

# Larkspur-Corte Madera School District

2018-2019 First Interim Budget  
Overview  
Board Meeting  
December 12, 2018

# BUDGET DEVELOPMENT/FINANCIAL REPORTING/CALENDAR FOR THE 2018-19 & 2019-20 BUDGET

June 2018	Adoption of 2018-19 LCMSD Budget
June 2018	Governor Signs the 2018-19 State Budget
<b>December 2018</b>	<b>First Interim LCMSD Financial Report</b>
January 2019	Governor's Proposed 2019-20 State Budget Released
March 2019	Second Interim LCMSD Financial Report
May 2019	Governor's May Revision to 2019-20 Proposed Budget
May 2019	Draft 2019-20 LCAP and Budget
June 2019	Adoption of 2019-20 LCMSD LCAP
June 2019	Adoption of 2019-20 LCMSD Budget
June/July 2019	Governor Signs 2019-20 State Budget

# Agenda

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- ◉ 2018-19 First Interim budget update
- ◉ Multi-year projections
- ◉ Uncertainties
- ◉ Moving Forward

# Larkspur-Corte Madera School District

## Revenue Detail

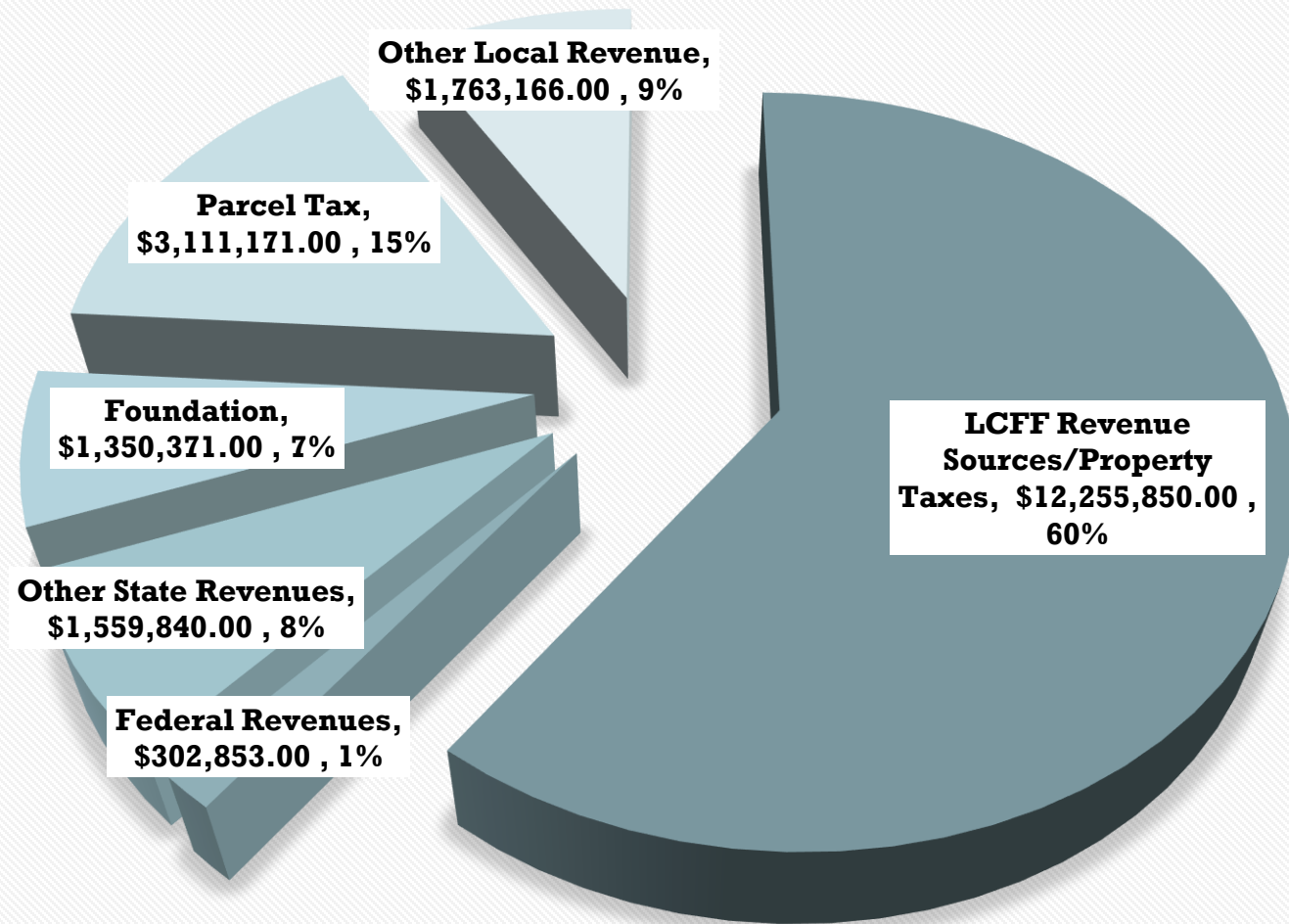
### 2018-2019

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■ LCFF Sources/Property Tax	\$ 12,255,850
■ Federal Revenues	\$ 302,853
■ Other State Revenues	\$ 1,559,840
■ Foundation	\$ 1,350,371
■ <u>Other Local Income</u>	<u>\$ 4,874,337</u>
■ Total Revenues	\$ 20,343,251

# Larkspur-Corte Madera School District Total Revenues 2018-2019

\$20,343,251



# Larkspur-Corte Madera School District

## Revenue Detail

### 2018-2019

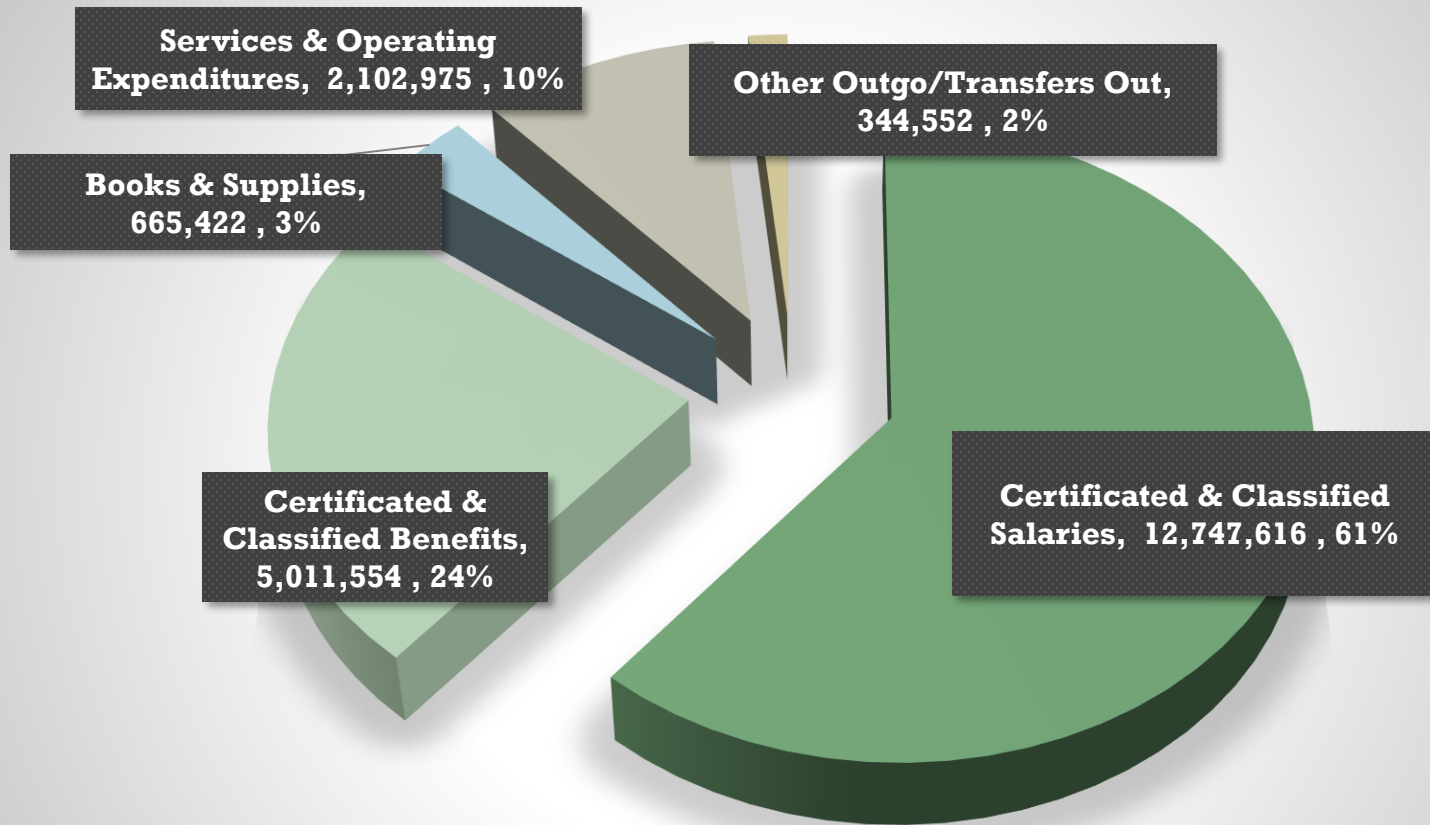
<b>Revenue Source: Combined Unrestricted &amp; Restricted</b>	<b>Budget Adoption</b>	<b>First Interim</b>
Property Tax/LCFF Limit Sources *slight increase in LCFF funding	\$12,174,801	\$12,255,850
Federal Revenues (Special Ed., Title I-III) *slight decrease in Title I	\$ 341,390	\$ 302,853
Other State Revenues (EIA, Lottery) *decrease in One-Time Funding	\$ 1,717,362	\$ 1,559,840
Other Local Income (Leases/Rentals, Fees, County Special Ed., Grants)	\$ 4,721,147	\$ 4,874,337
Foundation	\$ 1,335,272	\$ 1,350,371
<b>Total Revenues</b>	<b>\$20,289,972</b>	<b>\$20,343,251</b>

# Larkspur-Corte Madera School District 2018-2019

## Total Expenditures

● Certificated Salaries	\$ 9,817,136
● Classified Salaries	\$ 2,930,480
● Employee Benefits	\$ 5,011,554
● Books & Supplies	\$ 665,422
● Services & Operating Expenses	\$ 2,102,975
• Utilities, Insurance, Contracts, Repairs, Special Ed.	
● Other Outgo/Transfers Out	\$ 344,553
Transportation JPA/Debt Service	
• Def. Maintenance/Cafeteria	
● Total Expenditures	\$20,872,119

# Larkspur-Corte Madera School District Expenditures 2018-2019 (Combined restricted and unrestricted)





# Larkspur-Corte Madera School District

## Expenditures

### 2018-2019

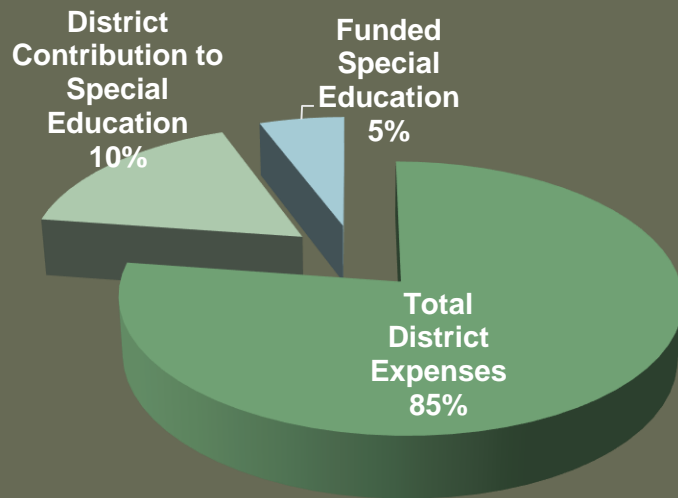
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<b>Expenditure Source: Combined Unrestricted &amp; Restricted</b>	<b>Budget Adoption</b>	<b>First Interim</b>
Certificated & Classified Salaries *addition of positions due to program needs	\$12,661,180	\$12,747,616
Certificated & Classified Benefits *addition of positions due to program needs	\$ 4,892,647	\$ 5,011,554
Books & Supplies *one-time funding and program needs	\$ 602,877	\$ 665,422
Services & Operating Expenditures *addition of services due to program needs	\$ 2,035,509	\$ 2,102,975
Other Outgo/Transfers Out	\$ 344,079	\$ 344,552
<b>Total Expenditures</b>	<b>\$20,536,291</b>	<b>\$20,872,119</b>

Special Education Expenses	\$	3,203,235
<u>Less: Funded Special Education</u>	\$	<u>1,036,413</u>
Special Education Contribution	\$	2,166,822

## Special Education Program Costs, 2018-2019

85% - Total District Expenses  
 10% - District Contribution to Special Education  
 5% - Funded Special Education



- 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 2018-19, it is estimated that LCMSD will contribute \$2,166,822 from the District's Unrestricted General Fund to cover the costs for Special Education.

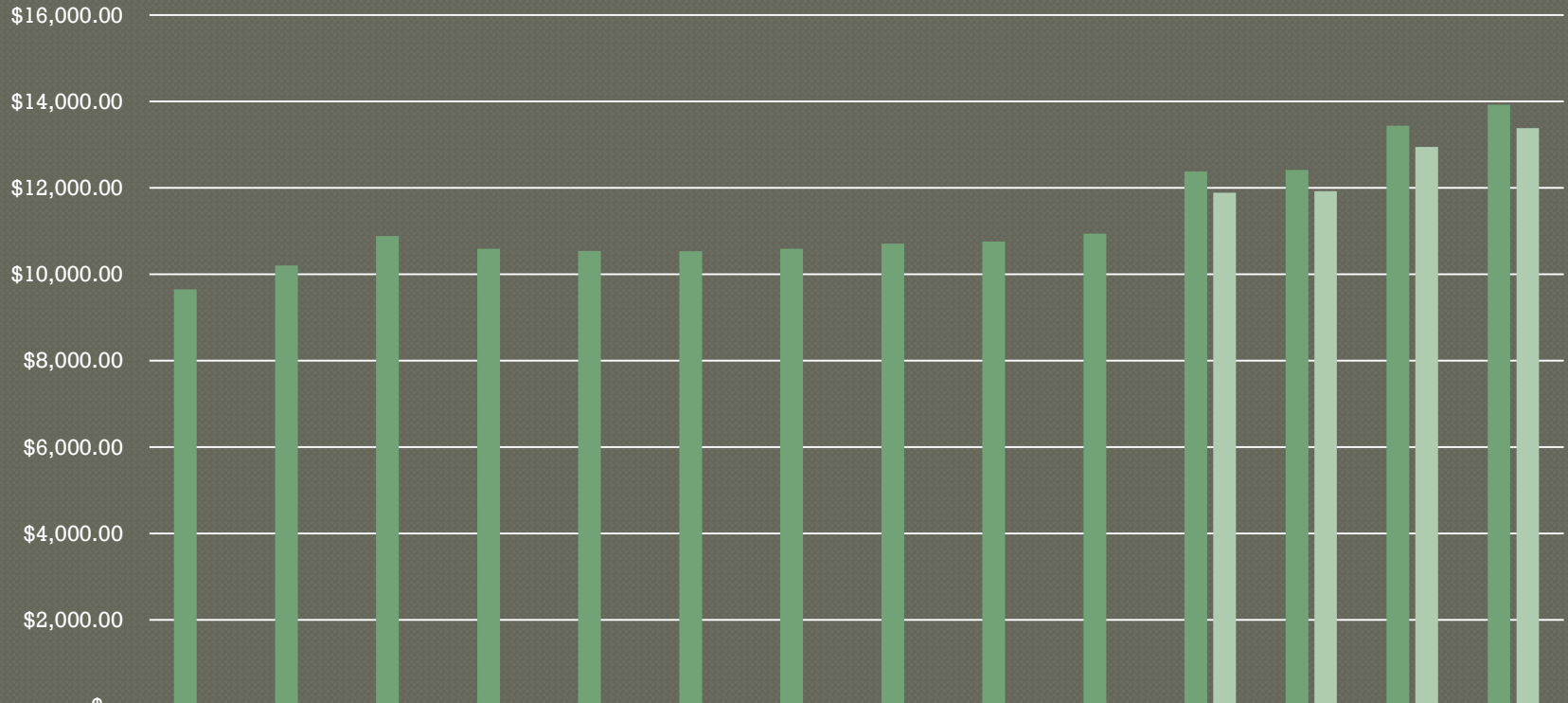
# Second Interim Budget Changes - Expenditures

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- Salary and Benefit changes adjusted to reflect actual staffing through October 31, 2017
- Adjustments to non staffing budgets to reflect current commitments and programs
- State categorical carryover of \$114,530 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
■ ALL	\$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
■ Minus STRS											\$11,885	\$11,923	\$12,949	\$13,383

# 2018-2019 Second Interim Revenue and Expenditure Summary

● Total Revenues	\$ 20,343,251
● Total Expenditures	\$ 20,872,119
● Net Increase (Decrease)	\$ (528,868)

# Assumptions in 2018-19 to 2020-21 Multi-Year Projections - Revenues

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- LCFF revenue assumptions:
  - Flat enrollment growth
  - 96% ADA to enrollment
- SPARK contribution projected at \$1,350,371 in out years
- Parcel tax projected at current parcels with 5% escalation
- Lease revenue based upon current signed leases

# Assumptions in 2018-19 to 2020-21 Multi-Year Projections - Expenditures

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- Staffing assumptions:

- Step and Column included
- No change to salary schedule
- Decrease of staffing included
- 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, 4%
  - 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	2018-2019	2019-2020	2020-2021
Employer Contributions STRS	16.28	18.13	19.1
Employer Contributions PERS	18.1	20.8	24.9

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



# CELEBRATIONS

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