

Larkspur-Corte Madera School District

2022-23 Budget Adoption

Paula Rigney, Chief Business Official

June 16 and 17, 2022

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.



2022-23 Budget Adoption



Revenues



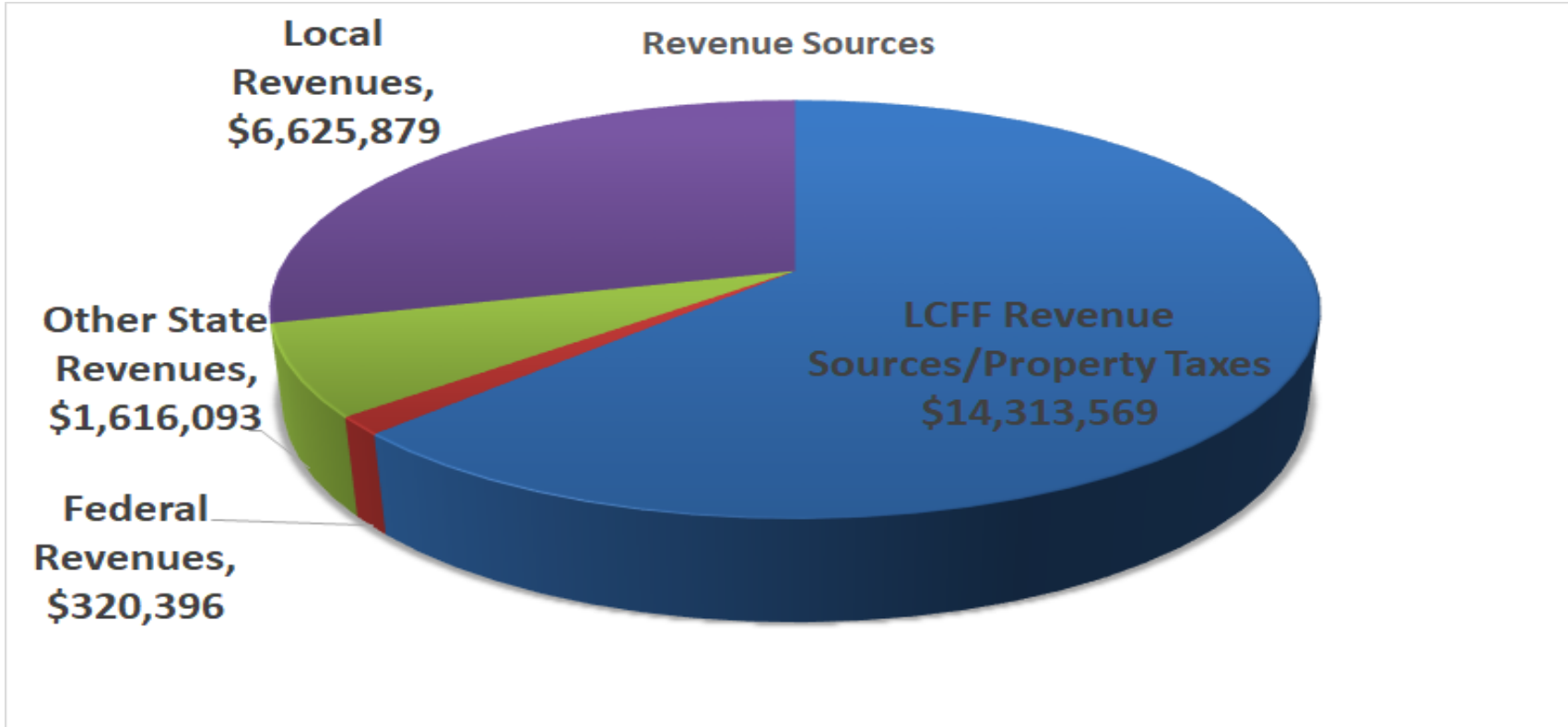
Larkspur-Corte Madera School District

Revenue Detail

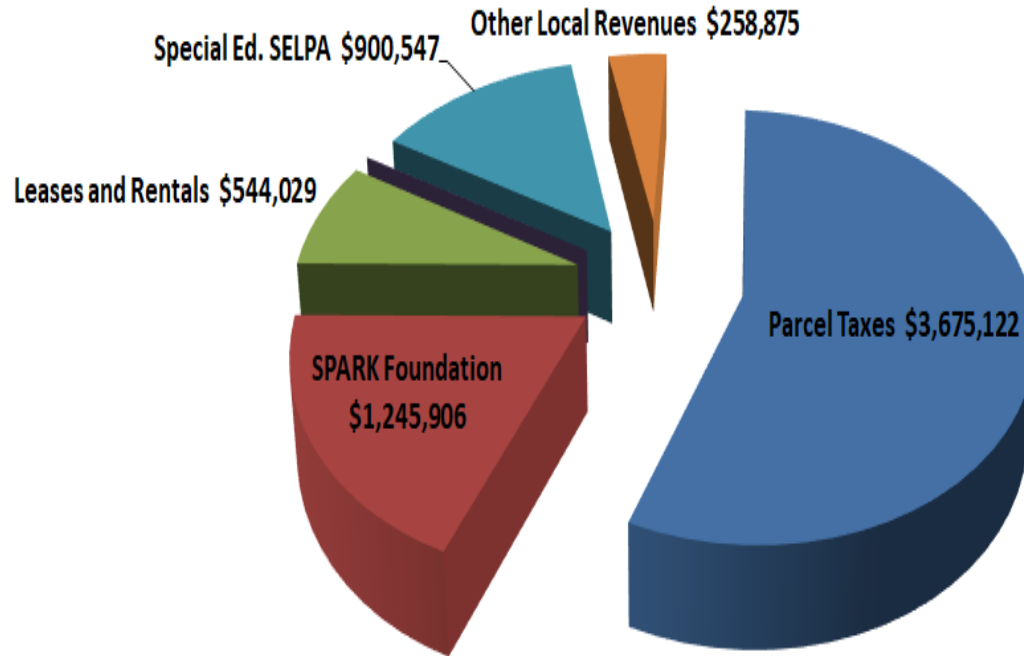
2022-2023

Revenue Source: Combined Unrestricted & Restricted	2021-2022 Budget Adoption	2021-2022 Current Working Budget/Estimated Actuals	2022-2023 Budget Adoption
Property Tax/LCFF Limit Sources *increase in LCFF funding due to property taxes	\$13,530,294	\$13,765,121	\$14,313,569
Federal Revenues (Special Ed., Title I-IV, ESSER I-III, CARES, Learning Loss, In-Person)	\$697,111	\$1,663,270	\$320,396
Other State Revenues (Lottery, booking entry for STRS on-behalf) *decrease in PERS "on-behalf" accounting	\$1,301,467	\$2,385,249	\$1,616,093
Other Local Income (Leases/Rentals, Fees, County Special Ed., Grants)	\$5,120,810	\$5,238,218	\$5,379,973
Foundation	\$1,250,000	\$1,209,655	\$1,245,906
Total Revenues	\$21,899,682	\$24,261,513	\$22,875,938

Revenue Sources: 2022-23 Budget Adoption



Local Revenue: \$6,625,879 (29%)



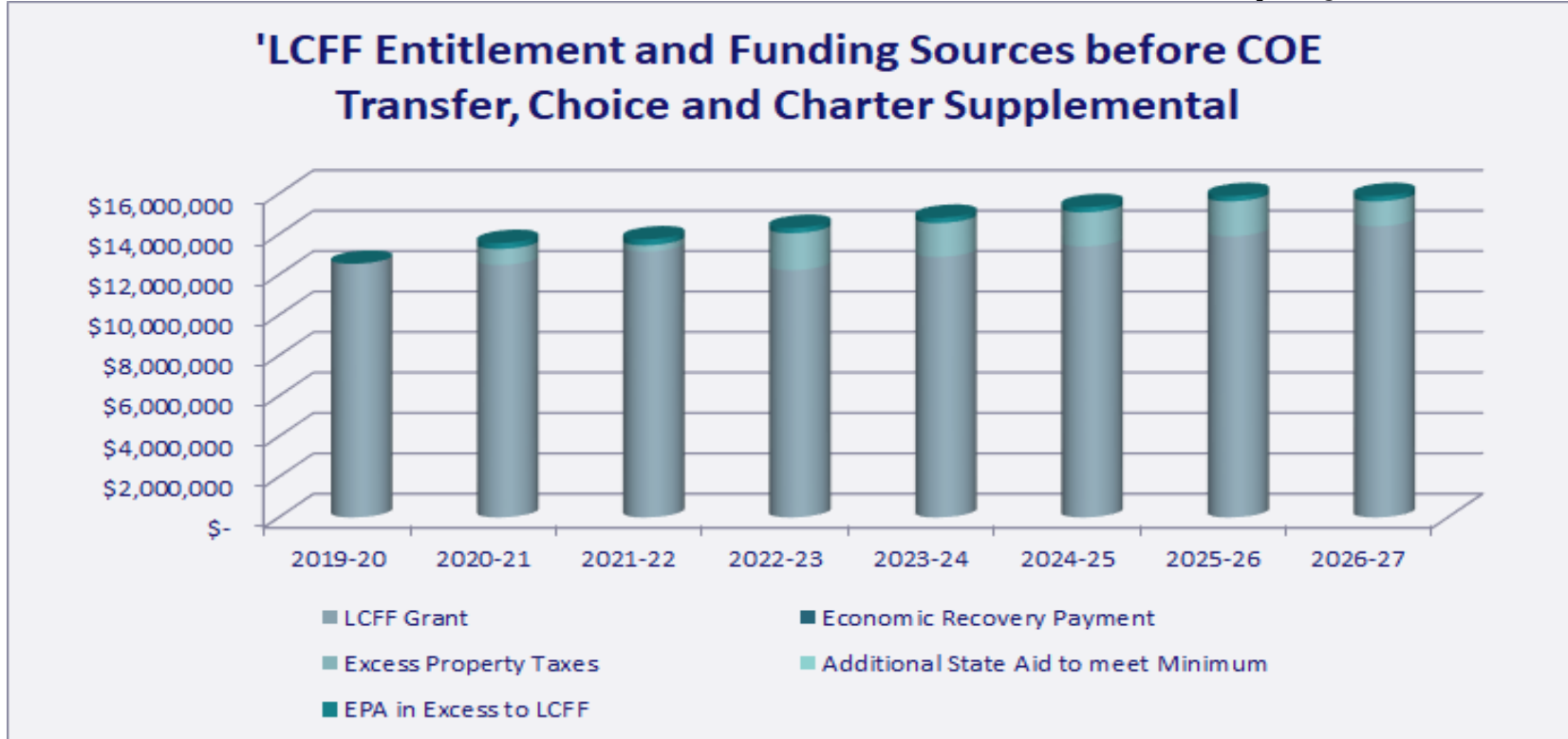
Revenue Changes

- Decline in ADA funding sources (183.38 drop in ADA)
- 6.56% COLA to LCFF base funding (2022-23)
- SPARK commitment subject to change due to fundraising
- Projected Lottery revenue reduction due to drop in ADA
- Projected Federal revenue reduction of 12%
 - No more one-time Federal funding
- Projected Local revenue reduction in facility rentals due to current projected known agreements (have not fully recovered from COVID-19 pandemic)



LCFF Revenue Trend

District's LCFF revenue trend since 2019-20 to 2026-2027 projections



Expenditures



Larkspur-Corte Madera School District

Expenditures Detail

2022-2023

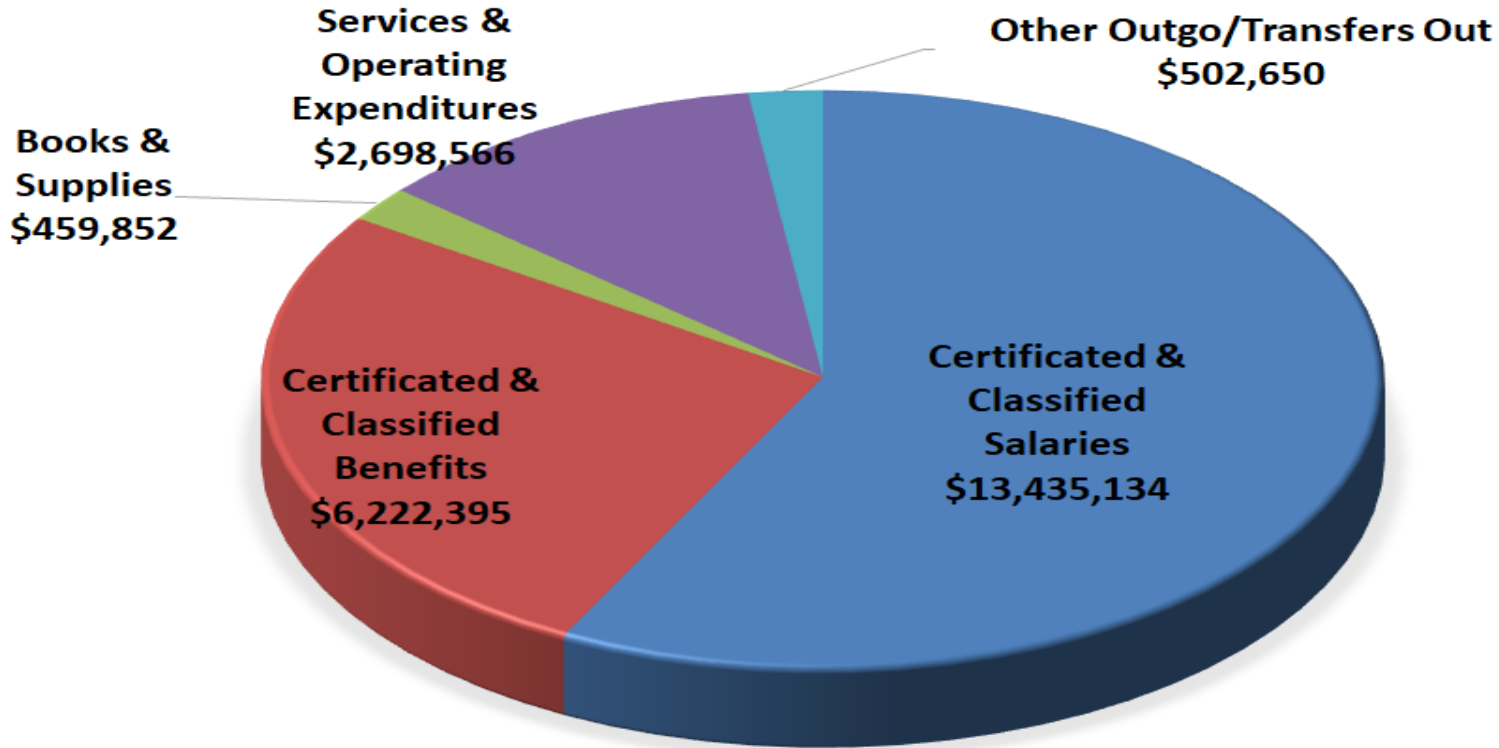
Expenditure Source: Combined Unrestricted & Restricted	2021-2022 Budget Adoption	2021-2022 Current Working Budget/Estimated Actuals	2022-2023 Budget Adoption
Certificated & Classified Salaries *actual placement as of May 2022	\$12,885,281	\$12,930,357	\$13,435,134
Certificated & Classified Benefits *actual expenses as of May 2022/Addt. Of STRS/PERS "on-behalf"	\$ 5,977,522	\$ 5,828,501	\$ 6,222,395
Books & Supplies *Addition Of carry-over, one-time funding and program needs	\$357,830	\$ 832,449	\$459,852
Services & Operating Expenditures & Capital Outlay *Addition Of carry-over, one-time funding and program needs	\$2,069,040	\$2,763,132	\$2,698,566
Other Outgo/Transfers Out	\$466,592	\$ 473,110	\$502,650
Total Expenditures	\$21,756,551	\$22,852,549	\$23,318,595

Expenditure Changes

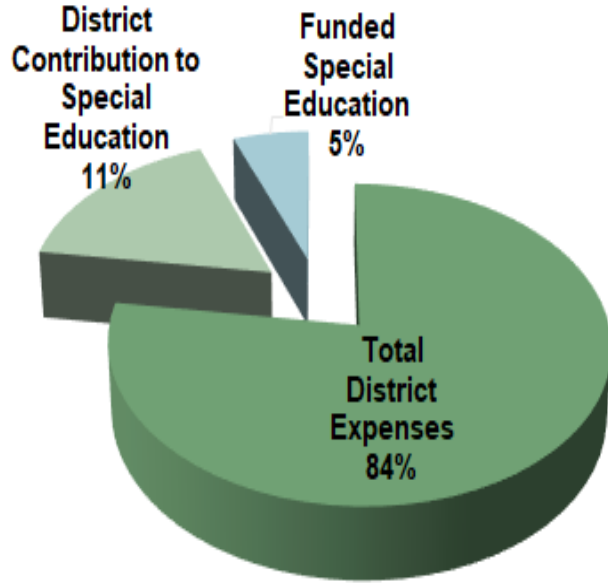
- Salary and Benefit changes adjusted to reflect actual staffing through May 27, 2022: Step and Column included
 - 2022-2023 2.25% increase on salary schedule
 - Benefit changes due to approved tentative agreement
 - 2022-2023 Health and Welfare Cap \$11,250
 - Statutory Benefits based on current proposed rates
- Adjustments to non-staffing budgets to reflect current commitments
- Elimination of expenditures associated with ALL 2021-2022 one-time funding



Expenditures



Special Education



SPECIAL EDUCATION PROGRAM COSTS, 2022-23

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 2022-23, it is estimated that LCMSD will contribute \$2,893,752 from the District's Unrestricted General Fund to cover the costs for Special Education.



2022-23 Budget Adoption Revenue and Expenditure Summary

	Budget Adoption 2022-2023	Estimated Actuals 2021-2022
Total Revenues	\$ 22,875,938	\$ 24,261,513
Total Expenditures	<u>\$ 23,318,595</u>	<u>\$ 22,852,549</u>
Net Increase	\$ (-) 442,657	\$ 1,408,964



Multi-Year Projections & Assumptions



MYP 2022-2023 Budget Adoption

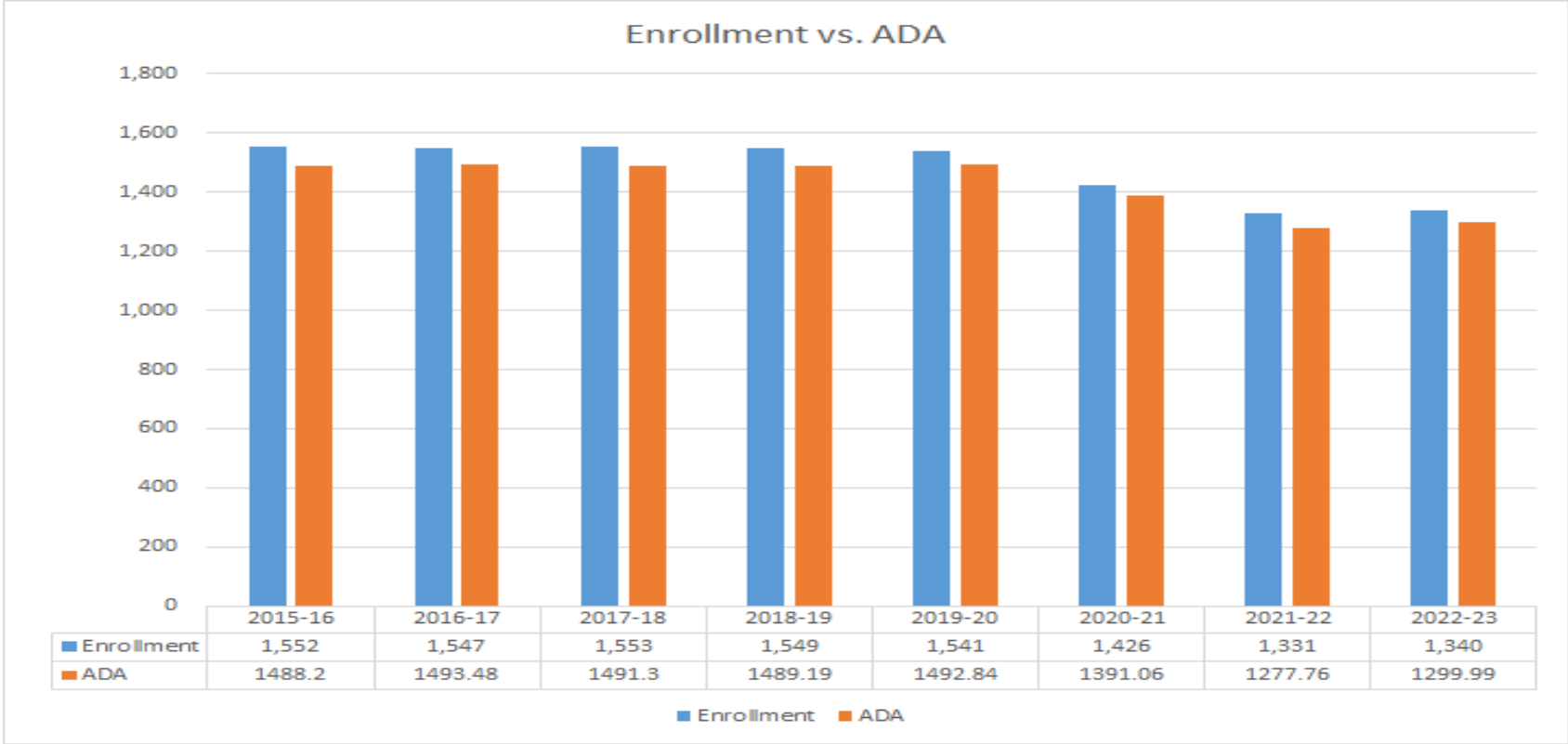
2022-2023 BUDGET ADOPTION MULTI-YEAR PROJECTION

	2022-2023	2023-2024	2024-2025	2025-2026
Beg Balance	\$ 7,154,046	\$ 6,711,389	\$ 5,556,307	\$ 4,534,518
Revenues	\$ 22,875,938	\$ 23,571,494	\$ 24,209,496	\$ 24,958,277
Expenses	\$ 23,318,595	\$ 24,726,576	\$ 25,231,285	\$ 25,413,365
Net Inc/(Dec)	\$ (442,657)	\$ (1,155,082)	\$ (1,021,789)	\$ (455,088)
Ending Balance	\$ 6,711,389	\$ 5,556,307	\$ 4,534,518	\$ 4,079,430
Reserve Level Prior to Commitment	25.20%	21.24%	17.97%	16.05%
Undesignated Ending Balance (Board Commitment Special)	\$ 312,000.00	\$ 312,000.00	\$ 312,000.00	\$ 312,000.00
Reserve Level After Board Commitments	23.86%	19.98%	16.74%	14.82%

MYP 2022-2023 Budget Adoption: With One-Time Funding Proposed in May Revise

2022-2023 BUDGET ADOPTION WITH ONE-TIME PROPOSED FUDING				
MULTI-YEAR PROJECTION				
	2022-2023	2023-2024	2024-2025	2025-2026
Beg Balance	\$ 7,154,046	\$ 8,479,993	\$ 7,324,911	\$ 6,303,122
Revenues	\$ 24,644,542	\$ 23,571,494	\$ 24,209,496	\$ 24,958,277
Expenses	\$ 23,318,595	\$ 24,726,576	\$ 25,231,285	\$ 25,413,365
Net Inc/(Dec)	\$ 1,325,947	\$ (1,155,082)	\$ (1,021,789)	\$ (455,088)
Ending Balance	\$ 8,479,993	\$ 7,324,911	\$ 6,303,122	\$ 5,848,034
Reserve Level Prior to Commitment	32.78%	28.40%	24.98%	23.01%
Undesignated Ending Balance (Board Commitment Special)	\$ 312,000.00	\$ 312,000.00	\$ 312,000.00	\$ 312,000.00
Reserve Level After Board Commitments	31.44%	27.13%	23.74%	21.78%

Enrollment - Projection



Assumptions in 2022-23 Multi-Year Projections (Revenue)

- Property Tax Growth:
 - In 2022-23 a 5.8% property tax growth from current year and 4.0% property tax growth in the out years (2023-24 through 2024-25)
 - Please note that 1% of property tax growth is approximately \$124K
- LCFF Revenue Assumptions: From 2022-23 through 2024-25
 - Significant Decrease in ADA (183.38) and then relatively flat enrollment
 - 96% ADA to enrollment
 - COLA to LCFF Base:
 - 2022-23 6.56%
 - 2023-24 5.38%
 - 2024-25 4.02%



Assumptions in 2022-23 Multi-Year Projections (Revenue)

- SPARK contribution projected at \$1,245,906 from 2022-23 through 2024-25
 - Subject to change dependant on fundraising
- Lottery Revenues funded at current year funding from 2022-23 through 2024-25
 - 2022-23 \$163 per ADA Unrestricted, \$65 per ADA Restricted
 - 2023-24 \$163 per ADA Unrestricted, \$65 per ADA Restricted
 - 2024-25 \$163 per ADA Unrestricted, \$65 per ADA Restricted
- Mandated Block Grant funded from 2022-23 through 2024-25
 - 2022-23 \$34.94 per ADA
 - 2023-24 \$36.82 per ADA
 - 2024-25 \$38.30 per ADA



Assumptions in 2022-23 Multi-Year Projections (Revenue)

- Federal Revenue Reductions of 12% from 2022-23 through 2024-25
 - Elimination of ALL one-time funding
- Special Education Funding Flat funded from 2022-23 through 2024-25
- Parcel tax projected at current number of parcels with 5% escalation from 2022-23 through 2024-25 (recently passed parcel tax expires June 30, 2032)
- Lease revenue based upon current signed leases from 2022-23 through 2024-25
- Local revenue based on current facility rentals from 2022-23 to 2024-25



Assumptions in 2022-23 Multi-Year Projections (Expenditures)

- Staffing assumptions:
 - Step and Column included
 - 2022-23 2.25% increase on salary schedule
 - 2023-24 0.00% increase on salary schedule
 - 2024-25 0.00% increase on salary schedule
 - Staffing included in 2022-23 based on staffing needs as of May 27, 2022
(see 2022-23 Budget Adoption narrative for details)
 - Benefit changes due to approved tentative agreement
 - Health and Welfare Cap \$11,250, 2022-23
 - Health and Welfare Cap \$11,250, 2023-24
 - Health and Welfare Cap \$11,250, 2024-25



Assumptions in 2022-23 Multi-Year Projections (Expenditures)

- STRS and PERS Rates: Based on the current enacted legislation and budget adoption
 - STRS: 19.1% in 2022-23, 19.1% in 2023-24, 19.1% in 2024-25
 - PERS: 25.37% in 2022-23, 25.20% in 2023-24, 24.60% in 2024-25
- Operational expenditures based on the current rates, contracts, agreements, MOU's, etc.
 - One-time funding expenditures reduced to reflect the use of one-time carry over funds, ALL funds due to be expensed by 2023-24



Assumptions in 2022-23 Multi-Year Projections (Expenditures)

Note: the current MYP does not reflect budgeting for any possible additional expenditures that may occur due to implementing a new educational model or requirements imposed by the health department and/or CDC.

- Possible additional costs as follows:
 - Supervision for additional cohort/stable groups/live streaming
 - Staffing coverage for increase in absences
 - Different model of providing breakfast and lunch service
 - Universal Transitional Kindergarten



Challenges

- Revenues and enrollment
 - Property tax rates unknown due local, national or international economy
 - Significant enrollment decline due to COVID-19
- Special Education costs continuing to increase
- Multi Year Projection: develop financial projections and contingency plans accordingly to meet the state/federal/local requirements
- Employer contributions toward STRS & PERS
- Reserve level: districts are advised to maintain reserves much greater than the State-required minimum



Celebrations

- Renewal of District Parcel tax, Measure E (expires June. 2032)
- SPARK Foundation
- PTA/PTO
- COVID response grounded in equity, science, local/state health guidelines
- LCAP focus on equity, achievement, and wellness
- Programs far beyond state requirements



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