

Larkspur-Corte Madera School District

First Interim Budget 2020-21

Paula Rigney, Chief Business Official

December 14, 2020

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

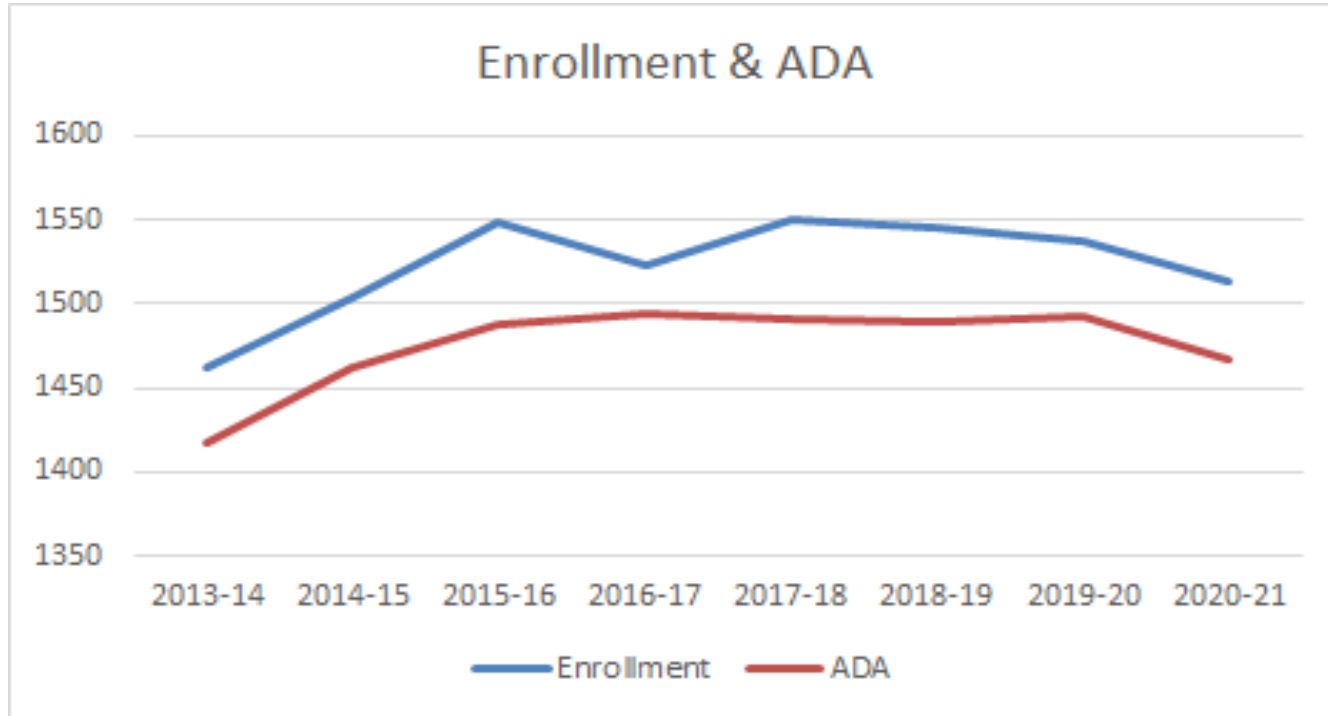


Strategic Priorities

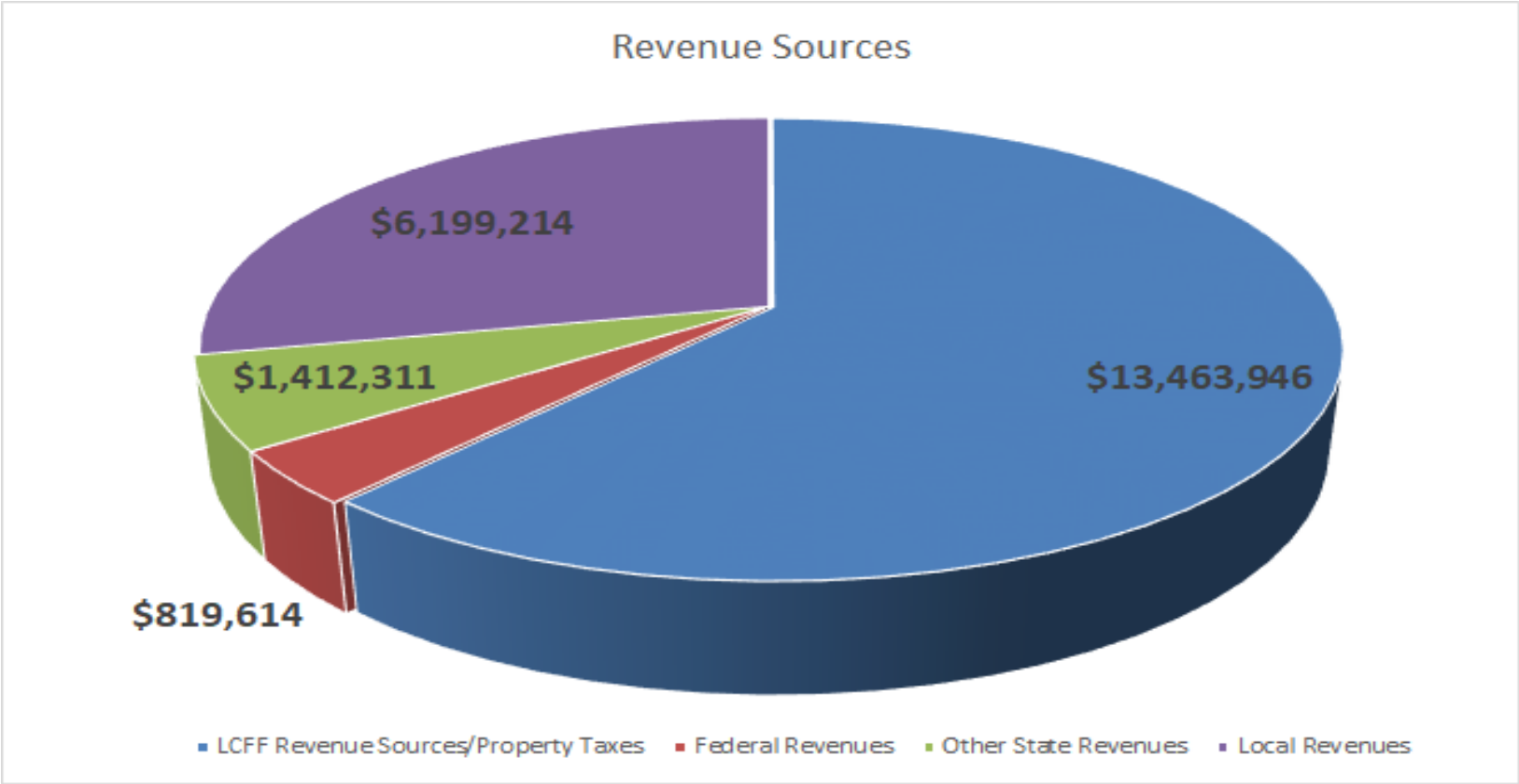
- Foster healthy, inclusive, respectful, and safe learning environments. Promote the social, emotional, and intellectual growth of all community members.
- Inspire academic growth and civic responsibility through a rigorous, inquiry-based curriculum that is engaging and personalized.
- Attract, cultivate,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



Declining Enrollment - Projection



Revenue Sources



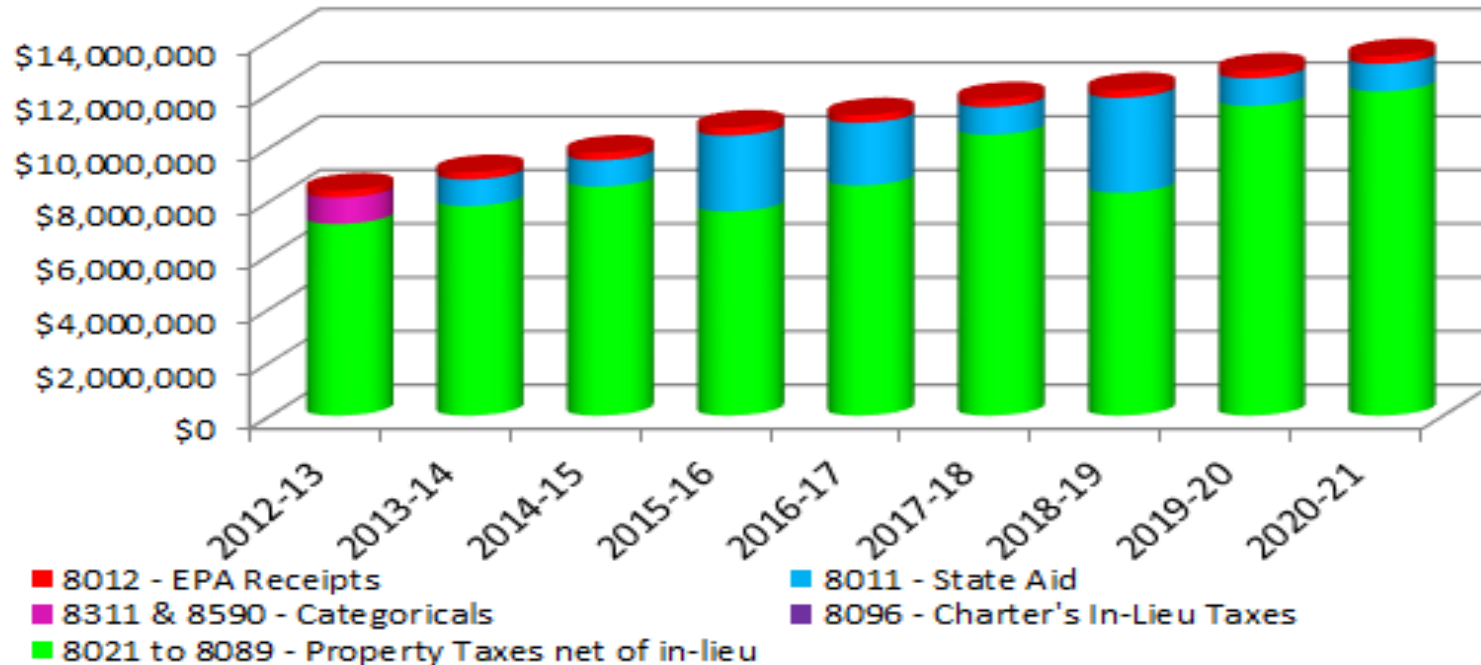
Revenue Changes

Revenue Source: Combined Unrestricted & Restricted	Budget Adoption	First Interim	Total Change
Property Tax/LCFF Limit Sources increase in LCFF funding	\$12,691,601	\$13,463,946	\$ 772,345
Federal Revenues (Special Ed., Title I-III, LLM funds) increase in Learning Loss Mitigation funds	\$ 354,102	\$ 819,614	\$ 465,512
Other State Revenues (Lottery, Special Ed., ESSER) increase in STRS/PERS "on-behalf" accounting and ESSER	\$ 1,278,219	\$ 1,412,311	\$ 134,092
Other Local Income (Leases/Rentals, Fees, County Special Ed., Grants)	\$ 5,039,338	\$ 4,949,214	\$(-)90,124
Foundation	\$ 1,250,000	\$ 1,250,000	\$0
Total Revenues	\$20,613,260	\$21,895,085	\$1,281,825

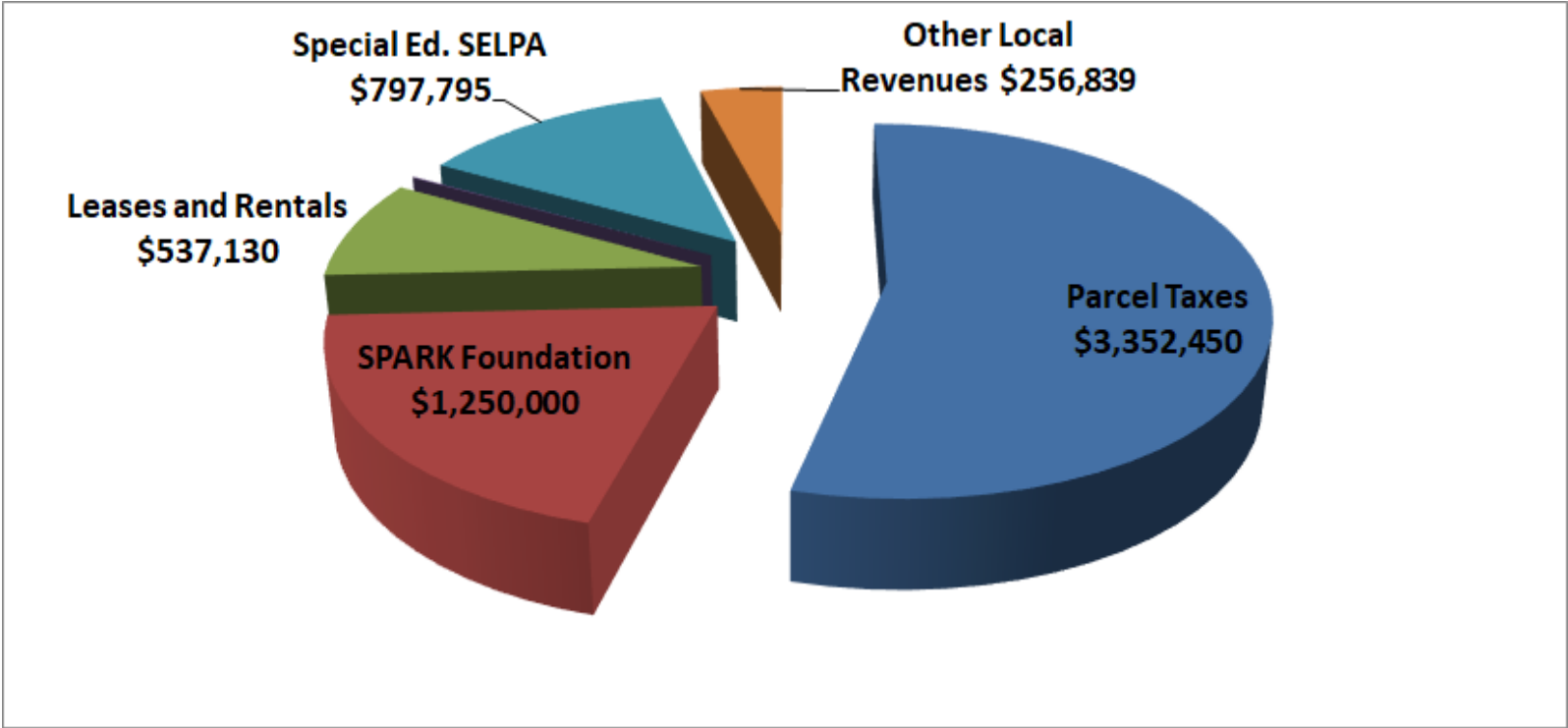


LCFF Revenue Trend

District's LCFF revenue trend since the implementation of LCFF



Local Revenue



Expenditure Changes

Expenditure Source: Combined Unrestricted & Restricted	Budget Adoption	First Interim	Total Change
Certificated & Classified Salaries actual placement as of October 2019	\$12,171,515	\$12,503,032	\$ 331,517
Certificated & Classified Benefits actual expenses as of October 2019/Addt. Of STRS/PERS "on-behalf"	\$ 5,374,888	\$ 5,199,675	\$(-) 175,213
Books & Supplies Addition Of carry-over, one-time funding and program needs	\$ 475,572	\$ 875,022	\$ 399,450
Services & Operating Expenditures Addition Of carry-over, one-time funding and program needs	\$ 1,976,122	\$ 2,388,353	\$ 412,231
Other Outgo/Transfers Out	\$ 333,991	\$ 358,620	\$ 24,629
Total Expenditures	\$20,332,088	\$21,324,702	\$ 992,614

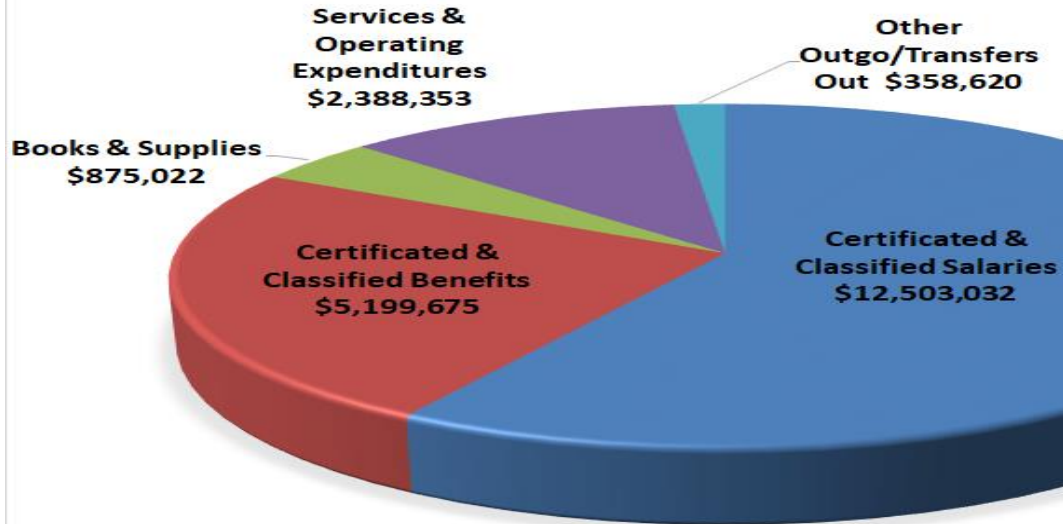


Expenditure Changes

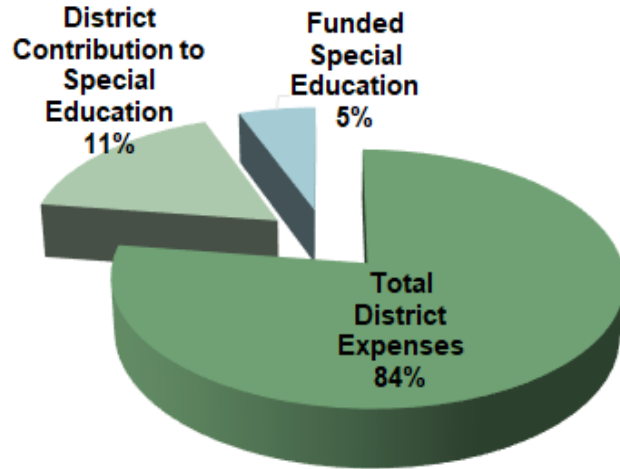
- Salary and Benefit changes adjusted to reflect actual staffing through October 31, 2020
- Adjustments to non staffing budgets to reflect current commitments and programs
- State categorical carryover of \$178,795 budgeted (restricted funds)



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 its 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. During 2020-21, it is estimated that LCMSD will contribute \$2,729,285 from the District's Unrestricted General Fund to cover the costs for Special Education.



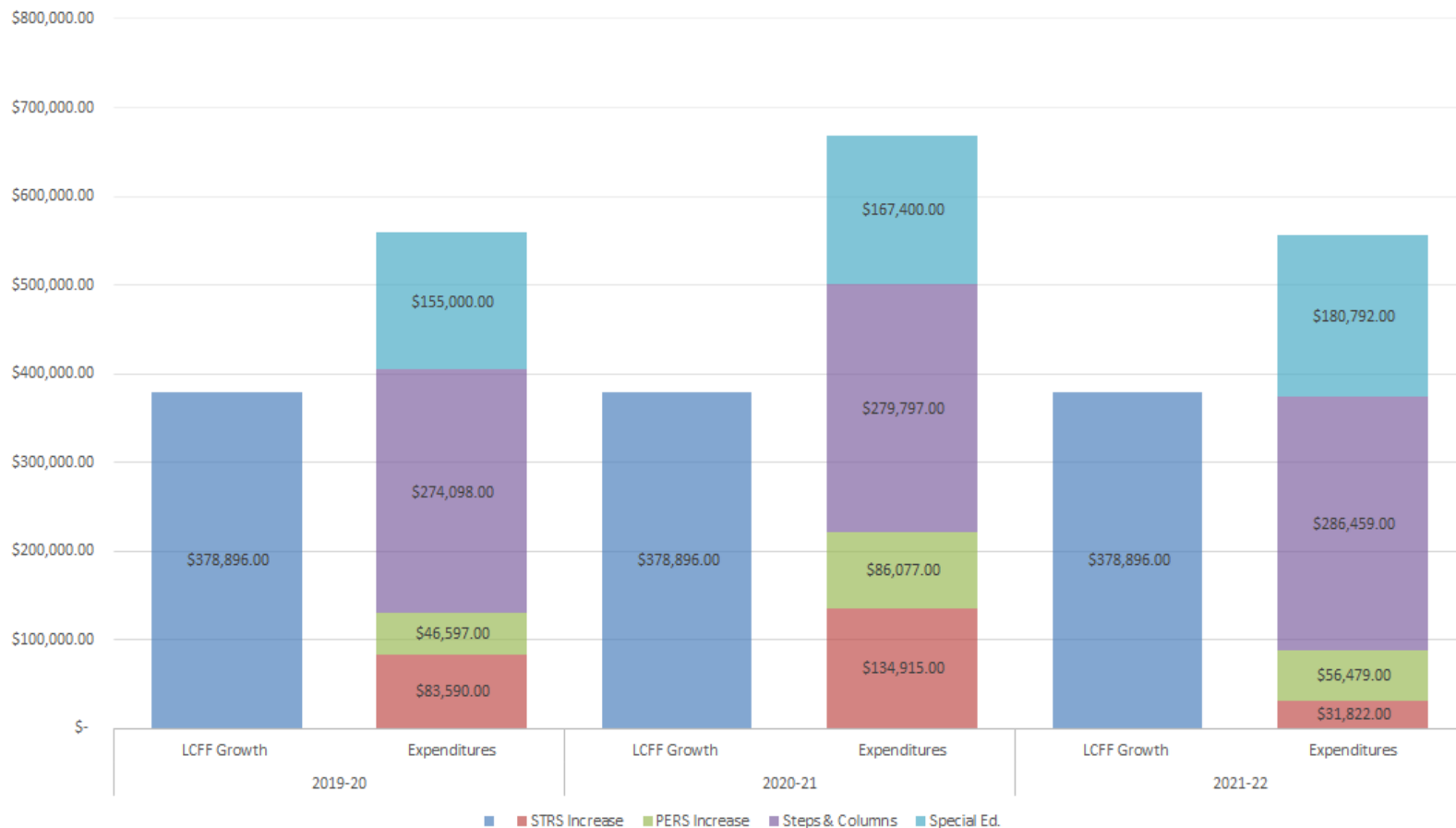
2020-21 First Interim Revenue and Expenditure Summary

	Budget Adoption	First Interim
Total Revenues	\$ 20,613,260	\$ 21,895,084
Total Expenditures	<u>\$ 20,332,088</u>	<u>\$ 21,324,702</u>
Net Increase	\$ 281,172	\$ 570,382

Change from adoption to First Interim is \$289,210.



LCFF GROWTH/COST INCREASES



	MULTI-YEAR PROJECTION			
	2020-21	2021-2022	2022-2023	2023-2024
Beg Balance	\$ 2,474,096	\$ 3,044,478	\$ 2,505,645	\$ 1,476,683
Revenues	\$ 21,895,084	\$ 21,165,981	\$ 21,302,609	\$ 21,445,871
Expenses	\$ 21,324,702	\$ 21,704,814	\$ 22,331,571	\$ 22,783,756
Net Inc/(Dec)	\$ 570,382	\$ (538,833)	\$ (1,028,962)	\$ (1,337,885)
Ending Balance	\$ 3,044,478	\$ 2,505,645	\$ 1,476,683	\$ 138,798
State Reserve Level	14.07%	11.54%	6.61%	0.61%
Undesignated Ending Balance (\$100K commitment)	\$ 100,000.00	\$ 100,000.00	\$ 100,000.00	\$ 100,000.00
Reserve Level After Board Requirement	13.59%	11.08%	6.16%	0.17%



Assumptions in 2020-2023 Multi-Year Projection (Revenue)

- LCFF revenue assumptions:
 - Flat enrollment growth (funding based on 2019-20 ADA)
 - 96% ADA to enrollment
- SPARK contribution projected at \$1,250,000 in current fiscal year and \$1,250,000 in out years
- Parcel tax projected at current number of parcels with 5% escalation
- Lease revenue based upon current signed leases
- One-Time Learning Loss Mitigation/ESSER funds



Assumptions in 2020-2023 Multi-Year Projection (Expenditures)

- Staffing assumptions:
 - Step and Column included
 - No change to salary schedule
 - Decrease of staffing included in 2020-21 based on Phase I reduction:
 - Reduction in 0.2 FTE for District Nurse from 2019-20
 - Absorption of 2.8 FTE Teaching from 2019-20
 - 1.0 FTE Confidential Classified Lay-off
 - Increase and Decrease of staffing included in 2021-22 based on Phase II:
 - Reinstatement of 4.1 FTE Certificated Teachers
 - Reinstatement of 0.4 FTE Assistant Principal
 - Reduction of approximately \$514,740 (reflected in the Phase II recommendations for the 2020-21 Budget Adoption committee)
 - Significant STRS rate based upon enacted legislation and PERS board approval



Challenges

- Revenue and enrollment
 - Property tax increase of at least 5% from previous years (uncertainty of future growth)
 - Enrollment leveling off/declining
- Special Education costs continuing to increase
- Multi Year Projection: develop financial projections and contingency plans accordingly to meet the state requirements
- Increase in employer contributions toward STRS & PERS
- Reserve level: districts are advised to maintain reserves much greater than the State-required minimum



Celebrations

- Consistent community funding (Parcel Tax, SPARK, PTO/PTA, leases)
- Interdistrict permits
- 6%+ reserve level
- 3 School Model – Supported financially with comprehensive programs
- New and modernized facilities
- In-Person Instruction during the COVID-19 pandemic



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