

# 2016-17 Second Interim

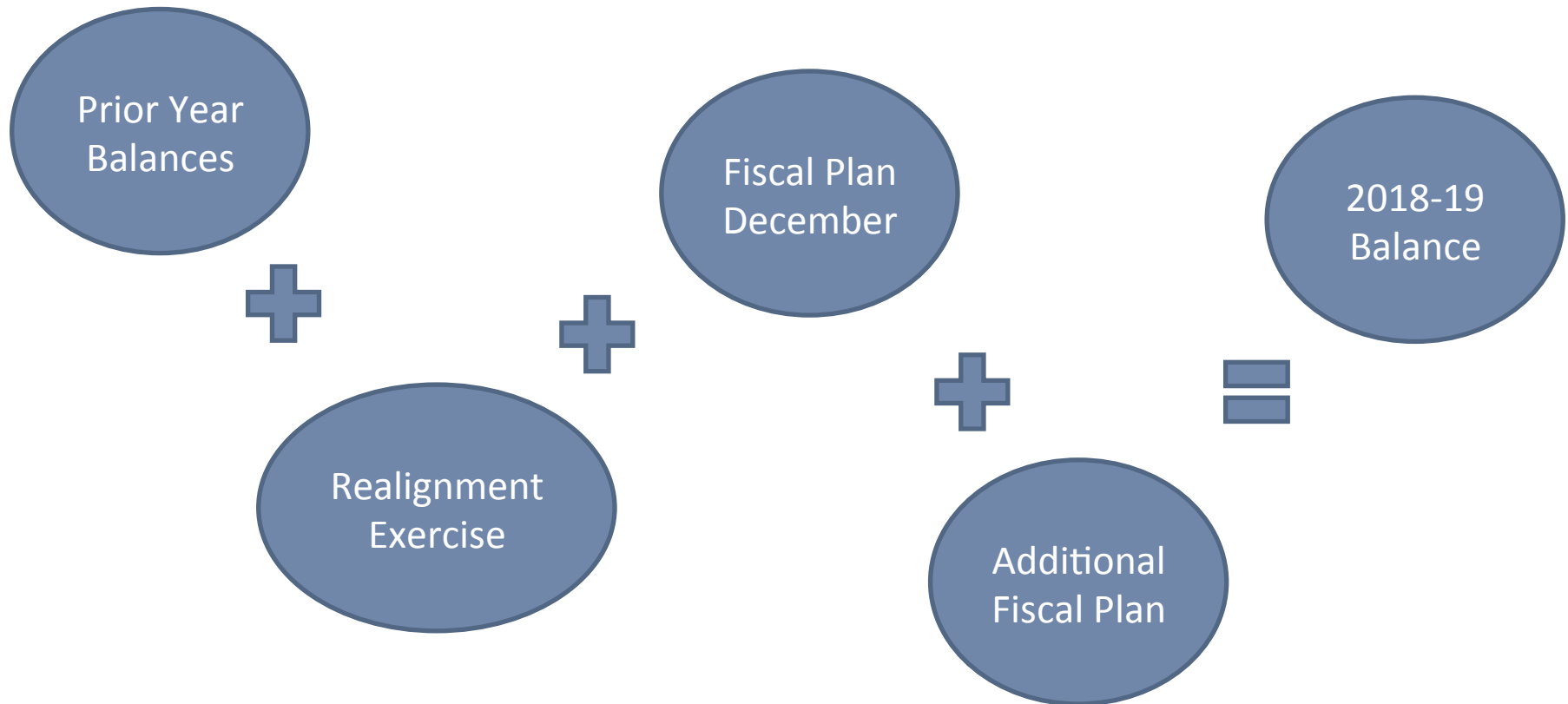
March 2017

# Second Interim Actions

- Fiscal Report
  - “Qualified” status remains due to deficit in the third year (2018-19)
- Fiscal Stabilization Plan
  - Balancing solution for deficit in 2018-19
- Resolution
  - Los Angeles County Office of Education requirement

# Balancing the District Budget

How did the District Balance its out year budget?



# Fiscal Stabilization Plan

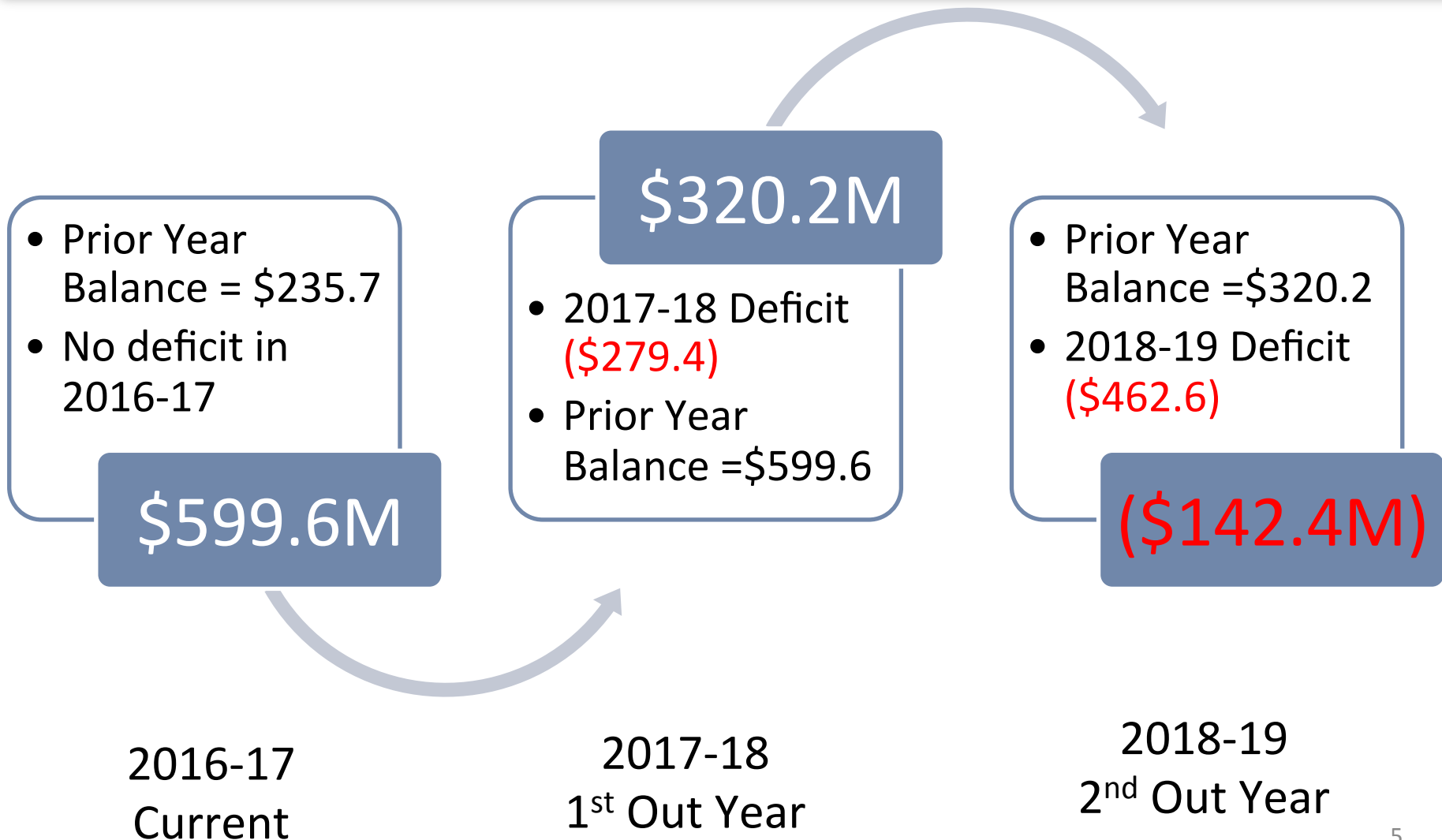
Additional Fiscal Stabilization Plan is needed.

(Amounts in Millions)	2016-17	2017-18	2018-19
Ending Balance <u>After</u> Realignment	\$570.4	\$179.2	(\$395.5)
Fiscal Stabilization Plan, Adopted in December	\$29.2	\$111.8	\$112.1
Ending Balance <u>After</u> Fiscal Stabilization Plan, Adopted in December	\$599.6	\$320.2	(\$142.4)
Additional Fiscal Stabilization Plan	\$0.0	\$0.0	\$148.5
Ending Balance, <u>After</u> Additional Fiscal Stabilization Plan	\$599.6	\$320.2	\$6.1



# Future Impact of Ending Balance

Prior Year Balances help mitigate out year reductions.



# Breaking Down the Ending Balance

## Components of the Total Ending Balance

(Ending Balance in Millions)	2016-17	2017-18	2018-19
Non-spendable (inherently non-spendable)	\$31.1	\$31.1	\$31.1
Restricted (externally enforceable limitations)	\$161.9	\$138.1	\$105.4
Reserve for Economic Uncertainty (Unassigned)	\$73.4	\$74.7	\$75.1
Assigned (limitation resulting from intended use)**	\$616.2	\$592.3	\$521.5
Assigned (savings from realignment and fiscal plan)*	\$291.9	\$0.0	\$0.0
Unassigned ***	\$307.7	\$320.2	\$6.1
<b>Total Ending Balance</b>	<b>\$1,482.2</b>	<b>\$1,156.5</b>	<b>\$739.1</b>

\$599.6 ←

\*Amounts after realignment and fiscal plan ( $\$307.7 + \$291.9 = \$599.6$ )

\*\*Approximately half of the ending balances are in assigned balances

\*\*\*These funds are designated for programs and expenditures in the following years.  
2018-19 positive balance is partly due to positive balances from 16-17 and 17-18

# Assigned Ending Balance

## Components of the Assigned Ending Balance

(Ending Balance in Millions)	2016-17	2017-18	2018-19
General Fund School Allocation*	\$246.2	\$320.3	\$298.8
Proportionality**	\$141.6	\$126.9	\$74.6
School Site Programs***	\$144.3	\$62.9	\$57.9
Districtwide Cost	\$74.6	\$77.0	\$84.9
Central Office	\$9.5	\$5.2	\$5.2
After Realignment and Fiscal Plan applied to next years' programs and expenditures	\$291.9	\$0.0	\$0.0
Total Assigned Ending Balance	\$908.1	\$592.3	\$521.4



\* School site carryover that could be used for fiscal stabilization plan.

\*\* Carryover needs to be used for Targeted Student Population

\*\*\*Carryover that are associated with revenues and textbook requirements.

- After Realignment and Fiscal Plan, **86% of the Assigned Ending Balances are in our school sites.** (\$532M/\$616M)

# Fiscal Concern

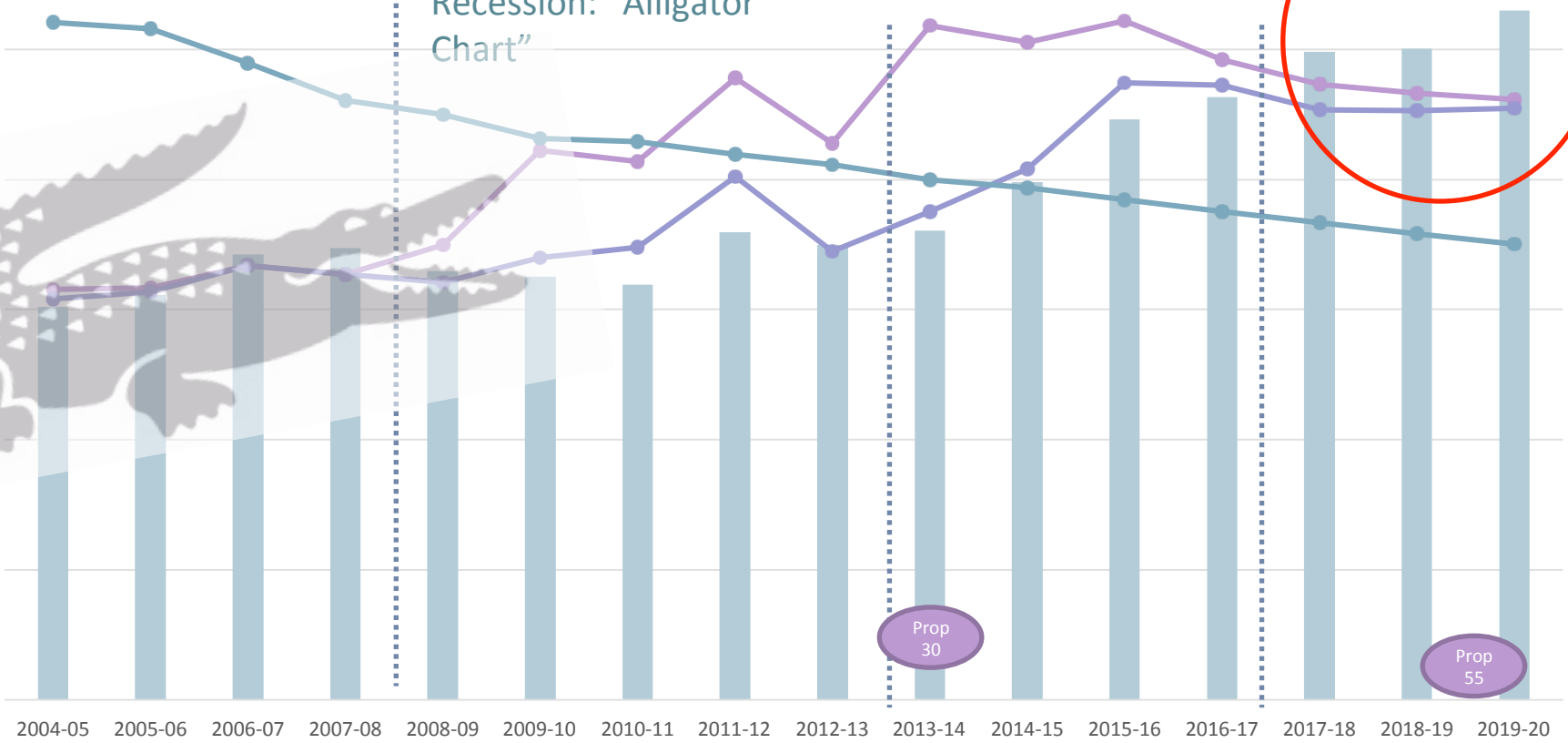
Expenditure continues to grow as revenue growth drops

Declining Enrollment

Recession: "Alligator Chart"

LCFF Funding: "Closing the Gap"

Budget Realities

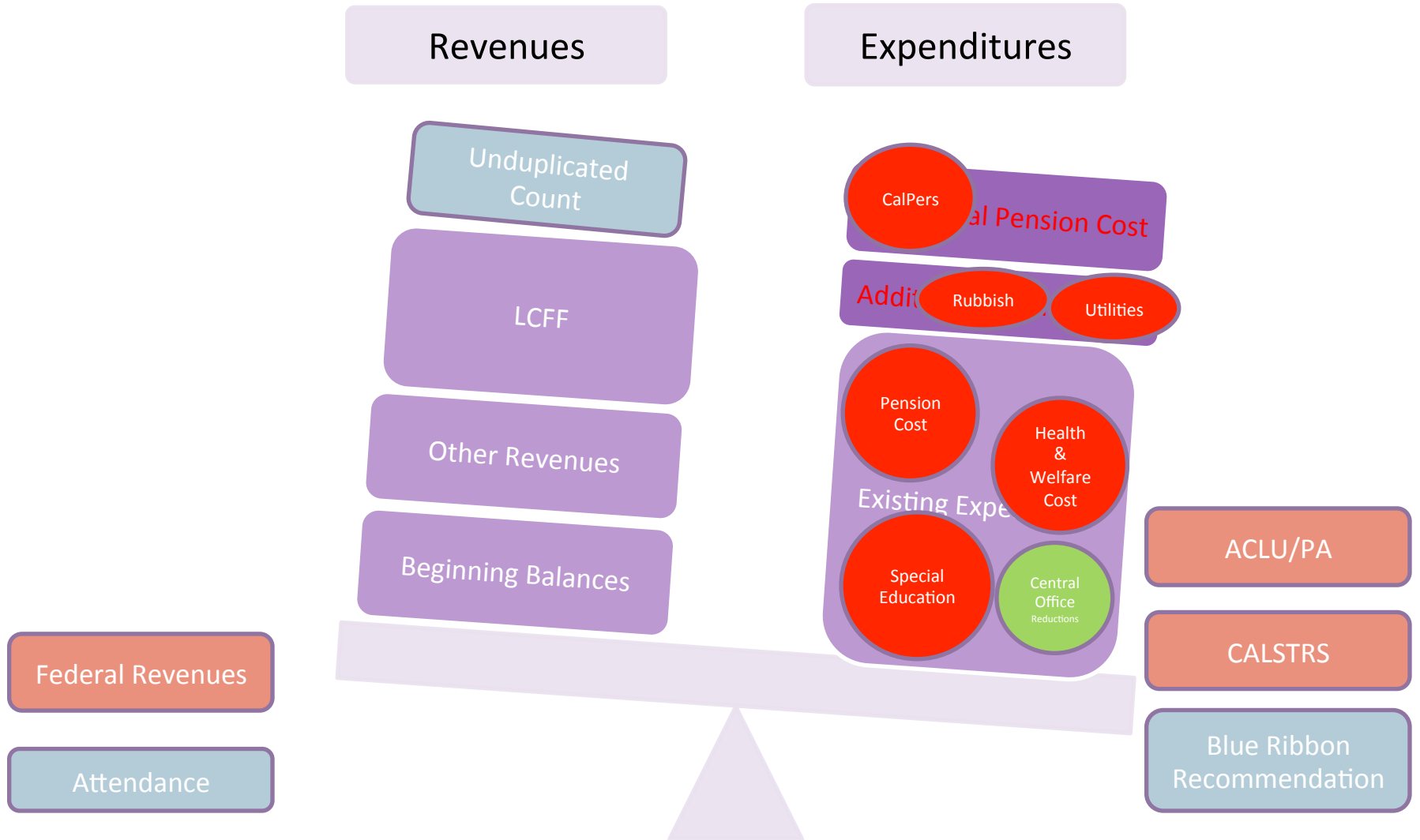


Unrestricted Expenditure    Target Revenue    Unrestricted Revenue    Funded ADA



# Budget Concern

Expenditure growth greater than revenues



# Resource Priorities

## Important Factors in Developing the District's Budget

Proactively plan for the Future

Budget Sustainability

Protecting Schools

Creating Assets for Reinvestment

Additional Support for Schools