

Kentfield School District

2024-2025 Budget Narrative

May 28, 2024

Introduction

California law requires that school districts take certain prescribed actions in the adoption of the annual operating budget. Aside from assuring that governing boards will review the Proposed Budget in an orderly fashion, the statutes are intended to afford the community an opportunity to review and comment on the spending plan for the school district.

This document is intended to provide the School Board of Trustees, staff, and community with information on the 2024-2025 Proposed Budget of the Kentfield School District.

According to the State Education Code, if significant changes occur in the final State budget adopted by the Legislature and signed by the Governor, a new district budget will be presented to the Board within forty-five (45) days.

General Fund Revenues

As a Community Funded District, the Kentfield School District is not dependent upon the State to fund enrollment as local property taxes exceed what the district would otherwise receive under the Local Control Funding Formula (LCFF). Local revenue sources, such as property and parcel taxes are the primary source of revenues making up 77% of total district revenues. The Local Control Funding Formula, Federal, Other State and Other Local sources generate the remaining 23% of the district's revenues.

Federal sources include funds from Every Student Succeeds Act (ESSA).

Other State revenues include mandate block grant, lottery, expanded learning opportunity funds and the mental health related services grants.

Local revenues are comprised of an annual contribution from the Kentfield Schools Foundation, support from Kentfield School Parent Teacher Association (KSPTA), and revenues generated from facilities use.

Budgeted Expenditures

Certificated Salaries, Classified Salaries and Employee Benefits account for 80% of total expenditures in the General Fund budget. Books and Supplies are 2%, Service and Other Operating Expenditures are 15%, and Other Outgo is 3% of total expenditures. The following budget assumptions were used to build the budget.

Certificated and Classified Step and Column is 1.5%, the district has not settled with Kentfield Teachers Association and Kentfield Education Support Professionals Association and the budget does not include any increase for all employees.

The cost of the health benefits has increased by 8.75%. The cap is based on the employee plus one Kaiser rate of \$22,681 an increase of \$1,825 from the prior year. There was no increase to Dental or Vision programs, as of budget development, which annual costs are \$882 and \$232, respectively and cover the employee only. The combined total health benefits provided for full-time staff members is \$23,795.

Retirement rate for State Teachers Retirement System (STRS) remained the same as prior year, 19.1% for fiscal years 2024-25 to 2026-27 while the California Public Employees Retirement System (CalPERS) has increased 0.37%, 0.55% and 0.40% for fiscal years 24/25, 25/26 and 26/27 respectively. The rate will be 28.00% in the fiscal year 2026-27.

Multi-Year Projection Assumptions

The table below are assumptions that were used for budget development of the 2024-2025 proposed budget and the two subsequent years budget models.

Assumptions	2024-2025	2025-2026	2026-2027
Enrollment	1050	1050	1050
Property Taxes	4.03%	4.03%	4.03%
Parcel Tax	3%	3%	3%
KIK	\$1.1M	\$1.1M	\$1.1M
Employee Compensation Step Column - All Units	1.5%	1.5%	1.5%
State Teachers Retirement System (STRS)	19.10%	19.10%	19.10%
CA Public Employee Retirement System (CalPERS)	27.05%	27.6%	28.0%

Ending Fund Balance Reserves

The district’s multiyear projections show that it will continue to maintain its State required reserve and the district’s mandated reserve.

The 2024-2025 Budget Adoption Reserves establish the substantiation for the need of reserves greater than the state required minimum reserve for economic uncertainty. The Kentfield School District ending fund balance has been allocated as follows:

	2024-2025	2025-2026	2026-2027
Revenues	\$22,767,675	\$23,411,954	\$24,080,711
Expenditures	\$23,200,183	\$23,620,655	\$24,059,717
Net Increase (Decrease)	(\$432,508)	(\$208,701)	\$20,944
Beginning Fund Balance (Estimated Actuals)	\$2,393,496	\$1,960,989	\$1,752,288
Ending Fund Balance	\$1,960,989	\$1,752,288	\$1,773,288
Ending Fund Balance Percentage	8.45%	7.42%	7.37%

Summary

The budget for the Kentfield School District for 2024-2025 includes all known revenues and expenditures and is based on information from the County, State and District resources. Should there be significant changes at the State Adopted Budget that impact our District, an update will be provided at the August Board of Trustees Meeting.