



Larkspur-Corte Madera School District

2018-2019 Second Interim Budget
Presentation to the Board of Trustees
March 6, 2019

BUDGET DEVELOPMENT/FINANCIAL REPORTING CALENDAR FOR THE 2018-19 & 2019-20 BUDGET

June 2018	Adoption of 2018-19 LCMSD Budget
June 2018	Governor Signs the 2018-19 State Budget
December 2018	First Interim LCMSD Financial Report
January 2019	Governor's Proposed 2019-20 State Budget Released
March 2019	Second Interim LCMSD Financial Report
May 2019	Governor's May Revision to 2019-20 Proposed Budget
May 2019	Draft 2019-20 LCAP and Budget
June 2019	Adoption of 2019-20 LCMSD LCAP
June 2019	Adoption of 2019-20 LCMSD Budget
June/July 2019	Governor Signs 2019-20 State Budget
September 2019	Unaudited Actuals of 2018-2019 Fiscal Year



Larkspur-Corte Madera School District

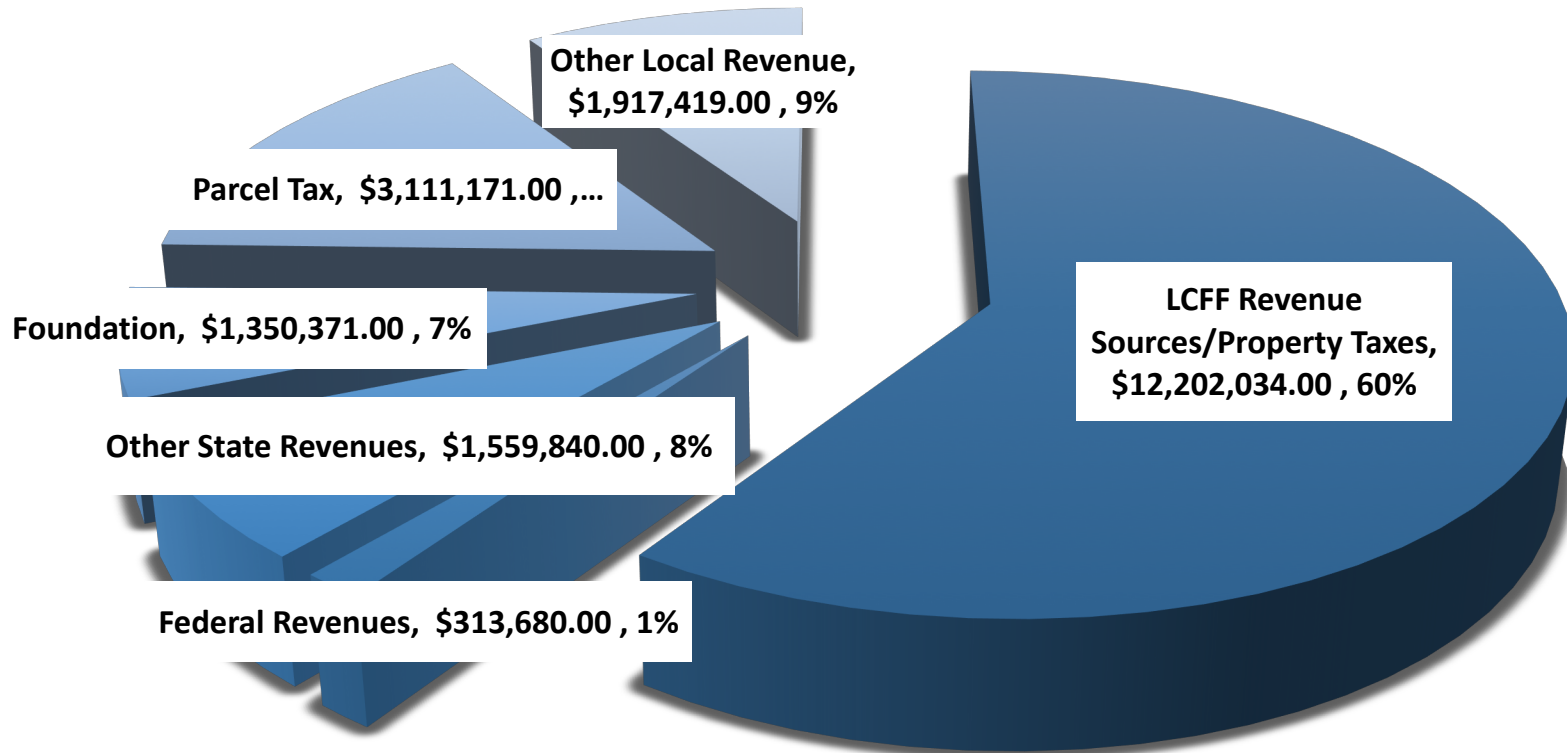
Revenue Detail

2018-2019

LCFF Sources/Property Tax	\$ 12,202,034
Federal Revenues	\$ 313,680
Other State Revenues	\$ 1,559,840
Foundation	\$ 1,350,371
<u>Other Local Income</u>	<u>\$ 5,028,589</u>
 Total Revenues	 \$ 20,454,515



Larkspur-Corte Madera School District Total Revenues 2018-2019 \$20,454,515



Larkspur-Corte Madera School District

Revenue Detail

2018-2019

Revenue Source: Combined Unrestricted & Restricted	Budget Adoption	First Interim	Second Interim
Property Tax/LCFF Limit Sources *slight decrease in LCFF funding due to loss in ADA	\$12,174,801	\$12,255,850	\$12,202,034
Federal Revenues (Special Education, Title I-IV) *addition of Title IV	\$ 341,390	\$ 302,853	\$ 313,680
Other State Revenues (EIA, Lottery)	\$ 1,717,362	\$ 1,559,840	\$ 1,559,840
Other Local Income (Leases/Rentals, Fees, County Special Education, Grants, MOU's)	\$ 4,721,147	\$ 4,874,337	\$ 5,028,589
Foundation	\$ 1,335,272	\$ 1,350,371	\$ 1,350,371
Total Revenues	\$20,289,972	\$20,343,251	\$20,454,515



Larkspur-Corte Madera School District

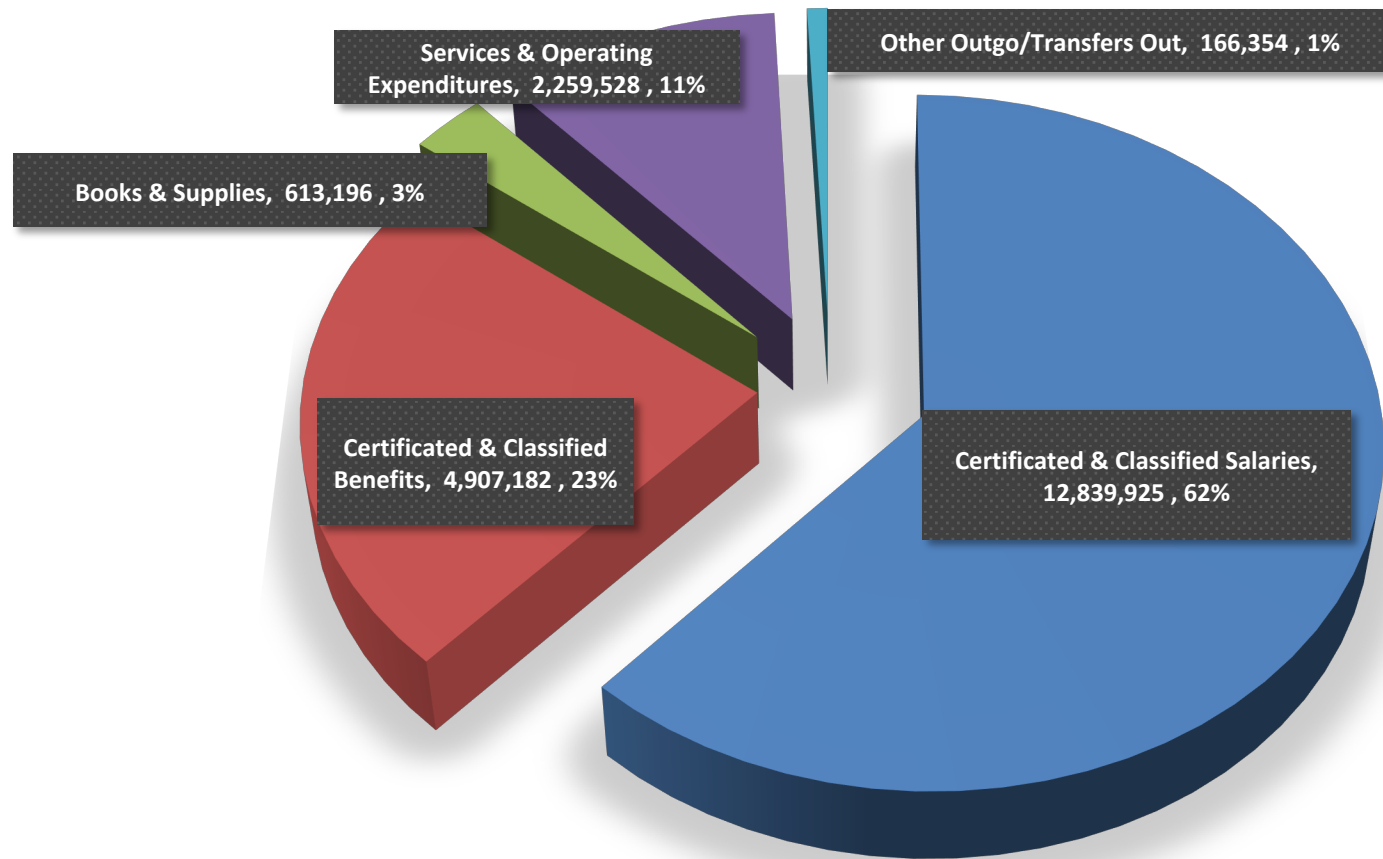
2018-2019

Total Expenditures

Certificated Salaries	\$ 9,895,372
Classified Salaries	\$ 2,944,553
Employee Benefits	\$ 4,907,182
Books & Supplies	\$ 613,196
Services & Operating Expenses	\$ 2,259,528
Utilities, Insurance, Contracts, Repairs, Special Ed.	
Other Outgo/Transfers Out	\$ 166,354
Transportation JPA/Special Ed., Def. Maintenance/Cafeteria	
Total Expenditures	\$20,786,183



Larkspur-Corte Madera School District Expenditures 2018-2019 (Combined restricted and unrestricted)



Larkspur-Corte Madera School District

Expenditures

2018-2019

Expenditure Source: Combined Unrestricted & Restricted	Budget Adoption	First Interim	Second Interim
Certificated & Classified Salaries *addition of positions due to program needs	\$12,661,180	\$12,747,616	\$12,839,925
Certificated & Classified Benefits *addition of positions due to program needs	\$ 4,892,647	\$ 5,011,554	\$ 4,907,182
Books & Supplies *one-time funding and program needs	\$ 602,877	\$ 665,422	\$ 613,196
Services & Operating Expenditures *addition of services due to program needs	\$ 2,035,509	\$ 2,102,975	\$ 2,259,528
Other Outgo/Transfers Out	\$ 344,079	\$ 344,552	\$ 166,354
Total Expenditures	\$20,536,291	\$20,872,119	\$20,786,185



Special Education Program Costs, 2018-2019

Special Education Expenses	\$ 3,172,488
<u>Less: Funded Special Education</u>	<u>\$ 1,037,913</u>
Special Education Contribution	\$ 2,134,575

10% - District General Fund Contribution to Special Education

5% - Funded Special Education

- School districts throughout the state face a continuing challenge in funding the costs of serving Special Education students. LCMSD is proud of the Special Education support provided to its students, but the District is also faced with mounting increases in the difference between federal and state governments funding and the mandated costs for these vital student services.
- Unfortunately, the federal government has not provided the funding that was envisioned when the laws mandating programs for Special Education students were adopted.
- This shortfall in dedicated funding has led to very significant contributions from the District's Unrestricted General Fund. *Special Education Contributions from the General Fund*—the difference between Special Education income and expense—has forced the District into making cuts in other District programs in order to make up for the shortfall by federal and state governments. During 2018-19, it is estimated that LCMSD will contribute \$2,134,575 from the District's Unrestricted General Fund to cover the costs for Special Education.

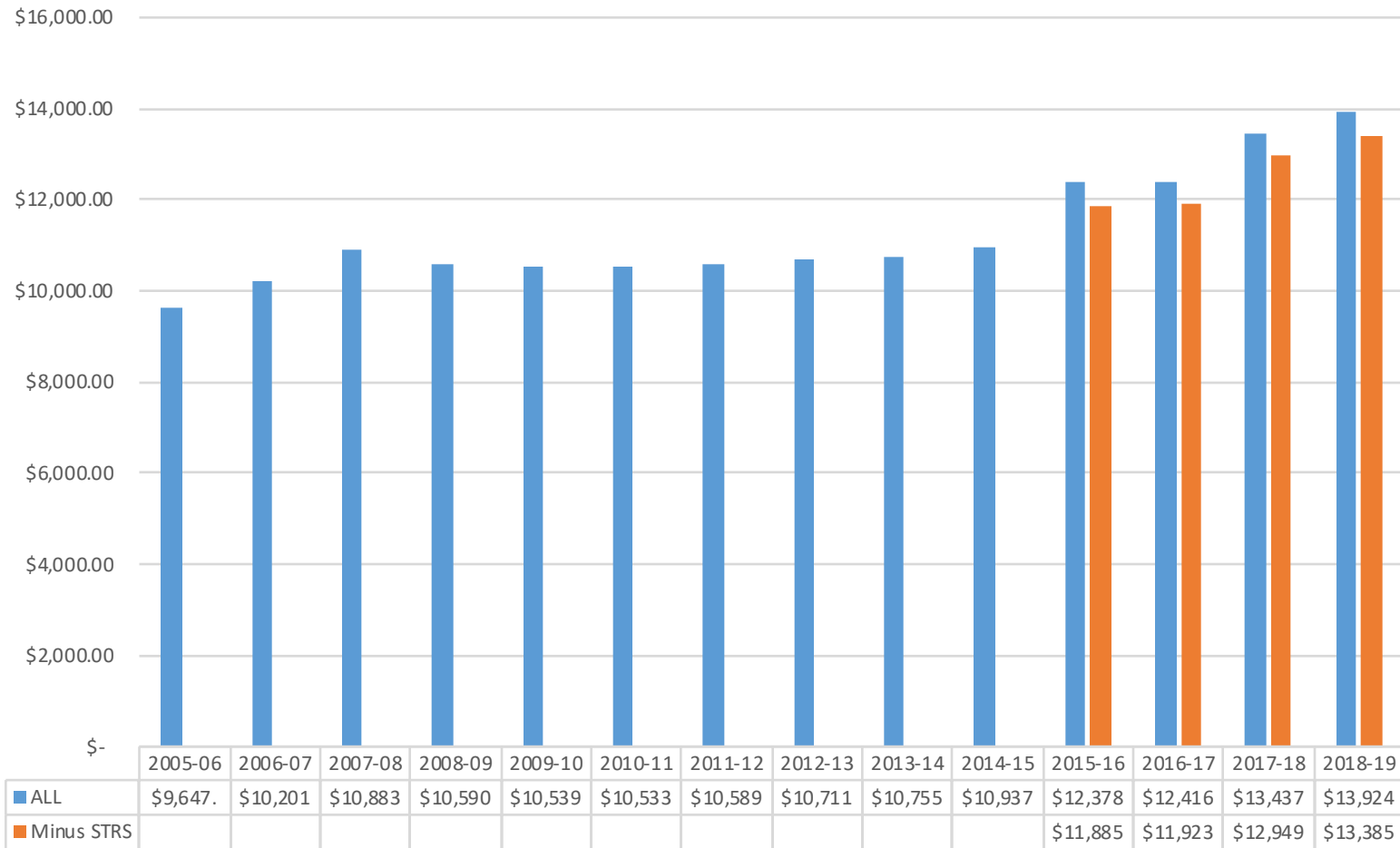


Second Interim Budget Changes - Expenditures

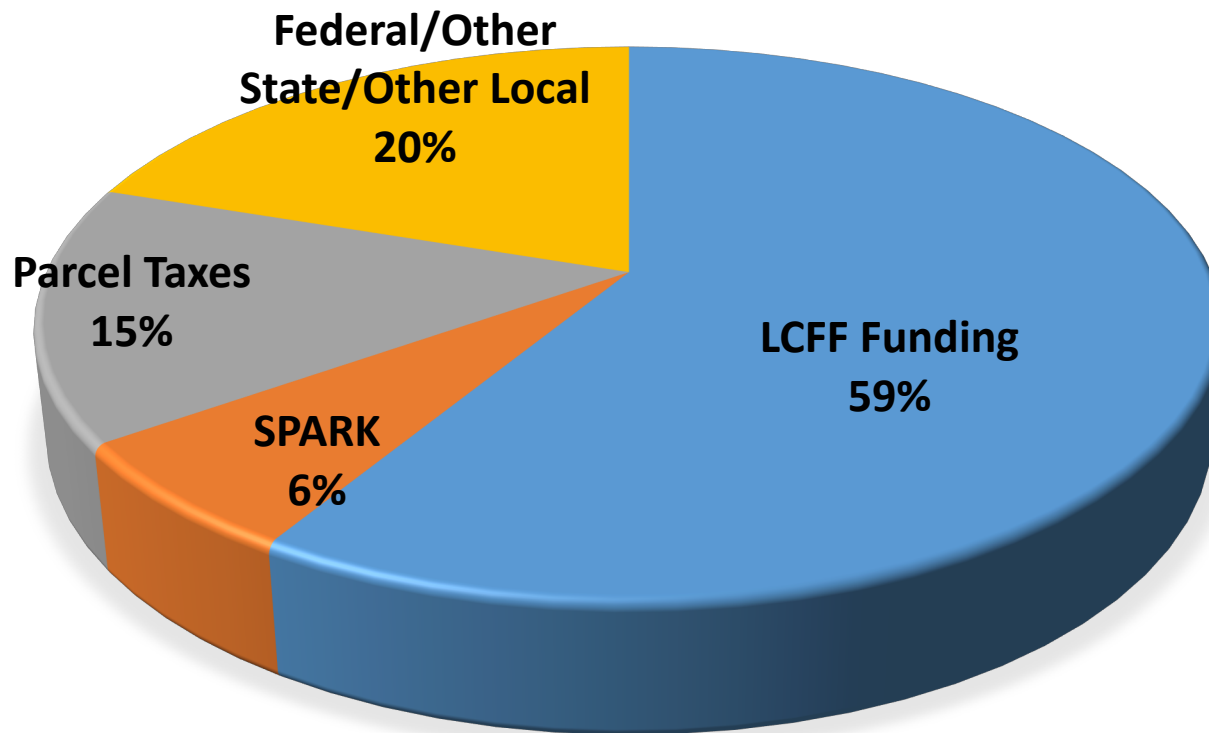
- Salary and Benefit changes adjusted to reflect actual staffing through January 31, 2019 (placements, leaves, worker's comp, etc.)
- Adjustments to non-staffing budgets to reflect current commitments, programs and new grants (Title IV Student Support, Classified Professional Development Block Grant and Low Performing Student Block Grant)
- State categorical carryover of \$114,530 budgeted (restricted funds)
- Mid-year reduction within technology budget



Expenditures Per ADA



2018-2019 Funding of Expenditures Per ADA



2018-2019 Second Interim Revenue and Expenditure Summary

• Total Revenues	\$ 20,454,515
• Total Expenditures	\$ 20,786,183
• Net Increase (Decrease)	\$ (331,668)

*Note \$114,530 of the negative net decrease are carry over expenditures that are earmarked for beginning fund balance from the previous fiscal year in restricted categories (ex. Title 1-4, Lottery, etc.)



Multi-Year Projection (without reductions)

	2017-18 Unaudited Actuals	2018-19 Second Interim	2019-20 Second Interim	2020-21 Second Interim
Beginning Balance	\$ 2,336,710.34	\$ 1,660,469.20	\$ 1,329,018.00	\$ 493,013.00
Revenues	\$19,463,028.09	\$20,454,515.00	\$20,558,935.00	\$21,122,762.00
Expenditures	\$20,139,269.23	\$20,786,183.00	\$21,394,939.00	\$21,896,601.00
Net Inc/(Dec)	\$ (676,241.14)	\$ (331,668.00)	\$ (836,004.00)	\$ (773,837.00)
Ending Balance	\$1,660,469.20	\$ 1,329,018.00	\$ 493,013.00	\$ (281,826.00)
Reserve	8.24%	6.39%	2.30%	-1.28%



Multi-Year Projection (with reductions)

	2017-18 Unaudited Actuals	2018-19 Second Interim	2019-20 Second Interim	2020-21 Second Interim
Beginning Balance	\$ 2,336,710.34	\$ 1,660,469.20	\$ 1,329,018.00	\$ 1,495,898.00
Revenues	\$19,463,028.09	\$20,454,515.00	\$20,558,935.00	\$21,122,762.00
Expenditures	\$20,139,269.23	\$20,786,183.00	\$20,392,053.00	\$20,893,715.00
Net Inc/(Dec)	\$ (676,241.14)	\$ (331,668.00)	\$ 166,882.00	\$ 229,049.00
Ending Balance	\$1,660,469.20	\$ 1,329,018.00	\$ 1,394,898.00 *Commitment in Reserves for Special Ed.	\$ 1,624,947.00 *Commitment in Reserves for Special Ed.
Reserve	8.24%	6.39%	6.84%	7.77%



Assumptions in 2018-19 to 2020-21 Multi-Year Projections - Revenues

- LCFF revenue assumptions:
 - Flat enrollment growth
 - 96% ADA to enrollment
 - COLA based on the Governor's 2019-2020 Budget Proposal
 - LCFF Entitlement Sources based on the Marin County Office Education Second Interim LCFF Calculator
- SPARK contribution projected at \$1,350,371 in out years
- Parcel tax projected at current parcels with 5% escalation
- Lease revenue based upon current signed leases
- MOU with neighboring districts that will continue



Assumptions in 2018-19 to 2020-21 Multi-Year Projections - Expenditures

- Staffing assumptions:
 - Step and Column included
 - No change to salary schedule
 - Decrease of staffing included to reflect recommendation made to the Board of Trustees
 - Significant STRS and PERS rate increased based upon enacted legislation and PERS guidance



CHALLENGES

- Revenues and Enrollment
 - Property taxes increasing in growth from previous years, 4%
 - Enrollment Leveling Off/Declining
- Special Education cost continuing to increase
- Plan for Multi-Year Projection; Two years out, continue to be cautious and focus on reduction strategies, develop financial projections and contingency plans accordingly
 - Increase in Employer Contributions toward STRS & PERS

RETIREMENT GROUP	2018-2019	2019-2020	2020-2021
Employer Contributions STRS	16.28	18.13	19.1
Employer Contributions PERS	18.1	20.7	23.4

- Build Reserves: Districts are advised to maintain reserves much greater than the State-required minimum



CELEBRATIONS

- Consistent local funding (Parcel Tax, SPARK, PTO's/PTA, leases)
- Stable enrollment
- Three School Model – Supported financially with comprehensive programs
- New and modernized facilities





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