

Santa Monica Malibu Unified School District

Board Agenda Item D.01

March 4, 2010

2010-11 Budget Planning

SMMUSD 2009-10 Budget

Actions

- Cut \$4.5 million in 2009-10
 - District office and site administration
 - Samohi reorganization
 - Site support staff
 - Increased class size
 - Contracts
 - Use of state provided flexibility
- Restricted conference and travel
- Reduced energy costs
- Negotiated 5 furlough days with both SMMCTA and SEIU

SMMUSD Budget Changes 2006-07 to 2009-10

84% of all expenditures spent on employment related costs

	Percentage Change	Increase(Decrease)
Enrollment	(2.6%)	Decrease
Teaching Positions	(9.0%)	Decrease
Classified Positions	15.3%	Increase
Site Administration	(5.3%)	Decrease
District Office Administration	(32.0%)	Decrease

SMMUSD Multi-Year Budget State Revenue Assumptions

- State has applied a 18.355% deficit to the revenue we are entitled – a loss of \$10.0 million per year
- Additionally, the State is reducing our revenue by \$201/ student – could increase to \$250/student – a loss of \$2.0 million per year

SMMUSD Multi-Year Budget Federal Stimulus Assumptions

- No additional Federal Stimulus Funds are projected in 2010-11 – California will not receive Race to the Top Funding
- Expenditures paid by the State Fiscal Stabilization Fund (SFSF) portion of the stimulus in 2009-10 have been added back to the General Fund in the 2010-11 year
- Expenditures paid by the Special Education portion of the stimulus in 2009-10 have not been included – resulting in a reduction of SPED costs in the 2010-11 year

SMMUSD Multi-Year Budget Employment Cost Assumptions

- All employees will be furloughed 5 work days in the 2009-10 and 2010-11 school years
- Saving generated by these negotiated furlough days is approximately 2.0 million dollars per year
- Step and column increases to salaries for employees are included
- Health premium costs are expected to rise 5% (this has been reduced from the 1st Interim projection of 7%)

SMMUSD Multi-Year Budget Reductions Assumptions

- Plans for budgetary reductions have been discussed by the Board on several occasions since November 2009
- This projection includes expenditure reductions of approximately 8.9 million dollars
- Board action on these reductions is expected to occur prior to a June budget adoption

SMMUSD Multi-Year Budget Projections

Revenues and Expenditures

Description	2009-10 PROJECTED	2010-11 PROJECTED	2011-12 PROJECTED	2012-13 PROJECTED
Revenue:				
Revenue Totals	67,494,793	67,926,643	68,746,482	70,473,578
Expenditure:				
Certificated Salaries	42,839,889	38,990,167	40,683,029	41,293,274
Classified Salaries	11,008,813	10,942,733	11,318,313	11,488,088
Benefits	16,180,191	14,539,346	16,134,730	16,780,119
Supplies/Books	1,284,402	1,325,897	1,325,897	1,325,897
Other Operational Costs	6,046,096	5,502,221	5,502,221	5,502,521
Capital Outlay	25,000			
Indirect	(1,229,712)	(843,200)	(843,200)	(843,200)
Transfer Out	75,000	-	-	-
Expenditure Totals	76,229,679	70,457,164	74,120,990	75,546,699
Increase (Decrease) Fund Balance	(8,734,886)	(2,530,521)	(5,374,508)	(5,073,121)

SMMUSD Multi-Year Budget Projections

Fund Balance

Description	2009-10 PROJECTED	2010-11 PROJECTED	2011-12 PROJECTED	2012-13 PROJECTED
Beginning Fund Balance	20,431,626	11,696,740	9,166,219	3,791,711
Ending Fund Balance	11,696,740	9,166,219	3,791,711	(1,281,410)
Reserve- Revolving cash, Store	160,000	160,000	160,000	120,000
Reserve - Early Retirement Incentive	-			
Total Available Fund Balance	11,536,740	9,006,219	3,631,711	(1,401,410)
3% Contingency Reserve	3,672,666	3,232,741	3,363,685	3,300,000
Unappropriated Balance	7,864,074	5,773,478	268,026	(4,701,410)

SMMUSD Multi-Year Projections Story

- A positive Fund Balance through 2011-12, at the required 3% level
- The operating deficit rises to over 5.3 million dollars in 2001-12, when the furlough days end
- Additional expenditure reductions are necessary to balance the 2012-13 fiscal year
- It is important that the Board have maximum flexibility as they begin to make these difficult budget decisions