6/22/22, 12:56 PM Print Item

#### Santa Monica-Malibu Unified School District

# Special Meeting 06/23/2022 05:00 PM District Office and Zoom

Printed: 6/22/2022 12:58 PM PT

ITEM: II.vi.b. 2021-22 Fourth Budget Revisions (15 min)

# Recommended Motion

It is recommended that the Board of Education approve the 2021-22 Fourth Budget Revisions related to revenue adjustments.

#### Rationale

#### **RDA**

The County Auditor-Controller Office released the "June 1, 2022, Redevelopment Property Tax Trust Fund (RPTTF) Distribution" which shows the District will receive \$4,466,807 above the annual projected budget of \$15,000,000 in RDA (Redevelopment Agency) Funds.

This amount was previously reported as \$5,000,000 in the 2021-22 Third Budget Revision as well as the 2021-22 Estimated Actuals that accompanied the 2022-23 Preliminary Budget. This adjustment will decrease the RDA funds by \$533,193 based on actuals received for a total of \$4,466,807 more in RDA funds than the annual projected amount of \$15,000,000.

With this additional amount of RDA funds, the District has received a total of \$19,466,807 in RDA funds for 2021-22.

### Measure GSH/Y

As of this Fourth Budget Revision, the District is projecting an increase of \$530,540 in Measure GSH/Y Sales & Use Transaction Tax. With one remaining payment to be received for the fiscal year from the City of Santa Monica, this adjustment is reconciling the projected annual total to approximately \$17.6 million as compared to the original Adopted Budget projection of \$14.2 million.

### **Lease & Rental Revenue**

The District is making a final entry to reconcile the lease revenue the District receives from its agreements with the Santa Monica College Madison property, the Hilton Hotel, and the 16<sup>th</sup> Street property. This has resulted in an increase of \$257,508.

From the total amount of increase, \$89,937 is attributed to a one-time Cost of Living Adjustment (COLA) for the Madison property per the agreement to the current year only.

### Local General Fund Contribution (LGFC)

In order to maintain the 3% required minimum match from the General Fund for Routine Restricted Maintenance Account (RRMA) funds, an additional LGFC of \$362,795 was made to Resource 81500. The District continues to meet and slightly exceed the 3% match as needs arise for routine maintenance obligations for Fund 14. (This paragraph was added on 6/20/22.)

#### Lease & Rental Expense

The District is making a final entry to reconcile the lease expenses the District pays for its agreements for the Education Services Suite, the Santa Monica Education Foundation Suite, the Transportation Bus Barn, the Hilton Hotel, as well as the associated CAM (Common Area Maintenance) costs for all agreements. This has resulted in an increase of \$72,631 to the Fourth Budget Revision.

# **Utilities**

The District is making a final entry to reconcile the utility budget per actual expenses to-date as well as estimated expenses through the end of June. This has resulted in an increase to utility costs of \$331,631 for the Fourth Budget Revision.

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## **Food Services Interfund Transfer**

Due to an increased reimbursement rate for both Federal and State meal programs for the Food Services department, Food Services revenue has substantially increased for this current year only. Thus, the annual interfund transfer from the Unrestricted General Fund 01 to the Food Services Fund 13 is not needed as the department revenue currently exceeds that of the department expenses – this eliminates the need for an interfund transfer to bridge any gap between revenue and expenses.

Therefore, the net effect of these transfers as well as other salary and non-salary adjustments reflect a projected budget increase to the Ending Fund Balance of \$441,572 for the year ending June 30, 2022. (This paragraph was updated on 6/20/22.)

This transfer ratification is intended to accomplish the formal/final shifting of funds to recognize the accounting transactions since the previously-approved activities in the Third Budget Revision.

- Fund 01 Unrestricted General Fund
- Fund 13 Cafeteria Special Revenue Fund

#### **Comments**

Staff anticipates this item will requires a total of 15 minutes, with 10 minutes for the staff report and 5 minutes for board questions/comments.

NOTE: The item was updated on 6/20/22.

# **Supporting Documents**

062322 2021-22 Fourth Budget Revision Multi-Year Projection (MYP)

# MULTI-YEAR PROJECTIONS UNRESTRICTED GENERAL FUND

UNRESTRICTED GENERAL FUND A	В	С	D	E	F	G	Н	ı	J	к
	2021-22	2021-22	2021-22	2021-22	2021-22	2021-22	2021-22		2022-23	2023-24
							4TH BUDGET			
	ADOPTED	45-DAY	FIRST	SECOND	THIRD BUDGET	ESTIMATED	REVISION (Final Estimated	CHANGE	PROPOSED	PROJECTE
Description	BUDGET	REVISION	INTERIM	INTERIM	REVISION	ACTUALS	` Actuals)		BUDGET	BUDGET
Revenue:										
Property Tax	98,177,662	98,177,662	98,177,662	98,177,662	100,034,162	100,034,162	99,500,969	(533,193)	102,336,545	106,703,3
Education Protection Account (EPA)  LCFF Transfer to Fund 14	2,000,000	2,000,000	2,000,000	2,000,000	2,000,000	2,000,000	2,000,000	-	2,000,000	2,000,0
LCFF In Lieu Property Tax Transfer to Charter School	(287,000)	(287,000)	(287,000)	(287,000)	(287,000)	(287,000)	(287,000)	-	(287,000)	(287,0
Prior Year LCFF Adjustment	(207,000)	(207,000)	(201,000)	(201,000)	(207,000)	(207,000)	(207,000)	-	(207,000)	(201,
Minimum State Aid	8,585,843	8,585,843	8,585,843	8,585,843	8,585,843	8,585,843	8,585,843	_	8,585,843	8,585,
Subtotal LCFF Funding	108,476,505	108,476,505	108,476,505	108,476,505	110,333,005	110,333,005	109,799,812	(533,193)	112,635,388	117,002,
Other Federal (MAA - Medi-Cal Administrative Activities)	200,000	200,000	200,000	200,000	200,000	200,000	200,000	-	200,000	200,
Lottery - Unrestricted	1,452,482	1,452,482	1,452,482	1,452,482	1,500,000	1,500,000	1,500,000	-	1,500,000	1,500,
Mandated Reimbursement Block Grant	410,000	410,000	410,000	419,710	419,710	419,710	419,710	-	419,000	419,
Other State Revenue	5,000	5,000	5,000	5,000	5,000	5,000	5,000	-	5,000	5,
Measure 'R' - Parcel Tax	13,910,855	13,910,855	13,910,855	13,910,855	13,910,855	13,910,855	13,910,855	-	13,881,013	14,019,
Measure 'Y' & 'GSH' - City of Santa Monica	14,292,750	14,292,750	14,292,750	14,605,997	17,105,997	17,105,997	17,636,537	530,540	17,200,000	17,200,
Joint Use Agreement - City of Santa Monica  Joint Use Agreement - City of Malibu	9,995,154 246,827	9,995,154 246,827	9,995,154 246,827	10,146,061 246,827	10,146,061 246,827	10,146,061 246,827	10,146,061 246,827	-	10,348,982 246,827	10,555, 246,
Santa Monica Ed Foundation Donation	1,982,503	966,292	966,292	966,292	966,292	966,292	966,292	-	2,000,000	2,000,
Malibu Fundraising Entity Donation*	-	337,543	337,543	337,543	337,543	337,543	337,543	_	357,543	357,
Lease & Rental	2,350,000	2,350,000	2,350,000	2,350,000	2,350,000	2,350,000	2,607,508	257,508	2,517,571	2,517,
Interest Earned	200,000	200,000	200,000	150,000	125,000	125,000	125,000	-	175,000	175,
All Other Local Income	755,000	755,000	760,000	757,921	761,421	761,421	761,421	-	750,000	750
Local General Fund Contribution	(32,623,321)	(32,013,767)	(31,504,743)	(30,740,857)	(30,965,603)	(30,965,603)	(31,328,398)	(362,795)	(31,764,151)	(32,240,
TOTAL REVENUE	121,653,755	121,584,641	122,098,665	123,284,336	127,442,108	127,442,108	127,334,168	(107,940)	130,472,173	134,708,
Expenditure:	E0.5		40 =	E0					#0.c	
Certificated Salary Classified	50,887,845 20,798,412	50,887,845	49,741,358 19,511,252	50,286,213	50,006,317	50,006,917	50,020,417	13,500 9,451	53,035,692	53,831
Benefits	33.033.385	19,678,987 31,940,032	31,603,481	19,100,342 31,919,313	18,592,346 31,488,736	18,596,754 31,489,474	18,606,205 31,495,709	6,235	21,448,173 35,703,593	21,769, 36,837,
STRS	8,700,514	8,700,514	8,521,544	8,616,227	8,568,830	8,568,932	8,571,217	2,285	9,944,761	10,281,
PERS	4,360,230	4,103,769	4,412,792	4,350,241	4,253,834	4,253,834	4,255,432	1,598	5,159,673	5,486,
SOCIAL SECURITY & MEDICARE	2,335,355	2,249,718	2,218,060	2,194,862	2,150,672	2,151,018	2,151,939	921	2,437,636	2,445,
HEALTH AND WELFARE	12,774,810	12,774,810	11,962,149	12,258,099	12,060,157	12,060,157	12,060,157	-	13,740,280	14,427,
SUI	879,656	351,986	688,172	691,826	687,761	687,786	687,902	116	360,562	151,
WORKERS COMP	3,046,424	2,836,833	2,888,569	2,896,308	2,864,501	2,864,703	2,865,729	1,026	2,998,057	3,046,
OPEB CASH IN-LIEU	890,833 45,563	876,840 45,563	860,542 51,653	861,506 50,244	852,654 50,327	852,717 50,327	853,006 50,327	289	1,012,006 50,618	945, 53,
Supplies/Books/Textbooks	1,482,584	1,832,584	1,946,273	1,998,157	2,044,354	2,081,358	2,104,299	22,941	2,302,758	1,982,
Other Operational Costs	13,984,648	15,679,235	15,354,753	16,945,994	17,145,347	17,160,152	17,558,435	398,283	15,363,276	14,888,
504 PLAN ACCOMODATION (STUDENT SERVICES)	30,000	30,000	30,000	30,000	30,000	30,000	30,000	-	25,000	25,
TRAVEL & CONFERENCE	244,174	244,174	185,939	204,514	222,264	221,544	222,387	843	253,975	200,
DUES & MEMBERSHIPS	56,040	56,040	58,565	59,290	59,072	59,072	59,072	-	78,275	60,
INSURANCE	1,292,409	1,292,409	1,292,409	1,322,016	1,322,016	1,322,016	1,322,016	-	1,388,117	1,457,
UTILITIES	2,792,500	2,792,500	2,792,500	2,792,500	2,792,500	2,792,500	3,124,125	331,625	3,365,500	3,053,
RENTALS, LEASES, REPAIRS	2,096,718	2,096,718	2,196,520	2,254,938	2,260,320	2,290,945	2,363,576	72,631	2,368,340	2,368,
INTRA-FUND TRANSFERS FOR SERVICES	(22,250)	(22,250)	(46,200)	(60,200)	(63,139)	(59,139)	(60,039)	(900)	30,950	(60,
INTER-FUND TRANSFERS FOR SERVICES	(312,025)	(312,025) 9,216,809	(312,025)	(312,025) 10,372,738	(311,525) 10,552,136	(311,525) 10,533,036	(311,525) 10,527,120	- (F.046)	(293,200) 7,860,109	(300, 7,801,
CONSULTANTS & OTHER OPERATING Other Operational Costs	7,522,222 2,574,182	2,574,182	8,868,627 2,646,423	2,658,345	2,673,858	2,657,758	2,650,562	(5,916) (7,196)	2,273,021	2,600
Potential Election Recall Cost	2,374,102	750,000	2,040,423	2,030,343	2,073,030	2,037,730	2,030,302	(7,190)	2,273,021	2,000
Consultants	2,285,639	2,285,639	2,265,216	2,310,826	2,437,930	2,434,930	2,436,210	1,280	2,685,227	2,300
Legal	905,000	905,000	1,255,000	1,881,579	1,918,360	1,918,360	1,918,360	-	1,900,000	1,900
Pupil Fees Lawsuit	750,000	750,000	750,000	1,570,000	1,570,000	1,570,000	1,570,000	-	-	
America Unites Lawsuit	-	950,000	950,000	950,000	950,000	950,000	950,000	-	-	
Cost of Early Retirement Incentive (SERP)	1,007,401	1,001,988	1,001,988	1,001,988	1,001,988	1,001,988	1,001,988	-	1,001,861	1,001
COMMUNICATIONS (LAND & MOBILE)	284,860	284,860	288,418	282,223	281,703	281,703	281,703	-	286,210	282,
Capital Outlay	353,000	353,000	377,858	410,358	665,627	665,627	665,705	78	322,686	285
Transfer to County Specialized Schools Indirect	75,000 (1,601,883)	75,000 (1,601,883)	75,000 (1,595,144)	75,000 (1,593,733)	75,000 (1,597,888)	75,000 (1,597,888)	75,000 (1,597,888)	-	75,000 (1,454,541)	75 (1,300
Fiscal Stabilization Plan (Budget Reductions)	(1,001,003)	(1,001,003)	(1,080,144)	(1,083,133)	(1,587,088)	(1,587,068)	(1,587,000)	-	(1,404,541)	(6,445
Interfund Transfer Out to Fund 12 Child Development	2,265,307	2,265,307	1,357,385	1,357,385	1,000,000	1,000,000	1,000,000	-	1,000,000	1,000
LCAP Transfer Out to Fund 12 Child Development	200,000	200,000	200,000	200,000	200,000	200,000	200,000	-	200,000	100
Interfund Transfer Out to Fund 13 Food Services	900,000	900,000	1,800,000	1,800,000	1,000,000	1,000,000	-	(1,000,000)	900,000	900
Interfund Transfer Out to Fund 14 Deferred Maint.	1,000,000	1,000,000	1,000,000	1,000,000	1,000,000	1,000,000	1,000,000	-	1,000,000	1,000
		123,210,107	121,372,216	123,499,029	121,619,839	121,677,394	121,127,882	(549,512)	129,896,637	124,923
TOTAL EXPENDITURE	123,378,298			(044.000)	5,822,269	5,764,714	6,206,286	441,572	575,536	9,784
Increase (Decrease) Fund Balance	(1,724,542)	(1,625,466)	726,450	(214,693)					07 704 407	38,359
Increase (Decrease) Fund Balance Beginning Fund Balance	(1,724,542) 21,583,277	21,583,277	31,577,901	31,577,901	31,577,901	31,577,901	31,577,901	-	37,784,187	
Increase (Decrease) Fund Balance Beginning Fund Balance Ending Fund Balance (net of lines 63-64)	(1,724,542) 21,583,277 19,858,735	21,583,277 19,957,811	31,577,901 32,304,351	31,577,901 31,363,208	31,577,901 37,400,170	37,342,615	37,784,187	- 441,572	38,359,724	48,144
Increase (Decrease) Fund Balance Beginning Fund Balance Ending Fund Balance (net of lines 63-64) Reserve - Revolving Cash, Prep-paids	(1,724,542) 21,583,277 19,858,735 190,362	21,583,277 19,957,811 190,362	31,577,901 32,304,351 162,767	31,577,901 31,363,208 162,767	31,577,901 37,400,170 162,767			441,572 -	38,359,724 162,767	48,144
Increase (Decrease) Fund Balance Beginning Fund Balance Ending Fund Balance (net of lines 63-64) Reserve - Revolving Cash, Prep-paids Reserve - Deficit Spending in 22-23	(1,724,542) 21,583,277 19,858,735	21,583,277 19,957,811 190,362	31,577,901 32,304,351 162,767	31,577,901 31,363,208 162,767	31,577,901 37,400,170 162,767	37,342,615	37,784,187	441,572 - -	38,359,724	48,144
Increase (Decrease) Fund Balance Beginning Fund Balance Ending Fund Balance (net of lines 63-64) Reserve - Revolving Cash, Prep-paids Reserve - Deficit Spending in 22-23 Reserve - Deficit Spending in 23-24	(1,724,542) 21,583,277 19,858,735 190,362	21,583,277 19,957,811 190,362 -	31,577,901 32,304,351 162,767 -	31,577,901 31,363,208 162,767	31,577,901 37,400,170 162,767 -	37,342,615	37,784,187	441,572 - - -	38,359,724 162,767 - -	48,144
Increase (Decrease) Fund Balance Beginning Fund Balance Ending Fund Balance (net of lines 63-64) Reserve - Revolving Cash, Prep-paids Reserve - Deficit Spending in 22-23 Reserve - Deficit Spending in 23-24 Reserve - Deficit Spending in 24-25	(1,724,542) 21,583,277 19,858,735 190,362 - -	21,583,277 19,957,811 190,362 - -	31,577,901 32,304,351 162,767 - -	31,577,901 31,363,208 162,767 -	31,577,901 37,400,170 162,767 - -	37,342,615 162,767	37,784,187 162,767	441,572 - - - -	38,359,724 162,767 - -	48,144 162
Increase (Decrease) Fund Balance Beginning Fund Balance Ending Fund Balance (net of lines 63-64) Reserve - Revolving Cash, Prep-paids Reserve - Deficit Spending in 22-23 Reserve - Deficit Spending in 23-24	(1,724,542) 21,583,277 19,858,735 190,362	21,583,277 19,957,811 190,362 -	31,577,901 32,304,351 162,767 -	31,577,901 31,363,208 162,767	31,577,901 37,400,170 162,767 -	37,342,615	37,784,187	441,572 - - -	38,359,724 162,767 - -	48,144 162 5,678 42,303