

Santa Monica-Malibu Unified School District

2010-11
Financial Oversight Committee Report
June 2, 2011
Item D.01

Public Announcement

- **New Members!**
 - Tom Larmore
 - Shelly Slaugh Nahass
 - David Vukadinovich
- **Thank you to Jan Maez and Kim Nguyen!**
- **Thank you to our Board Liaisons!**
 - Jose Escarce
 - Laurie Lieberman
 - Oscar de la Torre



Year in Review



2010-11 FOC Accomplishments

- Met with the District's auditor to review the FY 2009-10 audit of District finances and Measure R expenditures. We made a statement related to our concern of an attendance reporting issue for the second year in a row.
- Reviewed the 1st and 2nd Interim Reports, District staff projections of enrollment and Average Daily Attendance (ADA) and various proposed budget transfers.
- Assisted with the refinancing of COPs.
- Reviewed and analyzed the Point Dume Marine Science Charter school application.

2010-11 FOC Accomplishments

- Reviewed, discussed, and provided comments to the Board on a variety of other financial matters, including:
 - A review of numerous budget reduction proposals and adjustments to the District's financial position;
 - Comments on the FOC Statement of Purpose;
 - Comments on the 2009-10 Audit Findings;
 - A discussion of the Board's preliminary budget; and
 - Comments on the Prop Y contract with the City of Santa Monica.

2010-11 FOC Accomplishments

- Our Revenue Enhancement Subcommittee, continue analysis of revenue enhancement options.
 - We handed off several of the options to District staff such as the attendance push and better utilization of District Assets.
 - We continued to focus on fundraising and researched the fundraising practices of several comparative districts.
- In addition, several of our members are active on other District committees, including the Prop Y&YY Committee; the SOS Committee; the Measure BB Committee; the Special Education District Advisory Council and the Strategic Plan Committee.

Measure R

- The Santa Monica-Malibu Schools Quality Education Funding Renewal Act of 2008, more commonly known as Measure R, was the school funding measure approved by District voters in February 2008. The measure consolidated and replaced two former parcel taxes, Measure S and Measure Y, in the amount of \$350.84 per parcel this year.
- Measure R generated about \$10.5 million for our District in 2010-11.
- The FOC reviewed the audit of Measure R that was performed by the District's auditors which contained a "clean" accounting opinion, and there were no findings reported.

Opinion on 2011-12 Budget

- Overall, the FOC is concerned that there is a \$4-5 million deficit with an assumption that there will be flat funding. When the May Revise came out, School Services of California recommended that Districts reserve \$330 per student even with the scenario of flat funding.
- The Board's strategy of running through the District's financial reserves presents a significant risk to the District's continued ability to remain solvent and that the FOC remains extremely concerned.
- The FOC would like to see budgets that are balanced, meaning that revenues exceed or equal expenses. We would also like to see a strong financial plan in place for the out years.

FOC 2011-12 Focus

1. Refine revenue enhancement recommendations with a specific focus on fundraising.
-Collaborate with the PTA and Education Foundation.
2. Public Education on District Finances.
3. Continue to Analyze Financial Practices in Other Targeted School Districts, for Ideas that Could Be Implemented in the District.