



MANHATTAN BEACH
EDUCATION
FOUNDATION

2010 - 2011 Annual Report to the Community





2010-2011 Co-Presidents
Marla Zaslansky and Erika White

Listen to a word from our
2011-2012 MBEF leadership team.

Striving for Excellence in Difficult Times - Again.

Dear Manhattan Beach Education Foundation Supporters,

Thanks to the efforts and generosity of our parents and community, MBEF has once again been able to ensure that we are one of the few districts in the state without layoffs or furlough days and, we are proud to say, the Manhattan Beach Unified School District remains ranked the third best district in California.

Our goal, like yours, is for better schools, and we realize it isn't easy to maintain this type of excellence without investing in a brighter future. In October, MBEF sponsored a TEDx event called, "Transforming Learning". We brought in visionaries from all around to share their thoughts on the future of education. Many great ideas were shared and the message was clear: The world is changing and we need to change with it to maintain excellence in education. To build on our momentum we must continue to invest in our students, teachers, and administrators.

We believe our parents and community can and will meet this challenge and opportunity to redefine the future of our schools. We are working hand in hand with the district, our school board and with all of you to make sure we do not take our success for granted, that we continue to strive for excellence and do what we ask of our students: be the best we can be.

Better schools. Brighter future. One isn't possible without the other and neither is possible without you. We thank each and every one of you for your time, energy, goods, services and financial donations. Together we are improving our children's education.

Marla Zaslansky
Co-President

Erika White
Co-President

When MBEF was established in 1983 few parents could even imagine what it would be in 2011. In the 1980s parents donated for what now seem like quaint needs. A hundred thousand dollars just about covered it. Much has changed. Today, over \$4.5 million in donations to MBEF are embedded in a child's school day, keeping class sizes small, music programs thriving, libraries and guidance centers staffed, and our children learning at an exceptional level.

What hasn't changed in over 28 years is our hard work and sense of community. MBEF is still run by a board of volunteers representing students at all seven of our schools. We continue to be careful stewards of your donations as we rely on volunteers and a small staff to keep overhead at a low seven percent.

Our district looks to MBEF for increased funds, and next year we hope to be able to give more than \$4.6 million to our students. But that will depend on you. Please consider a gift to this year's Annual Appeal. And if creating a legacy of giving is meaningful to you, please consider a donation to our Endowment Fund.

Thank you for your generosity.

Sincerely,



Susan Warshaw
Executive Director





An MBEF Primer

Imagine your school system without MBEF. Considering that MBEF’s grants are almost ten percent of the school district’s budget, and that the educators we fund are enough to staff an entire elementary school, it’s not a pleasant thought. Our classrooms would be overcrowded, there would be furlough days and no enrichment. These wouldn’t be the schools that entice families to move to Manhattan Beach.

MBEF is an independent non-profit run by a volunteer board of 33 parents, including PTA presidents. We raise money from parents and the community (but mostly parents) and we grant this money to our school district to pay for teachers and staff in our seven schools. MBEF is the only parent organization that can pay for teachers, which is why our schools have MBEF and PTAs. MBEF pays for staff, PTA pays for stuff. We support one another. This year MBEF funded 66 educators, most of whom are classroom teachers. Others are teachers for enrichment (such as music, science labs, reading, writing, computers), counselors and librarians. The total cost for these educators is \$4.6 million.

PARCEL TAX REVENUE				
DISTRICT	PARCEL TAX AMOUNT	ANNUAL REVENUE FROM PARCEL TAX	% DISTRICT BUDGET	API RANK
San Marino	\$795	\$5,000,000	16.5%	1
La Canada	\$450	\$900,000	2.6%	2
Manhattan Beach	\$0	\$0	0%	3
Piedmont	\$249	\$997,000	33%	4
Palo Alto	\$489	\$11,400,000	6%	5
Palos Verdes	\$374	\$7,223,436	8%	9

Many districts levy a parcel tax to supplement state funding. Manhattan Beach does not.

MBEF’s board makes decisions about where our money is allocated while working alongside the school board, administration and teachers. We raise money a year in advance so that we know by springtime, when the school district’s budget is made, how much money we have for the following school year.

You see, California isn’t like other states that allow counties and townships to set property taxes to fund the kind of schools residents want. California’s Prop 13 reduced property taxes but it also effectively took away a school district’s ability to tax its community for schools. A 1976 state Supreme Court ruling aimed at eliminating funding disparity between wealthy and poor school districts resulted in laws that allowed the state to establish school funding levels. Today our schools are largely funded by income and business taxes, not property taxes. Thus, regardless of the amount of property tax you pay in Manhattan Beach, schools are funded roughly the same here as elsewhere in the state, and that funding level will fluctuate somewhat with the state’s revenue. Today California ranks 45th in the nation in per-pupil spending.

MBEF provides a means to stabilize this inherently unstable school funding system and to give students the fundamentals of a well-rounded, quality education.

When MBEF was founded in 1983, parents couldn’t have foreseen economic catastrophe 25 years later, but they were wise enough to create the organization that could handle it. In 1990 they started a small savings fund, too, and today the MBEF Endowment is a \$7-million fund on its way to a \$10-million goal and a source of perpetual funding.

It’s a tribute to our students and teachers that in spite of challenges, our schools rank with the best in the state, and in many cases, the nation. And it’s a tribute to the parents in our community that we’ve worked together to help our children every step of the way.



Elementary School Grants 2011-2012

\$2,272,000

Districtwide Grants

\$544,000

Middle and High School Grants 2011-2012

\$1,819,000



\$1,376,000	\$299,000	\$282,000	\$180,000	\$135,000	\$300,000	\$99,000	\$145,000	\$605,000	\$231,000	\$322,500	\$162,000	\$138,000	\$295,000	\$50,500
Teachers	Science	Reading Enrichment	Librarians	Computer Specialists	Music	Writing Initiative	21st Century Curriculum & Technology Support	Guidance & Support Counselors at Mira Costa	Breadth of Courses	Guidance & Support Counselors at MBMS	College & Career Center	Librarians	Small English Classes	Science Assistant
													\$15,000	
													Readers for MCHS English	

\$2,272,000 + \$544,000 + \$1,819,000 = \$4,635,000

Elementary + Districtwide + Middle/High School = Total



My job is to spread sound teaching practices already in place and introduce new methods to form a rock-solid foundation in reading and writing for all students across all grade levels."

- Deborah Hofreiter
Head of MBEF-funded Reading and Writing Initiative

Our Financial Performance

MBEF is playing a greater role in school funding than at any time in our twenty-eight year history. As state resources shrink, our contribution to our schools grows. It is clear to us that local revenue, and the local control it allows, will be critical to the future success of our students and our schools.

MBEF raises money in one school year to fund grants for the following school year. Funds raised in 2010-2011 are paying for teachers in the 2011-2012 school year. We estimate our grants in advance but do not pay them until we receive an accounting of the actual cost of the grant. We pay the lesser of the estimated or actual cost.

"The state has cut our student funding by 10% since 2007. With parent support through MBEF, rather than just trying to survive, our district continues to provide excellent education and to look for ways to improve."

- Michael Matthews, Ph. D.,
Superintendent MBUSD

Support and Revenue

Annual Appeal and other contributions

Endowment Contributions

Wine Auction, net of related expenses

Total Support and Revenue

2010-2011

\$5,196,465

\$261,222

\$741,682

\$6,119,365

2009-2010

\$4,722,974

—

\$605,932

\$5,328,906

Program Expenses

Grants to fund teacher and staff salaries

Pass through grant for elementary support staff

\$4,473,957

\$276,300

\$4,071,422

Operating Expenses *

Development

Administration

\$372,765

\$91,902

\$200,791

\$81,363

Total Operating Expenses

\$464,667

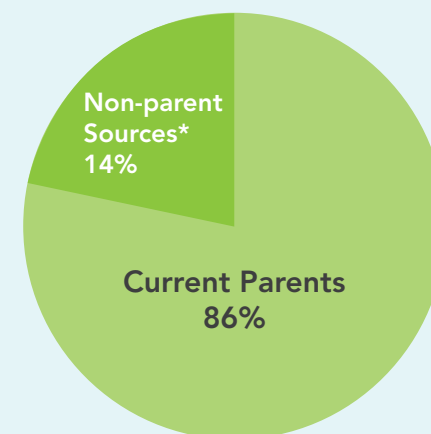
\$282,154

Operating expenses as a percent of annual appeal revenue

7.0%

5.0%

Annual Appeal Revenue Sources



* e.g., matching gifts,
community supporters

* Includes credit card processing fees of \$77,874

Our Endowment

The MBEF Endowment has been in existence since 1990 when the MBEF board put aside \$10,000 in savings. In 2005, a formal investment committee was created to invest and manage assets that had accumulated through various fundraisers. Today the Endowment's assets are over \$7 million, the result of a few recent large gifts, a portion of the proceeds from many Manhattan Wine Auctions, and return on investment. At least one-third of Wine Auction proceeds goes to the Endowment each year as stipulated in our bylaws. The fund is well managed by our Investment Committee, and the assets are held in a diversified portfolio that has outperformed relevant benchmarks.

We are in the midst of a quiet campaign seeking large gifts. In 2010-2011 we received our first leadership gift of \$250,000 from current parents Ellen and Mike Rosenberg and a \$50,000 gift from Peggy and Peter Johnston, parents of an alumnus. And in FY2012 we have already received a \$250,000 gift from Joan and Brad Jones and a \$100,000 pledge from Jan and Chet Pipkin. Also, Plaza El Segundo continues to make payments on its \$1 million pledge to MBEF made in 2005. Finally, we are creating a subsidiary 501(c)(3) corporation for the Endowment with a separate board of directors to support the needs of a capital campaign. We are on our way.

"We donated to the MBEF Endowment to give back to the schools and community that have given us so much in our twenty-plus years of living and working in Manhattan Beach."

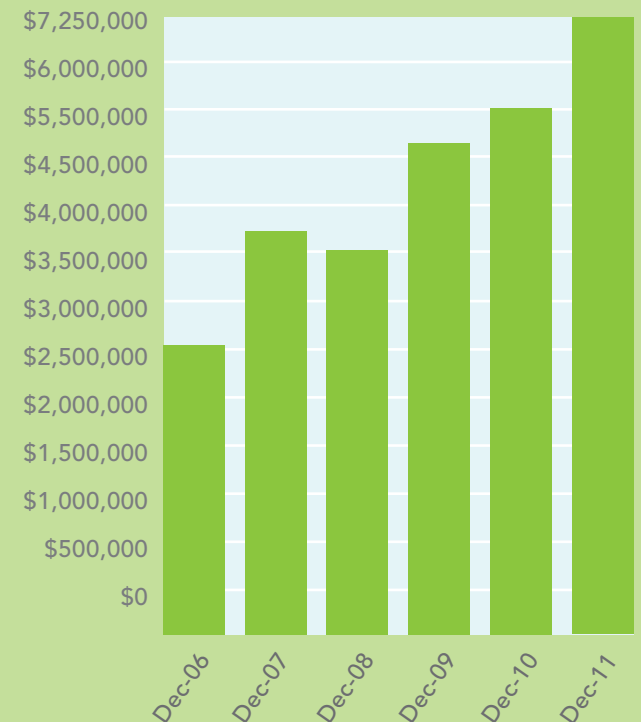
- Peter and Peggy Johnston

MBEF is not the only public school system to have an endowment but we are one of the few that has such a high goal for its funding. Many ed foundations opt to use the return on investment from their endowment funds right away. We have opted for a longer-term, longer-lasting approach. Our minimum funding goal is \$10 million. When we reach that goal, we can begin to use a portion of the return on investment to help fund annual MBEF grants. With our current campaign, we hope to reach our \$10-million goal relatively soon. And after that, the sky's the limit. We dream of an endowment fund that grows to meet all our funding needs.

"In a tumultuous year, our portfolio has weathered the storm well. Due to significant contributions, the portfolio's total value now exceeds \$7 million. Inception to date, the portfolio has an annual return over 6.1%. This is an excellent performance record relative to virtually any other investment benchmark over this same period and continues to help us fulfill our goal of supporting our community, our schools, and our children."

- Rich Weiss,
CIO for MBEF and Senior Vice President,
American Century Investments

MBEF ENDOWMENT FUND ASSETS



Reaching Beyond Our Parents

MBEF Business Sponsorship Program

Our schools are the reason many of us live in Manhattan Beach. Ranked third best in California, more than 35% of Manhattan Beach residents have children in our local schools. But contributions from parents alone cannot provide the financial support necessary to ensure stable and consistent programs in our classrooms K-12.

Which is why last year MBEF launched a Business Sponsorship Program. This Program provides a channel for businesses to contribute to our schools in a meaningful and lasting way. It provides unique recognition to businesses in our communications, websites, newsletters and events and communicates a company’s support of our local public schools. MBEF is proud to partner with local businesses that recognize public education as the foundation of a strong community. Their support helps keep our community one of the best places in the country to live and work.



Manhattan Wine Auction

2011 marked the 17th anniversary of the Manhattan Wine Auction, MBEF’s only event fundraiser and the social event of the year. A sold-out gala for the last 10 years, and graciously hosted by the Manhattan Country Club, the Manhattan Wine Auction is the largest charity wine auction in Southern California. Held every June, the event features food donated by 35 of the finest local restaurants and wine from 80 world class vintners. Proceeds topped \$740,000 this year, a portion of which was allocated to the MBEF Endowment.

Generously supported by Founding Sponsor Chevron and Leading Sponsors American Airlines and Wells Fargo, the Manhattan Wine Auction hosts 1400 attendees from Manhattan Beach and greater Los Angeles, including executives from large and small corporations, government dignitaries, community leaders and collectors of fine wines. For more information and a complete list of Sponsors go to <http://manhattanwineauction.com>.

“Our investment in Manhattan Beach schools is an investment in the success of our students and our future. As a company we share the objectives of this community in helping provide a quality education for all of our kids.”

- Rod Spackman, Chevron

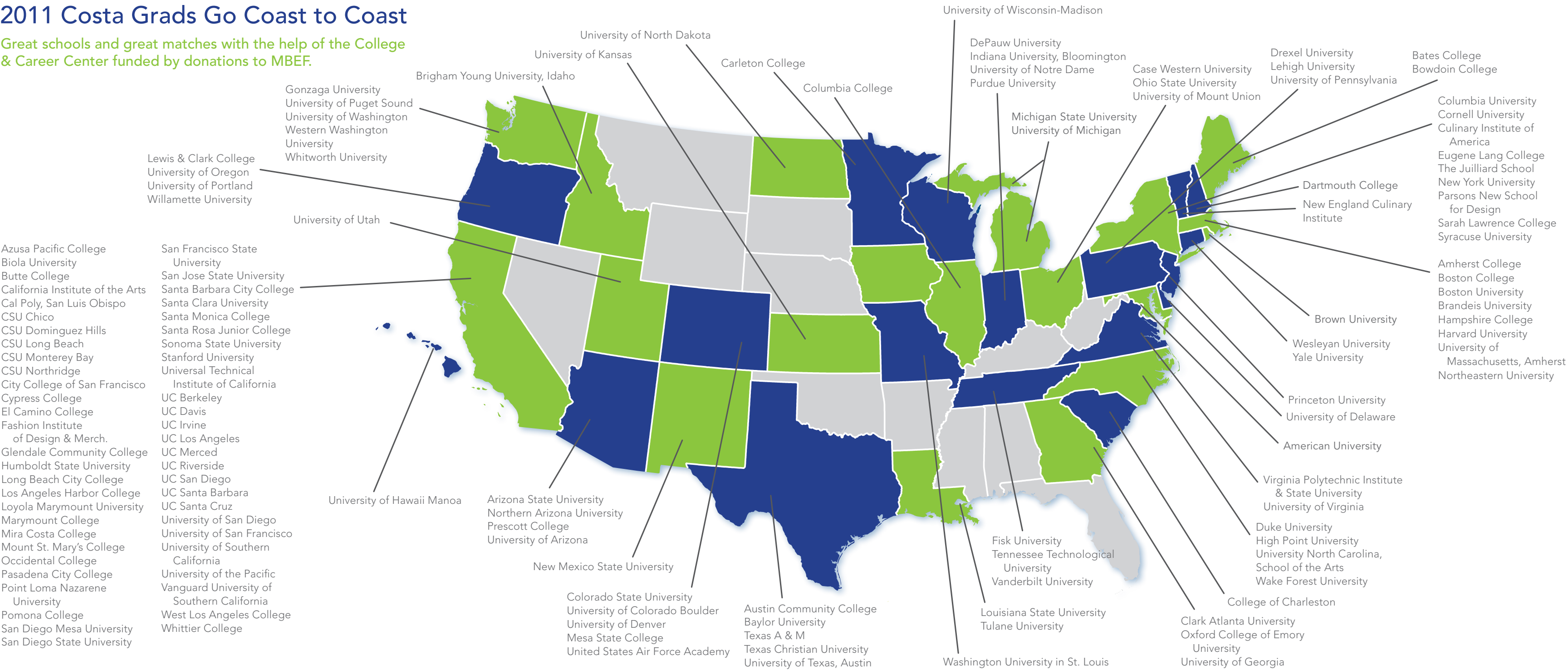
“Of course a lot of money is raised, but it’s the huge turn out and huge fun that demonstrates how Manhattan Beach supports MBEF.”

- Adam Goldston
Wine Auction Co-Chair



2011 Costa Grads Go Coast to Coast

Great schools and great matches with the help of the College & Career Center funded by donations to MBEF.



What parents are saying about the College and Career Center:

"You all are one of the very best things about Costa."

"Thank you for your wonderful work in the CCC, and when anyone asks why I am so supportive of MBEF and am willing to volunteer so much time, the orchestra program, the CCC, and the reduced classroom sizes are the things I start with first!"



2011-2012 MBEF Board of Directors

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Lan Shirazi	Co-VP Operations
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MBEF STAFF

Susan Warshaw, Executive Director
Margo Thole, Director of Business Development
Carolyn Leserman, Administrative Director
Sunni Won, Database Manager
Yusun Lee, Data Entry





www.mbef.org

Thank you to our friends and volunteers for their time and talents in creating our materials. All donations are tax deductible to the full extent of the law.

The Manhattan Beach Education Foundation

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