

# SANTA MONICA-MALIBU UNIFIED SCHOOL DISTRICT

Preliminary General Fund Budget for 2014-15  
Board of Education Presentation  
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June 5, 2014

Agenda Item A.39

## SMMUSD 2014-15 Budget Development Highlights

- November 19, 2013 – Board Workshop on LCFF by School Services of California
- January 2014 – Board received information on the Governor’s proposed 2014-15 State Budget
- January through May – District LCAP Committee engaged in a process to develop the LCAP plan
  - Detailed information can be found at:  
<http://www.smmusd.org/LCFF/index.html>

## Board Budget Workshop

- March 26, 2014
  - Focus on staffing and organizational structure
  - 2012-13 - \$3.9 million operating deficit - Unrestricted General Fund
- Big Budget Take-Aways
  - Staffing ratios - more teaching positions/lower class sizes
  - Compensation - salaries adjusted by 4% for all employees
  - Textbook - allocations increased to address CCSS
  - Physical Activity Specialists and Bilingual Community Liaisons - positions increased
  - Technology Techs and Custodial - positions increased
  - Student Information System - supported with new position
  - VSS - has allowed us to equitably allocate resources across the District
  - LCAP - will allow increased support for student achievement

## Preliminary General Fund Budget for 2014-15

### Budget Assumptions

## Revenue Assumptions

- Enrollment of 11,513 students
- Cost of Living adjustment is 0.85%
- The LCFF Gap funding will be at 28.05%
- Lottery funds will be \$156 per ADA
- Special Education state funds are increased by a COLA of 0.85%
- Parcel tax at \$376.39 per parcel will generate \$11,220,773
- Prop Y and Joint Use Agreements will generate \$7,300,000 and \$8,648,303 respectively
- Lease revenue is projected an estimate of \$2.4 million

## LCFF - Refresher

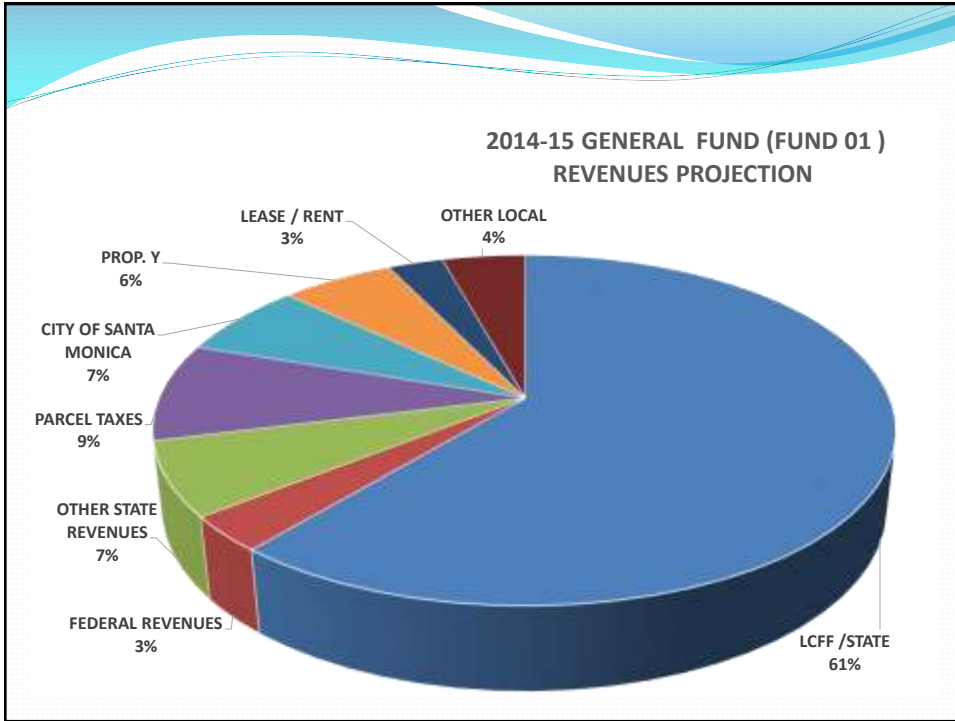
- Base Grant by grade level (TK-3, 4-6, 7-8, 9-12)
  - Per Average Daily Attendance (ADA) amount
  - Additions made for Class Size Reduction (CSR) and Career Technical Education (CTE)
- Supplemental Grant for unduplicated counts of ELLs, Free/Reduced and Foster Youth – additional 20% based on the number of eligible students
- Concentration Grant when unduplicated counts exceed 55% of total student population

## SMMUSD 2014-15 LCFF - By the Numbers

- SMMUSD Enrollment - 11,513
- SMMUSD ADA - 10,937 (95%)
- Unduplicated Count (ELL, F/R, Foster) - 28.36%
- Cost of Living Adjustment (COLA) - 0.85%
- Projected LCFF Gap Closure - 28.05%
- Total LCFF funding - \$76,343,428
- Sources of LCFF
  - Property Taxes - \$63,901,199
  - Economic Protection Act (Prop 30 - State) - \$8,238,447
  - State Aid - \$4,203,782
- Included in the LCFF dollars is the Supplemental LCAP funding of \$2,114,863 (includes 785,233 prior year EIA)

### SANTA MONICA-MALIBU UNIFIED SCHOOL DISTRICT 2014-15 PRELIMINARY BUDGET GENERAL FUND

<b>PROJECTED BEGINNING BALANCE</b>	<b>\$</b>	<b>16,487,501</b>
<b>REVENUES</b>		
LCFF /STATE	\$	75,901,811
FEDERAL REVENUES	\$	4,037,468
OTHER STATE REVENUES	\$	8,465,971
PARCEL TAXES	\$	11,220,773
CITY OF SANTA MONICA	\$	8,448,303
PROP. Y	\$	7,300,000
LEASE / RENT	\$	3,548,004
OTHER LOCAL	\$	5,365,322
<b>TOTAL REVENUES</b>	<b>\$</b>	<b>124,287,652</b>
<b>TOTAL AVAILABLE FUNDS</b>	<b>\$</b>	<b>140,775,153</b>



## Expenditure Assumptions - Salaries

- **Budget Includes the following staffing allocation increases:**
  - Classroom Teaching positions
  - Special Education - Teaching (2.6 fte) and Aide (2.0 fte) positions
  - Special Education – Psychologist (1.0 fte) position
  - Physical Activity Specialist positions
  - Bilingual Community Liaison positions
  - Custodial positions
  - Technology Technician positions
  - Student Services positions – Executive Director of Student Services (1.0 fte) and Student Information System Specialist (1.0 fte)
  
- **Salary:**
  - SMMCTA, SEIU and Management salaries include the recently negotiated increase of 4%
  - 1.5% step and column increase for certificated employees
  - 1.5% step and column increase for classified employees

## Staffing Ratios Classroom Teachers – 2014-15

Grade Level	Ratio	Title I Sites	JAMS
TK	24:1	24:1	
K – 3	25:1	25:1	
4 – 5	30:1	27:1	
6 – 8	34:1		33:1
9 – 12	35:1		

## Staffing Ratio Changes

- Transitional K
  - Teachers ratio set at 24:1
  - Instructional Aides
    - < 12 students – no aide
    - 12 – 16 students – One (1) - 3 hour IA
    - 17 – 24 students – Two (2) - 3 hour IAs
- Grades 2 - 3
  - Teacher ratio reduced to 25:1
- Grades 6 – 8
  - Teacher ratio reduced from 35:1 to 34:1
- Grades 9 – 12
  - Teacher ratio reduced from 36:1 to 35:1

## Staffing Ratio Changes

- Physical Activity Specialists (PAS) / PE Aides
  - FTE formula based on the number of teachers per site
  - Allocation of 4, 5, or 6 hour positions
  - Increase of 6.75 fte (reduction of 3.58 fte PE Aide positions)
- Bilingual Community Liaisons (BLC)
  - FTE formula based on the number of English Language Learners (ELL) and Reclassification to Fluent English Proficient (RFEP)
    - 50 - 99 = .25
    - 100 - 149 = .50
    - 150 - 200 = .75
    - 201 - 274 = 1.00
    - > 274 = 1.50
  - Title I sites receive an additional .25 fte
    - Except Edison - where all staff is bilingual
  - Increase of 2.0 fte

## Operations Staffing Changes

2013-14

Classification	FTE	# of Positions
Manager	1	1
Supervisor	2	2
Lead Custodians	0	0
Day	16	16
Night	33	33
Floating Positions	4	4
Night Crew	0	0
TOTALS	56	56

2014-15

Classification	FTE	# of Positions
Manager	1	1
Supervisor	2	2
Lead Custodians	3	3
Day	16	16
Night	34	34
Floating Positions	5	5
Night Crew	9.13	11
TOTALS	70.13	72

## Staffing Ratio Change

### Computer Technicians

Based on current # of devices (student device or work stations)

Increase from 11.0 fte to 14.0 fte

Site	2014-15 Proposed Staffing	Site	2014-15 Proposed Staffing
Pt. Dume Webster	1.0	Will Rogers CDS	1.0
Smash Muir Olympic	1.0	Samohi	2.0
McKinley	1.0	Malibu - Macs	1.0
Franklin	1.0	Malibu Cabrillo	1.0
Roosevelt	1.0	Lincoln	1.0
Grant Edison	1.0	John Adams	1.0
		District Office	1.0
		<b>TOTAL</b>	<b>14.0</b>

## Expenditure Assumptions – Employee Benefits

### Benefits:

#### Statutory Benefits:

8.25% STRS employer contribution rate – historical rate  
 9.50% STRS at the May Revise (1.25% difference to be reserved)

2014-15	\$767,160
2015-16	\$1,775,363
2016-17	\$2,813,639

6.20% OASDI contribution rate  
 1.45% Medicare contribution rate  
 0.05% SUI contribution  
 3.00% Workers' Compensation contribution  
 11.771% PERS Employer contribution rate  
 1.25% Other Postemployment Benefit

#### Health & Welfare:

The premium for District-paid employee health benefits is budgeted for a 10% increase in 2014 calendar year.



## Expenditure Assumptions – Supply Allocations

Grade Level	\$ per Student
K - 5	\$ 77.75
6 - 8	\$80.66
9 - 12	\$59.48

- Site discretionary allocation for classroom, administrative and custodial supplies, site directed staff development, other services as determined by the site
- Restoration of the 5% reduction in 2014-15
- Formula (discretionary) and Tier III combined into one single allocation
- Total budget \$1,033,147

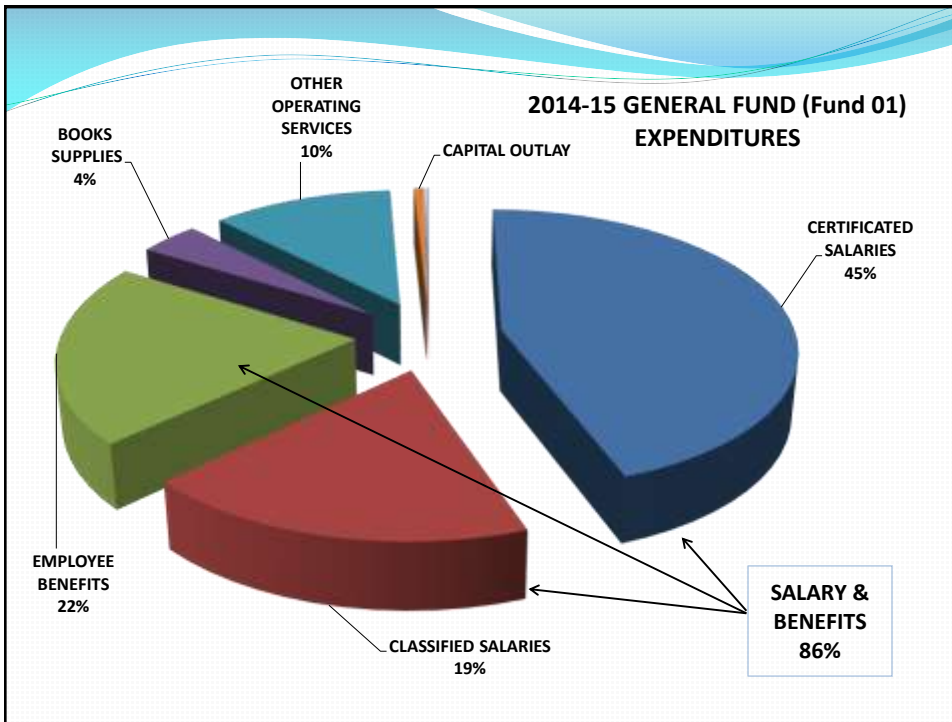
## Textbooks

Subject	TK – 12 Textbook Adoptions Projected Costs
Math	1,730,205
English Language Arts	1,690,965
Science	1,648,941
History	1,620,408
World Languages	518,667
Other	339,113
<b>Total</b>	<b>7,548,299</b>

- 2013-14 Budget is \$214,000  
Ed Services will begin purchasing the Math adoption in 2013-14
- Increase 2014-15 budget by \$786,000 to \$1.0 million – General Fund  
Utilize lottery fund balance for additional \$300,000
- Beginning in 2015-16 Textbook budget to increase to \$1.3 million

**SANTA MONICA-MALIBU UNIFIED SCHOOL DISTRICT**  
**2014-15 PRELIMINARY BUDGET**  
**GENERAL FUND**

<b>PROJECTED EXPENDITURES:</b>	
CERTIFICATED SALARIES	\$ 58,767,306
CLASSIFIED SALARIES	\$ 24,691,040
EMPLOYEE BENEFITS	\$ 28,644,847
BOOKS AND SUPPLIES	\$ 5,229,300
SERVICES & OTHER OPERATING COSTS	\$ 13,755,833
CAPITAL OUTLAY	\$ 208,500
OTHER OUTGO	\$ (254,264)
<b>TOTAL EXPENDITURES:</b>	<b>\$ 131,042,562</b>
<b>PROJECTED FUND BALANCE:</b>	<b>\$ 9,732,591</b>



# Preliminary General Fund Budget for 2014-15

## Multi-year Projections

### SANTA MONICA - MALIBU USD MULTI-YEAR PROJECTION UNRESTRICTED GENERAL FUND

Description	2013-14 3RD INTERIM BUDGET	2014-15 PROJECTED BUDGET	2015-16 PROJECTED BUDGET	2016-17 PROJECTED BUDGET
Revenue:				
Property Tax	63,901,199	63,901,199	63,901,199	63,901,199
Education Protection Account (EPA)	2,183,302	2,187,400	12,321,402	13,304,920
LCFF Transfer to Fund 11 & Fund 14	(262,628)	(437,628)	(512,628)	(512,628)
LCFF Transfer to Charter School	(14,401)			
LCFF State Aide	3,799,324	10,257,013	5,460,291	7,316,939
<b>Subtotal LCFF Funding</b>	<b>69,606,796</b>	<b>75,907,984</b>	<b>81,170,264</b>	<b>84,010,430</b>
Fair Share Deductions		-	-	-
Other Federal	15,795	100,000	100,000	100,000
Lottery	1,358,701	1,449,000	1,449,000	1,449,000
Mandated Reimbursement Block Grant	405,563	405,563	405,563	405,563
Parcel Tax - Measure R	11,164,948	11,220,773	11,445,188	11,674,092
Prop. Y / City of SM	7,200,000	7,300,000	7,400,000	7,500,000
Joint Use Agreement/ City of SM	8,282,650	8,448,303	8,617,269	8,789,614
All Other Local Income	3,377,124	3,168,004	3,167,355	3,170,000
Vision for Student Success (VSS)		3,200,000	4,000,000	4,000,000
Local General Fund Contribution	(20,511,334)	(21,449,906)	(21,500,000)	(21,500,000)
<b>TOTAL REVENUE</b>	<b>80,900,243</b>	<b>89,749,721</b>	<b>96,254,640</b>	<b>99,598,700</b>

**SANTA MONICA - MALIBU USD  
MULTI-YEAR PROJECTION  
UNRESTRICTED GENERAL FUND**

Description	2013-14 3RD INTERIM BUDGET	2014-15 PROJECTED BUDGET	2015-16 PROJECTED BUDGET	2016-17 PROJECTED BUDGET
<b>Expenditure:</b>				
Certificated Salary	44,493,780	46,753,026	47,454,321	48,166,136
Classified	14,245,345	15,948,915	16,188,149	16,430,971
Employee Benefits	19,332,695	21,224,616	22,285,847	23,400,139
Supplies/Books	1,970,782	3,397,271	3,400,000	3,400,000
Other Operational Costs	7,146,628	8,215,610	8,000,000	8,000,000
Capital Outlay	29,690	43,000	50,000	50,000
State Special Schools	7,000	7,000	7,000	7,000
Debt Services	24,590	55,000	55,000	55,000
Indirect Costs	(1,010,569)	(979,607)	(850,000)	(850,000)
Transfer Out to Fund 12	307,452	185,494	110,000	110,000
LCAP Supplemental GAP increases			1,034,691	1,496,728
<b>TOTAL EXPENDITURE</b>	<b>86,547,393</b>	<b>94,850,325</b>	<b>97,735,007</b>	<b>100,265,975</b>

**SANTA MONICA - MALIBU USD  
MULTI-YEAR PROJECTION  
UNRESTRICTED GENERAL FUND**

Description	2013-14 3RD INTERIM BUDGET	2014-15 PROJECTED BUDGET	2015-16 PROJECTED BUDGET	2016-17 PROJECTED BUDGET
Increase (Decrease) Fund Balance	(5,647,150)	(5,107,434)	(1,485,180)	(648,282)
Beginning Fund Balance	24,751,270	19,104,120	13,996,687	12,511,507
Ending Fund Balance	19,104,120	13,996,687	12,511,507	11,863,225
Reserve - Revolving cash, Store	80,000	80,000	80,000	80,000
Reserve - Deficit Spending	5,107,434	1,485,180	648,282	-
Reserve - STRS Contribution Increase		767,160	1,775,363	2,813,639
Reserve for LCFF Growth Increment - 1/2 the difference between SSC and DOF			2,000,000	2,750,000
3% Contingency Reserve	3,831,297	3,918,606	4,010,314	4,107,403
Unappropriated Balance	10,085,389	7,745,741	3,997,548	2,112,183

# Preliminary General Fund Budget for 2014-15

## Staff Recommendations Next Steps

### Next Steps

- Staff will:
  - Continue to monitor the State budget process
  - Prepare final budget documents for the Public Hearing on June 19<sup>th</sup> and Board adoption on June 25<sup>th</sup>
  - Prepare any necessary budget revisions for Board approval within the legal timelines (45 day revision) after final State Budget adoption

