

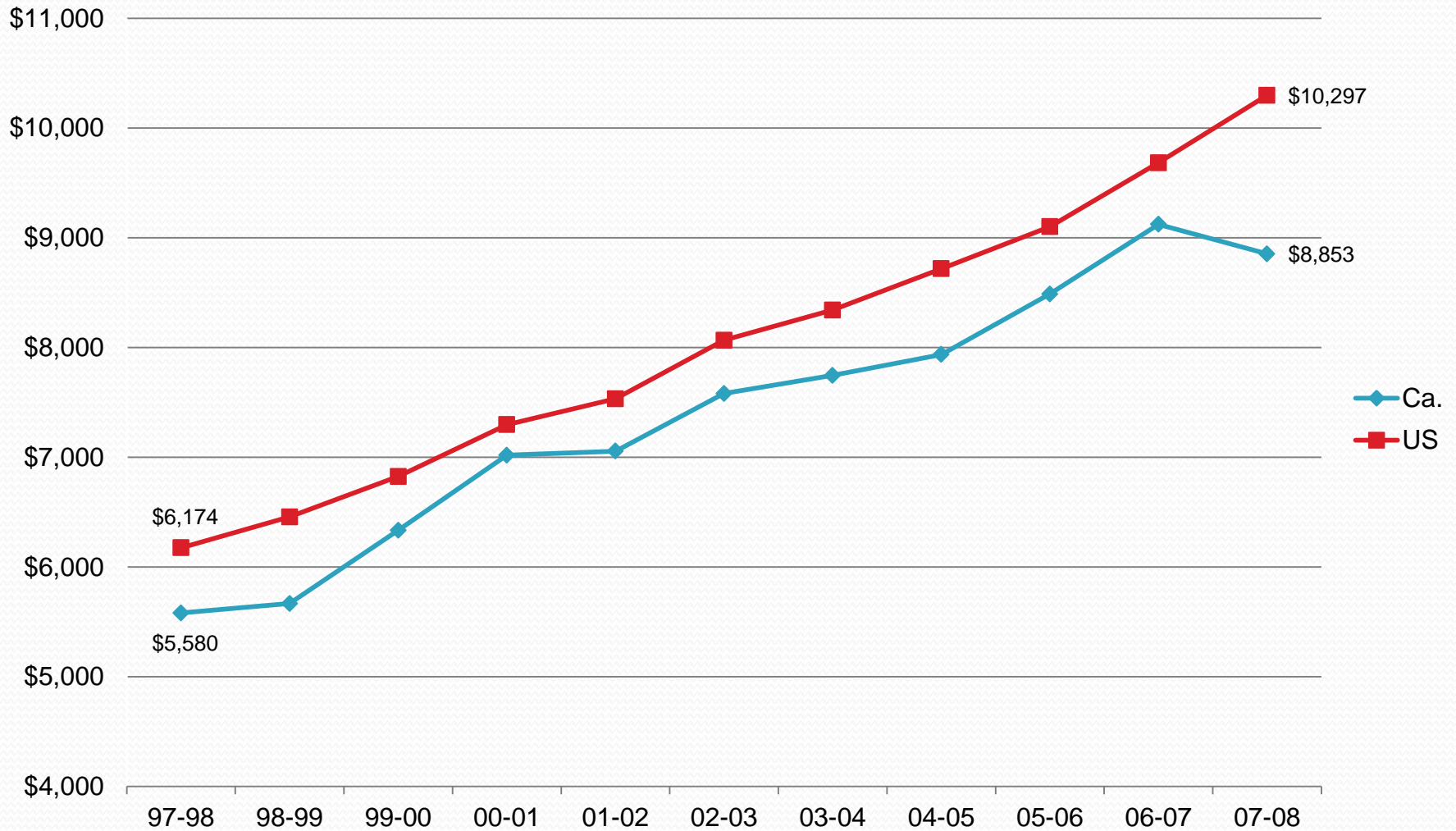


**Santa Monica-Malibu
Unified School District
2013-14 Budget Webinar
November 2, 2012**



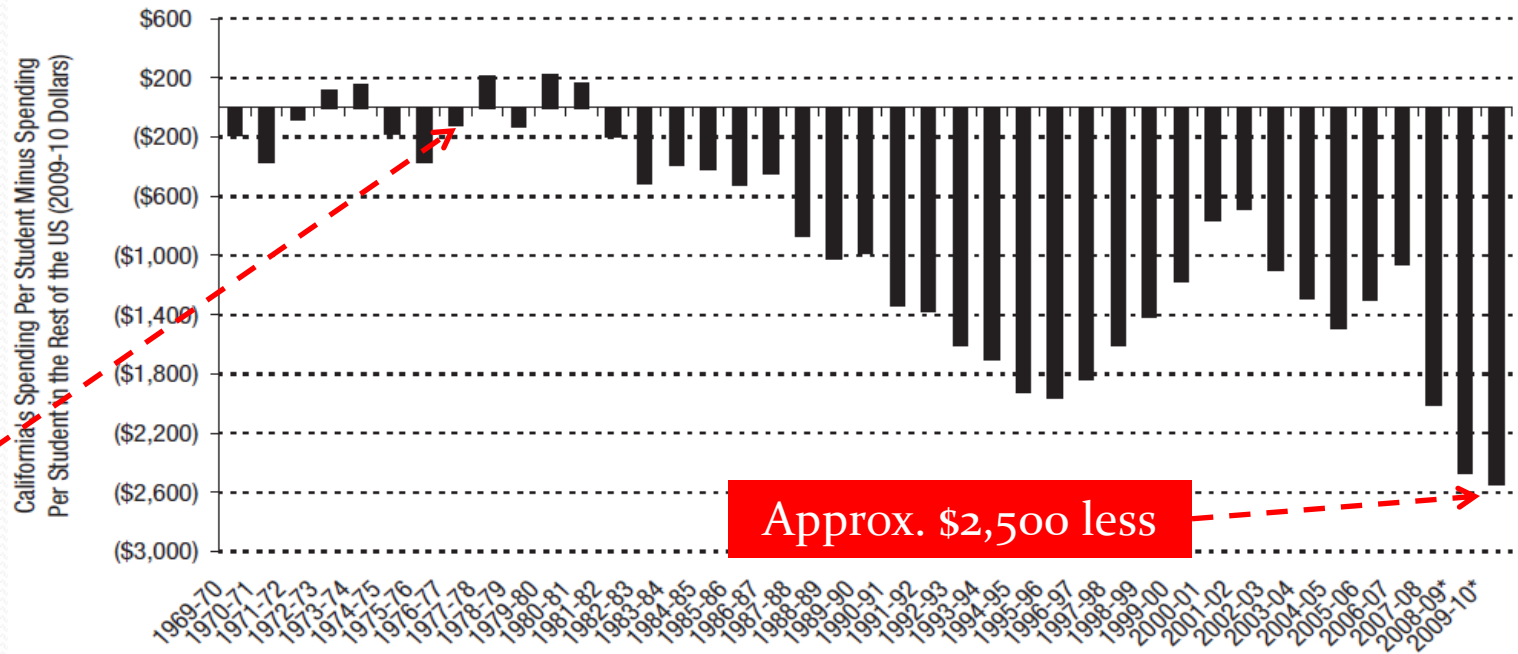
How California Compares to the National Average

Expenditures per Pupil – CA vs. US Average



CA's Spending per Student

- CA's K-12 spending per student lags behind that of the rest of the U.S. more than at any time in 40 years.



Proposition 13 enacted in 1978.

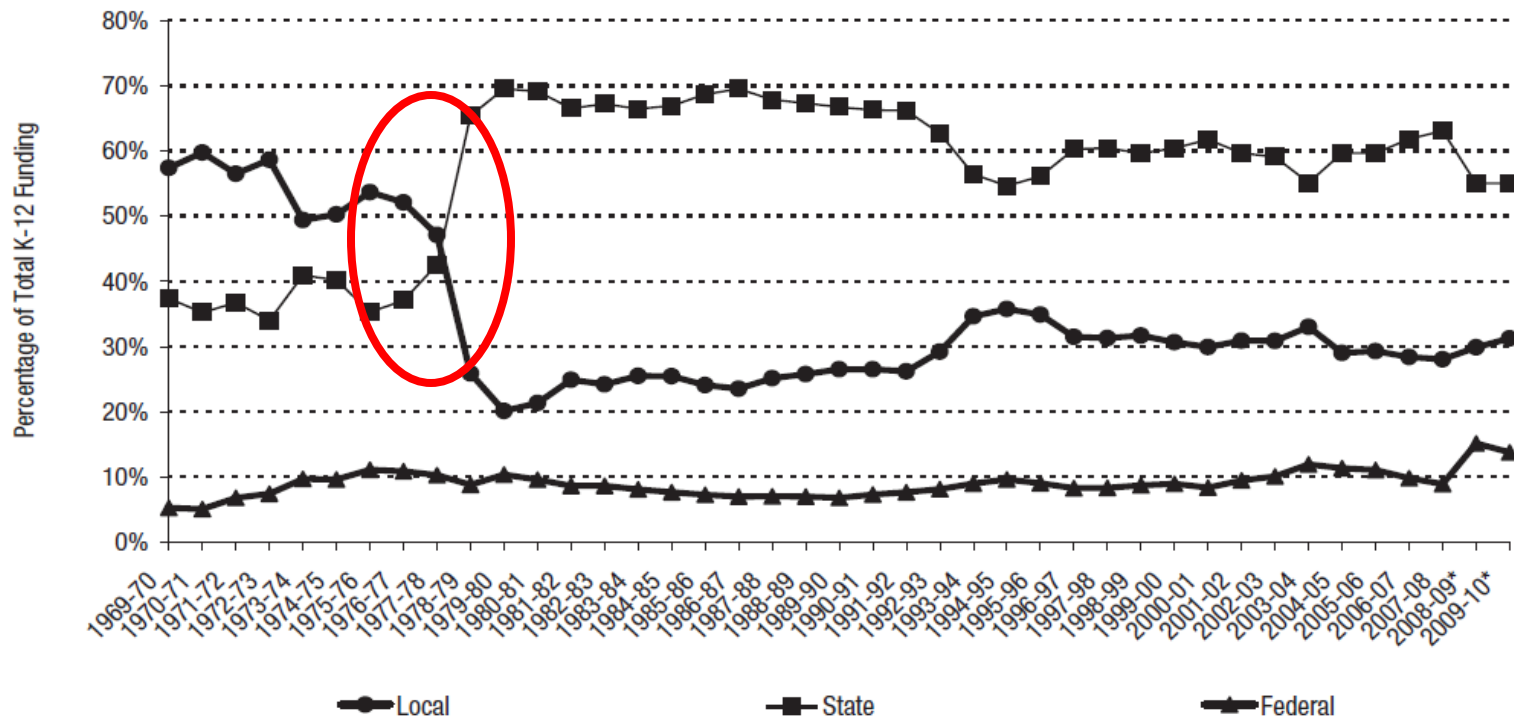
Approx. \$2,500 less

* 2008-09 and 2009-10 estimated.
 Note: Rest of the US excludes the District of Columbia.
 Source: National Education Association

Source: CA Budget Project, June 2010

Decrease in Local Property Tax Funding

- After 1977-78, CA's K-12 schools received a larger share of funds from the state and a smaller share from local property tax revenue sources.

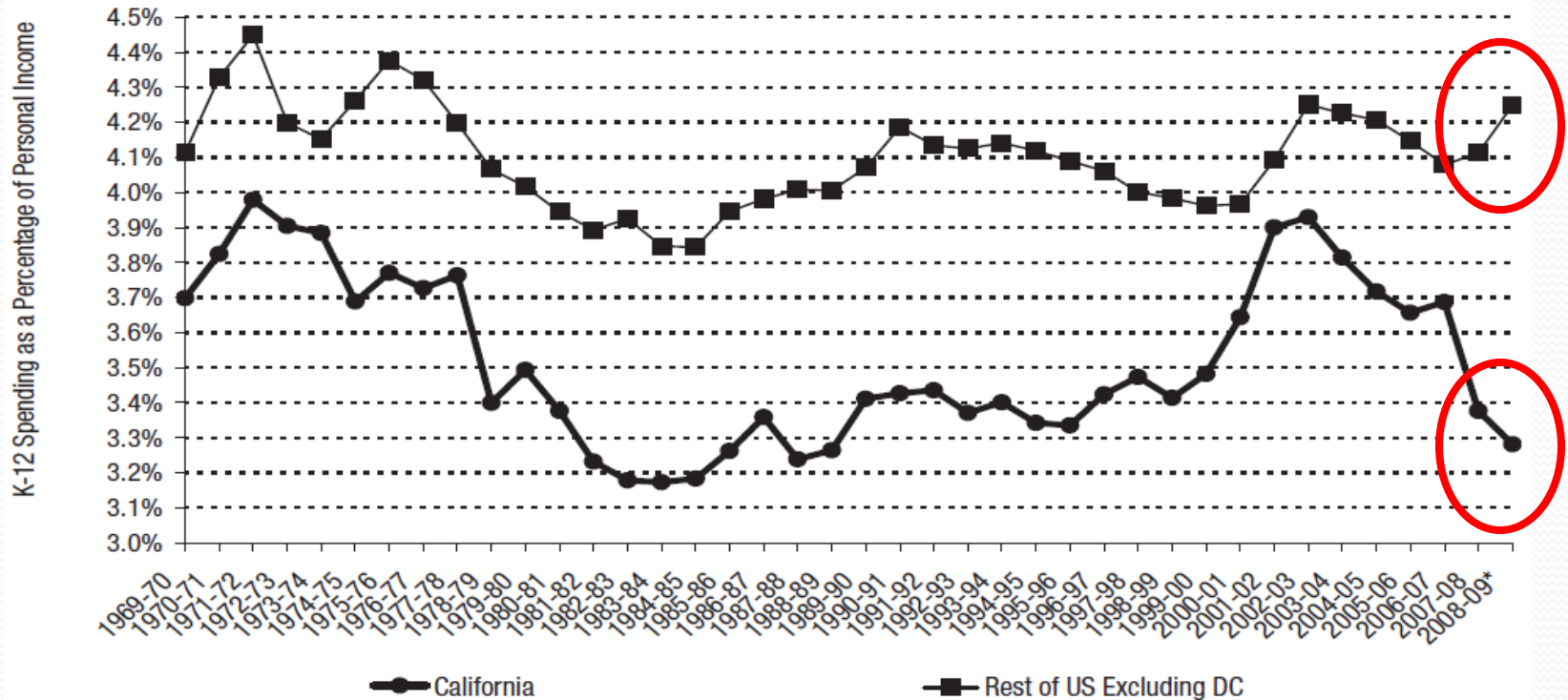


* 2008-09 and 2009-10 estimated.
Source: National Education Association

Source: CA Budget Project, June 2010

K-12 Spending and Personal Income

- School spending as a share of the economy has dropped in CA while rising in the rest of the U.S.



* 2008-09 estimated.

Source: National Education Association and US Bureau of Economic Analysis

Source: CA Budget Project, June 2010

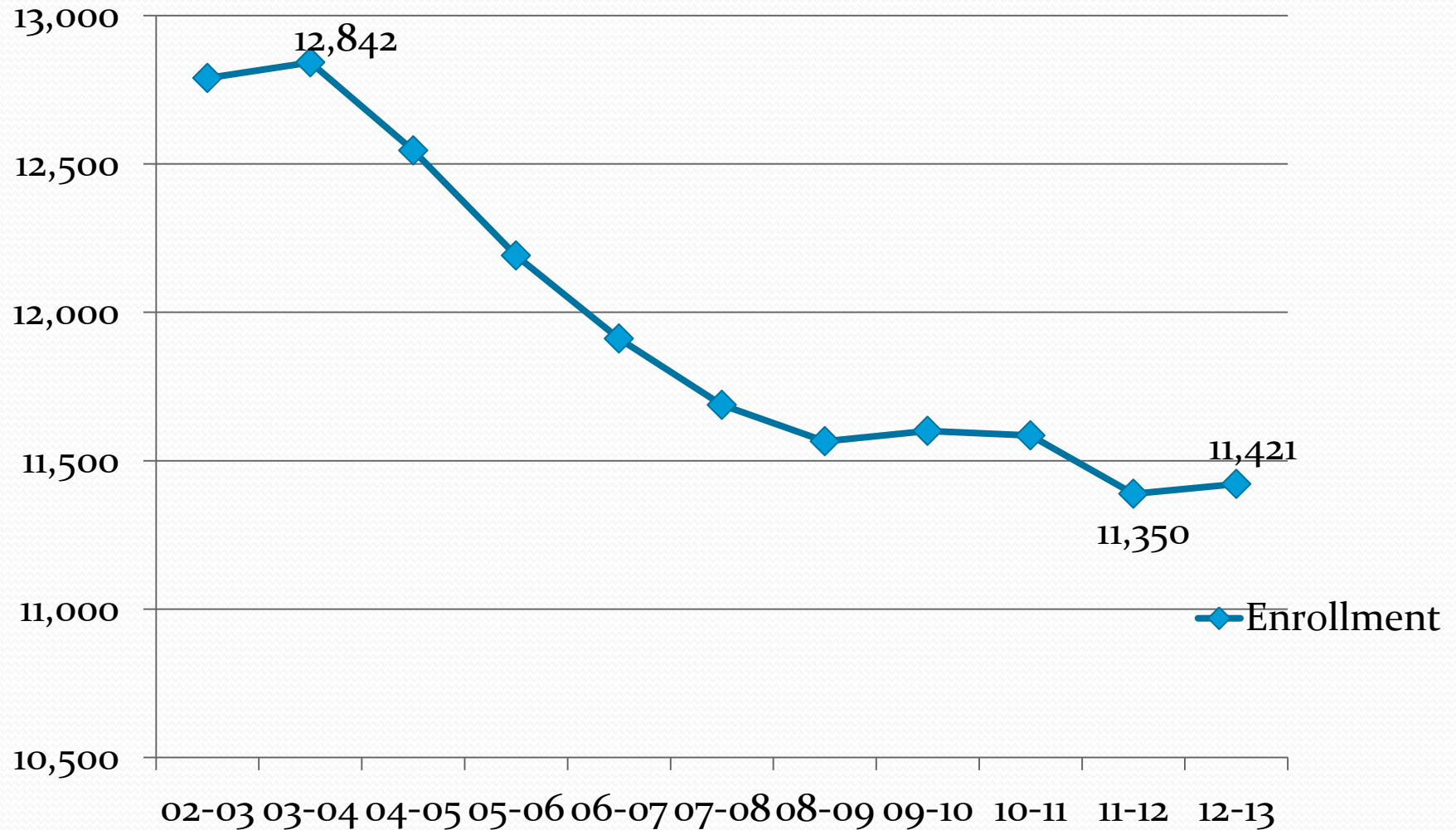


Santa Monica- Malibu Unified School District Budget

Why are Enrollment and Staffing Ratios Important in Budget Development?

- Enrollment - Over half of the District's revenue is generated by the number of students enrolled and their attendance.
- Staffing ratio – 86% of District's expenditures are personnel costs, with majority of those representing teacher salaries and benefits.

Enrollment – 2004 to 2012

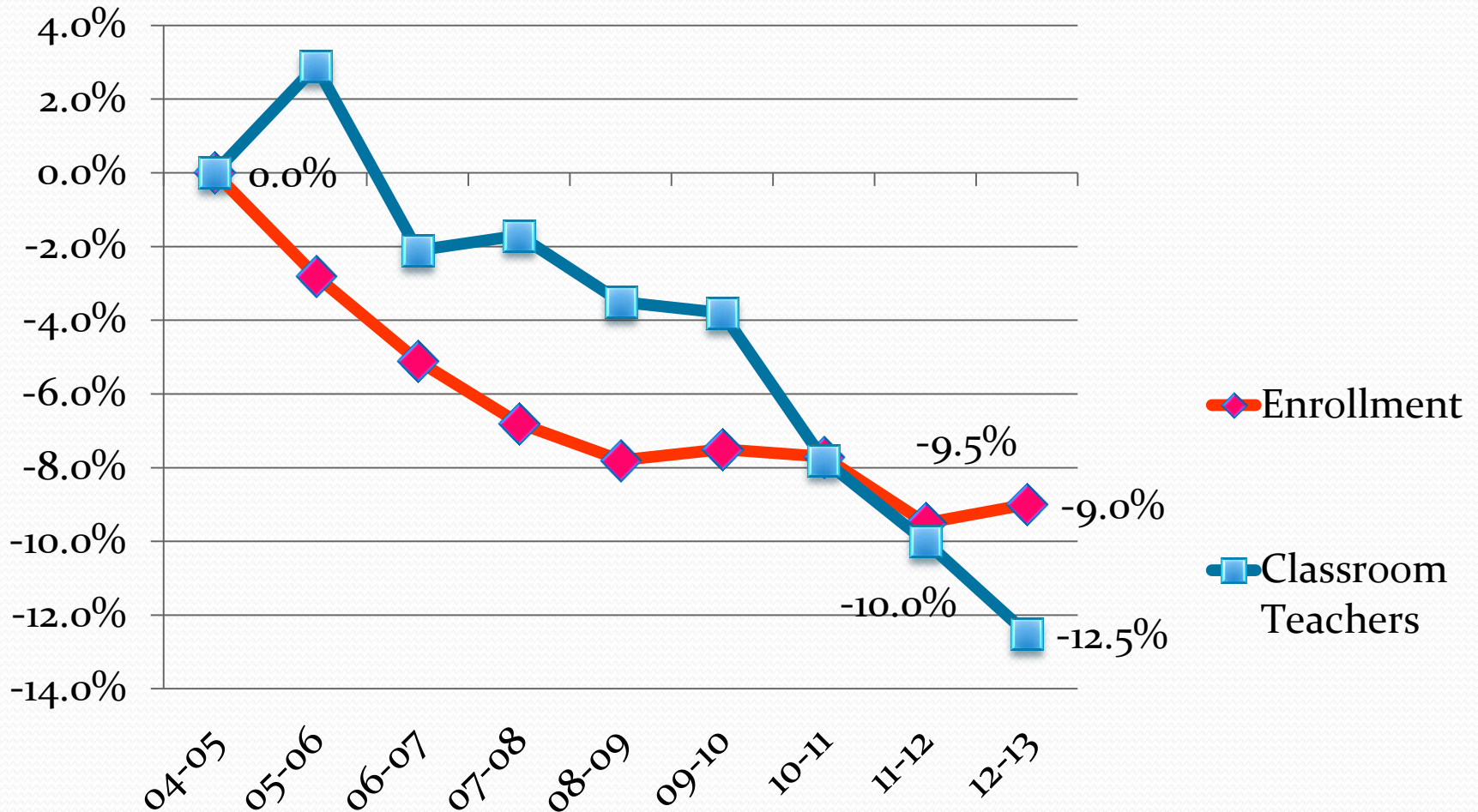


Note: Data as of September 14, 2012; includes SDC

Staffing Ratio Guidelines – 2012-13

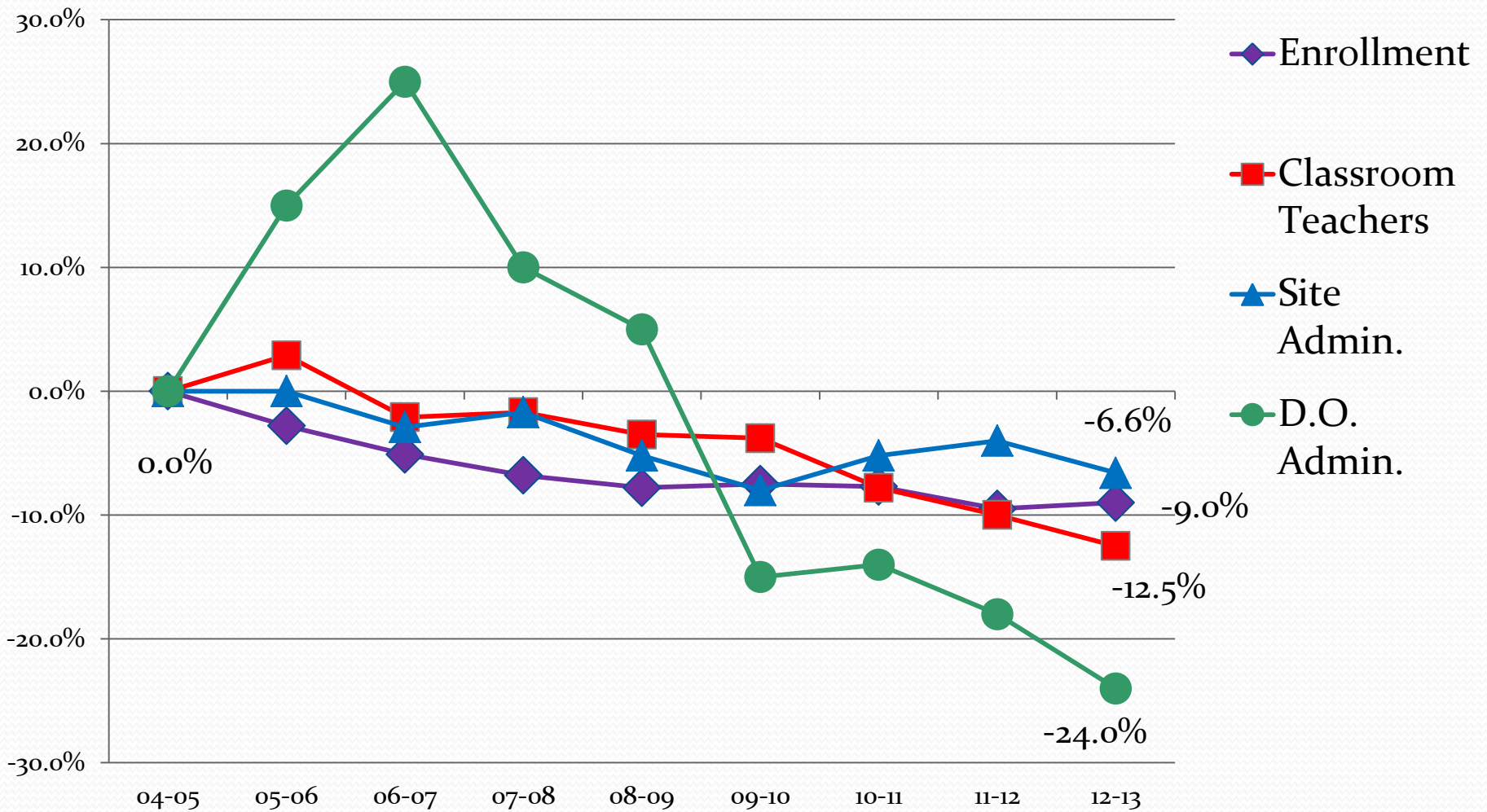
Grade	Non-Title I	Title I	JAMS
K-1	25:1	25:1	
2-5	30:1	27:1	
6-8	35:1		
6-8			33:1
9-12	36:1		

Percentage Change: Teachers vs. Enrollment – 2004 to 2012



Note: Percentage change compared to 2004-05 enrollment

Percentage Change: Enrollment vs. Teachers/Admin – 2004 to 2012



Note: Percentage change compared to 2004-05 enrollment

Changes Between 2004-05 and 2012-13

2004-05

- Enrollment – 12,545
- Teachers FTE – 591.2
- Site Admin FTE – 34.8
- Dist. Office Admin – 19.0

2012-13

- Enrollment – 11,421
- Teachers FTE – 517.5
- Site Admin FTE – 32.5
- Dist. Office Admin – 14.4



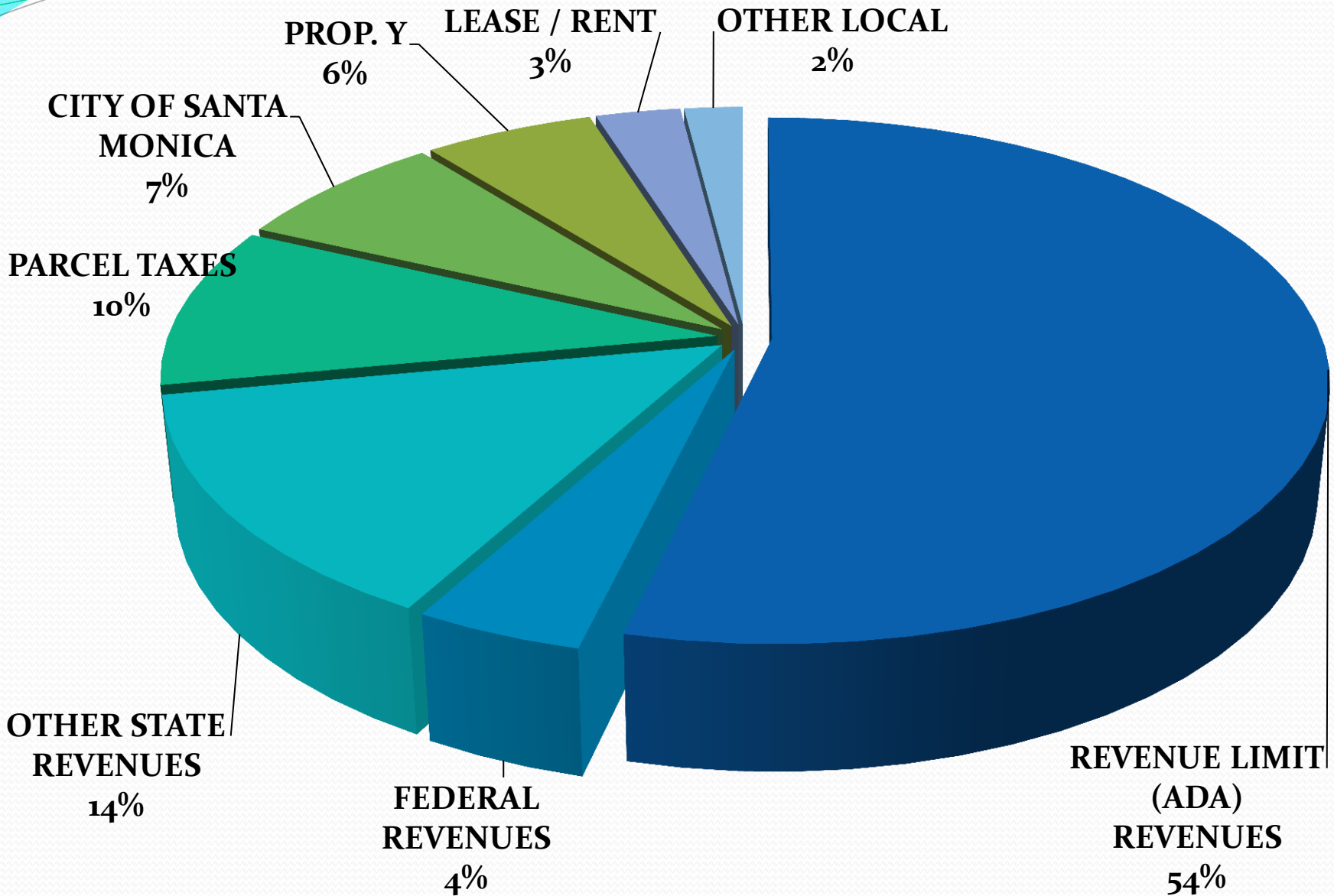
Santa Monica-Malibu Unified School District 2012-13 Revenue and Expenditures Details

SMMUSD 2012-13 Revenue

Assumptions

- District enrollment is 11,421, up slightly from 2011-12
- State Funding
 - Revenue Limit funding at \$5,286.16/student ADA after a 22.272% **deficit**
 - Lottery Funds are projected to be \$141.75/ADA
- Federal Funding
 - No increases/reductions have been projected
- Local Funding
 - Measure R Parcel Tax is estimated at \$10.9 million
 - Prop Y is estimated at \$6.4 million
 - Cities of Santa Monica and Malibu contribute \$8.2 million
 - Lease revenue is estimated at \$2.3 million

ADOPTED 2012-13 GENERAL FUND (FUND 01) REVENUES



SMMUSD Expenditure Assumptions

■ Staffing Ratios

- K-1 25:1
- Grades 2-5 30:1
- Title I 25:1
- Grades 6-8 35:1
- JAMS 33:1
- Grades 9-12 36:1

● Statutory Employee Benefits (STRS, PERS, Social Security, Medicare, SUI, Workers Comp) remain constant

- Certificated 14.45%
- Classified 25.42%

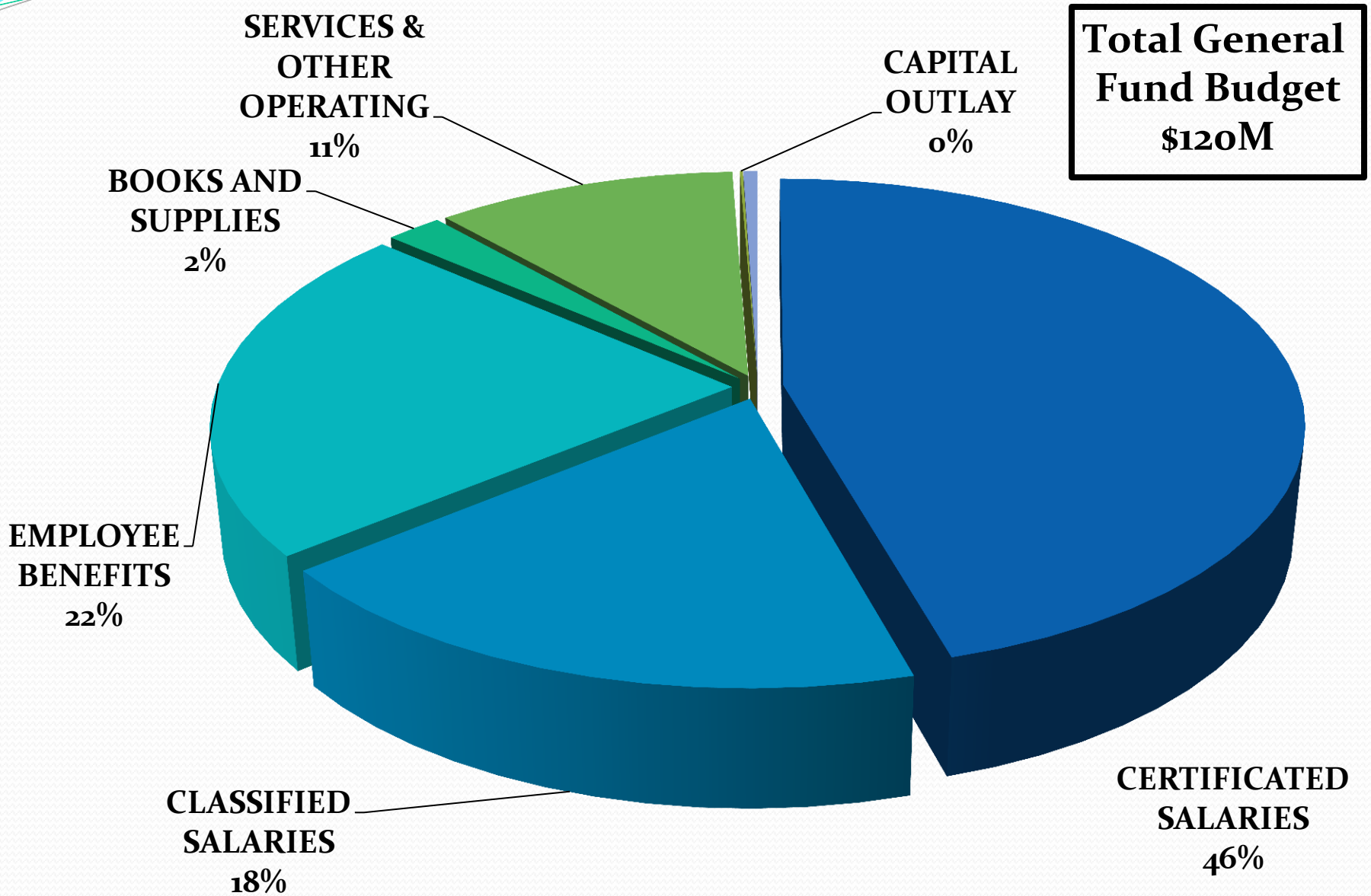
● Health and Welfare Costs increase 10.0%

● Site Formula dollars remain unchanged

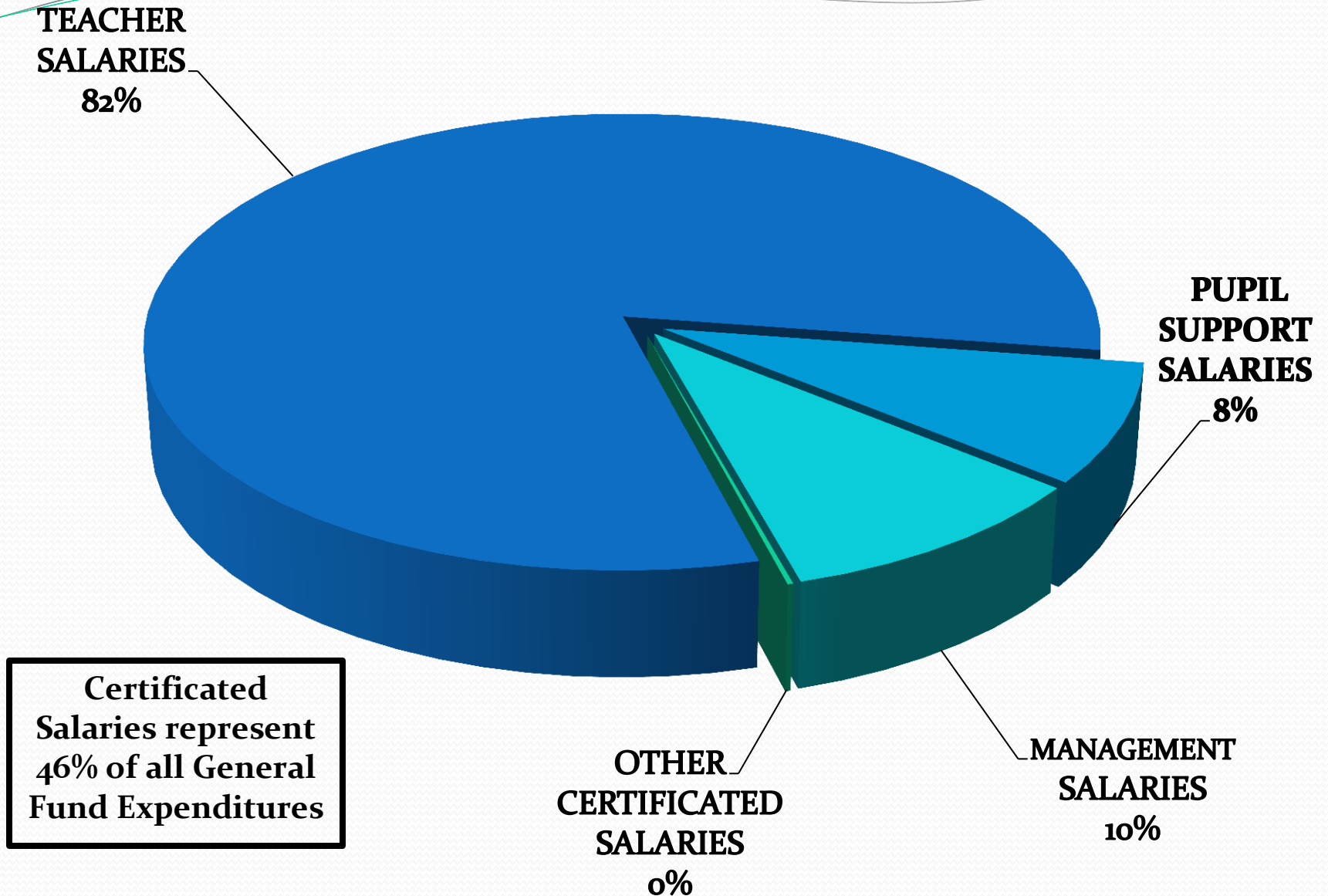
- K – 5 \$37.75/pupil
- 6 – 8 \$42.66/pupil
- 9 – 12 \$63.48/pupil

● Summer School Costs \$525,000

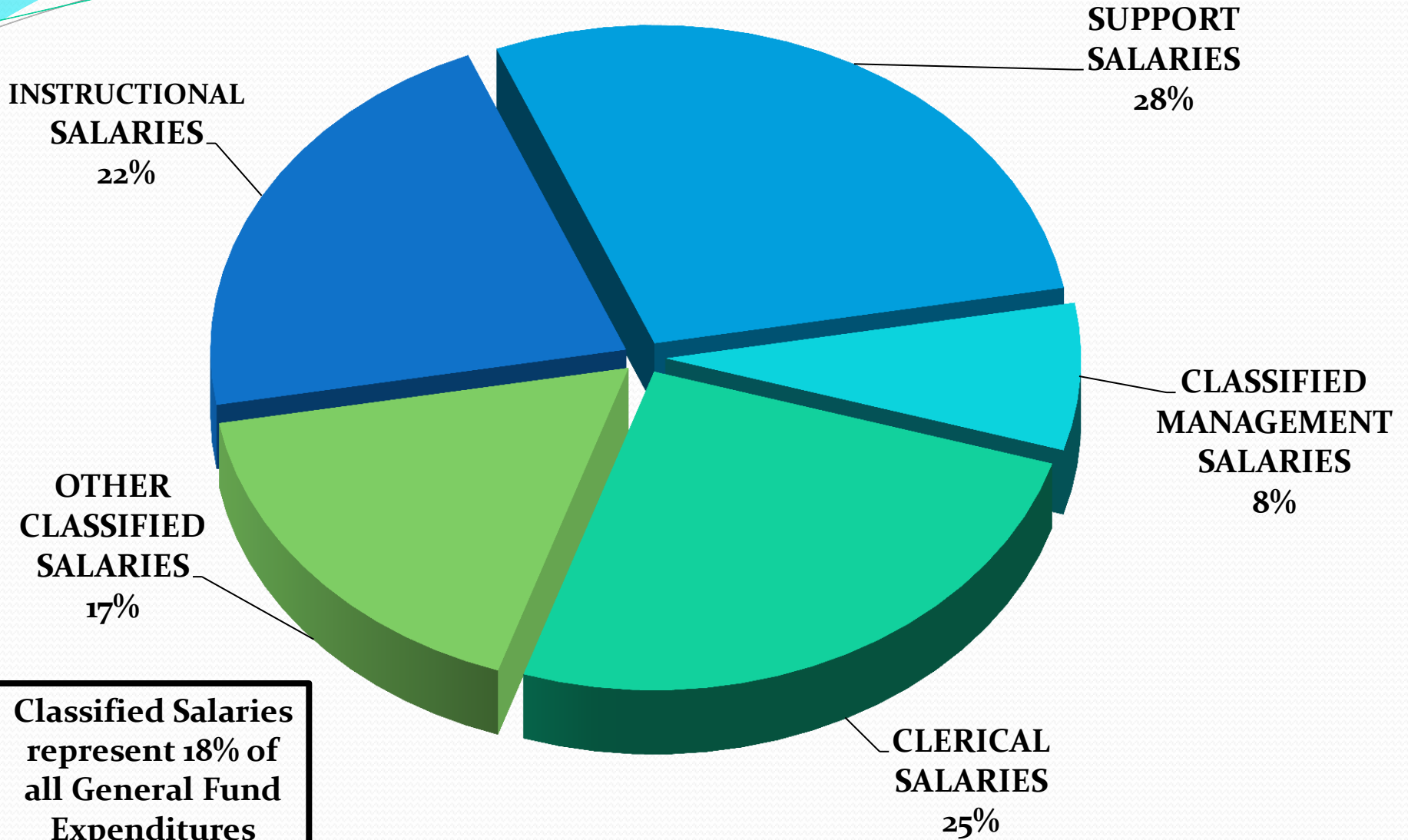
ADOPTED GENERAL FUND (FUND 01) EXPENDITURES



2012-13 CERTIFICATED SALARIES

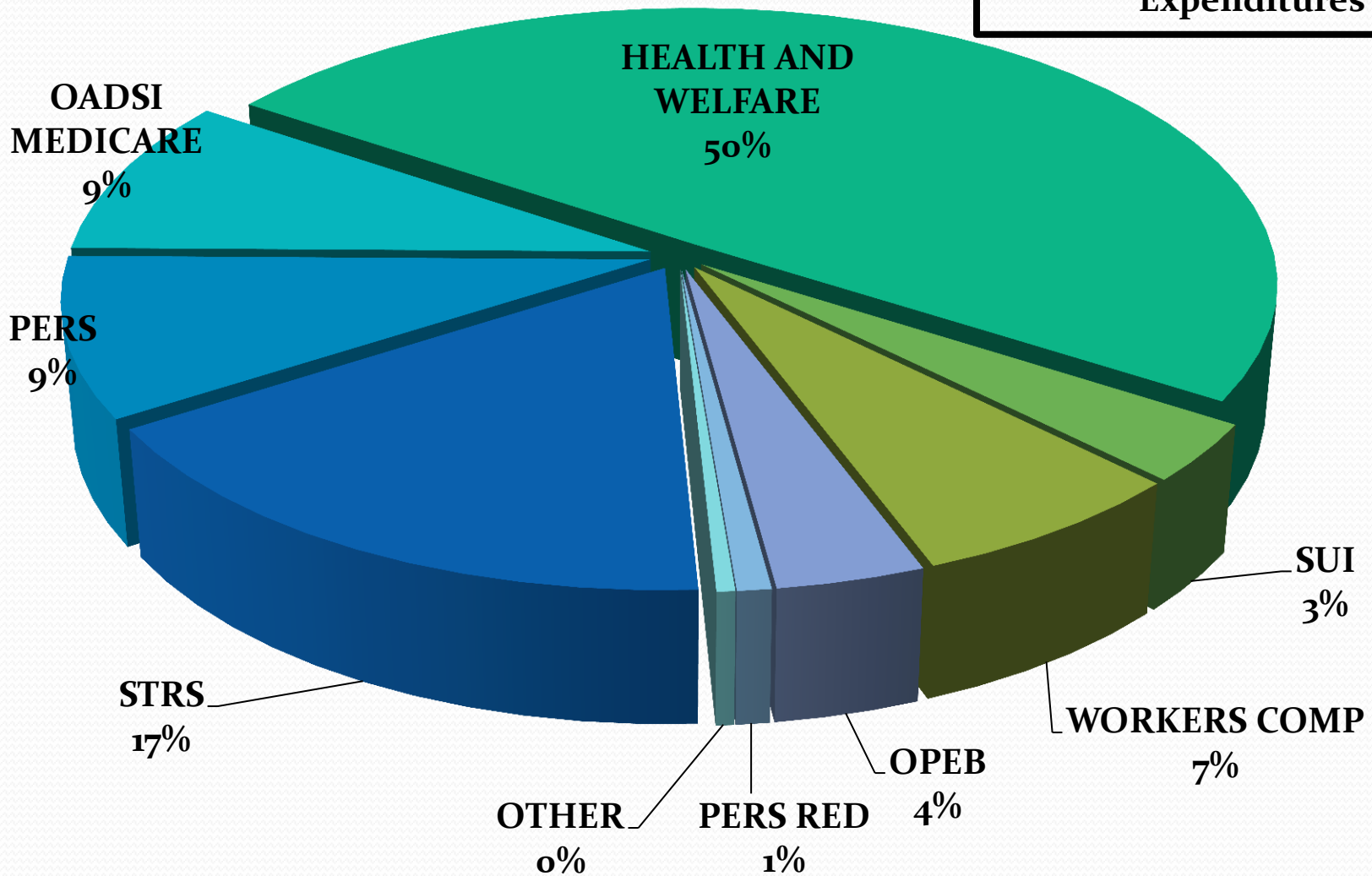


2012-13 CLASSIFIED SALARIES

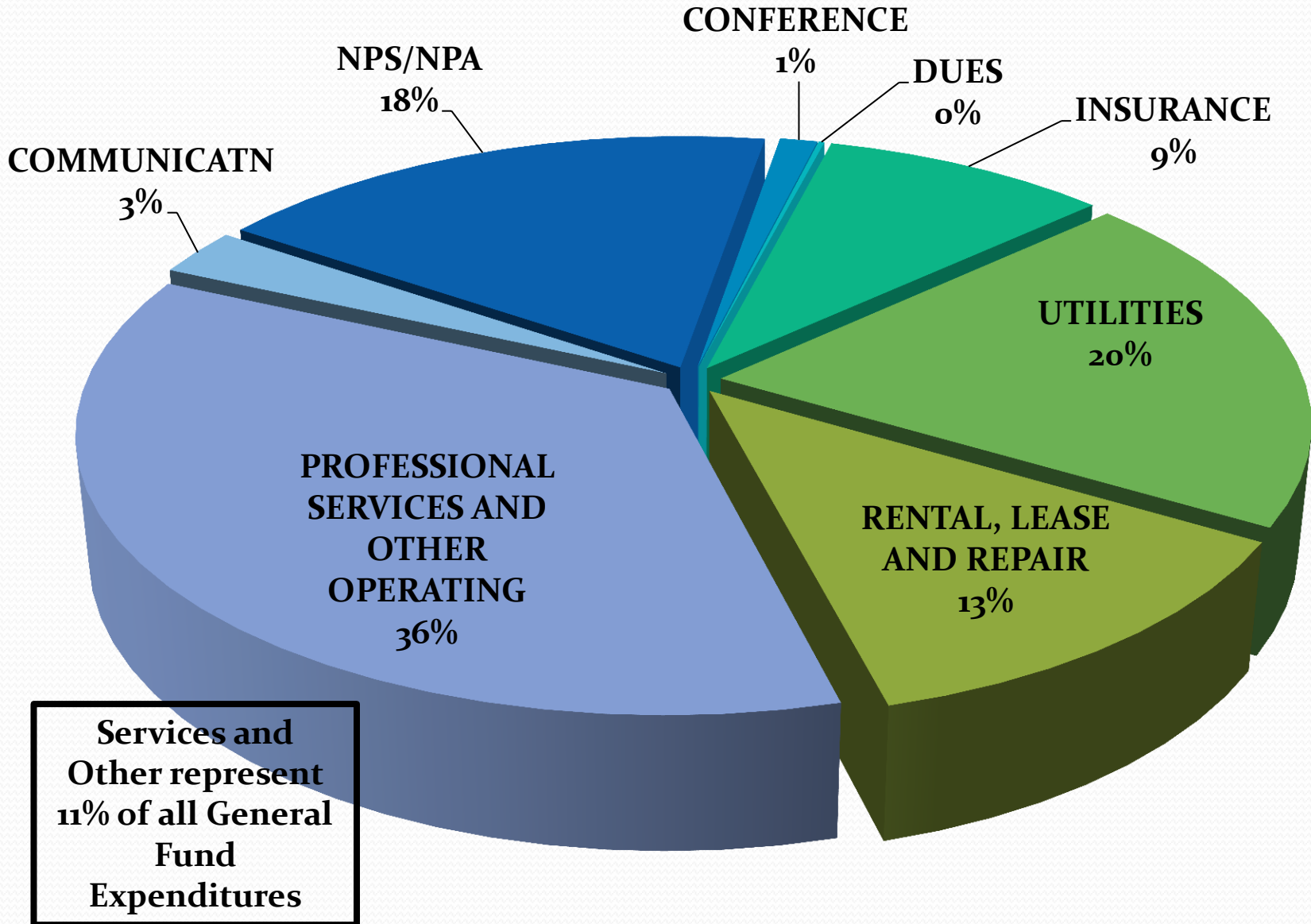


2012-13 EMPLOYEE BENEFITS

Employee Benefits represent
22% of all General Fund
Expenditures



SERVICES AND OTHER OPERATING COSTS



SMMUSD Budget Facts

- 2009-10

- \$4.6M reductions – reduction of one house at Samohi, staffing ratio increases, use of Tier III flexibility, contract reductions, DO administrative changes, SPED realignment.
- Employees took 5 furlough days - \$2.2M.

- 2010-11

- \$7.2M reductions (\$3.0M restored by SOS and Federal Jobs monies) – staffing ratio increases, reduced instructional materials \$\$, nursing changes, DO reductions, eliminated GF contribution to Deferred Maintenance and Adult Education.
- Employees took 5 furlough days - \$2.2M.

SMMUSD Budget Facts

- 2011-12
 - No new reductions.
 - No furlough days.

- 2012-13
 - \$2.5M reductions – staffing ratio increases, SPED staff reductions, Human Resources and Fiscal staff reductions, site clerical staff reductions, contract and supply reductions.
 - No furlough days negotiated at this time.

Operational Deficits and Impact of November Election

- Prop 30 passes, - the 2012-13 operational deficit is \$5.3 million and our fund balance falls to \$12.3 million
 - At this rate of spending, the fund balance would be sufficient funds to sustain the same level of expenditures for only 2 additional years.
- Prop 30 fails – the 2012-13 operational deficit goes up to \$10.2 million and our fund balance falls to \$7.4 million
 - At this rate of spending, the district would have a negative fund balance before the end of the 2013-14 fiscal year.
- Prop 38 passes – although the district will receive additional funds it is not clear how those funds might be used to reduce the existing operational deficit
- In any event the district has a budget “problem” that requires action



Santa Monica-Malibu
Unified School District
2013-14 Budget
Next Steps

SMMUSD 2013-14 Budget – Next Steps

- Budget Webinar – November 2nd – 3:30pm
- Pathway Meetings
 - Lincoln – November 13th
 - 4:00 pm – Lincoln Cafeteria
 - Samohi – November 14th
 - 4:00 pm – Samohi Roberts Art Gallery
 - John Adams #1 (JAMS, Muir, Rogers) – November 20
 - 4:00 pm – JAMS Library
 - Malibu – November 27th
 - 4:30 pm – MHS Library
 - John Adams #2 (Edison, Grant, SMASH) – November 28th
 - 4:00 pm – SMASH Library

Preparation for Budget Pathway Conversations

- Is this priority essential to student learning?
- Is this priority essential to the healthy and safety of students and staff?
- Is this priority necessary to ensure equity and access for all students?
- Is this priority essential to the smooth and successful operation of our schools and/or district?



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