

Larkspur-Corte Madera School District

2020-21 Budget Adoption

June 17 and 18, 2020

230 Doherty Drive, Larkspur, CA 94939 / 415-927-6960



Strategic Priorities

- Foster healthy, inclusive, respectful, and safe learning environments. Promote the social, emotional, and intellectual growth of all community members.
- Inspire academic growth and civic responsibility through a rigorous, inquiry-based curriculum that is engaging and personalized.
- Attract, cultivate, and retain innovative, inspirational educators.
- **Sustain the fiscal integrity and stability of the District.**
- Facilitate collaborative partnerships between students, families, schools, and community.



2019-2020 Budget Approval as of First Interim

MULTI-YEAR PROJECTION				
2019-2020 First Interim				
	2019-2020	2020-2021	2021-2022	2022-2023
Beg Balance	\$ 1,507,878	\$ 1,836,314	\$ 1,767,309	\$ 1,533,203
Revenues	\$ 21,855,954	\$ 22,150,117	\$ 22,405,481	\$ 23,181,280
Expenses	\$ 21,527,518	\$ 22,219,122	\$ 22,639,587	\$ 23,165,483
Net Inc/(Dec)	\$ 328,436	\$ (69,005)	\$ (234,106)	\$ 15,797
Ending Balance	\$ 1,836,314	\$ 1,767,309	\$ 1,533,203	\$ 1,549,000
State Reserve Level	8.53%	7.95%	6.77%	6.69%
Undesignated Ending Balance (after 6% Reserve level and \$100K commitment)	\$ 444,662.92	\$ 334,161.68	\$ 74,827.78	\$ 59,071.02
Reserve Level After Board Requirement	8.53%	7.50%	6.33%	6.25%



Revised Per Governor's 2020-2021 Budget Proposal

BASED ON GOVERNOR'S 20-21 BUDGET PROPOSAL MULTI-YEAR PROJECTION				
	2019-2020	2020-2021	2021-2022	2022-2023
Beg Balance	\$ 1,507,878	\$ 1,836,314	\$ 1,674,277	\$ 1,329,050
Revenues	\$ 21,855,954	\$ 22,059,895	\$ 22,303,029	\$ 22,991,896
Expenses	\$ 21,527,518	\$ 22,221,932	\$ 22,648,256	\$ 23,204,127
Net Inc/(Dec)	\$ 328,436	\$ (162,037)	\$ (345,227)	\$ (212,231)
Ending Balance	\$ 1,836,314	\$ 1,674,277	\$ 1,329,050	\$ 1,116,819
State Reserve Level	8.53%	7.54%	5.89%	4.89%
Undesignated Ending Balance (\$100K commitment)	\$ -	\$ 100,000.00	\$ 100,000.00	\$ 100,000.00
Reserve Level After Board Requirement	8.53%	7.08%	5.43%	4.38%



MYP BASE MODEL - Negative Certification

BASED ON GOVERNOR'S 20-21 BUDGET PROPOSAL MAY REVISE MULTI-YEAR PROJECTION - BASE MODEL

	2019-2020	2020-2021	2021-2022	2022-2023
Beg Balance	\$ 1,507,878	\$ 1,318,692	\$ 471,818	\$ (904,299)
Revenues	\$ 21,442,227	\$ 21,352,415	\$ 21,250,482	\$ 21,277,072
Expenses	\$ 21,631,413	\$ 22,199,289	\$ 22,626,599	\$ 22,886,234
Net Inc/(Dec)	\$ (189,186)	\$ (846,874)	\$ (1,376,117)	\$ (1,609,162)
Ending Balance	\$ 1,318,692	\$ 471,818	\$ (904,299)	\$ (2,513,461)
State Reserve Level	6.10%	2.13%	-4.00%	-10.99%
Undesignated Ending Balance (\$100K commitment)	\$ -	\$ 100,000.00	\$ 100,000.00	\$ 100,000.00
Reserve Level After Board Requirement	6.10%	1.67%	-4.44%	-11.42%



Thank You

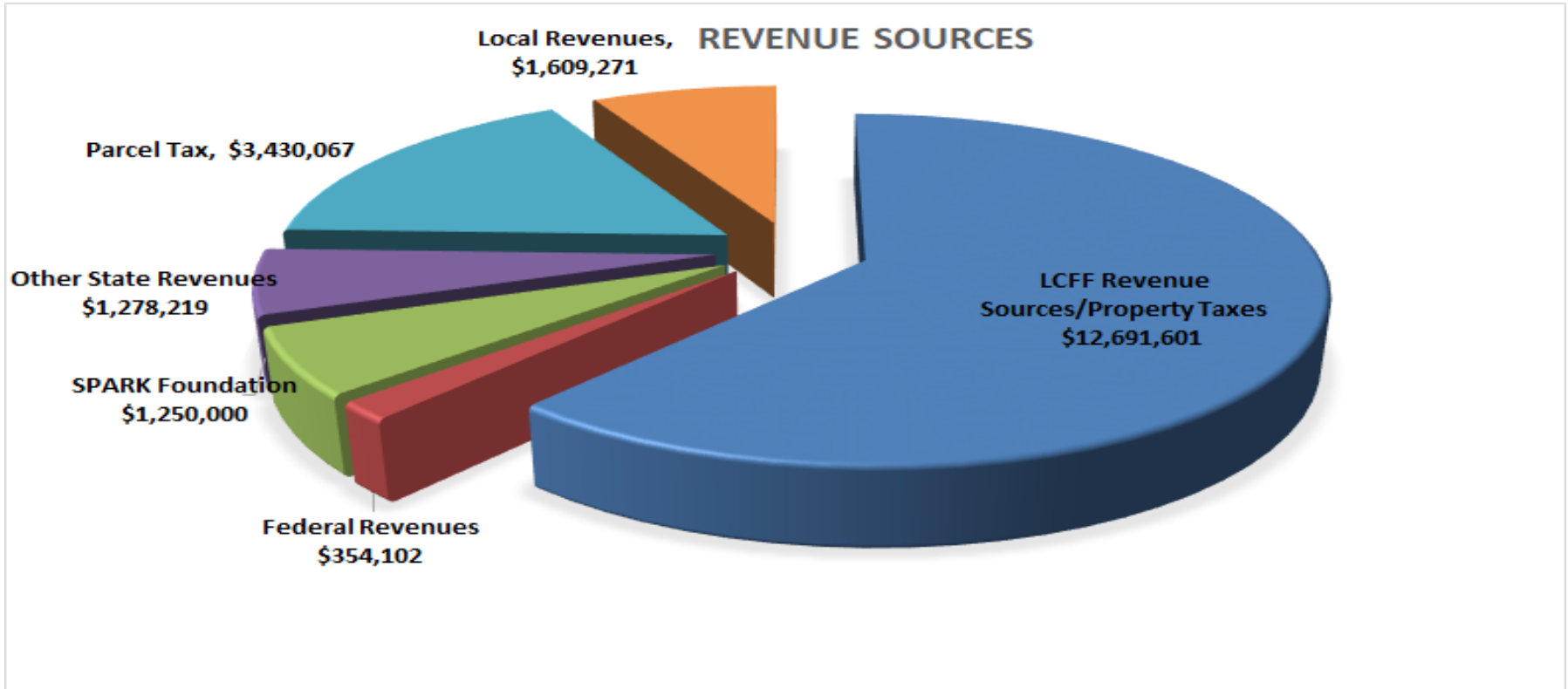


Stakeholder Engagement

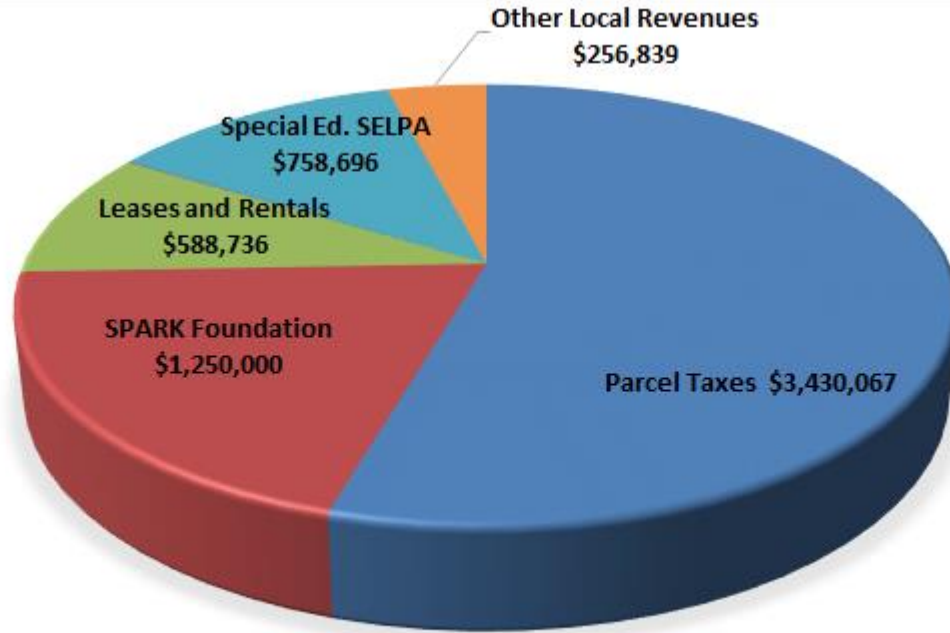
- Staff Meetings
- Parent Meetings
- District Advisory Panel
- District Leadership Alliance
- CSEA
- LCMEA
- DELAC
- Fiscal Advisory Committee



Revenue Sources: 2020-21 Budget Adoption



Local Revenue: \$6,289,38 (31%)



Larkspur-Corte Madera School District

Revenue Detail

2020-2021

Revenue Source: Combined Unrestricted & Restricted	2019-2020 Estimated Actuals	2020-2021 Budget Adoption	Total Change Between Budget Adoption and Estimated Actuals
Property Tax/LCFF Limit Sources *increase in LCFF funding due to property taxes	\$12,534,989	\$12,691,601	\$ 156,612
Federal Revenues (Special Ed., Title I-IV, ESSER) *addition of ESSER funds	\$ 314,418	\$ 354,102	\$ 39,684
Other State Revenues (Lottery, booking entry for STRS on-behalf) *decrease in PERS "on-behalf" accounting	\$ 1,971,256	\$ 1,278,219	\$ - 693,037
Other Local Income (Leases/Rentals, Fees, County Special Ed., Grants)	\$ 5,119,882	\$ 5,039,338	\$ - 80,545
Foundation	\$ 1,396,897	\$ 1,250,000	\$ - 146,897
Total Revenues	\$21,337,442	\$20,613,260	\$ - 724,183

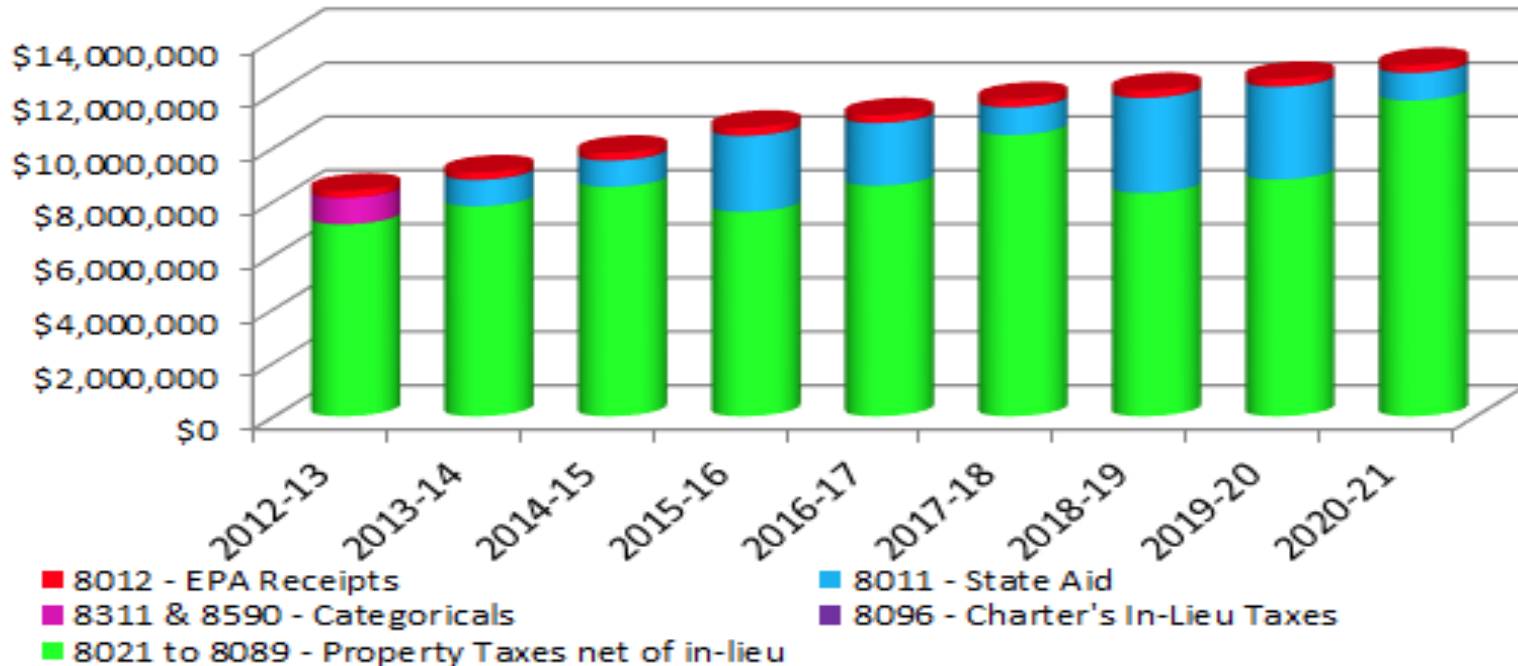
Revenue Changes

- Uncertainties caused by COVID-19
 - -7.92% COLA to LCFF base funding
 - -10% reduction to LCFF Add-on: Minimum State Aid and Home-to-School Transportation
 - SPARK reduction to commitment of \$ 146,897
 - Projected Lottery revenue reduction of 30%
 - Projected Federal revenue reduction of 12%
 - Projected Local revenue reduction in facility rentals



LCFF Revenue Trend

District's LCFF revenue trend since the implementation of LCFF



Larkspur-Corte Madera School District

Expenditures Detail

2020-2021

Expenditure Source: Combined Unrestricted & Restricted	2019-2020 Estimated Actuals	2020-2021 Budget Adoption	Total Change Between Budget Adoption and Estimated Actuals
Certificated & Classified Salaries *actual placement as of October 2019	\$12,649,774	\$12,171,515	\$ - 478,259
Certificated & Classified Benefits *actual expenses as of October 2019/Addt. Of STRS/PERS "on-behalf"	\$ 5,765,107	\$ 5,374,888	\$ - 390,219
Books & Supplies *Addition Of carry-over, one-time funding and program needs	\$ 626,127	\$ 475,572	\$ - 150,555
Services & Operating Expenditures *Addition Of carry-over, one-time funding and program needs	\$ 2,130,794	\$ 1,976,122	\$ - 154,672
Other Outgo/Transfers Out	\$ 273,490	\$ 333,991	\$ 60,501
Total Expenditures	\$21,445,292	\$20,332,088	\$ - 1,113,204

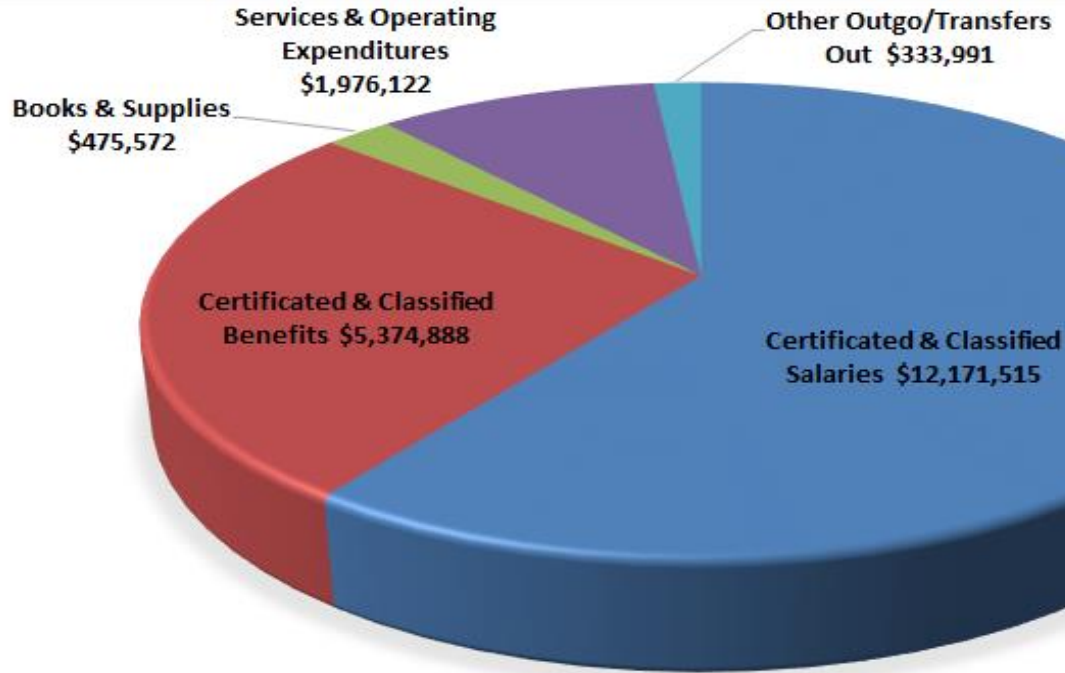


Expenditure Changes

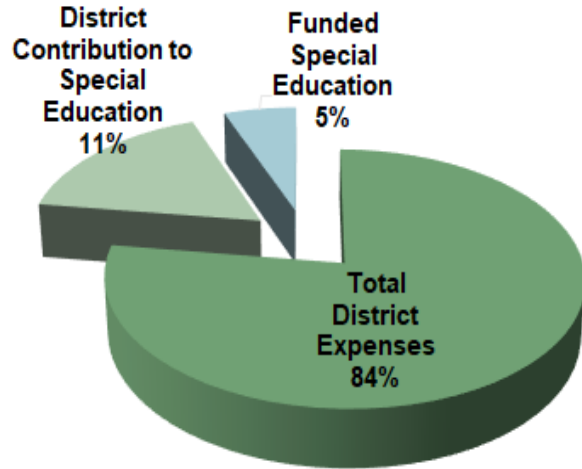
- Salary and Benefit changes adjusted to reflect actual staffing through June 2, 2020: Steps and Column included
 - Phase I Freeze/Absorption of positions
 - Reduction in .4 FTE District Wide Nurse
 - Absorption of 2.8 FTE Teaching
 - Absorption of 1.0 FTE Custodian
 - 1.0 FTE Confidential Classified Lay-off
 - Benefit changes were largely due to the elimination in account of the additional PERS “on-Behalf”
- Adjustments to non staffing budgets to reflect current commitments and reduction of professional development by \$140,000
- State categorical carryover of \$203,557 budgeted (restricted funds) reduction in expenditures



Expenditures



Special Education



SPECIAL EDUCATION PROGRAM COSTS, 2020-21

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. 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. In 2020-21, it is estimated that LCMSD will contribute \$2,638,256 from the District's Unrestricted General Fund to cover the costs for Special Education.



2020-21 Budget Adoption Revenue and Expenditure Summary

	Budget Adoption 2020-2021	Estimate Actuals 2019-2020
Total Revenues	\$ 21,337,442	\$ 20,613,260
Total Expenditures	<u>\$ 21,445,291</u>	<u>\$ 20,332,088</u>
Net Increase	\$ (107,849)	\$ 281,172



Multi-Year Projections

- Model
 - **Phase 1 & 2 MYP Two Year Plan:** implementing revenue assumptions and Phase 1 and 2 reductions over two years



Phase 1

Already Identified Reductions:

- Professional Development: \$140,000
- Human Resource Specialist: \$136,734
- Nurse (.4 reduction): \$34,213
 - Total savings: \$310,947



Phase 1

Open Position	Cost	Plan of Action
Hall PE 1.0 FTE	\$120,748	If hybrid/distance learning leave vacant; if full classroom-based, transfer a staff member who holds the credential (This could result in a loss of elementary PE services or another service depending on who is transferred)
Hall Spanish .8 FTE	\$136,035	Transfer a staff member who holds the credential (This could result in a loss of another service - TOSA/Literacy Specialist depending on who is transferred)
Cove Elementary Teacher	\$120,748	Transfer a staff member who holds the credential (This could result in a loss of another service - TOSA/Literacy Specialist depending on who is transferred)
Hall Math Intervention .2	\$24,149	Leave vacant
Custodian 1 FTE	\$117,490	Leave vacant
Total	\$519,170	



Phase 2- Option B

Seven Period Day at Hall (layoff 3.4 FTE): \$410,543

Transitional kindergarten: \$104,197

Total: \$514,740



MYP 2020-2021 Budget Adoption

BASED ON GOVERNOR'S 20-21 BUDGET PROPOSAL MULTI-YEAR PROJECTION

	2019-2020	2020-2021	2021-2022	2022-2023
Beg Balance	\$ 1,507,878	\$ 1,400,028	\$ 1,681,200	\$ 1,692,966
Revenues	\$ 21,337,441	\$ 20,613,260	\$ 20,417,766	\$ 20,574,837
Expenses	\$ 21,445,291	\$ 20,332,088	\$ 20,406,000	\$ 20,959,794
Net Inc/(Dec)	\$ (107,850)	\$ 281,172	\$ 11,766	\$ (384,957)
Ending Balance	\$ 1,400,028	\$ 1,681,200	\$ 1,692,966	\$ 1,308,009
State Reserve Level	6.53%	8.27%	8.30%	6.24%
Undesignated Ending Balance (\$100K commitment)	\$ -	\$ 100,000.00	\$ 100,000.00	\$ 100,000.00
Reserve Level After Board Requirement	6.53%	7.78%	7.81%	5.76%

Assumptions in 2020-21 Multi-Year Projections (Revenue)

- Property Tax Growth:
 - In 2020-21 a 1.4% property tax growth from current year and 0% property tax growth in the out years (2021 through 23)
 - Please note that 1% of property tax growth is approximately \$115K
 - The District is projecting property tax loss in both commercial and residential in out years due to the unknown effects of COVID-19
- LCFF Revenue Assumptions: From 2020-21 through 2022-23
 - Slight Decrease and then relatively flat enrollment
 - 96% ADA to enrollment
 - -7.92% COLA to LCFF Base
 - -10% reduction to LCFF Add-On; Minimum State Aid and Home-to-School Transportation
- SPARK contribution projected at \$1,250,000 from 2020-21 through 2022-23



Assumptions in 2020-21 Multi-Year Projections (Revenue)

- Lottery Revenues Reduction of 30% from current year funding from 2020-21 through 2022-23
- Mandated Block Grant Flat funded from 2020-21 through 2022-23
- Federal Revenues Reductions of 12% from 2020-21 through 2022-23
- Special Education Funding Flat funded from 2020-21 through 2022-23
- Parcel tax projected at current number of parcels with 5% escalation from 2020-21 through 2022-23
- Lease revenue based upon current signed leases from 2020-21 through 2022-23
- Local revenue with a reduction due to impact of COVID-19 to facility rentals from 2020-21 to 2022-23



Assumptions in 2020-21 Multi-Year Projections (Expenditures)

- Staffing assumptions:
 - Step and Column included
 - No change to salary schedule
 - Staffing included in 2019-20 rolled to 2020-2021
 - Reduction of .4 FTE District Wide Nurse
 - Absorption of 2.8 FTE Teaching
 - Absorption of 1 FTE Custodian
 - 1 FTE Confidential Classified Lay-off
- Significant STRS (18.4%) and PERS (22.80%) rate increased based upon enacted legislation and PERS guidance from the current adopted budget
(District will not budget the lower proposed STRS and PERS rates because it has not been approved)



Assumptions in 2020-21 Multi-Year Projections (Expenditures)

- Operational expenditures based on the current rates, contracts, agreements, MOU's, etc.
 - Reduction of professional development budget by \$140,000
- Note: MYP does not include expenditures that may need to occur due to the implementation of a new educational model or requirements imposed by the health department, CDC, etc.:
 - Possible additional costs maybe as follows:
 - Outside hand washing stations
 - Facial coverings for staff/students
 - Additional licenses/software/devices
 - Different model of providing lunch service
 - Childcare
 - Supervision for additional cohort groups



Challenges

- Revenues and enrollment
 - Property tax rates unknown due to COVID-19
 - Enrollment leveling off/declining/increasing unknown due to COVID-19
 - Unknown full impact of COVID-19 on the economy and how long will it last
- Special education costs continuing to increase
- Multi Year Projection: develop financial projections and contingency plans accordingly to meet the state/federal/local requirements
- Increases in employer contributions toward STRS & PERS
- Reserve level: districts are advised to maintain reserves much greater than the State-required minimum



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