

TO: BOARD OF EDUCATION
FROM: SANDRA LYON / JANECE L. MAEZ
RE: BUDGET UPDATE

DISCUSSION
12/15/11

DISCUSSION ITEM NO. D.02

In order to begin the planning and decision making process that will ultimately result in the 2012-13 Budget for the district, staff has been preparing presentations to inform Board members and the public about the budget process. These presentations are intended to provide details of what makes up a school district budget and specifically budget information as it relates to Santa Monica-Malibu Unified School District.

In this first presentation, staff will focus on General Fund revenues. There will be an explanation of the Prop 98 process and how the majority of our revenue is generated. Staff will also describe the other sources of revenue that the district receives to include Federal, State and Local dollars. Staff will describe how many of the revenue sources are designated for specific purposes and how the district is spending the funds as designated.

In a second presentation, scheduled for January, staff will go into detail about district expenditures. We will explain the kinds of expenditures the district is making within the General Fund. The presentation will describe how those expenditures are distributed across the district; how special programs are funded; and the amount of allocations made to school sites.

By the end of January, staff expects to determine the magnitude of the current budget issues for the district and outline possible actions for Board consideration. The uncertainty of the State budget makes projecting budgets in a school district very difficult. What we do know is that we are currently spending more than we receive in any one year. As the district uses reserve or fund balances to limit the impact of budget reductions – it cannot be considered a long range plan for fiscal viability. The assumptions we use to prepare our multi-year budget projections are important to understand as we develop the long term fiscal plan for the district.

Ms. Maez's presentation can be found under Attachments at the end of these minutes. She answered board member questions about local, state, and federal revenue sources and what they fund. Ms. Maez said she would bring forward another budget update at the January board meeting. Following that, the board will need to discuss funding priorities. The superintendent's office will schedule a budget workshop for early February.