

**Santa Monica-Malibu Unified School District  
Board of Education Meeting  
WORKSHOP**

**November 21, 2009**

A workshop of the Santa Monica-Malibu Unified School District Board of Education was held on Saturday, November 21, 2009, in the District Administrative Offices: 1651 16<sup>th</sup> Street, Santa Monica, CA. The Board of Education called the meeting to order at 9:20 a.m. in the Board Room.

**I CALL TO ORDER**

A. Roll Call – Board of Education

Ralph Mechur	Jose Escarce
Barry Snell – <i>excused</i>	Maria Leon-Vazquez
Ben Allen	Kelly Pye
Oscar de la Torre	

B. Pledge of Allegiance

**II BUDGET WORKSHOP**

During its regular meeting on November 19, the Board of Education heard reports from the Financial Oversight Committee and the Superintendent's Budget Advisory Committee about the progress of their discussions regarding the 2010-11 district budget. This workshop will provide the Board of Education an opportunity to discuss in depth the information provided in these reports.

*The presentations can be found under Attachments at the end of these minutes.*

*The discussion among board members regarding the proposed reductions can be found under Attachments at the end of these minutes.*

**III PUBLIC COMMENTS**

Public Comments is the time when members of the audience may address the Board of Education on items not scheduled on the meeting's agenda. All speakers are limited to three (3) minutes. When there is a large number of speakers, the Board may reduce the allotted time to two (2) minutes per speaker. The Brown Act (Government Code) states that Board members may not engage in discussion of issues raised during "III. Public Comments," except to ask clarifying questions, make a brief announcement, make a brief report on his or her own activities, or to refer the matter to staff. This Public Comment section is limited to twenty (20) minutes.

- *Rebecca Kennerly, CEPS Chair, and Cynthia Torres, FOC Chair, addressed the board regarding the budget.*

**IV ADJOURNMENT**

It was moved by Ms. Pye, seconded by Mr. de la Torre, and voted 6/0 (Mr. Snell was absent) to adjourn the meeting at 12:50 p.m. The next regular meeting will be held on **Thursday, December 10, 2009, at 5:30 p.m.** in the district office board room: 1651 16<sup>th</sup> Street, Santa Monica, CA.

Approved: January 14, 2010

Barry A. Snell  
President

[Signature]  
Superintendent

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## **ATTACHMENTS**

ATTACHED ARE THE FOLLOWING DOCUMENTS:

- Presentation: "SMMUSD Budget Workshop"
- Presentation: "SMMUSD Budget Board Joint Session with the SBAC and FOC" (*from November 19, 2009, board meeting*)
- Presentation: "Financial Oversight Committee Report" (*from November 19, 2009, board meeting*)
- Document: "SMMUSD Board 2010-11 Budget Workshop Summary"

## SMMUSD Budget Workshop

November 21, 2009

### The First Interim Report

- ▶ The Board-Adopted First Interim Report must list specific reductions planned by the Board.
  - No reduction listed on the First Interim will occur unless the board takes formal action to eliminate a program or lay off an individual.
  - Staff will begin bringing recommendations for reductions and layoffs to the Board for action in February.

### Rationale for Reductions

- ▶ Planned \$10 million beginning balance for 2010-11.
- ▶ That balance will be quickly used by our current \$12 million operational deficit
  - Projected \$2 million negative balance for 10-11
  - Projected \$14 million negative balance for 11-12
- ▶ Negotiations still underway with SMMCTA, SEIU and Management.
- ▶ First Interim (December 10) requires us to list actual budget reductions that will result in a balanced budget in 2010-11 and 2011-12.

### Beginning to Discuss Reductions

- ▶ The amount of required reductions could be as high as \$8 million for the 2010-11 school year.
- ▶ The next slides describe possible reductions that have been considered by
  - Staff
  - The Superintendent's Budget Advisory Committee
  - The Financial Oversight Committee
  - Others

### Possible Revenue Enhancements

- Parcel Tax
  - Board will hear report from the Emergency Temporary Parcel Tax Feasibility Committee and possibly take action on December 10
  - The County will not consider it in our budget unless it actually is passed in an election
- Ideas listed by the Financial Oversight Committee
  - Will not take immediate effect
  - The County will not consider it in our budget unless it actually brings revenue into the budget.

### Travel/Conference

- ▶ Possible Reduction: \$50,000
- ▶ General fund dollars are used to provide reimbursement for key conferences and meetings, and travel to and from those meetings.

### Transportation Fees

- ▶ Possible Revenue Enhancement: \$25,000
- ▶ The District is required to provide free transportation for some students.
- ▶ Other students pay a semester fee for home to school transportation. The fee could be increased.

### Samohi Advisors

- ▶ Possible Reduction: \$165,000
- ▶ Last Year, the Board took action to reduce Samohi by one House.
- ▶ The Board elected to keep the two advisors to allow for a smoother transition.
- ▶ The Board could reduce by two advisors and keep the ratio of two advisors per house.
- ▶ Samohi student to advisor ratio is 300:1.

### Summer School Reductions

- ▶ Possible Reduction: \$100,000 – \$500,000
- ▶ With the current flexibility provided by the state, the District will continue receiving funds provided for summer school, regardless of attendance in the program.
- ▶ The district could reduce or eliminate:
  - IISS in Elementary School
  - IISS in Middle School
  - High School Credit Recovery Summer School

### Samohi Student Outreach Specialist (S.O.S)

- ▶ Possible Reduction: \$65,000
- ▶ Last Year, the Board took action to reduce Samohi by one House.
- ▶ The Board elected to keep the S.O.S. to allow for a smoother transition.
- ▶ The Board could reduce by one S.O.S. and keep the ratio of one S.O.S. per house.

### Security Officers

- ▶ Possible Reduction: \$200,000
- ▶ Security Officers are provided at Secondary Schools. Possible reductions could include:
  - Samohi: Reduce from 6 to 5
  - John Adams : Reduce from 2 to 1
  - Lincoln : Reduce from 2 to 1
  - Malibu High : Reduce from 2 to 1
  - Olympic: Stay at 1

### Reading Specialist

- ▶ Possible Reduction: \$240,000
- ▶ In the 2008-09 year, the board provided \$240,000 of general fund support to provide reading instruction assistance.

## Nurses

- ▶ Possible Reduction: \$160,000
- ▶ The District has 11 Nurse FTEs.
  - Our Student to Nurse Ratio is less than 1000 to 1.
  - Comparative Districts range from 1600:1 to 5000:1.
- ▶ The St. John's Grant has been reduced by \$80,000.
- ▶ The District may have to move from a nursing staff based on student enrollment to a nursing staff based on students with medical needs.

## Elementary Music

- ▶ Possible Reduction: \$900,000
- ▶ Students receive once or twice a week instruction in instrumental and choral music.
- ▶ Grade 3 Music: Once a week instruction
  - \$155,000
- ▶ Grade 4 and 5 Music: Twice a week instruction
  - \$745,000

## Maintenance and Operations

- ▶ Possible Reduction: \$500,000
- ▶ Reductions could include:
  - Management positions
  - Custodial positions
  - Trades positions
- ▶ There would be an impact on
  - Cleaning schedules
  - Response time to plant repairs

## Energy/Utility Conservation

- ▶ Possible Reduction: \$200,000
- ▶ The District pays approximately \$2 million a year for electrical, water and gas.
- ▶ Through a concerted program involving all students and employees, the District could reduce expenditures by as much as 10%.

## Supplemental Counselors

- ▶ Possible Reduction: \$350,000
- ▶ The state provided a Supplemental Counseling Grant for Middle and High Schools.
  - Four counselors hired
  - Either reduced counseling ratios or provided specific intervention services.
- ▶ Would result in one fewer counselor at Samohi, JAMS, Lincoln and Malibu High.

## Library Programs

- ▶ Possible Reduction: \$500,000
- ▶ The District funds Elementary Library Coordinators at each elementary school.
- ▶ The District funds some library assistants to support certificated librarians.

### District Office Reductions

- ▶ Possible Reduction: \$500,000
- ▶ Reduction of 4 to 6 positions including:
  - Certificated Administrators
  - Classified Administrators
  - Classified Employees

### Elementary Class Size

- ▶ Possible Reduction: \$2,200,000
- ▶ Current Class Size:
  - K-3: 23:1
  - 4-5: 30:1 (Title I Schools at 25:1)
- ▶ Possible Recommendation:
  - K-5: 30:1
  - Impact: 42 Elementary School Teachers
  - Includes loss of some Class Size Reduction revenue
    - Staff will continue to examine impact on Class Size Reduction revenue

### Counselors

- ▶ Possible Reduction: \$330,000
- ▶ Reduction of one counselor at
  - John Adams
  - Lincoln
  - Malibu High
  - Olympic
- ▶ Will result in the following student to counselor ratios.

◦ John Adams	500:1
◦ Lincoln	600:1
◦ Malibu High	600:1
◦ Olympic	100:1

### Secondary Class Size

- ▶ Possible Reduction: \$1,600,000
- ▶ Current Class Size:
  - 32:1 (John Adams at 30:1)
  - Common Class Size Range: 28 - 36
- ▶ Possible Recommendation:
  - 35:1
  - Common Class Size Range: 31 - 39
  - Impact: 20 Secondary Teachers

### Contracts

- ▶ Possible Reduction: \$200,000
- ▶ Staff will identify recommended non-renewals in March, 2010.

### Cell Phones

- ▶ Possible Reduction: \$30,000
- ▶ Would end cell phone reimbursements and allowances for every employee in the District.

**Total of Possible Reductions**

▶ \$8,315,000 to \$8,715,000



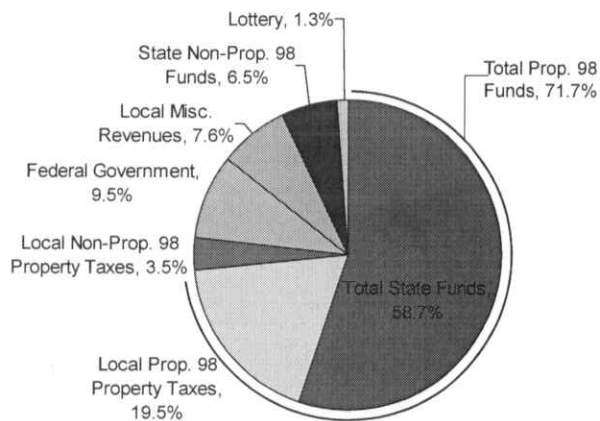
# SMMUSD Budget Board Joint Session

with the  
Superintendent's Budget Advisory Committee  
Financial Oversight Committee

November 18, 2009

## California's School Finance System

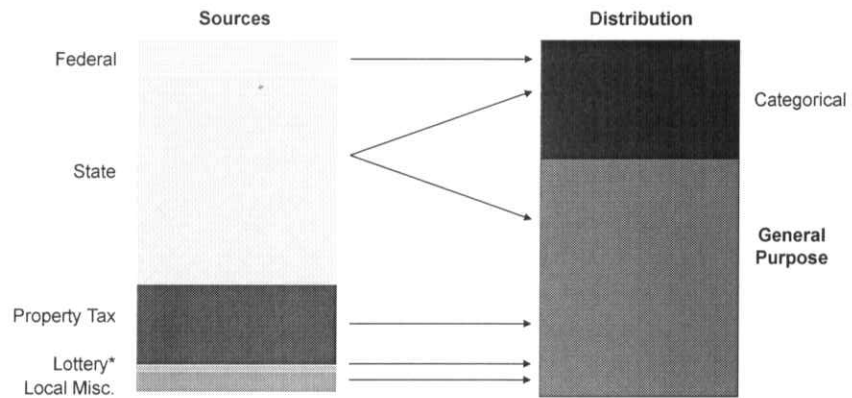
2008-09 Revenue for K-12 Education



Source: EdSource January 2009 Report on California's School Finance System

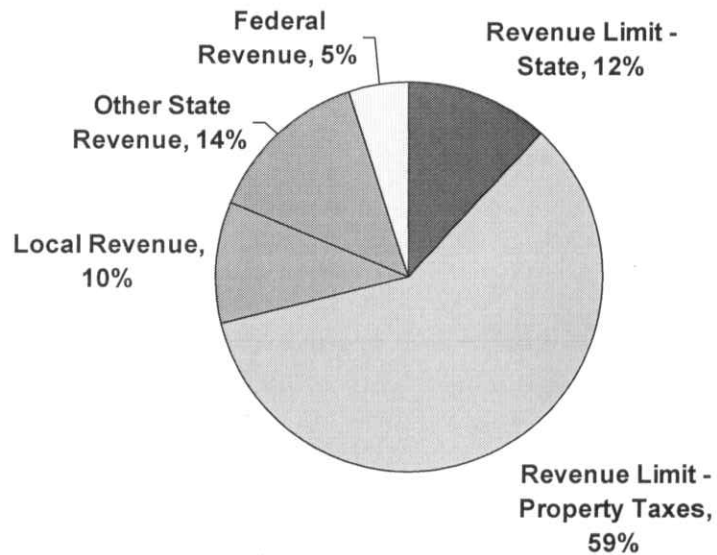
# California's School Finance System

Distribution of Funds for K-12 Education



Source: EdSource January 2009 Report on California's School Finance System

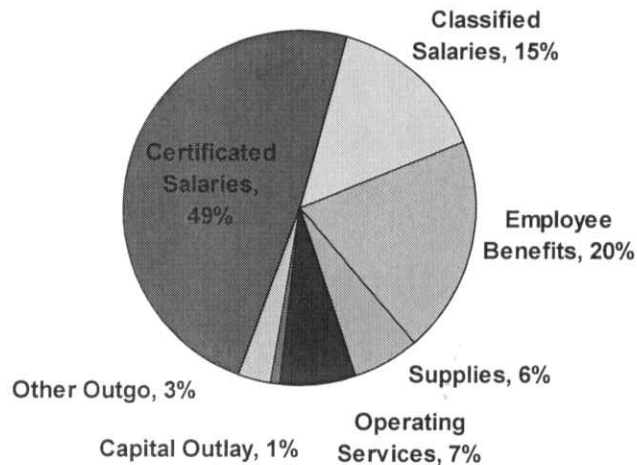
## SMMUSD 2009-10 Revenue



## SMMUSD 2009-10 Expenditures

Personnel Costs	
Certificated	49%
Classified	15%
Benefits	20%
<b>TOTAL</b>	<b>84%</b>

Teachers	65%
Cert M	9%
Class	23%
Class M	3%



## District Budget Cycle

- Begins with current year projections
- Using information from various sources
  - Governor's Office
  - California Department of Education - CDE
  - Los Angeles County Office of Education – LACOE
  - School Services of California –SSC
- Budget is built with projections for the next fiscal year and 2 additional

## District Budget Cycle - continued

- Typically begins in January – BUT this year - because the severity and magnitude of anticipated adjustments the District began planning in June
- The FOC and Superintendent's Budget Advisory Committee have also been working on recommendations
- Tonight is the first opportunity for both groups to report activities

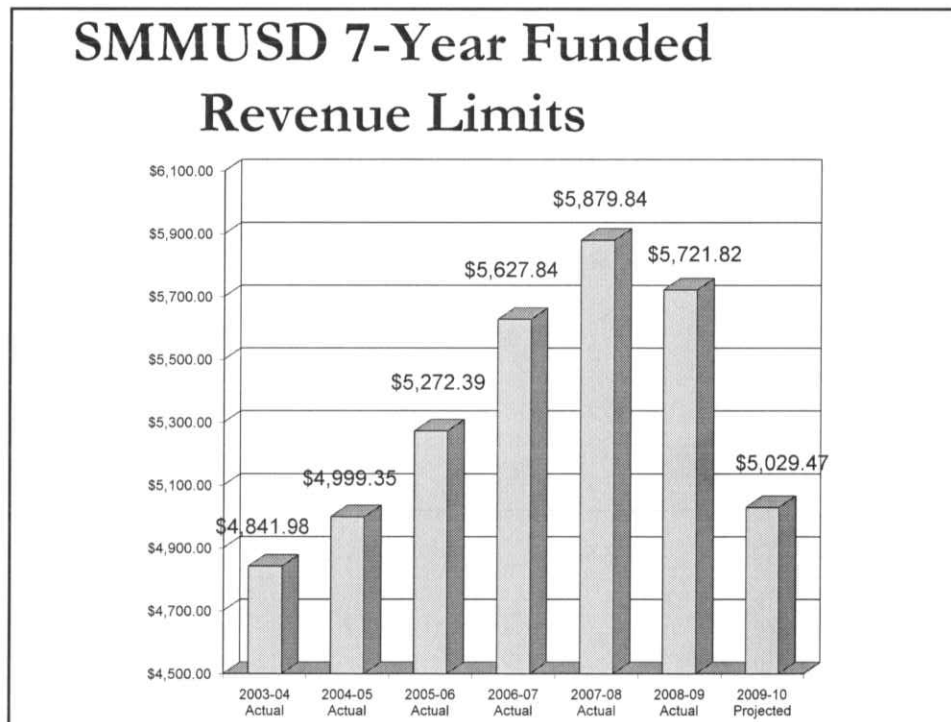
## Multi-Year Projection Assumptions

- COLA's over the next four years will range between .50 and 3.00%
- The revenue limit deficit will remain constant at 18.355%
- No additional Federal Stimulus funding
- Enrollment will remain at 11,565
- Other costs increased by
  - Step and Column - 1.5 to 2.2%
  - Health Benefits - 7%
  - Workers Compensation – 2%
  - No Salary Schedule Changes

<b>Current Year Plus Two</b>	2009-10	2010-11	2011-12
	BUDGET	PROJECTED	PROJECTED
<b>Revenue:</b>			
Revenue Limit	54,365,565	57,421,209	58,731,349
Other Federal	100,000	100,000	100,000
Other State Apportionments	748,847	752,166	767,516
Class Size Reduction	2,817,533	2,817,533	2,817,533
Other State (Lottery...)	1,270,460	1,270,460	1,270,460
Meas. "R"	10,264,436	10,367,080	10,574,422
All Other Local Income	10,947,440	11,337,584	11,389,440
Interfund Transfer In	108,335		
Local General Fund Contribution	(16,521,933)	(17,115,616)	(17,115,616)
TIER III - Categorical Flexibility	3,187,700	3,187,700	3,187,700
<b>TOTAL REVENUE</b>	<b>67,288,383</b>	<b>70,138,117</b>	<b>71,722,804</b>

<b>Current Year Plus Two</b>	2009-10	2010-11	2011-12
	BUDGET	PROJECTED	PROJECTED
<b>Expenditure:</b>			
Certificated Salary	43,858,700	46,467,127	47,489,404
Classified Salaries	11,162,806	11,579,192	11,752,880
Benefits	16,396,162	17,565,286	18,443,550
Supplies/Books	1,369,732	1,369,732	1,300,000
Other Operational Costs	5,679,671	6,000,000	6,000,000
Capital Outlay	25,000		
Indirect	(1,205,965)	(850,000)	(850,000)
Transfer Out	75,000	75,000	75,000
<b>TOTAL EXPENDITURES</b>	<b>77,361,106</b>	<b>82,206,337</b>	<b>84,210,834</b>

<b>Current Year Plus Two</b>	2009-10	2010-11	2011-12
<b>Fund Balance:</b>	BUDGET	PROJECTED	PROJECTED
Increase (Decrease) Fund Balance	(10,072,723)	(12,068,220)	(12,488,030)
Beginning	22,456,389	10,355,293	(1,712,928)
Repayment to Fund 21	(2,028,373)		
Fund Balance	10,355,293	(1,712,928)	(14,200,958)
Reserve- Revolving Cash, Store	96,000	96,000	96,000
Total Available Fund Balance	10,259,293	(1,808,928)	(14,296,958)
3% Contingency Reserve	3,672,666	3,672,666	3,672,666
Unappropriated Balance	6,586,627	(5,481,594)	(17,969,624)



## Superintendent's Budget Advisory Committee

### Areas Committee is Studying

- Administration
- Athletics
- Class sizes - K – 12
- Clerical Support
- Contracted Services
- Counseling /Advisors
- District Office Departments
- Energy management
- Library Services
- Maintenance/Operations
- Music programs
- Other Operating Costs
  - Travel/Conference
  - Legal Costs
  - Consultants
  - Cell Phones
- Nursing
- Physical Education
- Reading Specialists
- Summer School programs

Superintendent's Budget Advisory Committee  
Recommendation Format  
2010-11 Budget

Area of Consideration  
Total District Cost  
Describe Present Status  
Recommended Change  
Potential Cost Savings  
Evaluate Pros and Cons





## Financial Oversight Committee Report

*November 19, 2009*

### **The District is in a Serious Financial Predicament Due to State Budget Cuts**

As a result of cuts in state funding, the largest source of District revenues, the District's current financial outlook is bleak:

- The District is currently facing a \$10 million budget shortfall in 2009-2010 in our Unrestricted General Fund, and a \$12 million projected shortfall in each year thereafter.
- Further significant state revenue cuts are expected both at the mid-year point and for the 2010-2011 fiscal year due to continuing state budget problems. The state is projected to be facing a \$21 billion shortfall through the 2010-11 fiscal year.
- Economic recovery will not remove the dire budget problems for this year or next year. The state's financial problems predate the current recession.

## **The District is Burning Through Our Financial Reserves**

Because of the mismatch between revenues and expenditures, we are burning through our financial reserves at an alarming rate:

- Without further action, our District is projected to burn through \$22 million in reserves within 18 months. The Financial Oversight Committee finds this prospect totally unacceptable.
- The current multi-year forecast shows that without substantial expenditure cuts or significant new revenues, or some of each, we will not meet our required 3% Reserve for Economic Uncertainty, beginning next year.
- This puts the District on an unsustainable financial path and risks future autonomy in local financial decision making.

## **District Financial Strategy Recommendations**

To resolve our financial predicament and bring our budget into balance, the District needs to pursue three important strategies:

1. Adopt a process and timetable for making specific decisions concerning significant expenditure reductions.
2. In consultation with District bargaining units, aggressively pursue a range of cost savings strategies. 92% of the District's unrestricted expenditures are for salaries and benefits.
3. Implement new revenue enhancements to the maximum extent that is practical.

## **Expenditure Reduction Considerations**

Given our District's precarious financial outlook, it is imperative that the District develop a proposed budget cut list now along with a public education campaign.

- The District must submit a preliminary plan to the Los Angeles County Office of Education in December. The plan must demonstrate financial solvency, focusing primarily on expenditure reductions rather than more speculative revenue enhancements.
- The Financial Oversight Committee recognizes that significant expenditure reductions are inevitable. Philosophically, we are in favor of the type of reductions that leave our core instructional program intact.
- Our community needs to understand the difficult financial context in which the School Board will be asked to make some very tough decisions.

## **Revenue Enhancement**

The Financial Oversight Committee has investigated numerous revenue enhancement ideas:

- Potential revenue is estimated, which may take several years to fully develop
- Some of these items may require that the District bring in personnel with additional skill sets
- Some initiatives require an additional investment
- Ease of implementation should be considered
- Each initiative requires District commitment for success

**Revenue Generation Opportunity Initial Evaluation (1 of 8)**  
**School Funding Measure**

Descriptor	Evaluation
<b>Opportunity</b>	<ul style="list-style-type: none"> <li>• Parcel tax</li> <li>• Mostly successful in other California school districts</li> </ul>
<b>Gross Revenue</b>	<ul style="list-style-type: none"> <li>• POTENTIALLY HIGH (\$0 - \$12 million/year)</li> <li>• Polling and research being done to inform strategy for most feasible measure</li> <li>• Each \$100/parcel = \$3 million in annual funding</li> </ul>
<b>Costs</b>	<ul style="list-style-type: none"> <li>• \$250,000 for the election campaign</li> <li>• \$5,000 audit costs/year</li> <li>• Possible exemption for senior citizens age 65 or older</li> </ul>
<b>Net Revenue</b>	<ul style="list-style-type: none"> <li>• POTENTIALLY HIGH after expenses have been paid</li> <li>• Could generate additional revenue as early as 2009-2010</li> </ul>
<b>Skill Set Available</b>	<ul style="list-style-type: none"> <li>• HIGH: Citizens Committee formed to determine feasibility</li> </ul>
<b>Ease of Implementation (Low = Difficult)</b>	<ul style="list-style-type: none"> <li>• HIGH: Generally successful track record in District</li> <li>• Current weak economy will require a strong election strategy</li> </ul>
<b>Timeline</b>	<ul style="list-style-type: none"> <li>• Citizens Committee research underway now</li> <li>• School Board to discuss further; election possible during FY 2009-2010</li> </ul>

**Revenue Generation Opportunity Initial Evaluation (2 of 8)**  
**Targeted Fundraising**

Descriptor	Evaluation
<b>Opportunity</b>	<ul style="list-style-type: none"> <li>• Development Objective: Help preserve District's current operations</li> <li>• Focus on Annual Giving</li> <li>• Target: alumni, businesses, parents, District families</li> <li>• Naming rights</li> </ul>
<b>Gross Revenue</b>	<ul style="list-style-type: none"> <li>• HIGH: \$2 million/year (three year ramp up period)</li> </ul>
<b>Costs</b>	<ul style="list-style-type: none"> <li>• \$12,000/month for a top Development Officer, initial 6 month project</li> <li>• Staff support and communications budget</li> <li>• \$250,000 annual budget expected within three years</li> </ul>
<b>Net Revenue</b>	<ul style="list-style-type: none"> <li>• HIGH: Up to \$400,000 in Year 1, and up to \$1.75 million by end of year 3</li> </ul>
<b>Skill Set Available</b>	<ul style="list-style-type: none"> <li>• LOW: Need professional Development Officer, Core Campaign Committee, staff support (communications)</li> </ul>
<b>Ease of Implementation (Low = Difficult)</b>	<ul style="list-style-type: none"> <li>• MODERATE: First time use of alumni for development purposes</li> <li>• Need to separate Development from Relationship management</li> </ul>
<b>Timeline</b>	<ul style="list-style-type: none"> <li>• Will take six months to establish</li> <li>• Could raise up to \$500,000 in Year 1, and up to \$2 million by end of year 3</li> </ul>

**Revenue Generation Opportunity Initial Evaluation (3 of 8)**  
**Generate Licensing Fees**

Descriptor	Evaluation
<b>Opportunity</b>	<ul style="list-style-type: none"> <li>• Clothing and Merchandise Licensing Fees</li> <li>• "Santa Monica High" and/or "Malibu High" brand opportunity</li> </ul>
<b>Gross Revenue</b>	<ul style="list-style-type: none"> <li>• HIGH: \$300,000 expected in first year. Potential of \$1.5 million over 3 years.</li> </ul>
<b>Costs</b>	<ul style="list-style-type: none"> <li>• No up front fees to licensee</li> <li>• Some legal contract review cost</li> </ul>
<b>Net Revenue</b>	<ul style="list-style-type: none"> <li>• HIGH: \$300M 1<sup>st</sup> year. Potential of \$1.5MM over 3 years</li> </ul>
<b>Skill Set Available</b>	<ul style="list-style-type: none"> <li>• MODERATE: Need some contract licensing expertise</li> </ul>
<b>Ease of Implementation (Low = Difficult)</b>	<ul style="list-style-type: none"> <li>• HIGH: Example set by Beverly Hills USD</li> <li>• Turnkey licensee/distributor ready</li> </ul>
<b>Timeline</b>	<ul style="list-style-type: none"> <li>• Initial revenue projected in 2011-2012</li> <li>• Immediate, negotiate terms and conditions of licensing agreement</li> </ul>

**Revenue Generation Opportunity Initial Evaluation (4 of 8)**  
**Better Utilize District Assets**

Descriptor	Evaluation
<b>Opportunity</b>	<ul style="list-style-type: none"> <li>• Increase utilization of assets to maximize value to District</li> <li>• Accelerate selected SAMO Memorial Greek Amphitheater renovations</li> <li>• Establish for-profit summer school (with scholarships to needy District students)</li> </ul>
<b>Gross Revenue</b>	<ul style="list-style-type: none"> <li>• HIGH: \$500,000 -1.2 million/year</li> <li>• Renovate Amphitheater (\$300,000-\$1 million/year)</li> <li>• Aggressively market SAMO Barnum Hall to increase commercial use (\$160,000/year)</li> </ul>
<b>Costs</b>	<ul style="list-style-type: none"> <li>• Essential Renovations: \$500,000 for new loading area, temporary restrooms, tent anchors, lighting positions, cable runs would make the space much more appealing to production companies</li> <li>• Add'l Renovations: \$1 million for power cap., light/sound booth, spot, seats and ramps</li> <li>• Note \$3.9 million has been estimated as a total renovation cost as part of the CCJUP; this is an <i>acceleration</i> of those funds rather than new additional funds</li> <li>• Personnel \$50,000/year</li> </ul>
<b>Net Revenue</b>	<ul style="list-style-type: none"> <li>• HIGH: Start at \$100,000 and increase to \$1.2 million/year</li> </ul>
<b>Skill Set Available</b>	<ul style="list-style-type: none"> <li>• MODERATE: Need outreach/communication/marketer to find/serve production cos.</li> </ul>
<b>Ease of Implementation (Low = Difficult)</b>	<ul style="list-style-type: none"> <li>• MODERATE: Renovation acceleration requires changing order of work in CCJUP</li> <li>• Public Use program recently updated; commercial use increased successfully</li> </ul>
<b>Timeline</b>	<ul style="list-style-type: none"> <li>• If renovations start in 2010, revenue stream begins 2011 reaches peak in 4-6 years</li> </ul>

**Revenue Generation Opportunity Initial Evaluation (5 of 8)**  
***Attendance Campaign***

Descriptor	Evaluation
<b>Opportunity</b>	<ul style="list-style-type: none"> <li>• Implement District-wide attendance goal of 96%.</li> <li>• This represents a 0.72% increase from prior year.</li> </ul>
<b>Gross Revenue</b>	<ul style="list-style-type: none"> <li>• MODERATE: \$450,000/year</li> </ul>
<b>Costs</b>	<ul style="list-style-type: none"> <li>• Minimal costs - \$10,000 (marketing materials, school site incentive awards)</li> </ul>
<b>Net Revenue</b>	<ul style="list-style-type: none"> <li>• MODERATE: \$440,000/year</li> </ul>
<b>Skill Set Available</b>	<ul style="list-style-type: none"> <li>• HIGH: Can tap PTAs at sites but would need marketing expertise to drive the program.</li> </ul>
<b>Ease of Implementation (Low = Difficult)</b>	<ul style="list-style-type: none"> <li>• HIGH: Relatively easy to implement.</li> <li>• Awareness letter, School Site Tracking and Feedback mechanism and Incentive Program would need to be developed.</li> </ul>
<b>Timeline</b>	<ul style="list-style-type: none"> <li>• Should be started ASAP as economic benefit occurs immediately.</li> </ul>

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**Revenue Generation Opportunity Initial Evaluation (6 of 8)**  
***Special Education Center of Excellence***

Descriptor	Evaluation
<b>Opportunity</b>	<ul style="list-style-type: none"> <li>• Build a Special Education facility of scale, infrastructure, and quality that would draw students from across the SELPA (bringing funds into the District)</li> <li>• Drastically lower use of more expensive NPS therapy/counseling while increasing quality levels; provide continuity of services management</li> <li>• Parent advocacy and support networking located on-site</li> <li>• Potentially use Federal stimulus funds to jumpstart the faculty</li> <li>• Use facility after school hours to run an autism or other private program</li> </ul>
<b>Gross Revenue</b>	<ul style="list-style-type: none"> <li>• HIGH: 200 student center would bring in approximately \$6 million</li> </ul>
<b>Costs</b>	<ul style="list-style-type: none"> <li>• \$4 million for 40 person staff at \$100,000/person</li> <li>• \$1 million/year for operating expenses for school-hours use</li> </ul>
<b>Net Revenue</b>	<ul style="list-style-type: none"> <li>• HIGH: \$1 million/year</li> <li>• After school use assumed to be separate (in costs and revenues) and additive</li> </ul>
<b>Skill Set Available</b>	<ul style="list-style-type: none"> <li>• LOW: Would require major startup, credentialing, and operational effort</li> <li>• However, builds key expertise that could be strategically important to District</li> </ul>
<b>Ease of Implementation (Low = Difficult)</b>	<ul style="list-style-type: none"> <li>• LOW: Requires new center vision / design / operations excellence commitment on part of District</li> <li>• Requires site availability</li> </ul>
<b>Timeline</b>	<ul style="list-style-type: none"> <li>• 3 years to obtain site, plan and design facility, complete construction, and startup operations</li> </ul>

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**Revenue Generation Opportunity Initial Evaluation (7 of 8)**  
**Generate Advertising Fees**

Descriptor	Evaluation
<b>Opportunity</b>	<ul style="list-style-type: none"> <li>• Approved advertising on school buildings, buses, scoreboards, and/or websites</li> <li>• Banners hung from schools</li> <li>• School mailings, newsletters, District website</li> </ul>
<b>Gross Revenue</b>	<ul style="list-style-type: none"> <li>• MODERATE: (\$250,000 - \$500,000/year)</li> </ul>
<b>Costs</b>	<ul style="list-style-type: none"> <li>• Marketing officer (\$80,000/year) to cultivate sponsors and advertisers</li> <li>• Access to graphics software (\$10,000)</li> </ul>
<b>Net Revenue</b>	<ul style="list-style-type: none"> <li>• MODERATE: \$160,000 - \$ 410,000</li> </ul>
<b>Skill Set Available</b>	<ul style="list-style-type: none"> <li>• MODERATE: Must add marketing skill set to District to identify and land clients</li> <li>• Need process and group responsible to ensure compliance with District's advertising policies</li> </ul>
<b>Ease of Implementation (Low = Difficult)</b>	<ul style="list-style-type: none"> <li>• MODERATE: Would need to determine appropriate use of school property for advertising</li> <li>• Need to establish relationships with advertising firms, sponsors</li> <li>• May need to order new scoreboards, bus signage, etc.</li> </ul>
<b>Timeline</b>	<ul style="list-style-type: none"> <li>• May take up to six months to generate steady flow of clients</li> </ul>

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**Revenue Generation Opportunity Initial Evaluation (8 of 8)**  
**Increase Number of Permit Students**

Descriptor	Evaluation
<b>Opportunity</b>	<ul style="list-style-type: none"> <li>• Increase number of permit students back to 2007-2008 levels.</li> <li>• This equates to an increase of 200 students over what is currently budgeted.</li> </ul>
<b>Gross Revenue</b>	<ul style="list-style-type: none"> <li>• HIGH: \$1.2 million</li> </ul>
<b>Costs</b>	<ul style="list-style-type: none"> <li>• Teachers, student supplies, and additional hours allocated to attendance department.</li> <li>• ~\$700,000</li> </ul>
<b>Net Revenue</b>	<ul style="list-style-type: none"> <li>• MODERATE: \$500,000</li> </ul>
<b>Skill Set Available</b>	<ul style="list-style-type: none"> <li>• HIGH: Process and staff exist already.</li> <li>• May need to hire an additional clerk to assist with processing.</li> </ul>
<b>Ease of Implementation (Low = Difficult)</b>	<ul style="list-style-type: none"> <li>• MODERATE: Likely to draw opposition from community</li> </ul>
<b>Timeline</b>	<ul style="list-style-type: none"> <li>• Could be implemented mid-year</li> </ul>

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## Revenue Enhancement - Next Steps

### Next Steps:

- Further develop financial projections and an implementation timeline
- Continue to meet with professionals who can guide us on how best to pursue revenue enhancement opportunities
- Consult with other school districts on how they are pursuing revenue enhancement
- Identify top revenue enhancement priorities for early implementation



# SMMUSD Board 2010-11 Budget Workshop Summary

Nov. 21, 2009

Proposed Reduction	Board Member Comments
<p><u>Travel and Conference</u></p> <ul style="list-style-type: none"> <li>• Possible Reduction: \$50,000</li> <li>• General fund dollars are used to provide reimbursement for key conferences &amp; meetings, including travel to &amp; from those meetings.</li> </ul> <p><u>Transportation Fees</u></p> <ul style="list-style-type: none"> <li>• Possible Revenue Enhancement: \$25,000</li> <li>• The district is required to provide free transportation for some students.</li> <li>• Other students pay a semester fee for home-to-school transportation. The fee could be increased.</li> </ul>	<ul style="list-style-type: none"> <li>• Freeze immediately</li> <li>• Who are we transporting?</li> <li>• Number of elementary &amp; secondary children riding?</li> <li>• Bring back policy to discuss load</li> </ul>
<p><u>Summer School Reductions</u></p> <ul style="list-style-type: none"> <li>• Possible Reduction: \$100,000 - \$500,000</li> <li>• With the current flexibility provided by the state, the district will continue receiving funds provided for summer school, regardless of attendance in the program.</li> <li>• The district could reduce or eliminate:             <ul style="list-style-type: none"> <li>○ IISS in elementary school</li> <li>○ IISS in middle school</li> <li>○ High School Credit Recovery Summer School</li> </ul> </li> </ul>	<ul style="list-style-type: none"> <li>• Another pay rate other than the one specified in the teacher's contract?</li> <li>• Research supports the need for support at the elementary level</li> <li>• Some students need intensive intervention</li> <li>• Partner with the cities or other agencies to provide services</li> <li>• Online courses, other alternatives (SMC)?</li> <li>• Connect for Success – how well are these students doing?</li> <li>• Credit recovery is important. Alternatives for CR?</li> </ul>
<p><u>Security Officers</u></p> <ul style="list-style-type: none"> <li>• Possible Reduction: \$200,000</li> <li>• Security officers are provided at secondary schools. Possible reductions could include:             <ul style="list-style-type: none"> <li>○ Samohi: Reduce from 6 to 5</li> <li>○ JAMS: Reduce from 2 to 1</li> <li>○ Lincoln: Reduce from 2 to 1</li> <li>○ MHS: Reduce from 2 to 1</li> <li>○ Olympic: Stay at 1</li> </ul> </li> </ul>	<ul style="list-style-type: none"> <li>• Parent volunteers at gates?</li> <li>• Gate security</li> <li>• Collaborate with the City of Santa Monica to secure the Samohi perimeter.</li> <li>• This is also a concern at Malibu (large campus)</li> </ul>
<p><u>Samohi Advisors</u></p> <ul style="list-style-type: none"> <li>• Possible Reduction: \$165,000</li> <li>• Last year, the board took action to reduce Samohi by one house.</li> <li>• The board elected to keep the two advisors to allow for a smoother transition.</li> </ul>	<ul style="list-style-type: none"> <li>• No comments</li> </ul>

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<ul style="list-style-type: none"> <li>The board could reduce by two advisors &amp; keep the ratio of two advisors per house.</li> <li>Samohi student-to-advisor ratio is 300:1.</li> </ul>	<ul style="list-style-type: none"> <li>How do we know that this position is making a difference? What is the job description?</li> <li>GPA distribution @ Samohi by ethnicity, gender?</li> <li>Need to compare with other support services.</li> <li>What are the loads? Who are the students that are being served?</li> </ul>
<p><u>Samohi Student Outreach Specialists</u></p> <ul style="list-style-type: none"> <li>Possible Reduction: \$65,000</li> <li>Last year, the board took action to reduce Samohi by one house.</li> <li>The board elected to keep the S.O.S. to allow for a smoother transition.</li> <li>The board could reduce by one S.O.S. &amp; keep the ratio of one S.O.S. per house.</li> </ul>	<ul style="list-style-type: none"> <li>Data – cost, reading specialist distribution, categories of monies that can support this effort, performance data</li> </ul>
<p><u>Reading Specialists</u></p> <ul style="list-style-type: none"> <li>Possible Reduction: \$240,000</li> <li>In the 2008-09 year, the board provided \$240,000 of general fund support to provide reading instruction assistance.</li> </ul>	<ul style="list-style-type: none"> <li>Can LVNs be used? Job description of LVN?</li> <li>How do other districts staff?</li> <li>It is not about ratios. Nursing services are needed.</li> <li>What are the legal requirements?</li> <li>RNs? Can RNs supervise LVNs?</li> <li>What would the proposed staffing look like?</li> <li>Parent volunteers?</li> <li>SMC internships?</li> <li>Private sector?</li> </ul>
<p><u>Nurses</u></p> <ul style="list-style-type: none"> <li>Possible Reduction: \$160,000</li> <li>The district has 11 nurse FTEs.             <ul style="list-style-type: none"> <li>Our student-to-nurse ratio is less than 1,000:1.</li> <li>Comparative districts range from 1,600:1 to 5,000:1.</li> </ul> </li> <li>The St. John’s Grant has been reduced by \$80,000.</li> <li>The district may have to move from a nursing staff based on student enrollment to a nursing staff based on students with medical needs.</li> </ul>	<ul style="list-style-type: none"> <li>What would the restructure look like? Org. chart?</li> <li>What is the relationship of this item to Fund 21? Flexibility of this fund?</li> <li>Retain employees by reducing hours.</li> <li>Failing to do repairs could be devastating.</li> <li>Need to determine changes in level of service.</li> </ul>
<p><u>Maintenance &amp; Operations</u></p> <ul style="list-style-type: none"> <li>Possible Reduction: \$500,000</li> <li>Reductions could include:             <ul style="list-style-type: none"> <li>Management positions</li> <li>Custodial positions</li> <li>Trades positions</li> </ul> </li> <li>There would be an impact on:             <ul style="list-style-type: none"> <li>Cleaning schedules</li> <li>Response time to plant repairs</li> </ul> </li> </ul>	<ul style="list-style-type: none"> <li>Where are these counselors assigned? What is the structure of this support? Diagram, function, &amp; case load.</li> </ul>
<p><u>Supplemental Counselors</u></p> <ul style="list-style-type: none"> <li>Possible Reduction: \$350,000</li> </ul>	

<ul style="list-style-type: none"> <li>The state provided a Supplemental Counseling Grant for middle &amp; high schools.             <ul style="list-style-type: none"> <li>Four counselors hired</li> <li>Either reduced counseling ratios or provided specific intervention services.</li> </ul> </li> <li>Would result in one fewer counselors at Samohi, JAMS, Lincoln, and Malibu HS.</li> </ul>	<ul style="list-style-type: none"> <li>Need to coordinate all counseling &amp; support services in a coherent vision.</li> <li>Can these services be supplemented through partnerships? Who is going to coordinate these efforts? This can't be added on to present staff assignments.</li> <li>This should be tied into middle school reform.</li> </ul>
<p><u>Elementary Music</u></p> <ul style="list-style-type: none"> <li>Possible Reduction: \$900,000</li> <li>Students receive once- or twice-a-week instruction in instrumental &amp; choral music.</li> <li>Grade 3 Music: Once-a-week instruction             <ul style="list-style-type: none"> <li>\$155,000</li> </ul> </li> <li>Grades 4 &amp; 5 Music: Twice-a-week instruction             <ul style="list-style-type: none"> <li>\$745,000</li> </ul> </li> </ul>	<ul style="list-style-type: none"> <li>Could grades 4 &amp; 5 be half-time per week? Saving?</li> <li>What is the trade off?</li> </ul>
<p><u>Energy/Utility Conservation</u></p> <ul style="list-style-type: none"> <li>Possible Reduction: \$200,000</li> <li>The district pays approx. \$2 million a year for electrical, water, &amp; gas.</li> <li>Through a concerted program involving all students &amp; employees, the district could reduce expenditures by as much as 10%.</li> </ul>	<ul style="list-style-type: none"> <li>Prohibit personnel small appliances in the classrooms (coffee pots, refrigerators, &amp; microwave ovens).</li> <li>Limit use of space heaters, turn off computers.</li> <li>Memo to employees – unplug your stuff.</li> <li>There will be a cost benefit &amp; an environmental impact.</li> </ul>
<p><u>Library Programs</u></p> <ul style="list-style-type: none"> <li>Possible Reduction: \$500,000</li> <li>The district funds Elementary Library Coordinators at each elementary school.</li> <li>The district funds some library assistants to support certificated librarians.</li> </ul>	<ul style="list-style-type: none"> <li>Where are the reductions? Which libraries?</li> <li>Do you need certificated librarians?</li> <li>Engage the senior community?</li> <li>Cut positions &amp; split assignments?</li> <li>Present level of service vs. proposed?</li> </ul>
<p><u>District Office Reductions</u></p> <ul style="list-style-type: none"> <li>Possible Reduction: \$500,000</li> <li>Reduction of 4 to 6 positions including:             <ul style="list-style-type: none"> <li>Certificated Administrators</li> <li>Classified Administrators</li> <li>Classified Employees</li> </ul> </li> </ul>	<ul style="list-style-type: none"> <li>Reduce positions to 80%.</li> <li>Concerned about health of our employees.</li> <li>Bandwidth?</li> <li>Restructure? Need org. chart to be able to understand proposed changes.</li> <li>We need to look at the classified support services.</li> <li>Difficult to determine the right management structure &amp; predict the level of service. Decisions should be based on core required services.</li> </ul>

<p><u>Counselors</u></p> <ul style="list-style-type: none"> <li>• Possible Reduction: \$330,000</li> <li>• Reduction of one counselor at:             <ul style="list-style-type: none"> <li>○ John Adams</li> <li>○ Lincoln</li> <li>○ Malibu High</li> <li>○ Olympic</li> </ul> </li> <li>• Will result in the following student to counselor ratios:             <ul style="list-style-type: none"> <li>○ John Adams – 500:1</li> <li>○ Lincoln – 600:1</li> <li>○ Malibu High – 600:1</li> <li>○ Olympic – 100:1</li> </ul> </li> </ul>	
<p><u>Contracts</u></p> <ul style="list-style-type: none"> <li>• Possible Reduction: \$200,000</li> <li>• Staff will identify recommended non-renewals in March 2010.</li> </ul> <p><u>Elementary Class Size</u></p> <ul style="list-style-type: none"> <li>• Possible Reduction: \$2,200,000</li> <li>• Current Class Size:             <ul style="list-style-type: none"> <li>○ K – 3: 23:1</li> <li>○ 4-5 – 30:1 (Title I schools at 25:1)</li> </ul> </li> <li>• Possible Recommendation:             <ul style="list-style-type: none"> <li>○ K-5 – 30:1</li> <li>○ Impact: 42 elementary school teachers</li> <li>○ Includes loss of some Class Size Reduction revenue                 <ul style="list-style-type: none"> <li>▪ Staff will continue to examine impact on Class Size Reduction revenue</li> </ul> </li> </ul> </li> </ul>	<ul style="list-style-type: none"> <li>• \$200K of which contracted services?</li> <li>• We need to see 5000 account</li> <li>• Need data – what is the real picture?</li> <li>• Keep Title I students at present ratio.</li> <li>• Other variables, 28:1, cost savings?</li> <li>• What is the future of CSR?</li> <li>• The number of school districts participating in the CSR? Show comparison chart ratios of like So Cal districts.</li> <li>• JAMS should have lower class size. What would the administration recommend?</li> </ul>
<p><u>Secondary Class Size</u></p> <ul style="list-style-type: none"> <li>• Possible Reduction: \$1,600,000</li> <li>• Current Class Size:             <ul style="list-style-type: none"> <li>○ 32:1 (JAMS at 30:1)</li> <li>○ Common Class Size Range: 28-36</li> </ul> </li> <li>• Possible Recommendation:             <ul style="list-style-type: none"> <li>○ 35:1</li> <li>○ Common Class Size Range: 31-39</li> <li>○ Impact: 20 secondary school teachers</li> </ul> </li> </ul>	<ul style="list-style-type: none"> <li>• Report of class size at high schools</li> <li>• Eliminate some electives. What is the relationship with classes of 40+?</li> <li>• Eliminate small classes that are not core.</li> <li>• What is the class size at SMASH? Number of classes per grade level?</li> </ul>

<p><u>Cell Phones</u></p> <ul style="list-style-type: none"> <li>• Possible Reduction: \$30,000</li> <li>• Would end cell phone reimbursements &amp; allowances for every employee in district</li> </ul>	<ul style="list-style-type: none"> <li>• Number of employees impacted</li> <li>• Contractual issue?</li> </ul>
<p><u>Additional comments – General</u></p>	<ul style="list-style-type: none"> <li>• We should consider closing or consolidation of schools.</li> <li>• Co-principals?</li> <li>• Teaching principals at small schools</li> <li>• Expand the list. Instructional materials, equipment, supplies, &amp; athletics.</li> <li>• Split night custodians?</li> <li>• What can be done immediately? Freeze travel &amp; conference, energy conservations, transportation (student loads), contracts (negotiate new fees), LVNs rather than RNs</li> <li>• We will need to make tradeoffs, explore alternatives, &amp; prioritize the reductions &amp; future reinstatements</li> </ul>
<p><u>Additional comments – Communications</u></p>	<ul style="list-style-type: none"> <li>• Telephone &amp; e-blasts</li> <li>• Website – update budget section as new information becomes available (Big Bear SD is an example).</li> <li>• General information pieces to the community &amp; papers</li> <li>• Set up meetings with each PTA.</li> <li>• Need a more comprehensive way of communicating</li> <li>• Town hall meetings</li> <li>• Meetings must be at school sites to be effective</li> </ul>