



LAUSD
UNIFIED

**Overview of 2024-25 State Budget – May Revise
Committee of the Whole**

May 14, 2024

Overview of Governor's 2024-25 State Budget

- Projected state budget shortfall increased by \$7 billion since January, increasing total state deficit to \$44.9 billion
- \$17.3 billion in budget reductions were already implemented through Early Action
- Remaining budget problem (deficit) is \$27.6 billion after Early Action
- 1.07% COLA for LCFF and Categorical programs
- Maintains funding for ongoing education programs

Governor's Budget	\$37.9 billion
Shortfall Since Governor's Budget	\$7.0 billion
Early Action Budget Package	-\$17.3 billion
Remaining Budget Problem	\$27.6 billion

Overview of Governor's 2024-25 State Budget

Solving the State Budget Problem

Governor proposes to make up projected deficit with the following actions:

- \$11.7 billion from reserves, including \$8.4 billion from the Public School System Stabilization Account (PSSSA)
 - Historic, first withdrawal from PSSSA will leave less than \$1-2 billion balance for future years
- \$19.2 billion in reductions
- \$7.7 billion in internal state borrowing and revenue increases
- \$5.6 billion in budget delays

The Legislative Analyst's Office projects a larger budget problem that may require additional cuts, withdrawals or delays.

Overview of Governor's 2024-25 State Budget

Proposed Delays and Reductions Impacting Schools

School Facilities Program

Rescinds \$375 million appropriated in Early Action budget. Remaining Facilities Program funds are projected to last through January 2025.

CA Preschool, TK and Full Day Kindergarten Facilities Grant Program

Rescinds planned \$550 million investment in 2025-26, indicating that this funding can be considered as part of a proposed 2024 facilities state bond.

Golden State Teacher Grant Program

\$60 million reduction in one-time funds; \$50 million remaining.

Overview of Governor's 2024-25 State Budget

Proposed Delays and Reductions Impacting Schools

Preschool Inclusion Grants

Eliminates \$47.9 million in 2025-26 and \$97.9 million ongoing to support inclusion of children with special needs in California State Preschool Program. Providers will still be required to serve 5% of children with disabilities in CSPP.

Child Care Slot Expansion

Pause expansion of slots at current level of 119,000.

Children and Youth Behavioral Health Initiative

Reduction of \$72.3 million in 2023-24, \$348.6 million in 2024-25 and \$5 million in 2025-26.

Los Angeles Unified Advocacy Priorities

Emerging Topics for Advocacy

- Higher Cost of Living Adjustment
- Support maximum flexibility of one-time or ongoing Prop. 98 funding
- Advocate for flexibility and relief from potential penalties during UTK expansion
- Advocate for flexibilities in the Expanded Learning Opportunities Program to better serve students
- Support investments in school facilities construction, modernization, and greening projects
- Add intent language to fund kindergarten as a grade level starting in 2026-27

2024 Key Budget Dates

May 10	Governor's updated May Revision budget proposal released
June 15	State budget bill must pass in the Legislature
June 18	Public hearing for proposed Los Angeles Unified LCAP and Budget
June 25	LAUSD Board adoption of proposed LAUSD LCAP and Budget
Mid-August	45-day LAUSD Budget revision, if needed

2024-25 Additional Budget Solutions

- News from the May Revise, as well as improved attendance and other solutions improve the 2024-25 outlook

	2024-25
COLA at 1.07% (from 0.76%)	\$18M
ADA% at 92% in 2023-24 and thereafter (from 90%)	\$48M
New Central Reductions/Efficiencies	\$70M
TOTAL	\$136M

- This allows the District to pivot to a more flexible school carryover allocation

2024-25 School Carryover

Projected balances as of May at 30%:

	Total	30% Carryover	70% Reserved
General Fund School Program	\$117	\$37	\$80
SENI	\$282	\$85	\$197
Total	\$399	\$122	\$277

Projected balances as of May at 40%:

	Total	40% Carryover	60% Reserved
General Fund School Program	\$117	\$50	\$68
SENI	\$282	\$113	\$169
Total	\$399	\$163	\$237

40% (+10%) carryover, announced at the April Board Retreat, resulted in a \$40M impact

2024-25 Updated School Carryover

General Fund School Program & SENI

- Priority Schools – 70%
- SENI Highest and High Quintile Schools – 60%
- All Other Schools – 50%

Projected balances as of May at 30%:

	Total	30% Carryover	70% Reserved
General Fund School Program	\$117	\$37	\$80
SENI	\$282	\$85	\$197
Total	\$399	\$122	\$277

Projected balances as of May using updated carryover:

	Total	Carryover	Reserved
General Fund School Program	\$117	\$72	\$45
SENI	\$282	\$166	\$116
Total	\$399	\$238	\$161

Updated carryover results in \$116M impact