

	A	B	C	D
	DESCRIPTION	2020-21 Cumulative Impact	2021-22 Cumulative Impact	2022-23 Cumulative Impact
1	REVENUE INCREASES	(93,173)	(186,346)	(279,519)
2	Adjust City of Malibu joint use permit to the direct rate (same as Santa Monica City) from \$116,445 to \$340,000 annually - Projected Use is at \$246,827 which is a \$93,173 decrease to revenue.	(93,173)	(186,346)	(279,519)
3	ACADEMICS/SCHOOL SITES	1,671,319	3,342,637	5,013,956
4	Reductions	1,671,319	3,342,637	5,013,956
5	Reduce 1.9 FTE of T-K 7 Elementary/Middle School Teaching Services (Multiple Subject)	240,569	481,137	721,705.50
6	Reduce 4.0 FTE of Secondary English Language Arts Teaching Services	506,460	1,012,920	1,519,380.00
7	Reduce 2.0 FTE of Secondary Math Teaching Services	253,230	506,460	759,690.00
8	Reduce 2.0 FTE of Middle School & Secondary Science Teaching Services	253,230	506,460	759,690.00
9	Reduce 0.4 FTE of Secondary Elective Teaching Services	50,646	101,292	151,938.00
10	Reduce 0.4 FTE of Secondary Foreign Language Teaching Services (Spanish)	50,646	101,292	151,938.00
11	Reduce 0.2 FTE of Secondary Physical Education Teaching Services	25,323	50,646	75,969.00
12	Reduce 0.8 FTE of Visual Performing Arts Teaching Services	101,292	202,584	303,876.00
13	Reduce 1.0 FTE of Secondary Counseling Services	126,615	253,230	379,845.00
14	Reduce 0.5 FTE of Reading Teacher Services	63,308	126,616	189,924.00
15	BUSINESS SERVICES	476,675	1,370,297	1,757,633
16	Reductions	80,720	578,387	1,076,054
17	Reduce 1.0 FTE M&O Management	-	148,337	296,674
18	Reduce 3.0 FTE Lead Custodians	-	268,610	537,220
19	Reduce 1.0 FTE Print Shop Operator	80,720	161,440	242,160
20	Hiring Freeze	168,762	337,524	-
21	Freeze 1.0 FTE Assistant Director of Fiscal Services	168,762	337,524	-
22	Conference & Travel - Fiscal Services, Superintendent's Office, Board of Education	11,000	22,000	33,000
23	Contracted Services - Business Services	201,193	402,386	603,579
24	District Vehicles - Restrict use by eliminating taking vehicles home	15,000	30,000	45,000
25	SUPERINTENDENT'S OFFICE	192,778	385,556	578,334
26	Reductions	192,778	385,556	578,334
27	Reduce 1.0 FTE Senior Office Specialist	107,869	215,738	323,607
28	Reduce 1.0 FTE Administrative Assistant, Malibu Pathway	84,909	169,818	254,727
29	HUMAN RESOURCES	176,397	352,794	6,900
30	Hiring Freeze	174,097	348,194	-
31	Freeze 1.0 FTE Director of Human Resources	174,097	348,194	-
32	Contracted Services - Human Resources	2,300	4,600	6,900
33	EDUCATION SERVICES	5,521,855	11,043,709	16,026,282
34	Reductions	1,178,587	2,357,174	3,535,761
35	Special Education	1,114,768	2,229,536	3,344,304
36	Reduce 1.6 FTE Psychologists	176,517	353,034	529,551
37	Reduce 3.6 FTE Special Ed classroom Teacher	316,894	633,788	950,682
38	Reduce 2.0 FTE SLPAs	169,998	339,996	509,994
39	Reduce 1.0 Sr office Specialist	75,524	151,048	226,572
40	Reduce 8 Paraeducators	317,168	634,336	951,504
41	Reduce Psych Interns by 40%	58,667	117,334	176,001
42	General Education	63,819	127,638	191,457
43	Reduce 0.6 FTE Instructional Coach	63,819	127,638	191,457
44	Hiring Freeze	179,761	359,521	-
45	Freeze 1.0 FTE Director of Curriculum & Instruction	179,761	359,521	-
46	Contracted Services - Education Services	681,170	1,362,340	2,043,510
47	Postpone	3,482,337	6,964,674	10,447,011
48	GSH Technology Refresh	1,000,000	2,000,000	3,000,000
49	Textbook Adoptions	1,500,000	3,000,000	4,500,000
50	Specifically Identified Professional Development	982,337	1,964,674	2,947,011
51	TOTAL AS OF 2020-21 FIRST INTERIM BUDGET 10/31/2020	<u>7,945,850</u>	<u>16,308,647</u>	<u>23,103,586</u>
52	Total as of 2020-21 Adopted Budget 6/25/2020	(8,486,747)	(16,973,494)	-
53	<i>Change Between Two Periods</i>	<i>(540,897)</i>	<i>(664,847)</i>	<i>23,103,586</i>

MEETING FORMAT "HYBRID"

December 12, 2019 6:00 PM

District Administrative Offices: 1651 16th Street, Santa Monica, CA

The Board of Education will call the meeting to order at 4:30 p.m. in the Board Conference Room at the District Offices, at which time the Board of Education will move to Closed Session regarding the items listed under Closed Session. The public meeting will reconvene at 6 p.m. in the Board Room.

Agenda Item: **.XI.I. Adopt Resolution No. 19-13 - Identify the Amount of Budget Reductions Needed in 2020-21 and 2021-22 and to Require that a List of Budget Reductions for 2020-21 and 2021-22 be Included in the 2019-20 Second Interim Report (5 min)**

Recommended Motion: It is recommended that the Board of Education adopt Resolution No. 19-13 - Identify the Amount of Budget Reductions Needed in 2020-21 and 2021-22 and to Require that a List of Budget Reductions for 2020-21 and 2021-22 be Included in the 2019-20 Second Interim Report.

Rationale: In a letter dated September 13, 2019, from Los Angeles County Office of Education (LACOE), our District is being required to reduce spending to retain fiscal solvency. Based on current projections, our District will need to reduce spending by a minimum of \$3 million in 2020-2021 and \$6 million in 2021-22 to meet its financial obligations, while also maintaining a minimum 3% reserve for economic uncertainties for the current fiscal year and the subsequent fiscal years.

Comments: Staff anticipates that this item will require a total of five minutes, as many of the budgetary questions will be discussed during the approval of the First Interim Report.

The attached resolution was updated on 12/10/19 at 4:40 p.m.

Attachments:

Resolution: Budget Reductions

**SANTA MONICA MALIBU UNIFIED SCHOOL DISTRICT
BOARD OF EDUCATION**

**RESOLUTION TO IDENTIFY THE AMOUNT OF BUDGET REDUCTIONS NEEDED IN
2020-21 AND 2021-22 AND TO REQUIRE THAT A LIST OF BUDGET REDUCTIONS FOR
2020-21 AND 2021-22 BE INCLUDED IN THE 2019-20 SECOND INTERIM REPORT**

WHEREAS, the Board of Education has a fiduciary duty to meet its financial obligations in the current fiscal year and two subsequent fiscal years pursuant to Education Code 42127; and

WHEREAS, current budget projections for 2020-21 show the District having a structural deficit of \$9 million; and

WHEREAS, in the absence of substantial budget reductions, current budget projections show that the District's ending fund balance of \$13.6 million in 2019-20 will decline to an ending fund balance of \$5.7 million by 2021-22, which leaves the District's reserve \$618,646 above the State required 3% Reserves for Uncertainties; and

WHEREAS, for 2020-21 through 2022-23 it is projected that the district will need to implement budget reductions or revenue enhancements that result in a cumulative amount of approximately \$9 million; and

WHEREAS, the Superintendent is creating a Budget Advisory Committee composed of district and community stakeholders to advise with respect to these necessary budget reductions/revenue enhancements and any other available options; and

WHEREAS, given the relative unpredictability of district revenues as SMMUSD becomes a "community-funded" district, these projections will need to be regularly re-visited; and

WHEREAS, the Board of Education will continue to sustain a high quality education program for our students despite the need for budget reductions necessary to maintain the fiscal stability of the district, and

NOW, THEREFORE, BE IT RESOLVED, if the fiscal condition of the District remains as currently projected, the district will implement necessary budget reductions and/or revenue enhancements in 2020-21 through 2022-23 that achieve full or substantial alleviation of the district's structural deficit; and

BE IT FURTHER RESOLVED, that the district will submit a detailed plan of proposed budget reductions and/or revenue enhancements for 2020-21, 2021-22, and 2022-23 and a timeline for implementation with the 2019-20 Second Interim Report and an update at Third Interim Report. This resolution supplements the District's 2019-20 First Interim Budget Report.

PASSED AND ADOPTED by the Santa Monica-Malibu Unified School District Board of Education on December 12, 2019, by the following vote:

AYES:

NOES:

ABSTAIN:

ABSENT:

Mr. Jon Kean

Board of Education President

Date

Dr. Ben Drati

Superintendent

Date

I, Dr. Ben Drati, Clerk/Secretary of the Governing Board, do hereby certify that the foregoing is a full, true and correct copy of a resolution duly passed and adopted by said Board at a regularly called and conducted meeting held on said date.

Clerk/Secretary of the Governing Board