

Larkspur-Corte Madera School District



2019-2020 BUDGET ADOPTION

BOARD MEETING JUNE 5 AND 6, 2019

Agenda

State Budget Update

Proposed Budget for 2019-20

Multi Year Projections (MYP)

Challenges

State Budget Update

May Revision proposed by Governor on May 9
Includes:

- Fully Funding the LCFF with a 3.26% COLA adjustment
- Funds toward debt payment to CALSTRS
- Additional funding toward Special Education, Preschools, Child Care and state bond
- Projects slowing economic growth
 - If a recession were to hit California, decrease in revenue is estimated to be approximately \$40 Billion
- Projected declining enrollment statewide

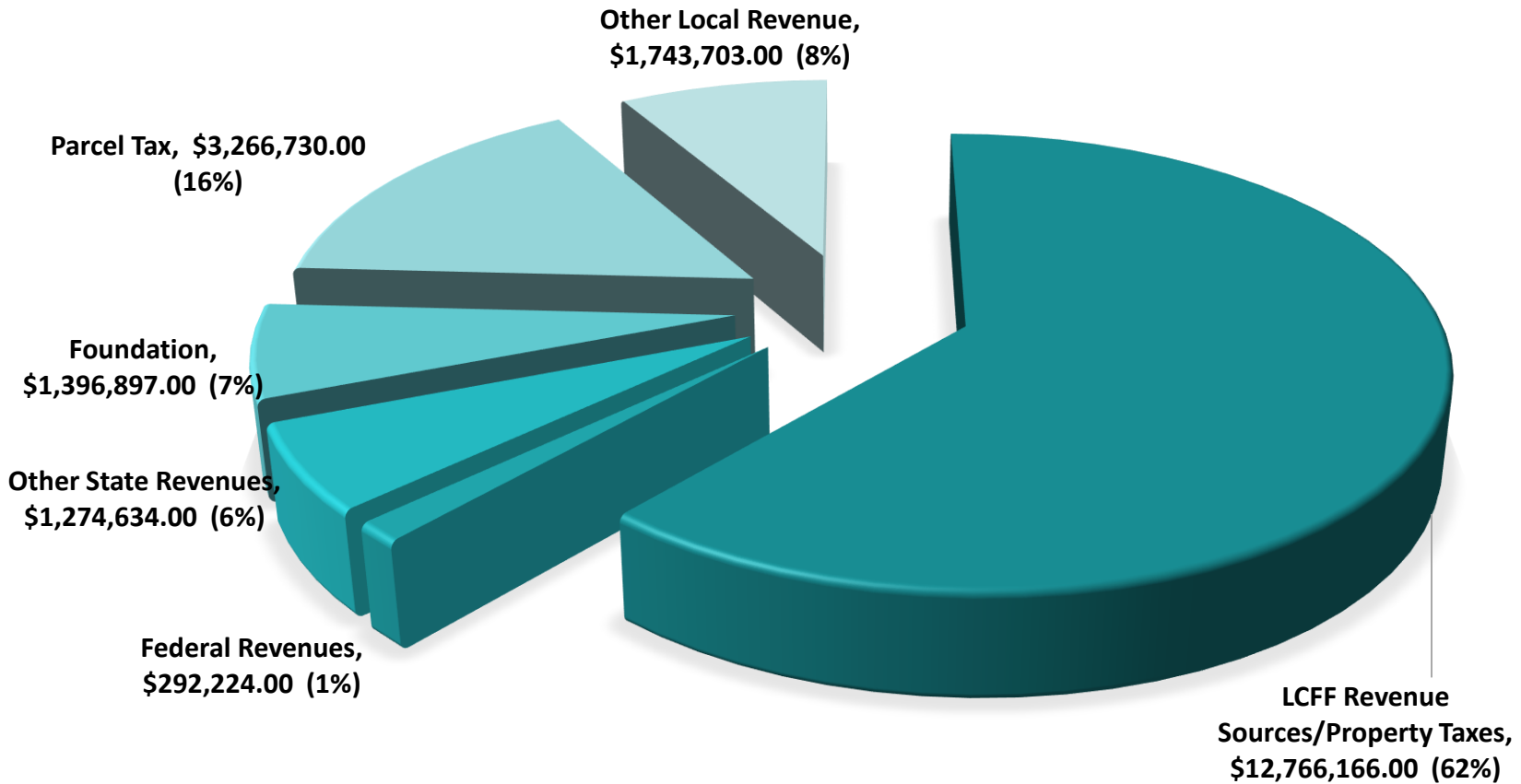
Larkspur-Corte Madera School District Revenue Detail

2019-2020

	2019-2020	2018-2019
■ LCFF Sources/Property Tax	\$12,766,166	\$12,202,034
■ Federal Revenues	\$ 292,224	\$ 313,380
■ Other State Revenues	\$ 1,274,634	\$ 1,559,840
■ <u>Other Local Income</u>	<u>\$ 6,407,330</u>	<u>\$ 6,378,961</u>
■ Total Revenues	\$20,740,353	\$20,454,515

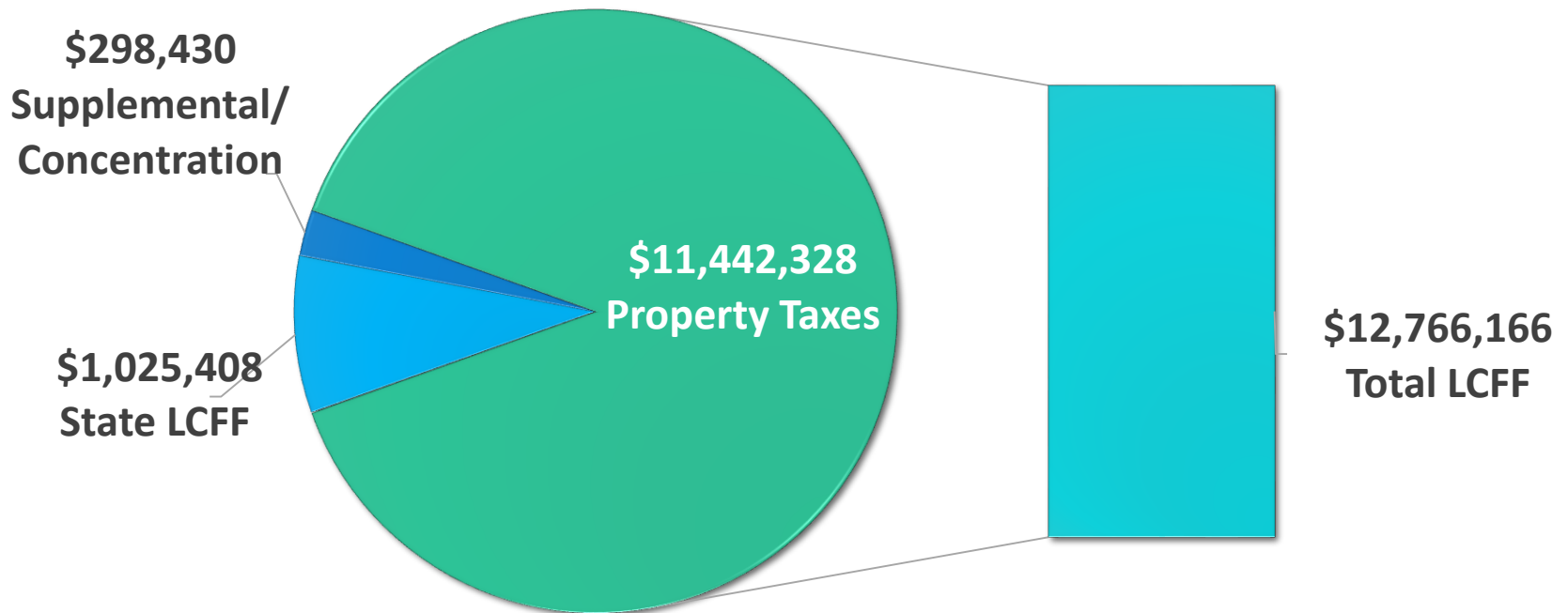
■ NOTE: Total new revenues \$285,838 mainly from COLA adjustment to LCFF and SPARK commitment. There is a slight decrease in federal and state revenues within special education programs.

Larkspur-Corte Madera School District Revenue Detail 2019-2020

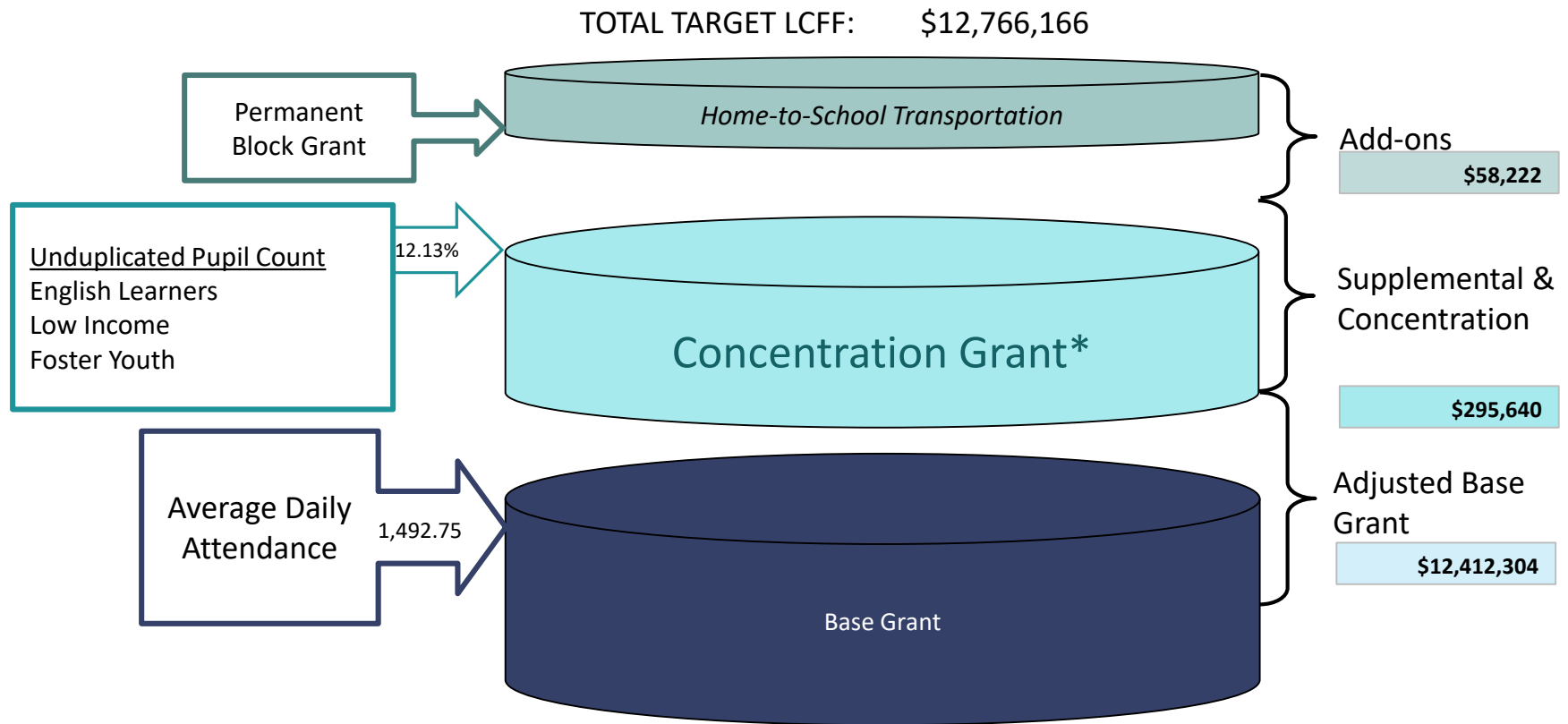


Larkspur-Corte Madera School District Revenue Detail 2019-2020

LCFF Revenue Sources/Property Taxes Breakdown



Components of LCFF Target Entitlement 2019-2020



*Unduplicated Pupil Percentage must be above 55% to receive Concentration Grant funding

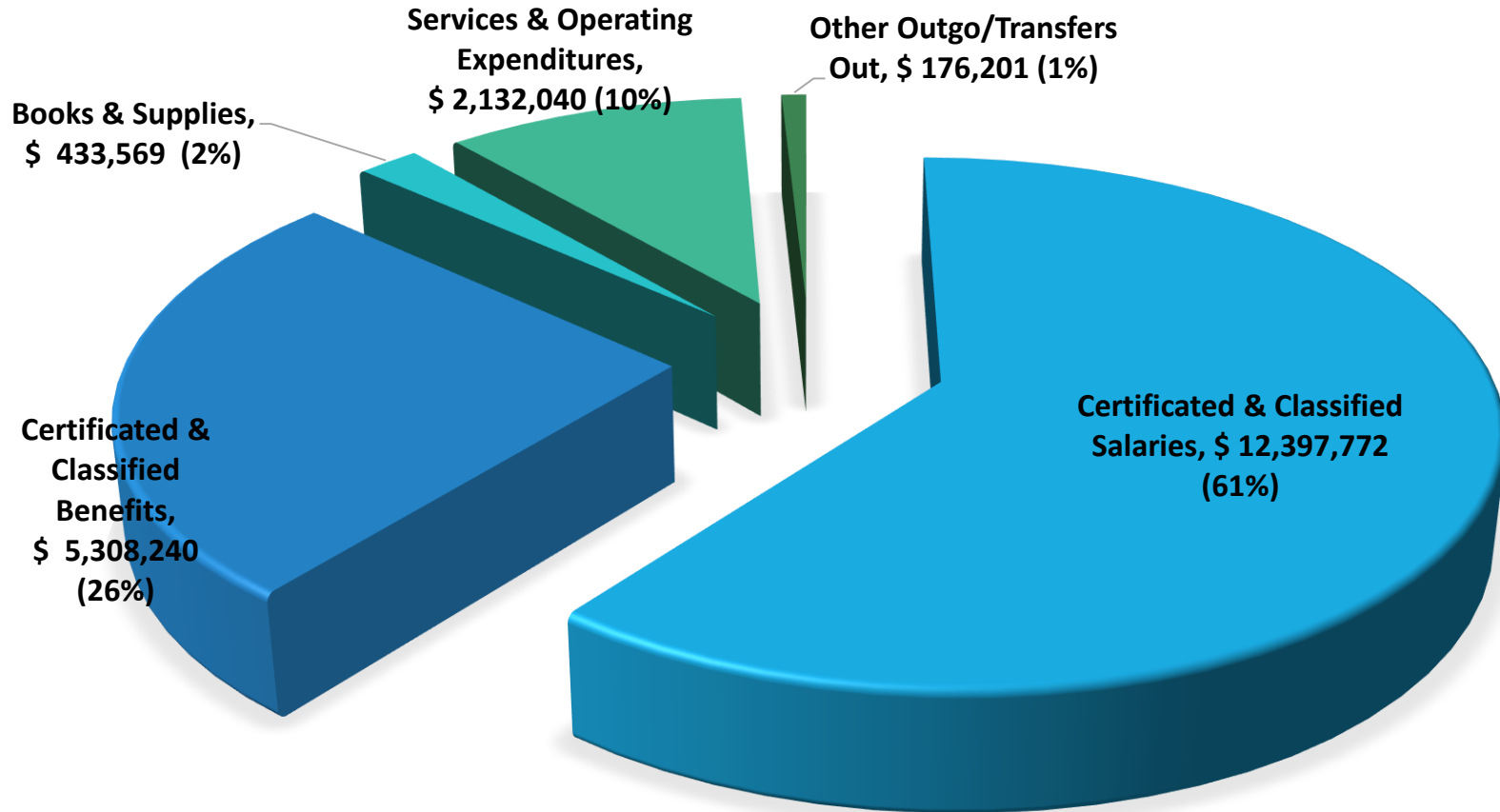
Larkspur-Corte Madera School District

2019-2020

Total Expenditures

	<u>2019-2020</u>	<u>2018-2019</u>
Certificated Salaries	\$ 9,698,952	\$ 9,895,372
Classified Salaries	\$ 2,698,820	\$ 2,944,553
Employee Benefits	\$ 5,308,240	\$ 4,907,182
Books & Supplies	\$ 433,569	613,196
Services & Operating Expenses	\$ 2,132,040	\$ 2,259,528
◦ Utilities, Insurance, Contracts, Repairs, Special Ed.		
Capital Outlay	\$ 0	\$ 0
Other Outgo/Transfers Out	\$ 176,201	\$ 203,830
◦ Special Ed.: Transportation/Excess Cost (MCOE)		
◦ Cafeteria		
Total Expenditures	\$20,447,822	\$20,823,659

2019-2020 Total Expenditures



2019-20 Expenditures

Personnel Budgets:

- Based upon post-reduction staffing formulas reflected in the 2018-19 layoff resolutions
 - (-) 4.08 FTE Certificated
 - (-) 7.64 FTE Classified
- 2019-20 staff step and column movement costs
- STRS rate increased to 18.13%
- PERS rate increased to 23.6%
- Worker's Comp rate increased to 1.253%
- Health and welfare cap of \$10,500 for certificated and \$10,000 for classified
- Medicare rate of 6.2%
- State Unemployment Insurance (SUI) rate of .05%
- PARS separation incentive \$151,248.16 (year 1 of 5)

2019-20 Expenditures

Non personnel budgets:

- Professional development in math, reading, science, robotics and technology
- Curriculum adoption for language arts
- Utilities, insurance, network and technology contracts, and other operating costs include minimal increases
- Special education costs based upon current placements, MCOE estimates, and historical costs
- Departmental budgets and other operating services

2019-2020 Budget Adoption Revenue and Expenditure Summary

	<u>2019-2020</u>	<u>2018-2019</u>
Total Revenues	\$20,740,353	\$20,454,515
Total Expenditures	<u>\$20,447,822</u>	<u>\$20,823,659</u>
Net Increase (Decrease)	\$ 292,531	\$(-) 369,144

NOTE: Total new revenues are \$285,838, an increase of 1.37% to our district budget. Cost of step/columns is approximately a 2.25% increase of salary costs and STRS/PERS is approximately a 2% retirement benefit increase.

MYP Assumptions

LCFF revenue based upon Department of Finance (DOF) projections

Property tax growth of 3.87% in 2019-20 and 3.5% in the out years

Parcel tax (Measure A) with a 5% escalator

Lease revenue based upon signed lease agreements

Step and Column contractual agreements

STRS rate increase

PERS rate increase

MYP Assumptions

Step and column movement for staffing based upon post-reduction formulas reflected in the 2018-19 layoff resolutions

- (-) 4.08 FTE certificated
- (-) 7.64 FTE classified
 - Projected certificated staffing based on 2019-2020 assignments, 90.3501 FTE
 - Projected classified staffing based on 2019-2020 assignments, 34.7068 FTE
 - Projected district office staffing based on 2019-2020 assignments, 9.8 FTE
 - Projected site administration based on 2019-2020 assignments, 4.0 FTE

Declining enrollment projected

Operational expenses based on contracted amount and usage

Multi-Year Projection (without reductions)

	2017-18 Unaudited Actuals	2018-19 Second Interim	2019-20 2019-2020 Budget Adoption	2020-21 2019-2020 Budget Adoption
Beginning Balance	\$ 2,336,710.34	\$ 1,660,686.00	\$ 1,330,018.00	\$ 675,432.00
Revenues	\$19,463,028.09	\$20,454,515.00	\$20,740,353.00	\$21,122,547.00
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)	\$ (654,586.00)	\$ (774,054.00)
Ending Balance	\$1,660,469.20	\$ 1,329,018.00	\$ 675,432.00	\$ (98,622.00)
Reserve	8.24%	6.39%	3.15%	-0.45%

Multi-Year Projection (with all recommended reductions)

	2017-18 Unaudited Actuals	2018-19 Second Interim	2019-20 2019-2020 Budget Adoption	2020-21 2019-2020 Budget Adoption	2021-22 2019-2020 Budget Adoption
Beginning Balance	\$ 2,336,710.34	\$ 1,660,686.00	\$ 1,330,018.00	\$ 1,622,549.00	\$ 1,563,508.00
Revenues	\$19,463,028.09	\$20,454,515.00	\$20,740,353.00	\$21,122,547.00	\$21,295,256.00
Expenditures	\$20,139,269.23	\$20,786,183.00	\$20,447,822.00	\$21,181,587.00	\$21,402,381.00
Net Inc/(Dec)	\$ (676,241.14)	\$ (331,668.00)	\$ 292,531.00	\$ (59,039.00)	\$ (107,126.00)
Ending Balance	\$1,660,469.20	\$ 1,329,018.00	\$ 1,521,549.00	\$ 1,463,510.00	\$ 1,356,384.00
Reserve	8.24%	6.39%	7.44% *including a \$100K committed reserve for Special Ed.	6.90% *including a \$100K committed reserve for Special Ed.	6.33% *including a \$100K committed reserve for Special Ed.

CHALLENGES

Minimal revenue increases and declining ADA

Continued increase in special education costs

Deferred maintenance, district-wide facility needs, technology plan, curriculum plan, and professional development

Increase in employer contributions toward STRS & PERS

RETIREMENT GROUP	2019-2020	2020-2021	2021-2022
Employer Contributions STRS	18.13	19.1	19.1
Employer Contributions PERS	20.733	23.6	24.9

Declining enrollment

Slowing economy

Reserves: community funded districts are advised to maintain reserves much greater than the state-required minimum

2019-2020 Additional Detailed Supporting Documentation

Property Tax/LCFF Sources Total Revenues

\$12,766,166

❖ Property Tax Revenues	\$11,442,328
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❖ LCFF Principal Apportionment	\$ 1,025,408
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❖ Education Protection Acct (EPA)	\$ 298,430
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TOTAL LCFF SOURCES

\$12,766,166

❖ NOTE: District has a 3.87% increase in property taxes from prior year.

Total Federal Revenues

2019-2020

\$292,224

Special Education Entitlement	\$ 210,436
ESSA (Title I; Low-Income)	\$ 35,373
ESSA (Title II; Teacher Quality)	\$ 17,295
ESSA (Title III; Limited English)	\$ 7,424
ESSA (Title IV; ESSA)	\$ 8,800

Total State Revenues 2019-2020 \$1,274,634

State Lottery - Instructional Materials	\$ 304,521
STRS On Behalf	\$ 889,576
Other State Revenues; Mental Health	\$ 32,500
Mandated Block Grant	\$ 48,037

Total Other Local Revenues

2019-2020

\$ 6,407,330

Leases and Rentals	\$ 622,500
Interest	\$ 5,000
Other Fees and Contracts	\$ 311,096
Parcel Taxes	\$ 3,266,730
SELPA; Special Ed. County Transfer	\$ 805,107
SPARK Foundation	\$ 1,396,897

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