

Kentfield School District
2023-2024 Budget Narrative
May 30, 2023

Introduction

California law requires that school districts take certain prescribed actions in the adoption of the annual operating budget. Aside from assuring that governing boards will review the Proposed Budget in an orderly fashion, the statutes are intended to afford the community an opportunity to review and comment on the spending plan for the school district.

This document is intended to provide the School Board of Trustees, staff, and community with information on the 2023-2024 Proposed Budget of the Kentfield School District.

According to the State Education Code, if significant changes occur in the final State budget adopted by the Legislature and signed by the Governor, a new district budget will be presented to the Board within forty-five (45) days.

General Fund Revenues

As a Community Funded District, the Kentfield School District is not dependent upon the State to fund enrollment as local property taxes exceed what the district would otherwise receive under the Local Control Funding Formula (LCFF). Local revenue sources, such as property and parcel taxes are the primary source of revenues making up 77% of total district revenues. The Local Control Funding Formula, Federal, Other State and Other Local sources generate the remaining 23% of the district's revenues.

Federal sources include funds from Every Student Succeeds Act (ESSA) as well as Federal ESSER III funds from prior year funding of \$76k one-time money.

Other State revenues include mandate block grant, lottery, expanded learning opportunity funds and the mental health related services grants.

Local revenues are comprised of an annual contribution from the Kentfield Schools Foundation, support from Kentfield School Parent Teacher Association (KSPTA), and revenues generated from facilities use.

Budgeted Expenditures

Certificated Salaries, Classified Salaries and Employee Benefits account for 83% of total expenditures in the General Fund budget. Books and Supplies are 2%, Service and Other Operating Expenditures are 12%, and Other Outgo is 3% of total expenditures. The following budget assumptions were used to build the budget.

Certificated and Classified Step and Column is 1.5%, the district has tentative agreement with the Kentfield Teachers Association and the budget includes an 8% increase for all employees except for Kentfield Education Support Professional Association.

The cost of the health benefits has increased by 8%. The cap is based on the employee plus one Kaiser rate of \$20,856 and an increase of \$1,560 from the prior year. There was no increase to Dental or Vision programs which annual costs are \$882 and \$232, respectively and cover the employee only. The combined total health benefits provided for full-time staff members is \$21,970.

Retirement rate for State Teachers Retirement System (STRS) remained the same as prior year, 19.1% for fiscal years 2023-24 to 2025-26 while the California Public Employees Retirement System (CalPERS) has increased 1.31%, 1.02% and .6% for fiscal years 23/24, 24/25 and 25/26 respectively. The rate will be 28.30% in the fiscal year 2025-26.

Multi-Year Projection Assumptions

The table below are assumptions that were used for budget development of the 2023-2024 proposed budget and the two subsequent years budget models.

Assumptions	2023-2024	2024-2025	2025-2026
Enrollment	998	998	998
Property Taxes	7.37% (5%)	4.37%	4.37%
Parcel Tax	3%	3%	3%
KIK	\$1M	\$1M	\$1M
Employee Compensation Step Column - All Units	1.5%	1.5%	1.5%
State Teachers Retirement System (STRS)	19.10%	19.10%	19.10%
CA Public Employee Retirement System (CalPERS)	26.68%	27.7%	28.3%
Staffing Adjustment Certificated Classified	2 FTE Certificated 2.47 FTE Classified	FTE Adjustments Needed	FTE Adjustments Needed

Ending Fund Balance Reserves

The district’s multiyear projections show that it will continue to maintain its State required reserve and the district’s mandated reserve.

The 2023-2024 Budget Adoption Reserves establish the substantiation for the need of reserves greater than the state required minimum reserve for economic uncertainty. The Kentfield School District ending fund balance has been allocated as follows:

	2023-2024	2024-2025	2025-2026
Revenues	\$21,855,156	\$22,125,318	\$22,485,149
Expenditures	\$22,620,164	\$22,369,818	\$22,401,815
Net Increase (Decrease)	(\$765,008)	(\$244,500)	\$83,334
Beginning Fund Balance	\$2,797,098	\$2,032,090	\$1,787,589
Ending Fund Balance	\$2,032,090	\$1,787,589	\$1,870,923
Allocated or Restricted Reserves 2% \$150,000	\$190,641	\$185,751	\$187,418
Reserve for Economic Uncertainty Percentage	8.98%	8%	8.35%

Summary

The budget for the Kentfield School District for 2023-2024 includes all known revenues and expenditures and is based on information from the County, State and District resources. Should there be significant changes at the State Adopted Budget that impact our District, an update will be provided at the August Board of Trustees Meeting.