

Santa Monica Malibu Unified School District

April 6 Board Presentation
Budget Update
Item D.02



Update - State Budget

- Legislature has approved the expenditure reductions proposed by the Governor in January
- Negotiations related to an election to extend state wide taxes between the Governor and the Legislature were stopped last week
- The possibility of tax extensions is now very remote
- Without the extensions SMMUSD will lose at least \$350/ADA
- Additional per ADA loss is likely



Scenarios for the SMMUSD Budget

- **Scenario A**
 - Loss of \$350/ADA
 - Expenditure Reductions spread over two years
- **Scenario B**
 - Loss of an additional \$300/ADA
 - Total ADA reduction = \$650/ADA
 - Expenditure Reductions spread over two years



SMMUSD - Budget Assumptions

- Expenditures paid from one time SOS and Federal Jobs funds in General Fund
- Current negotiated furlough days end in June 30, 2011
- AB 3632 Mental Health costs estimated at 600,000 in 2010-11 and 1,500,000 in subsequent years
- The proceeds from Prop Y are included in the revenue estimates
- Tier III and CSR flexibility continues through 2013-14
- Reserve for Uncertainties remains at 3%



Santa Monica Malibu Unified School District

Multiyear Projection - Unrestricted General Fund

Without Tax Extensions - \$350/ADA Cut to Revenue Limit **A**

No Reductions to SMMUSD Budget - April 6, 2011

	2011-12	2012-13	2013-14
Total Revenue	73,309,276	74,802,197	76,565,345
Total Expenditures	81,179,483	83,671,222	85,421,983
Increase(Decrease) Fund Balance	(7,870,207)	(8,869,025)	(8,856,638)
Beginning Fund Balance	15,691,930	7,821,723	(1,047,302)
Ending Fund Balance	7,821,723	(1,047,302)	(9,903,940)

Santa Monica Malibu Unified School District

Multiyear Projection - Unrestricted General Fund

Without Tax Extensions - \$350/ADA Cut to Revenue Limit

Plus Additional \$300/ADA Cut to Revenue Limit **B**

No Reductions to SMMUSD Budget - April 6, 2011

	2011-12	2012-13	2013-14
Total Revenue	70,309,276	71,802,197	73,565,345
Total Expenditures	81,179,483	83,671,222	85,421,983
Increase(Decrease) Fund Balance	(10,870,207)	(11,869,025)	(11,856,638)
Beginning Fund Balance	15,691,930	4,821,723	(7,047,302)
Ending Fund Balance	4,821,723	(7,047,302)	(18,903,940)

Prior Year Cuts or Staff Recommendations – Restored or Not Cut in 2010-11

AND

Items Requiring Union Agreement in Future Years

SOS and Federal Jobs Allocations

Elementary Class Size	1,080,000
Secondary Class Size	368,000
Counselors	285,000
Elementary Music	320,000
Elementary Library Coordinators	180,000
College Counselor	100,000
Reading Specialists	250,000
Professional Development	233,250

Restoration of 2 Nursing Positions

160,000

Extend Furloughs

2,200,000

Step/Column Freeze

800,000

Additional Staff Recommendation from 2010-11 Budget Development

Samohi Site Administration	180,000
Security Officers	150,000
Nursing Services	80,000
Library Services	225,000
Elementary Music	580,000
Counselors	90,000
Elementary Class Size	520,000

TOTAL

7,801,250

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With Reductions to SMMUSD Budget - April 6, 2011

	2011-12	2012-13	2013-14
Total Revenue	73,309,276	74,802,197	76,565,345
Total Expenditures	81,179,483	78,579,972	77,620,733
Cuts Year 1	(5,091,250)	-	-
Cuts Year 2	-	(2,710,000)	-
Cuts Year 3	-	-	2,200,000
Increase(Decrease) Fund Balance	(2,778,957)	(1,067,775)	(3,255,388)
Beginning Fund Balance	15,691,930	12,912,973	11,845,198
Ending Fund Balance	12,912,973	11,845,198	8,589,810

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Multiyear Projection - Unrestricted General Fund

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Plus Additional \$300/ADA Cut to Revenue Limit B

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	<u>2011-12</u>	<u>2012-13</u>	<u>2013-14</u>
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Cuts Year 3	-	-	2,200,000
Increase(Decrease) Fund Balance	(5,778,957)	(4,067,775)	(6,255,388)
Beginning Fund Balance	15,691,930	9,912,973	5,845,198
Ending Fund Balance	9,912,973	5,845,198	(410,190)