

SAUSALITO MARIN CITY SCHOOL DISTRICT

2012-2013 First Interim
Overview

December 13, 2012

Revenue Limit vs. Basic Aid School District Funding

What are Revenue Limits?

- ▣ Public school districts receive funding from a variety of local, state, and federal sources. Some of the funds are earmarked for specific purposes, such as special education and class size reduction, while the rest are for general purposes.
- ▣ The amount of general purpose funding a school district receives per student (using ADA—Average Daily Attendance) is called its "revenue limit." It is a combination of local property taxes and state taxes.
- ▣ Each of the nearly 1,000 school districts in California has its own revenue limit, based on its type (elementary, high, or unified), size (small or large), historical spending patterns, and a multitude of other variables which, together, make for a complicated and lengthy formula.

Revenue Limit vs. Basic Aid School District Funding

What is a basic aid district (Community Funded District)?

- ▣ A basic aid district is one where local property taxes collected on behalf of a school district meets or exceed its revenue limit. A basic aid district keeps all of the money from the local property taxes.
- ▣ Out of California's nearly 1,000 elementary, high school, and unified school districts, there were over 120 basic aid districts last year.
- ▣ However, this number changes from year to year as local property tax revenues and enrollments fluctuate. A district can be a revenue limit district one year and basic aid the next.

Sausalito Marin City School District 2012-2013

❖ Basic Aid Revenues	\$3,422,396
❖ Base Revenue Limit	\$ 921,543

*Calculation: \$6,941.95 per 132.75 ADA

❖ Difference	\$2,500,853
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SAUSALITO MARIN CITY SCHOOL DISTRICT

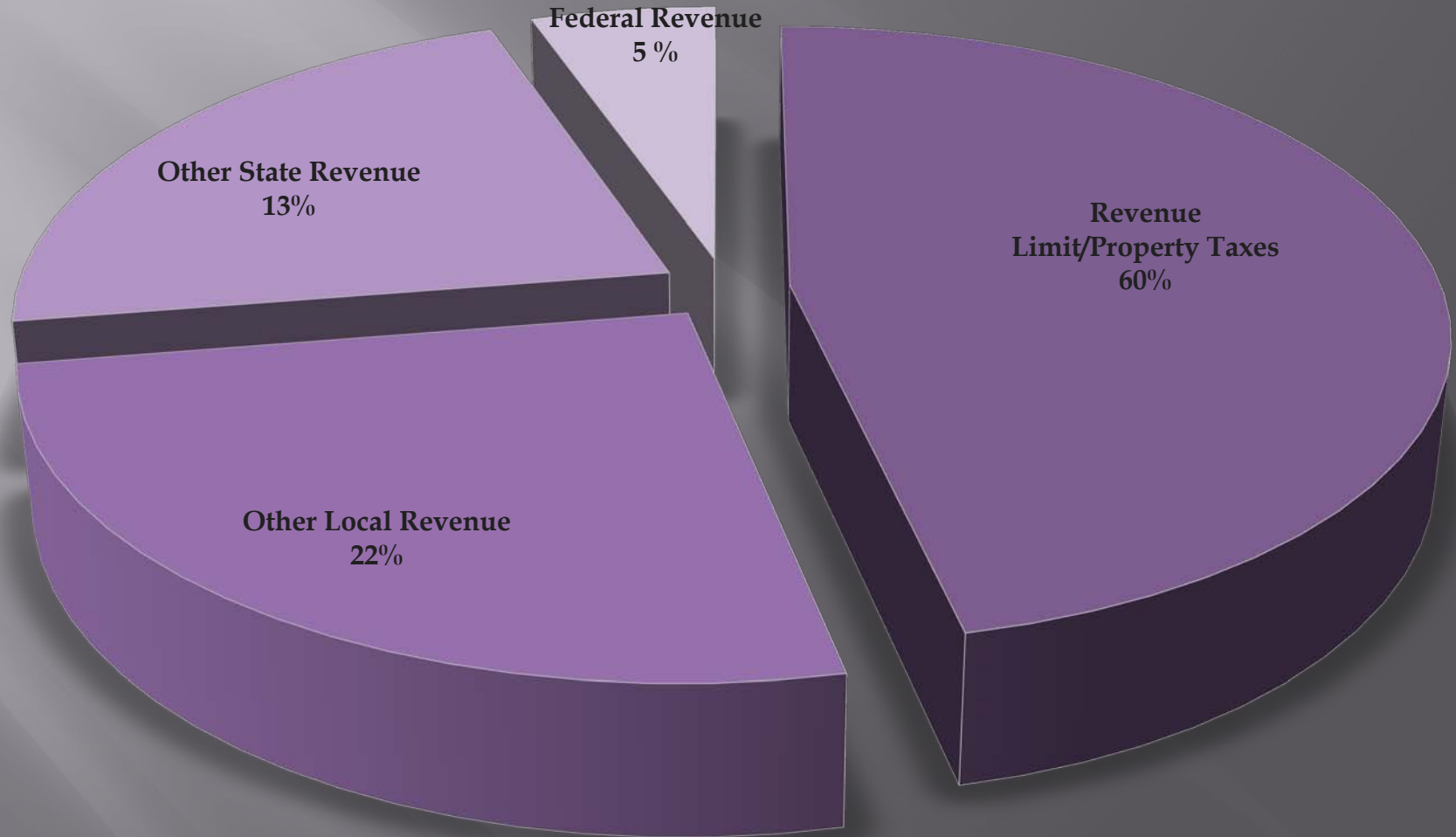
Revenue Detail

2012-2013

■ Property Tax/Revenue Limit Sources	\$ 3,422,396
■ Federal Revenues	\$ 309,000
■ Other State Revenues	\$ 780,449
■ Other Local Income (including parcel tax)	<u>\$ 1,091,544</u>
■ Total Revenues	\$5,623,848

SAUSALITO MARIN CITY SCHOOL DISTRICT

Total Revenues 2012-2013



Property Tax/Rev. Limit Total Revenues \$3,422,396

▣ Total Property Taxes	\$ 4,899,092
▣ Transfer of Charter In-Lieu	<u>\$ (-) 1,476,696</u>
	\$ 3,422,396

Federal Total Revenues

2012-2013

\$309,037

▣ Maintenance and Operations	\$ 15,000
▣ Special Education Entitlement	\$ 69,420
▣ NCLB (Title I; Low-Income)	\$ 195,934
▣ NCLB (Title II; Teacher Quality)	\$ 24,926
▣ NCLB (Title III; Limited English)	\$ 3,757

State Total Revenues

2012-2013

\$780,449

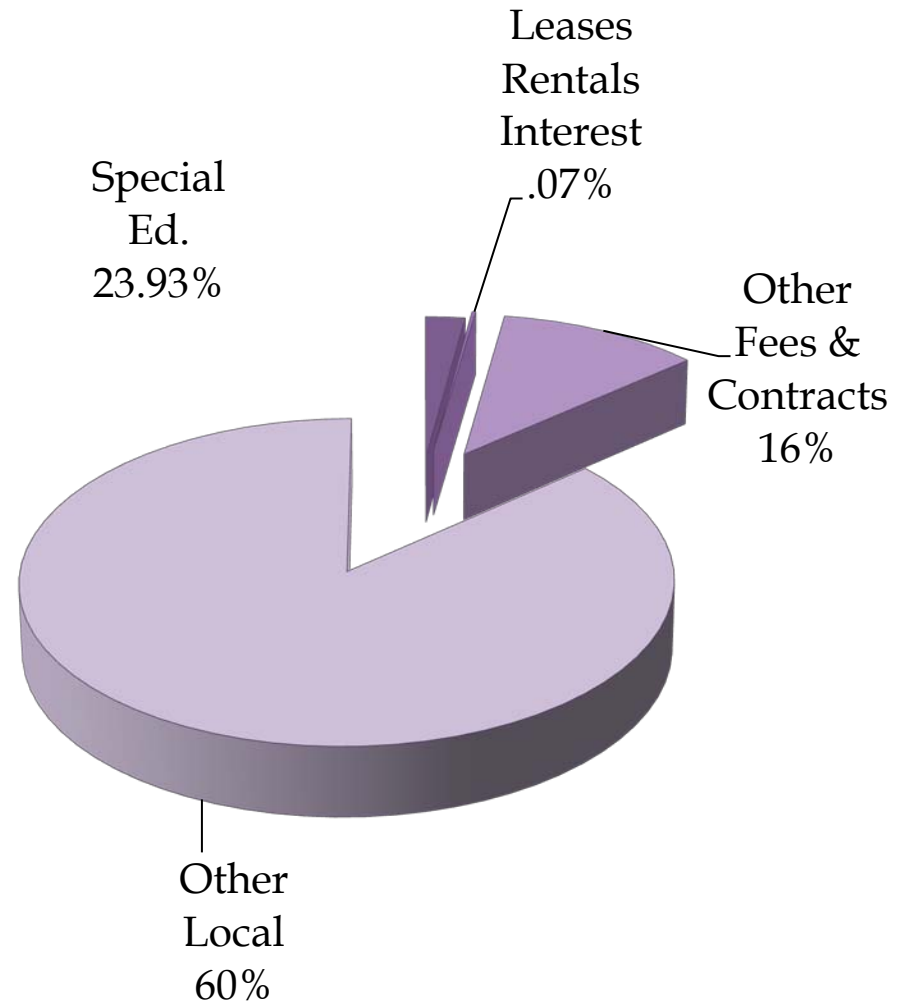
▣ Home-to-School Transportation	\$ 455
▣ Class Size Reduction, K-3	\$ 38,127
▣ Economic Impact Aid	\$ 98,584
▣ State Lottery - Instructional Materials	\$ 18,118
▣ After School Education and Safety (ASES)	\$ 139,050
▣ All Other State Rev. (Flexed cat., Ex. TIIG)	\$ 486,570

LOCAL TOTAL REVENUE 2012-2013

\$1,091,544

▣ Leases and Rentals	\$ 81,720
▣ Interest	\$ 2,000
▣ Special Ed. SELPA	\$ 168,731
▣ Other Fees & Contracts	\$178,546
▣ *Other Local Revenue	\$660,547

*Other Local Revenues include restricted monies (MCF grant; Pre-K to 3, VAPA, Transforming School Grant, Garden Program, Reimbursement for Bus. services from Bolinas-Stinson Union SD)



Special Education Program Costs, 2012-2013

Special Education Expenses	\$ 1,057,233
<u>Less: Funded Special Education</u>	<u>\$ 406,445</u>
Special Education Encroachment	\$ 650,788

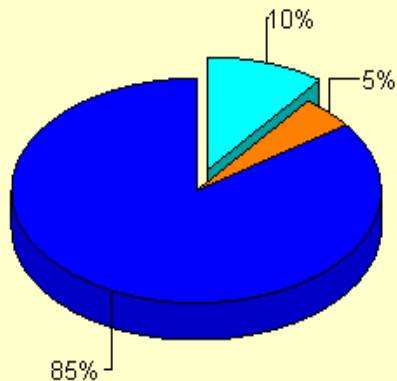
Total District Expenditures:

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.
- 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 to make cuts in other District programs in order to make up for the funding shortfall by federal and state governments

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2012-2013

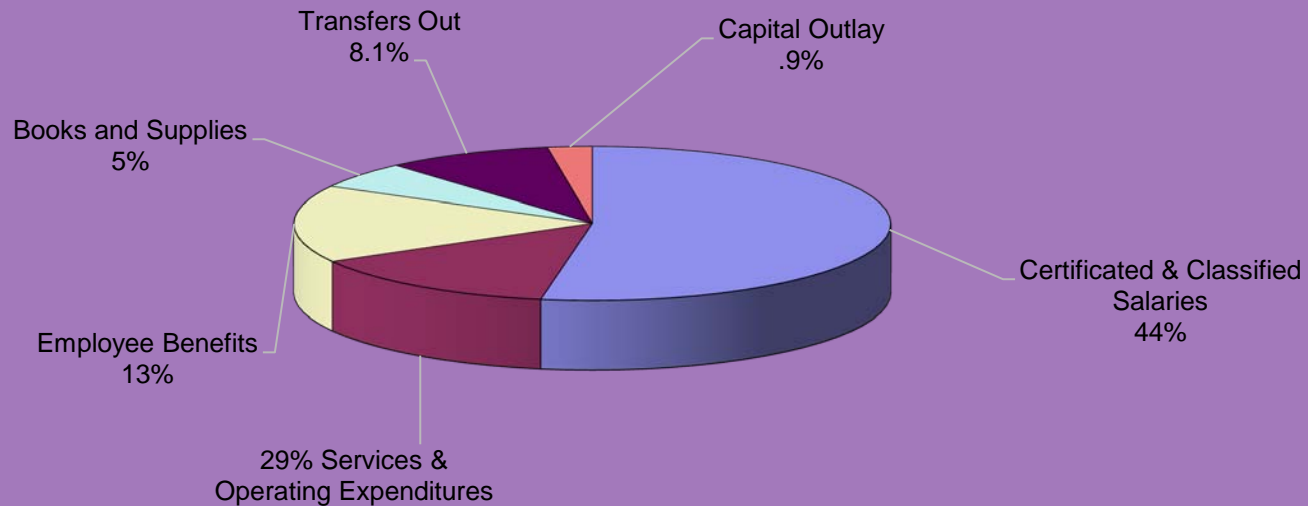
Total Expenditure Details

▣	Certificated Salaries	\$ 1,605,326
▣	Classified Salaries	\$ 902,490
▣	Employee Benefits	\$ 781,605
▣	Books & Supplies	\$ 299,643
▣	Services & Operating Expenses	\$ 1,692,794
▣	▣ Utilities, Insurance, Contracts, Repairs	
▣	Capital Outlay	\$ 15,421
▣	Other Outgo/Transfers Out	\$ 516,568
▣	Other Financing; Def Mnt., Caf.	\$ 209,851
▣	Total Expenditures	\$6,030,651

SAUSALITO MARIN CITY SCHOOL DISTRICT

Expenditures 2012-13

(Combined restricted and unrestricted)

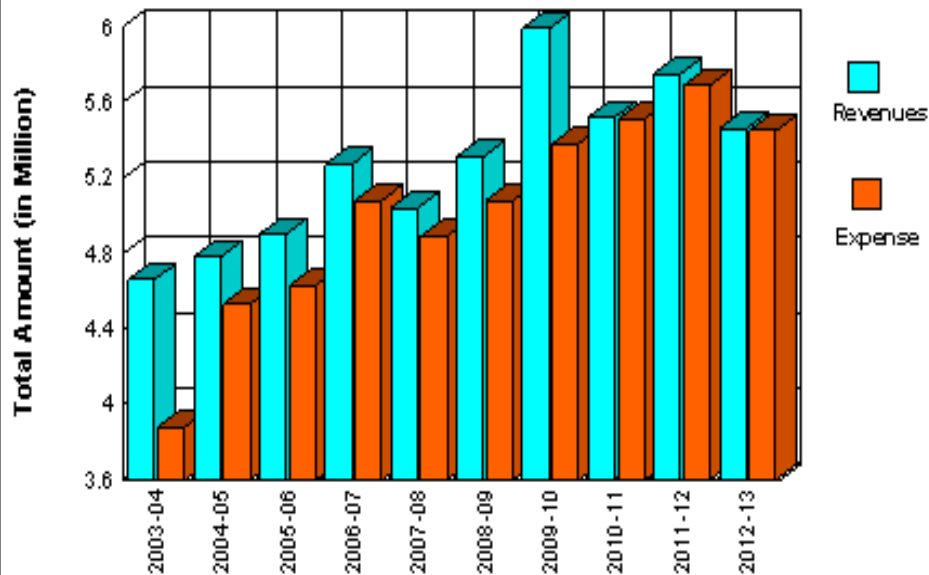


2012–2013 Budget Adoption Revenue and Expenditure Summary

▣ Total Revenues	\$ 5,623,848
▣ Total Expenditures	\$ 6,030,651
▣ Net Increase (Decrease)	\$ - 406,803
▪ 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 roller coaster 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. Funding volatility 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 revenue environment and decreased ADA
- ▣ Prepare for worst case scenario:
 - Basic Aide “fair share”
 - Federal Funding Cuts; between 8-10% cuts in the 2013 fiscal year
 - Implementation of Weighted Student Formula (WSF) = loss of all categorical funds (possibility of TIIG); currently this is off of the table for 2012-2013 but will be revisited in 2013-2014 (total cost to the district would be approximately \$539,697)
- ▣ 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 (10% for SMCSD)

CHALLENGES

- ▣ State and Federal economic uncertainties
- ▣ Federal Impact Aid Fund Reductions (cuts are currently in the 2013 Federal Budget)
- ▣ Special Education Encroachment; Costs are unpredictable and growing
- ▣ Cafeteria Program Encroachment
- ▣ Monitor 5-Year Deferred Maintenance Plan
- ▣ District is Deficit Spending
 - Fiscal Advisor Committee needs to start meeting regarding future expenditure and revenues