

Larkspur-Corte Madera School District

2019-2020 First Interim Budget
Overview
Board Meeting
December 16, 2019

BUDGET DEVELOPMENT/FINANCIAL REPORTING/CALENDAR FOR THE 2019-20 & 2020-21 BUDGET

June 2019	Adoption of 2019-20 LCMSD Budget
June 2019	Governor Signs the 2019-20 State Budget
December 2019	First Interim LCMSD Financial Report
January 2020	Governor's Proposed 2020-21 State Budget Released
March 2020	Second Interim LCMSD Financial Report
May 2020	Governor's May Revision to 2020-21 Proposed Budget
May 2020	Draft 2020-21 LCAP and Budget
June 2020	Adoption of 2020-21 LCMSD LCAP
June 2020	Adoption of 2020-21 LCMSD Budget
June/July 2020	Governor Signs 2020-21 State Budget

Agenda

- 2019-20 First Interim budget update
- Multi-year projections
- Uncertainties
- Moving Forward

Larkspur-Corte Madera School District

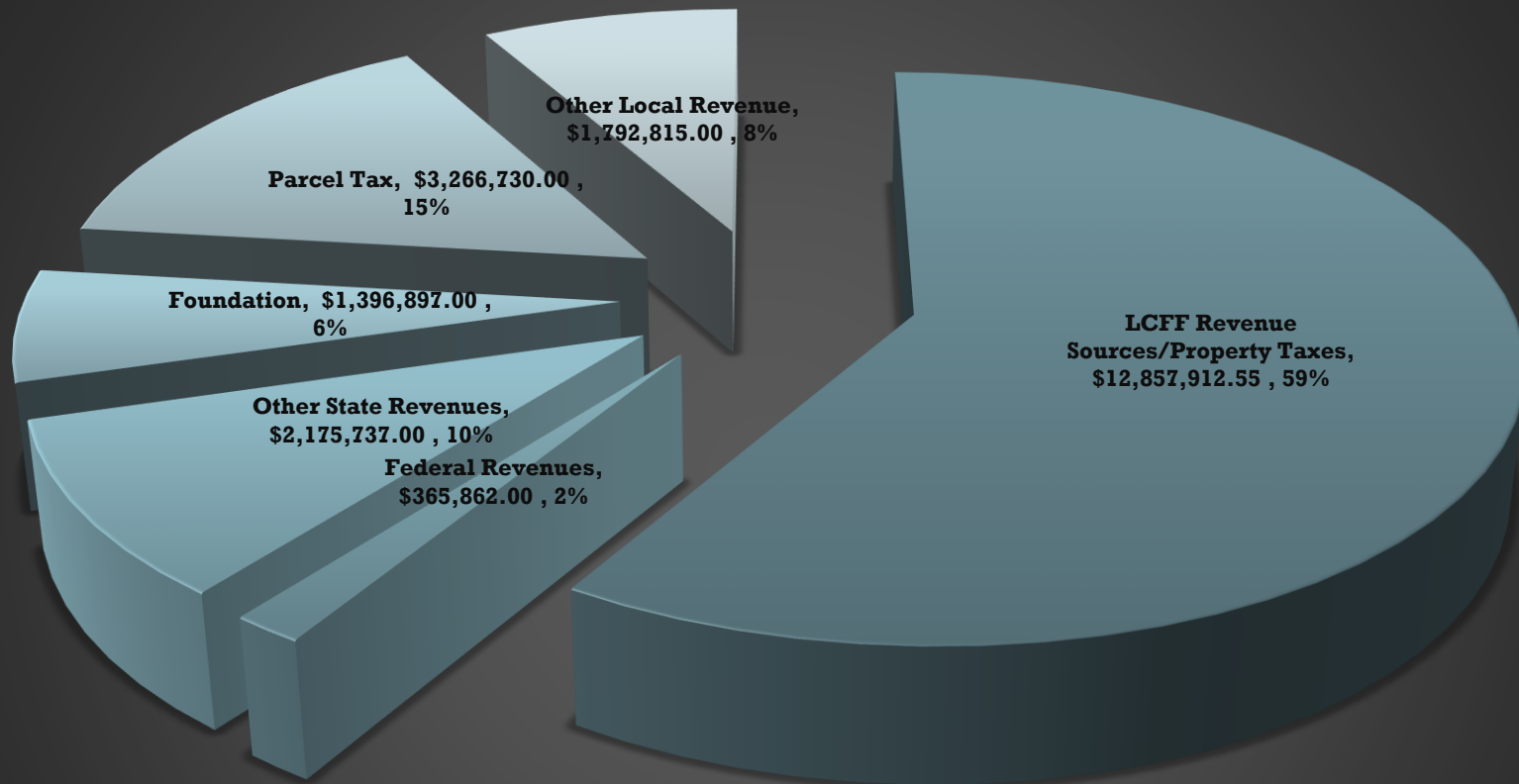
Revenue Detail

2019-2020

■ LCFF Sources/Property Tax	\$ 12,857,912
■ Federal Revenues	\$ 365,862
■ Other State Revenues	\$ 2,175,737
■ Foundation	\$ 1,396,897
■ <u>Other Local Income</u>	<u>\$ 5,059,545</u>
■ Total Revenues	\$ 21,855,954

Larkspur-Corte Madera School District Total Revenues 2019-2020

\$21,855,954



■ LCFF Revenue Sources/Property Taxes ■ Federal Revenues ■ Other State Revenues ■ Foundation ■ Parcel Tax ■ Other Local Revenue

Larkspur-Corte Madera School District

Revenue Detail

2019-2020

Revenue Source: Combined Unrestricted & Restricted	Budget Adoption	First Interim	Total Change
Property Tax/LCFF Limit Sources *increase in LCFF funding	\$12,766,166	\$12,857,912	\$91,746
Federal Revenues (Special Ed., Title I-III) *increase in Title I-IV	\$ 292,224	\$ 365,862	\$73,638
Other State Revenues (EIA, Lottery) *increase in STRS/PERS “on-behalf” accounting	\$ 1,274,634	\$ 2,175,737	\$901,103
Other Local Income (Leases/Rentals, Fees, County Special Ed., Grants)	\$ 5,010,433	\$ 5,059,545	\$49,112
Foundation	\$ 1,396,897	\$ 1,396,897	\$0
Total Revenues	\$20,740,354	\$21,855,954	\$1,115,600

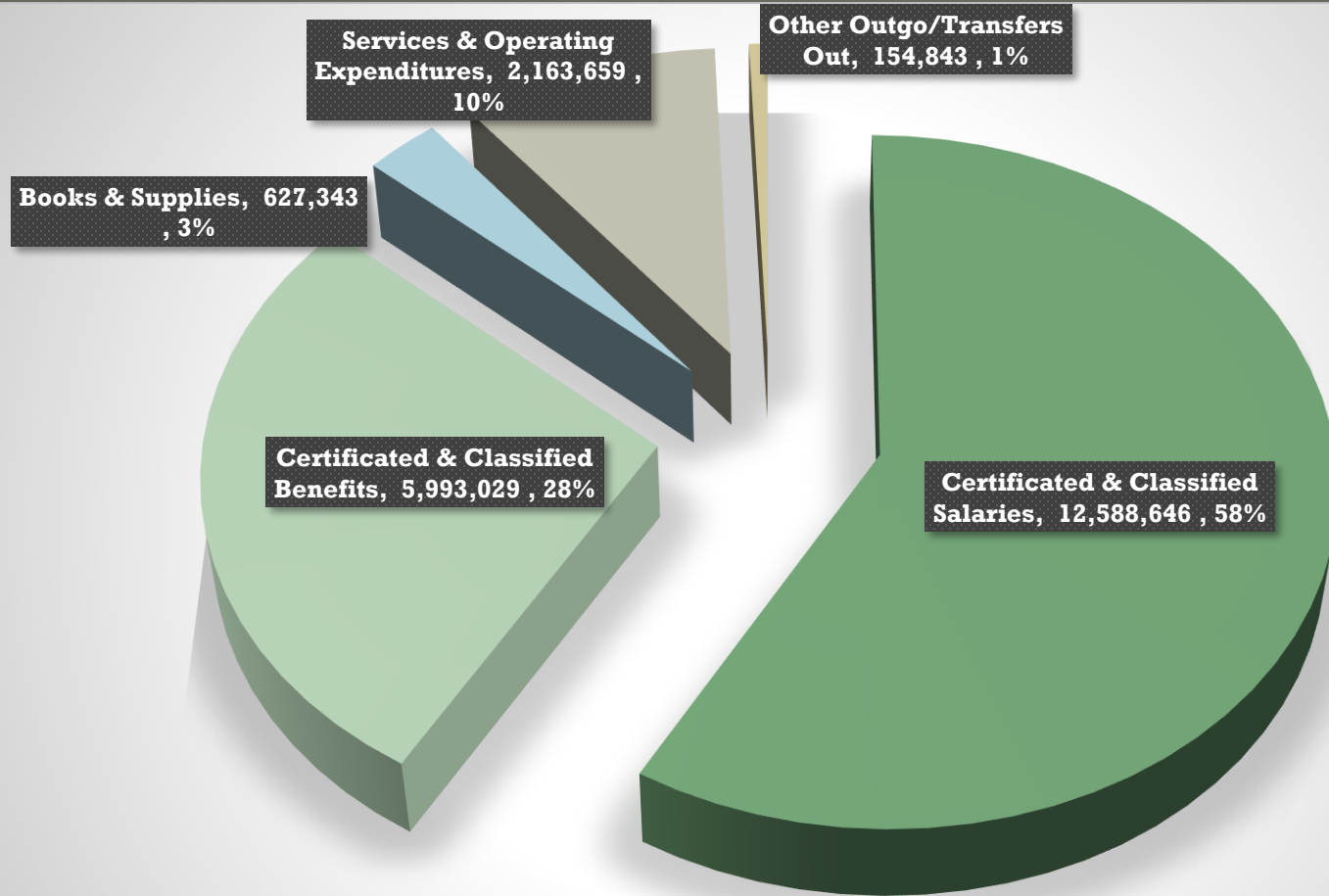
Larkspur-Corte Madera School District

2019-2020

Total Expenditures

• Certificated Salaries	\$ 9,833,482
• Classified Salaries	\$ 2,755,164
• Employee Benefits	\$ 5,993,029
• Books & Supplies	\$ 627,343
• Services & Operating Expenses	\$ 2,163,658
• Utilities, Insurance, Contracts, Repairs, Special Ed.	
• Other Outgo/Transfers Out	\$ 154,843
• Transportation JPA/Debt Service	
• Def. Maintenance/Cafeteria	
• Total Expenditures	\$21,527,519

Larkspur-Corte Madera School District Expenditures 2019-2020 (Combined restricted and unrestricted)



Larkspur-Corte Madera School District

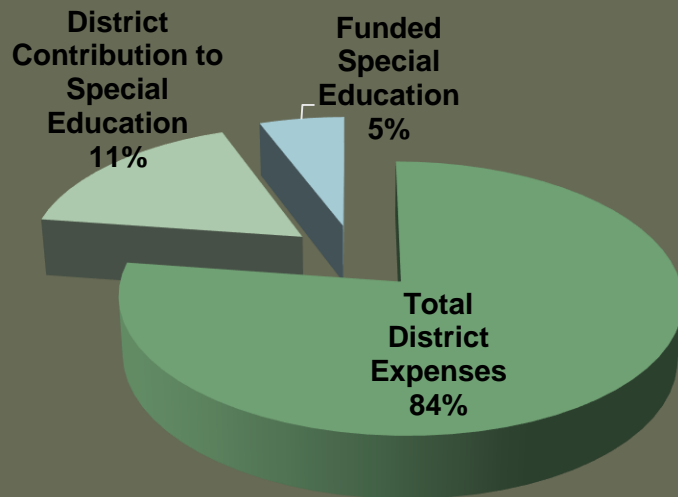
Expenditures

2019-2020

Expenditure Source: Combined Unrestricted & Restricted	Budget Adoption	First Interim	Total Change
Certificated & Classified Salaries *actual placement as of October 2019	\$12,397,772	\$12,588,646	\$190,874
Certificated & Classified Benefits *actual expenses as of October 2019/Addt. Of STRS/PERS "on-behalf"	\$ 5,308,241	\$ 5,993,029	\$684,788
Books & Supplies *Addition Of carry-over, one-time funding and program needs	\$ 433,569	\$ 627,343	\$193,774
Services & Operating Expenditures *Addition Of carry-over, one-time funding and program needs	\$ 2,132,039	\$ 2,163,659	\$31,620
Other Outgo/Transfers Out	\$ 176,201	\$ 154,843	\$(21,358)
Total Expenditures	\$20,447,821	\$21,527,520	\$1,079,699

Special Education Expenses	\$ 3,527,312
<u>Less: Funded Special Education</u>	<u>\$ 1,122,958</u>
Special Education Contribution	\$ 2,404,354

84% - Total District Expenses
 11% - District Contribution to Special Education
 5% - Funded Special Education



Special Education Program Costs, 2019-2020

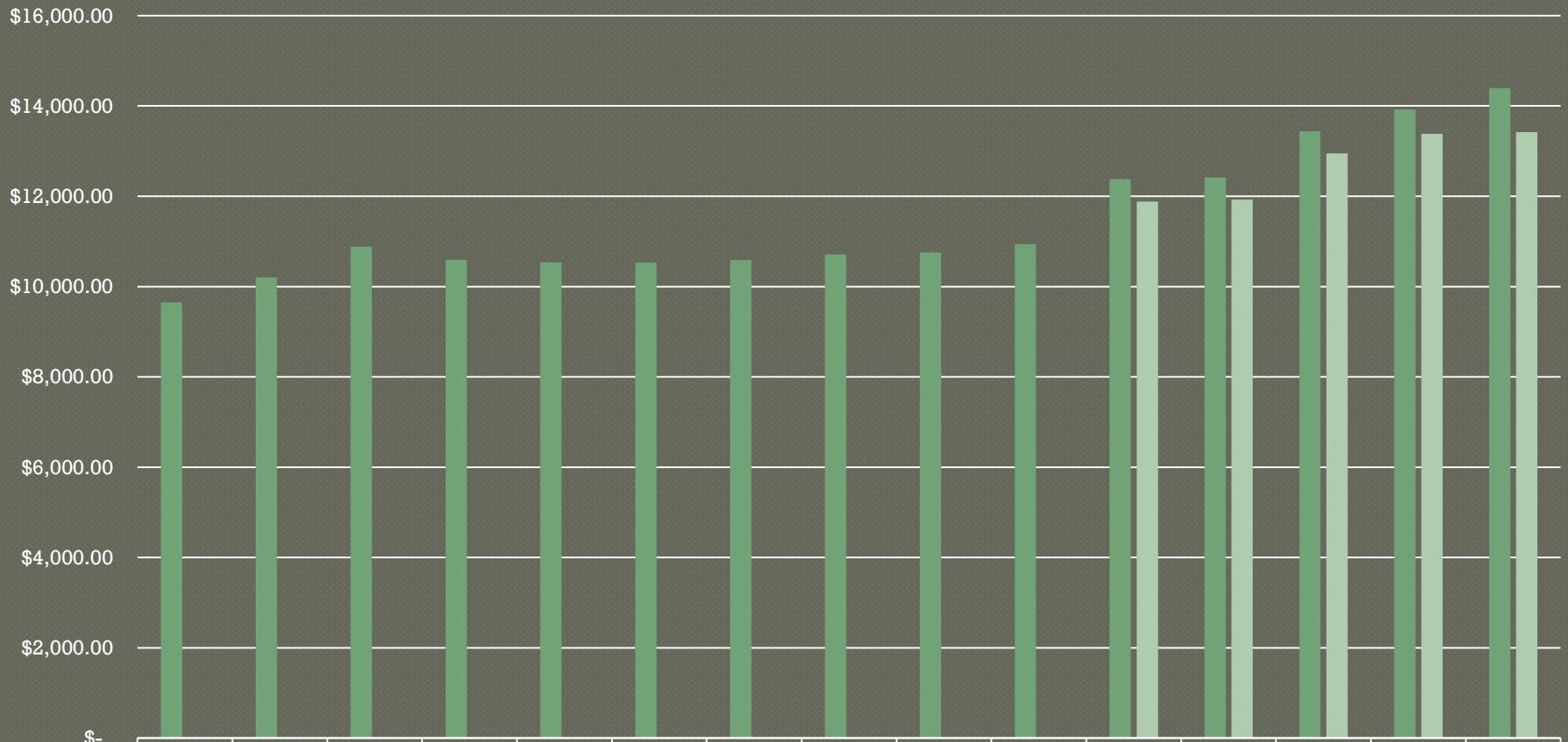
- School districts throughout the state face a continuing challenge in funding the costs of serving Special Education students. LCMSD is proud of the Special Education support provided to our students, but the District is also faced with mounting increases in the difference between the federal and state 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 2019-20, it is estimated that LCMSD will contribute \$2,404,354 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 October 31, 2019
- Adjustments to non staffing budgets to reflect current commitments and programs
- State categorical carryover of \$203,557 budgeted (restricted funds)

Expenditures Per ADA

Expenditures Per ADA



	2005-06	2006-07	2007-08	2008-09	2009-10	2010-11	2011-12	2012-13	2013-14	2014-15	2015-16	2016-17	2017-18	2018-19	2019-20
Series1	\$9,647.	\$10,201	\$10,883	\$10,590	\$10,539	\$10,533	\$10,589	\$10,711	\$10,755	\$10,937	\$12,378	\$12,416	\$13,437	\$13,920	\$14,391
Series2											\$11,885	\$11,923	\$12,949	\$13,383	\$13,418

2019-2020 Second Interim Revenue and Expenditure Summary

● Total Revenues	\$ 21,855,954
● Total Expenditures	\$ 21,527,519
● Net Increase (Increase)	\$ 531,992

Assumptions in 2019-20 to 2021-22 Multi-Year Projections - Revenues

- LCFF revenue assumptions:
 - Flat enrollment growth
 - 96% ADA to enrollment
- SPARK contribution projected at \$1,396,897 in current fiscal year and \$1,250,000 in out years
- Parcel tax projected at current parcels with 5% escalation
- Lease revenue based upon current signed leases

Assumptions in 2019-20 to 2021-22 Multi-Year Projections - Expenditures

● Staffing assumptions:

- Step and Column included
- No change to salary schedule
- Decrease of staffing included in 2019-20 and addition of 1 FTE certificated in 2020-21
- 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, 5%
 - Enrollment Leveling Off/Declining
- ◉ Special Education cost continuing to increase
- ◉ Plan for Multi Year Projection; 2 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	2019-2020	2019-2020	2020-2021
Employer Contributions STRS	17.1	18.4	18.1
Employer Contributions PERS	19.721	22.7	24.6

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

CELEBRATIONS

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