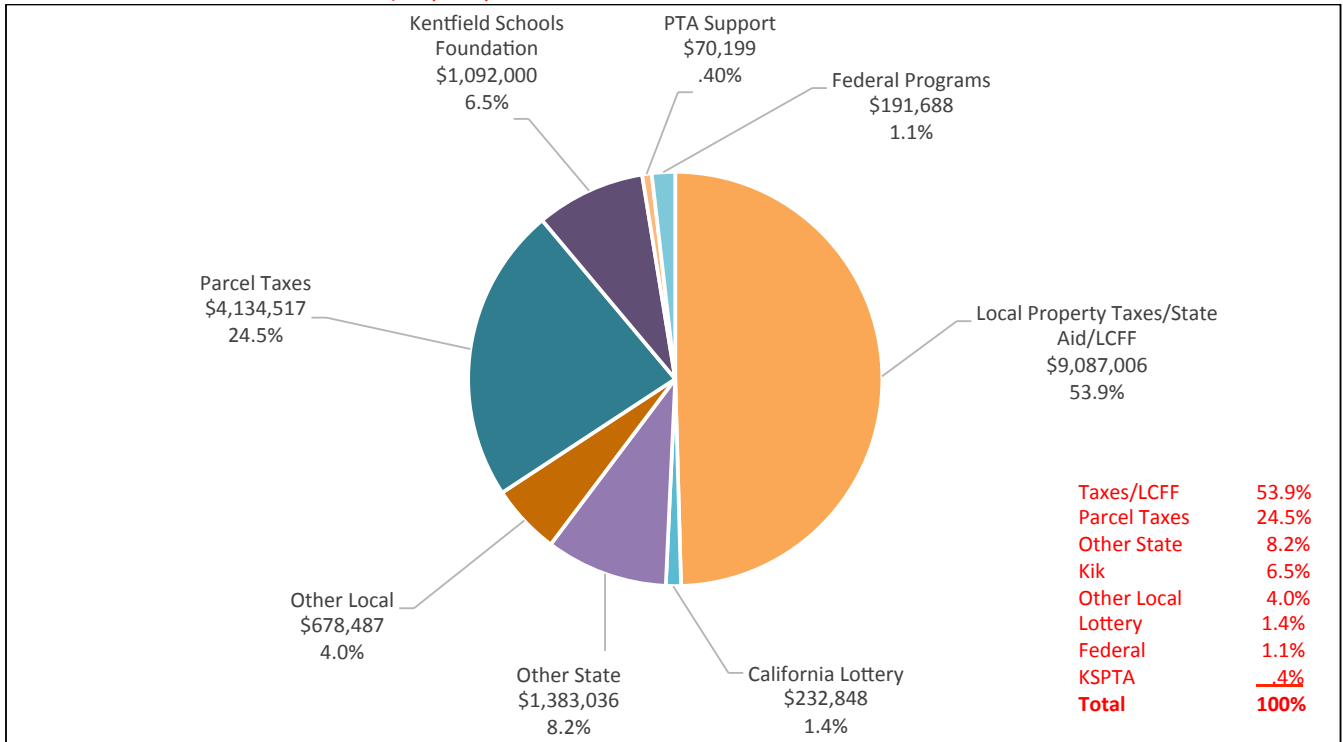
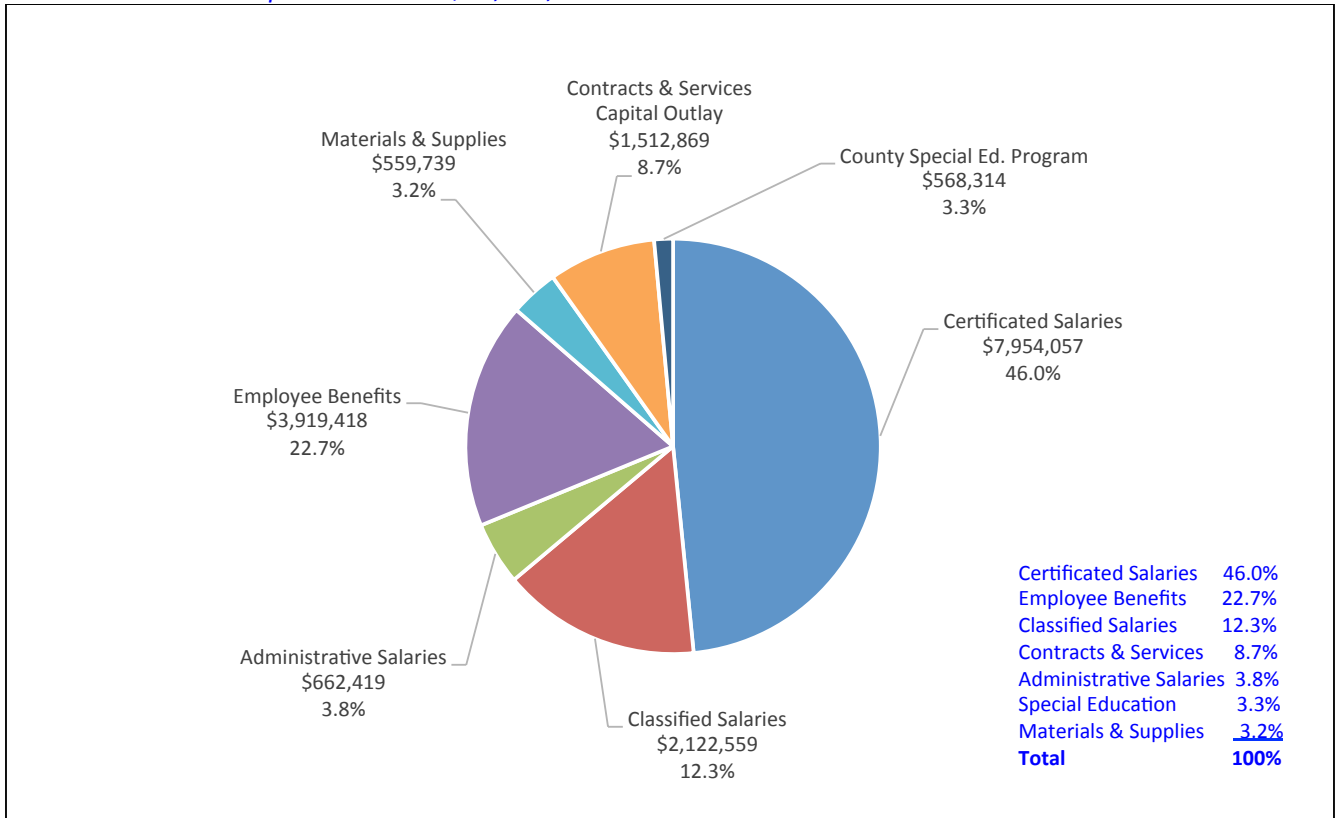


KENTFIELD SCHOOL DISTRICT  
BUDGET 101

2016-17 1<sup>st</sup> Interim Revenues \$16,869,781



2016-17 1<sup>st</sup> Interim Expenditures \$17,299,375



Budget 101 February – March 2017

**Concerns and Ongoing Threats: Parcel Tax Renewal, Flat Funding, Pensions, Step & Column Increases, Salary Increases, and Health and Welfare Costs:**

- Parcel Tax renewal prior to expiration in 2019
  - 2016-17 revenue is \$4,134,517 (24.5% of budget).
  - Current parcel tax expires June 30, 2019.
  - The District will lose annual revenue of \$4,786,220 beginning in 2019-20 if the voters do not approve a new parcel tax.
- Governor’s preliminary 2017-18 budget predicts flat-funding.
- Employer retirement contributions to CalSTRS and CalPERS increasing sharply.
- The CalSTRS board met on February 1, 2017 to consider additional rate increases.

Fiscal Year	Salaries			CalSTRS	CalPERS	Budget Source
	Certificated & Classified	Employer Contributions	Increase Prior Year			
2013-14	\$ 9,268,076	\$ 782,735		8.00%	11.44%	Actuals
2014-15	\$ 9,782,579	\$ 922,900	\$ 140,165	8.88%	11.77%	Actuals
2015-16	\$ 10,157,507	\$ 1,127,678	\$ 204,778	10.73%	12.60%	Actuals
2016-17	\$ 10,739,035	\$ 1,378,734	\$ 251,055	12.58%	13.89%	Budgeted
2017-18	\$ 10,707,802	\$ 1,574,121	\$ 195,387	14.43%	15.80%	Projected
2018-19	\$ 10,870,713	\$ 1,821,655	\$ 247,533	16.28%	18.70%	Projected
2019-20	\$ 11,041,617	\$ 2,077,466	\$ 255,811	18.13%	21.60%	Projected
2020-21	\$ 11,215,658	\$ 2,270,626	\$ 193,160	19.10%	24.90%	Projected
2021-22	\$ 11,383,893	\$ 2,338,400	\$ 67,774	19.10%	26.40%	Projected
2022-23	\$ 11,554,651	\$ 2,396,289	\$ 57,889	19.10%	27.40%	Projected
2023-24	\$ 11,727,971	\$ 2,450,758	\$ 54,469	19.10%	28.20%	Projected

**Reserves**

- The District maintains the state-required minimum reserve for economic uncertainty of 3% in the current and two subsequent years.
- In addition, the Board has taken action to increase the reserve for economic uncertainty by 2%.
- The District maintains a \$100,000 special education reserve.
- The 2016-17 1<sup>st</sup> Interim Budget District reserve level is 8.89%.

**Summary**

- 84.8% of the District’s budget is comprised of salaries, statutory benefits, and health and welfare employee benefit costs. The remaining 15.2% are operational costs for material and supplies, contracts and services, capital outlay and other outgo.
- Based on the Governor’s preliminary budget for 2017-18, we are expecting no increase in ongoing (LCFF) revenues from the state and a decrease in one-time discretionary funding of \$203,000.
- On the expense side, we expect CalSTRS and CalPERS retirement contributions to increase in 2017-18 by \$195,387, and an increase in healthcare expenses of up to \$116,941 (based on a 10% increase in healthcare costs).