

TO: BOARD OF EDUCATION
FROM: JOHN E. DEASY/WINSTON A. BRAHAM
RE: PLANNING FOR THE 2006-07 BUDGET

ACTION/MAJOR
01/19/06

RECOMMENDATION NO. A.15

It is recommended that the Board of Education approve the following 2006-07 Budget Planning Document, including the Budget Development Calendar. SMMUSD's leadership remains committed to a planning and implementation process that is careful, and one that is reflective of our charge to safeguard our District's resources and assure public trust through continued prudent Budget development & administration and cost containment best practices.

COMMENTS: Due to a combination of California's revenue increases, cost controls, and State Leadership's Proposed Strategic Growth Plan, the Budget outlook for the 2006-07 Fiscal Year continues to improve. While it appears that State allocations will at least be at the 2005-06 levels with a projected Cost of Living Adjustment (COLA) in excess of 4.0%, our District's multi-year projections could be negatively impacted with the application of the State's "Dartboard" deficit factors and COLA. Additionally, notwithstanding the State's commitment to increase Proposition 98 guarantees, the Legislative Analyst's Office (LAO) forecasts suggest caution given that a significant portion of the projected State Reserves is attributable to 2004-05 and prior years and that California's deficit remains in the (\$\$) billions. Additionally, the LAO points out that since Proposition 98 was originally "over-appropriated" by \$700+ million, the projected increase funding levels may not necessarily result in any actual net increases, taking many relevant deficit-related factors into account. These, coupled with painful Federal funding cuts means that though, we have successfully concluded both Collective Bargaining Unit Contracts and continue to function in a much brighter financial environment, we must maintain cost containment practices and strive to eliminate our operating deficit that continues to be aggravated by declining enrollment and increased burden on our General Fund.

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MOTION MADE BY: Ms. Leon-Vazquez	<u>Public Comments</u>
SECONDED BY: Dr. Escarce	Craig Hamilton
STUDENT ADVISORY VOTE: Aye	<i>Dr. Deasy thanked Mr. Braham</i>
AYES: All (6)	<i>and his staff for an excellent</i>
NOES: None(0)	<i>budget plan in the first step</i>
	<i>of a positive budget process.</i>



*Winston A. Braham
Assistant Superintendent
Fiscal, Business Services &
Chief Financial Officer*

TO: Superintendent and Members of the Board of Education

FROM: Winston A. Braham
Assistant Superintendent
Fiscal, Business Services &
Chief Financial Officer

RE: Superintendent's 2006-07 Budget Development Calendar and
Related Issues (Budget Development Planning Document)

DATE: January 19, 2006

Proposal:

Given our "Positive" (most recent - December, 2005 1st Interim Solvency Report) and our current Budget Certification status, it is proposed that the Board continue utilizing the necessary Single Budget Adoption schedule for the budget development in the 2006-07 Fiscal Year. It is further proposed that the Board adopt the Budget Planning & Development Calendar for the subject Fiscal Year contained herein.

Background:

In order to move into the 2006-07 Fiscal Year in a well-planned, organized and purposeful manner, it is necessary for the District to comply with all established Ed Codes, applicable Government Codes and best financial practices. It is further necessary for the District to comply with the Board's wishes as it relates to the planning process for this upcoming and relevant (as defined by the State of California Multi-Year Budget projection requirement) Fiscal Years beyond. While Districts are allowed to choose between two budget adoption schedules, given this District's current "Positive Certification" status, it is again recommended we continue using a Single Budget Adoption schedule in which the Budget is adopted no later than July 1st, following a Public Hearing.

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Budget Implications:

The provisions of Bills/Legislative actions, such as Assembly Bill (AB) 1200, (AB) 2756 Standard & Criteria and the Williams Settlement, declining enrollment and other known and emerging fiscal factors, will impact the budget development schedule. In addition, the special session of our legislators and LACOE's demands, coupled with pending policy changes at the Federal levels will all require sacrifices for this 2006-07 Fiscal Year and beyond.

Recommendations:

In order to provide an opportunity for Board Members, staff and the general public to review the State's Proposed Budget, and then make revisions as necessary to our District's official Final Budget, it is recommended that the District continue utilizing the adoption schedule that has been previously established and leading into the upcoming Fiscal Year. It is therefore then also recommended that the Board approve the following revised Budget Development Calendar for the 2006-07 Fiscal Year.

Note: The 2006-07 School District Budget will be prepared under mildly "dicey" tentative conditions and will be subjected to change. Thus, this planning document, especially the calendar, it should in no way be viewed as static, but will instead likely be revised to respond to fiscal-related decisions at the State & Federal levels, standards & criteria adjustments of LACOE and the determined mission-critical needs of SMMUSD that will require routine budget/spending adjustments.

WAB/dms

SMMUSD 2006-07 BUDGET PLANNING GUIDE

Overview:

The purpose of the Budget Planning Guide and Budget Development Calendar is to aid and/or facilitate the development of the District 2006-07 and State-required Multi-Year Budget Projections. Contained in the budget planning guide and the Budget Development Calendar are details necessary for effective operational plans and information that will lead to a frugal, strategically visionary and intelligent review and adoption spending package. Thus, it is necessary for us to structure a detailed process, which will require that every manager develop their budgets with more precision than in past years.

Therefore, to establish a well-defined Budget, it will require full and complete cooperation of the Board as well as District staff at every level. It is very important that the various components of the Budget be developed in line with the fiscal reality of the State of California, and more particularly, with our School District's ongoing cost containment approach. This means that, even with what appears to be other reliable revenue sources, we must control operational costs & expenditures that seem to contribute to our ongoing "operational deficit", that we continue to fund or "neutralize" from prior year's carryover/positive ending balance.

As previously stated, the development of this Budget will be done under a State fiscal picture that is, at best, guardedly optimistic. The only certainty that exists is that the legislators and California's fiscal condition will continue to require that we execute a Budget that is tightly controlled as it relates to expenditures, where possible, creation of new increased revenue sources and definite reductions in operational spending.

In order then to move toward a balanced Budget, it will be necessary for us to, among others:

- , Deal very carefully with the current policy that impacts enrollment...and thus ADA our most significant single source of revenue;
- , Reassess staff roles & responsibilities, redistribute tasks & functions, compress, where possible, class assignments in the District; systematically continue to examine and identify every single position and their appropriate funding source(s) & funding timeline, and where possible/appropriate, utilize multi-funded sources for those individuals who so qualify. The goal here is to as much as possible, reduce/remove the burden from the General Fund.

Continue our aggressive Programmatic Implementation Deficit Reduction Plan to include a Reduction in the rate of growth of the Local General Fund Contribution (LGFC) to Special Education without compromising our expected/required service levels to our students and families.

BUDGET DEVELOPMENT RESPONSIBILITIES

In developing the 2006-07 budgets, the following individuals and/or offices will have budget development responsibilities, as follows:

Board of Education - Responsible for reviewing and making budgetary policy guidance adjustment, as necessary, to the proposed Budget and then adopting the Preliminary and the Final Budget to include important policy decisions affecting Budget, cost-saving revenue enhancements and work simplification.

NOTE: Board, at its pleasure, to refer to the Financial Oversight Committee (FOC) for consultation and advice on relevant financial matters and/or issues with significant potential fiscal impact.

Superintendent and/or Senior Cabinet - Responsible for developing overall general broad goals of the District with financial implications and responsible for reviewing, and if necessary, revising the submitted budgets to fit within available resources and District's instructional initiatives and/or required federal and state compliance standards and guidelines (a central clearinghouse for all proposals with fiscal impact data). Once the Superintendent or Senior Cabinet establishes a proposed spending plan/Budget for the 2006-07 Fiscal Year, the Superintendent, during a timeline to be established, will present to the Board with initial review in closed session (since it could contain personnel issues), and also for ease of approval process, secure concessions from the Board leadership in advance of final presentation to assure overall alignment with strategies and problems targeted at raising student performance.

Principals - Responsible for the timely preparation of their General Fund component budget, Categorical and Specially-Funded Personnel and Non-Personnel Budget with as much precision as possible. Where necessary/appropriate, work with the Chief Academic/Instructional Officer for projections and Special Funds' use.

Chief Financial Officer (CFO) - Responsible for planning the general direction and overall coordination of the budget development process. Oversee the strategic identification of all major revenue and expenditure sources to include ongoing Strategic

Deficit Reduction Plan and key Fiscal Policy changes. Finally, implementation of cost containment strategies, required analyses, probable expenditure controls & revenue policy and practices. Otherwise, oversight of all matters/issues with foreseeable fiscal impact.

Assistant Superintendent/Chief of Staff and Director, Human Resources - Responsible for guiding staff in Human Resources for providing the necessary personnel information for the General Fund budget, assisting with the budgeting of categorical and specially-funded budgeted personnel, establish with precision District enrollment and staffing count/projection figures in a timely manner, and guide the completion of the Collective Bargaining Agreement Negotiations. The Assistant Superintendent, Chief of Staff and the Director of Human Resources are responsible for maintaining an accurate position control process for all instructional staff/FTEs. The Chief of Staff and Human Resources Leadership are also responsible for jointly developing and/or overseeing a creditable Position Control (PC) processes.

Chief Academic/Instructional Officer and/or Categorical Compliance Key Staff - Responsible for development of their respective personnel and non-personnel budgets as well as developing for and advising in all compliance requirements for the District's spending and budget development process as it relates to State and Federal funding sources. Present to Senior Cabinet all proposed categorical and instructional program changes with their full fiscal implications. Finally, oversee school site administration of categorical and special budget \$\$.

Assistant Superintendent for Special Education - Responsible for reviewing and/or analyzing existing Special Education needs and develop a budget that is both reflective of a quality service delivery model as well as one that reflects the general cost containment of today's budget environment. It will be necessary for the Assistant Superintendent for Special Education to make every attempt to be aware of and/or establish a baseline before developing the necessary special education budget for the 2006-07 Fiscal Year, meaning that it is extremely important that all outstanding debts and/or obligations that are related to special education should be cleared up and/or be established before the 2006-07 Budget is put into place. Once that is completed, it is expected that the Assistant Superintendent for Special Education will become aware of the circumstances and the demands for special education and will, as a goal, limit/restrict/control the rate of increase of Local General Fund Contribution (LGFC) to Special Education support. Also, it is the responsibility of the Assistant Superintendent for Special Education to clarify and delineate/develop position controls wherever possible and procedures involving all the ancillary service departments that interact on a daily basis with special education. Also, of

extreme importance is a process of reimbursing NPS, NPA, parents, legal service providers through a refined relationship with the Fiscal Services department related to Individual Education Plan (IEP) settlements.

Director of Information Services - Works closely with Fiscal Services for uploading, with extreme accuracy, all financial data to Quintessential School Systems (QSS) and its interface with LACOE's PeopleSoft System.

Director of Fiscal Services/Assistant Director of Fiscal Services - Responsible for providing fiscal information and projections as well as internal compliance responsibilities as are known for the development of the budget and for collecting and providing the necessary technical input on the required forms for both review and filing with LACOE and will also oversee the Data Entry processes with the Information Services section.

Director of Purchasing & Warehouse - Provide guidance and procurement counsel to staff in the implementation of all Procurement best practices and carry out required controls, revise and develop those controls for all procurement and contracts to assure legal compliance, reduce District costs by taking advantage of economies of scale, identify all capital equipment needs, related valuation and advise on capital equipment buy or lease. Also, complete Annual Audit inventory/evaluation and guide the procurement of professional services.

District Office Level Administrators - Responsible for developing their General Fund budget, non-personnel budget, and as necessary, categorical programs and other specially-funded programs.

**SMMUSD FEDERAL/STATE/SPECIALLY FUNDED PROGRAM COMPLIANCE
RESPONSIBILITY MATRIX**

FEDERAL PROGRAMS		
Resource	Program	Direct Supervisor
30100	Title I	Maureen Bradford
35500	VEAII Carl Perkins Vocational	Rebel Harrison/Donna Muncey
37100	Title IV: Drug-Free Schools	Laurel Schmidt
40350	Title II, Part A: Teacher Quality	Maureen Bradford
40450	Title II, Part D: Enhancing Education through Technology	Donna Muncey/Will Carey
41100	Title V: Innovative Strategies	Maureen Bradford
42030	Title III: LEP	Peggy Harris
56400	Medi-Cal	Laurel Schmidt
58100	Smaller Learning Communities	Donna Muncey/Eva Mayoral

STATE PROGRAMS		
60910	CalSafe	Judy Abdo
62670	NBCT	Susan Samarge
62860	ELAP	Peggy Harris
63000	Lottery Instruction	Donna Muncey
64050	School Safety	Laurel Schmidt
66600	TUPE	Laurel Schmidt
70900	EIA	Peggy Harris
71400	GATE	Peggy Harris
71560	IMFRP Textbooks	Donna Muncey
72300	Transportation - Regular	Winston Braham/Neal Abramson
72400	Transportation - Special Ed.	Winston Braham/Neal Abramson
72710	PAR	Donna Muncey/Jessica Rishe
73900	Pupil Retention Block Grant	Maureen Bradford
73920	Teacher Credentialing Block Grant	Jessica Rishe/Susan Samarge
73930	Professional Development Block Grant	Donna Muncey
73940	Targeted Instructional (TIIG)	Donna Muncey/Winston A. Braham
73950	School Library Improvement Block Grant	Donna Muncey/Maureen Bradford

GENERAL FUND BUDGETARY NOTES:

All inquiries related to the budget development process should be directed to the individual leadership or the supervisor of the individual who is posing said question or request for clarification. For example, if the question or need for clarification related to the budget development process is posed by a member of a particular school site staff, then that particular question should be routed to the Principal and/or the person designated to handle budgetary/fiscal issues for said site. Should that individual become unable to respond to or answer said inquiry, then that individual is responsible for directing the inquiry to the Assistant Director or Director of Fiscal Services for the appropriate advice.

NOTE: All budget allocations are temporary and subject to change as the General Fund budget is developed and approved by the Board of Education.

All enrollment projections used in the calculation of the 2006-07 Budget are, as previously indicated, the responsibility of the Assistant Superintendent/Chief of Staff and should indeed be based on a credible enrollment report. Therefore, the projections are subject to pending funding availability which could be increased or decreased accordingly.

Reallocation of Dollars

Within the ongoing fiscal constraints, the budget allocation from 2005-06 will not simply be rolled into the 2006-07 Budget. Every effort will be made to prioritize/reallocate budget based on new priorities against approved established goals and emerging District needs.

Personnel-Related Budget Responsibilities

The Assistant Superintendent/Chief of Staff has the overall responsibility for all General Fund budget-related personnel positions.

Increases in Authorized Personnel

No current staff has the authority to exceed the authorized personnel full-time equivalencies (FTEs). Only the Superintendent and the Board of Education can approve increases in the authorized personnel/FTEs. If the Board of Education grants the Superintendent and/or the Chief Financial Officer said responsibility, it will be constrained and limited by a known and/or well-defined dollar limit, not FTE limit and will require that all proposed initiatives be presented with a comprehensive, creditable sponsor's financial impact statement.

Personnel Allocations

Allocations for personnel have already been communicated, or soon will be, based on information gathered by the Independent Consultant or Assistant Director of Fiscal Services during the January budget development initial planning site visits. A related process procedure is to be established by Human Resources to impact the Position Control process.

Required Justification/Approval for Increases

All school sites and departments/all Cost Centers must function for the 2006-07 Fiscal Year within the approved limits of the budgets. Any and all increases and/or changes must be justified, must be approved by the Superintendent, and must subsequently be submitted to the Board of Education for their approval. This will not be limited to, or intended to exclude, known overtime for special events. All known special events should be projected based on the current 2005-06 Fiscal Year or historical and/or reasonably anticipated programs. This will also relate to Maintenance and Operations (M&O) which should, as much as possible, be approved through and in concert with the Director of Facilities Management.

Independent Responsibility

Within Board-approved authority, no individual, outside of the Office of the Superintendent and/or the CFO shall retain independent responsibility for the selection of vendors and/or the approval of a contract for professional services or for the procurement of tangible goods that are at and/or exceed the required bidding levels. As required, exceptions will be granted only in consultation with the Director of Purchasing & Warehouse and LACOE.

Mileage

All mileage reimbursement for the 2006-07 Fiscal Year will be reimbursed at current/published IRS "per mile rate" and shall be approved only if said travels are required, approved and are calculated from your administrative base site address.

Conferences & Travel

For budget purposes, a daily meal per diem or hotel cost shall not exceed/will be in line with General Government Standards Accounting (GSA) guidelines and/or Board rules. Additionally, all travel and conferences must be in line with the priorities established for the particular site or department and must be approved by the most senior administrator responsible for the site and/or the department. For example, a Principal must have all conference and travel requests approved by the Chief Education Officer prior to final approval by the CFO. All conference and travel must again be in line with the priorities established by the District. Any conference and

travel requests that are not in line with the priorities established by the District are at the discretion of his or her supervisor and will be subjected to the availability of staff coverage and based on the availability of budgeted funds.

NOTE: For any and all conferences that are being presented at multiple locations, the supervisor has an obligation to authorize attendance to the conference closest to the School District. No out of town conference will be approved if a similar conference/training/event is being offered locally. No conferences will be approved for locations outside the continental United States without the specific and advance approval of the Board.

Dues and Memberships

The District will only pay for relevant, work-related specific institutional memberships provided the organization, association, etc. is approved by the Board of Education and the respective budget managers have the required funds within their component budget to become responsible for assuming said memberships.

2006-07 BUDGET DEVELOPMENT CALENDAR

- G October, 2005 - Ongoing** - Systematic/clean-up of all outstanding old/aged Accounts Payable debt reimbursements to parents, Non-Public Schools (NPS), Non-Public Agencies (NPA) and other vendors.
- G November, 2005** - Complete and present Beginning Balance adjustments, preliminary and final First Interim Report, file with LACOE and present to Board for public discussion and adoption.
- G December, 2005** - Complete State-required AB1200 for solvency certification, file with LACOE and present for Board action prior to adoption of SMMCTA new Agreement which includes personnel pay increases for current and future Fiscal Years.
- G December, 2005 - January, 2006** - Superintendent and Senior Cabinet to develop and present to the Board all 2006-07 major District goals and objectives having financial implications.
- G December, 2005 - January, 2006** - Joint Use Agreements: Submit request to the City of Santa Monica for first half of annual funding (\$3.0 million + half of CPI adjustment), and to the City of Malibu for annual funding.
- G January, 2006** - If necessary and appropriate in response to Special Legislative Session, issue General Fund spending overtime/hiring and procurement freeze. Develop criteria document with exceptions required controls and justification.
- G January 7, 2006** - Complete and file with LACOE P-1 Attendance Report to cover the period from the first day of school, September, 2005 to December 17, 2005.
- G January 19, 2006** - Presentation of Independent Financial Audit Report by External Auditor, Roy J. Blair to include public comments.
- G January-February, 2006** - Preliminary overview (via Superintendent's Report) hearing of Governor's preliminary and special legislative spending to determine its impact on SMMUSD's 2006-07 fiscal condition.
- G January-February, 2006** - Complete identification of all current and projected multi-year Capital Programs and major budget/items with corresponding approved funding sources.

- G February, 2006** - Complete school on-site meetings & training offered by Fiscal Services representative to site Principals and offices and collect all enrollment/FTEs projections by funding source, all planned major expenditures, projections of all FTEs and/or hours of FTE increases beyond the 2005-06 budget levels.
- G February, 2006** - Finalize/Board to adopt all outstanding SEIU negotiated Collective Bargaining Unit Contracts post LACOE's approval of AB 1200 Analysis. This shall include the legally-required (10) business days "sunshining" of Agreement.
- G February, 2006** - Complete final design revisions of all 2006-07 budget intake documents and/or worksheets.
- G February, 2006** - Adopt Proposition X Reimbursement Resolution for expenses projected to underwrite the costs associated with the development of the District's Strategic Master Facilities Plan.
- G February, 2006** - Board review of program initiatives recommended by staff for elimination, modification, adoption and/or enhancement for the 2006-07 Fiscal Year and if any impact on FTE count and/or General Fund.
- G February, 2006** - As necessary, complete review of District's Portfolio Debt profile to include economic modeling of key long-term revenue sources followed by presentation to Board.
- G February 15, 2006** - Refine ADA Base Revenue Limit Calculation methodology modeling and complete enrollment projections, and initiate strategy discussion with the Board for review (if so desired) of Strategic Permit Controls in order to maintain break-even ADA/Revenue Limit.
- G February 25, 2006** - Identify (include creation of new source) all major revenue sources outside of ADA and other pupil-generated revenues to include major grants.

NOTE: By February, 28, 2006 (Date & Time TBD) - SMMUSD CFO will convene a 90-minute Budget Development familiarity session with SMMUSD Key Staff and leadership of our collective bargaining units.

- G March 2, 2006** - Submission of 2nd Interim Report to the Board for discussion and adoption, to include public comments.
- G March, 2006** - Notification to Certificated Staff of layoffs and Non-Reelect that are to be phased out and/or reassigned, if any, as a result of projected 2006-07 Spending Deficit. Notification must be communicated in writing to impacted staff on or prior to 3/15/06.

NOTE: Reductions impacting Classified positions will require at least a 45-day notice in compliance with the State Law or SEIU's Bargaining Agreement terms.

- G March, 2006** - Development of baseline budget for Unrestricted Funding sources, including prioritization and components of the budget in accordance with District goals to include District Proposed FTE Budget, to include Public Comments.
- G March, 2006** - Submit request to the City of Santa Monica for second half of annual funding (\$3.0 million + half of CPI adjustment).
- G March 15, 2006** - Complete analysis of all Categorical and Special funding programs, identify major objectives and align those objectives with their respective categorical and special funding sources.

NOTE: By the end of March, 2006 (Date & Time TBD) - SMMUSD CFO will convene a 90-minute Budget Development familiarity session with SMMUSD Key Staff, parents, community groups and other interested members of the public.

- G April 21, 2006 or as Required by LEA** - Presentation to the Board of ADA Base Revenue Limit projections for 2006-07 and succeeding Multi-Year Budgets to include public comments.
- G April 22, 2006** - Complete and file with LACOE P-2 Attendance Report and Class-Size Reduction report to cover the period from first day of school, September, 2005 to March, 2006.
- G April, 2006** - Ahead of, separate and apart from the Facilities Master Plan development now in progress, and in accordance with California Education Code, complete an Independent Developer Fee Increase Justification Study for our current fee structure, to include a study of increasing the square footage limit beyond the current 5,000 square feet maximum and corresponding fees per square foot, to the maximum of Residential Level I in line with prevailing "Class B" construction cost index.

G April/May, 2006 - Begin the SMMCTA Negotiation process by developing District position and related Proposition to initiate preliminary negotiations with SMMCTA for the upcoming Collective Bargaining Contract period.

G April/May, 2006 - Continue analysis of Cal-PERS medical care costs versus that of Blue Cross, Blue Shield, Aetna, PacifiCare and Kaiser in advance of PERS annual rate increase notices, targeted/ projected for May or June, 2006 (rates announced this year become effective 1/07) to include employee health benefits utilization trends/history.

Note: *Should for any reason Cal-PERS-initiated 2007 Calendar Rates skyrocket, District management and Collective Bargaining Units should have an alternative plan in place to exit or remain with Cal-PERS. Such a decision must be communicated via a Board Action within (60) days of the broadcast of the January, 2007 Rates/increases.*

G May, 2006 - To reduce expenditure "Rollovers", complete all 2005-06 procurement of services and/or goods by May 15, 2006 in order to complete receipt and payables to vendors (expensed) by the end of business on June 30, 2006.

G May 5, 2006 (If available) - Review of State's "May Revise" for re-evaluation of the District's 2006-07 Budget plans, to include public comments.

G May, 2006 - Approve CPI-U increase to Measure "Y" parcel tax. **Public Hearing.**

G May 18, 2006 - Presentation of initial/preliminary 2006-07 Budget to Board, to include public comments.

G May-August, 2006 - Begin Measure "S" Senior Exemption from Parcel Tax process, including placing of public notice ads, mailing of applications/renewal forms, verifying proofs of age and property ownership, compiling responses in database and forwarding exempted parcel numbers to Los Angeles County Assessor's Office by the first week in August, 2006.

G June 1, 2006 - Begin final study sessions and hearing on budget development/implementation, to include public comments.

G June 15, 2006 - As mandated by the provisions of Measure "S", convene Joint Session of Board & Financial Oversight Committee from 5:30-6:30 p.m. (prior to the start of the regularly-scheduled Board Meeting.)

- G June 29, 2006** - Special Final 2005-06 Board Meeting to adopt the 2006-07 Budget Plan and District's Strategic Facilities Master Plan. **Public Hearing.**
 - G July, 2006** - In accordance with the State's constitution Government requiring budget adoption by the State, the Santa Monica-Malibu Unified School District will review last-minute revenue changes and their impact on its budget, determine and accomplish, if any, adjustments.
 - G July, 2006** - Complete preliminary closure of expenditures, "2005-06 Closings" on 2005-06 budget year, identify all "Carryover", "Rollover" monies and identify related Accrual amounts.
 - G August, 2006** - In accordance with State laws, the District begins to amend its Adopted Budget to comply with the "45-day rule" from the date the State adopted its Budget. This revision is the final important step in determining the real 2006-07 expenditure plans.
 - G August-September, 2006** - Begin the final stages of closing the District books for prior year's revenue and expenditures and begins to establish final year-end budget balances and final adjustments to the 2006-07 Budget.
 - G Fall, 2006** - Receipt of the Calculated/ Certification of Income the District will receive for District categorical programs, both continuing and new.
- Note of caution: Until the certifications are received, categorical or restricted expenditures are based on the best projections of income only.**
- G September, 2006** - Complete Unaudited Actual Financial Report, file with LACOE and present to Board for public discussion and adoption.
 - G October, 2006** - Submission of Unaudited Actual Financial Report and the final 2006-07 Adopted Budget adjustments.
 - G October, 2006** - Adopt the State-mandated Gann Limit Resolution.
 - G December, 2006** - On or before December 15, 2006, completion, filing and presentation of District's 2006-07 1st Interim Report for review and adoption by the Board, to include public comments.

- G December, 2006-January, 2007** - Completion and filing of the 2005-06 Independent Audit Report [CDE, State Controller's Office, LACOE] and Board discussion at the first meeting in January, to include public comments.
- G January, 2007** - Review and adoption of the Budget Planning document for subsequent Fiscal Years.
- G January, 2007** - In accordance with the provisions of the current Joint Use Agreement (SMMUSD/City of Santa Monica), convene District Conference Team meeting with the City of Santa Monica to discuss adjustments to the Contract Base Amount.

NOTE: During the review and discussion phase of this planning document, the Board shall, at its discretion in consult with the Superintendent and the CFO, determine the number and timing of public hearings and press releases.

SCHEDULE OF IMPORTANT BOARD MEETING DATES		
Date	Topic	Time
Jan. 19, 2006	Review & Adoption of District's 2004-05 Independent Financial Audit Report	
February, 2006	Review & Discussion of Enrollment Projections	
March, 2006	Review & Approval of District's Collective Bargaining Agreement with SEIU	
March, 2006	Review of Proposed 2006-07 Budget	
March 2, 2006	2005-06 2nd Interim Report	
April, 2006	Discussion & Adoption of Prop X Reimbursement Resolution	
April 20, 2006	ADA Revenue Limit Projections & Multi-Year Budget: Preliminary 2006-07 Budget	
Late April, 2006	Begin the SMMCTA Negotiation Process	
May 4, 2006	Review of State's "May Revise"	
May, 2006	CPI-U Increase to Measure "Y" Parcel Tax <i>Public Hearing</i>	6:00 pm
May 18, 2006	Preliminary 2006-07 Budget	
June 1, 2006	Final Study Sessions on 2006-07 Budget	
June 15, 2006	Joint Meeting with Board and FOC at 5:30; (<i>regular Board Meeting Continues at 6:30</i>)	5:30 to 6:30 pm
June 29, 2006	Review & Adoption of Facilities Master Plan Contract & Adopt 2006-07 Final Budget <i>Public Hearing</i>	6:00 pm
October, 2006	Adopt Gann Limit Resolution	
On or Before Dec. 15, 2006	2006-07 1st Interim Report	
Dec., 2006 - Jan., 2007	2005-06 Independent Audit Report	

NOTE: With the exception of March 2, 2006 and June 29, 2006, above-listed dates are all tentative, based on our best available information at this time. The schedule could be modified as a result of events generated by the ongoing Budget debate in Sacramento and/or at the discretion of the Board of Education. In every and all cases, however, we will produce notification of these changes in a timely manner, consistent with the Brown Act.

01-19-06BudPlan.wpd (w/Board Revisions)