

SAUSALITO MARIN CITY SCHOOL DISTRICT

2013-2014 Budget Adoption

Overview

Board Meeting

June 27, 2013

Property Tax/Rev. Limit Total Revenues \$3,031,678

▣ Total Property Taxes	\$ 4,879,317
▣ Transfer of Charter In-Lieu	<u>\$ - 1,847,639</u>
	\$ 3,031,678

Note: 2013-2014 Total District share of Property Tax revenues are estimated to decrease 2012-13 (\$3,269,920) by \$238,242.

Sausalito Marin City School District 2013-2014

❖ Basic Aid Revenues	\$ 3,197,027
❖ Base Revenue Limit	\$ 868,044

*Calculation: \$7,042.95 per 123.25 ADA

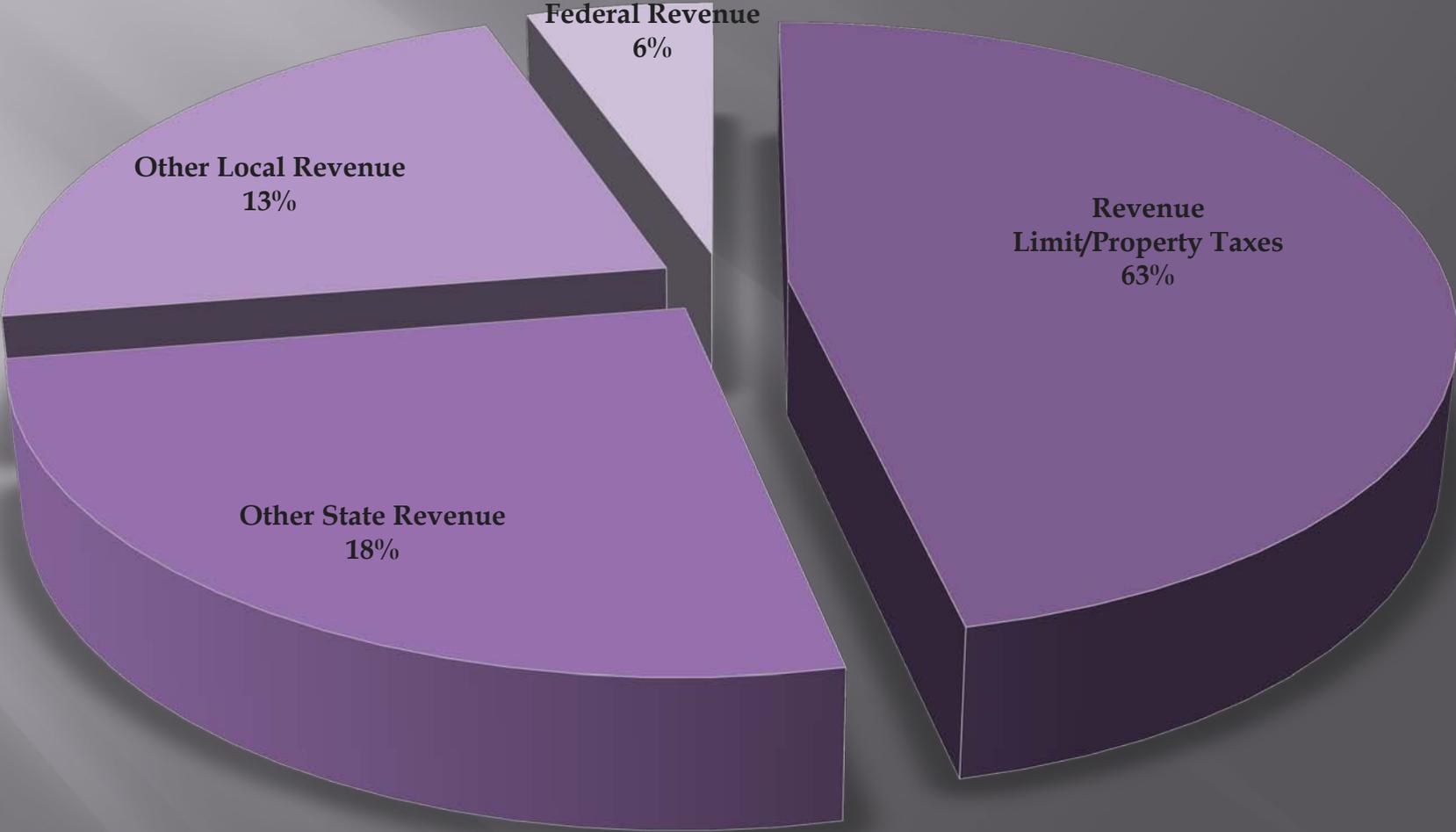
❖ Difference	\$2,328.983
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Sausalito Marin City School District Revenue Detail 2013-2014

■ Revenue Limit Sources/Property Tax	\$ 3,197,027
■ Federal Revenues	\$ 326,356
■ Other State Revenues	\$ 900,344
■ <u>Other Local Income</u>	<u>\$ 677,924</u>
■ Total Revenues	\$5,101,651

Note: Total district revenues have dropped from 2012-13 by \$635,627 (Rev. Limit/Property Revenue drop of \$ 238,242 & Local Income drop \$436,054 and a slight increase in Federal revenues \$38,669).

Sausalito Marin City School District Total Revenues 2013-2014



Federal Total Revenues

2013-2014

\$326,356

▣ Maintenance and Operations	\$ 14,187
▣ Special Education Entitlement	\$ 74,527
▣ NCLB (Title I; Low-Income)	\$ 199,139
▣ NCLB (Title II; Teacher Quality)	\$ 24,926
▣ NCLB (Title III; Limited English)	\$ 3,050

State Total Revenues 2013-2014 \$ 900,344

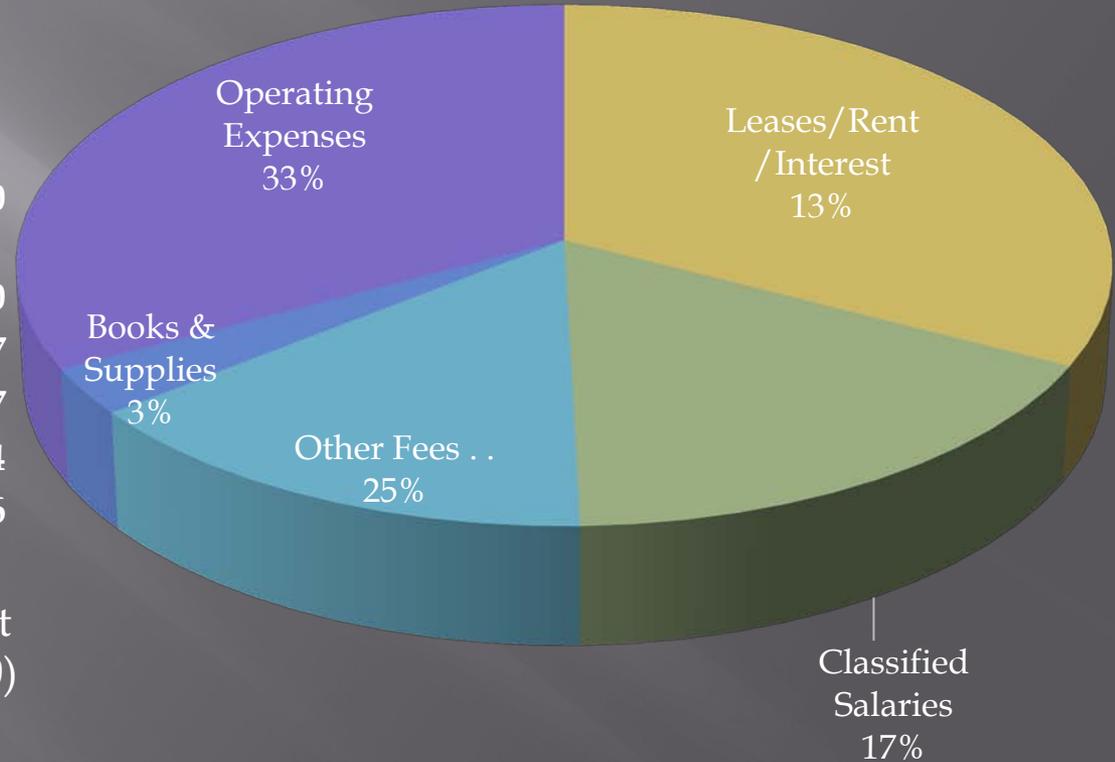
▣ Home-to-School Transportation	\$ 455
▣ Economic Impact Aid/ELAP	\$ 174,428
▣ Class Size Reduction	\$ 63,617
▣ State Lottery - Instructional Materials	\$ 16,324
▣ After School Education & Safety Program	\$ 124,234
▣ All Other State Rev. (TIG, flexed cat.)	\$ 521,286

LOCAL TOTAL REVENUE 2013-2014

\$677,924

❑ Leases and Rentals	\$ 82,920
❑ Head Start, Robin's Nest	
❑ Interest	\$ 2,000
❑ Interagency Services	\$ 62,597
❑ All Other Fees & Contracts	\$ 169,157
❑ Other Local Revenue	\$ 161,164
❑ MCOE Special Ed. SELPA	\$ 200,086

*Other Local Revenue: First Five Grant (\$15K), Milagro (20\$K), VAPA \$84,800) and facilities rental fees).



Special Education Program Costs, 2013-2014

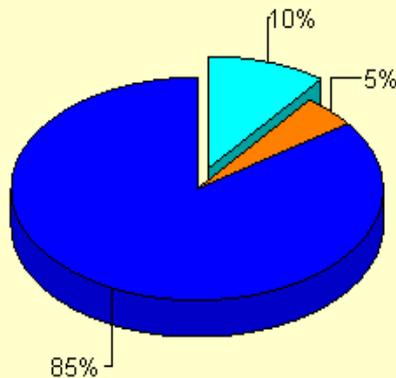
Special Education Expenses	\$ 1,078,703
<u>Less: Funded Special Education</u>	<u>\$ 274,613</u>
Special Education Encroachment	\$ 804,090

85% - Total District Expenses

10% - Special Education Encroachment

5% - Funded Special Education

Special Education as % of Total District Expense, 2012-13



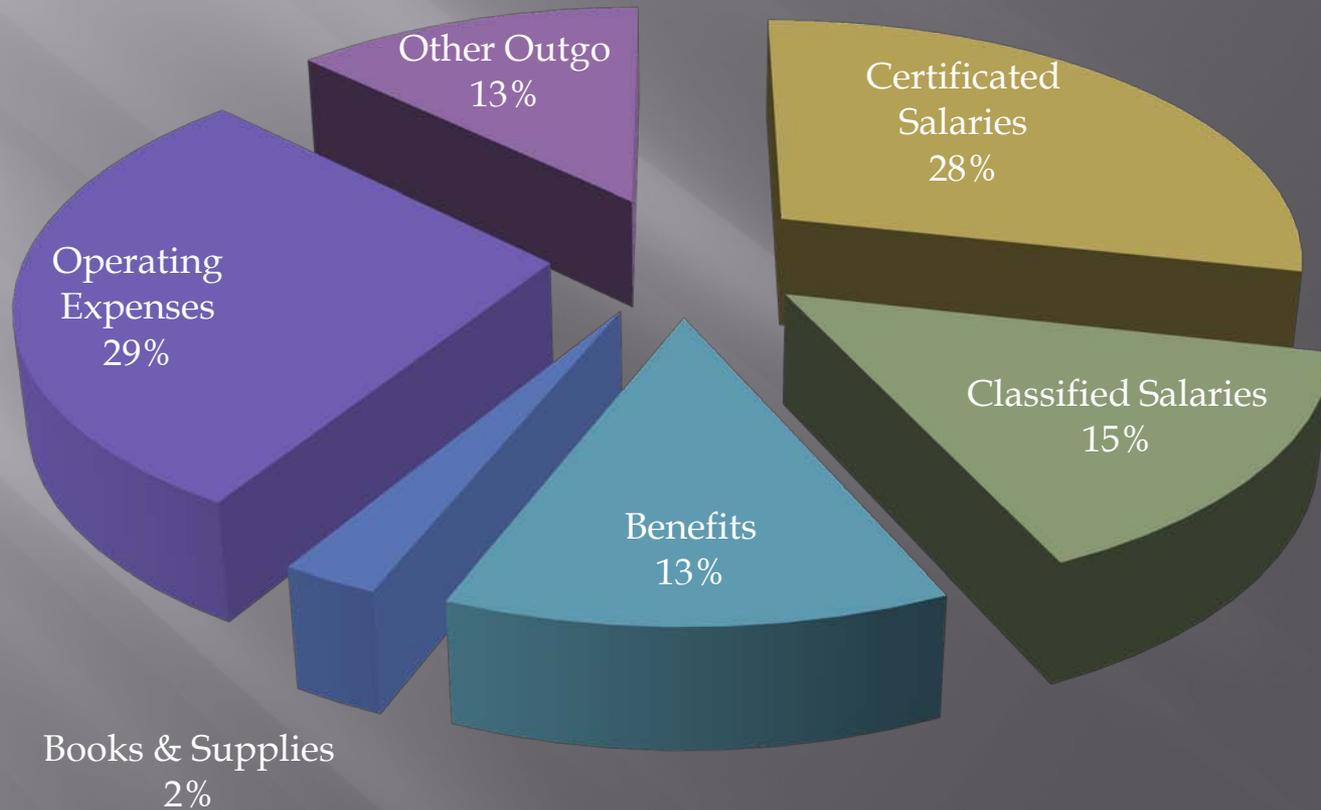
- School districts throughout the state face a continuing challenge in funding the costs for serving Special Education students. SMCS D is proud of the Special Education support provided to our students, but the District is also faced with mounting increases in the difference between the federal and state governments' funding and the mandated costs for these vital student services.
- Unfortunately, the federal government has not provided the funding that was envisioned when the laws mandating programs for Special Education students were adopted. The federal law makers committed to providing funding for 40% of the costs of Special Education, but they never been able to match more than about a 17% funding level.
- This shortfall in dedicated funding has led to very significant encroachment into the District's Unrestricted General Fund. Encroachment – the difference between Special Education income and expense – has forced the District into making cuts in other District programs in order to make up for the shortfall by federal and state governments. During 2013-14, it is estimated that SMCS D will contribute \$ 804,090 from the District's Unrestricted General Fund to cover the encroachment costs for Special Education.

Sausalito Marin City School District 2013-2014

Total Expenditure Details

▣	Certificated Salaries	\$ 1,537,171
▣	Classified Salaries	\$ 791,039
▣	Employee Benefits	\$ 687,236
▣	Books & Supplies	\$ 134,821
▣	Services & Operating Expenses	\$ 1,545,795
▣	▪ Utilities, Insurance, Contracts, Repairs, Special Ed.	
▣	Capital Outlay	\$ 0
▣	Other Outgo	\$ 683,019
▣	▪ Transportation JPA/Debt Service/COP	
	▪ Def. Maintenance/Cafeteria	
	▪ Supplemental Grant	
▣	Total Expenditures	\$5,379,081

Sausalito Marin City School District Expenditures 2012-13 (Combined restricted and unrestricted)

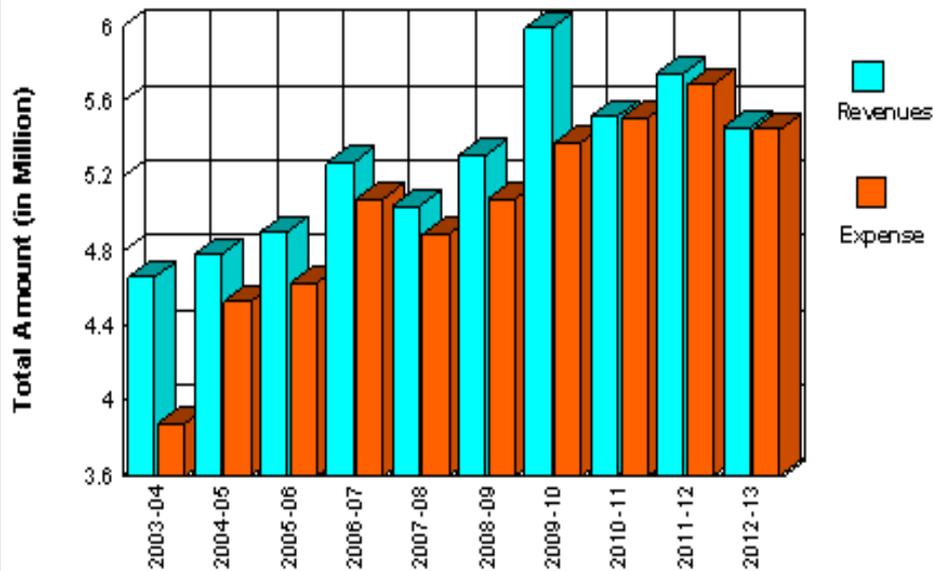


2013-2014 Budget Adoption Revenue and Expenditure Summary

▣ Total Revenues	\$ 5,101,651
▣ Total Expenditures	\$ 5,379,081
▣ Net Increase (Decrease)	\$ - 277,430
▪ In Fund Balance	

SMCSD 10 Year Overview of Revenues and Expenditures

Revenues and Expenses, 2003-04 to 2012-13



California public education has been on a rollercoaster funding cycle for the last 15 years. In the early 1990s, California's recession led to almost no increase in per-ADA funding for four years. In the mid-1990s, a major increase in state revenues led to an unprecedented new program to reduce class size in grades K-3. In 2000-01, the State Budget provided per-ADA increases close to 11%, but then, for the next three years, education funding rollbacks re-emerged. The volatility of funding has plagued school district planning for almost a generation.

The State Budget Proposal for 2012-13 acknowledges the continuing State Budget crisis. As a result, the State Budget makes the following budget changes to close the budget gap: cuts to a majority of state departments; trigger cuts; and a tax initiative.

One of the major difficulties facing the budget development process is the huge swing in state funding from one year to the next. Education agencies are not able to project subsequent year revenues and thus it is difficult to plan on a long-term basis. Each budget must be managed almost as a single-year document, with considerable restraint in adopting programs or program increases that are ongoing.

The graphic display of District revenues and expenses shows how the District's revenues have varied widely between fiscal years as the state has been riding its own economic roller-coaster.

COMMON MESSAGE

- ▣ Shrinking revenues and increasing ADA
- ▣ Prepare for worst case scenario:
 - Continued Loss in Revenues= loss in revenue limit/property taxes, loss of grant funding (MCF) and continued increase in special education costs; in 2013-2014 the total cost to the district is approximately \$635,627 (~ 11% loss of revenues)
- ▣ Plan for MYP; 2 years out, continue to be cautious and focus on reduction strategies, develop financial projections and contingency plans accordingly
- ▣ Build Reserves: Community Funded Districts are advised to maintain reserves much greater than the State-required minimum