrollment	309,637	297,258	291,124	284,716	278,595	274,193	271,577	270,913	266,331	259,582	251,213	243,054
6-8 enrollment	151,923	145,874	138,820	131,676	125,778	120,408	116,633	112,749	108,398	106,776	105,338	103,737
9-12 enrollment	177,231	176,073	173,048	166,802	162,799	152,507	144,412	138,778	135,796	128,579	121,404	116,434
<b>Total graded enrollment</b>	<b>638,791</b>	<b>619,205</b>	<b>602,992</b>	<b>583,194</b>	<b>567,172</b>	<b>547,108</b>	<b>532,622</b>	<b>522,440</b>	<b>510,525</b>	<b>494,937</b>	<b>477,955</b>	<b>463,225</b>
<b>Ungraded enrollment</b>												
Special day classes in regular schools	26,454	26,101	26,128	26,091	25,860	25,356	25,145	25,423	25,147	24,989	24,648	24,379
Special day classes in special ed schools	3,673	3,656	3,604	3,552	3,555	3,537	3,291	2,893	2,319	2,304	2,273	2,248
Continuation and opportunity schools	4,558	4,242	4,327	4,961	5,126	5,444	5,546	5,359	4,442	4,546	4,650	4,753
Nonpublic schools	24	11	0	0								
<b>Total ungraded enrollment</b>	<b>34,709</b>	<b>34,010</b>	<b>34,059</b>	<b>34,604</b>	<b>34,541</b>	<b>34,337</b>	<b>33,982</b>	<b>33,675</b>	<b>31,908</b>	<b>31,839</b>	<b>31,571</b>	<b>31,380</b>
<b>Total graded and ungraded enrollment</b>	<b>673,500</b>	<b>653,215</b>	<b>637,051</b>	<b>617,798</b>	<b>601,713</b>	<b>581,445</b>	<b>566,604</b>	<b>556,115</b>	<b>542,433</b>	<b>526,776</b>	<b>509,526</b>	<b>494,605</b>



## APPENDIX E

### District Enrollment

#### 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

##### 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

##### 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

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 E**

### **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 E

### DISTRICT CLASS SIZE

Type of School	Subject(s)	Grade Level	2006-07 Policy	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
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)	39.00	37.00	37.00	39.00	39.00	39.00	39.00	39.00	39.00	39.00
Elementary PHBAO	All	K	20.00	20.00	20.00	24.00	24.00	24.00	24.00	24.00	24.00	24.00
Elementary PHBAO	All	1-3	20.00	20.00	20.00	24.00	24.00	24.00	24.00	24.00	24.00	24.00
Elementary PHBAO	All	4-5/(6)	30.50	28.50	28.50	30.50	30.50	30.50	30.50	30.50	30.50	30.50
Elementary PHBAO Magnet	All	K-3	20.00	20.00	20.00	24.00	24.00	24.00	24.00	24.00	24.00	24.00
Elementary PHBAO Magnet	All	4-5/(6)	30.50	28.50	28.50	30.50	30.50	30.50	30.50	30.50	30.50	30.50
Elementary Desegregated	All	K	20.00	20.00	20.00	24.00	24.00	24.00	24.00	24.00	24.00	24.00
Elementary Desegregated	All	1-3	20.00	20.00	20.00	24.00	24.00	24.00	24.00	24.00	24.00	24.00
Elementary Desegregated	All	4-5/(6)	36.00	34.00	34.00	36.00	36.00	36.00	36.00	36.00	36.00	36.00
Elem Deseg Magnet	All	K-3	20.00	20.00	20.00	24.00	24.00	24.00	24.00	24.00	24.00	24.00
Elem Deseg Magnet	All	4-5/(6)	34.00	31.50	31.50	34.00	34.00	34.00	34.00	34.00	34.00	34.00
Middle District Norm	All	6-8	40.50	40.08	40.08	42.50	42.50	42.50	42.50	42.50	42.50	42.50
Middle PHBAO	Academic - 4 period	6-8	32.00	31.33	31.33	34.00	34.00	34.00	34.00	34.00	34.00	34.00
Middle PHBAO	Nonacad - 2 periods	6-8	40.50	40.08	40.08	42.50	42.50	42.50	42.50	42.50	42.50	42.50
Middle PHBAO	Combined	6-8	34.41	33.79	33.79	36.43	36.43	36.43	36.43	36.43	36.43	36.43
Middle PHBAO Magnet	All	6-8	32.00	31.33	31.33	34.00	34.00	34.00	34.00	34.00	34.00	34.00
Middle Desegregated	Academic - 4 period	6-8	37.50	36.83	36.83	39.50	39.50	39.50	39.50	39.50	39.50	39.50
Middle Desegregated	Nonacad - 2 periods	6-8	40.50	40.08	40.08	42.50	42.50	42.50	42.50	42.50	42.50	42.50
Middle Desegregated	Combined	6-8	38.45	37.86	37.86	40.45	40.45	40.45	40.45	40.45	40.45	40.45
Middle Deseg Magnet	All	6-8	34.50	33.83	33.83	36.50	36.50	36.50	36.50	36.50	36.50	36.50

## APPENDIX E

### DISTRICT CLASS SIZE

Type of School	Subject(s)	Grade Level	2006-07 Policy	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
High School District Norm	All		40.50	40.50	40.50	42.50	42.50	42.50	42.50	42.50	42.50	42.50
High School PHBAO	Academic	9-10	32.00	32.00	32.00	34.00	34.00	34.00	34.00	34.00	34.00	34.00
High School PHBAO	Nonacad	9-10	40.50	40.50	40.50	42.50	42.50	42.50	42.50	42.50	42.50	42.50
High School PHBAO	Academic	11-12	40.50	40.50	40.50	42.50	42.50	42.50	42.50	42.50	42.50	42.50
High School PHBAO	Nonacad	11-12	40.50	40.50	40.50	42.50	42.50	42.50	42.50	42.50	42.50	42.50
High School Desegregated	Academic	9-10	37.50	37.50	37.50	39.50	39.50	39.50	39.50	39.50	39.50	39.50
High School Desegregated	Nonacad	9-10	40.50	40.50	40.50	42.50	42.50	42.50	42.50	42.50	42.50	42.50
High School Desegregated	Academic	11-12	40.50	40.50	40.50	42.50	42.50	42.50	42.50	42.50	42.50	42.50
High School Desegregated	Nonacad	11-12	40.50	40.50	40.50	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	32.00	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	34.50	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
Continuation Schools						27.00	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

## 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 attendance or applicable attendance credit is counted when calculating ADA. 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.

Below is an example of how ADA is calculated. 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 attended
Day 2	29 students attended
Day 3	31 students attended
Total days of attendance of all students	90
Total number of instructional days	3
Average Daily Attendance	$90/3 = 30$

An exception to this involves the use of fixed divisors (in place of the number of instructional days) in calculating ADA for Community Day Schools, Extended School Year (Special Education-Special Day Classes (SDP) and Non-public School.

#### 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. <i>Annual</i> ADA is used primarily to develop unit program costs. The California State Lottery revenue and LCFF revenue of Community Day Schools, Special Education-SDP Extended School Year, and Non-public Schools are based on <i>annual</i> ADA. Up to fiscal year 2007-08, revenue for Regional Occupational Centers, Regional Occupational Programs, and Community Adult Schools were based on ADA reported in this period, but not since fiscal year 2008-09 due to changes in the State's funding formula.

## APPENDIX F

### 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 mostly **P-2 ADA**; while Community Day Schools Program, Special Day Class-Extended School Year, and Non-Public School are based on **annual ADA**.

The table below best describes the various types of ADA and on which reporting period the revenue is based on.

Grade Level/Program ADA	Reporting Period of Revenue ADA
K-12	P-2
Continuation Education	P-2
Opportunity School	P-2
Home & Hospital	P-2
Special Education-SDC	P-2
Special Education-SDC – Extended School Year	Annual
Community Day School	Annual
Non-public School	Annual
Non-public School – Extended School Year	Annual

For a school district 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 total 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.

ADA from **Special Education Program** includes only those generated by pupils who attend Special Day Program classes in special education schools, regular schools, opportunity schools, and continuation high schools. ADA of pupils in regular education classes who receive special education services on a part-time basis is included in K-12 ADA.

Due to the LCFF, the State's new funding formula for local education agencies, the ADAs for Adult Education, Regional Occupational Centers, and Regional Occupational Program are not reported to the State since these programs' funding has been folded into the LCFF funding formula. Although we don't report the ADA for these programs, the District still keeps a record of it.

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

## APPENDIX F

### ESTIMATED FUNDED AVERAGE DAILY ATTENDANCE Fiscal Year 2015-16

Due to the Local Control Funding Formula, a change in the reporting of ADA to the State was implemented. Beginning fiscal year 2013-14, local education agencies affected by the change in the State's funding formula reports ADA by grade span, i.e., K-3, 4-6, 7-8, 9-12. In addition, ADAs for Special Education such as Special Day Class, Extended Year Special Education, Nonpublic Schools, and Extended Year Nonpublic Schools are now distributed among the grade spans, as well as the ADA for Community Day Schools.

The table below shows the estimated ADAs that were used as the basis for estimating the 2015-16 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 that have declining enrollment.

Grade Span	Estimated Funded ADA	
	Non-charter Schools	Locally-funded (Affiliated) Charter Schools
K-3	161,600.65	15,931.42
4-6	110,849.96	10,518.62
7-8	67,723.85	6,088.02
9-12	130,662.51	7,515.70
<b>Total</b>	<b>470,836.97</b>	<b>40,053.76</b>

The LCFF estimated entitlements for the locally-funded (affiliated) charter schools were 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.





## 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.<sup>1</sup> This disparity led 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.

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.<sup>2</sup>

**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.

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<sup>1</sup> California Budget Project, *School Finance in California and the Proposition 98 Guarantee* (April 2006).

<sup>2</sup> Many of these rulings have been amended by subsequent legislation.

## APPENDIX G

**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.

**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.

## APPENDIX G

**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.

## APPENDIX G

**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*.

## APPENDIX G

### LOCAL CONTROL FUNDING FORMULA

Up until fiscal year 2012-13, the Revenue Limit was the basic 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.

Unlike the revenue limit which was based largely on COLA and average daily attendance (ADA), the LCFF includes several variables to calculate an LEA's entitlement; these are ADA, enrollment, unduplicated student count, COLA, and gap funding percentage. 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. 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, that are counted only once even if the pupil meets more than one of the criteria mentioned. 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).

The LCFF's targeted entitlement includes a base grant, augmentation grants for K-3 Grade Span Adjustment (formerly K-3 Class Size Reduction Program), Grades 9-12 Career Technical Education, Supplemental and Concentration grants, Pupil Transportation, and Targeted Instructional Improvement Block Grant. The total of these is the targeted full funding at the end of the implementation period, fiscal year 2020-21. The current year's funding is equal to a percent of the difference between the targeted funding and a "hold harmless" amount, plus the "hold harmless" amount. The difference mentioned here is called the *gap funding*. The gap funding represents a portion of the increase above the "hold harmless" amount, which is funded incrementally each fiscal year until full implementation.

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 this average class size will jeopardize the whole amount of LAUSD's K-3 Grade Span Adjustment. Charter schools do not have to maintain or make progress toward the required average class size of 24 pupils.

The supplemental and concentration grants 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 grants are 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 LCFF eliminated the revenue limit and most of the state categorical programs funding streams. The categorical programs that are 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 into the LCFF.

## APPENDIX G

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  
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 - CTAP  
Education Technology - 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 BG  
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

Of the programs above, there are maintenance-of-effort requirements for the Adult Education, Regional Occupational Centers/Programs, and Pupil Transportation. The school district is required to spend no less than the amount of funds the school district expended in fiscal year 2012-13 for these programs. The maintenance-of-effort requirements for both the Adult Education and the Regional Occupational Centers/Programs are in effect for fiscal years 2013-14 and 2014-15.

The Department of Finance estimates that full funding will be achieved by 2020-21. The LCFF is funded through 1) local property taxes, 2) the Education Protection Act (EPA) which was enacted by

## APPENDIX G

Proposition 30 in November 2012, and 3) state aid. The portion of the LCFF entitlement that is not covered by the local property taxes and the EPA is funded by the state. Below are the rates used as the basis for estimating LAUSD's LCFF funding for fiscal years 2015-16 through 2017-18.

	2015-16	2016-17	2017-18
COLA	1.02%	1.60%	2.48%
Gap Funding Percentage (SSC)	53.08%	37.40%	36.74%

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 year. This as a fact leads us to believe that funding for LCFF is uncertain in the coming years. In addition, the Proposition 30 taxes, approved by the voters in November 2012 which temporarily increased 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.

### How to calculate the increase in LCFF funds apportioned for Supplemental and Concentration Grants

1. Estimate the current fiscal year's amount of the LCFF Target entitlement attributable to the supplemental and concentration grants. **\$1.14 billion**
2. What did we spend on programs and services which serve the targeted student population in the prior fiscal year? **\$846 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*) \$1.14 billion – \$846 million = **\$293 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*) **53.08% x \$293 million = \$156 million. The District added \$14 million to this amount. Total is \$170 million.**
5. What is the current fiscal year's total spending for supplemental and concentration grants? (*Step 2 plus Step 4*) \$846 million + \$170 million = **\$1.02 billion**
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*) \$4.9 billion – \$1.5 billion = **\$3.4 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*) \$1.02 billion / \$3.4 billion = **30%**

## APPENDIX G

### Equity-Based Index for 2015-16

#### 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 2015-16 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 =

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

- **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



## LAUSD Investments to Support Targeted Youth

Investment Description	Current Year 2014-15	Governor's January Additional Investment 2015-16	May Revise Additional Investment 2015-16	Total Investment 2015-16	Total Investment 2016-17	Total Investment 2017-18
4 Year Old TK Program	\$ -	\$ -	\$ 7.0	\$ 7.0	\$ 8.5	\$ 8.5
A - G Dropout Intervention	\$ -	\$ 3.0	\$ 12.0	\$ 15.0	\$ 15.0	\$ 15.0
Afterschool Program	\$ -	\$ 7.3	\$ -	\$ 7.3	\$ 7.3	\$ 7.3
Allocation to schools TSP (former EIA)	\$ 9.0	\$ 3.0	\$ -	\$ 12.0	\$ 12.0	\$ 16.0
Arts Plan	\$ 2.5	\$ 4.0	\$ 1.3	\$ 7.8	\$ 15.2	\$ 15.2
Arts Program	\$ -	\$ 18.6	\$ -	\$ 18.6	\$ 18.6	\$ 18.6
Assistant Principal - Secondary	\$ -	\$ 2.0	\$ 1.0	\$ 3.0	\$ 7.0	\$ 7.0
Assistant Principal - Elementary	\$ 7.0	\$ 2.0	\$ 1.3	\$ 10.3	\$ 13.7	\$ 13.7
Clerical - High School LCFF Norms	\$ 1.5	\$ 1.5	\$ 2.0	\$ 5.0	\$ 7.0	\$ 7.0
Counseling Support	\$ -	\$ 13.0	\$ -	\$ 13.0	\$ 14.0	\$ 14.0
Custodial	\$ 1.5	\$ 1.0	\$ -	\$ 2.5	\$ 3.5	\$ 3.5
Diploma Project	\$ -	\$ 2.0	\$ -	\$ 2.0	\$ 2.0	\$ 2.0
Early Education and Family Literacy Grants	\$ 0.8	\$ (0.8)	\$ -	\$ -	\$ -	\$ -
English Learner Coaches*	\$ 4.3	\$ 0.4	\$ -	\$ 4.7	\$ 4.7	\$ 4.7
Family Source System*	\$ 1.1	\$ -	\$ 0.1	\$ 1.2	\$ 1.2	\$ 1.2
Foster Youth Achievement Program*	\$ 8.9	\$ 1.0	\$ 1.1	\$ 11.0	\$ 12.0	\$ 12.0
Health and Student Supports*	\$ 2.5	\$ -	\$ 1.0	\$ 3.5	\$ 3.5	\$ 3.5
Homeless Program	\$ -	\$ -	\$ 1.8	\$ 1.80	\$ 1.80	\$ 1.8
Instructional Technology Support (VLC)	\$ 2.5	\$ -	\$ -	\$ 2.5	\$ 2.5	\$ 2.5
Librarians - Middle School	\$ 1.5	\$ 1.5	\$ 1.0	\$ 4.0	\$ 5.0	\$ 7.0
Library Aides + Health Benefits	\$ 6.0	\$ 5.0	\$ -	\$ 11.0	\$ 11.0	\$ 11.0
Local Control Accountability Support	\$ -	\$ 0.14	\$ -	\$ 0.14	\$ 0.14	\$ 0.14
M&O and Routine Maintenance (20%)	\$ 1.5	\$ -	\$ -	\$ 1.5	\$ 1.5	\$ 1.5
National Board for Professional Teaching Standards	\$ 2.0	\$ -	\$ -	\$ 2.0	\$ 2.0	\$ 2.0
Nurses - High School LCFF Norms	\$ 1.5	\$ 2.0	\$ 3.0	\$ 6.5	\$ 8.5	\$ 10.5
On-going Major Maintenance	\$ -	\$ 15.0	\$ -	\$ 15.0	\$ 15.0	\$ 15.0
Options Program	\$ 1.0		\$ 1.0	\$ 2.0	\$ 3.0	\$ 3.0
Parent Engagement	\$ 4.6	\$ -	\$ -	\$ 4.6	\$ 5.3	\$ 5.3
Per Pupil Schools - Targeted Support	\$ 26.8	\$ 4.0	\$ 10.2	\$ 41.0	\$ 54.0	\$ 54.0
PSA/PSW/ Secondary Counselors	\$ -	\$ 4.0	\$ -	\$ 4.0	\$ 5.0	\$ 5.0
Reduce Class Size HS Math and ELA by 2	\$ 7.0	\$ -	\$ -	\$ 7.0	\$ 14.0	\$ 14.0
Reduce Class Size MS Math & ELA by 2	\$ 6.0	\$ -	\$ -	\$ 6.0	\$ 12.0	\$ 12.0
Registration Time for Schools	\$ 4.6	\$ -	\$ -	\$ 4.6	\$ 4.6	\$ 4.6
Restorative Justice Counselors*	\$ 0.7	\$ -	\$ 2.0	\$ 2.7	\$ 2.7	\$ 2.7
School Climate & Restorative Justice	\$ 3.5	\$ 1.0		\$ 4.5	\$ 6.5	\$ 6.5
School Police	\$ -	\$ -	\$ (13.1)	\$ (13.1)	\$ (13.1)	\$ (13.1)
School Readiness Language Development Program	\$ -	\$ -	\$ 20.0	\$ 20.0	\$ 20.0	\$ 20.0
School Technology Support (MCSA)	\$ 1.8	\$ 5.2	\$ -	\$ 7.0	\$ 7.0	\$ 7.0
Special Ed Aides - longer hours	\$ 4.7	\$ -	\$ -	\$ 4.7	\$ 4.7	\$ 4.7
Special Education Supp/Conc increase	\$ 17.7	\$ -	\$ -	\$ 17.7	\$ 17.7	\$ 17.7
Standard English Learner	\$ 2.5	\$ -	\$ -	\$ 2.5	\$ 2.5	\$ 2.5
Student Engagement	\$ -	\$ -	\$ 0.25	\$ 0.25	\$ 0.25	\$ 0.25
Targeted Support for Middle & SPAN	\$ 3.5	\$ -	\$ -	\$ 3.5	\$ 3.5	\$ 3.5
Teacher Support (Reed Settlement)	\$ 25.6	\$ (2.6)	\$ 7.0	\$ 30.0	\$ 30.0	\$ 30.0
Title I hold harmless Schools*	\$ 0.3	\$ -	\$ -	\$ 0.3	\$ 0.3	\$ 0.3
Total	\$ 164.4	\$ 110.0	\$ 60.0	\$ 317.6	\$ 372.6	\$ 380.6
Proportionality Requirement	\$ 146.9	\$170.0			\$ 55.0	\$ 8.0

\*Previously funded by carryover dollars.

## APPENDIX G

### Targeted Student Population Low Income, English Learners, and Foster Youth FY 2015-16

	<b>2015-16</b>
<b>Total Sources</b>	<b>\$ 140,373,057</b>
<b>Estimated Carryover</b>	<b>16,478,051</b>
<b>Total</b>	<b>\$ 156,851,108</b>

<b>Budgeted Expenditures</b>	<b>Rate</b>	<b>No. of Students</b>	<b>Amount</b>
<b>Per Pupil Allocations</b>			
Supplemental	\$ 150.00	420,974	\$ 63,146,100
Concentration	\$ 400.00	130,738	52,295,200
Add'l Support for Salary and Benefit Adjustments			5,182,801
<b>Subtotal</b>			<b>\$ 120,624,101</b>

<b>Programs</b>			
Access to Core Coaches			\$ 5,502,901
Advanced Learning Options			380,000
Asian Pacific and Other Languages (APOLO)			1,839,921
College Readiness			1,083,775
International Baccalaureate			1,464,162
LAS Links English Language Development Assessments			1,450,000
Master Plan/Office of Civil Rights and Voluntary Agreement			5,067,710
<b>Subtotal</b>			<b>\$ 16,788,469</b>

<b>School Support</b>			
Academic English Mastery Program			\$ 602,233
College Board Suite of Assessments			2,200,000
Continuation Schools Technology & Currucular Support			2,500,000
Counseling Coordinators			416,796
Community Representatives			198,924
Data Coordinators			261,153
English Language Arts Elementary Coordinators			260,968
English Language Arts Secondary Coordinators			265,749
English Language Development Compliance Coordinators			853,451
English Language Development Elementary Coordinators			827,248
English Language Development Secondary Coordinators			827,011
Federal & State Education Programs			10,000
Foster / Homeless Intructional Technology Tracking Data System			1,500,000
Human Resouces Certificated Workforce Mgmt and Qualification			125,033
Student Enrollment and Placement Center			814,713
Administrators of Parent & Community Engagement Center			268,996
Multilingual and Multicultural Education Department			3,329,324
Migrant Education			138,925
Office of Data and Accountability /School Information Branch			478,050
Parent and Community Services Branch			968,574
Parent Community Facilitator			20,958
Parent Educator Coaches			771,085
Performance Management Branch			115,479
Potential Funding Variance			889,461
Restorative Justice Facilitators			637,560
Translations Unit			156,847
<b>Subtotal</b>			<b>\$ 19,438,538</b>
<b>Total Uses</b>			<b>\$ 156,851,108</b>

## **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, special education 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.

## APPENDIX H

### SCHOOL STAFF AND RESOURCES

#### School Staff

#### 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 – 2015-16**

##### **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\*

Beginning Fiscal Year 2015-16, elementary students enrolled in an approved Dual Language Program, Maintenance Bilingual Program, or Transitional Bilingual Program will be normed separately from the non-dual language students based on a 24:1 student teacher ratio for each specific language in grades K-3 and 4-5(6), e.g., Spanish, Korean, Mandarin.

Substitute days – 10 days per norm register carrying teacher

For special education classes, see Special Education norms.

- 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 program 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.

## APPENDIX H

### SCHOOL STAFF AND RESOURCES

#### School Staff (*Continued*)

#### 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 – 2015-16**

##### **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

Beginning Fiscal Year 2015-16, secondary schools with students enrolled in an approved Dual Language Program will be allocated an additional 1 FTE or 6 auxiliaries for each specific language in grades 6-12, e.g., Spanish, Korean, Mandarin.

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 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 court-ordered integration programs received additional positions to provide an overall ratio of one teacher for every 34.0 9th and 10th grade students in academic classes for Predominantly Hispanic, Black, Asian, and Other Non-Anglo schools; and 39.5 9th and 10th grade students in academic classes for Desegregated/Receiver Schools.

## APPENDIX H

### SCHOOL STAFF AND RESOURCES

#### School Staff (*Continued*)

#### 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 – 2015-16**

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

#### 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 – 2015-16**

- 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 – 2015-16**

- 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 – 2015-16**

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

## APPENDIX H

### SCHOOL STAFF AND RESOURCES

#### School Staff (*Continued*)

#### Special Education Programs & Special Education Schools

**Special Day Programs** serve pupils whose nature or severity of disability precludes 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.

#### **SPECIAL EDUCATION NORMS – 2015-16**

**Special Day Programs** - Class size varies depending on type of program. Special day programs have program support staff allocated based on special education program needs.

**Designated Instruction and Services** – Student/teacher ratios vary by type of service, except for language, speech, and hearing which may not exceed a caseload of 55 students. There are no trainees/assistants for this program.

- A Special Education Schools
  - 1 principal per school
  - 1 asst. principal at large enrollment schools or schools serving low incidence groups
- B Elementary Schools
  - 1 school administrative assistant, E Basis
  - # office technicians, E Basis - allocated based on student population
- C Secondary or K-12 Schools
  - 1 school administrative assistant, E Basis
  - 1 senior office technician, E Basis
  - # senior office technician or office technician, E Basis - allocated based on student population

## APPENDIX H

### SCHOOL STAFF AND RESOURCES

#### School Staff (*Continued*)

#### Special Education Optimum Class/Caseload Norms

Class/Caseload Categories	SERVICE SITES			
	Regular School	Special School	Through 8 Years	9 Years and above
SPECIAL DAY CLASSES				
Autism (AUT)	x	x	6	6
Visually Impaired (VI)	x	x	8	10
Deaf/Blind (DBL)		x	3	5
Deaf/Hard of Hearing (DHH)	x	x	6-8	8-10
Multiple Disability Severe (MDS)		x	10	10
Mental Retardation Moderate (MRM)	x		12 or 14*	12 or 14*
Specific Learning Disability (SLD)	x	x	12	12
Multiple Disability (MD)	x	x	6	8
Noncategorical	x	x	8	12
Orthopedic/Other Health Impaired (OI)	x	x	12	16
Emotional Disturbance (ED)	x	x	8	8
Aphasia (APH)	x		6	8 or 10**
Teleteaching (TEL)	n/a	n/a	20	20
Mental Retardation Severe (MRS)		x	12	12
RESOURCE SPECIALIST PROGRAM	x		24-28	
DESIGNATED INSTRUCTION AND SERVICES				
Adapted Physical Education (APE)	x	x		70
Audiology	x	x		115
Counseling	x	x		22
Deaf/Hard of Hearing (DHH)	x	x		12
Home Hospital	n/a	n/a		10
Language and Speech (LAS)	x	x		55
Orientation & Mobility Instruct. for VI	x	x		12
Visually Impaired (VI)	x	x		12
Vocational Education for the Handicapped	x	x		75

\*12 if a 4 year age span    \*\*10 if a secondary level aphasia class

(a) If optimum class norm is exceeded by two for a temporary period of time which exceeds one month, a referral may be made to the **Support Unit Administrator** who may contact the **Executive Director, Special Education**, for assistance.

(b) Maximum age is to high school completion or to 22 years of age. Pupils who have not met their prescribed course of study or regular or differential proficiency standards may remain in school through age 21. Any pupil who becomes 22 while participating in a program may continue participation for the remainder of the then current school year.



## APPENDIX H

### SCHOOL STAFF AND RESOURCES

#### School Staff (*Continued*)

#### Early Childhood Centers

Early Childhood Education Centers are staffed based on the guidelines and staffing ratios established by Education Code 8288, 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 CENTERS – 2015-16**

##### **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 on individual early childhood center needs and the hours of operation

## APPENDIX H

### SCHOOL STAFF AND RESOURCES School Staff (*Continued*)

#### 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 – 2015-16**

##### **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.

## APPENDIX H

### SCHOOL STAFF AND RESOURCES

#### School Staff (*Continued*)

#### 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 – 2015-16**

##### **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.

#### Alternative Education & Work Centers

Alternative Education and Work Centers (AEWC), which are associated with Community Adult Schools, Regional Occupational Centers, or Skills Centers, are located at 23 sites. AEWC provides students who left the comprehensive high schools, with additional educational opportunities leading to a high school diploma or equivalency, apprenticeship, and other career and technical education training programs. An AEWC site is under the principal of a Community Adult School, Regional Occupational Center, or Skills Center. A typical AEWC site has the following staff: 1 outreach consultant, 2-4 teachers, 3-6 teacher assistants, and 1 school safety officer.

## APPENDIX H

### SCHOOL STAFF AND RESOURCES

#### School Staff (*Continued*)

#### Support Personnel

##### **SUPPORT ALLOCATIONS – 2015-16**

Custodial personnel are allocated to schools based on a complex formula involving enrollment, building area, grounds, service to teachers, etc.

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.

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 – 1,089	0.5
1,090+	1.0

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 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 education allocations, schools purchase additional psychological services based on need for services and the schools' ability to fund the positions from categorical funds.

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 from categorical funds.

## APPENDIX H

### SCHOOL STAFF AND RESOURCES School Staff (*Continued*)

#### Materiel 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 MATERIAL

<u>Program</u>		<u>2014-15 Rate</u>		<u>2015-16 Rate</u>	
Regular -	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		*		*	
Special Education – Special Day Classes **					

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

\*\* - *For 2015-16 fiscal year, Special Education – Special Day Classes Instructional Materials for Special Education Schools, Regular Schools, and Early Ed Centers will be purchased centrally and will be distributed based on schools' need.*

## APPENDIX H

### SCHOOL STAFF AND RESOURCES

#### School Staff (*Continued*)

#### Materiel and Supplies Allocation Rates

#### OPERATIONAL SUPPLIES

<u>Type</u>	<u>2014-15 Rate</u>	<u>2015-16 Rate</u>
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

<u>Type</u>	<u>2014-15 Rate</u>	<u>2015-16 Rate</u>
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

## APPENDIX H

### LOS ANGELES UNIFIED SCHOOL DISTRICT PER PUPIL RATE COMPARISONS FY 2014-15 to FY 2015-16 As of May 26, 2015

Program	Description	Allocation Basis	Program Code	FY 2015-16	FY 2014-15	Difference
Title I, Part A <sup>1</sup>	Socioeconomically Disadvantaged	K-12: 65-100% Poverty	7S046	\$ 615.00	\$ 644.00	\$ (29.00)
		K-12: 50-64.99% Poverty		\$ 467.00	\$ 489.00	\$ (22.00)
Title I, Part A <sup>2</sup>	Socioeconomically Disadvantaged	K-12: 65-100% Poverty	7V876	\$ -	\$ 12.00	\$ (12.00)
		K-12: 50-64.99% Poverty		\$ -	\$ 9.00	\$ (9.00)
Title I, Part A (Parents)	Socioeconomically Disadvantaged	K-12: 65-100% Poverty	7E046	\$ 11.00	\$ 13.00	\$ (2.00)
		K-12: 50-64.99% Poverty		\$ 9.00	\$ 11.00	\$ (2.00)
Title 1, Part A	Title 1 Hold Harmless	Schools falling below 50% poverty for the first time in FY 2015-16	7S046	\$ 300.00	\$ -	\$ 300.00
Title 1, Part A (Parents)	Title 1 Hold Harmless	Schools falling below 50% poverty for the first time in FY 2015-16	7E046	\$ 6.00	\$ -	\$ 6.00
Title III	Limited English Proficient	Schools with no Access to Core Coach allocation	7S176	\$ 16.00	\$ 16.00	\$ -
		Schools with Access to Core Coach allocation		\$ -	\$ 16.00	\$ (16.00)
EIA-Limited English Proficient <sup>3</sup>	Standards Implementation Support	English Learners	7V883	\$ - *	\$ 19.50	\$ (19.50)
				* 2015-16 -Carryover only		
Targeted Student Population	Local Control Funding Formula	Supplemental-EL, Low Income and Foster Youth Unduplicated Count	10183	\$ 150.00	\$ 150.00	\$ -
		Concentration-above 55% of Unduplicated Count		\$ 400.00	\$ 400.00	\$ -
Targeted Student Population	Local Control Funding Formula-LAS Link	English Learners	11277	\$ -	\$ 24.50	\$ (24.50)

<sup>1</sup>Title I Targeted Assistance Schools (TAS) will be funded from program 70S46.

<sup>2</sup>Title I Targeted Assistance Schools (TAS) will be funded from program 78V76.

<sup>3</sup>Excluding Charter Schools





## APPENDIX I

### 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 2012-13, the California Lottery has contributed \$26.6 billion to California public schools and \$21.4 billion of that was allocated to K-12 schools.

The funding received by LEAs is based on 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 2013-14

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

## APPENDIX I

Since the inception of the Lottery through fiscal year 2013-14, LAUSD received a cumulative total of \$2.6 billion. The table below details the amounts received by LAUSD for fiscal years 2003-04 through 2013-14.

LAUSD LOTTERY REVENUE\*  
For Fiscal Years 2003-04 through 2013-14  
(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

\*Data from California Department of Education

\*\*Should be spent for instructional materials

# APPENDIX I

## TITLE I, PART A BUDGET (SOCIOECONOMICALLY DISADVANTAGED STUDENTS)

FY 2015-16

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

	2015-16
Estimated Entitlement	\$ 282,775,185
Estimated Carryover	89,817,003 *
<b>Total</b>	<b>\$ 372,592,188</b>

<b>Budgeted Expenditures</b>	<b>No. of Students</b>	<b>Rate</b>	<b>Amount</b>
<b>School Discretionary Per Pupil Allocations</b>			
Poverty % = 100% -65%	338,789	\$ 615.00	\$ 208,355,235
Poverty % = 64.99% -50%	43,438	\$ 467.00	20,285,546
	382,227		\$ 228,640,781
Hold Harmless Schools	2,011	\$ 300.00	603,300
<b>Subtotal</b>			<b>\$ 229,244,081</b>
<b>Parent Involvement Reservation</b>			
Per Pupil Allocations			
Poverty % = 100% -65%	338,789	\$ 11.00	\$ 3,726,679
Poverty % = 64.99% -50%	43,438	\$ 9.00	390,942
			\$ 4,117,621
Hold Harmless Schools	2,011	\$ 6.00	\$ 12,066
Local District Administrator of Parent & Community Engagement Centers			412,458
District Parent Educator Coaches			732,343
Northeast Parent Community Facilitator			34,929
Parent Community Student Services Branch			1,442,871
Private Schools Equitable Share			239,830
<b>Subtotal</b>			<b>\$ 6,992,118</b>
<b>Private Schools</b>			
Per Pupil Allocations			
Poverty % = 100% -65%	11,883	\$ 615.00	\$ 7,308,045
Poverty % = 64.99% -50%	1,765	\$ 467.00	824,255
<b>Subtotal</b>	13,648		<b>\$ 8,132,300</b>
<b>Mandatory Reservations</b>			
Public School Choice Transportation			\$ 1,500,000
Homeless Program			987,995
Neglected Program			630,402
Private Schools Capital Expense			463,859
<b>Subtotal</b>			<b>\$ 3,582,256</b>
<b>Core Waiver Implementation</b>			
2015 Summer Program*			\$ 8,500,000
Current Year Programs			56,555,037
<b>Subtotal</b>			<b>\$ 65,055,037</b>
<b>Administration</b>			
Administration-Basic			\$ 3,628,953
Administration-Neglected			252,023
District Title I Coordinators			1,701,609
Social Emotional Learning/CORE Facilitators			743,373
Reserve - Salary and Benefit Adjustments			39,412,895
Indirect Support FY 15-16 3.86%			13,847,543
<b>Subtotal</b>			<b>\$ 59,586,396</b>
<b>Total Expenditures</b>			<b>\$ 372,592,188</b>

Notes: \* \$30.7 million of FY 2014-15 budget is allocated to Beyond the Bell for the administration of CORE Waiver Extended Learning Opportunities, Summer which concludes on July 17, 2015 (FY 2015-16).

## APPENDIX I

### TITLE II, Part A - HIGHLY QUALIFIED TEACHERS FY 2015-16

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.

		<b>2015-16</b>
Estimated Entitlement		<b>\$ 41,815,445</b>
<b>Budgeted Expenditures</b>		<b>Amount</b>
<b>Pre K - 12 Curriculum Services</b>		
Administrator Development		\$ 481,602
College & Career Counseling		80,160
District Intern - LISTOS Program		981,483
District positions		5,733,393
NBC Teachers Unit		232,035
Office of Curriculum, Instruction / School Support		5,701,632
Professional Learning		92,570
Teacher Growth Office		993,498
<b>Subtotal</b>		<b>\$ 14,296,373</b>
<b>Human Resources (HR)</b>		
HR-Certificated Performance Evaluation Support		1,188,670
HR-Certificated Placement & Assignments		2,114,142
HR-Certificated Workforce Management		3,175,693
HR-Employee Performance Accountability		180,212
HR-Beginning Teacher Growth & Development		968,591
HR-Office of Chief Human Resources Officer		160,000
HR-Personnel Research & Assessment		412,558
<b>Subtotal</b>		<b>\$ 8,199,866</b>
<b>Stipends</b>		
National Board Certified Teacher Stipends		\$ 9,000,000
Bilingual Differential Salaries		1,670,000
<b>Subtotal</b>		<b>\$ 10,670,000</b>
Private Schools Equitable Share		<b>\$ 4,416,671</b>
<b>Other</b>		
Declining Enrollment Adjustment	2.60%	\$ 1,087,202
Indirect Cost	3.86%	1,554,088
Indirect Cost - Admin.	2.00%	88,333
Potential Funding Variance	5.00%	1,502,912
<b>Subtotal</b>		<b>\$ 4,232,535</b>
<b>Total Expenditures</b>		<b>\$ 41,815,445</b>

## APPENDIX I

### TITLE III - LIMITED ENGLISH PROFICIENCY (LEP) FY 2015-16

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.

	<b>2015-16</b>
Estimated Entitlement	\$ 14,694,548
Estimated Carryover	\$ 3,774,991
<b>Total</b>	<b>\$ 18,469,539</b>

<b>Budgeted Expenditures</b>	<b>No. of LEP Students</b>	<b>Rate</b>	<b>Amount</b>
<b>Resources to Support Schools</b>			
Title III Access to Core Coaches (191.00 FTE's)			\$ 15,659,899
Per Pupil Allocation for schools without coach	73,941	\$ 16.00	\$ 1,183,056
Multilingual and Multicultural Education Department Professional Development			1,081,703
<b>Subtotal</b>			<b>\$ 17,924,658</b>
<b>Private Schools Equitable Share</b>	1,361	\$ 93.22	<b>\$ 126,872</b>
<b>Indirect Cost ( 2% Cap)</b>			<b>\$ 362,148</b>
<b>Reserve for Adjustment</b>			<b>\$ 55,861</b>
<b>Total Expenditures</b>			<b>\$ 18,469,539</b>



**APPENDIX J**  
**LAUSD BUDGET AND FINANCE POLICY**  
(as approved by the Board, 11/12/2013)

**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.

**APPENDIX J**  
**LAUSD BUDGET AND FINANCE POLICY**  
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**Timetable of LAUSD Budget Process**

<b>Timing</b>	<b>Activity</b>
December	<ul style="list-style-type: none"> <li>• First Interim Report released projecting current and future year's revenues, expenditures, and balances.</li> </ul>
January	<ul style="list-style-type: none"> <li>• Governor proposes the State Budget to the Legislature for the next fiscal year</li> <li>• District Staff analyzes Governor's Proposed State Budget for Board</li> <li>• District staff presents enrollment projections to Board</li> <li>• State Board of Education (SBE) issues initial draft of the Local Control Accountability Plan (LCAP) guidance for school district*</li> </ul>
March	<ul style="list-style-type: none"> <li>• Second Interim Report released projecting current year revenues, expenditures, &amp; balances</li> <li>• Budget Services &amp; Financial Planning Division presents District's 3-year financial forecast to Board</li> <li>• Board discusses recommendations for Budget Issues</li> <li>• General Fund - funding levels presented</li> </ul>
April	<ul style="list-style-type: none"> <li>• Board receives input from stakeholders regarding next year's budget</li> <li>• Board votes on adoption of Budget Issues for next year's budget</li> <li>• School Budget Development</li> </ul>
May	<ul style="list-style-type: none"> <li>• Governor releases May Revision of proposed State Budget</li> <li>• Categorical Funding levels presented</li> </ul>
June	<ul style="list-style-type: none"> <li>• Board adopts Final Budget for coming year</li> </ul>
June/July/August	<ul style="list-style-type: none"> <li>• State budget adopted</li> <li>• If necessary, Board holds special meetings to consider changes to Final Budget</li> </ul>

\*LCAP hearing and adoption timeline to be determined depending on the SBE guidelines (January 2014).

## **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"



**APPENDIX J**  
**LAUSD BUDGET AND FINANCE POLICY**  
(as approved by the Board, 11/12/2013)

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.

**APPENDIX J**  
**LAUSD BUDGET AND FINANCE POLICY**  
(as approved by the Board, 11/12/2013)

**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.~~

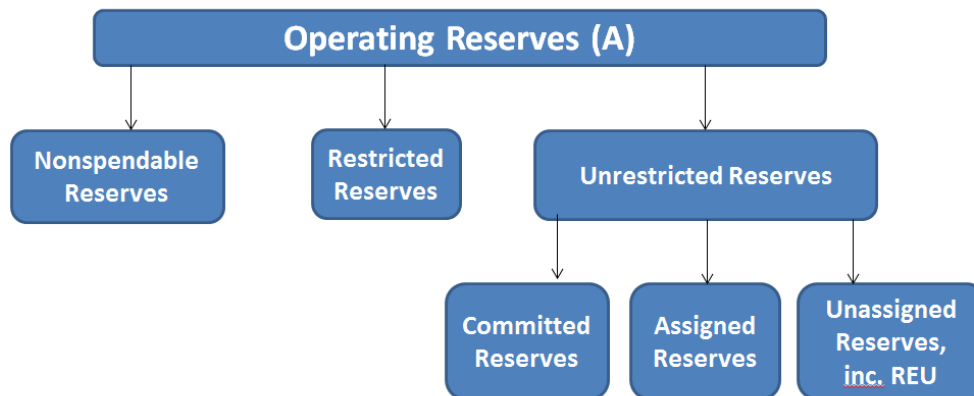
~~Any new or unanticipated unrestricted revenues recognized during the current fiscal year should also be applied to reduce any operating deficit or unplanned one time mandatory cost before being used for other purposes.~~

**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<sup>1</sup> are as follows:

**APPENDIX J**  
**LAUSD BUDGET AND FINANCE POLICY**  
(as approved by the Board, 11/12/2013)

- 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.  
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.

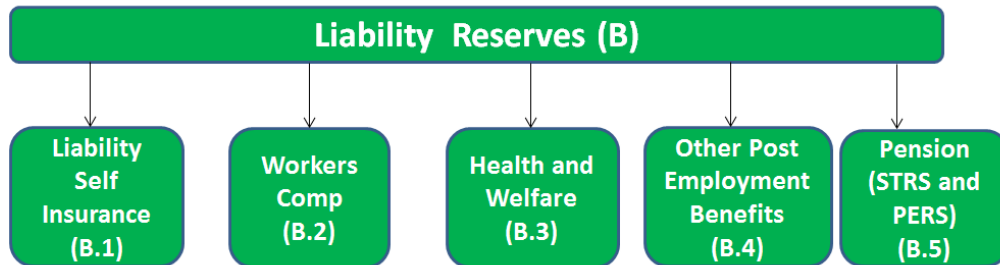
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<sup>1</sup> Under GASB Statement No. 54, Fund Balance Reporting and Government Fund Type Definitions

**APPENDIX J**  
**LAUSD BUDGET AND FINANCE POLICY**  
(as approved by the Board, 11/12/2013)

**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

**APPENDIX J**  
**LAUSD BUDGET AND FINANCE POLICY**  
(as approved by the Board, 11/12/2013)

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.<sup>1</sup>

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.

**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.

**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.

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<sup>1</sup> 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.

**APPENDIX J**  
**LAUSD BUDGET AND FINANCE POLICY**  
(as approved by the Board, 11/12/2013)

**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.

**APPENDIX J**  
**LAUSD BUDGET AND FINANCE POLICY**  
(as approved by the Board, 11/12/2013)

**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.

**APPENDIX J**  
**LAUSD BUDGET AND FINANCE POLICY**  
(as approved by the Board, 11/12/2013)

**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.



**APPENDIX J**  
**LAUSD BUDGET AND FINANCE POLICY**  
(as approved by the Board, 11/12/2013)

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**

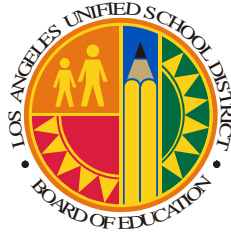
These are residual positive net resources for the General Fund in excess of what can properly be classified in one of the other four categories. There are some reserves that do not meet the requirements of the aforementioned components of fund balance. For financial statement reporting purposes, these 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.



APPENDIX K

Los Angeles Unified School District  
**DEBT MANAGEMENT POLICY**



Prepared by:

**The Office of the Chief Financial Officer**

April 14, 2015

## DEBT MANAGEMENT POLICY

### Index

Background .....	3
Article I. <b>Purpose and Goals</b> .....	4
Article II. <b>Authorization</b> .....	5
Section 2.01 <b>Authority and Purposes of the Issuance of Debt</b> .....	5
Section 2.02 <b>Types of Debt Authorized to be Issued</b> .....	5
Section 2.03 <b>State Law</b> .....	7
Section 2.04 <b>Annual Review</b> .....	8
Article III. <b>Structural Features, Legal and Credit Concerns</b> .....	8
Section 3.01 <b>Structure of Debt Issues</b> .....	8
Section 3.02 <b>Sale of Securities</b> .....	9
Section 3.03 <b>Markets</b> .....	10
Section 3.04 <b>Credit Enhancements and Derivatives</b> .....	10
Section 3.05 <b>Impact on Operating Budget and District Debt Burden</b> .....	10
Section 3.06 <b>Debt Limitation</b> .....	10
Section 3.07 <b>Debt Issued to Finance Operating Costs</b> .....	10
Section 3.08 <b>Credit Rating Methodologies &amp; Tracking of District's Performance Scores</b> ..	11
Section 3.09 <b>Use of Corporations as Lessor for COPs Issues</b> .....	14
Article IV. <b>Related Issues</b> .....	14
Section 4.01 <b>Capital Improvement Program</b> .....	14
Section 4.02 <b>Reporting of Debt</b> .....	14
Section 4.03 <b>Financial Disclosure</b> .....	15
Section 4.04 <b>Review of Financing Proposals</b> .....	15
Section 4.05 <b>Establishing Financing Priorities</b> .....	15
Section 4.06 <b>Rating Agency and Credit Enhancer Relations</b> .....	15
Section 4.07 <b>Investment Community Relations</b> .....	16
Section 4.08 <b>Refunding and Restructuring Policy</b> .....	16
Section 4.09 <b>Investment of Borrowed Proceeds</b> .....	16
Section 4.10 <b>Federal Arbitrage Rebate Requirement</b> .....	17
Section 4.11 <b>Transaction Records</b> .....	17
Section 4.12 <b>Financing Team Members</b> .....	17
Section 4.13 <b>Special Situations</b> .....	20
Appendix A <b>LAUSD Long-Term Debt - Compliance Procedures</b> .....	22
Appendix B <b>LAUSD Continuing Disclosure Procedures</b> .....	36

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 enjoys some of the highest credit ratings of any major urban school district in the nation. The District’s general obligation bonds are rated Aa2 by Moody’s Investors Service and AA- by Standard & Poor’s Corporation. The District’s COPs ratings are A1 (Moody’s) and A+ (Standard & Poor’s). These high credit ratings reduce the interest costs paid by the District on the amounts borrowed. Lower interest costs result in lower property taxes paid by the District’s taxpayers to service debt on the District’s general obligation bonds and a reduced burden on the District’s operating funds for non-general obligation debt. These 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. 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. Under “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.<sup>1</sup> With these additional debt issuances, the effects of decisions regarding type of issue, method of sale, and 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

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<sup>1</sup> For purposes of this policy, long-term obligations such as lease payments in support of COPs will be considered “debt.”

Service requirements and other transaction requirements are set forth in Appendix A to this Policy.

**Article I. Purpose and Goals**

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 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 encroachment on 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. **Authorization**

### 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”). 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 COPs for public facilities, property, and equipment. In the event that lease revenue bond (“LRB”) financing costs are lower than COPs financing costs, the District may consider using an LRB structure for financing public facilities, property, and equipment. 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. 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.



- F. 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.
- G. 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.
- H. Use of Asset Transfer COPs: The District will use an "asset transfer" COP financing 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.
- 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 to offset any additional administrative and compliance costs and risks.
- K. Capital Appreciation Debt: The District may issue Capital Appreciation Bonds ("CABs") 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 be avoided unless the Board determines it is necessary to issue CABs 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, TRANs and any other debt issuances.

### Article III. **Structural Features, Legal and Credit Concerns**

#### 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 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.

### **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 credit rating of any counterparty must be at least A+ at the time of the transaction. The District shall use a competitive process to select providers of such products to the extent applicable. In order to assure that the District purchases 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. 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 cannot 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 Tracking of District's Performance Scores**

Debt Burden Ratios and Credit Rating Methodologies: The District's credit ratings are an important factor that directly impact the interest cost of the District's debt. S&P and Moody's have released revised methodologies for determining an issuer's underlying or implicit general obligation rating. A key objective of the new methodologies is to make the process of determining an issuer's rating more transparent, thus enabling the District itself to see how its performance on various rating criteria affects its credit ratings.

In addition to considering the District's credit performance as measured using the S&P and Moody's methodologies, 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 G.O. 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 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 currently being 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**

<b>Debt Factor</b>	<b>Target</b>	<b>Ceiling</b>
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**

<b>Debt Burden Ratio</b>	<b>Benchmark</b>
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. Related Issues**

### **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. As-Needed Bond Counsel, Tax Counsel, and Disclosure Counsel: The District will select an external legal team to be used on an as-needed basis to 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 are inherently in 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 obey 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,<sup>2</sup> 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

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

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<sup>2</sup> 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”).



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<sup>3</sup> of the proceeds of an issue meet both prongs of the Private Business test.

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

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<sup>3</sup> 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.

involve Private Payments, will not cause the District's general obligation bonds to become private activity bonds.<sup>4</sup>

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 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,

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<sup>4</sup> 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.

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”).<sup>5</sup> 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.

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<sup>5</sup> 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.

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 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.

**APPENDIX L**  
**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>





# APPENDIX M

## NOTES

Amounts in \$ millions

### NOTE 1 - SUMMARY OF INTERFUND ADJUSTMENTS FOR ALL FUNDS

Interfund Adjustments	2011-12 Actual Amounts	2012-13 Actual Amounts	2013-14 Actual Amounts	2014-15 3rd Interims Amounts	2015-16 Authorized Amounts
General Fund	\$ 5.5	\$ 23.6	\$ 22.7	\$ 0.9	\$ 60.0
Cafeteria Fund	\$ 89.4	\$ 54.7	\$ 51.9	\$ 58.9	\$ 60.8
Adult Education Fund	\$ -	\$ 60.6	\$ -	\$ -	\$ -
Child Development Fund	\$ 19.4	\$ 15.3	\$ 30.2	\$ 34.4	\$ 41.0
Special Reserve Fund	\$ 7.9	\$ 3.0	\$ 4.6	\$ 37.3	\$ -
Building Fund	\$ -	\$ -	\$ 0.1	\$ -	\$ -
Building Fund - Measure Y	\$ 51.0	\$ 89.1	\$ -	\$ 71.4	\$ -
Building Fund - Measure R	\$ 514.2	\$ 60.6	\$ -	\$ 47.7	\$ -
Building Fund - Measure K	\$ 78.6	\$ 84.3	\$ -	\$ 27.8	\$ -
Building Fund - Bond Proceeds	\$ 24.4	\$ 29.1	\$ -	\$ -	\$ -
County School Facilities Fund	\$ 37.5	\$ 110.2	\$ -	\$ 30.7	\$ -
State School Building Lease/Purchase Fund	\$ 0.2	\$ 0.1	\$ -	\$ -	\$ -
Capital Facilities Fund	\$ -	\$ 9.5	\$ -	\$ -	\$ -
Capital Services Fund	\$ 222.3	\$ 41.2	\$ 46.5	\$ 50.3	\$ 43.9
Workers' Compensation Fund	\$ 78.5	\$ 104.2	\$ 113.8	\$ 178.3	\$ 118.8
Health & Welfare Benefits Fund	\$ 939.7	\$ 926.5	\$ 940.8	\$ 959.0	\$ 995.7
Liability Self-Insurance Fund	\$ 30.0	\$ 79.9	\$ 50.8	\$ 49.8	\$ 28.1
Total Interfund Adjustments	\$ 2098.6	\$ 1691.8	\$ 1261.4	\$ 1546.7	\$ 1348.3

## APPENDIX M

Amount in \$ millions

### NOTE 2 - CAPITAL SERVICES FUND

#### Other Uses

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 2015-16, and the year in which these obligations will be fully repaid.

	Beginning Date	Ending Date	2015-16 Payment
2005 COPs-QZAB-Repay/Int	2004-05	2020-21	\$ 0.2
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	\$ 10.0
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	\$ 9.7
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
			\$ 44.2



## APPENDIX M

Amounts in \$ millions

### NOTE 3 – CAFETERIA FUND

	Number of Meals Served	Reimbursement Rate	2015-16 Amount
<b><u>Federal Revenue</u></b>			
<b>National School Lunch Program</b>			
Special Summer			
Lunch	963,335	\$ 3.6810	\$ 3.5
Breakfast	47,852	2.0775	\$ 0.1
Snack	104,423	0.0874	\$ 0.0
			<u>\$ 3.7</u>
Special Assistance Program			
Lunch			
Free	40,122,639	3.1151	\$ 125.0
Reduced-price	3,151,627	2.7079	\$ 8.5
Full Price	8,341,424	0.3665	\$ 3.1
National School Breakfast (Regular)*			
Free	534,923	1.6492	\$ 0.9
Reduced-price	69,254	1.3438	\$ 0.1
Full Price	707,663	0.2850	\$ 0.2
Needy Breakfast*			
Free	46,856,120	1.9647	\$ 92.1
Reduced-price	4,115,943	1.6593	\$ 6.8
Full Price	12,364,777	0.2850	\$ 3.5
Snacks			
Free	23,220	0.8348	\$ 0.0
			<u>\$ 240.2</u>
<b>Child and Adult Care Food Program</b>			
Lunch			
Free	1,607,250	3.0336	\$ 4.9
Reduced-price	167,474	2.6264	\$ 0.4
Full Price	209,531	0.2850	\$ 0.1
Breakfast			
Free	1,424,677	1.6492	\$ 2.3
Reduced-price	148,451	1.3438	\$ 0.2
Full Price	185,727	0.2850	\$ 0.1
Snacks			
Free	1,376,256	0.8348	\$ 1.1
Reduced-price	143,399	0.4174	\$ 0.1
Full Price	179,420	0.0713	\$ 0.0
Supper	13,621,987	3.0336	\$ 41.3
			<u>\$ 50.5</u>
Cash In-lieu of Commodities	15,606,242	0.2520	\$ 3.9
<b>Donated Commodities</b>			<u>\$ 16.1</u>
Total Federal Revenue			<u>\$ 314.4</u>

## APPENDIX M

### NOTE 3 – CAFETERIA FUND (continued)

	Number of Meals Served	Reimbursement Rate	2015-16 Amount
<b><u>State Revenue</u></b>			
<b>National School Lunch Program</b>			
Lunch			
Free	40,122,639	\$ 0.2248	\$ 9.0
Reduced-price	3,151,627	0.2248	\$ 0.7
Breakfast (Regular)*			
Free	534,923	0.2248	\$ 0.1
Reduced-price	69,254	0.2248	\$ 0.0
Breakfast (Needy)*			
Free	46,856,120	0.2248	\$ 10.5
Reduced-price	4,115,943	0.2248	\$ 0.9
			<u>\$ 21.3</u>
<b>Child and Adult Care Food Program</b>			
Lunch			
Free	1,607,250	0.1674	\$ 0.3
Reduced-price	167,474	0.1674	\$ 0.0
Breakfast			
Free	1,424,677	0.1674	\$ 0.2
Reduced-price	148,451	0.1674	\$ 0.0
			<u>\$ 0.6</u>
			<u><u>\$ 21.9</u></u>
Total State Revenue			<u><u>\$ 21.9</u></u>

*\*Includes Breakfast In The Classroom (BIC)*

# 2015-16 Fiscal Stabilization Plan

Attachment B  
Board Report No. 402-14/15  
March 10, 2015

## Ongoing Solutions

### Ongoing Reduction to District Programs:

Central Office Reductions  
School Readiness Language Development Programs

The Proposed Fiscal Stabilization Plan for 15-16 includes ongoing solutions, realignment of programs and one-time funding sources.

As limited one-time funding sources are depleted, the District will need to address additional reduction in 16-17 unless alternative on-going funding sources and/or additional program realignment and efficiencies are identified.

## Realignment

### Redesign of Program to address priorities and goals:

Arts Programs  
After School Program  
Maintenance and Operation

The District also continues to explore other “out of the box” solutions such as the strategic use of one time funds that could results in ongoing revenues.

Focus areas such as special education, attendance and cafeteria will also be reviewed for improvements and efficiencies.

## One-Time Funding

Use of One-time funds.  
Redevelopment funds, Bond-eligible projects

The District structural deficit needs to be addressed across three years to ensure fiscal sustainability in the long run.

## APPENDIX N

### 2015-16 Fiscal Stabilization Plan (in millions)

Item	15-16 Estimated Amount	Estimated FTE	16-17 Estimated Amount	Estimated FTE	Description
<b>Second Interim Deficit</b>	\$ (158.3)		\$ (374.6)		
<b>Balances from Prior Year</b>	\$ 45.1		\$ 19.7		
<b>Ongoing Solutions</b>					
Central Office Reduction	\$ 16.	115	\$ 16.	115	A 5% to 10% reduction to central offices.
School Readiness Language Development Programs (SRLDP)	\$ 16.	280	\$ 16.	280	A 45% reduction in the SRLDP classes. Space and funding permitting, families will be offered opportunities in Early Childhood Education programs
To be Determined	\$ -		\$ 282.		Additional reduction/solutions needed to address 16-17 deficit.
<b>Total Expenditure Program Reduction</b>	\$ 32.	395	\$ 314.	395	
<b>Realignment of Programs</b>					
After School Programs	\$ 7.3		\$ 7.3		Beginning in the 2015-16 school year, the Youth Services After School Program will be restructured to address the changing needs of our targeted youth.
Arts Programs	\$ 18.6		\$ 18.6		A redesign of the District existing Arts program to better serve targeted students. (TBD)
Ongoing & Major Maintenance	\$ 15.		\$ 15.		Portion of the additional Ongoing & Major Maintenance funds will be focused toward our targeted student population.
<b>Total Program Realignment</b>	\$ 40.9		\$ 40.9		
<b>Additional Onetime Sources of Funds</b>					
Flexible Use of Redevelopment Dollars	\$ 30.		\$ -		Flexibility allowed for the use of these funds for major maintenance purposes.
Bond-Eligible Maintenance Project	\$ 30.		\$ -		
<b>Additional Onetime Funds</b>	\$ 60.		\$ -		
<b>Revised Balance</b>	\$ 19.7		\$ (0.)		

## APPENDIX O

### GLOSSARY OF BUDGET TERMS AND ABBREVIATIONS

#### Budget Terms

**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. 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. 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 Division manages the utilities budget for schools and offices, but the expenditures are attributed to schools and offices, not the Facilities Division.

**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 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. All positions are budgeted as full positions, even if they provide service on a part-time basis.

**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.

## APPENDIX O

**Base Revenue Limit** – The basic State funding to K-12 education. It is expressed either as an amount per ADA or as a dollar amount. The District’s most important funding source, Base Revenue Limit funding is comprised of a combination of State tax revenues and local property tax allocations.

**Base Funding** – A grant allocated for each student, by grade band, via the Local Control Funding Formula. All students generate Base funding.

**Block Grant** – A funding methodology in which the granting authority (e.g., the State) groups multiple programs into one entity for funding purposes. This is usually done for purposes of improving funding flexibility; districts may choose to increase or decrease funding for programs within the block grant, depending upon the perception of the individual district regarding the relative value of the individual programs.

**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”)** – A change among budgeted items.

**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.

**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 location or may be carried forward and redistributed as part of a new 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 funding 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 credential. These include teachers, counselors, assistant principals, and principals.

## APPENDIX O

**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 “fiscally independent” charter school receives funding directly from the State and develops curriculum in compliance with state and federal guidelines. An “affiliated” charter school continues to receive funding from the District but develops curriculum that may differ from that of the District.

**Child Days of Enrollment** – Children’s Centers generate revenue on the basis of Child Days of Enrollment, which differs from the ADA calculations used for schools.

**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 credential, such as clerical and custodial staff.

**Common Core (Common Core State Standards)** - 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. The first year of the new test will be 2014. New tests cover fewer standards but in more depth. There is less memorization and more critical thinking involved.

**Community Day School** – A school site for service to students who have been expelled, referred by SARB, or denied attendance at a regular school site. By law, CDSs must be located on sites separated from regular District campuses.

**Compensatory Education** – Comprised of ESEA (Elementary and Secondary Education Act) Titles I, II and III; provides supplementary funding for schools with a specified percentage of students who qualify for funding under program guidelines. These include students receiving free or reduced price lunch and English learners.

**Concentration Funding** – A grant equal to 50% of the Base grant, allocated by grade span via the Local Control Funding Formula. Concentration funding is allocated for each unduplicated student, above 55% of total district enrollment, in one of three need categories: foster youth, English Learners and economically-disadvantaged.

**Concept 6 Calendar** – A 3-track, year-round calendar with 163 instructional days of 6.6 daily hours.

**Concurrently Enrolled** – Students enrolled simultaneously in a K-12 school and in a Regional Occupational Center or Adult Education Program.

**Continuous** – See “Ongoing.”

**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).

## APPENDIX O

**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 allocations.

**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 the 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 recognition 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.

**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.

**Equalization Aid** – State funds intended to equalize funding differences between districts receiving lower revenue limit amounts per-ADA and those receiving higher amounts. Equalization aid is typically provided based on the type and size of school districts. Small elementary district revenue limits are compared with other small elementary districts; large unified districts such as LAUSD are compared with other large unified districts, etc.

**Estimated 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.

**Expenditure** – The cost of goods received or services rendered.

**Federal Emergency Management Act** – 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.



## APPENDIX O

**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.

**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 1<sup>st</sup> and ends on June 30<sup>th</sup>.

**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.

**Gifted and Talented Education** – A State-funded program within the General Fund that provides supplemental funding for identified qualifying students.

**Goal** – Under 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.

**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.

## APPENDIX O

**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 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 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 (Special Education Program)** – Describes the legal requirement to educate students with disabilities with their non-disabled peers to the greatest extent appropriate.

**Limited** – See "Onetime."

**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 as currently discussed will be a new 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 replaces the Revenue Limit funding formula and most state categorical sources, with a base revenue grant, and needs-based supplemental funding based on the numbers of identified students who are English Learners, socioeconomically disadvantaged or who are in foster care. The formula also provides a concentration grant for Districts with unduplicated student counts exceeding 55% in any one of the previously mentioned supplemental funding categories.

**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.

## APPENDIX O

**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.

**Multivear 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.

**Ninety/Thirty (90/30) Calendar** – A year-round calendar in which students are assigned for 90 schools days, off for 30, then on for 90.

**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.

**Onetime** – Revenue or expenditure line-items not expected to continue into the subsequent year.

## APPENDIX O

**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.

**Preliminary Budget** – The first budget published by the District annually (usually in March or April). The Preliminary Budget is intended to provide Board Members and the public information on available revenues and expenditure requirements for the coming fiscal year, in order to assist in financial planning. The Preliminary Budget is based on information from the Governor's Proposed (January) Budget, the First Interim Financial Report, and other sources.

**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 "Gardenas 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 \(2000\)](http://ballotpedia.org/California_Proposition_20_Lottery_Funds_for_Textbooks_(2000))

**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 \(2002\)](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 \(2002\)](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 \(March 2004\)](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 \(1988\)](http://ballotpedia.org/California_Proposition_98_Mandatory_Education_Spending_(1988))

## APPENDIX O

**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>

**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 (Reserve for Anticipated Balances)** – See Reserve for Anticipated Balances.

**Regional Occupational Centers** – 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** – The District is required to maintain a 1% reserve to offset the potential impact of unanticipated over expenditures or revenue shortfalls.

**Restricted** – Program funding that is limited to specific students or types of expenditure. E.g., Gifted and Talented, Title I, etc. See *Categorical*. Also see *Unrestricted*.

**Revenue Limit** – The revenue limit is the largest and most important revenue source to the General Fund. The revenue limit is funded from a combination of State funds and local property taxes, and is allocated on the basis of a rate per A.D.A. multiplied by the District's A.D.A. The State COLA, if funded, provides the basis for increasing the revenue limit.

**Revenues** – The funding available to an organization from outside sources. Revenues are the primary financial resource of a Fund.

**Routine Repair and General Maintenance Program** – Provides for the repair of District buildings, equipment, and grounds, as well as for planning and implementation of alterations and improvements of existing structures. Districts are required to commit 3% of their budgeted General Fund amount 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 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. Replaced the J-200 reporting form. "SACS" is the abbreviation commonly used for "Standardized Account Code Structure."

## APPENDIX O

**Sequestration** - Sequestration is the \$1 trillion in savings that Congress is required to identify in the Budget Control Act of 2011. If Congress fails to make sufficient cuts, automatic budget reductions are triggered, reducing the District's share of federal programs such as Title I (Socioeconomically Disadvantaged Students ) and Title III (English learners).

**Smarter Balanced Assessments** - Next-generation assessments that are aligned to the [Common Core State Standards \(CCSS\)](http://www.corestandards.org/) (<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/) (<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 Mandated Cost Reimbursements** – Revenue received by the District in reimbursement for programs or activities resulting from State mandates or court orders. The California State Constitution requires that the State reimburse local governmental agencies for mandated activities.

**State Teachers' Retirement System (STRS)** – State law requires certificated employees, school districts, and the state to contribute to this retirement fund.

**Statutory COLA** – The cost of living adjustment (COLA) calculated based on the percentage change in the annual average value of the Implicit Price Deflator for State and Local Government Purchases of Goods and Services for the United States, as published by the United States Department of Commerce (Education Code §42238.1[a][2].

**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.

## APPENDIX O

**Supplemental Funding** – A grant equal to 20% of the Base grant, allocated by grade span via the Local Control Funding Formula. Supplemental funding is allocated for each unduplicated student in one of three need categories: foster youth, English Learners and economically-disadvantaged.

**Targeted Instructional Improvement Grant** – Funds the costs of ongoing desegregation efforts and, if funds remain, the needs of underachieving schools. Replaces Student Integration funding in the 2002-03 State Budget.

**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** – State-funded program intended to enhance the ability of low-performing schools to attract and retain quality teaching staffs.

**The “Deal”** – In 2004-05, in order to bring the State Budget into better balance, the Governor agreed with the Education Coalition that public education would receive \$2 billion less than its Proposition 98 entitlement. The Governor indicated that public education would continue to receive its fair share of any unanticipated revenues. In 2005-06, despite substantial State revenue increases in both 2004-05 and 2005-06, the Governor did not provide additional funding to public education, leading to the *CTA and O’Connell v. Schwarzenegger* lawsuit. In the 2006-07 State budget, the lawsuit was settled out-of-court, and the Governor agreed to provide the additional funds.

**Undesignated Ending Balance** – The portion of the previous year’s ending balance that is uncommitted and available for discretionary use. 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.

## APPENDIX O

### Budget 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

**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

**BTS** – Business Tools for Schools

**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 (TIIG/Student Integration Program)** – Capacity Adjustment 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



## APPENDIX O

**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

**CSR** – Class Size Reduction

**CSR** – Comprehensive School Reform

**CST** – California Standards Test

**CTA** – California Teachers' Association

**CY** – Current year

**DDP** – District-Defined Program

**DIS (Special Education Program)** – Designated Instructional Services (or Designated Instruction and Services)

**DOF** – California Department of Finance

**DRS (TIIG/Student Integration Program)** – Desegregated Receiver Schools

**EIA** – Economic Impact Aid. This program has two components: EIA-Bilingual and EIA-Compensatory Education

**ELAP** – English Language Acquisition Program

**ELL** – English Language Literacy Program

**ERAF** – Education Revenue Augmentation Fund

**ERP** – Enterprise Resource Planning

**ESEA** – Elementary and Secondary Education Act

**ESL** – English as Second Language

**FEMA** – Federal Emergency Management Act, or Federal Emergency Management Agency

**FSEP** – Federal and State Education Programs

**FTE** – Full-time Equivalent

**GAAP** – Generally Accepted Accounting Principles

**GASB** – Governmental Accounting Standards Board

## APPENDIX O

**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

**JTPA** – Job Training Partnership Act

**KLCS – TV** – The District-owned and operated television station

**LAAMP** – Los Angeles Annenberg Metropolitan Project

**LACOE** – Los Angeles County Office of Education

**LAEP** – Los Angeles Educational Partnership

**LAO** – Legislative Analyst’s Office

**LCI** – Licensed Children’s Institution

**LEA** – Local Educational Agency (generally refers to a local school district)

**LEP** – Limited English Proficient or Proficiency

**LRE (Special Education Program)** – Least Restrictive Environment

**NC** – Non-Certificated (Classified) Salaries

**NCLB** – No Child Left Behind

**NPA (Special Education Program)** – Nonpublic Agency

**NPS (Special Education Program)** – Nonpublic School

**NSF** – National Science Foundation

**OASDHI** – Old Age, Survivors’, Disability and Health Insurance (Social Security)

**OPEB** – Other Post-Employment Benefits

**P1** – The First Principal Apportionment period (for attendance accounting and State allocation purposes)

## APPENDIX O

**P2** – The Second Principal Apportionment period (for attendance accounting and State allocation purposes)

**PAR** – Peer Assistance and Review

**PD** – Pending Distribution

**PERS** – Public Employees’ Retirement System

**PLBAO (TIIG/Student Integration Program)** – Primarily Latino, Black, Asian and Other Non-Anglo.

**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 (TIIG/Student Integration Program)** – Priority Staffing Program

**PWT (TIIG/Student Integration Program)** – Permits With Transportation

**PYA** – Prior Year Adjustment

**QEIA** – Quality Education Investment Act

**QZAB** – Qualified Zone Academy Bonds

**RIF** – Reduction in force

**ROC/P** – Regional Occupational Centers/Programs

**ROC/SC** – Regional Occupational Centers/Skills Centers

**RRGM** – Routine Repair and General Maintenance

**RSP (Special Education Program)** – Resource Specialist 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 Education Program)** – Special Day Class

**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 (TIIG/Student Integration Program)** – School Readiness Language Development Program

## APPENDIX O

**STAR** – Standardized Testing and Reporting

**STRS** – State Teachers’ Retirement System

**TAP (or TAAP)** – Teachers As A Priority

**TIIG** – Targeted Instructional Improvement Grant

**TRANS** – Tax and Revenue Anticipation Notes

**TUPE** – Tobacco Use Prevention Education

**UCTP (TIIG/Student Integration Program)** – Urban Classroom Teacher Program

**WIA** – Workforce Investment Act

**YRS** – Year-Round Schools