

**AGENDA OF THE SPECIAL MEETING
BOARD OF TRUSTEES
MANHATTAN BEACH UNIFIED SCHOOL DISTRICT
325 S. Peck Ave., Manhattan Beach, CA 90266**

**December 15, 2010
8:00 AM Regular Open Session**

In compliance with the Americans with Disabilities Act, for those requiring special assistance to access the Board meeting room, to access written documents being discussed at the Board meeting, or to otherwise participate at Board meetings, please contact the Board Secretary, Nancy Bogart, at 310-318-7345, ext. 5902, for assistance. Notification at least 48 hours before the meeting will enable the District to make reasonable arrangements to ensure accessibility to the Board meeting and to provide any required accommodations, auxiliary aids or services.

Writings related to a Board meeting agenda item that are distributed to at least a majority of Board members less than 72 hours before a noticed meeting, and that are public records not otherwise exempt from disclosure, will be available for inspection at the District office, 325 S. Peck Avenue, Manhattan Beach, CA 90266. Such writings may also be available on the District's website. (Government Code §54957.5 (b)).

A. CALL TO ORDER (8:00 a.m.)

1. Pledge of Allegiance
2. Approval of Agenda

B. ANNOUNCEMENTS AND COMMUNICATIONS (5 Minutes)

1. Public Comment Regarding Agenda
The purpose of this section is to permit any person in the audience to make a statement to the Board of Trustees on items on the Agenda. Persons are limited to three (3) minutes for their communication, unless the Board deems otherwise. The President will conclude the Public Comment after a reasonable length of time and proceed with the Agenda. The Board may, at its discretion, permit statements on items not on the Agenda, but pertaining to the school district, if appropriate and not an impediment to the efficiency and orderliness of the meeting; no action shall be taken on any item not appearing on the Agenda.

C. PRESENTATION/ACTION ITEMS (45 Minutes)

Members of the audience may request to speak on any item(s), prior to action by the Board. Speakers will have one (1) minute to address the Board.

**Matthews/
Romines
1-5**

1. First Interim Budget Report for 2010-2011 (**Approval is Requested**)

D. ADJOURNMENT

C. PRESENTATION/ACTION ITEM

1. **BACKGROUND:** The First Interim Report was brought to the Board at the December 8, 2010 Board meeting. Board members asked questions regarding one-time federal funds (Jobs Bill) and the deferred Revenue Limit funds from the state. After discussion, the Board made changes to the First Interim, then approved it with the changes, pending further staff evaluation.

After examining the details of those funds, staff is returning the First Interim budget to the Board for approval. Although there are few changes from the budget that staff initially presented to the Board on December 8, there are additional explanations and details provided in this report.

Education Code (*EC*) Sections §35035 (g), §42130, and §42131 require the governing board of each local educational agency (*LEA*) to certify at least twice a year as to the LEA's ability to meets its financial obligations for the remainder for that fiscal year and for the subsequent two fiscal years.

The 2010-11 Budget was adopted by the Board of Trustees on June 16, 2010, and was approved by the Los Angeles County Office of Education (*LACOE*). Since the adoption of the initial budget, changing conditions have necessitated adjusting the District budget. All of the expenditure and revenue changes previously approved by the Board at the meeting of November 17, 2010, or proposed for approval at this time are individually identified in the First Interim Report that will be submitted to the State. Details from that report are attached to this document.

The First Interim Report was developed based on the following Revenue and Expenditure Assumptions.

REVENUE ASSUMPTIONS

- -0.39% statutory COLA for 2010-11 Revenue Limit funding.
- The Base Revenue Limit for Manhattan Beach USD will be \$6,469.84 per ADA.
- A 17.963% deficit factor is applied to the Revenue Limit.
- The adjusted Based Revenue Limit will be \$5,454.17 per ADA. The total Revenue Limit is \$35,388,616. This includes \$2.2 million in deferred revenue limit funds, which, if they are appropriated, will be received after the close of the 2009-10 school year.

- The District will participate in the K-3 Class Size Reduction Program and receive \$1,067 per pupil. Due to increases in K-3 class size, the District will receive \$524,000 less in Class Size Reduction funds.
- The projected revenue of Tier III programs is \$1.9 million.
- The preliminary entitlement of the “Education Jobs Fund” is \$1.2 million.
- The Manhattan Beach Education Foundation (MBEF) donated \$4.4 million to the 2010-11 MBUSD Budget.
- The projected contribution of PTA, ASB, Boosters and other entities is \$2.1 million.

EXPENDITURE ASSUMPTIONS AND CHANGES

Certificated:

Sixteen fewer certificated positions were budgeted in the 2010-11 final adopted budget. With MBEF Donations, the District restored and created 14 certificated positions. This is a major increase in expenditures from the original 2010-11 school year budget.

Using Jobs Bill Funds, the District has included optional staff development opportunities (up to 12 hours) at a cost of \$260,000. Other Jobs Bill funds are being reserved to mitigate or prevent layoffs in the 2011-12 school year.

Classified:

There were only minor adjustments to classified staffing, resulting in a net increase of \$13,748.

Other Expenditure Changes

Using additional PTA, Booster, ASB and other donated funds, the district will expend an additional \$2.1 million in supplies and services. Using other donations, the district will expend \$370,000 on capital outlay. The District will also expend \$100,000 on Internet improvements.

Reserve for Economic Uncertainties

Under the State Criteria and Standards, the District Budget should reflect a 3% reserve of the total General Fund Budget for 2010-11, 2011-12 and 2012-13.

SUMMARY OF 2010-11 BUDGET ADJUSTMENTS FROM ORIGINAL BUDGET (AS OF JULY, 2010) to First Interim (December, 2010)

Category	Original Budget (July) (Beginning Fund Balance Revised by Audited Actuals Report in September)	1st Interim Budget (December)
Beginning Fund Balance	\$12,672,817	\$12,672,818
Revenues	47,314,854	53,093,859
Expenditures	\$50,449,867	\$54,251,311
Projected Ending Fund Balance	\$9,537,806	\$11,515,366

Attached:

The first two pages of the MBUSD First Interim SACS Report submitted to the State Department of Education are attached.

ACTION RECOMMENDED: Approval is requested.

PREPARED BY: Dr. Mike Matthews and Dr. Steve Romines

DATE OF BOARD MEETING: December 15, 2010

2010-11 First Interim
General Fund
Summary - Unrestricted/Restricted
Revenues, Expenditures, and Changes in Fund Balance

Description	Resource Codes	Object Codes	Original Budget (A)	Board Approved Operating Budget (B)	Actuals To Date (C)	Projected Year Totals (D)	Difference (Col B & D) (E)	% Diff (E/B) (F)
A. REVENUES								
1) Revenue Limit Sources		8010-8099	33,091,725.00	33,091,725.00	4,349,926.60	35,388,616.00	2,296,891.00	6.9%
2) Federal Revenue		8100-8299	1,048,538.00	1,048,538.00	1,404,271.26	2,911,015.00	1,862,477.00	177.6%
3) Other State Revenue		8300-8599	7,456,063.00	7,456,063.00	235,263.89	6,932,063.00	(524,000.00)	-7.0%
4) Other Local Revenue		8600-8799	5,718,528.00	5,718,528.00	1,674,133.85	7,862,165.00	2,143,637.00	37.5%
5) TOTAL, REVENUES			47,314,854.00	47,314,854.00	7,663,595.60	53,093,859.00		
B. EXPENDITURES								
1) Certificated Salaries		1000-1999	23,217,988.00	23,217,988.00	2,704,525.14	24,392,575.00	(1,174,587.00)	-5.1%
2) Classified Salaries		2000-2999	7,315,611.00	7,315,611.00	1,556,841.85	7,329,359.00	(13,748.00)	-0.2%
3) Employee Benefits		3000-3999	8,394,647.00	8,394,647.00	1,153,248.29	8,589,095.00	(194,448.00)	-2.3%
4) Books and Supplies		4000-4999	1,788,501.00	1,788,501.00	787,029.57	3,330,368.00	(1,541,867.00)	-86.2%
5) Services and Other Operating Expenditures		5000-5999	7,315,990.00	7,315,990.00	1,638,211.64	7,729,194.00	(413,204.00)	-5.6%
6) Capital Outlay		6000-6999	0.00	0.00	61,000.00	463,590.00	(463,590.00)	New
7) Other Outgo (excluding Transfers of Indirect Costs)		7100-7299 7400-7499	2,417,130.00	2,417,130.00	361,361.00	2,417,130.00	0.00	0.0%
8) Other Outgo - Transfers of Indirect Costs		7300-7399	0.00	0.00	0.00	0.00	0.00	0.0%
9) TOTAL, EXPENDITURES			50,449,867.00	50,449,867.00	8,262,217.49	54,251,311.00		
C. EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES BEFORE OTHER FINANCING SOURCES AND USES (A5 - B9)			(3,135,013.00)	(3,135,013.00)	(598,621.89)	(1,157,452.00)		
D. OTHER FINANCING SOURCES/USES								
1) Interfund Transfers								
a) Transfers In		8900-8929	0.00	0.00	0.00	0.00	0.00	0.0%
b) Transfers Out		7600-7629	0.00	0.00	0.00	0.00	0.00	0.0%
2) Other Sources/Uses								
a) Sources		8930-8979	0.00	0.00	0.00	0.00	0.00	0.0%
b) Uses		7630-7699	0.00	0.00	0.00	0.00	0.00	0.0%
3) Contributions		8980-8999	0.00	0.00	0.00	0.00	0.00	0.0%
4) TOTAL, OTHER FINANCING SOURCES/USES			0.00	0.00	0.00	0.00		

4.

2010-11 First Interim
General Fund
Summary - Unrestricted/Restricted
Revenues, Expenditures, and Changes in Fund Balance

Description	Resource Codes	Object Codes	Original Budget (A)	Board Approved Operating Budget (B)	Actuals To Date (C)	Projected Year Totals (D)	Difference (Col B & D) (E)	% Diff (E/B) (F)
E. NET INCREASE (DECREASE) IN FUND BALANCE (C + D4)			(3,135,013.00)	(3,135,013.00)	(598,621.89)	(1,157,452.00)		
F. FUND BALANCE, RESERVES								
1) Beginning Fund Balance								
a) As of July 1 - Unaudited		9791	12,672,818.28	12,672,818.28		12,672,818.28	0.00	0.0%
b) Audit Adjustments		9793	0.00	0.00		0.00	0.00	0.0%
c) As of July 1 - Audited (F1a + F1b)			12,672,818.28	12,672,818.28		12,672,818.28		
d) Other Restatements		9795	0.00	0.00		0.00	0.00	0.0%
e) Adjusted Beginning Balance (F1c + F1d)			12,672,818.28	12,672,818.28		12,672,818.28		
2) Ending Balance, June 30 (E + F1e)			9,537,805.28	9,537,805.28		11,515,366.28		
Components of Ending Fund Balance								
a) Reserve for								
Revolving Cash		9711	0.00	0.00		10,000.00		
Stores		9712	0.00	0.00		20,000.00		
Prepaid Expenditures		9713	0.00	0.00		0.00		
All Others		9719	0.00	0.00		0.00		
General Reserve		9730	0.00	0.00		0.00		
Legally Restricted Balance		9740	0.00	0.00		0.00		
b) Designated Amounts								
Designated for Economic Uncertainties		9770	1,513,496.00	1,513,496.00		1,627,539.00		
Designated for the Unrealized Gains of Investments and Cash in County Treasury		9775	0.00	0.00		0.00		
Other Designations		9780	0.00	0.00		3,200,053.00		
Reserve Excess Revenue Limit	0000	9780				2,296,891.00		
Prevent 2011-12 Layoffs	3205	9780				903,162.00		
c) Undesignated Amount						6,657,774.28		
d) Unappropriated Amount			8,024,309.28	8,024,309.28				

5.