

**Malibu Unification Negotiations Committee
Meeting Minutes**

**Monday, June 5, 2017
SMMUSD District Offices, Board Room
1651 16th St., Santa Monica, CA 90404**

I. Call to Order / Roll Call

The Committee called the meeting to order at 7:05 p.m. with the following members present:

*Tom Larmore
Debbie Mulvaney
Paul Silvern*

*Laura Rosenthal
Manel Sweetmore*

Also attending:

*Ben Drati, Superintendent
Jan Maez, Chief Financial Officer*

*Laurie Lieberman, Board of Education
Maria Leon-Vazquez, Board of Education
Jon Kean, Board of Education*

II. Approval of May 23, 2017 Meeting Minutes

After agreeing to an edit offered by Ms. Mulvaney, the Committee approved the minutes for May 23, 2017.

III. Debrief on the Board's May 30, 2017 meeting

Handout: Draft minutes for the Board's May 30, 2017 meeting prepared by District staff.

- The Committee agreed that the draft minutes for the Board's May 30, 2017 meeting generally reflected the Committee's understanding of the Board's decisions and direction to the Committee, and that there was no need to pursue more detailed clarification.*
- In particular, the Committee identified the following excerpts from the draft May 30th minutes as summarizing the Board's decisions and direction to the Committee regarding its supplemental work on a Revenue Neutrality Formula:*

"The Board of Education tolerates the concept that even if a delta exists, payments of the delta from an MUSD to an SMUSD could be less than 100%. All seven board members supported this direction, but several board members expressed concern over the potential details associated with determining what amount below a 100% payment would be acceptable."

“The Board of Education directs MUNC to refine the suggested funding ratio calculation (adjusted delta calculation) and develop a rationale for a time frame during which payments from an MUSD to an SMUSD would cease. Additionally, MUNC will collaborate with the superintendent and/or his designee to return to the board with recommendations. All seven board members supported this direction, with Tahvildaran-Jesswein clarifying that the board would not be obligated to accept the recommendations.”

IV. Discussion/adoption of Committee’s Supplemental Work Plan on the Revenue Neutrality Formula

The Committee discussed the following aspects of its supplemental work on the Revenue Neutrality Formula:

- *Tasks to be performed and sequencing of these tasks;*
- *Data needed from the District or other source(s);*
- *Format/parameters of work product to be provided to the Board; and*
- *Schedule for task completion and scheduling of attendant Committee meetings.*

Summary of Supplemental Work Plan

In sum, the Committee reached the following agreements on its Supplemental Work Plan:

- *The Committee established June 30, 2017 as the deadline for completion of its supplemental work on the Revenue Neutrality Formula. The Committee agreed that, if the Committee is able to reach consensus on an alternative Revenue Neutrality Formula, the Committee’s “work product” to the Board will be an addendum to the Committee’s February 24, 2017 Report to the Board. Specifically, this addendum will consist of:*
 - *A cover memo that summarizes the Committee’s supplemental work;*
 - *An amended version of the Term Sheet for Topic #1 (Appendix C of Committee’s February 24th Report); and*
 - *A revised spreadsheet of revenue/payment projections (Appendix D of Committee’s February 24th Report).*
- *The Committee will focus on examining two alternative approaches to a revised Revenue Neutrality Formula. Given the June 30th deadline, work will proceed concurrently on these two alternatives.*
- *One alternative will be a refreshed version of MUNC 1.0. (the “Refreshed Version”). This will be the original Revenue Neutrality Formula included in the Committee’s February 24 report, but updated to include more recent information that has become available since February.*

These updates will include: recent increases in RDA revenue projections; corrected assessed value growth rates (if applicable); and new assumptions concerning Malibu's "ability to pay," based on reconciling the estimates for MUSD's starting budget post-reorganization between the SSC and the second WestEd report.

- *The second alternative will be a cost ratio version of the Revenue Neutrality Formula (the "Cost Ratio Version") that the Committee has discussed at recent meetings. The Cost Ratio Version will adjust the Delta calculation (by an amount yet to be determined) based on an assumption that the post-reorganization costs of operating schools in the SMUSD portion of SMMUSD will no longer include the relatively higher per student costs of operating the smaller schools in Malibu; in addition, there is the potential for some overhead cost savings for SMUSD from operating a district with a smaller number of schools and students.*

The Tasks/Assignments

- *For the Refreshed Version of MUNC 1.0, Mr. Sweetmore agreed to update the Revenue Neutrality Model with the more recent data available since February. The Committee will then review and discuss the workability of the resulting projections within the context of the Committee's adopted principles.*
- *For the Cost Ratio Version, the identified tasks were:*
 - *Obtain the following data from the District as building blocks for determining a fair ratio of costs to include in a revised Delta calculation:*
 - ✓ *Three years of the budgeted school-based cost data in order to calculate a three-year average of the budgeted costs for schools in Malibu vs. schools in Santa Monica.*
 - ✓ *Information assumed in the second FOC report to the Board, about potential overhead savings assumed for an SMUSD as compared with SMMUSD and recommendations from the Chief Financial Officer for whether any such reductions still seem accurate, and if so, how to adjust the school-based cost ratio to take overhead cost savings into account.*
 - *Examine and discuss a projection of the Revenue Neutrality Model based on an agreed-upon cost ratio to see whether it is viable based on the Committee's adopted principles.*

Ms. Maez agreed to compile the needed data for the Committee's examination of a Cost Ratio alternative. Mr. Sweetmore agreed to work with Ms. Maez on integrating the information into the model.

Other issues raised and discussed

Other issues raised and discussed during the meeting included:

- *That some of the costs and benefits associated with reorganizing SMMUSD into SMUSD and MUSD are not readily quantifiable at this time. The same can be said about the costs and benefits of not reorganizing the District.*
- *The utility of referencing the comparative per student costs of operating schools in Malibu vs. Santa Monica as the higher costs per student in smaller vs. larger school districts, in lieu of characterizing one as inefficient and the other as efficient.*
- *The value and challenges associated with identifying the rationale and/or trigger point for key components of any Revenue Neutrality Formula, for example: when Delta calculations end; how long and at what rate tapering occurs; and the MUSD ability-to-pay calculation.*
- *The time frame associated with implementing the Board's decision to hire School Services of California (SSC) or another outside expert in school funding to conduct a review of any new calculations developed by the Committee.*
- *The expected time frame for the Board's discussion of any options generated by the Committee's supplemental work, and the importance of communicating the Board's anticipated schedule to the public as soon as possible.*

V. Future meetings

- *The Committee agreed to meet as needed in the coming weeks in order to complete this supplemental phase of its work at the request of the Board. The Committee agreed to remain flexible regarding which facets of the work proceed with the full Committee present or in Subcommittee.*
- *Ms. Maez volunteered that a member of her staff, Ms. Nguyen, would send out a "Doodle Poll" for the month of June to see when members of the Committee, the Board Subcommittee, Dr. Drati, and herself are available. The days and times to be polled will be 7-9 PM on Mondays, Tuesdays, Wednesdays, Thursdays, and Fridays, and Saturdays between 12-5 PM.*

VI. Public Comments

There were no comments from the general public offered at the meeting.

VII. Adjournment

The Committee adjourned at 9:15 p.m.

TO: BOARD OF EDUCATION

DISCUSSION

05/30/18

FROM: MALIBU UNIFICATION NEGOTIATIONS COMMITTEE

RE: CONSIDER REPORT FROM MALIBU UNIFICATION NEGOTIATIONS COMMITTEE (MUNC) ON PROPOSED FINANCIAL TERMS FOR REORGANIZING SMMUSD INTO TWO SEPARATE SCHOOL DISTRICTS
(POSTPONED FROM APRIL 20, 2017)

DISCUSSION ITEM NO. D.01

In a study session held on March 7, 2017, the Malibu Unification Negotiations Committee, consisting of representatives from Santa Monica and from Malibu, presented its report regarding negotiated terms and conditions intended to resolve financial concerns associated with the unification of a separate Malibu Unified School District (MUSD). At that special board meeting, board members had an opportunity to discuss and ask questions about various aspects of the report.

The committee's report addresses: 1) the operating budget impact of reorganization, 2) the division of the SMMUSD's assets (fund balances, land/buildings), 3) bond-related items and other liabilities, 4) environmental liability issues, and 5) the implementation of the committee's recommendations. The Santa Monica representatives on the committee included: Tom Larmore, Paul Silvern, and Debbie Mulvaney; the Malibu representatives included: Laura Rosenthal, Manel Sweetmore, and Makan Delrahim. Details regarding the committee's purpose and the Board of Education's objectives in forming the committee can be found [online](#).

Following the special board meeting on March 7, the committee made community presentations on the report in Santa Monica (March 21) and Malibu (March 27). The report was scheduled to come forward as a discussion item on April 20, 2017, but was postponed. Subsequent to its initial presentation to the Board, the MUNC has considered additional input and information and re-visited some of the assumptions underlying its recommendations. The MUNC will update the Board on the results of its further work.

Public Comments:

- *Peggy Hall Kaplan, Rick Mullen, John Miller, Nancy Farias, Jefferson Wagner, Marty King, Desi Bradley, Deidra Romey, Seth Jacobson, Nicole Rose, Paul Cox, Waylen Russell, Jessica Isles, Melanie Goudzwaard, Carl Randal, Lou La Monte, and Laura Rosenthal addressed the board regarding this issue.*

During a lengthy discussion, the board considered the following: LCFF vs. minimum state aid vs. basic aid funding; projection assumptions related to RDA and property taxes; whether or not board members were okay with payments from an MUSD to an SMUSD ending, even if a delta still existed; what criteria could be used to determine a possible ending date for payments; the suggested adjusted delta calculation; how quickly MUNC could produce the new projections; whether or not the district should contract with an outside agency familiar with school funding to analyze the new calculation and projections; and whether or not the board should create a subcommittee to participate in MUNC meetings.

Dr. Tahvildaran-Jesswein gave the following direction:

- *The Board of Education tolerates the concept that even if a delta exists, payments of the delta from an MUSD to an SMUSD could be less than 100%. All seven board members supported this direction, but several board members expressed concern over the potential details associated with determining what amount below a 100% payment would be acceptable.*

- *The Board of Education directs MUNC to refine the suggested funding ratio calculation (adjusted delta calculation) and develop a rationale for a time frame during which payments from an MUSD to an SMUSD would cease. Additionally, MUNC will collaborate with the superintendent and/or his designee to return to the board with recommendations. All seven board members supported this direction, with Tahvildaran-Jesswein clarifying that the board would not be obligated to accept the recommendations.*

Mr. Foster gave the following direction:

- *The Board of Education establishes an ad hoc subcommittee to participate in MUNC meetings during the period in which MUNC develops the new recommendations, and that Ms. Lieberman, Ms. Leon-Vazquez, and Mr. Kean are to serve on the subcommittee. Additionally, staff will consult with legal counsel regarding the establishment and Brown Act limitations of this subcommittee. All seven board members supported this direction; although, Ms. Lieberman expressed her concern that her schedule might prevent her from attending the meetings, given that future MUNC meeting dates had not yet been set.*

Ms. Lieberman gave the following direction:

- *The Board of Education directs executive staff to determine if School Services of CA or another outside expert in school funding should be engaged to conduct a peer review of MUNC's new calculations and projections and could also act as a bridge during the transition between Assistant Superintendents. It was added that this peer review process shall not negatively impact MUNC's timeline for delivering its recommendations to the board. All seven board members supported this direction.*

SCENARIO MUNC 3.0B: SMUSD Required Revenue based on Ratio (81.2%) -- Delta Obligation of 100% Until Basic Aid w/ 13yr taper -- RDA: Updated Projections -- Assessed Value: SSC Projections

Calculations	State Aid	State Aid	State Aid	State Aid	SM Min Aid	SM Min Aid	SM Min Aid	SM Min Aid	SM Min Aid	SM Basic Aid
Year	2018-19	2019-20	2020-21	2021-22	2022-23	2023-24	2024-25	2025-26	2026-27	2027-28
1 SMMUSD Revenue										
2 SMUSD Revenue	\$132,650,968	\$145,987,680	\$149,329,886	\$132,823,091	\$180,200,187	\$186,805,839	\$171,707,899	\$139,820,589	\$185,690,389	\$190,218,083
1 SMUSD Required Revenue	\$113,398,190	\$117,367,787	\$121,434,100	\$125,732,574	\$130,134,518	\$134,715,541	\$139,483,618	\$144,447,102	\$149,895,502	\$155,350,605
2 SMUSD Required Rev/ADA	\$13,012	\$13,467	\$13,934	\$14,427	\$14,932	\$15,458	\$16,005	\$16,575	\$17,200	\$17,826
3 SMUSD Rev/ADA	\$12,922	\$13,309	\$13,738	\$14,082	\$14,492	\$14,993	\$15,514	\$16,056	\$16,660	\$17,259
4 Delta per ADA	\$90	\$158	\$196	\$345	\$440	\$465	\$491	\$519	\$539	\$567
5 Delta \$	\$787,224	\$1,380,301	\$1,709,011	\$3,005,283	\$3,834,351	\$4,053,764	\$4,282,078	\$4,519,520	\$4,701,313	\$4,940,522
6 Delta \$ Amt to be Paid	\$787,224	\$1,380,301	\$1,709,011	\$3,005,283	\$3,834,351	\$4,053,764	\$4,282,078	\$4,519,520	\$4,701,313	\$4,569,983
7 MUSD Payment	\$787,224	\$1,380,301	\$1,709,011	\$3,005,283	\$3,834,351	\$4,053,764	\$4,282,078	\$4,519,520	\$4,701,313	\$4,569,983
8 Delta \$ (Deferred) / Catch-up	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
9 MUSD Owed to SMUSD	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
10 Interest on MUSD Owed Balance		\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
11 SMUSD Revenue After Payment	\$113,398,190	\$117,367,787	\$121,434,100	\$125,732,574	\$130,134,518	\$134,715,541	\$139,483,618	\$144,447,102	\$149,895,502	\$154,980,066
12 SMUSD Revenue After Payment / ADA	\$13,012	\$13,467	\$13,934	\$14,427	\$14,932	\$15,458	\$16,005	\$16,575	\$17,200	\$17,783
13 Delta After Payment / ADA	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$43
14 Delta After Payment as % of SMUSD Rev after Pmt	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.2%
15 MUSD Revenue	\$29,329,594	\$30,416,809	\$31,552,342	\$32,734,109	\$33,964,018	\$35,244,062	\$36,576,315	\$37,962,938	\$39,406,183	\$40,908,396
16 MUSD Required Revenue (Budget)	\$26,300,000	\$27,220,500	\$28,173,218	\$29,159,280	\$30,179,855	\$31,236,150	\$32,329,415	\$33,460,945	\$34,632,078	\$35,844,200
17 MUSD Required Revenue / ADA	\$15,054.38	\$15,581.28	\$16,126.63	\$16,691.06	\$17,275.25	\$17,879.88	\$18,505.68	\$19,153.37	\$19,823.74	\$20,517.57
18 MUSD Revenue in Excess of Cap	\$3,029,594	\$3,196,309	\$3,379,125	\$3,574,829	\$3,784,163	\$4,007,912	\$4,246,900	\$4,501,993	\$4,774,106	\$5,064,195
MUSD Budget										
19 MUSD Minimum Fund Balance	\$1,052,000	\$1,088,820	\$1,126,929	\$1,166,371	\$1,207,194	\$1,249,446	\$1,293,177	\$1,338,438	\$1,385,283	\$1,433,768
20 MUSD Fund Balance	\$2,630,000	\$2,722,050	\$2,817,322	\$2,915,928	\$2,865,740	\$2,819,888	\$2,784,709	\$2,767,182	\$2,839,974	\$3,334,187
21 MUSD Fund Balance % of Budget	9.2%	9.4%	9.5%	9.8%	9.5%	9.0%	8.6%	8.3%	8.2%	9.3%

SCENARIO MUNC 3.0B: SMUSD Required Revenue based on Ratio (81.2%) -- Delta Obligation of 100% Until Basic Aid w/ 13yr taper -- RDA: Updated Projections -- Assessed Value: SSC Projections

Calculations	SM Basic Aid	SM Basic Aid	SM Basic Aid	SM Basic Aid	SM Basic Aid	SM Basic Aid	SM Basic Aid	SM Basic Aid	SM Basic Aid	SM Basic Aid
Year	2028-29	2029-30	2030-31	2031-32	2032-33	2033-34	2034-35	2035-36	2036-37	2037-38
1 SMMUSD Revenue										
2 SMUSD Revenue	\$198,488,157	\$209,823,124	\$218,529,184	\$226,215,549	\$233,909,247	\$238,596,889	\$247,366,510	\$257,609,227	\$267,726,282	\$279,400,166
	\$217,401,095									
1 SMUSD Required Revenue	\$161,123,307	\$167,131,706	\$173,386,344	\$179,898,257	\$186,679,001	\$193,740,674	\$201,095,943	\$208,758,076	\$216,740,963	\$225,059,154
2 SMUSD Required Rev/ADA	\$18,488	\$19,177	\$19,895	\$20,642	\$21,420	\$22,231	\$23,075	\$23,954	\$24,870	\$25,824
3 SMUSD Rev/ADA	\$17,895	\$18,557	\$19,247	\$19,965	\$20,712	\$21,491	\$22,302	\$23,147	\$24,028	\$24,946
4 Delta per ADA	\$593	\$620	\$648	\$678	\$708	\$740	\$773	\$807	\$842	\$879
5 Delta \$	\$5,167,608	\$5,404,080	\$5,650,149	\$5,906,023	\$6,171,903	\$6,447,988	\$6,734,467	\$7,031,525	\$7,339,334	\$7,658,059
6 Delta \$ Amt to be Paid	\$4,392,467	\$4,188,162	\$3,955,104	\$3,691,264	\$3,394,547	\$3,062,794	\$2,693,787	\$2,285,246	\$1,834,833	\$1,340,160
7 MUSD Payment	\$4,392,467	\$4,188,162	\$3,955,104	\$3,691,264	\$3,394,547	\$3,062,794	\$2,693,787	\$2,285,246	\$1,834,833	\$1,340,160
8 Delta \$ (Deferred) / Catch-up	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
9 MUSD Owed to SMUSD	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
10 Interest on MUSD Owed Balance	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
11 SMUSD Revenue After Payment	\$160,348,165	\$165,915,788	\$171,691,300	\$177,683,499	\$183,901,644	\$190,355,480	\$197,055,263	\$204,011,797	\$211,236,463	\$218,741,255
12 SMUSD Revenue After Payment / ADA	\$18,399	\$19,038	\$19,701	\$20,388	\$21,102	\$21,842	\$22,611	\$23,409	\$24,238	\$25,099
13 Delta After Payment / ADA	\$89	\$140	\$194	\$254	\$319	\$388	\$464	\$545	\$632	\$725
14 Delta After Payment as % of SMUSD Rev after Pmt	0.5%	0.7%	1.0%	1.2%	1.5%	1.8%	2.1%	2.3%	2.6%	2.9%
15 MUSD Revenue	\$42,472,019	\$44,099,598	\$45,793,785	\$47,557,343	\$49,393,150	\$51,304,203	\$53,293,627	\$55,364,675	\$57,520,739	\$59,765,351
16 MUSD Required Revenue (Budget)	\$37,098,747	\$38,397,204	\$39,741,106	\$41,132,044	\$42,571,666	\$44,061,674	\$45,603,833	\$47,199,967	\$48,851,966	\$50,561,785
17 MUSD Required Revenue / ADA	\$21,235.69	\$21,978.94	\$22,748.20	\$23,544.39	\$24,368.44	\$25,221.34	\$26,104.08	\$27,017.73	\$27,963.35	\$28,942.06
18 MUSD Revenue in Excess of Cap	\$5,373,271	\$5,702,395	\$6,052,680	\$6,425,299	\$6,821,484	\$7,242,529	\$7,689,794	\$8,164,708	\$8,668,773	\$9,203,566
MUSD Budget										
19 MUSD Minimum Fund Balance	\$1,483,950	\$1,535,888	\$1,589,644	\$1,645,282	\$1,702,867	\$1,762,467	\$1,824,153	\$1,887,999	\$1,954,079	\$2,022,471
20 MUSD Fund Balance	\$3,709,875	\$3,839,720	\$3,974,111	\$4,113,204	\$4,257,167	\$4,406,167	\$4,560,383	\$4,719,997	\$4,885,197	\$5,056,178
21 MUSD Fund Balance % of Budget	9.8%	9.7%	9.5%	9.4%	9.3%	9.2%	9.0%	8.9%	8.8%	8.7%

SCENARIO MUNC 3.0B: SMUSD Required Revenue based on Ratio (81.2%) -- Delta Obligation of 100% Until Basic Aid w/ 13yr taper -- RDA: Updated Projections -- Assessed Value: SSC Projections

Calculations	SM Basic Aid	SM Basic Aid	SM Basic Aid	SM Basic Aid	SM Basic Aid	SM Basic Aid	SM Basic Aid	Total
Year								
1 SMMUSD Revenue	\$287,842,222	\$298,969,351	\$310,568,413	\$322,678,473	\$335,319,688	\$348,516,503	\$362,294,518	
2 SMUSD Revenue	\$225,740,032	\$234,434,260	\$243,500,367	\$252,973,253	\$262,868,741	\$273,206,758	\$284,008,199	
1 SMUSD Required Revenue	\$233,727,884	\$242,763,113	\$252,181,552	\$262,014,920	\$272,279,587	\$282,995,400	\$294,183,149	
2 SMUSD Required Rev/ADA	\$26,819	\$27,856	\$28,936	\$30,065	\$31,243	\$32,472	\$33,756	
3 SMUSD Rev/ADA	\$25,902	\$26,900	\$27,940	\$29,027	\$30,163	\$31,349	\$32,588	
4 Delta per ADA	\$917	\$956	\$996	\$1,037	\$1,080	\$1,123	\$1,168	
5 Delta \$	\$7,987,852	\$8,328,852	\$8,681,185	\$9,041,667	\$9,410,846	\$9,788,642	\$10,174,950	
6 Delta \$ Amt to be Paid	\$798,785	\$208,221	\$0	\$0	\$0	\$0	\$0	\$64,688,199
7 MUSD Payment	\$798,785	\$208,221	\$0	\$0	\$0	\$0	\$0	\$64,688,199
8 Delta \$ (Deferred) / Catch-up	\$0	\$0	\$0	\$0	\$0	\$0	\$0	
9 MUSD Owed to SMUSD	\$0	\$0	\$0	\$0	\$0	\$0	\$0	
10 Interest on MUSD Owed Balance	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
11 SMUSD Revenue After Payment	\$226,538,818	\$234,642,482	\$243,500,367	\$252,973,253	\$262,868,741	\$273,206,758	\$284,008,199	\$4,990,268,268
12 SMUSD Revenue After Payment / ADA	\$25,994	\$26,924	\$27,940	\$29,027	\$30,163	\$31,349	\$32,588	
13 Delta After Payment / ADA	\$825	\$932	\$996	\$1,037	\$1,080	\$1,123	\$1,168	
14 Delta After Payment as % of SMUSD Rev after Pmt	3.2%	3.5%	3.6%	3.6%	3.6%	3.6%	3.6%	
15 MUSD Revenue	\$62,102,190	\$64,535,090	\$67,068,047	\$69,705,220	\$72,450,947	\$75,309,745	\$78,286,319	
16 MUSD Required Revenue (Budget)	\$52,331,447	\$54,163,048	\$56,058,754	\$58,020,811	\$60,051,539	\$62,153,343	\$64,328,710	
17 MUSD Required Revenue / ADA	\$29,955.04	\$31,003.46	\$32,088.58	\$33,211.68	\$34,374.09	\$35,577.19	\$36,822.39	
18 MUSD Revenue in Excess of Cap	\$9,770,743	\$10,372,042	\$11,009,292	\$11,684,409	\$12,399,408	\$13,156,402	\$13,957,609	
MUSD Budget								
19 MUSD Minimum Fund Balance	\$2,093,258	\$2,166,522	\$2,242,350	\$2,320,832	\$2,402,062	\$2,486,134	\$2,573,148	
20 MUSD Fund Balance	\$5,233,145	\$5,416,305	\$5,605,875	\$5,802,081	\$6,005,154	\$6,215,334	\$6,432,871	
21 MUSD Fund Balance % of Budget	8.6%	8.4%	8.4%	8.3%	8.3%	8.3%	8.2%	

MUNC 3.0B: SMUSD Required Revenue based on Ratio (81.2%) -- Delta Obligation of 100% Until Basic Aid w/ 13yr taper

Assumptions	
RDA Forecast	2 Updated Projections
SMUSD % of Revenue based on Cost	81.2%
MUSD 2018-19 Required Revenue	\$26,300,000

Year	2018-19	2019-20	2020-21	2021-22	2022-23	2023-24	2024-25	2025-26	2026-27	2027-28
SMUSD Budget Required	\$113,398,190	\$117,367,787	\$121,434,100	\$125,732,574	\$130,134,518	\$134,715,541	\$139,483,618	\$144,447,102	\$149,895,502	\$155,350,605
SMUSD Required Rev/ADA	\$13,012	\$13,467	\$13,934	\$14,427	\$14,932	\$15,458	\$16,005	\$16,575	\$17,200	\$17,826
Delta \$	\$787,224	\$1,380,301	\$1,709,011	\$3,005,283	\$3,834,351	\$4,053,764	\$4,282,078	\$4,519,520	\$4,701,313	\$4,940,522
Percent Delta Obligation to Pay	100%	100%	100%	100%	100%	100%	100%	100%	100%	93%
MUSD Revenue Growth Cap		3.50%	3.50%	3.50%	3.50%	3.50%	3.50%	3.50%	3.50%	3.50%
MUSD Required Revenue (Budget)	\$26,300,000	\$27,220,500	\$28,173,218	\$29,159,280	\$30,179,855	\$31,236,150	\$32,329,415	\$33,460,945	\$34,632,078	\$35,844,200
MUSD Max Fund Reserve %	10%	10%	10%	10%	10%	10%	10%	10%	10%	10%

MUNC 3.0B: SMUSD Required Revenue based on Ratio (81.2

- Assumptions
 - RDA Forecast
 - SMUSD % of Revenue based on Cost
 - MUSD 2018-19 Required Revenue

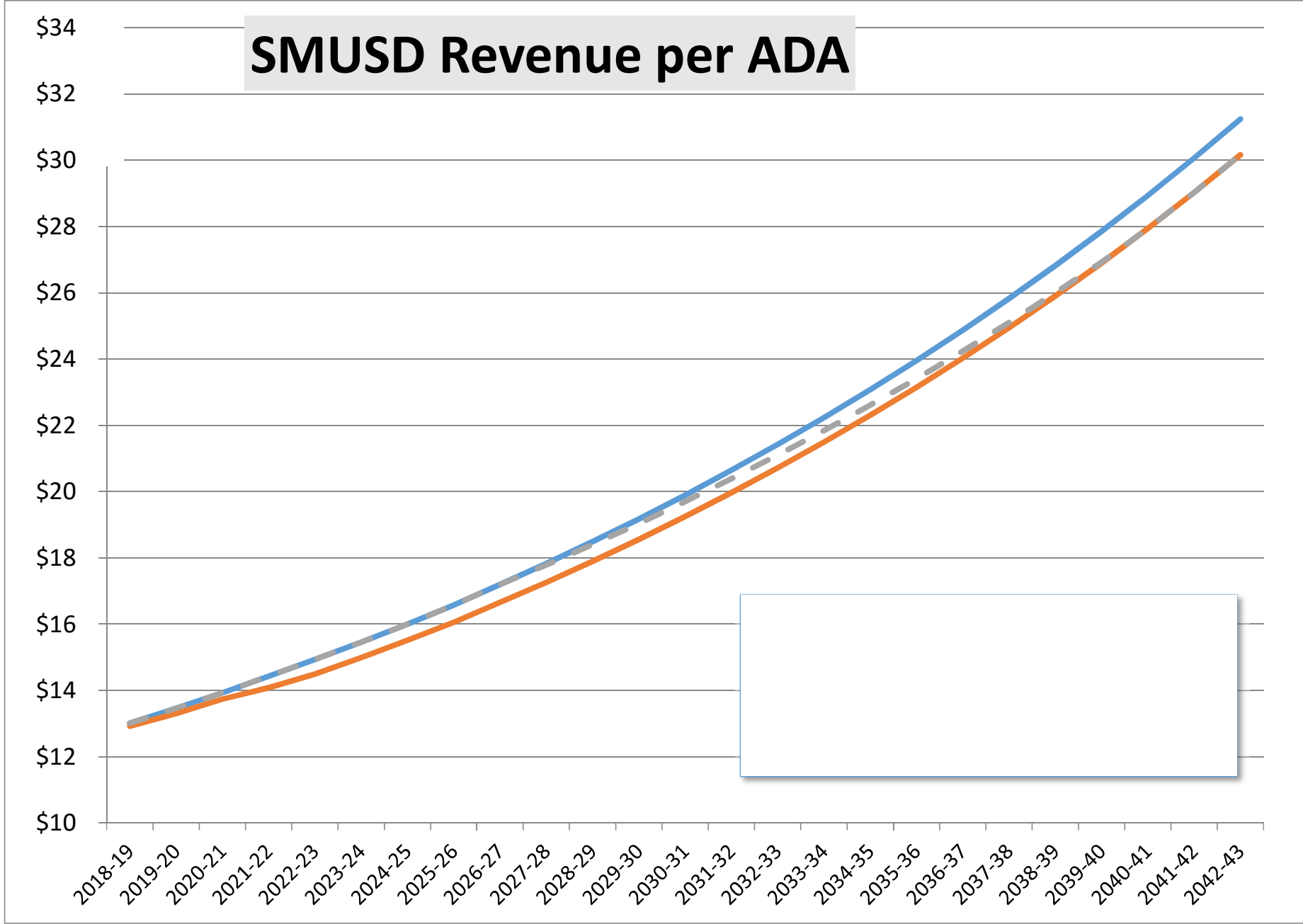
Year	2028-29	2029-30	2030-31	2031-32	2032-33	2033-34	2034-35	2035-36	2036-37	2037-38
SMUSD Budget Required	\$161,123,307	\$167,131,706	\$173,386,344	\$179,898,257	\$186,679,001	\$193,740,674	\$201,095,943	\$208,758,076	\$216,740,963	\$225,059,154
SMUSD Required Rev/ADA	\$18,488	\$19,177	\$19,895	\$20,642	\$21,420	\$22,231	\$23,075	\$23,954	\$24,870	\$25,824
Delta \$	\$5,167,608	\$5,404,080	\$5,650,149	\$5,906,023	\$6,171,903	\$6,447,988	\$6,734,467	\$7,031,525	\$7,339,334	\$7,658,059
Percent Delta Obligation to Pay	85%	78%	70%	63%	55%	48%	40%	33%	25%	18%
MUSD Revenue Growth Cap	3.50%	3.50%	3.50%	3.50%	3.50%	3.50%	3.50%	3.50%	3.50%	3.50%
MUSD Required Revenue (Budget)	\$37,098,747	\$38,397,204	\$39,741,106	\$41,132,044	\$42,571,666	\$44,061,674	\$45,603,833	\$47,199,967	\$48,851,966	\$50,561,785
MUSD Max Fund Reserve %	10%	10%	10%	10%	10%	10%	10%	10%	10%	10%

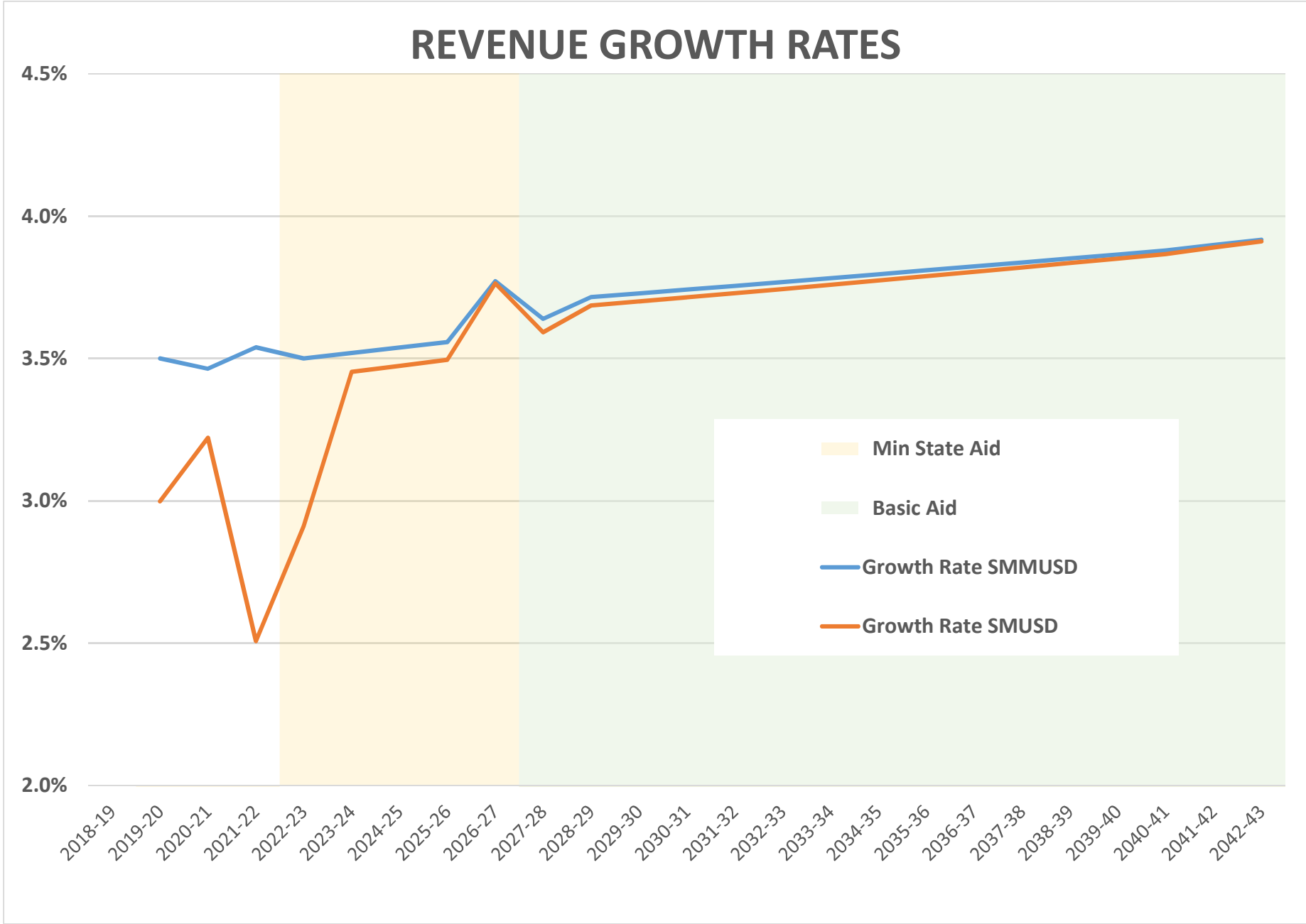
MUNC 3.0B: SMUSD Required Revenue based on Ratio (81.2

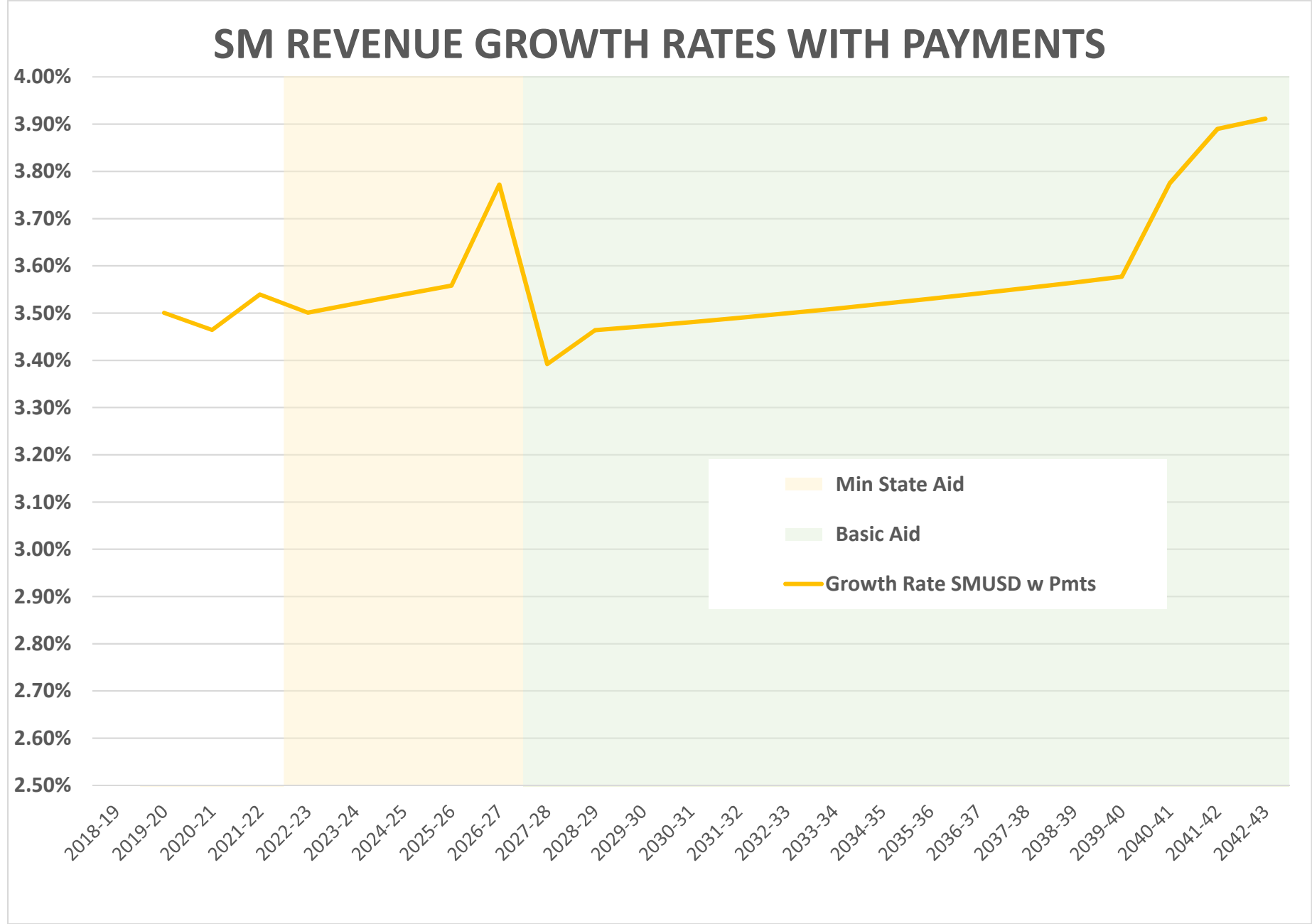
Assumptions

- RDA Forecast
- SMUSD % of Revenue based on Cost
- MUSD 2018-19 Required Revenue

Year	2038-39	2039-40	2040-41	2041-42	2042-43	2043-44	2044-45
SMUSD Budget Required	\$233,727,884	\$242,763,113	\$252,181,552	\$262,014,920	\$272,279,587	\$282,995,400	\$294,183,149
SMUSD Required Rev/ADA	\$26,819	\$27,856	\$28,936	\$30,065	\$31,243	\$32,472	\$33,756
Delta \$	\$7,987,852	\$8,328,852	\$8,681,185	\$9,041,667	\$9,410,846	\$9,788,642	\$10,174,950
Percent Delta Obligation to Pay	10%	3%	0%	0%	0%	0%	0%
MUSD Revenue Growth Cap	3.50%	3.50%	3.50%	3.50%	3.50%	3.50%	3.50%
MUSD Required Revenue (Budget)	\$52,331,447	\$54,163,048	\$56,058,754	\$58,020,811	\$60,051,539	\$62,153,343	\$64,328,710
MUSD Max Fund Reserve %	10%	10%	10%	10%	10%	10%	10%







Delta as a % of Revenue Before Payments

