

WHAT IS THE IMPACT OF THE RECENTLY APPROVED STATE BUDGET ON THE LARKSPUR SCHOOL DISTRICT?

The state budget approved February 19th decreased funding for public schools by \$8.4 billion. Half of the revenue deductions are taken from a school district's "revenue limit" and the other half from "categorical funding." With the deficit in revenue limit, Larkspur School District flips back into Basic Aid funding and therefore derives a major portion of its funding from local property taxes. ([For a definition of Basic Aid vs. Revenue Limit please see the presentation found on our website under Budget](#)). The result for our District is a loss of approximately \$235,000, which hurts, but is far less than we feared. We also receive categorical funding and will lose 19.84% of funding for programs the state has identified for cuts. The District will lose \$50,000 in categorical revenue this year and \$15,000 in 2009-10.

WITH THE LOSS OF REVENUE, WILL THE DISTRICT HAVE TO MAKE PROGRAM CUTS?

The District will be able to retain current programs for our children for 2009-10 and does not plan on having to lay off employees due to the loss of funding. The District has identified three levels of possible reductions. Approximately \$250,000 of level one cuts are pending in order to balance our multi-year projection and do not include layoffs. However, the current approved budget is contingent upon the passing of several measures that will go before the voters in a special election on May 19th. ([Check the website for more information on the measures](#)). If the measures fail and revenues for the state continue to decline, the District may face more cuts as soon as the fall of 2009. If necessary, the District will implement more reductions and programs may be affected. It is the Board's goal to maintain programs, avoid layoffs and maintain class size. (For a list of criteria used to help us make our cuts, see the website).

WILL THE DISTRICT LOSE ANY OTHER FUNDING NEXT YEAR?

Due to the downturn in the real estate market and the decrease in home sales in Larkspur and Corte Madera, we will experience a reduction in revenue increases next year. Since 2003, the District has experienced an average annual increase of property tax revenue around 6%. Next year, a 3% increase is estimated, which amounts to added revenue to the District budget of \$200,000. This is our lowest increase since 1995. Over the next three years, we estimate that revenue increases will be less than 3% annually, resulting in a reduction of over \$600,000 in anticipated revenue. If the real estate market rebounds faster than expected, the annual property tax increase would be higher than current projections. If the real estate market takes longer to rebound than expected, the annual property tax increase would be lower.

WILL THE \$200,000 OF INCREASED REVENUES IN PROPERTY TAX BE ENOUGH TO COVER ONGOING COSTS NEXT YEAR?

The District has ongoing costs to cover employees' health and welfare benefits, contractual salary schedule increases for longevity or earned units for teachers, as well as longevity increases for classified (non-teacher) staff. Next year, \$200,000 will be needed to fund these continuing expenses.

WILL THE DISTRICT RECEIVE ANY OF THE FEDERAL STIMULUS MONEY APPROVED BY CONGRESS AND THE PRESIDENT?

We are hopeful that we will receive Special Education funding. Unfortunately, there are still many unanswered questions and little clarity from the state on how and when the funds will be released to districts. As soon as we receive more information, it will be shared.

THE DISTRICT HAS GROWN TO 7-8 KINDERGARTEN CLASSES THE PAST SEVERAL YEARS AND HAS LARGER THAN USUAL CLASSES IN SOME OTHER GRADES. IF ENROLLMENT CONTINUES TO INCREASE, IS THERE ADEQUATE FUNDING TO HIRE MORE TEACHERS TO KEEP CLASS SIZE DOWN?

The District has included growth in the planning of multi-year projections. The Board has also been very prudent in building reserves to protect programs for our children, as well as employees' jobs, in case of a fiscal emergency. It is the board's goal to maintain small class sizes, planning for future teacher hiring as enrollment increases. Current budget and facilities planning also continues single session kindergartens (versus AM/PM, which would be considered only in the event of an unexpectedly large increase in kindergarten enrollment).

THE GOVERNOR PROPOSED REDUCING THE NUMBER OF DAYS STUDENTS ATTEND SCHOOL. IS THAT GOING TO HAPPEN IN OUR DISTRICT?

This proposal was not a part of the approved budget. Larkspur School District students will continue to attend school for 180 days, just as they do now. This is an important component of our commitment to maintain programs for our children.

SINCE THE MARIN COUNTY TREASURER MANAGES THE DISTRICT'S CASH, WHAT ARE THE TREASURER'S CASH INVESTMENT PRIORITIES?

According to Michael Smith, Marin County Treasurer, the priorities are:

1. Capital preservation
 2. Liquidity
 3. Rate of return consistent with the first two investment objectives
- The Board feels assured that at this time the County is handling our investments prudently. Our parents and our community are so very generous, even in these trying times. All financial contributions should be made to the Corte Madera Larkspur Schools Foundation. Continuing to give financially to the Foundation and donating services through the PTA are not just a tremendous help, they are critical investments in our children's extraordinary education, especially in these times of economic uncertainty.

HOW CAN I OBTAIN MORE INFORMATION IF I HAVE QUESTIONS PERTAINING TO THE BUDGET?

Please e-mail your questions to budget@larkspurschools.org Your questions are directed to either Superintendent Valerie Pitts or Business Manager Becky White for their response to you.