LAUSD UNIFIED

Budget/Fiscal Stabilization Plan Updates

Committee of the Whole Meeting

November 4, 2025

Agenda

- **LAUSD's Fiscal Outlook as of November 2025**
  - State Budget Updates
  - FY26 to FY28 Multi-Year Projection
- **Budgeting Based on Equity and Need (Board Resolution 085-24/25)**
  - Town Hall Feedback Summary & Discussion
- **Summary and Next Steps Regarding Fiscal Engagements**

Updates to LAUSD Fiscal Outlook– State Budget Updates

- According to the Legislative Analyst's Office LAO, monthly personal income tax revenues for September came in $925 million (12%) above projections included in 2025-26 budget agreement.
  - Revenues for June, July, August, and September in total are up 13% compared to prior year

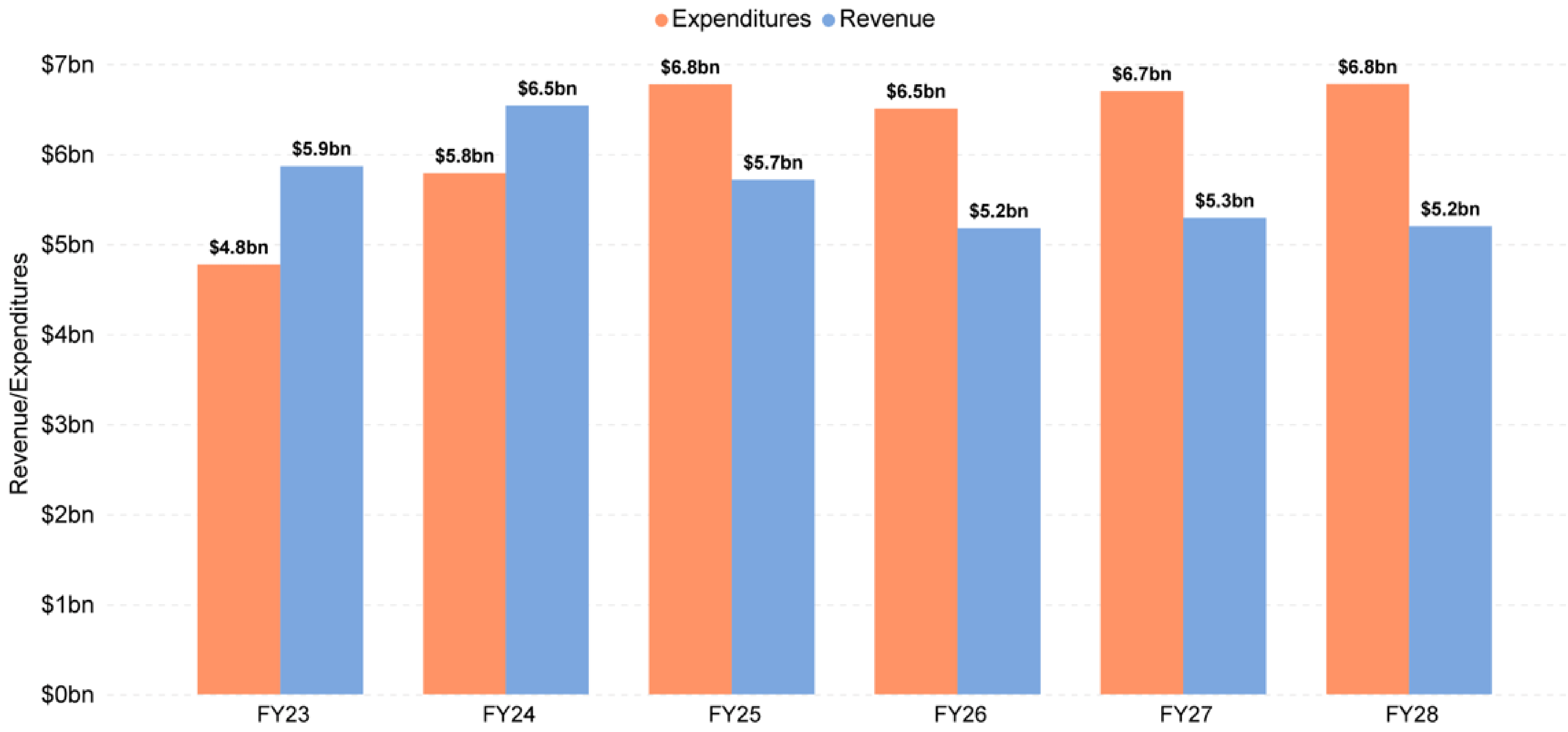
- Other economic indicators are less positive:
  - Layoffs in California are now at their highest point since the pandemic
  - Long-term unemployment (unemployment for more than 27 weeks) is continuing to increase

- LAO: "**revenue improvements are likely to translate to smaller [state] deficits, rather than new budget capacity**."

- **We will continue to monitor these state-level developments. The Governor's January Proposed Budget for 2026-27 will provide updated projections of education funding levels.**

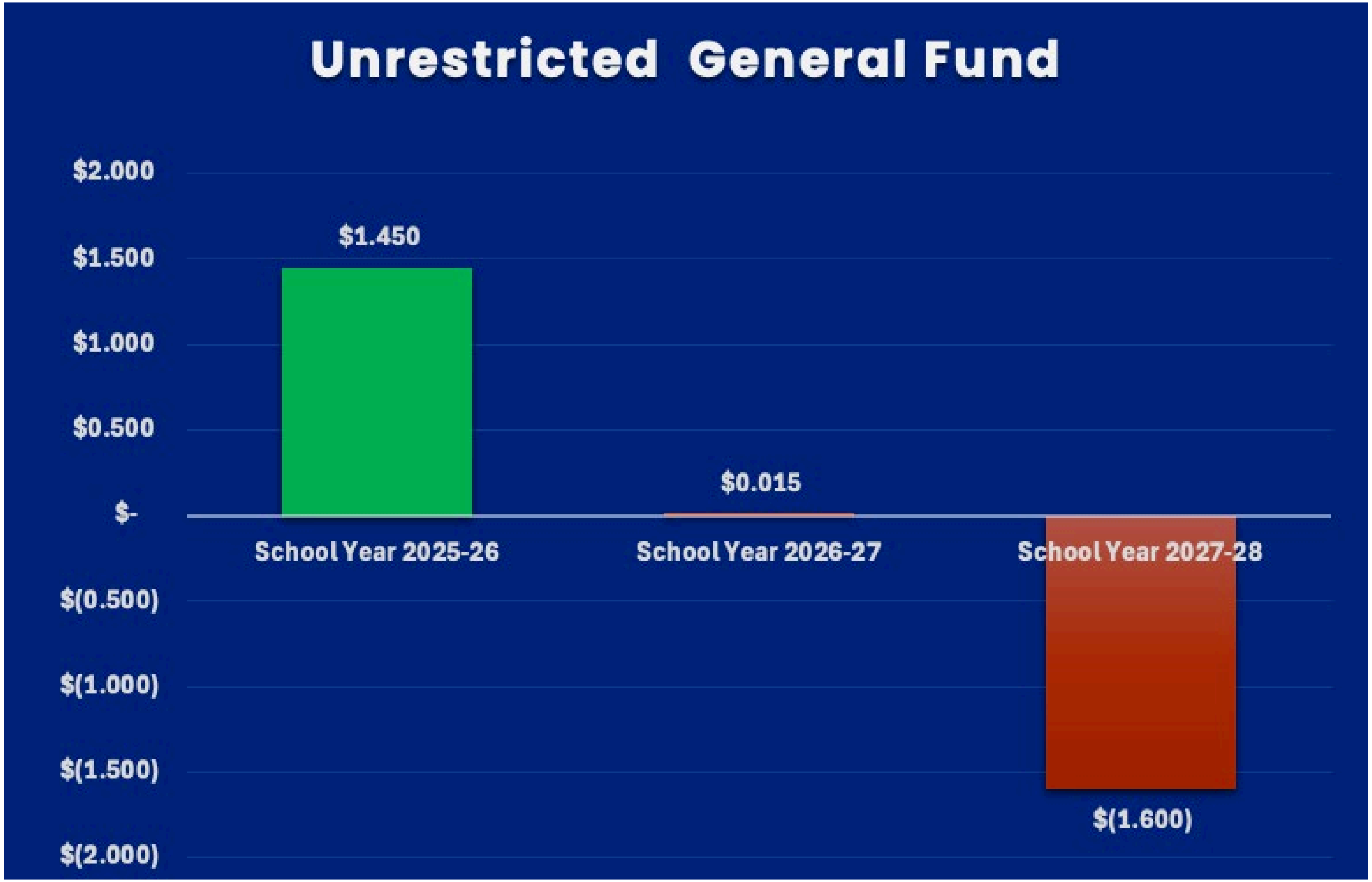
Sources: https://lao.ca.gov/LAOEconTax/Article/Detail/756; https://lao.ca.gov/LAOEconTax/Article/Detail/839; https://lao.ca.gov/LAOEconTax/Article/Detail/777

Multi-Year Projection –June Adopted (GF Unrestricted Rev & Exp)



Difference Between Revenue and Expenditures	**$1.1bn**	**$0.7bn**	**($1.1bn)**	**($1.3bn)**	**($1.4bn)**	**($1.6bn)**

Multi-Year Projection – Ending Balances



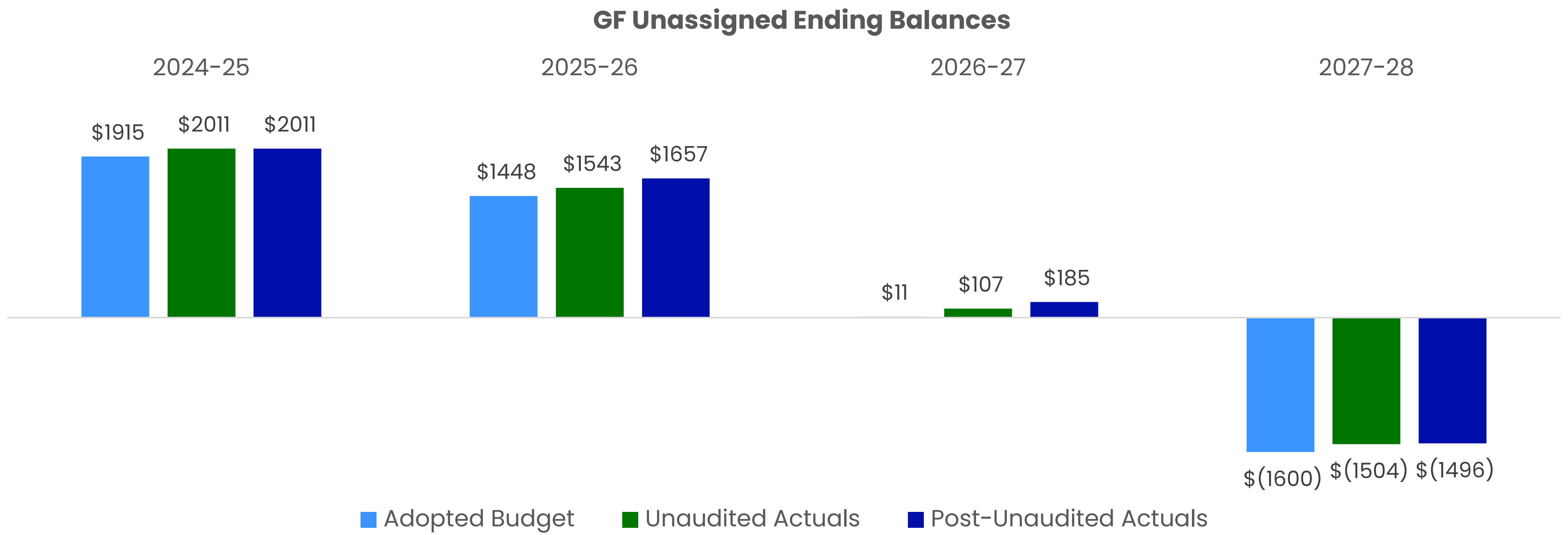
Factors Not Reflected in Multi-Year Projection

- Future changes in compensation
- Future changes in Health & Welfare costs
- Potential reductions in federal funding
- Potential State funding changes

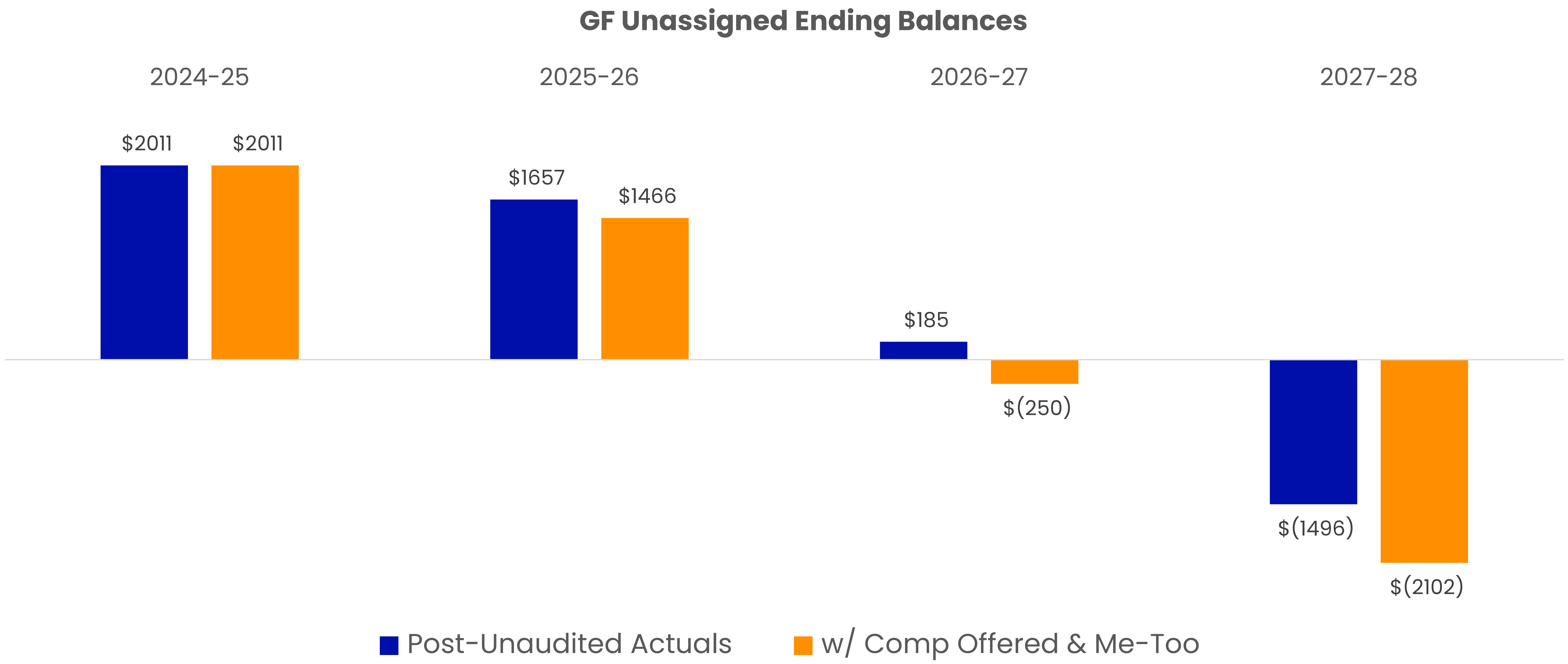
Updates to LAUSD Fiscal Outlook – Multi-Year Projection

Amounts in millions

Change	2024-25	2025-26	2026-27	2027-28	Total
Unaudited Actuals	$96				$96
Discretionary Block Grant		$118			$118
25-26 Enrollment Lower		$(4)	$(32)	$(33)	$(69)
26-27 Enrollment Lower			$(4)	$(32)	$(36)
27-28 Enrollment Lower				$(4)	$(4)
Total	**$96**	**$114**	**$(36)**	**$(69)**	**$105**



MYP with Cost of Compensation



Budgeting Based on Equity and Need (Board Resolution 085-24/25)

Background:

- On June 17, 2025, the Board of Education adopted Resolution 085: Budgeting Based on Equity and Need.
- Resolution 085 directed District staff to:
  - Provide updates at two or more public Committee of the Whole meetings before December.
  - Hold at least one town hall meetings in each Board District in collaboration with the Board Member offices during the fall.
  - Gather diverse stakeholder feedback from students, families, and school staff on the development of the District's budget and the guiding principles.
  - Publish an equity impact analysis…to assess impacts to high need student groups (emergent bilinguals, students with disabilities, Black students, unhoused students, LGBTQIA+ students, and students in foster care) and school types (highest/high SENI, BSAP, Community Schools, Priority Schools, Linked Learning/CTE, etc.).
  - Publish a department-level review of consulting contracts, administrative overhead, and central office expenditures and present options to the Board for reprioritization.

Budgeting Based on Equity and Need (Board Resolution 085-24/25)

Board District Town Halls Schedule: The District, in collaboration with the Board of Education, has held six of seven town halls. The seventh and final town hall will be held on November 5th.

Board District Town Halls				
Board District	**Date**	**Time**	**Location**	**Status**
1	10-8-25 (Wednesday)	5-7pm	Virtual	Completed
2	10-16-25 (Thursday)	5-7pm	Virtual	Completed
3	10-20-25 (Monday)	4-6pm	Holmes MS	Completed
4	10-30-25 (Thursday)	5-7pm	Virtual	Completed
5	10-21-25 (Tuesday)	4:30-6:30pm	RFK	Completed
6	*11-5-25 (Wednesday)*	*4:30-6:30pm*	*Virtual*	
7	10-27-25 (Monday)	5-6:30pm	Rivera LC	Completed

Budgeting Based on Equity and Need (Board Resolution 085-24/25)

Board District Town Halls

- ❑ **Information shared:**
  - LAUSD's budget process opportunities for public input
  - Financial outlook for FY2025 to FY2028, with projected negative balance in the General Fund
  - The District's Fiscal Stabilization Plan

- ❑ **Public Comments – The District obtained feedback on three questions:**
  - How can we make the District and school budget process more accessible and meaningful to you?
  - Equity, student centered decision-making, and valuing the workforce are Board guiding principles. What do these principles mean to you? What resources and programs do you value at your school?
  - What are your thoughts on the District's plan to address the deficit?

- ❑ **Data Analysis -** The District used **ThoughtExchange**, a qualitative data analysis tool, to collect and summarize responses objectively.

- ❑ **Overall Number of Comments -** the District obtained 447 responses* from individuals who self-identified in the following categories:
  - Parent/Family Member – 56% (251)
  - LAUSD Staff Member – 31% (136)
  - Community Member – 6% (28)
  - Student – 7% (30)

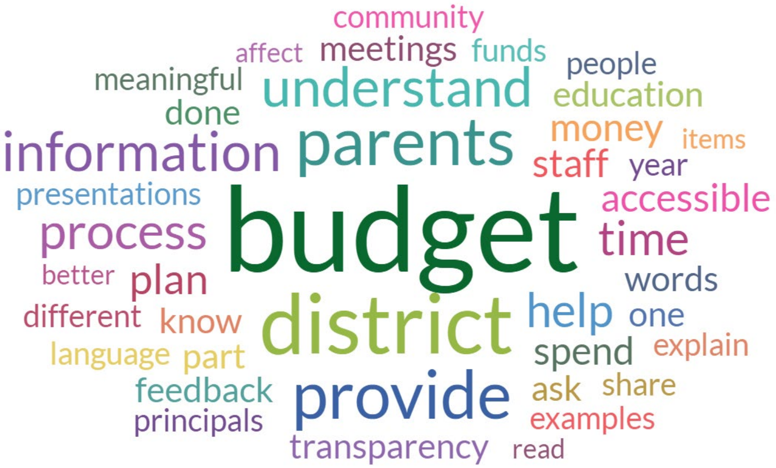
*ThoughtExchange results do not include Board Districts 4 or 6

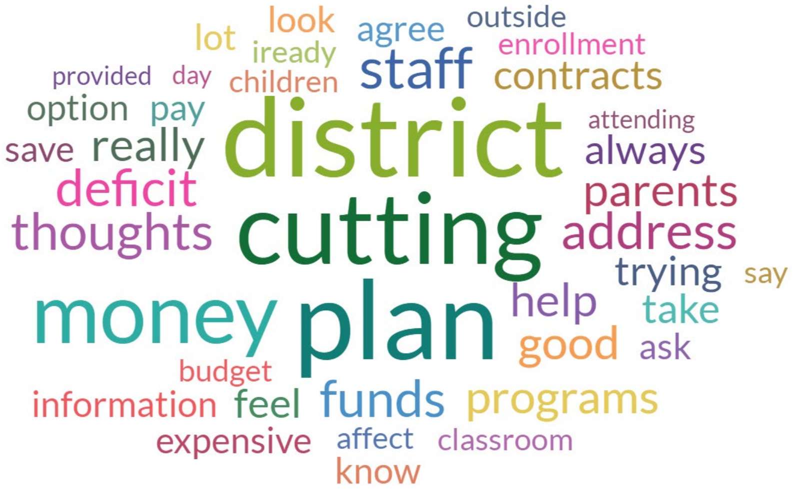
Budgeting Based on Equity and Need (Board Resolution 085-24/25)

Question 1 :
How can we make the District and school budget process more accessible and meaningful to you?

Question 2:
Equity, student centered decision-making, and valuing the workforce are Board guiding principles. What do these principles mean to you? What resources and programs do you value at your school?

Question 3:
What are your thoughts on the District's plan to address the deficit?





Board District Town Halls – Key Takeaways

Question 1: How can we make the District and school budget process more accessible and meaningful to you?

Thematic Summary of Comments Received:

- Make the school budget process clear, easy to understand, and open for community input.
- Share important information through simple language and regular updates on how money is spent and where it goes.
- Clearly explain how funds are used, especially for teacher salaries, educational resources, and overall district spending.
- Use technology to help everyone access information easily, provide bilingual options, and create chances for community feedback through surveys, workshops, and town hall meetings.

Board District Town Halls – Key Takeaways

Question 1: How can we make the District and school budget process more accessible and meaningful to you?

Direct Quotes From Feedback:

- *“I would like to be part of the development process, not just asked to vote on it once it's all said and done…Schools can hold cross-role budget planning sessions where staff from different departments analyze data and co-develop spending priorities.”*
- *"Use plain language- ensure to Gather community feedback early, before decisions are finalized…Use simple language and make it a practice at schools for principals to educate the community on the budget each month…Ongoing Dialogue."*
- *"Quarterly updates and notifications of discussion opportunities in advance…Webinars and workshops for parents to continue the communication and feedback on the budget cuts. Make plan and terminology easy to understand for parents."*
- *"Explain how each of the 9 items on the plan would impact schools…Include students, parents, teachers, staff and community members/stakeholders in the process before a plan is made. We shouldn't be given a plan after the fact and ask for our opinions after. The presentations should also be truly accessible. none of the materials are in spanish only live verbal interpretation which is not accessible."*

Board District Town Halls – Discussion

Question 1: How can we make the District and school budget process more accessible and meaningful to you?

Discussion:

1. **What did you hear at the Town Halls on Question 1?**

2. **How might the budget development process be changed based on community input?**

Board District Town Halls – Key Takeaways

Question 2: Equity, student centered decision-making, and valuing the workforce are Board guiding principles. What do these principles mean to you? What resources and programs do you value at your school?

Thematic Summary of Comments received:

- Respondents shared a variety of opinions regarding the board's guiding principles.
- Overall, they described equity as providing necessary resources to students who require the most assistance and recognizing the efforts of educators. In terms of resources, some respondents highlighted the need for smaller class sizes, higher teacher salaries, and programs that cater to diverse student needs, such as tutoring and after-school activities.
- Other respondents emphasized the importance of better facilities, equitable distribution of resources, and increased student accountability.
- There was a consensus among respondents that various enrichment programs, including sports, arts, and mental health services, are essential for student development and engagement.

Board District Town Halls – Key Takeaways

Question 2: Equity, student centered decision-making, and valuing the workforce are Board guiding principles. What do these principles mean to you? What resources and programs do you value at your school?

Direct Quotes From Feedback:

- *"Equity is extremely important. Equity is what helps students from low income families receive the resources and services they need to excel. I value our teachers, TAs, special education aides, art programs"*
- *"To me, these principles mean everyone should be treated equally and have the same chances to learn. It also means listening to what students and teachers need..."*
- *"Students with the greatest needs should be prioritized for additional resources even if it comes at the cost of reducing budgets and staff at more affluent schools..."*
- *"Some of those things are mutually exclusive. What is best for the workforce is not best for students. I value most dual enrollment as that saves tens of thousands of tuition dollars."*
- *"It means to me that the District should invest in students and staff, and that we should try new strategies and concepts if necessary...Resources that support all intelligences of scholars are supported such as PE, music, science, art, social emotional skills, etc. Resources that connect scholars to the outside world such as field trips, after school clubs, partnerships with organizations."*

Board District Town Halls – Discussion

Question 2: Equity, student centered decision-making, and valuing the workforce are Board guiding principles. What do these principles mean to you? What resources and programs do you value at your school?

Discussion:

1. **What did you hear at the Town Halls on Question 2?**

2. **How might the District prioritize programs and resources based on community input?**

Board District Town Halls – Key Takeaways

Question 3: What are your thoughts on the District's plan to address the deficit?

Thematic Summary of Comments Received:

- Respondents provided a diverse range of opinions.
- Overall, many express concerns about cuts affecting teachers, students, and essential programs, urging for retention of resources directly benefiting students.
- Respondents suggested reducing administrative costs, cutting external contracts, and improving transparency about budget allocation and community involvement in decision-making.
- Respondents called for prioritizing equity and safeguarding high-need schools. Respondents also recognize the complexity of financial challenges, with some voicing a lack of clarity or understanding about the plan’s specifics.

Board District Town Halls – Key Takeaways

- **Question 3:** What are your thoughts on the District's plan to address the deficit?

Direct Quotes From Feedback:

- *"The district has to look at all options. Nothing is off the table except teachers in the classroom and essential instructional materials…I am worried about additional staff displacements and layoffs causing school to be overwhelmed and unable to meet the needs of our students-resulting in even lower enrollment…I don't agree with the cuts. There's a need for a staff audit at each school."*

- *"I don't like it. cut from the top. More transparency is needed about contracts…The District plan for the deficit isn't fair because they are cutting out things that students actually need."*

- *"I am concerned that our schools and students will have less. I am concerned of students with special needs. I want to know more about which schools will close and who is getting let go…I feel we as parents were not called on before making the decision that will directly impact our children…There isn't much information for parents, they only give us the clippings that are already there"*

- *"It's a start but need to know further impact details at school level…Needs to be more transparency….It's rigged, you are using old numbers and assumptions that are manipulative… plan needs to have more MEANING. What specific operations, programs, staffing are being affected - give concrete examples. How do these plans affect the classroom and the child? Continue to engage students and parents. It is much appreciated."*

Board District Town Halls – Discussion

Question 3: What are your thoughts on the District's plan to address the deficit?

Discussion:

1. **What did you hear at the Town Halls on Question 3?**

2. **How might the District support our schools and offices in the implementation of the Fiscal Stabilization Plan strategies?**

Summary

The District and Board of Education appreciate the community's feedback and thoughtful inputs.

Based on the feedback received, the District will work to improve our tools for the public to both understand and engage with the budget process – including:

- Understanding school budgets (discretionary vs. District-allocated resources)
- Understanding how the District can have current reserves and a projected future deficit
- Clarifying how "reserves" are already planned to be used for critical school resources in future years

Ongoing Engagement Opportunities

- Additional opportunities for engagement have also been scheduled:
  - 11/5/25 - LCAP Community Partner engagement
  - 11/14/25 – Joint PAC / DELAC / CAC meeting

Next Steps

- Upcoming FSP-Related Board Engagement
  - 11/21 - Budget Workshop
  - 12/2 - Committee of the Whole (COW)
  - 12/16 - Board of Education Meeting – 1st Interim