

# **Larkspur-Corte Madera School District**

**2023-24 Budget Adoption**

**Paula Rigney, Chief Business Official**

**June 7 and 8, 2023**

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.



# **2023-24 Budget Adoption**



# Revenues



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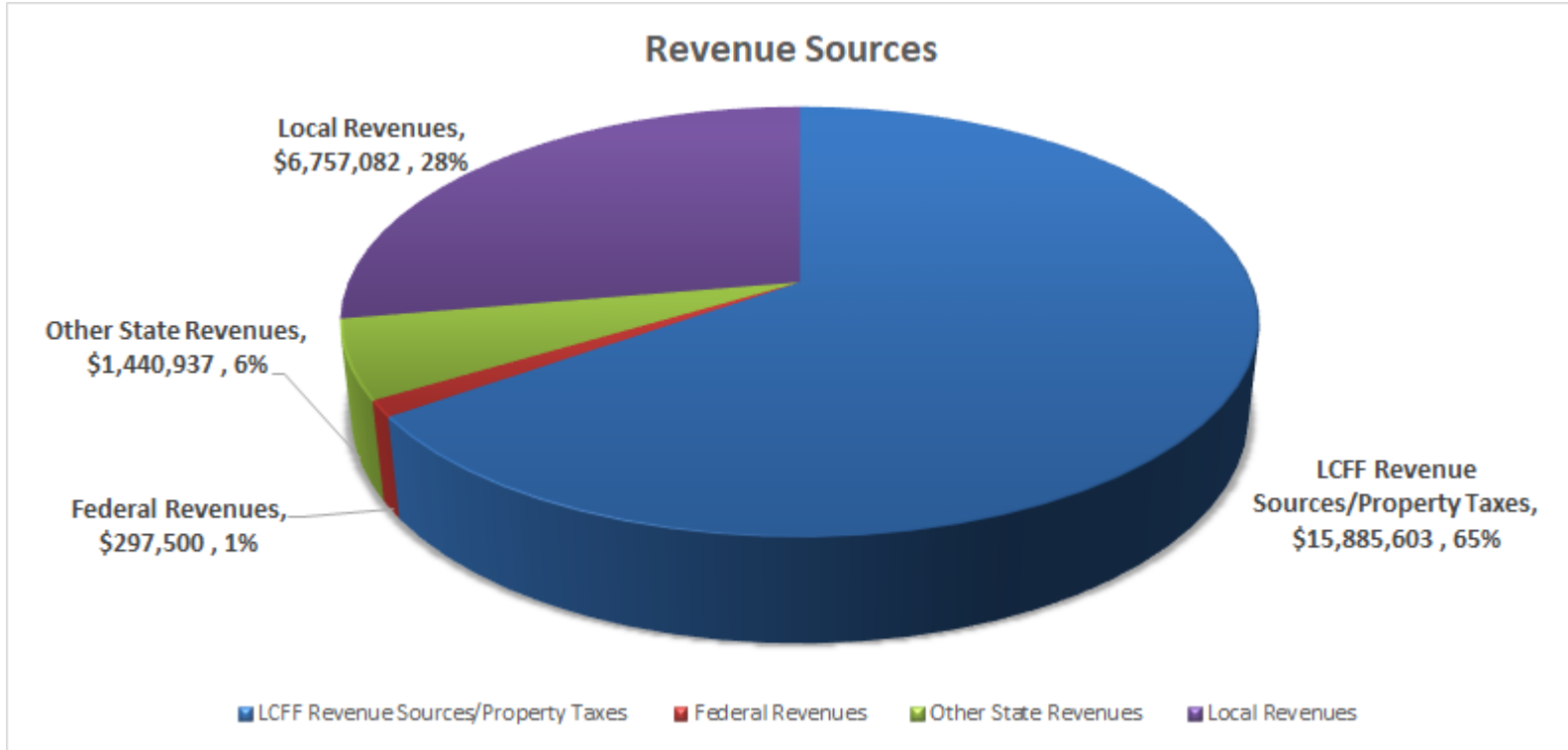
# Larkspur-Corte Madera School District

## Revenue Detail

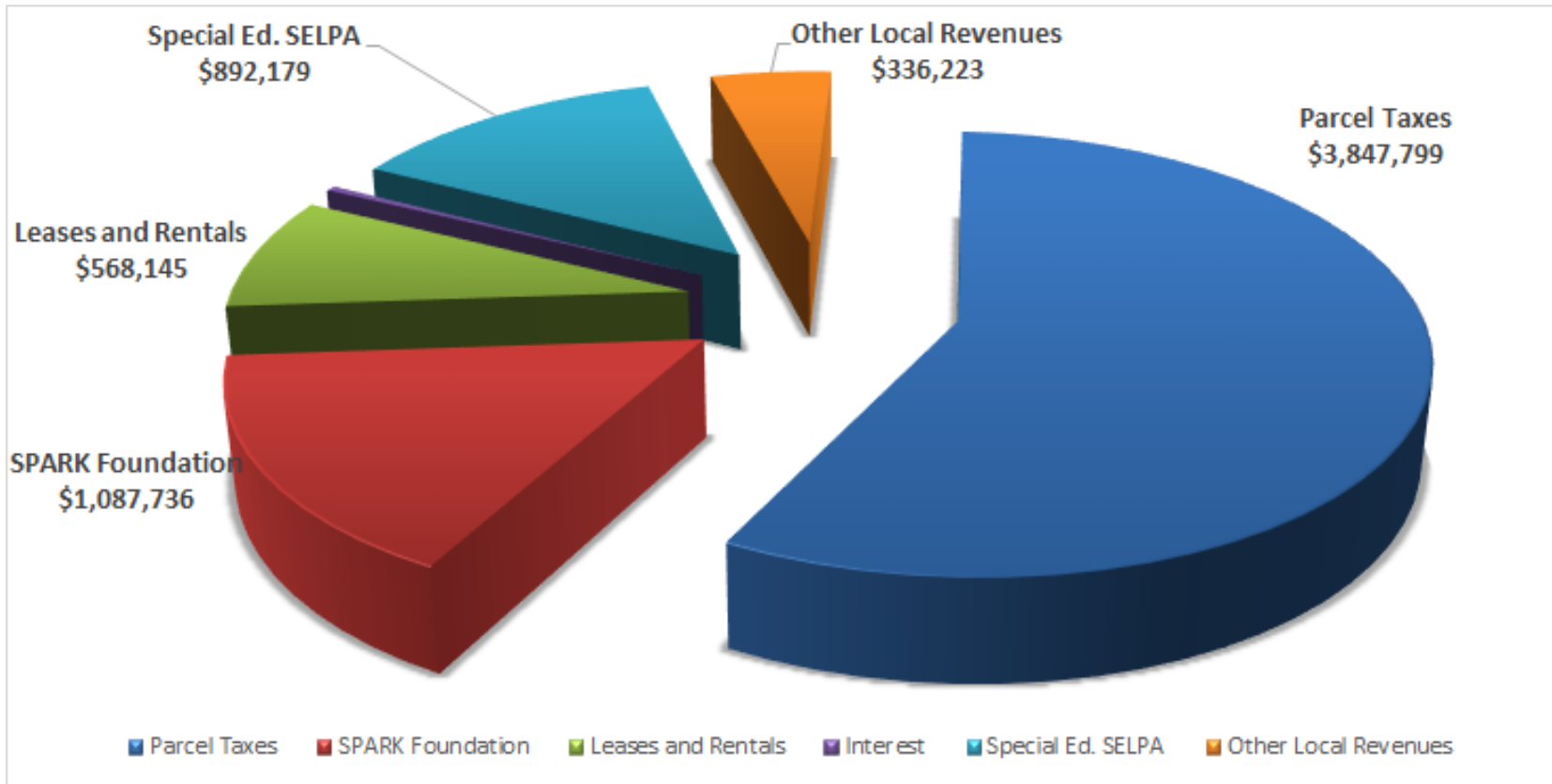
### 2023-2024

Revenue Source: Combined Unrestricted & Restricted	2022-2023 Budget Adoption	2022-2023 Current Working Budget/Estimated Actuals	2023-2024 Budget Adoption
Property Tax/LCFF Limit Sources *increase in LCFF funding due to property taxes	\$14,313,569	\$14,249,836	\$15,885,603
Federal Revenues (Special Ed., Title I-IV, ESSER I-III, CARES, Learning Loss, In-Person)	\$320,396	\$335,896	\$297,500
Other State Revenues (Lottery, booking entry for STRS on-behalf) *decrease in PERS "on-behalf" accounting	\$1,616,093	\$2,506,713	\$1,440,937
Other Local Income (Leases/Rentals, Fees, County Special Ed., Grants)	\$5,379,973	\$5,686,915	\$5,669,346
Foundation	\$1,245,906	\$1,250,987	\$1,087,736
Total Revenues	\$22,875,938	\$24,030,347	\$24,381,122

# Revenue Sources: 2023-24 Budget Adoption



# Local Revenue: \$6,757,082 (28%)



# Revenue Changes

- Decline in ADA funding sources (42.3 drop in ADA, total loss of 311.1 since 2019-2020)
- 8.22% COLA to LCFF base funding (2023-24)
- 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

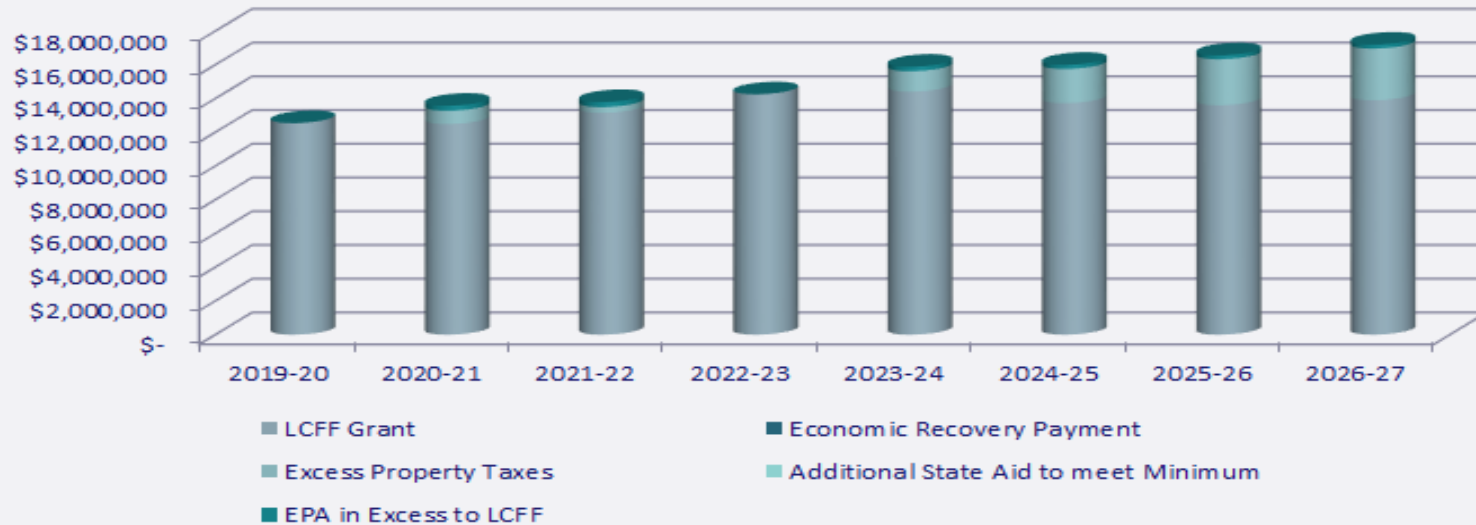




# LCFF Revenue Trend

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

**'LCFF Entitlement and Funding Sources before COE  
Transfer, Choice and Charter Supplemental**



# Expenditures



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# Larkspur-Corte Madera School District

## Expenditures Detail

### 2023-2024

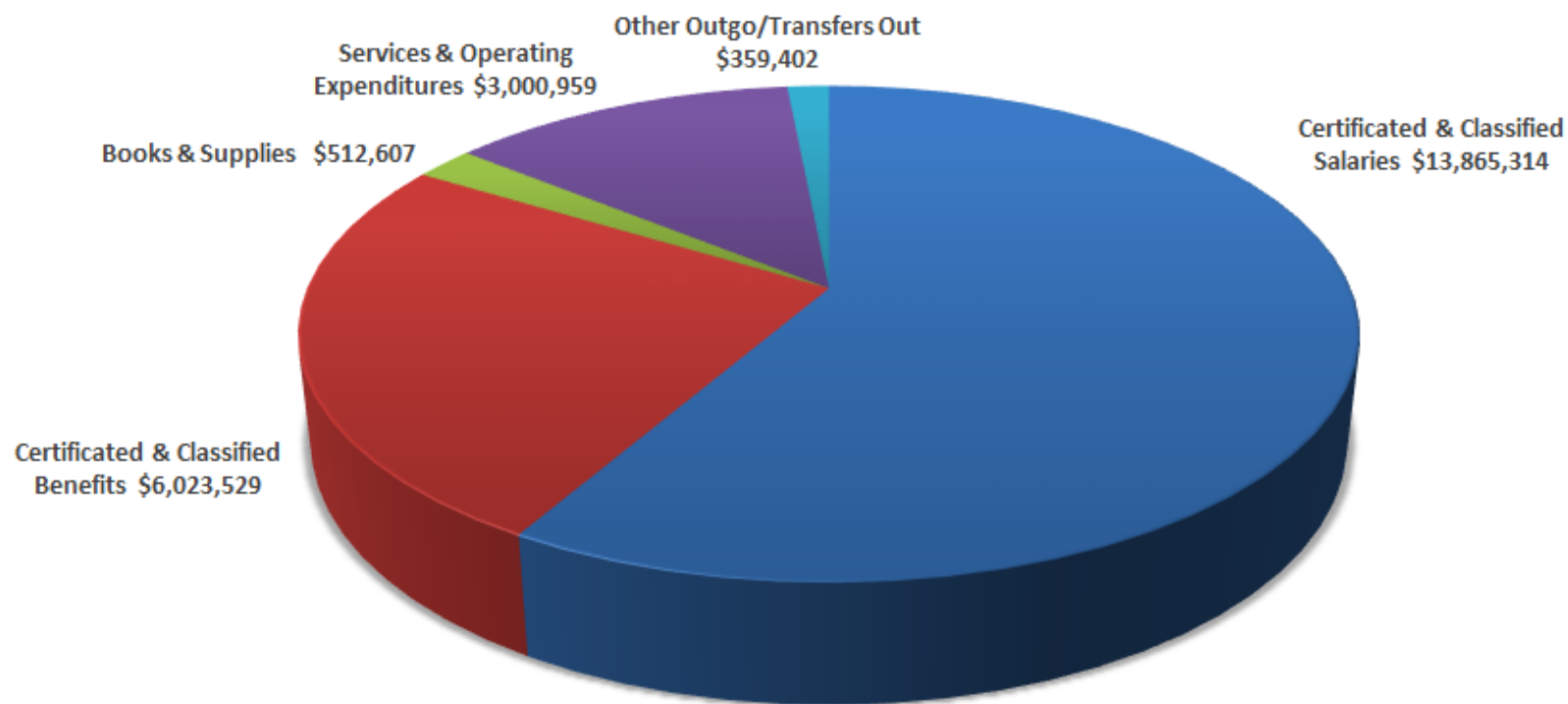
<b>Expenditure Source: Combined Unrestricted &amp; Restricted</b>	<b>2022-2023 Budget Adoption</b>	<b>2022-2023 Current Working Budget/Estimated Actuals</b>	<b>2023-2024 Budget Adoption</b>
Certificated & Classified Salaries *actual placement as of May 2022	\$13,435,134	\$13,332,628	\$13,865,314
Certificated & Classified Benefits *actual expenses as of May 2022/Addt. Of STRS/PERS "on-behalf"	\$ 6,222,395	\$ 5,759,746	\$ 6,023,529
Books & Supplies *Addition Of carry-over, one-time funding and program needs	\$ 459,852	\$ 712,313	\$ 512,607
Services & Operating Expenditures & Capital Outlay *Addition Of carry-over, one-time funding and program needs	\$ 2,698,566	\$ 3,384,383	\$ 3,000,959
Other Outgo/Transfers Out	\$ 502,650	\$ 319,267	\$ 359,402
Total Expenditures	\$23,318,595	\$23,508,337	\$23,761,811

# Expenditure Changes

- Salary and Benefit changes adjusted to reflect actual staffing through May, 2023: Step and Column included
  - 2023-2024 9% increase on salary schedule (certificated is 8% plus additional steps and new salary schedule)
  - Benefit changes due to approved tentative agreement
    - 2023-2024 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 2022-2023 one-time funding



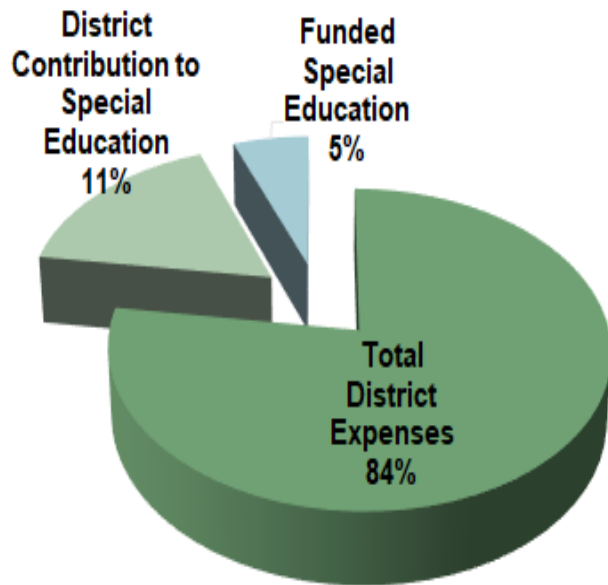
# Expenditures



■ Certificated & Classified Salaries ■ Certificated & Classified Benefits ■ Books & Supplies ■ Services & Operating Expenditures ■ Other Outgo/Transfers Out



# Special Education



## SPECIAL EDUCATION PROGRAM COSTS, 2023-24

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 2023-24, it is estimated that LCMSD will contribute \$3,178,917 from the District's Unrestricted General Fund to cover the costs for Special Education.



# 2023-24 Budget Adoption Revenue and Expenditure Summary

	Budget Adoption 2023-2024	Estimated Actuals 2022-2023
Total Revenues	\$ 24,381,122	\$ 24,030,347
Total Expenditures	<u>\$ 23,761,811</u>	<u>\$ 23,508,337</u>
Net Increase	\$ 619,312	\$ 522,010



# **Multi-Year Projections & Assumptions**





# MYP 2023-2024 Budget Adoption

## 2023-2024 Budget Adoption

### MULTI-YEAR PROJECTION

	2022-2023	2023-2024	2024-2025	2025-2026
Beg Balance	\$ 7,048,149	\$ 8,053,552	\$ 9,259,277	\$ 9,755,847
Revenues	\$ 24,030,347	\$ 24,381,122	\$ 24,575,228	\$ 24,573,073
Expenses	\$ 23,508,337	\$ 23,761,811	\$ 24,078,658	\$ 25,179,770
Net Inc/(Dec)	\$ 522,010	\$ 619,311	\$ 496,570	\$ (606,697)
Ending Balance	\$ 8,053,552	\$ 9,259,277	\$ 9,755,847	\$ 9,017,491
Reserve Level Prior to Commitment	34.26%	38.97%	40.52%	35.81%
Undesignated Ending Balance ( Board Commitment Special)	\$ 312,000.00	\$ 312,000.00	\$ 312,000.00	\$ 312,000.00
Reserve Level After Board Commitments	32.93%	37.65%	39.22%	34.57%



# Enrollment - Projection

Enrollment vs. ADA



# Assumptions in 2023-24 Multi-Year Projections (Revenue)

- Property Tax Growth:
  - In 2023-24 a 8.1% property tax growth from current year and 4.0% property tax growth in the out years (2024-25 through 2025-26)
    - Please note that 1% of property tax growth is approximately \$146K
- LCFF Revenue Assumptions: From 2023-24 through 2025-26
  - Significant Decrease in ADA (42.3) and then relatively flat enrollment
  - 94% ADA to enrollment
  - COLA to LCFF Base:
    - 2023-24            8.22%
    - 2024-25            3.94%
    - 2025-26            3.29%



# Assumptions in 2023-24 Multi-Year Projections (Revenue)

- SPARK contribution projected at \$1,087,736 from 2023-24 through 2025-26
  - Subject to change dependant on fundraising
- Lottery Revenues funded at current year funding from 2023-24 through 2025-26
  - 2023-24 \$170 per ADA Unrestricted, \$67 per ADA Restricted
  - 2024-25 \$170 per ADA Unrestricted, \$67 per ADA Restricted
  - 2025-26 \$170 per ADA Unrestricted, \$67 per ADA Restricted
- Mandated Block Grant funded from 2023-24 through 2025-26
  - 2023-24 \$37.81 per ADA
  - 2024-25 \$39.30 per ADA
  - 2025-26 \$40.59 per ADA



# Assumptions in 2023-24 Multi-Year Projections (Revenue)

- Federal Revenue Reductions of 12% from 2023-24 through 2025-26
  - Elimination of ALL one-time funding
- Special Education Funding Flat funded from 2023-24 through 2025-26
- Parcel tax projected at current number of parcels with 5% escalation from 2023-24 through 2025-26 (recently passed parcel tax expires June 30, 2032)
- Lease revenue based upon current signed leases from 2023-24 through 2025-26
- Local revenue based on current facility rentals from 2023-24 to 2025-26



# Assumptions in 2023-24 Multi-Year Projections (Expenditures)

- Staffing assumptions:
  - Step and Column included
    - 2023-24 9.00% increase on salary schedule
    - 2024-25 3.00% increase on salary schedule
    - 2025-26 3.00% increase on salary schedule
  - Staffing included in 2023-24 based on staffing needs as of May, 2023 and reduction of 6.5 FTE (see 2023-24 Budget Adoption narrative for details)
    - Benefit changes due to approved tentative agreement
      - Health and Welfare Cap \$11,250, 2023-24
      - Health and Welfare Cap \$11,250, 2024-25
      - Health and Welfare Cap \$11,250, 2025-26



# 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 2023-24, 19.1% in 2024-25, 19.1% in 2025-26
  - PERS: 26.68% in 2023-24, 27.7% in 2024-25, 28.3% in 2025-26
- 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 2023-24 Multi-Year Projections (Expenditures)

Note: the current MYP does not reflect budgeting for any possible additional expenditures that may occur due to unexpected personnel changes (ex. leaves), substitute needs, and unexpected operational costs.

- Possible additional costs as follows:
  - Staffing coverage for increase in absences
  - Different model of providing breakfast and lunch service
  - Unanticipated program needs





# Challenges

- Revenues and enrollment
  - Property tax rates unknown due to 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
- LCAP focus on equity, achievement, and wellness
- Programs far beyond state requirements



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