



SAUSALITO MARIN CITY SCHOOL DISTRICT

Board of Trustees: Ida Green - President, Debra Turner - Vice President, Bonnie Hough - Clerk, Joshua Barrow, Caroline Van Alst

Interim Superintendent: Terena Mares

Sausalito Marin City School District **LCAP/Budget Committee Meeting**

Bayside Martin Luther King Jr. Academy
200 Phillips Drive, Marin City, CA 94965

Monday, March 11, 2019

AGENDA

4:00 p.m. Bayside Martin Luther King Jr. Academy Library

1. CALL TO ORDER

Board Committee Members: Debra Turner, Caroline Van Alst

2. PLEDGE OF ALLEGIANCE

3. ORAL COMMUNICATIONS

Because the Board has a responsibility to conduct district business in an orderly and efficient way, the following procedures shall regulate public presentations to the Board. The Board is asking that members of the public wishing to speak, fill out a form located on the counter/table, stating their name and address; the agenda item; and the topic to be discussed. BB 9323.

The Governing Board is prohibited from taking any action on any item raised in this section unless the item is specifically agendaized. members of the Governing Board may ask a question for clarification, provide a reference to staff or other resources for factual information, request staff to report back at a subsequent meeting on any matter or take action directing staff to place a matter of business on a future agenda. Governing Board members may make brief announcements or briefly report on his/her own activities as they related to school business.

State open meeting laws allow members of the public to lodge public criticism of District policies, procedures, programs, or services. However, those same laws include specific provisions designed to protect the liberty and reputational interests of public employees by providing for the non-public hearing of complaints or charges against employees of the District. Under these laws, it is the employee subject to complaints or charges who is provided the right to choose whether those complaints or charges will be heard in open or closed session. It is therefore the desire of the Sausalito Marin City School District that complaints against an employee be put in writing, and that when the Board hears complaints or charges against an employee it do so in closed session unless the employee requests an open session. Consistent with the law and the opinion of the State Attorney General's Office, please submit any complaints against an employee in writing, to the administration, in accordance with the district's complaint procedure. This procedure is designed to allow the District to address complaints against employees while at the same time respecting their legitimate privacy rights and expectations.

4. Discussion/Information

4.01 2019-2020 LCAP/Budget Review

The committee will review and discuss the preliminary budget for 2019-2020 as it relates to the 2019-2020 LCAP update.

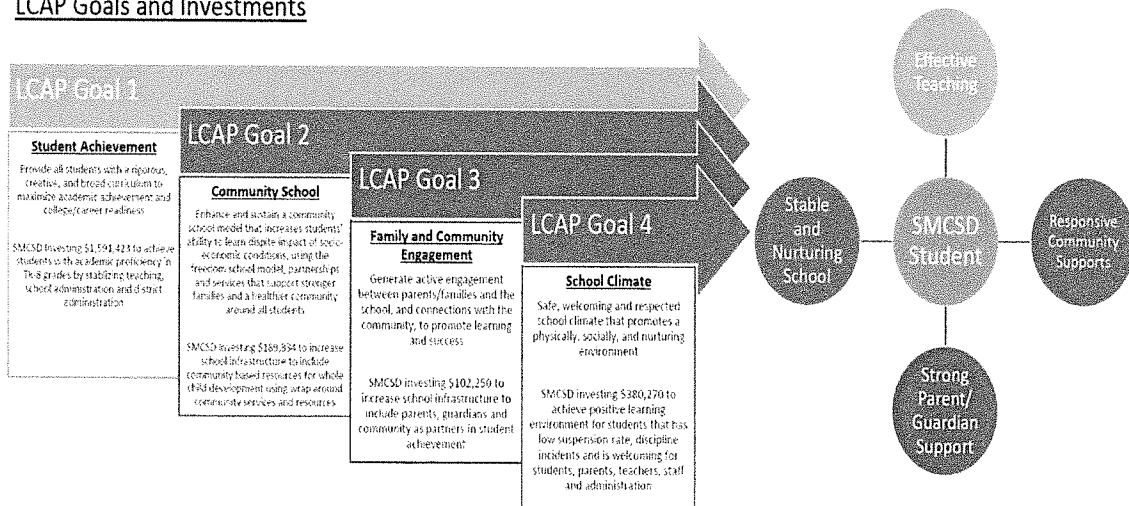
5. ADJOURNMENT

Sausalito Marin City School District

2017-2020 LCAP Overview

Our vision is to develop a solid foundation for Sausalito Marin City students to become compassionate, citizens of the world demonstrating confidence, integrity and academic excellence. We aim to foster in students pride in themselves, their community and their dreams. We commit to create a stable community school that is comprised of engaged families, effective community partnerships, use of the Freedom Schools and an administration that fosters shared responsibility between teachers, staff, parents and community. We aim to focus the community school to provide for each and every child the ability to develop academically, emotionally, socially and physically to be the best of their ability so that their dreams can become reality. We will rebuild confidence in Bayside Martin Luther King Jr.'s ability to adequately prepare children for life long success.

LCAP Goals and Investments



Multiyear Projection

General Planning Factors:

Illustrated below are the latest factors released by the Department of Finance (DOF) that districts are expected to utilize as planning factors:

<i>Description</i> <i>Planning Factor</i>	<i>Fiscal Year</i>			
	2018-19	2019-20	2020-21	2021-22
COLA	2.71% (3.70% LCFF Only)	3.46%	2.86%	2.92%
LCFF Gap Funding Percentage	100%/Target	N/A - Target	N/A - Target	N/A - Target
STRS Employer Rates (Current Rates / AB1469)	16.28%	18.13%	19.10%	18.60%
OR				
STRS Employer Rates (Governor's Proposed Rates)	16.28%	17.10%	18.10%	18.10%
PERS Employer Rates (PERS Board / Actuary)	18.062%	20.70%	23.40%	24.50%
Lottery – Unrestricted per ADA	\$151	\$151	\$151	\$151
Lottery – Prop. 20 per ADA	\$53	\$53	\$53	\$53
Mandated Cost per ADA / One Time Allocation	\$184	\$0	\$0	\$0
Mandate Block Grant for Districts: K-8 per ADA	\$31.16	\$32.24	\$33.16	\$34.13
Mandate Block Grant for Districts: 9-12 per ADA	\$59.83	\$61.90	\$63.67	\$65.53
Mandate Block Grant for Charters: K-8 per ADA	\$16.33	\$16.90	\$17.38	\$17.89
Mandate Block Grant for Charters: 9-12 per ADA	\$45.23	\$46.79	\$48.13	\$49.54

Various aspects of the planning factors illustrated above will be further discussed below with the District's specific revenue and expenditure assumptions.

Revenue Assumptions:

Per enrollment data and trends, the District anticipates enrollment to remain flat over the next three years. The District is expected to remain locally funded with property taxes expected to increase approximately 4.75% each of the next two years. Federal revenue is expected to remain relatively constant for subsequent years. State revenue is expected to remain constant for subsequent years. Current year one-time funds have been removed from the two subsequent years. Local revenue is projected to decrease for the loss of special education funding for Willow Creek Academy. Transfers in are eliminated in future years, and contributions to restricted programs are adjusted for changes to special education due to the conclusion of the WCA MOU.

Expenditure Assumptions:

- Certificated step and column costs are expected to increase by 1.5% each year.
- STRS and PERS cost increases are reflected each year
- Unrestricted certificated salaries include one less certificated full time equivalent (FTE) to balance to declining enrollment needs
- The superintendent position is moved from a consultant position to an employee in 2019-20
- Classified step costs are expected to increase by 1.5% each year.

- Community School Manager position increased to account for a full year of costs next year
- The 50% Director of Maintenance contract is budgeted to increase to a full year for 2019-20
- The Basic Aid Excess transfer to Willow Creek is eliminated in future years
- Costs for Willow Creek special education, operations and facilities are removed from the budget in future years

Community Arts Program:

Implementation of the new Community Arts program is scheduled to begin in 2019-20. The below schedule summarizes estimated costs included in the multi-year projections:

Arts Program	FTE	Budget Impact		
		2019-20	2020-21	2021-22
Costs in District General Fund MYP:				
Increase music FTE by 20% per year until 100%	0.40	34,000	51,000	68,000
Increase Gen Art FTE by 20% per year until 100%	0.40	34,000	51,000	68,000
Necessary Equipment	-	3,500	3,500	3,500
Necessary Supplies	-	4,000	4,000	6,000
Provide VAPA professional development	-	25,000	25,000	25,000
Added Costs to MYP		100,500	134,500	170,500

Willow Creek MOU Impact:

The administration of the district and WCA continue to meet to determine the terms of the successor Memorandum of Understanding (MOU) after the current MOU expires at the end of the current year. For planning purposes, the district has removed from its multi-year projections the current sharing of Basic Aid Excess funds and its contributions of special education, facilities and operational costs on behalf of Willow Creek Academy. A summary of the costs removed from the projections are below:

Change to Budget	Basis of Allocation	Financial Impact	
		Unrestricted	Special Ed
Revenue:			
Special Education	pupil counts		\$ 263,000
Expenses:			
Eliminate BAE payment	varies, per formula	\$ (393,923)	
Facilities Costs, excl utilities	sq foot	\$ (324,000)	
Special Education	pupil counts		\$ (718,000)
Utilities	per facility	\$ (79,000)	
Drop Oversight to 1%	1% X Total Exp	\$ 68,000	
Estimated Impact Due to Expiration of MOU		\$ (728,923)	\$ (455,000)

Estimated Ending Fund Balances:

During 2019-20, the District estimates that the unrestricted General Fund is projected to have a surplus of \$442K resulting in an unrestricted ending General Fund balance of approximately \$1.2 million.

During 2020-21, the District estimates that the unrestricted General Fund is projected to have a surplus of \$520.5K resulting in an unrestricted ending General Fund balance of approximately \$1.7 million.

Conclusion:

The multi-year projection supports that the District will be able to meet its financial obligations for the current and subsequent two years. Therefore, the Sausalito Marin City School District certifies that its financial condition is positive; a positive certification states that based upon current projections, a district will meet its financial obligations for the current fiscal year and two subsequent fiscal years.

Interim Budget and MYP

	Second Interim 2018-19			MYP	Projection 2019-20			MYP	Projection 2020-21		
	Unrestricted	Restricted	Combined		Unrestricted	Restricted	Combined		Unrestricted	Restricted	Combined
Revenue											
General Purpose	4,892,087		4,892,087	1	5,087,157	0	5,087,157	1	5,285,131	0	5,285,131
Federal Revenue	0	283,796	283,796		0	283,796	283,796		0	283,796	283,796
State Revenue	51,259	291,161	342,420	2	31,019	291,161	322,180		31,019	291,161	322,180
Local Revenue	208,419	397,844	606,263		140,419	134,844	275,263		140,419	134,844	275,263
Total Revenue	5,151,765	972,801	6,124,566		5,258,595	709,801	5,968,396		5,456,569	709,801	6,166,370
Expenditures											
Certificated Salaries	1,089,825	648,302	1,738,127	3,7	1,370,925	417,696	1,788,621	3	1,425,525	427,396	1,852,921
Classified Salaries	434,924	408,915	843,839	4,7	361,581	285,786	647,367	4	366,981	291,886	658,867
Benefits	620,552	486,304	1,106,856	5,7	657,168	391,607	1,048,776	5	685,668	406,609	1,092,278
Books and Supplies	119,614	44,554	164,168		114,576	44,554	159,130		114,576	44,554	159,130
Other Services & Oper. Expenses	1,169,540	488,038	1,657,578	6,7	862,237	334,165	1,196,402		862,237	310,348	1,172,585
Capital Outlay	0	0	0		0	0	0		0	0	0
Other Outgo 7xxx	393,923	539,197	933,120	7	0	432,509	432,509		0	432,509	432,509
Transfer of Indirect 73xx	(12,965)	12,965	0		(12,965)	12,965	0		(12,965)	12,965	0
Total Expenditures	3,815,413	2,628,275	6,443,688		3,353,522	1,919,283	5,272,805		3,442,022	1,926,268	5,368,290
Deficit/Surplus	1,336,352	(1,655,474)	(319,122)		1,905,073	(1,209,482)	695,591		2,014,547	(1,216,467)	798,080
Other Sources/(uses)	234,000		234,000	8	0	0	0		0	0	0
Transfers in/(out)	(324,100)	(64,865)	(388,965)	7,8	(212,661)	(64,865)	(277,526)		(212,661)	(64,865)	(277,526)
Contributions to Restricted	(1,672,790)	1,672,790	0		(1,250,530)	1,250,530	0		(1,281,332)	1,281,332	0
Net increase (decrease) in Fund Balance	(426,538)	(47,549)	(474,087)		441,882	(23,817)	418,065		520,554	0	520,554
Beginning Balance	1,167,295	71,366	1,238,661		740,757	23,817	764,574		1,182,639	0	1,182,639
Ending Balance	740,757	23,817	764,574		1,182,639	0	1,182,639		1,703,192	0	1,703,192
Revolving/Stores/Prepays	3,500		3,500		3,500		3,500		3,500		3,500
Reserve for Econ Uncertainty (5%)	341,700		341,700		277,600		277,600		282,300		282,300
Special Ed Reserve	50,900		50,900		100,000		100,000		100,000		100,000
Restricted Programs		23,817	23,817			0	0			0	0
Unappropriated Fund Balance	344,657	0	344,657		801,539	0	801,539		1,317,392	0	1,317,392
<i>Unappropriated Percent</i>			5.3%				15.2%				24.5%

Included in Above Projections:

Impact on Special Education Program (Net)

Impact on Operations, Facilities and BAE

New Arts Program

	455,440	455,440	0	455,440	455,440
	728,923	728,923	728,923	0	728,923
	(100,500)	(100,500)	(134,500)	0	(134,500)

Interim Budget and MYP

Notes:

¹ District is expected to continue to receive basic aid general purpose funding since property taxes (net of transfer to charter school) are expected to be greater than what the District would receive from state aid. District expects property taxes to increase by approximately 4.75% for 2019-20 and thereafter.

² Remove prior year one-time dollars

³ Increase reflects estimated step/column movement, moving contract superintendent to an employee, and addition back of salary savings from filling Community School Manager position late in year, and reduce 1.0 FTE for declining enrollment

⁴ Projections include step movement, and reduction of salaries once WCA MOU has expired

⁵ Projection includes estimated increases in state pension percentages for both STRS & PERS, plus adjusted for changes in salaries

⁶ Add back 25% of director of M&O contract due to late hire in prior year, and add back savings from parent liaison

⁷ Due to expiration of MOU and Basic Aid Excess agreement, Excess payment eliminated from budget and special education, facilities, and operating costs reduced. See separate schedule

⁸ Remove transfer in from fund 35 to cover prior year increase in BAE, and remove transfer in to cover facilities master planning in current year

Unrestricted Changes Since First Interim

		Impact on Fund Balance 2018-19
Excess of Expenditures over Revenues at First Interim		(581,670)
Revenue Changes		
LCFF Funding - ¹	269,651	
State and Local Revenue	7,311	
Transfers In/(Out) ²	115,163	
Contributions to Restricted Programs ³	(46,616)	
Total Revenue Changes	345,509	345,509
Expenditure Changes		
Certificated Salaries - vacancies, salary increase ⁴	27,672	
Classified Salaries - vacancies, salary increase, dir M&O ⁵	(15,500)	
Benefits - to reflect above salary changes	(5,685)	
Books and Supplies	912	
Professional Services, Operations ⁶	(63,108)	
Increase in Basic Aid Excess ⁷	246,086	
Total Expenditure Changes	190,377	(190,377)
Revised Excess of Expenditures over Revenues Second Interim		(\$426,538)

¹ LCFF funding increased due to increase in Basic Aid Supplement Funding and removal of admin/teacher penalty

² Transfer In from Fund 40 to cover cost of facilities planning, and from Fund 35 to cover increase in BAE

³ Adjusted for net changes in special education due to increases in special education costs for excess costs to MCOE

⁴ Increased budget for certificated salary settlement Oct 2018.

⁵ Net change for reduction of Community Manager position for late hire

⁶ Reduced other contract services, removed budget savings for parent liaison

⁷ Basic Aid Excess transfer out increased due to increased LCFF revenues and reduction in special education costs