



Kentfield School District Budget 101 Part I

December 2020

Topics

California School Funding Background

Building School Budgets

First Interim Budget

California School Funding Background

- Federal, State and Local Sources
- Historical Perspective

History

- Until the late 1970's, schools in CA were predominantly funded by local property taxes
- School boards set the local property tax rates
- Property tax rates varied among districts

California School Funding Background

Differentiated property tax rates across the state
created inequities for per student spending

Judicial Branch Influence on School Funding

- Serrano vs. Priest
- This was 1st attempt by the courts to require equal educational opportunities for all students

History

- Serrano vs. Priest equitable spending by student by district
- Proposition 13 was legislatively approved initiative put on the ballot to fund the equitable formula established by Serrano vs. Priest

California School Funding Background

- School Boards lost the ability to set local property tax rates with the passage of Proposition 13
- Property Taxes became less essential to the funding of schools due to per student allocations

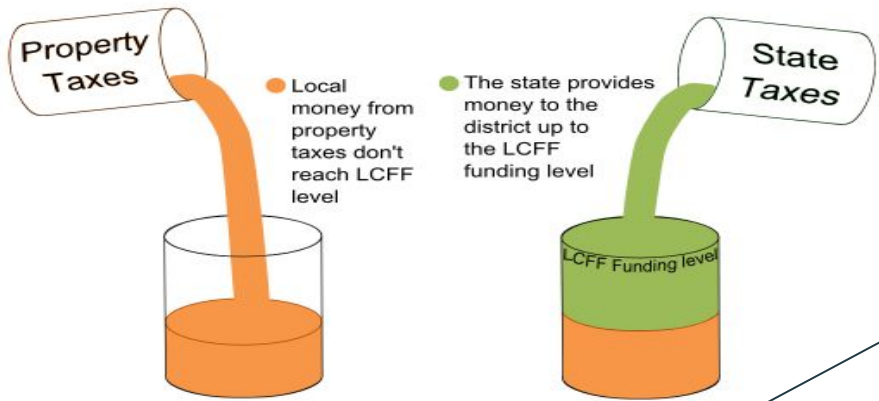
California School Funding Background

- Today nearly all school districts rely on state funding, but there are exceptions
- There are approximately 1,000 school districts in CA and about 100 are Basic Aid or Community Funded

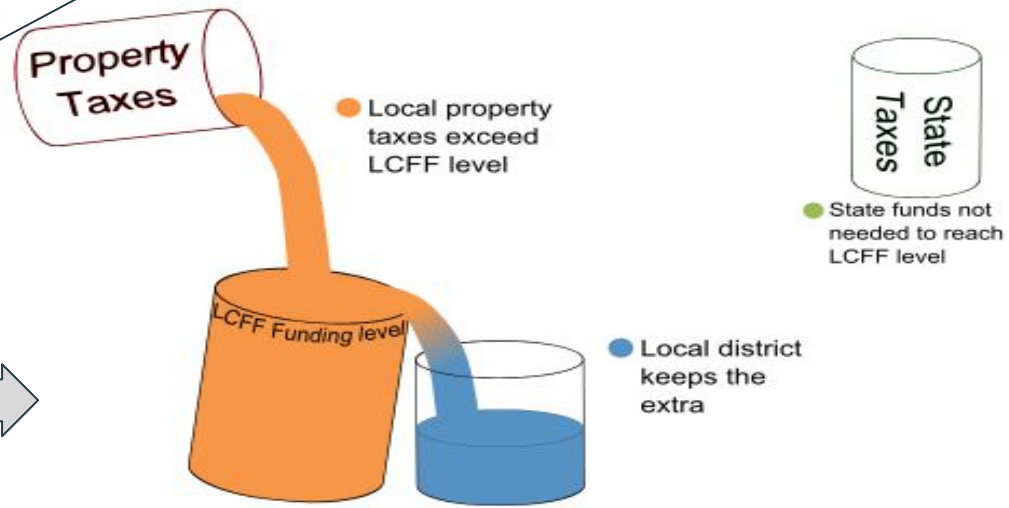
California School Funding Background

- Today districts are divided into two types LCFF revenue districts or community funded districts, more commonly known as basic aid.

District Funding Under LCFF =



"Basic Aid" District Funding



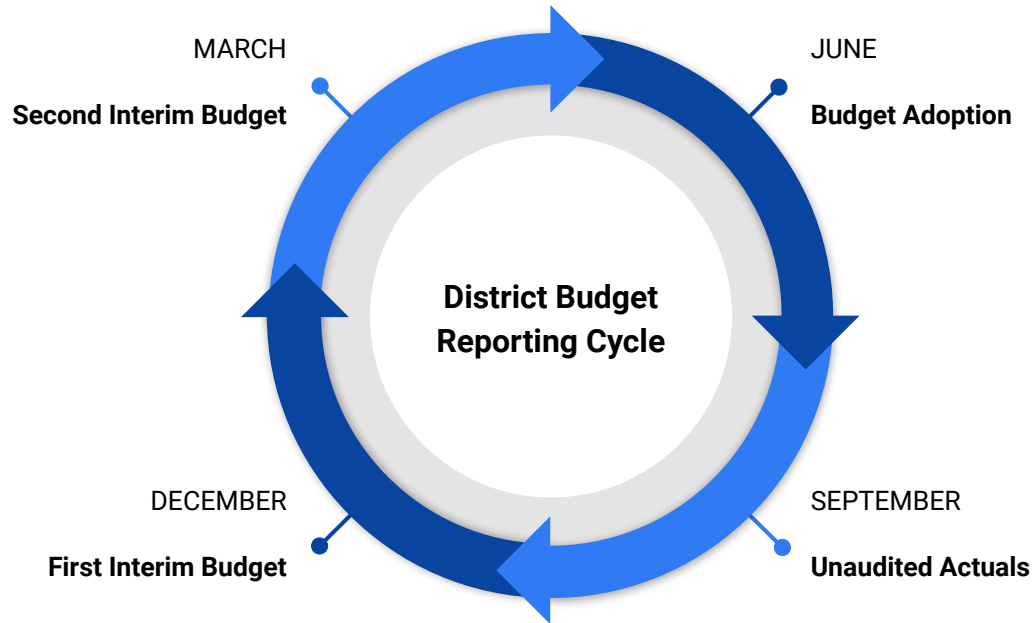
Kentfield is Basic Aid funded

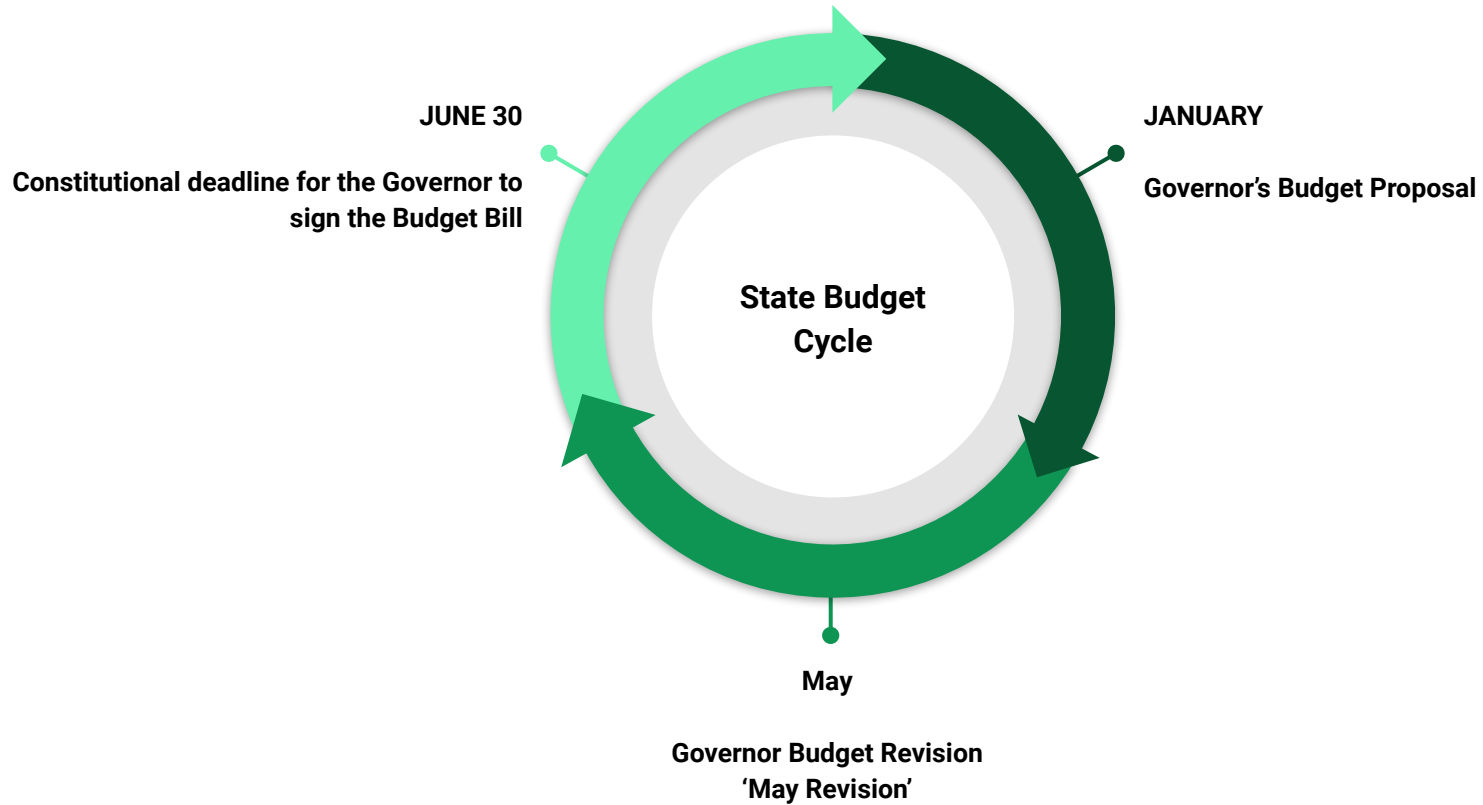
Local Revenues

- Parcel Taxes
- Kentfield School Foundation and KSPTA

Building School Budgets

- Budget Reporting Cycle
- Budget Development



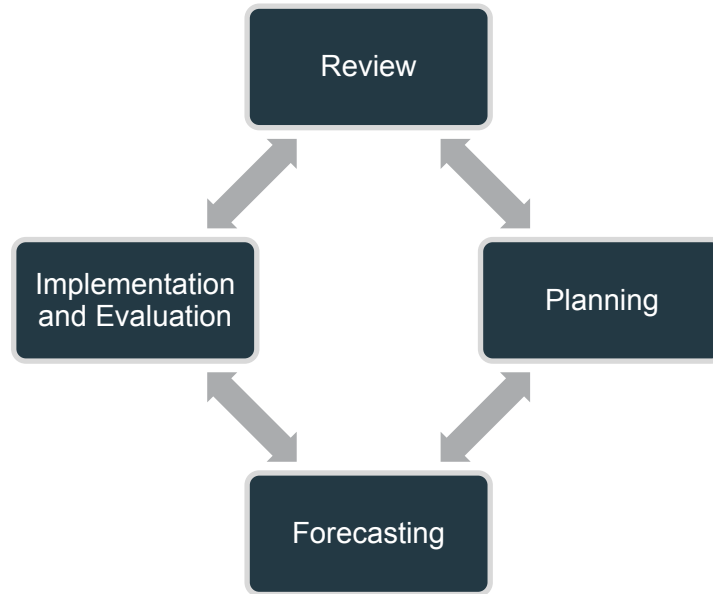


State Budget Calendar

- Between April and mid-May (often times much later), high volumes of information and negotiation occur at the State level.
- June 15 is the Legislative deadline to send the governor a budget
- June 30 is the Constitutional deadline for the Governor to sign the Budget Bill.

Public School Districts typically adopt a budget prior to the State of CA Adopting the budget.

Budget Development



Budget Development

- Review past performance
 - Analyze historical data and identify cost improvements and shortfalls

Budget Development

- Planning
 - Review of changes in funding/revenues, enrollment, class size, staffing and benefits, books, maintenance and operations, contracts and services.

Budget Development

- Forecasting
 - Review funding in budget year and two years out, changes in student population, curriculum and technology, step/column and other staffing changes.

Budget Development

- Implementation and Evaluation
 - Once the budget is adopted by the governing board the budget is implemented and monitoring and evaluation begins.

School Budget

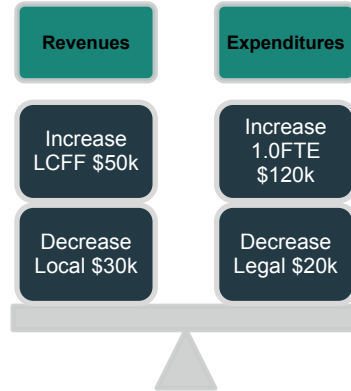
By law the budget must be adopted by June 30

Revisions occur at least twice during the year, typically at First Interim and again at Second Interim.

Budget Revisions

Budget updates adjust revenues and expenditures with actuals.

Snapshot in time



2020-21 Budget

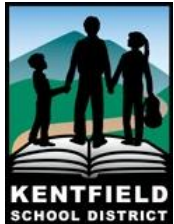
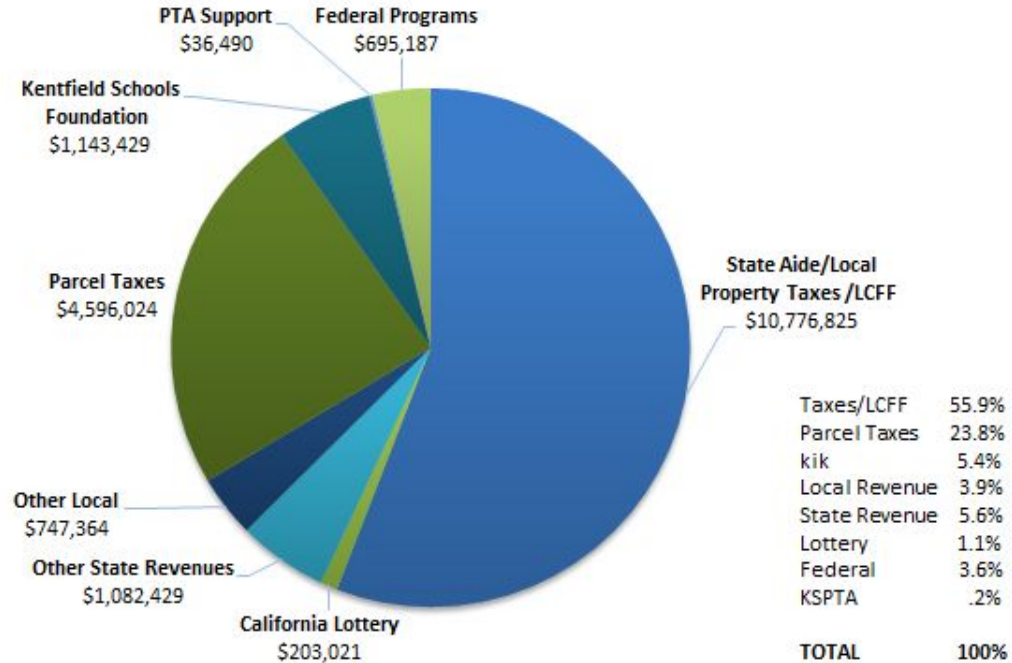
- June - Budget Hearing/Adoption
- July - 45 day Budget Revision
- December - First Interim Budget
- March - Second Interim Budget
- September - Unaudited Actuals

Budget Review

- 2019-20 Unaudited Actuals
- 2020-21 Beginning Fund Balance
- 2020-21 First Interim Budget

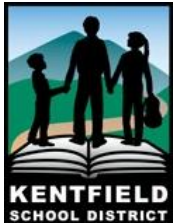
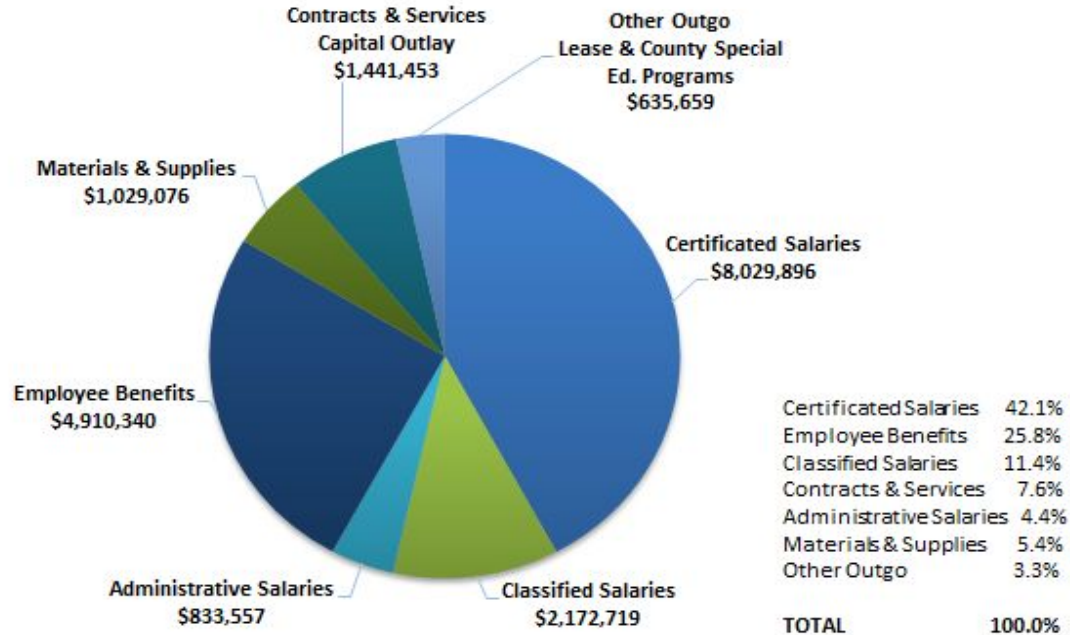
2020-21 Revenues – 1st Interim Budget through 10/31/2020

REVENUES \$19,280,769



2020-21 Expenditures – 1st Interim Budget as of 10/31/2020

EXPENDITURES \$19,052,700



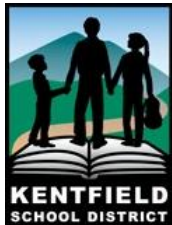
	Adopted	1st Interim	Difference
Beginning Balance	1,246,810	917,722	(329,088)
Revenues	18,805,780	19,280,769	474,989
Expenditures	18,784,181	19,052,700	268,519
Ending Fund Balance	1,268,409	1,145,791	(122,618)
Components of Ending Balance			
3% State Mandated	563,525	571,581	
2% District Designated	375,684	381,054	
Special Education Reserve	100,000	100,000	
Revolving Cash	700	700	
Undesignated Reserve	228,500	92,456	
	1,268,409	1,145,791	
% Reserve Level	6.75%	6.01%	

2020-21 Reserves – 1st Interim Budget

Reserves: 6.01%

State Mandated 3% Reserve	\$ 571,581
District Designated 2% Reserve	\$ 381,054
Special Education Contingency	\$ 100,000
Revolving Cash	\$ 700
Undesignated Reserve	<u>\$ 92,456</u>

Total Reserves **\$1,145,791**



Budget 101 Part II – Coming Soon 2021

Insight into Kentfield School District Budget

Update on State Preliminary Proposed Budget

How Kentfield budget is impact by state and local