

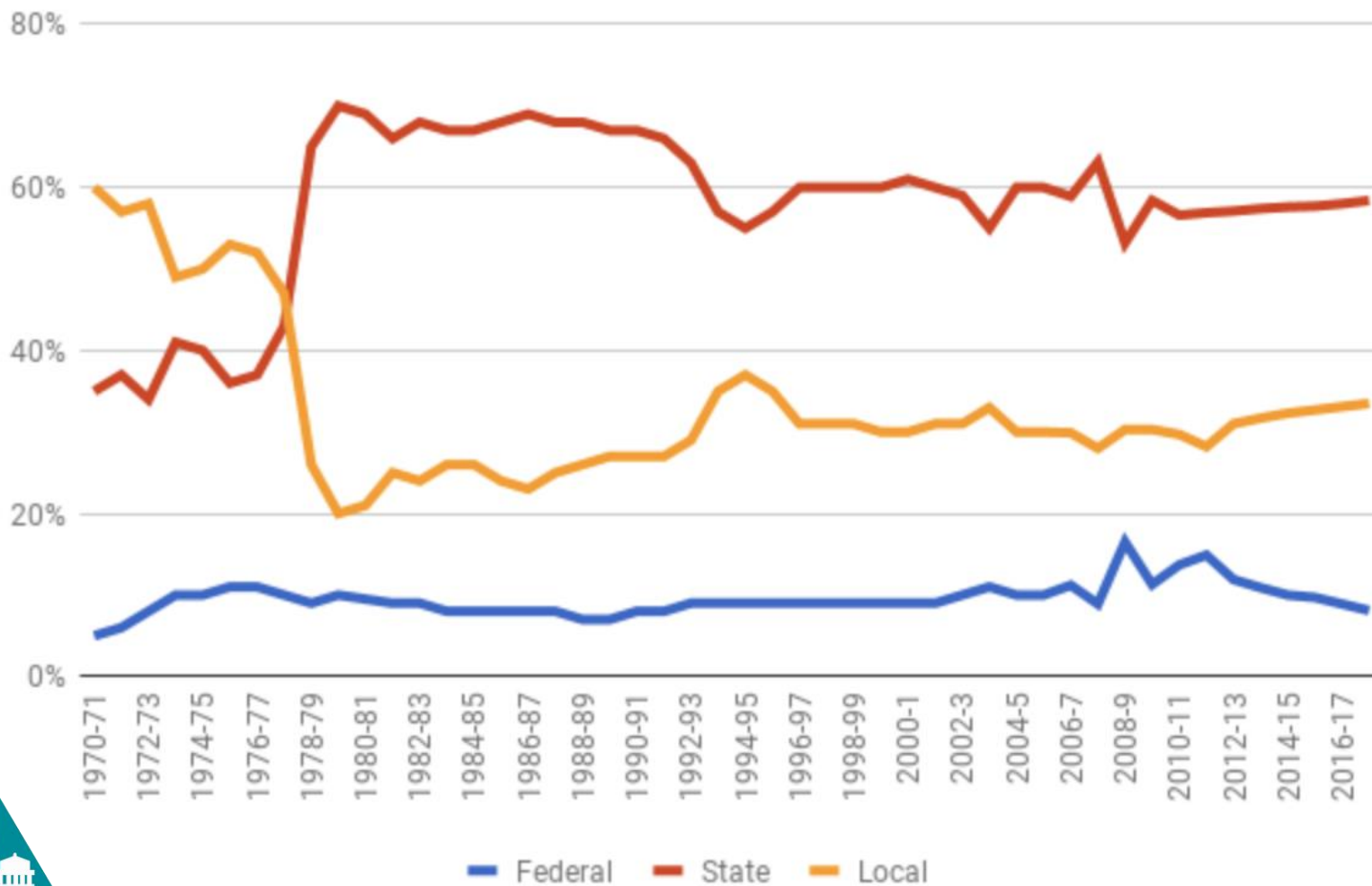
School Finance 101

March 2019

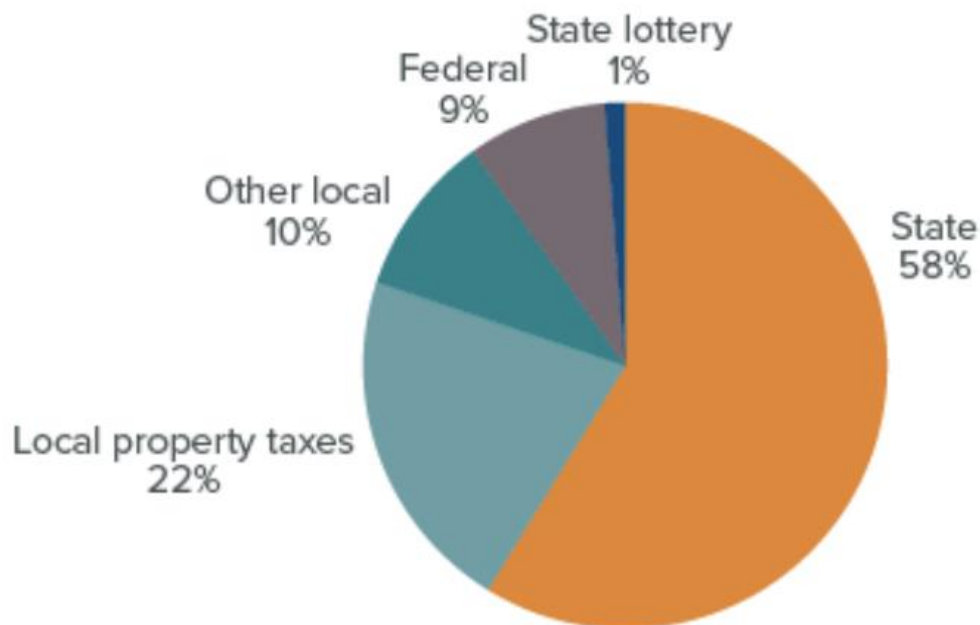
Manhattan Beach Unified School District
325 S. Peck Avenue
Manhattan Beach, CA 90266
Phone: (310) 318-7345, x5900

SCHOOL FUNDING

California K-12 Funds by Source, as % of Total Source: NEA



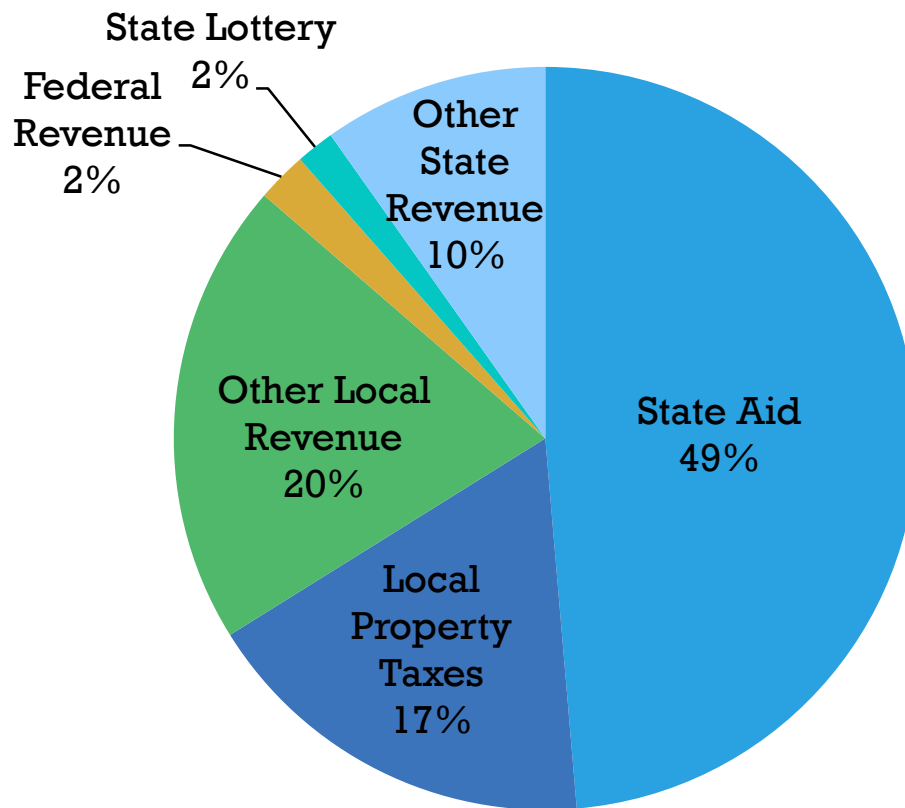
SCHOOL FUNDING – CALIFORNIA



SOURCE: [Legislative Analyst's Office](#)-K-12 Funding by source. July 2018 report.

NOTE: Figure excludes non-Proposition 98 state General Fund contributions—including funding for state-debt service payments for school facilities, state contributions to the State Teachers' Retirement System (CalSTRS), and California Department of Education operations.

SCHOOL FUNDING - MBUSD

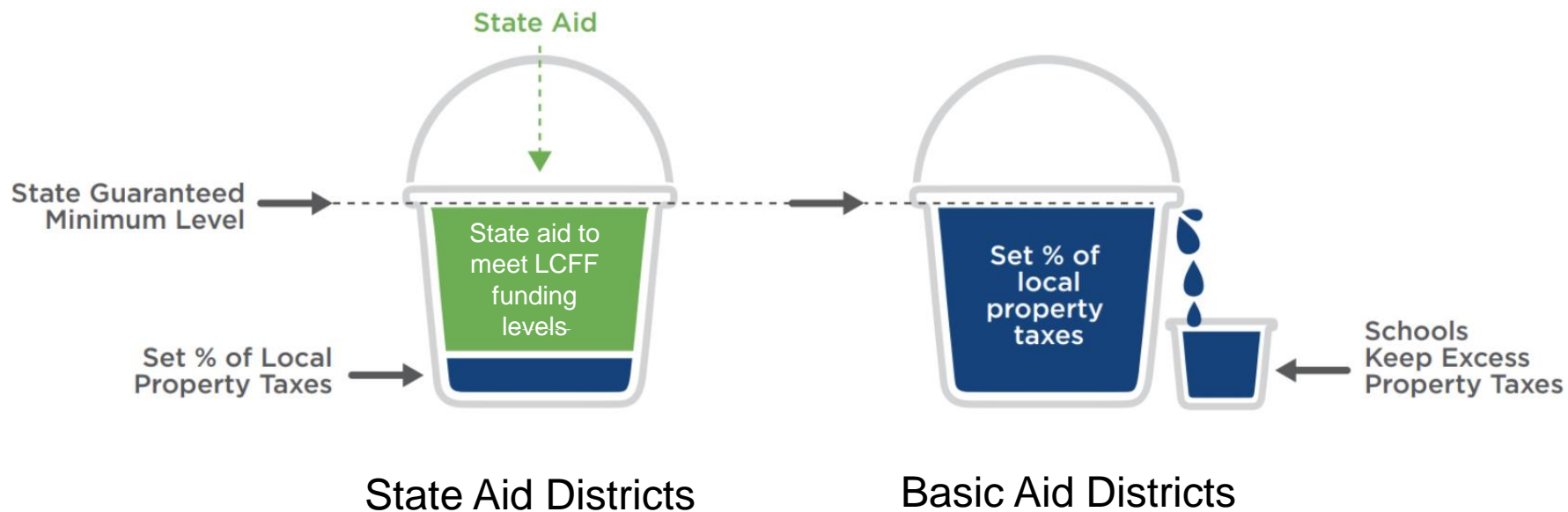


SCHOOL FUNDING

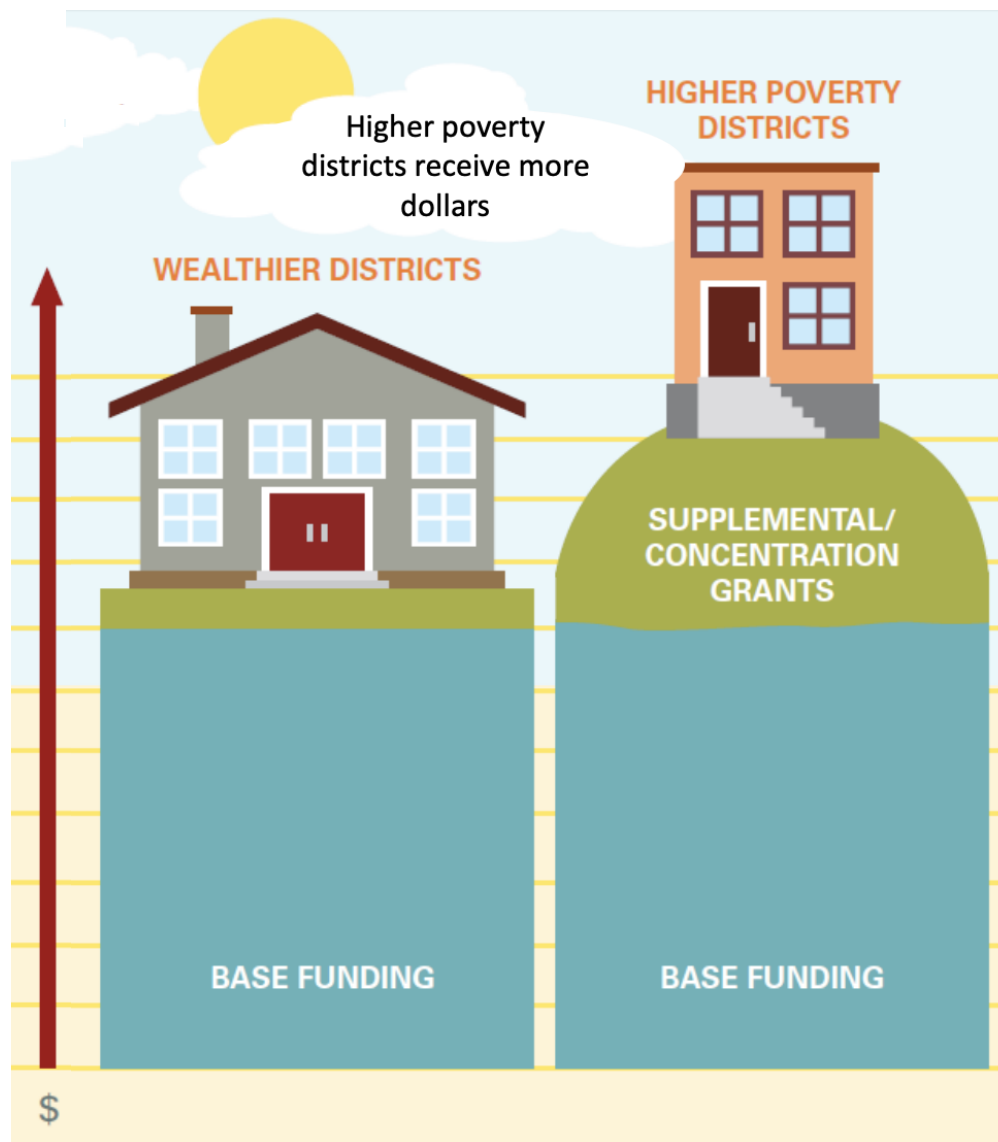
School District	Apportionment Factor	Property Tax Revenue
Hermosa	0.0293176%	\$4.5 million
El Segundo	0.0464956%	\$7 million
Redondo Beach	0.1765055%	\$27 million
Manhattan Beach	0.1952711%	\$29.5 million
Palos Verdes	0.3240079%	\$49 million
Beverly Hills	0.3393073%	\$51.5 million
LA County Total	100%	\$15.2 billion



SCHOOL FUNDING – BASIC AID



SCHOOL FUNDING - LCFF



SCHOOL FUNDING - LCFF

County	District	Type	Basic Aid	UPP
Los Angeles	Manhattan Beach	Unified	N	5.66%
Santa Clara	Los Gatos-Saratoga Joint	High School	Y	5.11%
Contra Costa	Orinda Union	Elementary	N	3.66%
San Mateo	Hillsborough City	Elementary	Y	3.42%
Alameda	Piedmont City Unified	Unified	N	2.52%
Marin	Ross Elementary	Elementary	Y	1.29%
Marin	Lincoln Elementary	Elementary	N	0.00%

UPP – Unduplicated Pupil Percentage

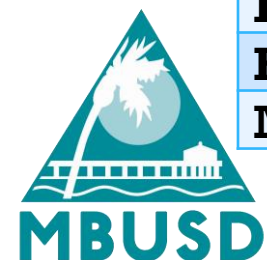
The unduplicated count of pupils who (1) are English learners, (2) meet income or categorical eligibility requirements for free or reduced-price meals under the National School Lunch Program, or (3) are foster youth divided by the total enrollment in the district.

“Unduplicated count” means that each pupil is counted only once even if the pupil meets more than one of these criteria



SCHOOL FUNDING - LCFF

District	Type	Basic Aid	UPP
Lennox	Elementary	N	95.27%
Hawthorne	Elementary	N	90.59%
Centinela Valley	High School	N	88.47%
Lawndale	Elementary	N	86.17%
Inglewood	Unified	N	85.98%
Wiseburn	Unified	N	44.29%
Torrance Unified	Unified	N	39.22%
Culver City	Unified	N	38.41%
Santa Monica-Malibu	Unified	N	28.46%
South Pasadena	Unified	N	22.05%
Beverly Hills	Unified	Y	21.48%
Redondo Beach	Unified	N	19.86%
El Segundo	Unified	N	18.45%
San Marino	Unified	N	15.82%
Palos Verdes Peninsula	Unified	N	14.05%
La Canada	Unified	N	9.42%
Hermosa Beach City	Elementary	N	6.54%
Manhattan Beach	Unified	N	5.66%



SCHOOL FUNDING - LCFF

Grade Span	2018-19 Base Grant	Augmentation Grant	Total Base Grant
TK-3	\$7,459	\$767	\$8,226
4-6	\$7,571	\$0	\$7,771
7-8	\$7,796	\$0	\$7,796
9-12	\$9,034	\$232	\$9,266

Grade Span	Supplemental Grant 20% of Base Grant for Every High Needs Student	Concentration Grant 50% of Base Grant for Every High Needs Student over 55% of District Enrollment
TK-3	\$1,645	\$4,113
4-6	\$1,554	\$3,886
7-8	\$1,559	\$3,898
9-12	\$1,853	\$4,633



SCHOOL FUNDING - LCFF

	Inglewood	Torrance	Redondo Beach	Manhattan Beach
ADA	9,319	22,791	9,406	6,522
UPP	85.98%	39.22%	19.86%	5.66%
Base	\$77,021,535	\$188,367,615	\$77,740,590	\$53,904,330
Supplemental	\$13,244,623	\$14,775,556	\$3,087,856	\$610,197
Concentration	\$11,930,636	\$ -	\$ -	\$ -
Per Pupil	\$10,966	\$8,913	\$8,593	\$8,359

(Using 2016-17 ADA Data from Ed-Data and an average base grant amount of \$8,265)

	UPP	Additional Funding to MBUSD
Similar to Redondo Beach	19.86%	\$1,530,883
Similar to Torrance	39.22%	\$3,618,059
Similar to Inglewood	85.98%	\$17,008,972



SCHOOL FUNDING – CALIFORNIA

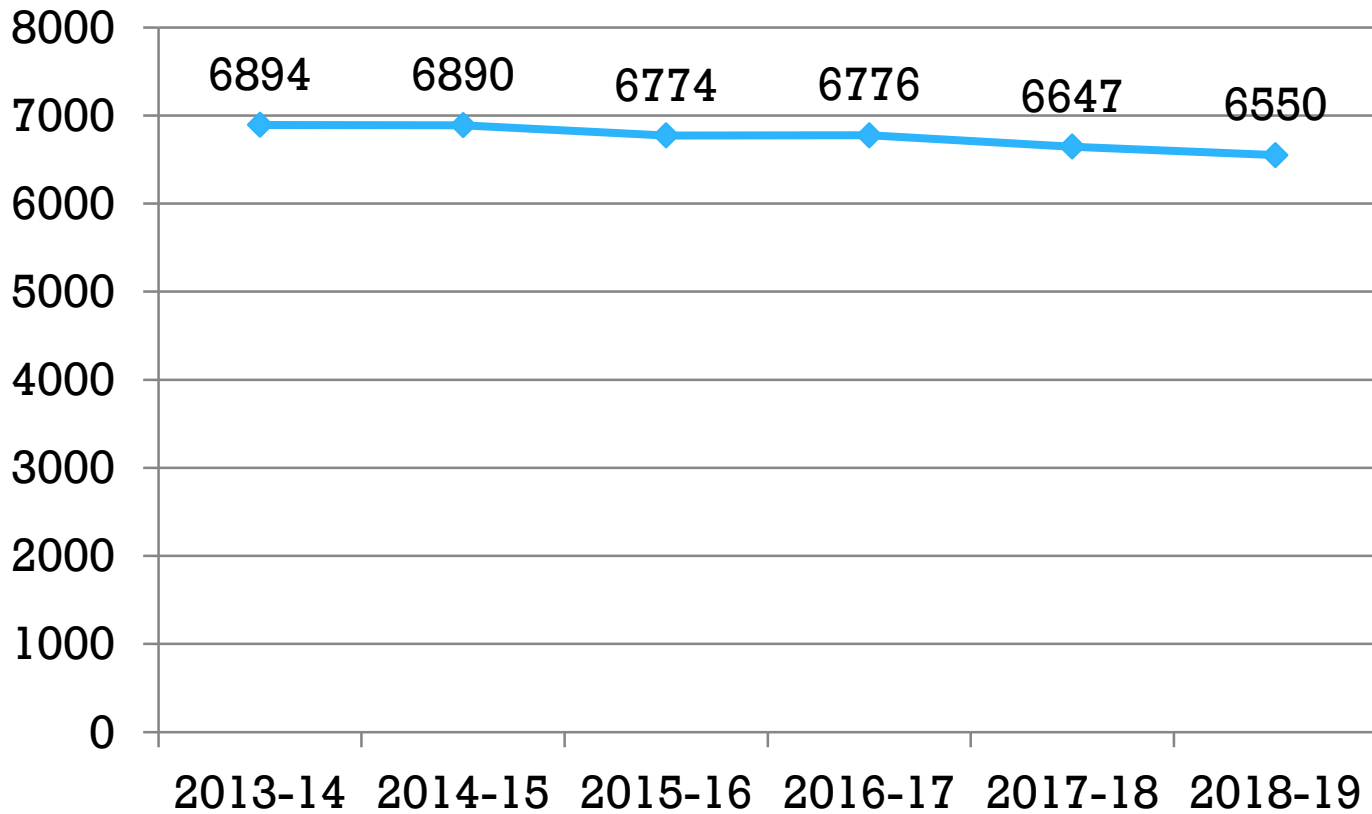
	Per Pupil Expenditures	Cost Adjusted Per Pupil Expenditures
National Average (all other states)	\$11,922	\$12,052
California	\$9,685	\$8,775
Funding Gap	(\$2,237)	(\$3,277)
California Ranking	36 th	46 th

Source: NEA (2017)



COST PRESSURES – ENROLLMENT

Census Day Enrollment



COST PRESSURES - PENSIONS

	CalPERS Actuals/ Current Projection	CalSTRS Actuals/ Current Projection
2014-15	11.771%	8.880%
2015-17	11.847% - 15.532%	10.730%-14.430%
2018-19	18.062%	16.280%
2019-20	20.800%	18.130% (17.1% proposed)
2020-21	23.500%	19.100% (17.1% proposed)
2021-22	24.600%	18.200%* (17.7% proposed)
2022-26	25.300% - 26.000%	18.200%* (17.7% proposed)

* Projected; beginning in 2021-22, the CalSTRS Board has authority to increase/decrease the employer contribution rate to fully fund the unfunded liability by 2046, and prior projections showed rates in future years of between 18.6% and 20.25%.

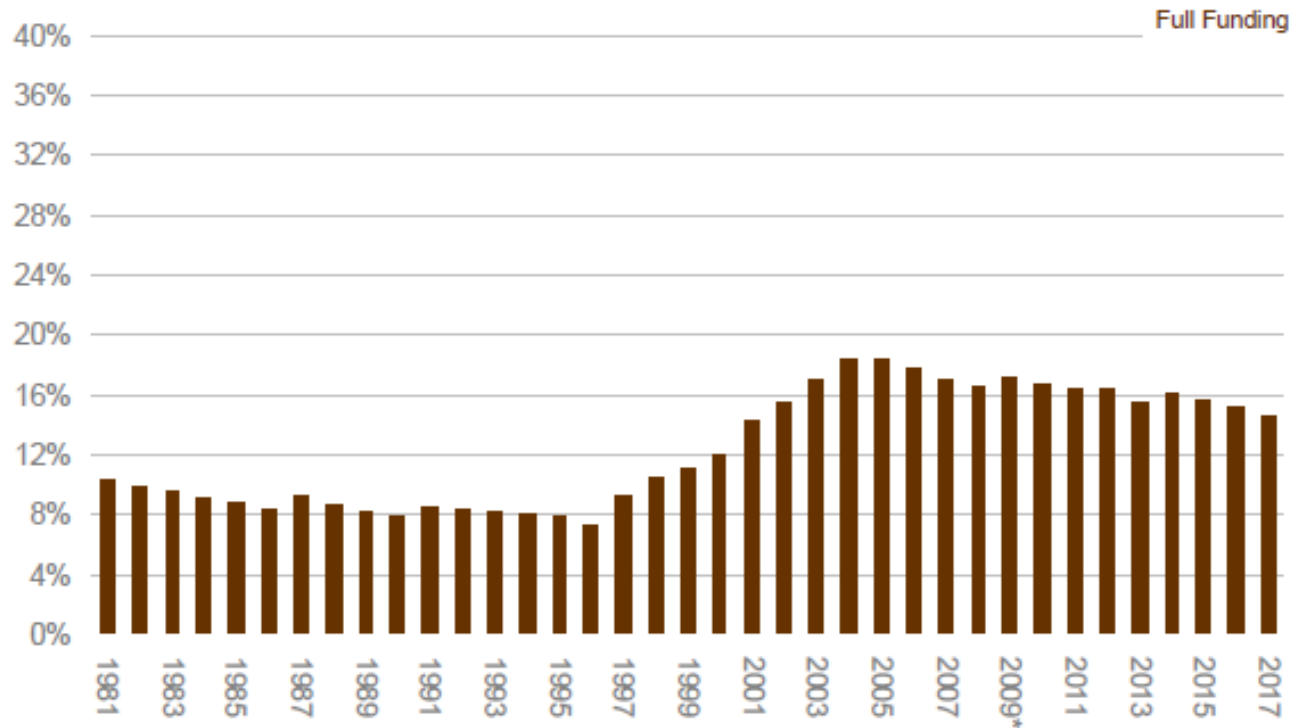


COST PRESSURES – SPECIAL EDUCATION

IDEA

- Assumes it costs twice as much to educate a child with special needs.
- Federal government would pay **up to 40 percent** of this "excess" cost at full funding.
- Since 1981, the federal share has remained **less than half** of the federal commitment

average federal cost share per special needs student



COST PRESSURES – SPECIAL EDUCATION

MBUSD Special Education Enrollment
2015-16 US Average Per-Pupil Expense

1061 Students
x \$11,762
\$12,479,482
x 40% =

Maximum MBUSD Grant under IDEA

\$4,991,793

Actual IDEA Federal Funding
for MBUSD Special Education

\$1,601,360



COST PRESSURES – SPECIAL EDUCATION

	2013-14	2014-15	2015-16	2016-17	2017-18	2018-19
Federal	\$1,290,742	\$1,486,118	\$1,358,954	\$1,405,524	\$1,595,182	\$1,601,360
State	\$3,911,646	\$3,452,088	\$3,844,379	\$3,341,484	\$3,089,038	\$3,741,655
Local	\$376,996	\$381,825	\$257,195	\$66,139	\$276,481	\$85,000
Gen Fund	\$8,362,122	\$10,053,612	\$11,274,600	\$13,343,376	\$14,151,226	\$16,739,516
Total	\$13,941,506	\$15,373,642	\$16,735,129	\$18,156,523	\$19,111,928	\$22,271,005
% Increase (Total)	5.05%	10.27%	8.86%	8.49%	5.26%	16.53%
% Increase (Gen Fund)	11.26%	7.47%	12.14%	18.35%	6.05%	18.29%
% Funded by Gen Fund	59.98%	65.40%	67.37%	73.49%	74.04%	75.16%

(5 year annual total average increase of 7.59%; 5 year general fund average increase of 11.05%)



COST PRESSURES

MBUSD faces a number of factors in the coming years:

- Declining Enrollment
- Salary (Step-and-Column increases as employees gain in education and experience)
- Pension Costs
- Health Insurance Costs
- Consumer Price Index
- Special Education Costs

- Building/Maintenance Needs
- Salary Negotiation Impacts
- Unanticipated Costs



COST PRESSURES

	2019-20	2020-21	2021-22
LCFF COLA	3.46%	2.86%	2.92%
Enrollment	-1.53%	-1.53%	-1.53%
Step/Column	-1.3%	-1.3%	-1.3%
STRS	-1.85%	-0.97%	+0.90%
PERS	-2.738%	-2.7%	-1.1%
H/W	-5.6%	-5.6%	-5.6%
CPI	-3.18%	-3.05%	-2.92%
Special Education	-11.05%	-11.05%	-11.05%



COST PRESSURES

	2019-20	2020-21	2021-22
LCFF COLA (66% of revenue)	2.28%	1.89%	1.93%
Enrollment (66% of revenue)	-1.01%	-1.01%	-1.01%
Step/Column (68% of expense)	-0.89%	-0.89%	-0.89%
STRS (40% of expense)	-0.74%	-0.39%	0.36%
PERS (16% of expense)	-0.44%	-0.43%	-0.18%
H/W (8% of expense)	-0.45%	-0.45%	-0.45%
Net Impact	-1.25%	-1.28%	-0.24%
CPI			
(20% of expense)	-0.64%	-0.61%	-0.58%
Special Education			
(18% of expense)	-1.99%	-1.99%	-1.99%



SOURCES OF BUDGET RELIEF

Locally Determined:

- MBEF
- Measure MB
- Shared Use Agreement
- MBX
- PTAs
- Expenditure Reductions

State Determined:

- LCFF/COLA Enhancements
- Pension Relief
- Special Education Relief
- Health Care Relief



MBUSD WITHOUT MBEF AND MEASURE MB

Without the \$6.2M provided by MBEF and the \$2.5M provided by Measure MB, MBUSD would see:

- Class sizes at the contract maximum:
 - 24:1 at TK-3
 - 35:1 *or higher* at 4-5
 - 35:1 (average) at 6-12
- The loss of
 - Reading & Science Specialists
 - Music, Art and PE teachers
 - 3 MBMS Counselors & 8 MCHS Counselors (leaving 2.6 Counselors for both sites)
 - Librarians
 - MakerSpace facilitators
 - TOSAs
 - 1 Elementary & 1 MBMS Vice Principal
 - Additional administrative/management & classified staff
 - Professional Development
 - Funds to pay for technology replacement, software, subscriptions, and other materials and supplies



MBUSD WITHOUT MBEF AND MEASURE MB

	Adopted	Unaudited Actuals	Total Change
2011-12	(\$2,176,236)	(\$1,078,135)	\$1,098,101
2012-13	(\$5,682,446.00)	(\$2,956,204.00)	\$2,726,242
2013-14	(\$2,977,006.00)	\$1,127,733.00	\$4,104,739
2014-15	(\$3,211,807.00)	(\$1,402,405.95)	\$1,809,401
2015-16	(\$683,646.00)	\$79,099.47	\$762,745
2016-17	(\$3,339,507)	(\$373,275)	\$2,966,232
2017-18	(\$3,303,012)	(\$2,300,560)	\$1,002,452
2018-19	(\$145,480)	(\$3,382,032) – prelim 2 nd int	(\$1,468,980)*

*year-to-date projected “swing” at first interim.

10-Year Average – 5.34%

5-Year Average - 3.38%

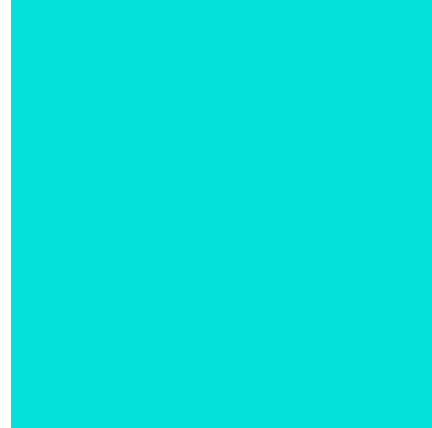
4-Year Average – 2.43%



MBUSD WITHOUT MBEF AND MEASURE MB

	Current	Without MBEF and Measure MB Revenue	Without MBEF and Measure MB Revenue and without MBEF Expense
Revenue	\$83,290,073	\$74,695,285	\$74,695,285
Expense	(\$86,672,105)	(\$86,672,105)	(\$80,550,067)
Excess/Deficit	(\$3,382,032)	(\$11,976,820)	(\$5,854,782)
Excess/Deficit with 3.38% Positive Swing			
	(\$771,141)	(\$9,371,929)	(\$3,249,891)





School Finance 101

March 2019

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