

KENTFIELD SCHOOL DISTRICT
BUDGET 101

Current Enrollment – January 2016

Bacich	652
Kent	<u>575</u>
Total	1,227

Local Control Funding Formula (LCFF) vs Basic Aid

- LCFF is a major overhaul to reform and simplify the California’s school finance system and will focus accountability at the local level
- A Basic Aid funded school is a term used for school districts for which local property tax revenues provide more money to fund their local schools than would be provided under the LCFF
- For the next few years, the Kentfield School District may be “flipping” in and out of ‘basic aid’ status, receiving supplemental local property taxes, and keeping all excess property taxes
- The District will always receive the benefit of the higher funding
- The Local Control Funding Formula (LCFF) is implemented with these basic calculations:
 - All schools receive the same “Base Grant” amounts for each student in grades K-3, 4-6, 7-8
 - Additional funding for K-3 with average enrollment of no more than 24 students per school site
 - Supplemental grants targeted for students classified as English learners (EL), eligible to receive free or reduced-price meals (FRPM), foster youth (FY), or any combination (unduplicated count). KSD’s unduplicated count is 8.14% or 102 students.
 - “Economic recovery target” funding to ensure districts are restored to our 2007-08 funding levels
- LCFF will be phased in over seven years, restoring the funding of education to 2008 pre-recession levels

Local Control Accountability Plan (LCAP)

- As part of the LCFF, school districts are required to develop, adopt, and annually update a three-year Local Control and Accountability Plan (LCAP) beginning July 1, 2014
 - The LCAP is required to identify local goals and measure progress for improving student outcomes and closing the achievement gap
 - Regulations require school districts to “increase or improve” services for targeted students
 - The LCAP goals and actions must be aligned with the District’s budget
 - Annual LCAP updates will involve our staff, parents, and community stakeholders in developing, revising, and updating the LCAP
 - The LCAP is aligned with the District’s Strategic Plan, and with the eight state priorities
 - Basic Services
 - Common Core, Standards-Based Instruction
 - Parental Involvement
 - Pupil Achievement
 - Pupil Engagement
 - School Climate
 - Student Access to Core Subjects
 - Pupil Outcomes in Core Subjects

Concerns and Ongoing Threats

- Employer Retirement Contributions to CalSTRS and CalPERS

	<u>CalSTRS</u>	<u>CalPERS</u>
2014-15	8.88%	11.77%
2015-16	10.73%	12.60%
2016-17	12.58%	15.00%
2017-18	14.43%	16.60%
2018-19	16.28%	18.20%
2019-20	18.13%	19.90%
2020-21	19.10%	20.40%

- Parcel Tax Renewal
 - 2015-16 general fund revenue \$4 million
 - Current parcel tax expires – June 30, 2019
 - Legal challenge – “tiered rate” violation of uniform taxes to all taxpayers property within the District boundaries
 - At the uniform rate, there would be an annual loss of more than \$800,000 starting in 2019-20
 - If the voters do not approve the parcel tax for 2019-20, KSD will lose annual revenues of more than \$5 million

Summary

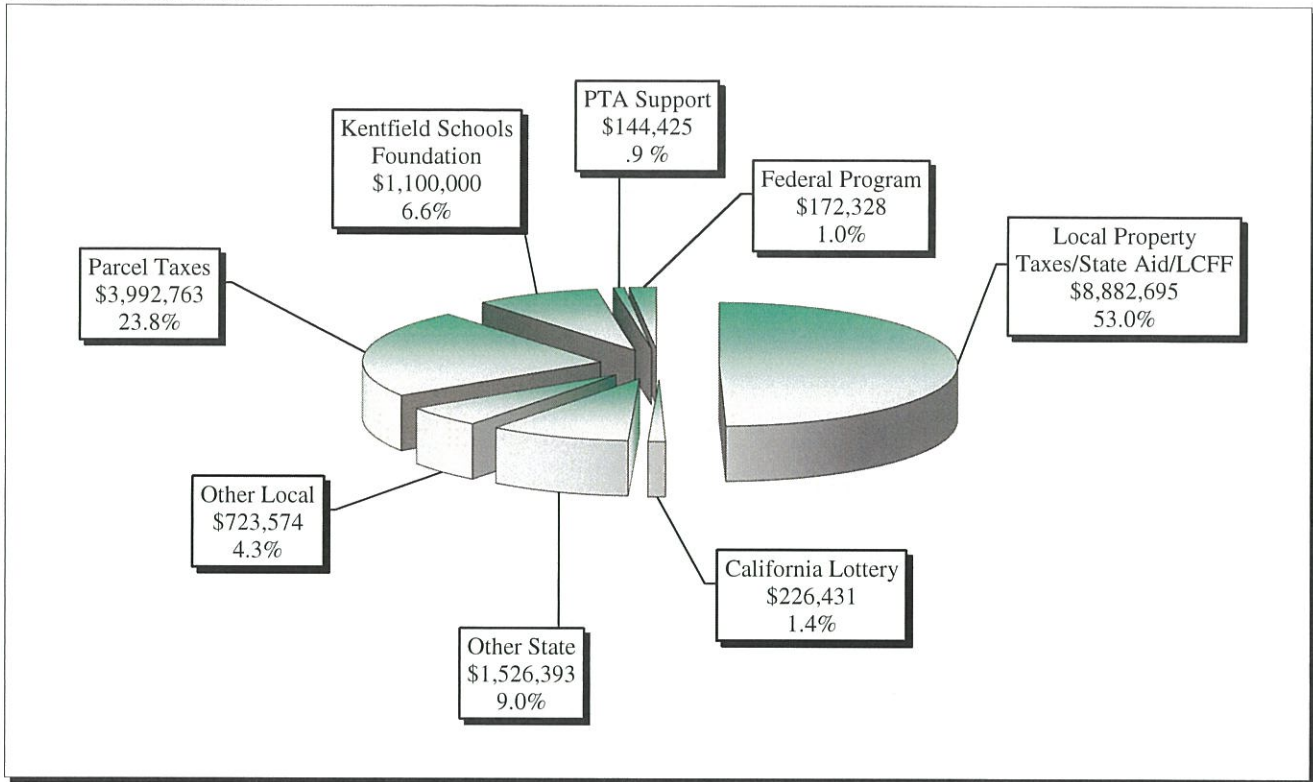
- The Kentfield School District has a \$16.5 million budget. Of this budget, almost \$9 million comes from local property taxes, \$4 million from parcel taxes, and \$1.1 million from the Kentfield Schools Foundation. Parcel tax revenues will increase by \$200,000.
- In 2016-17, we are expecting increased costs of step and column adjustments of \$154,000 for certificated and classified salaries, and an increase in CalSTRS and CalPERS employer retirement obligations of approximately \$210,000. The District’s Health & welfare benefits are now managed through Self-Insured Schools of California (SISC) factoring an annual 10% rate increase.

Reserves

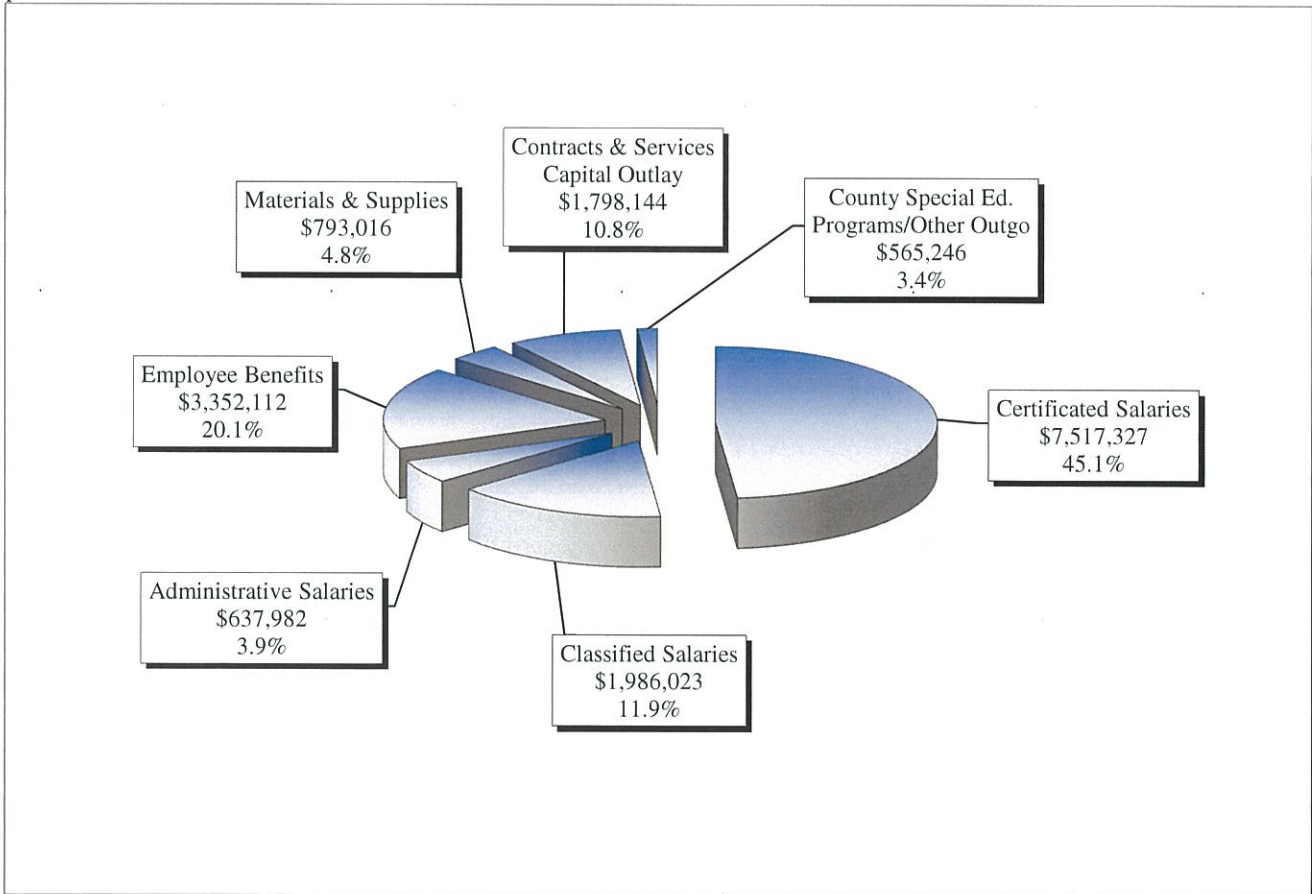
- The District maintains the state-required minimum reserve for economic uncertainty of 3% in the current and two subsequent years.
- In addition, the Board has taken action to increase the reserve for economic uncertainty by 2%, and the District maintains a \$100,000 special education reserve.
- All school districts, whether state aid or basic aid funded, are advised to establish higher than minimum reserves in order to provide for financial flexibility to absorb unanticipated expenditures without significant disruption to educational programs.
- For the 2015-16 1st Interim Budget, the District reserve level is 12.27%.

Components of the 2015-16 Kentfield School District 1st Interim Budget

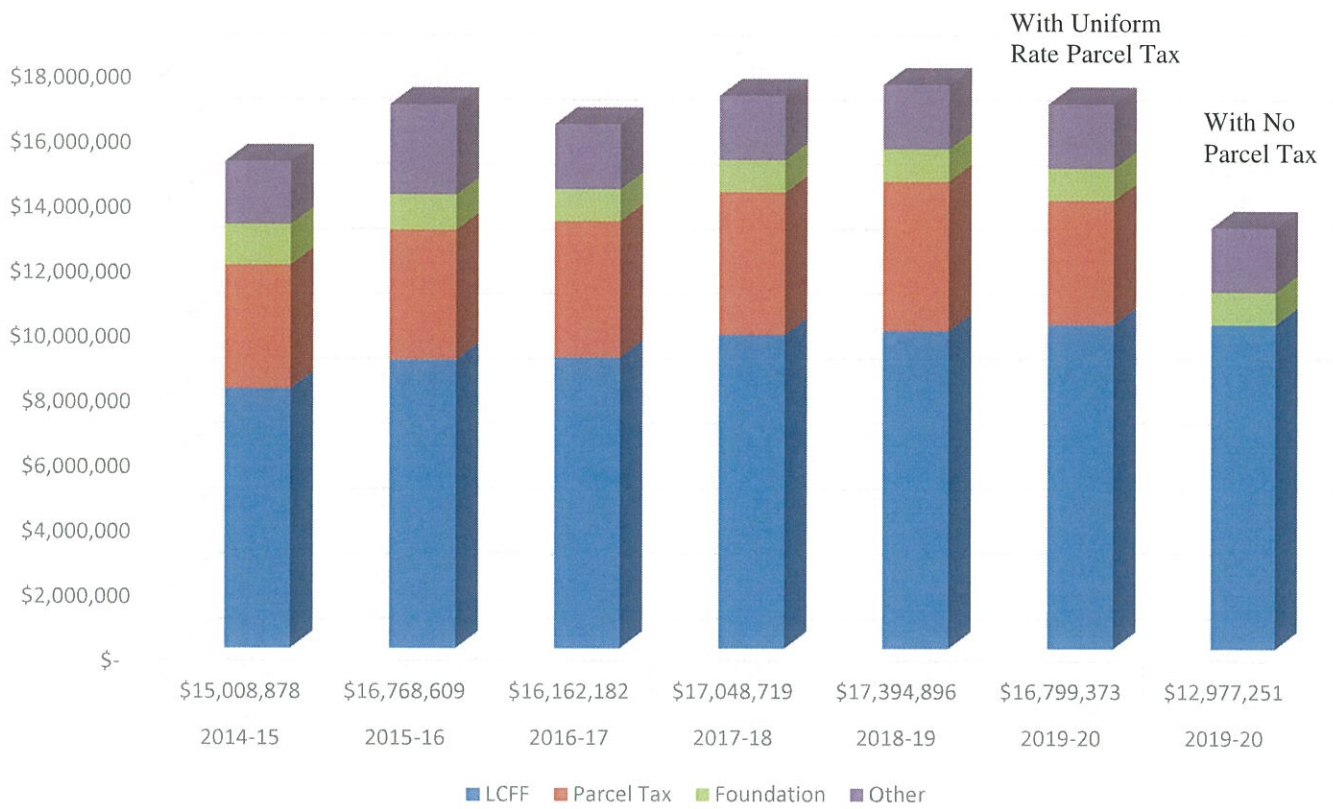
Revenues \$16,768,609



Expenditures \$16,649,850



Revenues



Expenditures

