



Los Angeles Unified School District

Committee of the Whole Meeting

February 18, 2025

Presented By:

John Gray
President and CEO

Revenue, Staffing and Expenditure Comparisons

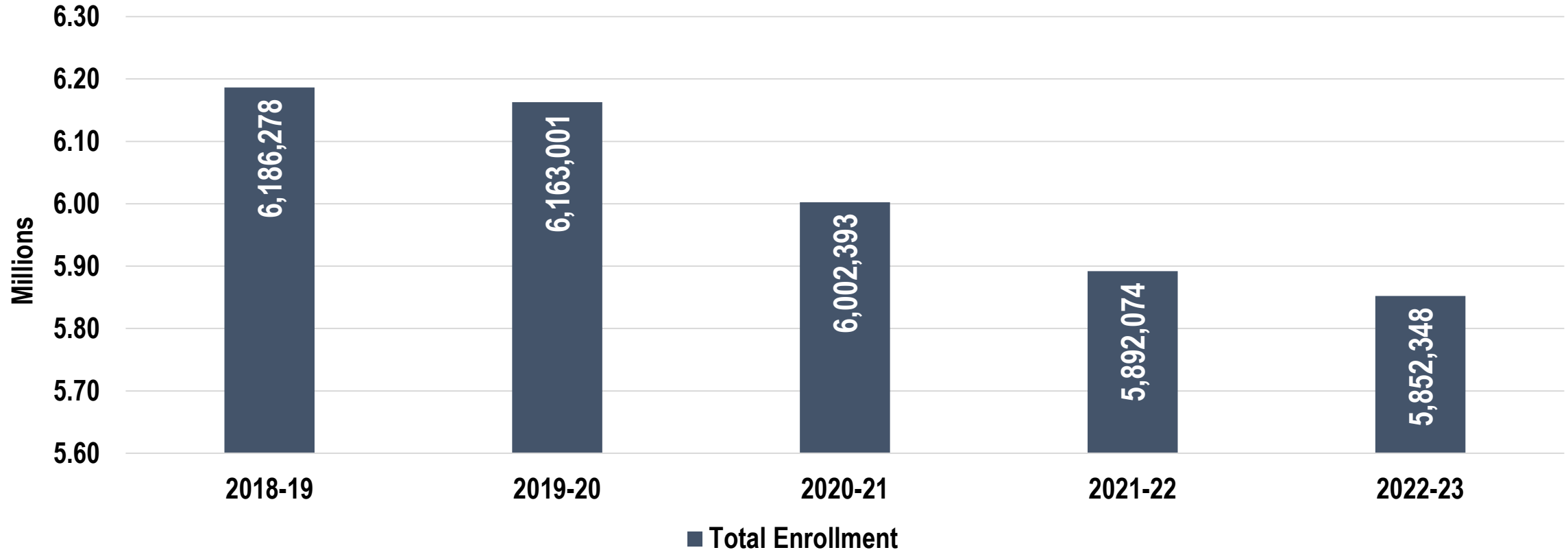
- For statewide comparisons used statewide certified financial, salary and demographic data
- Fiscal years included for statewide information, used pre-pandemic year of 2018-19 to the latest state certified data
- For district specific comparisons, selected the 20 largest unified school districts



¹Elementary and Secondary School Emergency Relief (ESSER)

2 Statewide Enrollment Trends

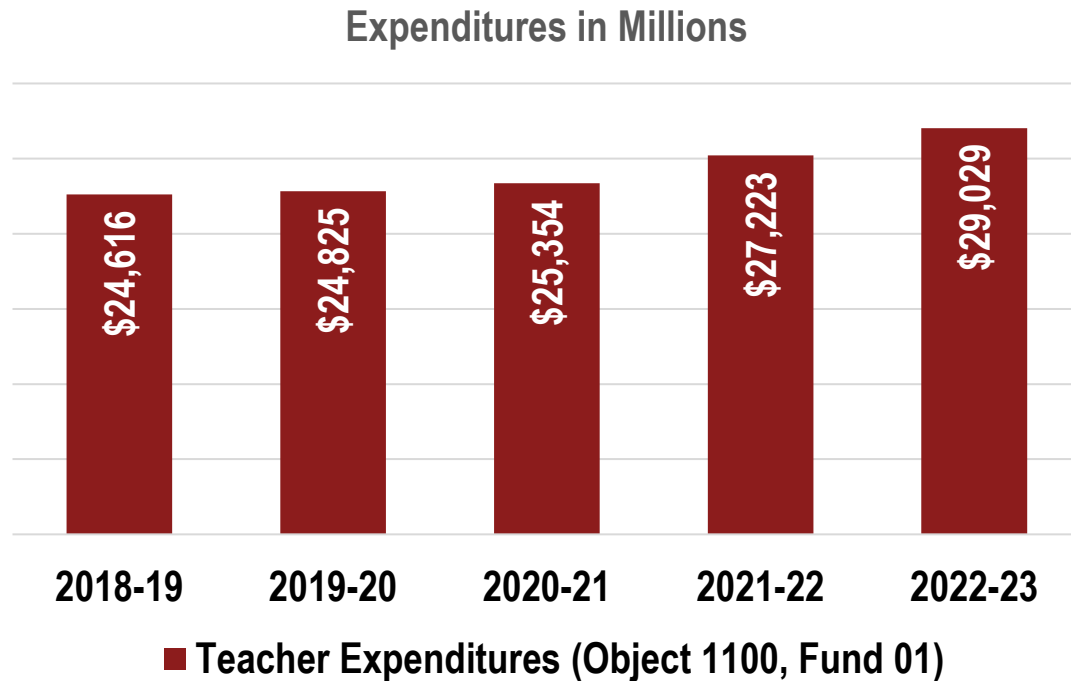
- California has experienced a severe decline in enrollment over the last five years with student enrollment declining from 6.2 million students in 2018-19 to 5.9 million students in 2022-23, which represents a 5.4% loss



Statewide Staffing Trends—(Statewide)

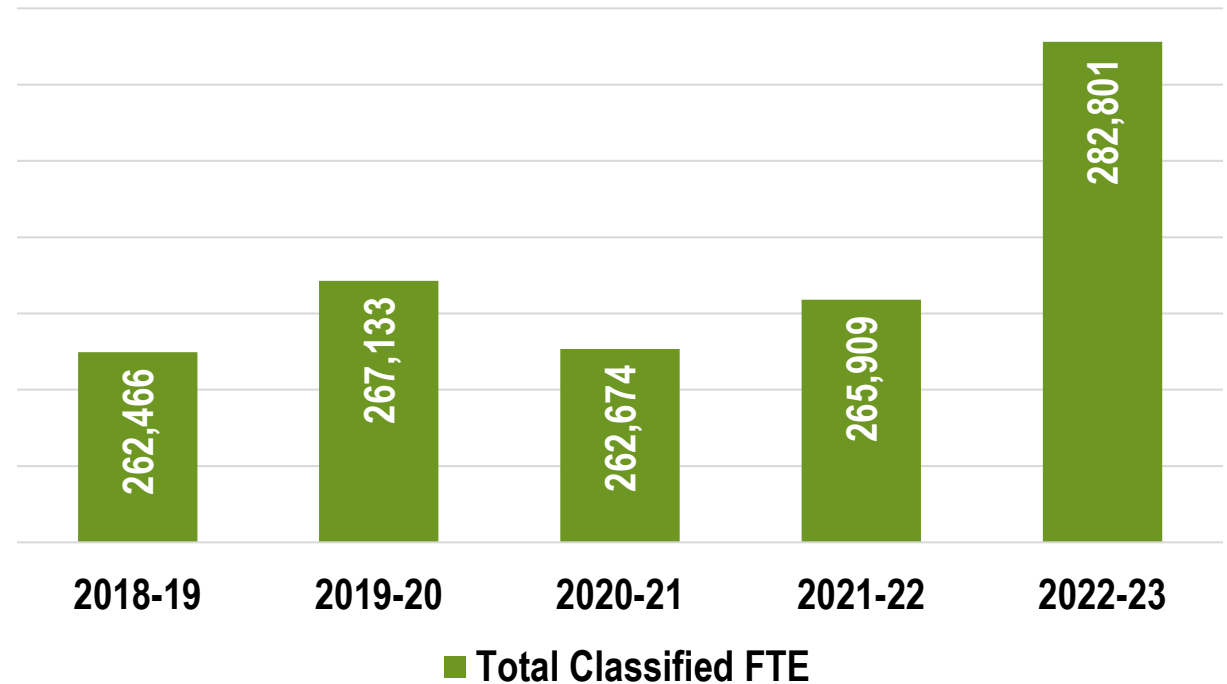
- While the state's enrollment has decreased significantly, the staffing levels have either been maintained or increased in full-time employment

Teacher salary expenditures have increased by almost 18% since 2018-19



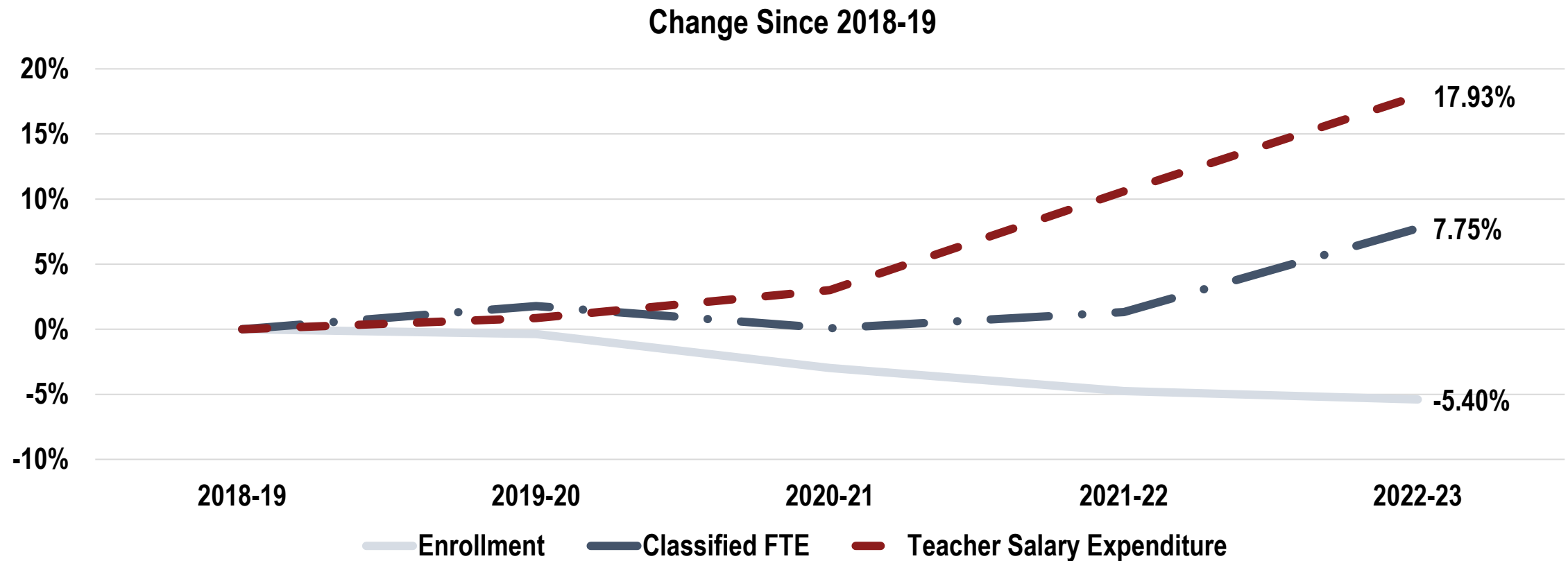
Source: CDE, California Basic Educational Data System

Classified full-time equivalents (FTEs) have grown by more than 20,000 over the last five years

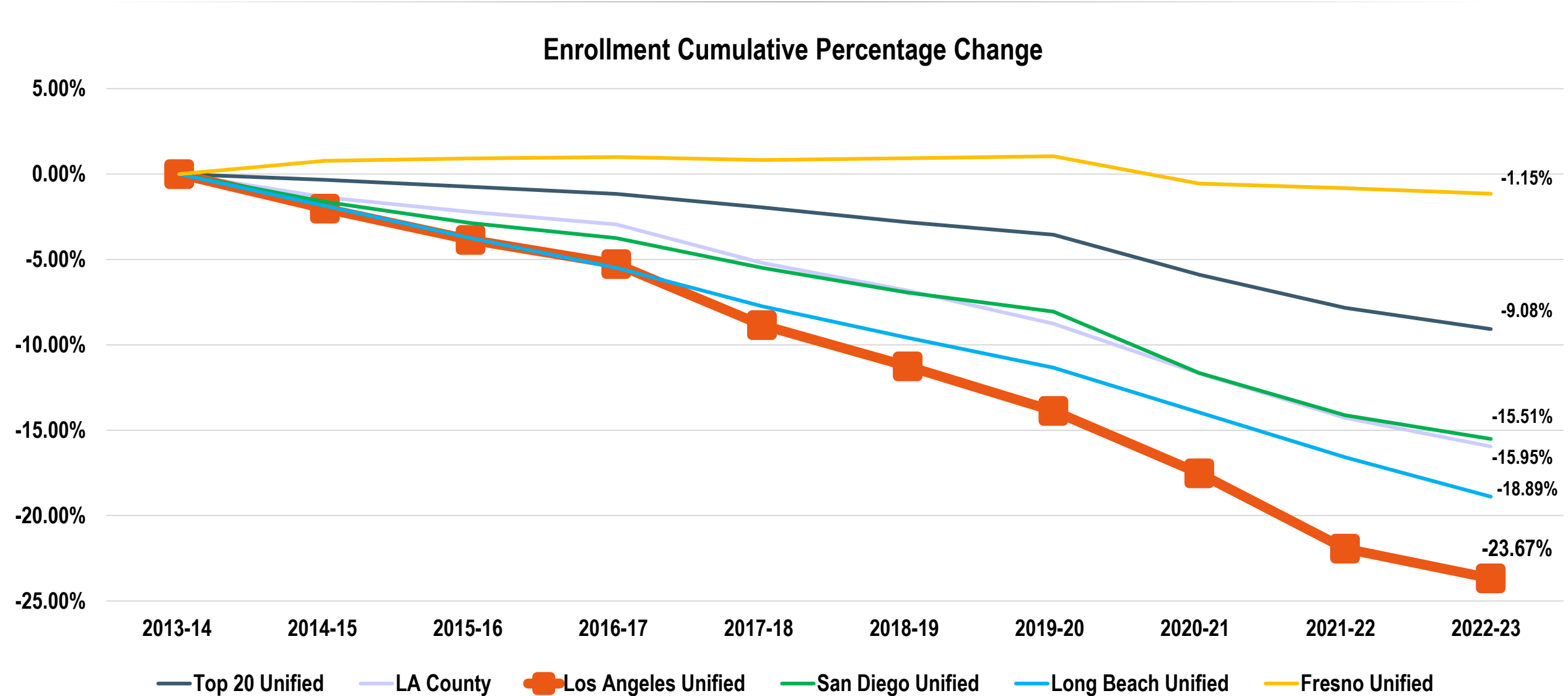


Enrollment vs. Staffing—The Five-Year Change (Statewide)

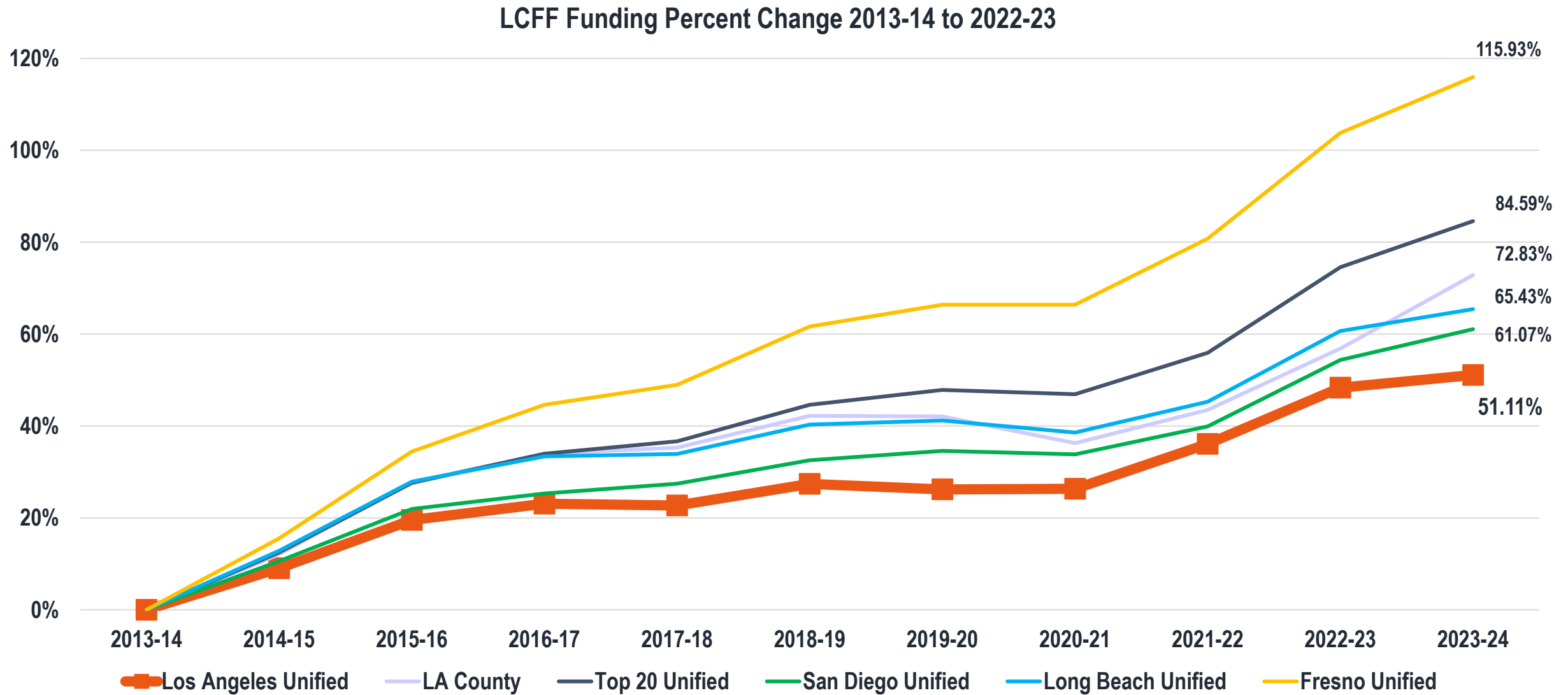
- While student enrollment is in decline, teacher salary expenditures and classified FTE have significantly grown



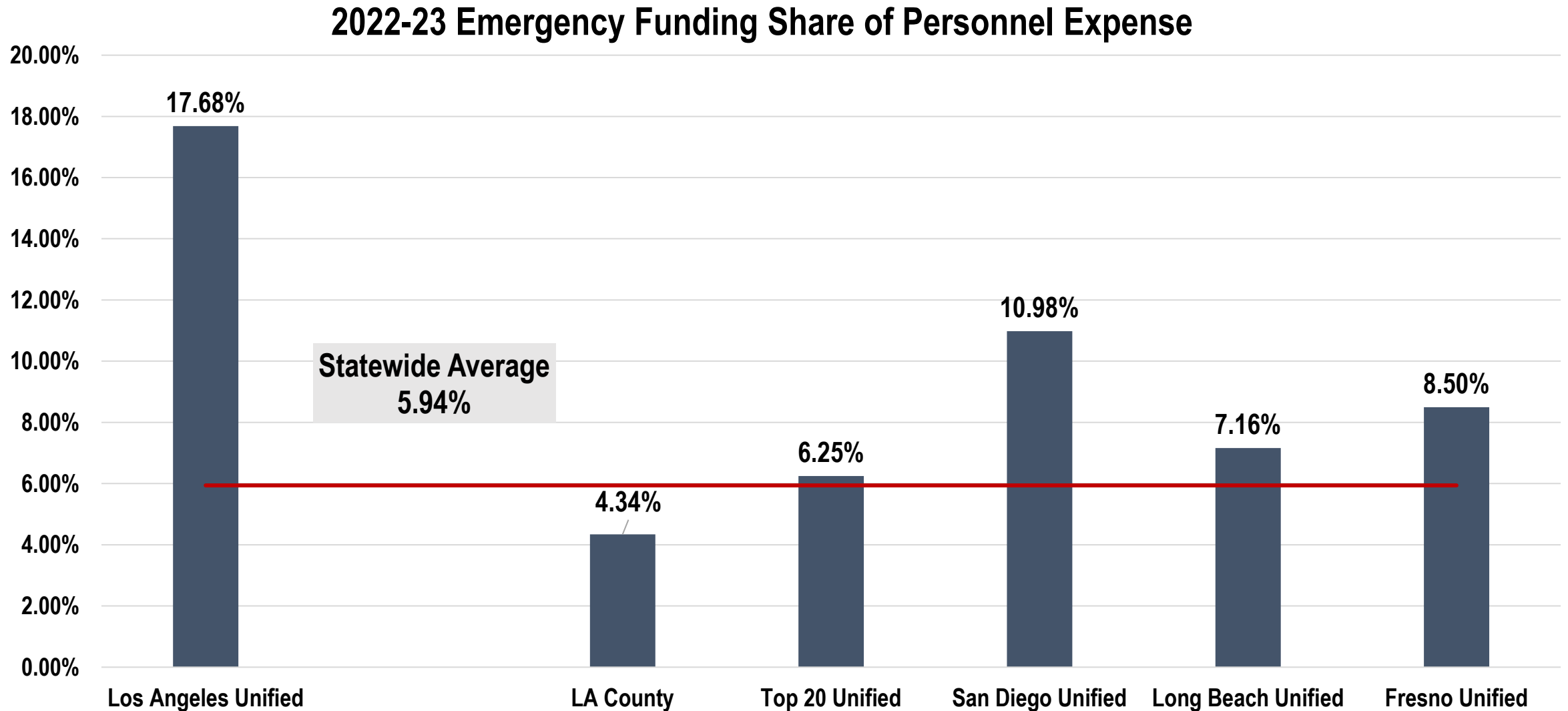
Enrollment Cumulative Percentage Change



Total LCFF Funding Percent Change from 2013-14 to 2022-23



2022-23 One-time Emergency Funding Share of Total Personnel Expense



8

Classified FTEs (10 Years)

Classified FTEs (10 Years)				
District	2013-14	2022-23	Change	% Change
Fresno Unified	2,192	3,237	1,045	47.7%
Los Angeles Unified	21,364	30,349	8,985	42.1%
San Diego Unified	4,217	5,981	1,764	41.8%
Top 20 Unified	28,623	40,372	11,749	41.0%
LA County	27,418	37,644	10,226	37.3%
Long Beach Unified	3,141	2,198	-943	-30.0%

Source: State Certified Data

Certificated Nonmanagement

Certificated Nonmanagement			
District	2013-14	2022-23	Change
Long Beach Unified	23.54	18.18	-5.36
Los Angeles Unified	18.94	15.06	-3.88
Top 20 Unified	20.6	17.02	-3.58
Fresno Unified	19.07	15.54	-3.53
LA County	22.13	18.69	-3.43
San Diego Unified	18.48	15.27	-3.21

Source: State Certified Data

- **Los Angeles Unified's staffing challenges are in line with the challenges experienced statewide by California school districts**
- **Ongoing declining enrollment and the associated financial challenges are not unique to Los Angeles Unified, but are statewide challenges**
- **Managing ongoing expenditures previously supported by one-time pandemic-related funds is a statewide challenge**
- **Low cost-of-living adjustment forecasts for the next three years create local budget difficulties for almost all California school districts**



Thank you!

John Gray
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Michael F. Fine
Chief Executive Officer

Los Angeles Unified School District

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Statewide Trends Impacting Solvency

- Declining enrollment.
 - Short-term offset by universal transitional kindergarten implementation and improvement in average daily attendance yield from pandemic.
- Ongoing expenditures previously supported by one-time pandemic-related funds without an exit plan.
 - Federal elementary and secondary school emergency relief (ESSER).
 - State learning recovery emergency block grant (LREBG).
- Low to more normal cost of living adjustments (COLA) moving forward.
 - Fixed costs grow 4.5% to 5.0% annually; COLAs below this level result in local budget difficulties.

Statewide Trends Impacting Solvency (Cont.)

- Inflationary pressures remain on the cost side.
- Significant increases in utilities and insurance costs over a decade.
 - Utilities up close to 200%.
 - Some forms of liability insurance up 700%.
 - Cost of fire coverage will be significantly impacted in the coming years.
- Potential federal policy and funding changes are creating uncertainty and risk.
- Reserves are higher than in the Great Recession (23-25% vs 8%).
- Cash reserves are strong but deteriorating due to deficit spending.