



# LYNWOOD UNIFIED SCHOOL DISTRICT

## ***PRESS RELEASE***

For additional information you may contact Business Services at 310-886-1662

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*January 13, 2010*

### **District Continues Down Difficult Path to Fiscal Solvency**

At a special meeting of the Governing Board held on Tuesday, January 12, 2010, Ken Shelton, Assistant Superintendent of Business Services for the Los Angeles County Office of Education [LACOE], presented to the Board of Education and Lynwood community a structure and options required by AB 1200, for the Lynwood Unified School District to maintain local governance and continue its path to fiscal recovery.

In December, 2009, the District, at the First Interim reporting period, made a self-declaration of its 2009-2010 budget as negative. A negative certification indicates that without corrective action, the District is unable to meet financial obligations in the current or two succeeding academic years. Over the past four years the District has experienced declining enrollment while maintaining numerous academic programs and opening four new schools. To meet the challenges of increasing accountability for student performance under No *Child Left Behind*, reduced state funding and existing contractual obligations, the District experienced deficit spending, negatively impacting its reserves and future operations.

To better understand the fiscal implications of these mounting challenges, the District requested the services of the State Fiscal Crisis and Management Team [FCMAT], who together with School Services of California and LACOE have worked with the Board of Education and District staff to help clarify district finances and develop recommendations for a fiscal recovery plan.

Mr. Shelton stated that LACOE "wants the Board to maintain local control" and will better support the District by the appointment of a fiscal agent, as specified under AB 1200. Mr. Eric Hall was appointed to be the District Fiscal Agent and will oversee Education Code mandated actions, including:

- Assist with Development of Budget Revisions
- Ability to Rescind Proposed Expenditures Actions
- Help Create a Financial Plan for District
- Facilitate development of Future Year Budgets
- Serving in the appointed capacity as Fiscal Advisor

Mr. Shelton further stated that the Fiscal Agent will work with staff as well as the District Assistance and Intervention Team [DAIT], but he reminded the Board and audience that "the role of the Fiscal Agent may require actions that place the highest priority on the fiscal realities that may supersede program offerings." It was referenced by Mr. Shelton that last year at this time three Los Angeles County School Districts declared negative budget certifications, and now all three have moved to solvency and a positive budget status.

Board President José Luis Solache welcomed the challenge and assured Mr. Shelton that "we want what is best for the District and the community, and we will work together to that end."

Mr. Shelton commented that the district is to be commended for taking action to self certify a negative budget at this time, as this is a necessary and critical step on the road to recovery. He further stated that within a few days the District will receive further direction through a formal response from LACOE to the First Interim Report. When asked, "Do these findings and projections open the door wider for state takeover?" Interim Superintendent Mr. Patrick Leier stated, "No, actually, they shine the light on what the district must do, in a timely manner, to avoid state takeover."

Future actions related to this matter can be viewed on the District website at [www.lynwoodusd.org](http://www.lynwoodusd.org)