

Santa Monica Malibu Unified School District

2011-12 Budget Adoption

June 30, 2011

Status of State Budget

- The State Legislature has approved a budget that does the following:
 - Proposed funding schools at 2010-11 levels
 - Recognizes an additional \$4.0 billion in State revenue
 - Contains the potential of mid-year cuts to school districts if the revenue is not realized
 - AB 114 – if signed by the Governor
 - Directs school districts
 - To budget on this “flat funding”
 - Not to plan or set aside reserves for a potential cut
 - Takes away County oversight authority – they can no longer disapprove a budget based on the second or third year of a multiyear projection
 - Eliminates the possibility of an August layoff period

School Services Statement on the Budget and AB 114

- “State revenues are now projected to rise billions above the January estimates and education gets none of it. The state plans another cut to education if the forecasted revenues do not materialize. Districts are directed not to plan or set aside reserves for the cut. Districts must maintain staffing and program levels. During these difficult times, county offices of education are stripped of their oversight responsibilities. Fiscal standards are all but erased; districts will be forced to operate with the same kind of "pretend budgets" that the state uses. Unions will be protected from further cuts even if the money isn't there. Unbelievable! This stuff should have come from the Mad Hatter, not the state Capitol.”

SMMUSD 2011-12 Budget

BUDGET ASSUMPTIONS

SMMUSD Revenue Assumptions

- District enrollment is 11,292
- State Funding
 - Revenue Limit funding at \$5,320.85/student ADA after a 19.754% deficit
 - Special Education funding declines by \$1.8 million
 - Due to elimination of Special Disability funding from the State
 - Tier III Flexibility is \$4.3 million
- Federal Funding
 - One-time Jobs dollars are gone
- Local Funding
 - Measure R Parcel Tax is estimated at \$10.8 million
 - Prop Y is estimated at \$5.5 million
 - Cities of Santa Monica and Malibu contribute \$8.0 million

SMMUSD Expenditure Assumptions

- Staffing Ratios
 - K-3 25:1
 - Grades 4-5 (Title I) 30:1 (27:1)
 - Grades 6-12 (JAMS) 35:1 (33:1)
- Furloughs End 6/30/11 \$2.2 million increase
- Step and Column Costs 1.5% increase
- Health and Welfare Costs 10.0% increase
- Summer School Costs \$522,755
- 2010-11 cuts restored from SOS and Federal Jobs dollars remain in the 2011-12 budget (\$2.8 million)

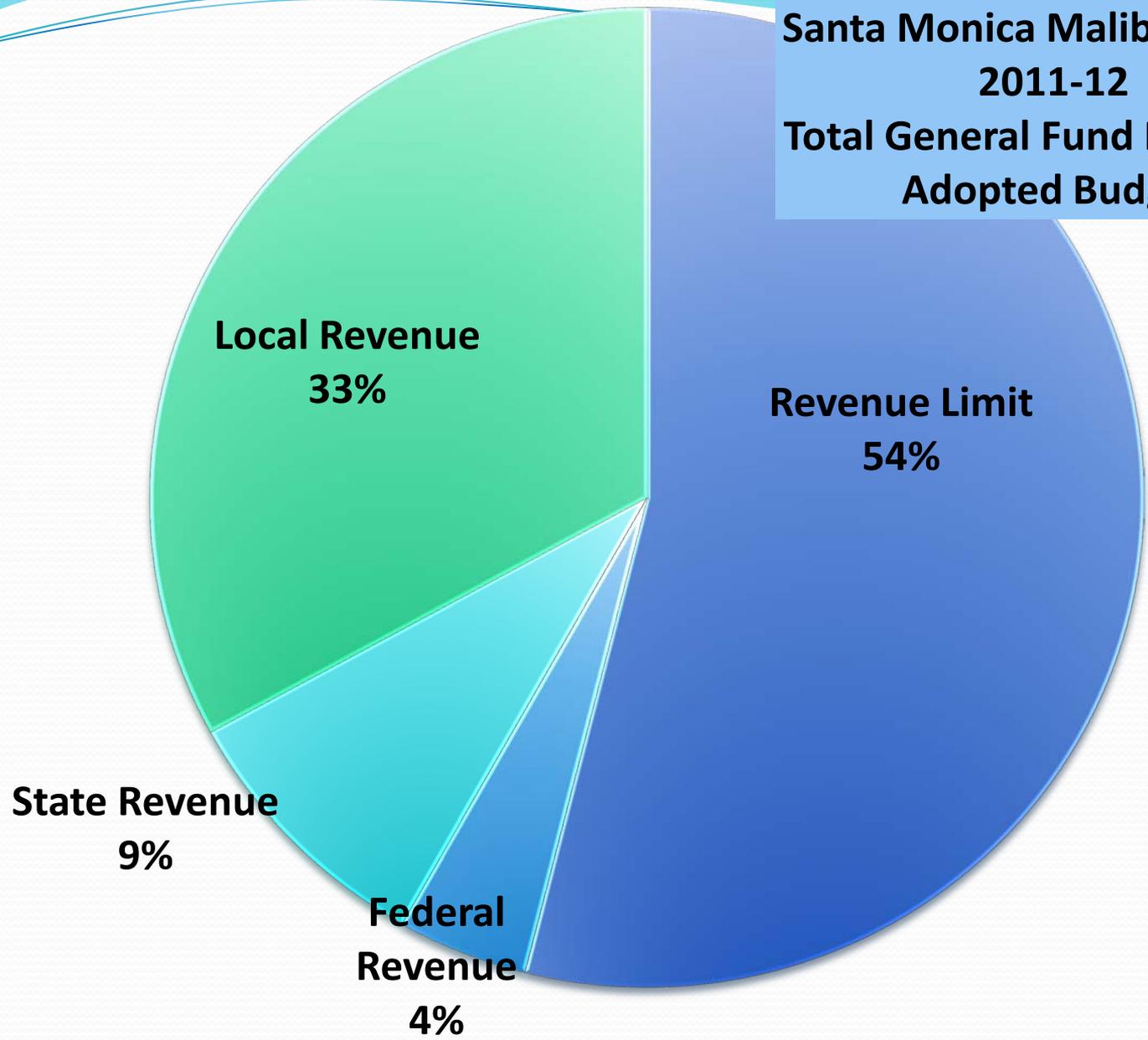
SMMUSD Reserve Assumptions

- Flexibility with our Reserve for Economic Uncertainty (REU)
 - No longer exists
 - District must reserve at a minimum of 3% for REU
 - REU is part of district General Fund fund balance
- SMMUSD 3% REU equals \$3.5 million
- SMMUSD Beginning Balance is projected to be \$15.7 million

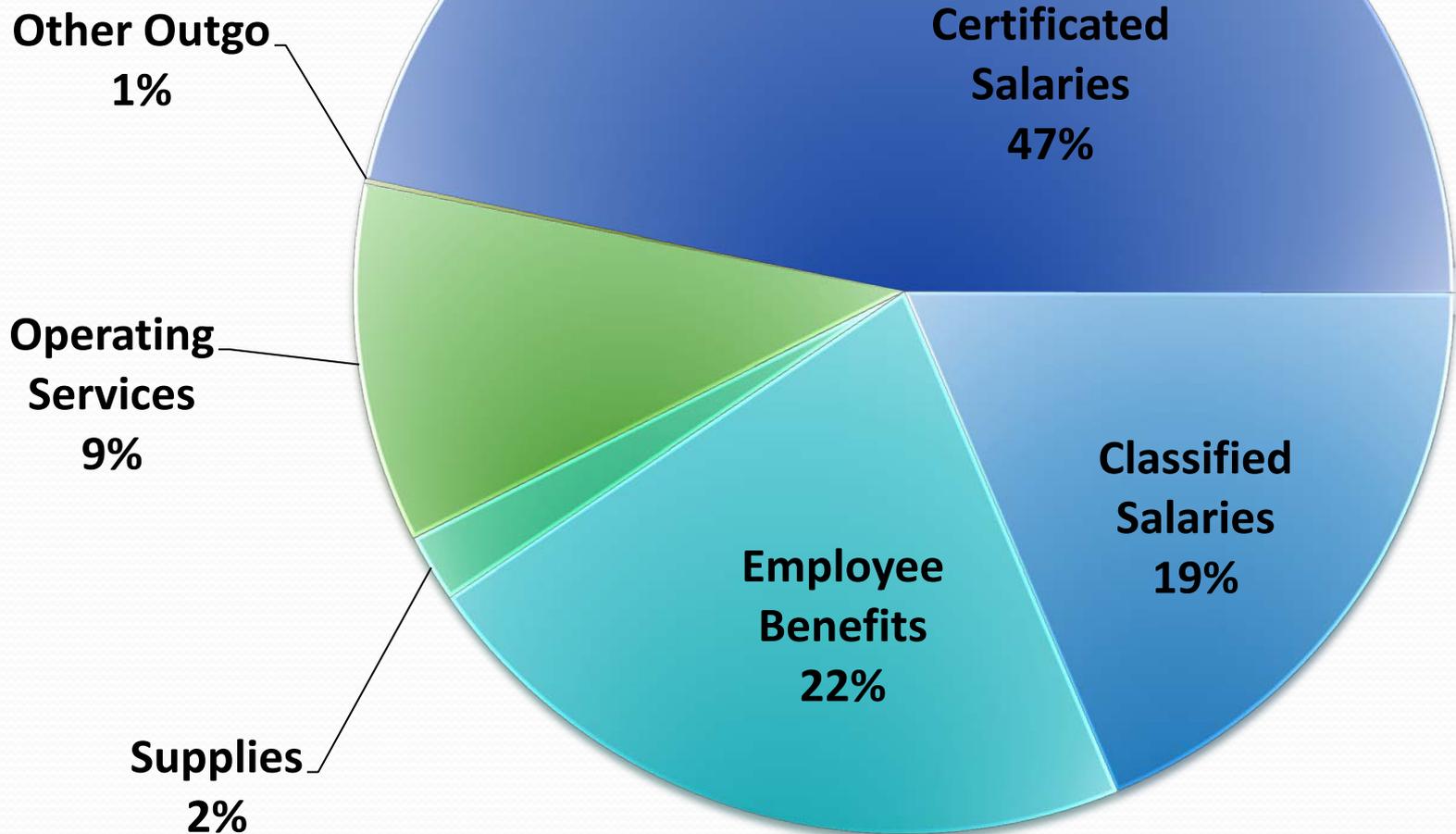
SMMUSD 2011-12 Budget

PIE CHARTS

**Santa Monica Malibu Unified
2011-12
Total General Fund Revenues
Adopted Budget**



**Santa Monica Malibu Unified
2011-12 Total General Fund Expenditures
Adopted Budget**



SMMUSD 2011-12 Budget

FUND SUMMARIES

SANTA MONICA MALIBU UNIFIED SCHOOL DISTRICT

2011-12 BUDGET SUMMARY

GENERAL FUND COMBINED (01)

Unrestricted and Restricted

	2011-12 ESTIMATED ACTUALS	2011-12 BUDGET	DIFFERENCE
REVENUE	114,530,382	110,664,847	(3,865,535)
EXPENDITURES	118,168,289	114,941,048	3,227,241
EXCESS OR (DEFICIENCY)	(3,637,907)	(4,276,201)	(638,294)
BEGINNING BALANCE	20,935,764	17,297,857	(3,637,907)
PROJECTED ENDING BALANCE	17,297,857	13,021,656	(4,276,201)

SANTA MONICA MALIBU UNIFIED SCHOOL DISTRICT

2011-12 BUDGET SUMMARY

GENERAL FUND COMBINED (01)

DESIGNATION OF ENDING BALANCE

	2011-12 BUDGET
STORES/INVENTORY/REVOLVING CASH	135,000
RESTRICTED ENDING BALANCE RESERVE FOR ECONOMIC UNCERTAINTIES	1,535,370 3,448,232
ASSIGNED / UNASSIGNED AMOUNT	<u>7,903,054</u>
PROJECTED ENDING BALANCE	13,021,656

SANTA MONICA MALIBU UNIFIED SCHOOL DISTRICT
2011-12 BUDGET SUMMARY
ADULT EDUCATION FUND (11)

	2011-12 ESTIMATED ACTUALS	2011-12 BUDGET DIFFERENCE	
REVENUE	393,062	436,186	43,124
EXPENDITURES	391,720	454,485	(62,765)
EXCESS OR (DEFICIENCY)	1,342	(18,299)	(19,641)
BEGINNING BALANCE	267,212	268,554	1,342
PROJECTED ENDING BALANCE	268,554	250,255	(18,299)

SANTA MONICA MALIBU UNIFIED SCHOOL DISTRICT
2011-12 BUDGET SUMMARY
CHILD DEVELOPMENT FUND (12)

	2011-12 ESTIMATED ACTUALS	2011-12 BUDGET	DIFFERENCE
REVENUE	7,873,903	8,670,051	796,148
EXPENDITURES	7,898,673	8,670,051	(771,378)
EXCESS OR (DEFICIENCY)	(24,770)	-	24,770
BEGINNING BALANCE	108,833	84,063	(24,770)
PROJECTED ENDING BALANCE	84,063	84,063	-

SANTA MONICA MALIBU UNIFIED SCHOOL DISTRICT
2011-12 BUDGET SUMMARY
CAFETERIA FUND (13)

	2011-12 ESTIMATED ACTUALS	2011-12 BUDGET	DIFFERENCE
REVENUE	3,252,868	3,202,754	(50,114)
EXPENDITURES	3,244,192	3,260,627	(16,435)
EXCESS OR (DEFICIENCY)	8,676	(57,873)	(66,549)
BEGINNING BALANCE	441,796	450,472	8,676
PROJECTED ENDING BALANCE	450,472	392,599	(57,873)

SANTA MONICA MALIBU UNIFIED SCHOOL DISTRICT
2011-12 BUDGET SUMMARY
DEFERRED MAINTENANCE (14)

	2011-12 ESTIMATED ACTUALS	2011-12 BUDGET	DIFFERENCE
REVENUE	8,500	5,000	(3,500)
EXPENDITURES	150,000	150,000	-
EXCESS OR (DEFICIENCY)	(141,500)	(145,000)	(3,500)
BEGINNING BALANCE	730,963	589,463	(141,500)
PROJECTED ENDING BALANCE	589,463	444,463	(145,000)

SANTA MONICA MALIBU UNIFIED SCHOOL DISTRICT

2011-12 BUDGET SUMMARY

BUILDING FUND (21)

	2011-12 ESTIMATED ACTUALS	2011-12 BUDGET	DIFFERENCE
REVENUE	67,571,955	1,000,000	(66,571,955)
EXPENDITURES	54,883,267	53,677,725	1,205,542
EXCESS OR (DEFICIENCY)	12,688,688	(52,677,725)	(65,366,413)
BEGINNING BALANCE	77,665,299	90,353,987	12,688,688
PROJECTED ENDING BALANCE	90,353,987	37,676,262	(52,677,725)

**SANTA MONICA MALIBU UNIFIED SCHOOL DISTRICT
2011-12 BUDGET SUMMARY**

CAPITAL FACILITIES FUND - DEVELOPER FEES (25)

	2011-12 ESTIMATED ACTUALS	2011-12 BUDGET	DIFFERENCE
REVENUE	695,000	770,000	75,000
EXPENDITURES	130,000	210,000	(80,000)
EXCESS OR (DEFICIENCY)	565,000	560,000	(5,000)
BEGINNING BALANCE	6,947,054	7,512,054	565,000
PROJECTED ENDING BALANCE	7,512,054	8,072,054	560,000

SANTA MONICA MALIBU UNIFIED SCHOOL DISTRICT
2011-12 BUDGET SUMMARY

SPECIAL RESERVE for CAPITAL PROJECTS (40)

	2011-12 ESTIMATED ACTUALS	2011-12 BUDGET	DIFFERENCE
REVENUE	2,957,250	2,030,000	(927,250)
EXPENDITURES	2,817,657	1,778,049	1,039,608
EXCESS OR (DEFICIENCY)	139,593	251,951	112,358
BEGINNING BALANCE	4,141,151	4,280,744	139,593
RESERVE FOR THE COPS	1,493,185	1,493,185	-
RESERVE FOR STATE AID REPAYMENT 2003-2006	1,550,271	1,550,271	-
PROJECTED ENDING BALANCE	1,237,288	1,489,239	251,951

SANTA MONICA MALIBU UNIFIED SCHOOL DISTRICT

2011-12 BUDGET SUMMARY

SELF INSURANCE FUND (67)

	2011-12 ESTIMATED ACTUALS	2011-12 BUDGET	DIFFERENCE
REVENUE	1,756,060	1,045,221	(710,839)
EXPENDITURES	-	1,030,221	(1,030,221)
EXCESS OR (DEFICIENCY)	1,756,060	15,000	319,382
BEGINNING BALANCE	-	1,756,060	1,756,060
PROJECTED ENDING BALANCE	1,756,060	1,771,060	15,000

Next Budget Steps

- Adopt 2011-12 as presented
- Fully analyze impact of State Budget
- Prepare a 45-Day SMMUSD Budget Revision – if necessary
- Develop a contingency plan should State revenues not materialize and mid-year cuts are made
- Address ongoing operating deficit of over \$3.5 million per year
- Develop a fiscal plan to eliminate operating deficits in the future
- Begin planning for 2012-13 and beyond - immediately

Questions????

