

REVENUE ASSUMPTIONS

2023-24 LOCAL CONTROL FUNDING FORMULA (LCFF) CALCULATION					6/1/2023
BASE GRANT:					
	TK-3	4-6	7-8	9-12	TOTAL
	2,433.49	2,007.63	1,438.99	3,026.07	8,906.18
2022-23 BASE	9,166	9,304	9,580	11,102	
2023-24 8.22% COLA	753	765	787	913	
2023-24 BASE	9,919	10,069	10,367	12,015	
	24,138,904	20,214,369	14,918,729	36,356,973	95,628,975
AUGMENTATION GRANTS:					
CLASS SIZE REDUCTION (CSR) AUGMENTATION: BASE GRANT X 10.4%					2,510,446
CAREER TECHNICAL EDUCATION (CTE) AUGMENTATION 9-12 BASE GRANT X 2.6%					945,281
SUPPLEMENTAL AND CONCENTRATION GRANTS:					
TOTAL ENROLLMENT (3-YEAR AVERAGE)					9,300
TOTAL UNDUPLICATED PUPIL COUNT (3-YEAR AVERAGE)					2,577
					27.71%
SUPPLEMENT ADD-ON 20% OF BASE GRANT X % OF ELIGIBLE ENROLLMENT					5,491,921
TRANSPORTATION, TIIG GRANT, & ADD-ON:					
2012-13 TRANSPORTATION					887,699
2012-13 TARGETED INSTRUCTIONAL IMPROVEMENT BLOCK GRANT					429,757
TRANSITIONAL KINDERGARTEN ADD-ON					417,424
TOTAL 2023-24 LCFF ENTITLEMENT					106,311,503
MINIMUM STATE AID / 2012-13 CATEGORICAL PROGRAMS					8,585,843
TOTAL FUNDING LESS: 2012-13 MINIMUM/CATEGORICAL					97,725,660
LOCAL REVENUE / PROPERTY TAXES					109,703,372
Amount of Property Tax Over LCFF Funding (Basic Aid when negative)					(11,977,712)

Enrollment for 2023-24 has declined and is projected to be 8,394.

The Lottery allocation will be \$237 per annual ADA, of which \$170 is for Unrestricted General Fund expenditures and the remaining \$67 is Proposition 20 – Mandated for Instructional Materials.

Reflects an 8.22% COLA for the District LCAP Supplemental Grant.

Reflects an 8.22% COLA Special Education Funding. The projected Special Education AB 602 revenue is \$7,836,118 and \$2,369,825 for Federal IDEA programs.

Mandated Block Grant revenue is \$419,000.

The Measure “R” parcel tax of \$496.00 per parcel is estimated to generate \$14,019,823 after processing the senior exemptions.

Santa Monica-Malibu Education Foundation contribution is \$1.8 million dollars.

Malibu Fundraising Entity (yet to be named) will be making contribution of approximately \$343,716 the 2023-24 year.

The estimated revenue from Prop Y & GSH is projected to remain flat with the 2022-23 year at \$17.2 million dollars from the City of Santa Monica as projected by city staff. City staff published that the economy has started to show signs of weakness, which is expected to continue into 2023-24. This projection mirrors the City’s financial estimates per the advisement of the District’s Financial Oversight Committee.

The District will receive \$10,762,941 from the Joint Use Agreement with the City of Santa Monica.

The District is projected to receive approximately \$246,827 from the Joint Use Agreement funding with the City of Malibu dependent on use of facilities from the City of Malibu – it is unlikely that the full amount will materialize based on current use history.

The combined lease revenue is \$2,000,000 which is from the Hilton Hotel, Madison Site, 9th & Colorado, and 16th Street properties.

The projected revenue of Federal programs:

Resource ‘3010’	Title I:	\$ 1,100,822
Resource ‘4035’	Title II:	\$ 385,689
Resource ‘4203’	Title III:	\$ 90,572
Resource ‘9010’	Medi-Cal:	\$ 210,000

EXPENDITURE ASSUMPTIONS

Teaching Staff Ratios:

TK-Grade 3	24
Grade 4-5	30
Grade 4-5 (Title I schools)	27
Grade 6-8	34
Grade 6-8 (JAMS)	33
Grade 9-12	35

Site Administrative Staffing Ratios:

Principals:	1.0 FTE per site
Assistant Principals:	0.00 FTE for school enrollment less than 375 students 0.50 FTE for school enrollment between 375 and 700 students 1.00 FTE for school enrollment greater than 700 students
Santa Monica High:	1.00 FTE Principal 5.00 FTE House Principals
Malibu	2.00 FTE Principals 1.00 FTE Assistant Principal
JAMS, Lincoln:	1.00 FTE Principal 2.00 FTE Assistant Principal
Olympic:	1.00 FTE Principal (0.50 General Fund & 0.50 Adult Ed)
PBL Pathway:	1.00 FTE Principal (share with SMASH) 1.00 FTE Assistant Principal
Sr. Office Specialist Ratio:	0.50 FTE for school enrollment less than 375 students 1.00 FTE for school enrollment between 375 and 550 students 1.50 FTE for school enrollment between 551 and 700 students 2.00 FTE for school enrollment greater than 700

Full-Time Equivalent (FTE) Changes:

Certificated: The FTE change of teaching positions reflect changes of projected enrollment

1.0	FTE	Director of Human Resources
1.0	FTE	Director of Curriculum & Instruction
1.0	FTE	Classroom Teachers – Cotsen Foundation, Edison
1.0	FTE	Classroom Teachers – Cotsen Foundation, Grant
1.0	FTE	Classroom Teachers, Special Education
1.0	FTE	Classroom Teachers – Teacher on Special Assignment (TOSA), Educator Effectiveness
1.0	FTE	Classroom Teachers – Transition Kindergarten, Franklin
(2.0)	FTE	Classroom Teachers, Grant (attrition)
(1.0)	FTE	Classroom Teachers, Malibu Elementary (attrition)
(1.0)	FTE	Classroom Teachers, McKinley (attrition)
(2.0)	FTE	Classroom Teachers, Rogers (attrition)
(1.0)	FTE	Classroom Teachers, Roosevelt (attrition)
(1.0)	FTE	Classroom Teachers, John Adams Middle School (attrition)
(2.0)	FTE	Classroom Teachers, Lincoln Middle School (attrition)
(0.80)	FTE	Classroom Teachers, Malibu Middle School (attrition)
(2.60)	FTE	Classroom Teachers, Santa Monica High School (attrition)
(0.40)	FTE	Classroom Teachers, Project Based Learning (PBL) Pathway (attrition)
(2.0)	FTE	Classroom Teachers, Independent Studies Program (ISP) (attrition)
(1.0)	FTE	Behavioral Interventionist, Special Education
(4.313)	FTE	Classroom Teachers, Child Development Services

Classified:

1.0	FTE	Campus Security Officer, Malibu High School (previously funded by Bond Fund 21)
1.0	FTE	Facility Fiscal Manager, Facility Improvement Projects (funded by Bond Fund 21)
0.75	FTE	Instructional Assistant – Transitional Kindergarten, Franklin
0.375	FTE	Instructional Assistant, SMASH
0.375	FTE	Instructional Assistant, Webster
0.375	FTE	Instructional Assistant, Malibu Elementary
0.625	FTE	Custodian – Night, Webster
1.0	FTE	Technical Theatre Coordinator, Facility Use Department (FUD)
(0.75)	FTE	Campus Monitor, Malibu Elementary
(0.148)	FTE	Campus Monitor, McKinley
0.375	FTE	Accounting Assistant II, Facility Use Department (FUD)
1.5	FTE	Cafeteria Worker I, Food Services
0.125	FTE	Paraeducator I, Special Education
(0.75)	FTE	Braille Transcriber, Special Education
1.50	FTE	Board Certified Behavior Analyst
(2.63)	FTE	Children Center Assistants, Child Development Services

Salary:

1.5% step and column increase for certificated employees
1.5% step and column increase for classified employees

Statutory Benefits:

19.10%	STRS employer contribution rate
26.68%	PERS employer contribution rate
6.20%	OASDI contribution rate
1.45%	Medicare contribution rate
0.50%	SUI contribution.
3.92%	Workers' Compensation contribution
	The manual rate for workers compensation benefits has increased to approximately 4.16% – however, the district will draw down approximately \$600,000 from the workers compensation reserve as allowable in the Rate Stabilization Policy with the School Linked for Insurance Management (SLIM) Joint Powers Authority (JPA). The Rate Stabilization Policy reserve can only be used for purposes of offsetting increased workers compensation rates as approved by the SLIM JPA Board of Directors on 9/2/2021. Because of this draw down of reserves, the District will maintain the 3.92% manual rate from the prior year 2022-23. This action will relieve the general fund of an increased Workers Compensation contribution.
1.25%	Other Postemployment Benefit

Health & Welfare:

The premium for District-paid employee health benefits is budgeted for a 5% increase in 2023-24 fiscal. The District has moved from health benefits being administered by CalPERS to Self-Insured Schools of California (SISC) effective January 2023.

Additionally, the First Interim Budget will be adjusted to account for any open enrollment changes that occur throughout the summer that are effective October 2023.

This standard budgeting practice will sure-up the budget line item in the Health & Welfare category to mitigate an over or under budget projection in this category.

OTHER PROGRAMS

Educational Protection Act (EPA)

After passage of Proposition 30, the Schools and Local Public Safety Protection Act of 2012, the District received funds through a new Education Protection Account to help stabilize school budgets and restore educational opportunities that were decimated by revenue shortfalls brought by the Great Recession.

EPA funds are one of the three components that make up the LCFF funds in the district. The District is scheduled to receive approximately \$2,000,000 in 2023-24 and will use all funds to support Certificated Teacher Salaries.

LCAP Supplemental Grant

\$5,491,921 is budgeted to support the LCAP Supplement Grant plan that will be approved by the Board.

Technology Refresh

\$1,000,000 to refresh technology that was previously annually funded by Unrestricted General Fund (GSH/YY expenditure) prior to this item being placed on the Fiscal Stabilization Plan that has been subsequently implemented and concluded.

Textbook Adoptions

\$1,000,000 of textbook adoptions that was previously funded by the Unrestricted General Fund prior to this item being placed on the Fiscal Stabilization Plan that has been subsequently implemented and concluded.

Middle School Sports Program – Santa Monica Education Foundation

\$100,000 is allocated from the General Fund to supplement the Santa Monica Education Foundation funded middle school sports program.

Formula Budget (School Site Allocations)

Total formula budget has decreased slightly from \$1,177,054 to \$1,151,685. The calculation allocation has decreased by \$25,369 as a function of decreased enrollment district-wide:

K-5	\$ 93.30 per pupil
6-8	\$ 96.79 per pupil
9-12	\$ 71.38 per pupil

Stretch Grant Budget (School Site Allocations) – Funded by General Fund

Total Stretch Grant budget was \$650,000 as of the 2022-23 but has decreased to \$450,000 as of the 2023-24 Adopted Budget with decreased annual rates below:

K-5	\$ 94.32 per pupil
6-8	\$ 47.16 per pupil
9-12	\$ 23.58 per pupil

Summer School

The total Summer School budget is \$531,670 (\$268,355 funded by LCAP Supplemental Grant and \$263,315 funded by the Unrestricted General Fund). This is an overall decrease of \$215,036 from last year's total of \$746,706.

Equipment Purchase and Replacement

\$350,000 is budgeted in 2023-24 for a school bus, van, and maintenance vehicle.

Transportation

\$2,091,317 for Regular Ed Transportation (increase of 1,042,850 from prior year)

\$1,754,831 for Special Ed Transportation (increase of 154,637 from prior year)

\$ 567,842 for Transportation Building Rent & Associated Utilities (increase of 13.21% from prior year)

Ongoing Maintenance Program

\$9,049,954 is budgeted for Ongoing Maintenance Program which represents 3% of total General Fund budget.

TRANSFERS

\$1,000,000 Transfer to Child Development Fund (Fund 12) from General Fund to continue the annual \$1.2 million contribution that began in 2019-20 for 5 years; however, this transfer sunsets in the year 2024-25 which will require the Fund to reduce expenditures in order to remain solvent.

\$100,000 Transfer to Child Development Fund (Fund 12) from LCAP Supplement.

\$900,000 Transfer to Cafeteria Fund (Fund 13) from General Fund.

\$1,500,000 Transfer to Deferred Maintenance (Fund 14) from General Fund.

The General Indirect Rate changed from 7.56% to 10.35% in 2023-24.

The Food Services Indirect Rate changed from 5.35% to 5.06% in 2023-24.

RESERVE

The District Budget reflects the State required 3% reserve of General Fund Expenditures for Economic Uncertainties in the following years:

- 2023-24
- 2024-25
- 2025-26

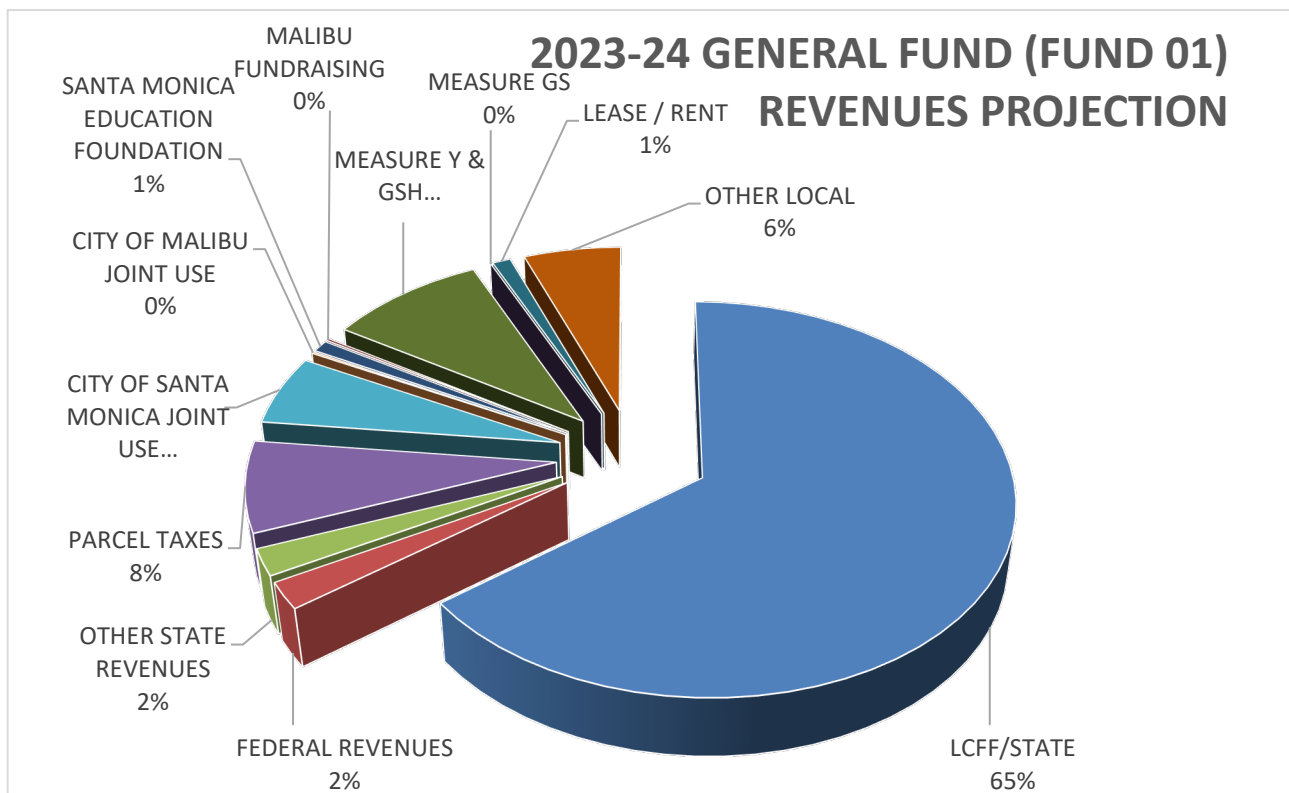
The following documents include:

- General Fund Revenue/Expenditure Summary
- Unrestricted & Restricted General Fund Revenue/Expenditure Summary
- Major Categorical Estimated Actuals to Preliminary Budget
- Components of Ending Fund Balance
- Multi-year Assumptions & Projections
- Preliminary Site & Department Budgets

**SANTA MONICA-MALIBU UNIFIED SCHOOL DISTRICT
2023-24 SECOND INTERIM BUDGET
COMBINED RESTRICTED & UNRESTRICTED GENERAL FUND**

REVENUES

BEGINNING BALANCE	\$	30,765,680
LCFF/STATE	\$	120,002,215
FEDERAL REVENUES	\$	4,119,584
OTHER STATE REVENUES	\$	4,099,403
PARCEL TAXES	\$	14,019,823
CITY OF SANTA MONICA JOINT USE	\$	10,762,941
CITY OF MALIBU JOINT USE	\$	246,827
SANTA MONICA EDUCATION FOUNDATION	\$	1,800,000
MALIBU FUNDRAISING	\$	343,716
MEASURE Y & GSH	\$	17,200,000
MEASURE GS	\$	-
LEASE / RENT	\$	2,000,000
OTHER LOCAL	\$	10,669,789
TOTAL REVENUES	\$	185,264,298
TOTAL AVAILABLE FUNDS	\$	216,029,978

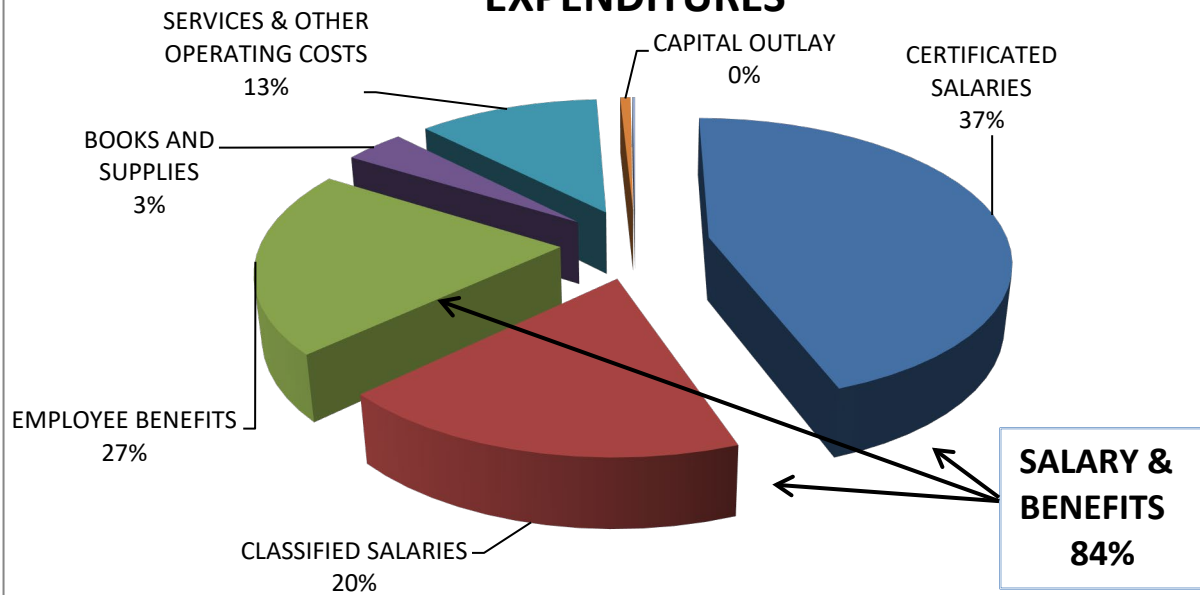


COMBINTED RESTRICTED & UNRESTRICTED GENERAL FUND

PROJECTED EXPENDITURES:

CERTIFICATED SALARIES	\$	72,147,487
CLASSIFIED SALARIES	\$	38,976,990
EMPLOYEE BENEFITS	\$	52,471,036
BOOKS AND SUPPLIES	\$	6,951,143
SERVICES & OTHER OPERATING COSTS	\$	24,950,934
CAPITAL OUTLAY	\$	900,575
OTHER OUTGO	\$	(810,823)
TOTAL EXPENDITURES:	\$	195,587,342
TRANSFERS IN	\$	-
TRANSFERS OUT	\$	3,500,000
CONTRIBUTION (SPED & REST ROUT MAINT)	\$	(37,425,734)
PROJECTED FUND BALANCE:	\$	16,942,636

2022-23 GENERAL FUND (Fund 01) EXPENDITURES



**SANTA MONICA-MALIBU UNIFIED SCHOOL DISTRICT
SUMMARY BUDGET OF GENERAL FUND**

FUND 01: UNRESTRICTED GENERAL FUND

	2022-23 ESTIMATED ACTUALS	2023-24 ADOPTED BUDGET	CHANGES
BEGINNING BALANCE	46,776,590	25,654,685	(21,121,905)
REVENUES			-
LCFF SOURCES	117,635,388	120,002,215	2,366,827
FEDERAL REVENUE	-	-	-
OTHER STATE REVENUE	1,932,907	1,924,000	(8,907)
LOCAL REVENUES	48,960,597	48,028,307	(932,290)
LOCAL GENERAL FUND CONTRIBUTION	(38,406,927)	(37,425,734)	981,193
TOTAL REVENUES	130,121,965	132,528,788	2,406,823
EXPENDITURES			
CERTIFICATED SALARIES	63,821,696	56,436,408	(7,385,288)
CLASSIFIED SALARIES	24,612,466	23,873,500	(738,966)
EMPLOYEE BENEFITS	38,334,785	36,434,795	(1,899,990)
BOOKS AND SUPPLIES	4,559,672	5,417,273	857,601
SERVICES & OTHER OPERATING COSTS	17,553,227	16,887,855	(665,372)
CAPITAL OUTLAY	981,863	870,325	(111,538)
OTHER OUTGO	(1,719,839)	(2,449,583)	(729,744)
TOTAL EXPENDITURES	148,143,870	137,470,573	(10,673,297)
NET INCREASE (DECREASE)	(18,021,905)	(4,941,785)	13,080,120
TRANSFERS OUT	3,100,000	3,500,000	400,000
PROJECTED FUND BALANCE	25,654,685	17,212,900	(8,441,785)

FUND 01: RESTRICTED GENERAL FUND

	2022-23 ESTIMATED ACTUALS	2023-24 ADOPTED BUDGET	CHANGES
BEGINNING BALANCE	8,208,606	5,381,259	
REVENUES			
FEDERAL REVENUE	11,318,847	4,119,584	(7,199,263)
OTHER STATE REVENUE	4,542,671	2,175,403	(2,367,268)
LOCAL REVENUES	10,078,767	9,014,789	(1,063,978)
LOCAL GENERAL FUND CONTRIBUTION	38,406,927	37,425,734	(981,193)
TOTAL REVENUES	64,347,212	52,735,510	(11,611,702)
EXPENDITURES			
CERTIFICATED SALARIES	16,335,821	15,711,079	(624,742)
CLASSIFIED SALARIES	14,062,766	15,103,490	1,040,724
EMPLOYEE BENEFITS	14,242,078	16,036,241	1,794,163
BOOKS AND SUPPLIES	4,093,436	1,533,870	(2,559,566)
SERVICES & OTHER OPERATING COSTS	17,638,996	8,063,079	(9,575,917)
CAPITAL OUTLAY	48,462	30,250	(18,212)
OTHER OUTGO	1,023,264	1,638,760	615,496
TOTAL EXPENDITURES	67,444,823	58,116,769	(9,328,054)
NET INCREASE (DECREASE)	(3,097,611)	(5,381,259)	
PROJECTED FUND BALANCE	5,110,995	0	

SANTA MONICA-MALIBU UNIFIED SCHOOL DISTRICT**2023-24 MAJOR CATEGORICAL PROGRAMS**

	2022-23 ESTIMATED ACTUALS	2023-24 PROPOSED BUDGET	CHANGES
FEDERAL PROGRAMS			
TITLE I :BASIC	1,921,575	1,100,822	(820,753)
TITLE II :TEACHER QUALITY	396,775	385,689	(11,086)
TITLE III : LIMITED ENGLISH PROFICIENT (LEP)	233,657	90,572	(143,085)
MEDICAL REIMBURSEMENT	235,000	210,000	(25,000)
SP ED: IDEA ENTITLEMENT	2,310,726	2,310,726	-
SP ED: IDEA "C' EARLY INTERVENTION	59,099	59,099	-
TOTAL FEDERAL REVENUES:	5,156,832	4,156,908	(999,924)
STATE PROGRAMS			
SP ED : AB602	7,726,118	7,836,118	110,000
SP ED : MENTAL HEALTH	-	-	-
SP ED : PROJECT WORKABILITY	62,430	62,430	-
LOTTERY - INSTRUCTIONAL MATERIALS	177,330	112,730	(64,600)
CAREER TECHNICAL ED. INCENTIVE GRANT	546,117	222,717	(323,400)
TOTAL STATE REVENUES:	8,511,995	8,233,995	(278,000)

SANTA MONICA-MALIBU UNIFIED SCHOOL DISTRICT**LOCAL GENERAL FUND CONTRIBUTION (LGFC)**

	2022-23 ESTIMATED ACTUALS	2023-24 PROPOSED BUDGET	CHANGE
SPECIAL EDUCATION	29,891,820	28,375,780	(1,516,040)
ONGOING MAINTENANCE PROGRAM	8,515,107	9,049,954	534,847
TOTAL CONTRIBUTION:	38,406,927	37,425,734	(981,193)

Components of Ending Fund Balances**2023-24**

Fund 01: Unrestricted General Fund		
Unrestricted General Fund Beginning Balance	\$	25,654,685
Current Year (Deficit)/Surplus Spending		(9,390,132)
Ending Fund Balance that Requires Explanation		16,264,554
Reasons for Assigned and Unassigned Ending Fund Balances		
*State Recommended 17% Minimum Level for Unified Districts		
		16,264,554
Less: 3% Reserve for Economic Uncertainties		(5,944,758)
Reserve for Revolving Cash & Prepaid		(20,005)
Reserve for 24-25 Deficit Spending		(1,990,477)
Reserve for 25-26 Deficit Spending		-
^Reserve for up to 2 months General Fund Expenditures		8,309,315
Unappropriated Balance		0

*current reserve is at 8.12% (down 3.61% from 11.73% @ 22-23 Third Revision)

*2020-21 Statewide Average Reserve for Unified State-Aid Districts is 22.36%

*Basic Aid Districts should be 25%

^A 2-month reserve would be approximately \$26.8M

SANTA MONICA-MALIBU USD
MULTI-YEAR PROJECTION
UNRESTRICTED GENERAL FUND - ASSUMPTIONS

Factor	2023-24	2024-25	2025-26
Statutory COLA	8.22%	3.94%	3.29%
LCFF FUNDING BASE			
K-3 + 10.4% Class Size Reduction (CSR)	\$ 10,951	\$ 11,382	\$ 11,757
4-6	\$ 10,069	\$ 10,465	\$ 10,810
7-8	\$ 10,367	\$ 10,776	\$ 11,130
9-12 + 2.6% Career Technical Education (CTE)	\$ 12,327	\$ 12,813	\$ 13,235
% of Local Property Taxes Increase	5%	5%	3%
% of GAP Funding	100.00%	100.00%	100.00%
MINIMUM STATE AID	\$ 8,585,843	\$ 8,585,843	\$ 8,585,843
Enrollment Projection	8,394	8,071	7,761
P2 ADA Projection	7,974	7,668	7,373
Funding ADA	8,478	8,152	7,838
Lottery - Unrestricted /ADA	\$ 170.00	\$ 170.00	\$ 170.00
Lottery - Restricted /ADA	\$ 67.00	\$ 67.00	\$ 67.00
Mandated Block Grant : K-8 /ADA	\$ 37.81	\$ 39.30	\$ 40.59
Mandated Block Grant : 9-12 /ADA	\$ 72.84	\$ 75.71	\$ 78.20
City of Santa Monica - Joint Use Agreement	\$ 10,762,941	\$ 10,978,200	\$ 11,197,764
City of Malibu - Joint Use Agreement	\$ 246,827	\$ 246,827	\$ 246,827
Measure R / Parcel Tax	\$ 14,019,823	\$ 14,160,021	\$ 14,301,621
City of Santa Monica - Measure Y & GSH / Sales Tax	\$ 17,200,000	\$ 17,598,654	\$ 17,598,654
City of Santa Monica - Measure GS / Property Transfer Tax	\$ -	\$ -	\$ -
Santa Monica Education Foundation	\$ 1,800,000	\$ 1,800,000	\$ 1,800,000
Malibu Fundraising Entity (yet to be named)	\$ 343,716	\$ 343,716	\$ 343,716
Salary Increase	0%	0%	0%
Step & Column Incr.	1.50%	1.50%	1.50%
STRS Rate	19.10%	19.10%	19.10%
PERS Rate	26.68%	27.70%	28.30%
Health/Welfare - Annualized	5%	5%	5%
Workers' Compensation	3.92%	3.92%	3.92%
Other Postemployment Benefits	1.25%	1.25%	1.25%
Indirect Cost Rate	10.35%	10.35%	10.35%
Quarterly Interest Rate Distribution	3.37%	3.37%	3.37%
Ongoing Maintenance	3%	3%	3%
Reserve for Uncertainties	3%	3%	3%