

Larkspur-Corte Madera School District

Second Interim 2020-21

Paula Rigney, Chief Business Official

March 10, 2021

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

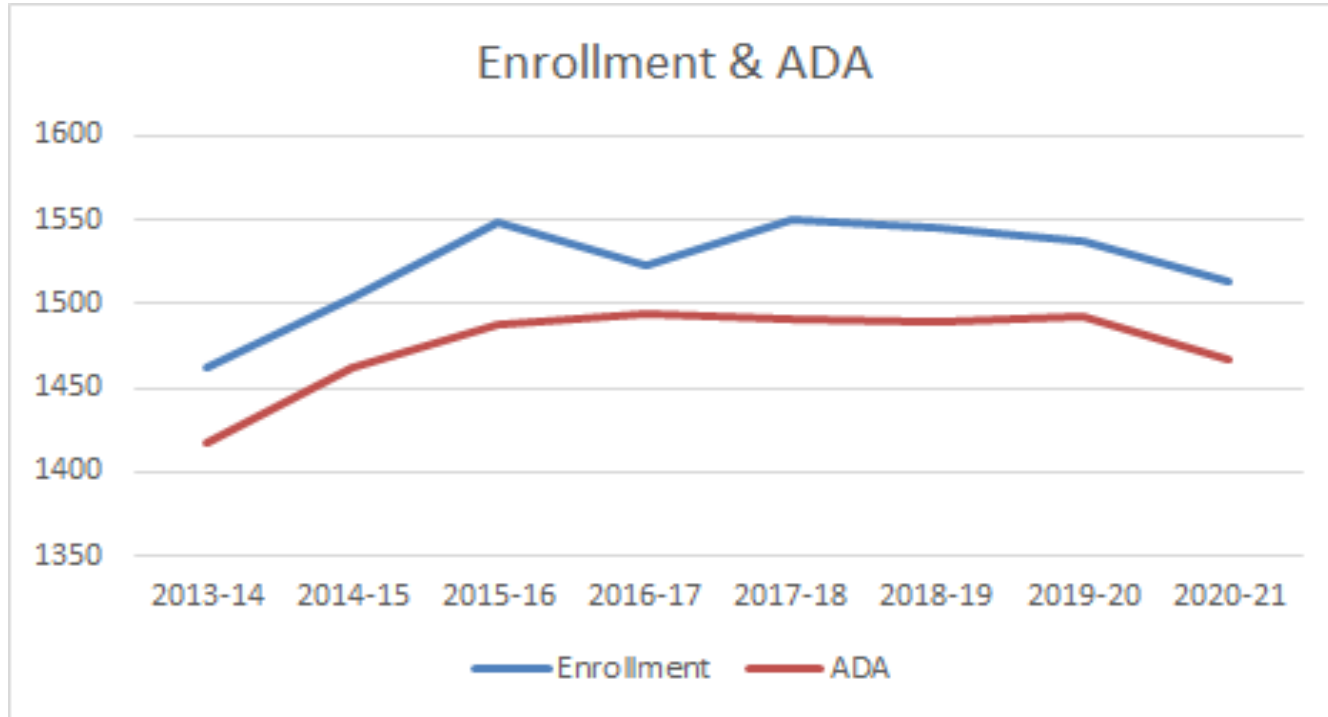


Strategic Priorities

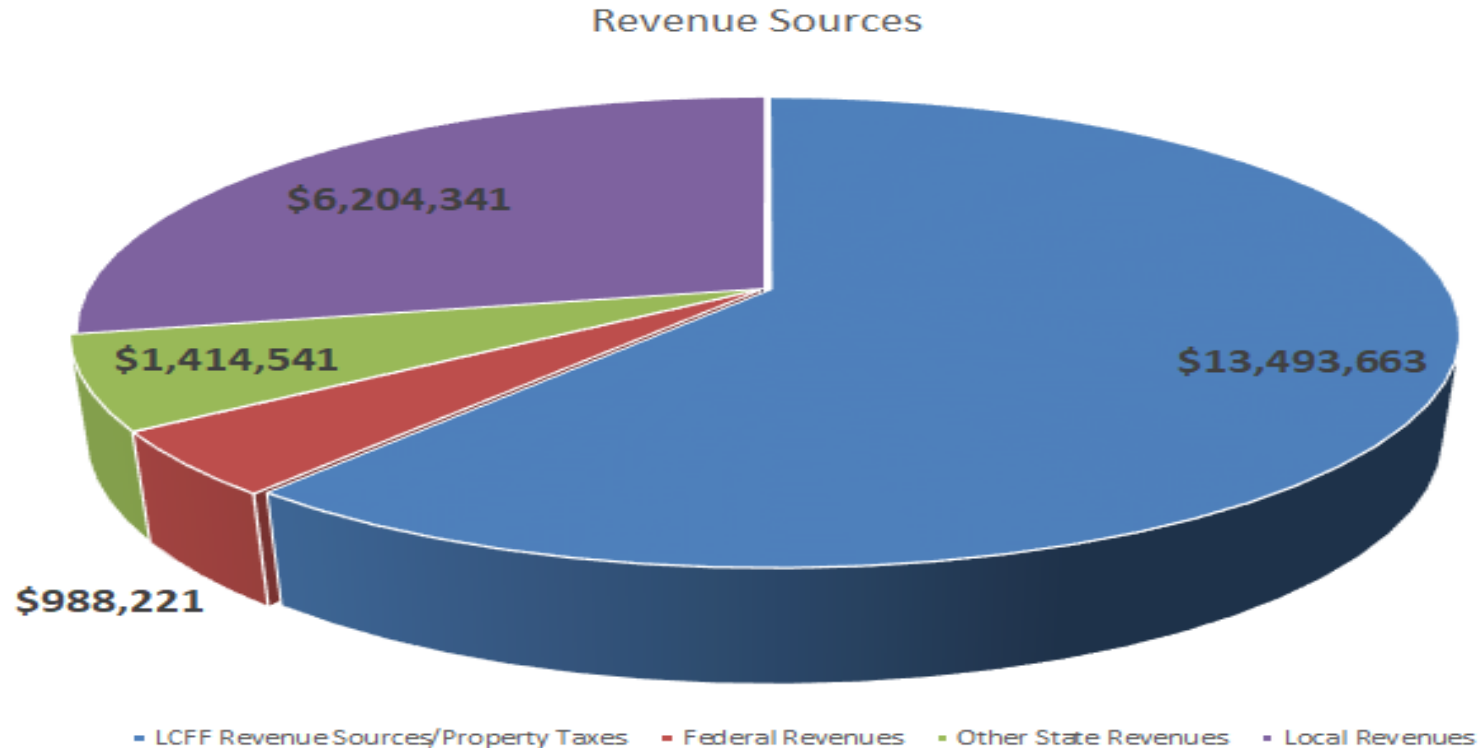
- Foster healthy, inclusive, respectful, and safe learning environments. Promote the social, emotional, and intellectual growth of all community members.
- Inspire academic growth and civic responsibility through a rigorous, inquiry-based curriculum that is engaging and personalized.
- Attract, cultivate, 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



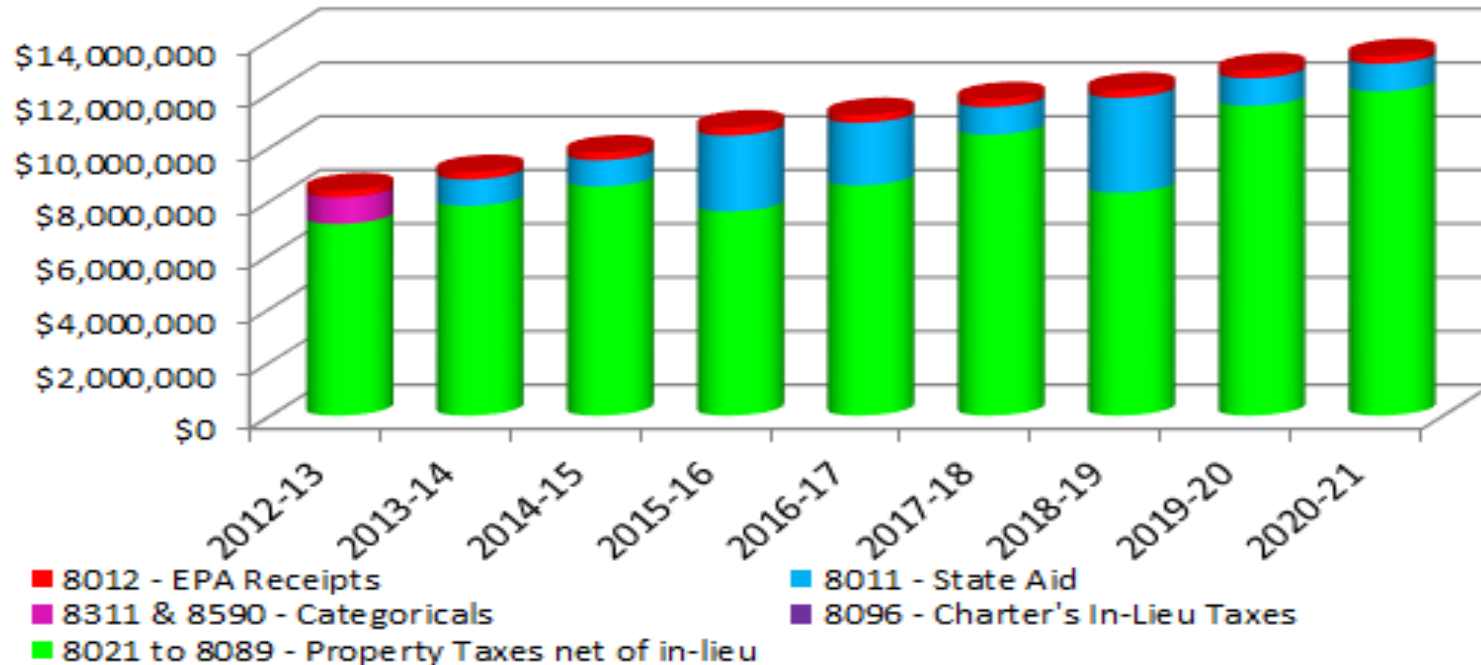
Revenue Changes

Revenue Source: Combined Unrestricted & Restricted	Budget Adoption	First Interim	Second Interim	Total Change From First to Second
Property Tax/LCFF Limit Sources increase in LCFF funding	\$12,691,601	\$13,463,946	\$13,493,663	\$29,717
Federal Revenues (Special Ed., Title I-III, LLM funds) increase in Learning Loss Mitigation funds	\$ 354,102	\$ 819,614	\$ 988,221	\$168,607
Other State Revenues (Lottery, Special Ed., ESSER) increase in STRS/PERS "on-behalf" accounting and ESSER	\$ 1,278,219	\$ 1,412,311	\$ 1,414,541	\$2,230
Other Local Income (Leases/Rentals, Fees, County Special Ed., Grants)	\$ 5,039,338	\$ 4,949,214	\$4,954,341	\$5,127
Foundation	\$ 1,250,000	\$ 1,250,000		\$0
Total Revenues	\$20,613,260	\$21,895,085	\$22,100,766	\$205,681

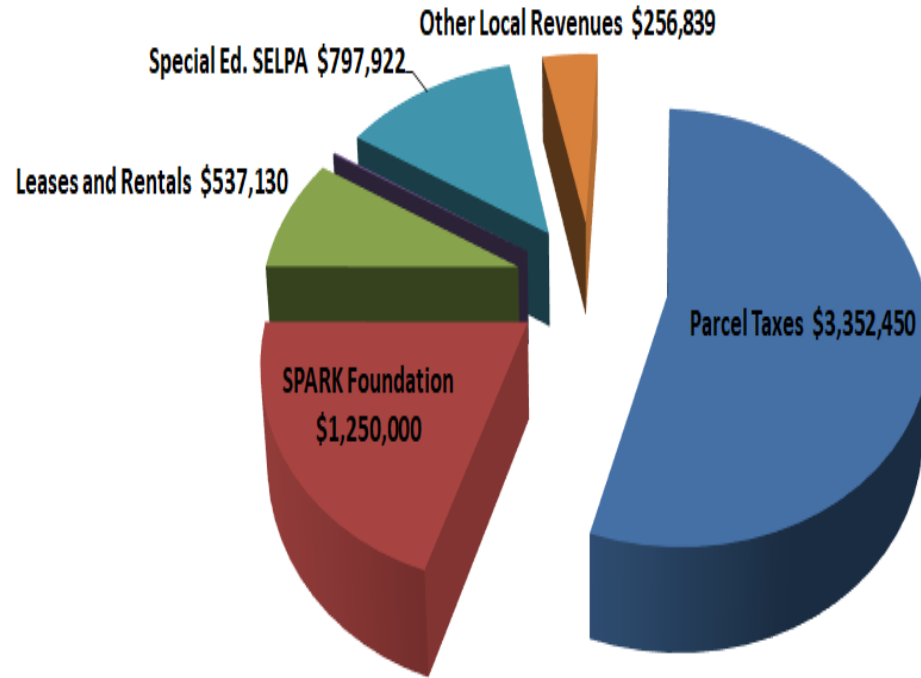


LCFF Revenue Trend

District's LCFF revenue trend since the implementation of LCFF



Local Revenue



Expenditure Changes

Expenditure Source: Combined Unrestricted & Restricted	Budget Adoption	First Interim	Second Interim	Total Change
Certificated & Classified Salaries actual placement as of October 2019	\$12,171,515	\$12,503,032	\$12,548,602	\$45,570
Certificated & Classified Benefits actual expenses as of October 2019/Addt. Of STRS/PERS on-behalf"	\$ 5,374,888	\$ 5,199,675	\$ 5,319,651	\$119,976
Books & Supplies Addition Of carry-over, one-time funding and program needs	\$ 475,572	\$ 875,022	\$ 991,396	\$116,374
Services & Operating Expenditures Addition Of carry-over, one-time funding and program needs	\$ 1,976,122	\$ 2,388,353	\$ 2,505,680	\$117,327
Other Outgo/Transfers Out	\$333,991	\$ 358,620	\$ 443,031	\$84,411
Total Expenditures	\$20,332,088	\$21,324,702	\$21,808,360	\$483,658

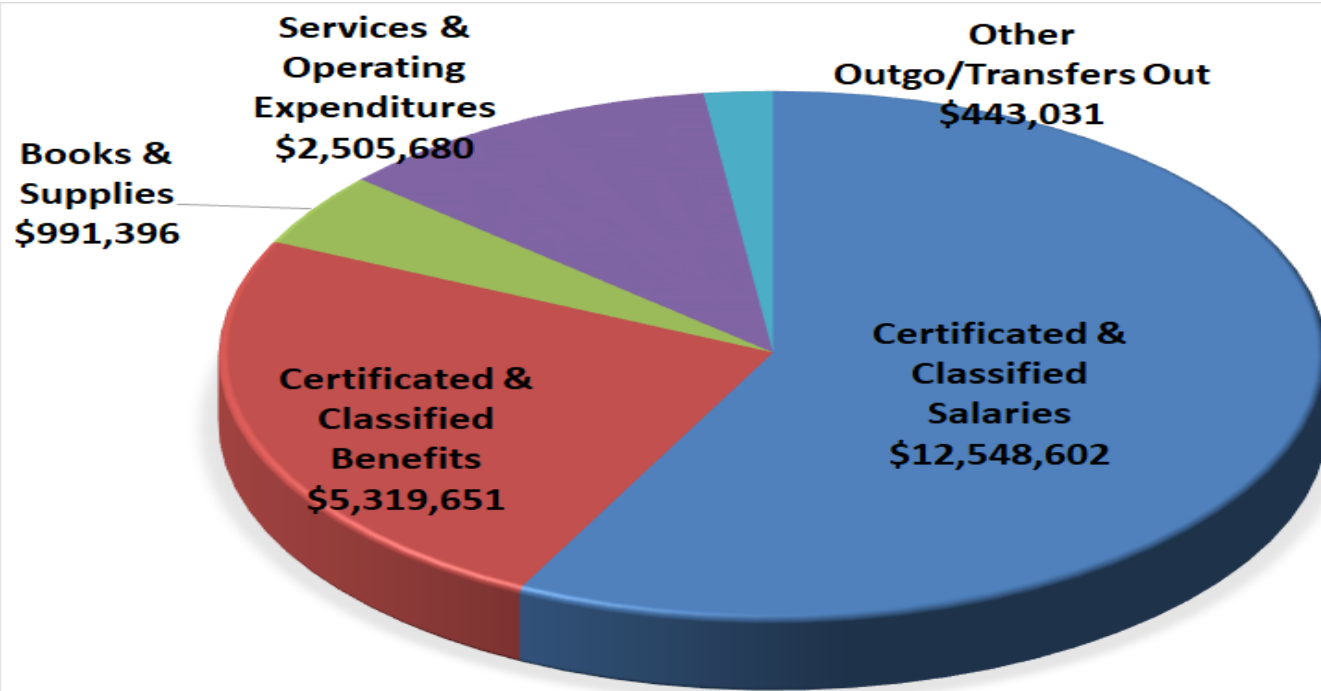


Expenditure Changes

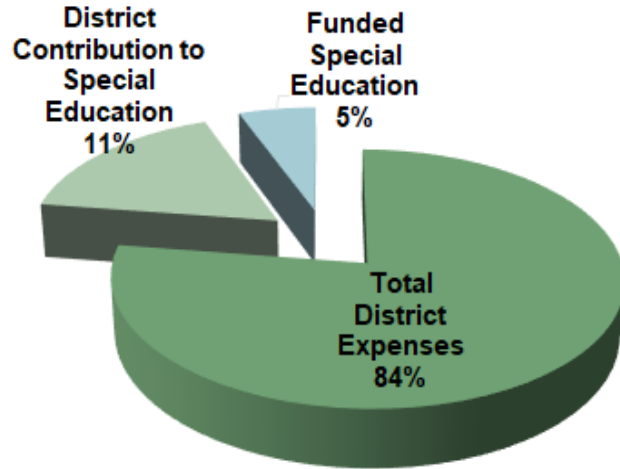
- Salary and Benefit changes adjusted to reflect actual staffing through January 30, 2021
- Adjustments to non staffing budgets to reflect current commitments and programs
- State categorical carryover of \$178,795 budgeted (restricted funds)



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 to 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 \$2,760,512 from the District's Unrestricted General Fund to cover the costs for Special Education.



2020-21 Second Interim Revenue and Expenditure Summary

	Budget Adoption	Second Interim
Total Revenues	\$ 20,613,260	\$ 22,100,766
Total Expenditures	<u>\$ 20,332,088</u>	<u>\$ 21,808,359</u>
Net Increase	\$ 281,172	\$ 292,406



LCFF GROWTH/COST INCREASES



**BASED ON 20-21 SECOND INTERIM
MULTI-YEAR PROJECTION**

	2020-2021	2021-2022	2022-2023	2023-2024
Beg Balance	\$ 2,474,086	\$ 2,766,493	\$ 2,081,253	\$ 1,229,844
Revenues	\$ 22,100,766	\$ 21,306,320	\$ 21,678,466	\$ 22,089,653
Expenses	\$ 21,808,359	\$ 21,991,560	\$ 22,529,875	\$ 22,962,769
Net Inc/(Dec)	\$ 292,407	\$ (685,240)	\$ (851,409)	\$ (873,116)
Ending Balance	\$ 2,766,493	\$ 2,081,253	\$ 1,229,844	\$ 356,728
Reserve Level Prior to Commitment	12.69%	9.46%	5.46%	1.55%
Undesignated Ending Balance (\$100K commitment Special Ed)	\$ 100,000.00	\$ 100,000.00	\$ 100,000.00	\$ 100,000.00
Reserve Level After Board Requirement	12.22%	9.01%	5.01%	1.12%



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

- LCFF revenue assumptions:
 - Flat enrollment growth (funding based on 2019-20 ADA) then a drop 2022-23
 - 96% ADA to enrollment
- SPARK contribution projected at \$1,250,000 in current fiscal year and anticipated \$1,250,000 in out years but may change
- Parcel tax projected at current number of parcels with 5% escalation
- Lease revenue based upon current signed leases
- One-Time Learning Loss Mitigation/CARES/ESSER I and II 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:
 - Reinstatement of 4.1 FTE Certificated Teachers
 - Reinstatement of 0.4 FTE Assistant Principal
 - 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 (projecting 2.25% for out year but there is still 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
- Refinancing of District Bond Debt



Larkspur-Corte Madera School District

Second Interim 2020-21

Paula Rigney, Chief Business Official

March 10, 2021

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

