

TO: BOARD OF EDUCATION
FROM: TIM CUNEO / JANECE L. MAEZ
RE: 2011-12 BUDGET UPDATE AND CALENDAR

ACTION/MAJOR
02/03/11

RECOMMENDATION NO. A.30

It is recommended that the Board of Education receive information regarding the status of the 2011-12 State budget, the impact of that budget on the financial status of the district and approve the SMMUSD 2011-12 Budget timeline as attached.

COMMENT: The development of the 2010-11 budget for Santa Monica-Malibu Unified was one of the most difficult, stressful activities in recent district memory. Staff was forced to make recommendations that clearly had potential long-term damage to the district's ability to deliver the high quality educational services. Board decisions were done carefully, after much discussion. At the end of May 2010, the Board approved over \$7.2 million in reductions across the district. Exceptional programs were cut; employees received layoff notices and most knew the impact would be felt for years.

However, the communities of Santa Monica and Malibu, with the leadership of the PTA and Ed Foundation, would not allow these major cuts to take place. Between the end of May and the middle of August, over \$1.6 million was raised by local citizens in the Save Our Schools Campaign. With this effort, and an additional influx of federal monies in the Jobs Bill, the district was able to restore over thirty positions and about \$2.7 million of the May reductions.

Recognizing that both of those sources were one-time only, it was clear that a more permanent solution was needed. The passage of Proposition Y and YY provided the longer-term solution. The amount slated to come to the district would stabilize the financial outlook for the district.

All of this positive news is now overshadowed by the continuing and deepening budget crisis of the State. We have a new governor, with a new approach, but he has the same difficult environment. As Governor, Jerry Brown faces the biggest deficit ever faced by any governor in U.S. history. He has inherited huge economic problems and a divided Legislature. All of his proposals are opposed by someone: Republicans oppose new taxes, Democrats oppose spending cuts, and taxpayers oppose more debt.

He proposes to dig the state out of the economic quagmire with cuts, realignments, and continuation of existing taxes. His budget acknowledges that education has already taken more than its fair share of cuts, and it attempts to restore local control of service delivery and save the state money and continue temporary taxes due to expire now for another five years. If the taxes are extended, the cuts are as he proposed in January and education is "flat" funded for 2011-12. If the taxes are not extended, an estimate additional \$9 billion in would be needed for the state budget, including large cuts to education.

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Staff will present additional information related to the state budget and the impact on the district's budget during the Board meeting. The information will include the first multi-year projections in the 2011-12 budget development cycle. Attached to this agenda item is the 2011-12 Budget Timeline for Board consideration and approval.

MOTION MADE BY: Mr. de la Torre
SECONDED BY: Ms. Leon-Vazquez
STUDENT ADVISORY VOTE: Aye
AYES: All (7)
NOES: None (0)

Budget Timeline For 2011-12

December 9, 2010	BOE Meeting <ul style="list-style-type: none">• 2010-11 First Interim
January 11, 2011	Governor presents State Budget
January 18, 2011	School Services of California workshop on State Budget
February 3, 2011	BOE Meeting <ul style="list-style-type: none">• State Budget Update and 2011-12 Budget Calendar• BP and AR 5118 – Open Enrollment Transfers• Enrollment projections for 2011-12• Certificated FTE projections for 2011-12
February 3, 2011	All Certificated Non-Reelects
February 14-25, 2011	Pathway Budget Meetings – dates and times to be determined
February 17, 2011	BOE Meeting <ul style="list-style-type: none">• Budget Update – Discussion/Possible Action• Closed Session – Discuss Certificated Layoffs• Certificated Tie-Breaking Criteria• Reduction PKS Resolution
March 1, 2011	Deadline for those returning from Leaves of Absence
March 3, 2011	BOE Meeting <ul style="list-style-type: none">• Joint Board Meeting w/ FOC• 2010-11 Second Interim• Budget Update – Discussion/Possible Action• Certificated Non-Reelects• Certificated Layoffs• Release all temps (except special education, math, science)
March 17, 2011	BOE Meeting <ul style="list-style-type: none">• Budget Update – Discussion/Possible Action
April 7, 2011	BOE Meeting <ul style="list-style-type: none">• Budget Update – Discussion/Possible Action
April 11-22, 2011	Spring Break
May 5, 2011	BOE Meeting <ul style="list-style-type: none">• Budget Update – Discussion/Possible Action
May 19, 2011	BOE Meeting <ul style="list-style-type: none">• Budget Update – Discussion/Possible Action
June 2, 2011	BOE Meeting <ul style="list-style-type: none">• FOC Final Update & Year-End Report• Preliminary Budget Discussion
June 7, 2011	Potential Election
June 30, 2011	BOE Meeting <ul style="list-style-type: none">• Budget Adoption