Lynwood Unified School District
2015-16 Adopted Budget

June 23, 2015

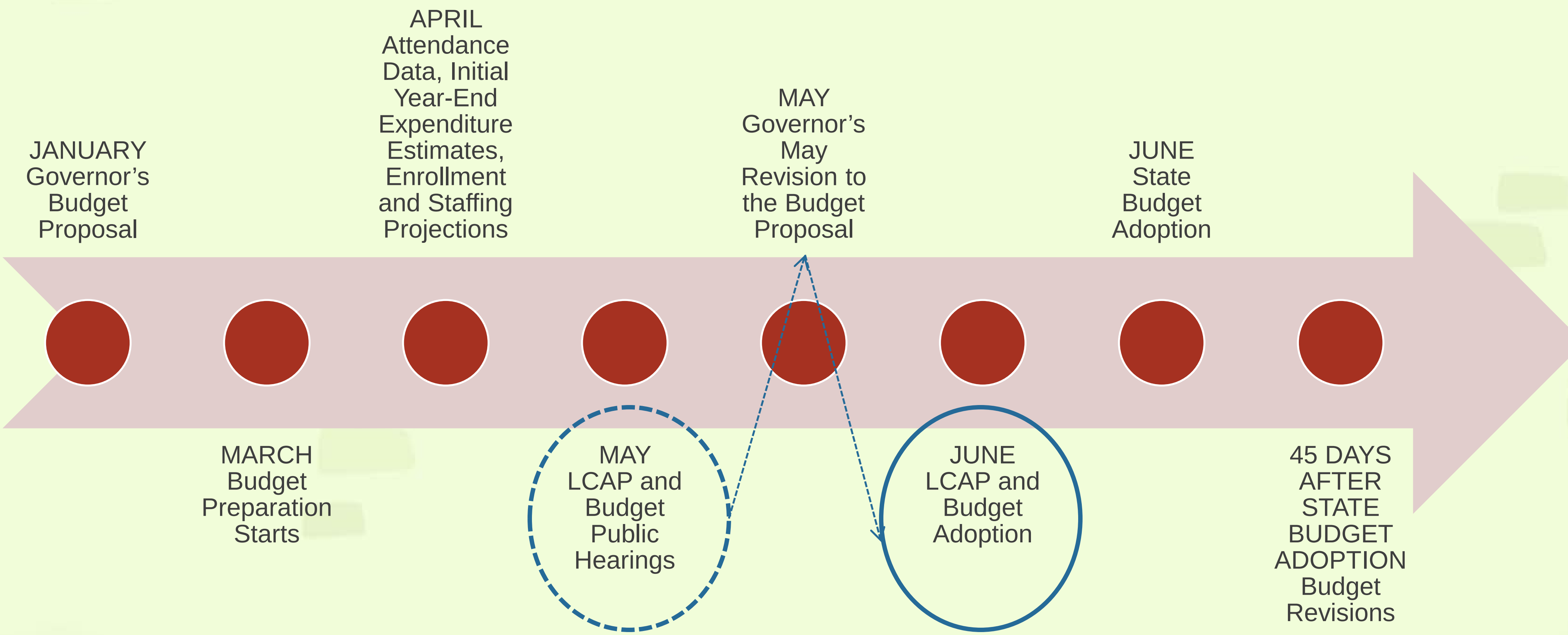
Public Hearing Requirements

- Education Code Sections 42127 and 52062 require:
  - The budget public hearing follow the LCAP public hearing at the same Board Meeting
  - Precede budget adoption, with budget adoption occurring at a separate and subsequent Board Meeting

Alignment with the LCAP

- The Budget reflects the spending plan to implement the priorities, goals, actions, and services as contained in the LCAP, in addition to all other expenditures for the District

Budget Preparation Timeline

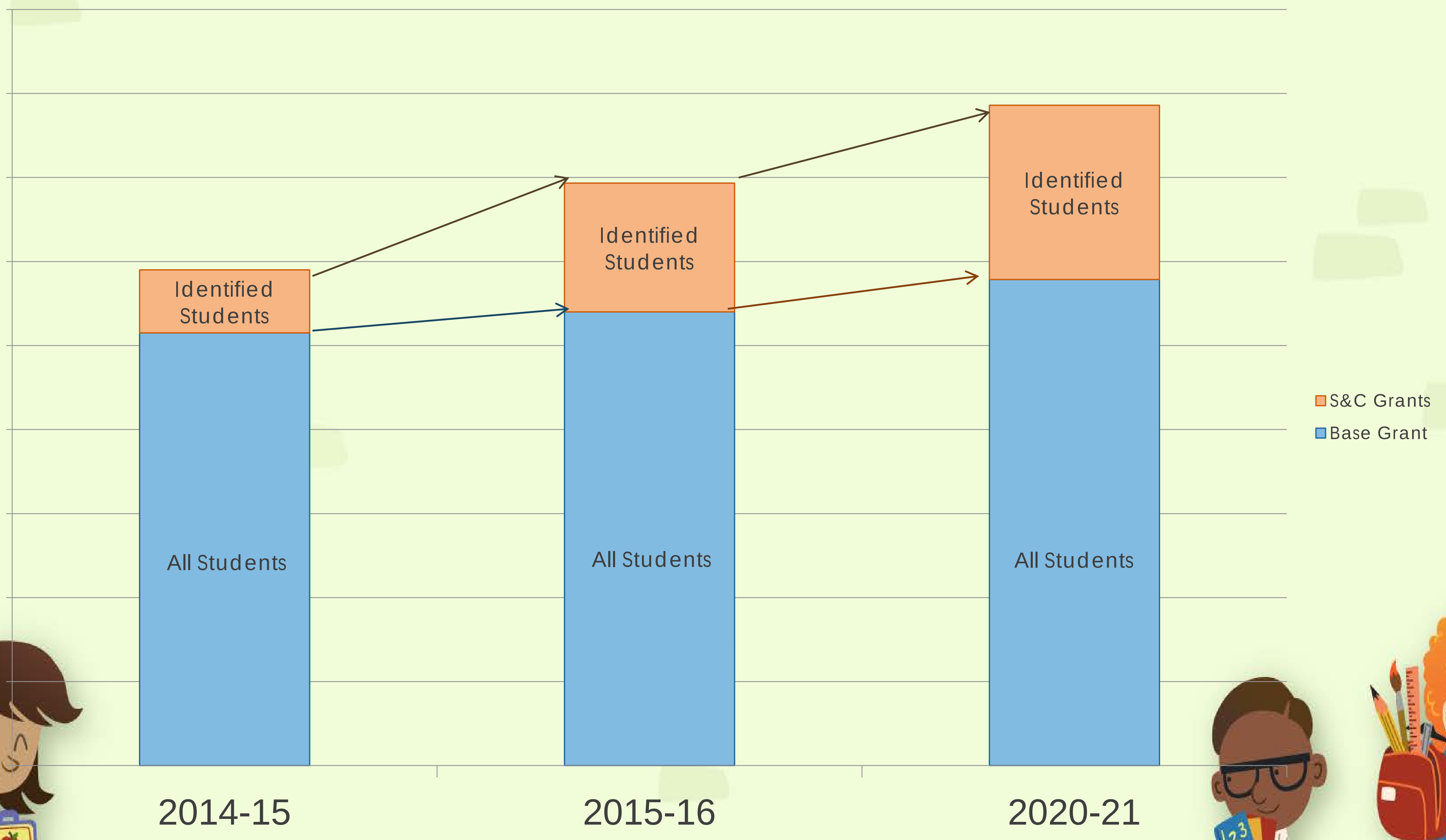


Changes in 2015-16 Budget Proposal

Item	May (Gov's Jan. Proposal)	June (Gov's May Proposal)
LCFF Gap Funding % Increase	32.19%	53.08%
LCFF COLA	1.58%	1.02%
LCFF Total Funding Increases	$12 million ($8 million is S&C Grant)	$20 million ($15 million is S&C Grant*)
Discretionary One-time Funds	$180/ADA $2.1 million	$523/ADA $7 million

All additional Supplemental and Concentration Grant funds are used to expand activities already identified in the LCAP.

LCFF Funding Increases



2020-21 funding is the targeted funding level without taking into consideration of future COLA and fluctuation of ADA

2015-16 New Expenditures

- ROP - $600,000 to $900,000
- STRS and PERS Rate Increases - $1.185 million
  - Governor increasing all rates to fund liability
  - Rates will continue to significantly increase over next 8 years
    - STRS grows from 8.25% in 2013-14 to 19.1% in 2020-21
    - PERS grows from 11.442% in 2013-14 to 20.4% in 2020-21
- E-Rate – $200,000
  - E-rate is being phased out with decreasing amounts of funding for next 3 years.
- Step and Column (1.5%) - $1.125 million
- Increases in Special Education Encroachment - $425,000
- LCAP Expanded Services/Actions

Multi-Year Considerations

- Proposition 30 (approved by voters in November 2012) Temporarily Increased Sales and Income Taxes
  - Sales Tax Increase of 0.25% through 2016
  - Income Tax Increase to wealthiest residents increased through 2018
  - Has generated $7.1 billion statewide in 2013-14 and $7.4 billion in 2014-15
  - Lynwood receives $13 million annually
  - Requires voter approval to extend
- CTE - $900,000
  - LACOE will not fund any amount beginning in 2016-17
- SIG - $3 million
  - Program funding expires in 2014-15 with carryover fully spent by 2015-16

Multi-Year Considerations

- LAUP - $2.3 million
  - Program funding expires in 2016-17
- STRS and PERS - $1.6 million increase in 2016-17
  - Continued increases in rates through 2020-21
- LCFF Funding
  - 75% implemented after only 3 years of 8 year process
  - Increases leading to full implementation has outpaced expectations- Increases expected to slow and not reach same levels
    - Once fully implemented , LCFF will increase only by the COLA
- Technology Needs
- Facility Maintenance Needs

2015-16 Budget

Projected Unrestricted General Fund Ending Fund Balance

Total Revenues	$	133,275,109
Total Expenditures	$	121,039,382
Operating Surplus/(Deficit)	$	12,235,727
Beginning Fund Balance	$	8,193,316
Ending Fund Balance*	$	20,429,043
Available for Reserves for Economic Uncertainty	$	19,978,294
Minimum Reserves for Economic Uncertainty (3%)	$	4,702,721
Ending Fund Balance Above Minimum	$	15,275,573
One Month's Salaries and Benefits	$	10,450,000

Reserves above minimum required are to enable the District to address Multi-Year Considerations (slides 7 & 8) and any future reductions in funding due to any potential economic downturns.

Next Steps

- Update Budget to reflect final State Enacted Budget
  - 45 days following State Budget adoption

Questions?