



LOS ANGELES UNIFIED SCHOOL DISTRICT
Board of Education Report

Report Number:	066-10/11
Date:	October 5, 2010
Subject:	Adoption of Revised 2010-11 Budget with General Fund Fiscal Stabilization Plan for Fiscal Years 2010-11 through 2012-13
Responsible Staff:	
Name	Megan K. Reilly
Office/Division	Office of the Chief Financial Officer
Telephone No.	(213) 241-7888

BOARD REPORT

- Action Proposed:**
- (1) Adoption of Revised 2010-11 Budget with General Fund Fiscal Stabilization Plan for Fiscal Years 2010-11 through 2012-13, and that the Final Budget be filed as adopted with the County Superintendent of Schools on State Form SACS-2010. The Plan is described in greater detail in Attachment "A."
 - (2) That the Budget Services and Financial Planning Division and the Accounting and Disbursement Division be authorized to take actions necessary to implement the provisions of this Board Report, and that the Budget Policies indicated in Attachment "B" as set forth in this Board Report be adopted.

Background: Under section 42100 et seq. of the Education Code, the District must adopt a Final Budget for the 2010-2011 fiscal year and two subsequent fiscal years. The Board adopted a proposed Final Budget in June, 2010.

In a letter dated August 4, 2010, the Los Angeles County Office of Education ("LACOE") indicated its disapproval of the 2010-11 Final Budget. LACOE cited that the submitted budget was not consistent with a financial plan that will enable the District to satisfy its multiyear commitments for 2011-12 and 2012-13. LACOE requested that the District submit a revised 2010-11 budget which, incorporating the 2009-10 Unaudited Actuals and all revisions and/or modifications, addressed the following: (1) the reduction or elimination of deficient spending in 2011-2012 and 2012-2013 and (2) the establishment of General Fund reserves in 2011-2012 and 2012-2013.



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On September 7, 2010, the Board of Education subsequently adopted a resolution stating the District's intention to adopt a revised Fiscal Stabilization Plan by October 5, 2010.

- Expected Outcomes:** The outcome of this Board action is an adopted revised budget for 2010-11 fiscal year.
- Board Options and Consequences:** Adoption of a revised 2010-11 budget with Fiscal Stabilization Plan will enable the District to address budgetary imbalances for the 2010-2011 through 2012-2013 fiscal years with more specificity required for fiscal year 2012-13 in the future. A failure to adopt this Plan may subject the District, under section 42127 of the Education Code, to further regulatory deliberations with LACOE and/or the Superintendent of Public Instruction.
- Policy Implications:** Adoption of a revised 2010-11 budget with Fiscal Stabilization Plan will enable the District to address the budgetary imbalances for the 2010-2011 through 2012-2013 fiscal years with more specificity required for fiscal year 2012-13 in the future.
- Budget Impact:** Adoption of a revised 2010-11 budget with Fiscal Stabilization Plan
- Issues and Analysis:** n/a
- Attachments:**
- Informative
 - Desegregation Impact Statement



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Respectfully submitted,

APPROVED BY:

RAMON C. CORTINES
Superintendent of School

MICHELLE KING
Chief of Staff

REVIEWED BY:

APPROVED &
PRESENTED BY:

DAVID HOLMQUIST
General Counsel

Megan Reilly
Chief Financial Officer
Office of Chief Financial Officer

No Legal Issues

Legal Informative