

School Board update on latest budget plan

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As the Santa Monica – Malibu Unified School District (SMMUSD) continues to face a budget deficit, board members are searching for a way to cut millions in expenses.

The Board met on Thursday, Mar. 23 to discuss the budget update for the 2017 – 2018 school year and Associate Superintendent, Business Services, Janece Maez presented the budget plan.

The meeting was an opportunity for board members to continue to pitch ideas about potential budget cuts and receive projections. The overall budget process can take months and a final budget will not be approved until June.

For the 2016 – 2017 school year, SMMUSD has total revenue of \$100,088,426 with expenditures of \$112,437,985 leaving the district with a \$12.3 million deficit.

The deficit drops to \$5.7 million in 2017 – 2018 thanks to about \$8 million in new funding from the voter approved GS/GSH sales tax increases.

Additional revenue is projected from federal, other state, and local sources. Local money includes Parcel tax; \$11.6 million, Mast Facility Agreement – City of Santa Monica; \$8.8 million, Prop Y; \$8 million, Education Foundation; \$2 million and Leases and Rents; \$2.5 million.

According to the presentation, 86% of the budget goes to SMMUSD employees costs including salaries and benefits. Between 2015/16 and 2016/17, SMMUSD provided a combined salary schedule increase in excess of 8%. Health and welfare costs have increased between 5% and 6% each year. Lastly pension costs continue to increase and will exceed 19% and 24% by 2020.

Residents in attendance questioned why employee costs were so high.

“As a resident of the city, a tax payer, and as a person that has revenues and expenditures at home, I can’t see clear as to why salaries and benefits are at 86%,” said Berenice Onofre. “That is a big percentage. We are close to the end of the year, so I hope 2017 -2018 is realistic and balanced. Now because we have the inefficient administrative performance, we have to cut, cut and cut.”

So where are the cuts coming from? At least some will be job losses.

“A \$2 million cut in expenditures is somewhere, depending on employee position, it is somewhere between 25 and 30 people. It is really hard to say what 30 people, who are all performing essential functions, we don’t need to perform any longer, and eliminate their position,” said Maez.

There is no definite answer as to who and where the cuts will be coming from. However, the board has ideas regarding potential savings.

Boardmember Craig Foster summarized the various ideas.

He said, “We can reallocate resources from programs, we can make operational changes, thinning could actually make things work better. There are potentially out right cuts, and even collaboration. I want to feel confident about this process.”

Discussion over specific cuts will be ongoing. Superintendent Ben Drati will continue to meet with every site, department and review their budget status, how they monitor and control expenditures, and discuss adjustments that may be necessary.

“None of this will be easy. In my mind things can happen now,” said Drati. “Timing to bring things forward is essential.”

Board members acknowledged the conversation was difficult and necessary.

Foster said he wanted to the board to ensure the budget was balanced but wants staff to take the lead on specific reductions.

“We have spent a lot of time, talking about the role of the board and the role of staff. The cuts and this plan is going to have to come from the Superintendent, via his staff. We can not and should not be making these decisions for a variety of reasons, we as a board can mandate that it takes place.”

In the mean time staff will be developing a preliminary budget to present in early June. On June 22, there will be a public hearing on the budget followed by the final adoption of the 2017 – 2018 budget on June 29.

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