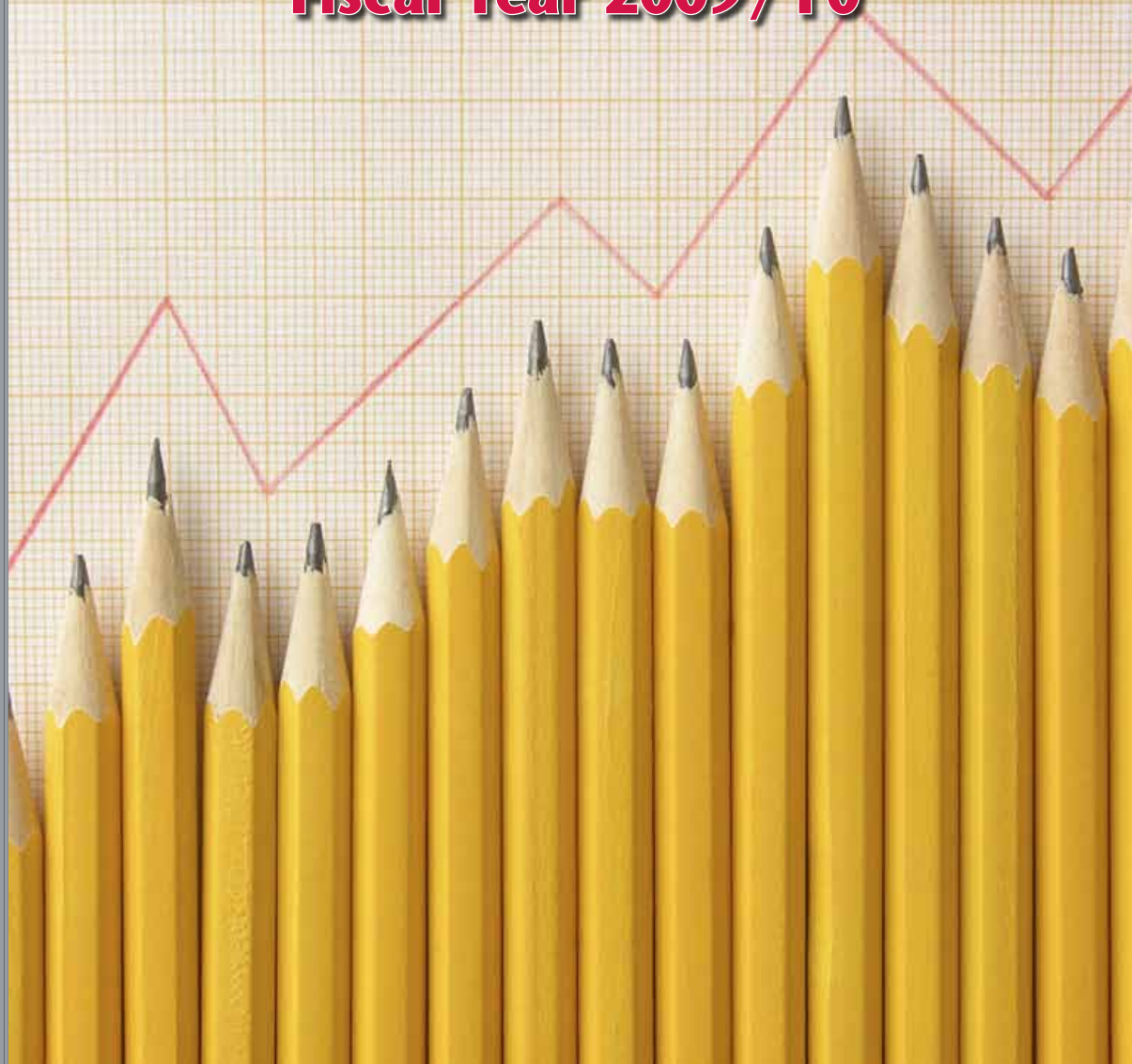




ALAMEDA COUNTY OFFICE OF EDUCATION
SHEILA JORDAN, SUPERINTENDENT
313 WEST WINTON AVE. • HAYWARD, CA 94544-1136
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Proposed Final Budget for the Alameda County Office of Education

Fiscal Year 2009 / 10



June 2009

Budget Assumptions

Alameda County Office of Education
Budget Assumptions
2009/10

The following information describes the basic assumptions that are used in developing the County School Service Fund budget for FY 2009/10. On February 20, 2009, the Governor signed a package of bills designed to revise the FY 2008/09 budget and put into place the FY 2009/10 budget. The package includes the proposed revenue increases and spending cap measures that are subject to voters' approval on May 19, 2009. These projections will be updated as relevant information becomes available.

REVENUE

Cost of Living Adjustment (COLA)

The initially approved deficit factor of 4.4% for FY 2008/09 has been increased to 7.839% by the new Budget Act. The projected statutory COLA for FY 2009/10 is 4.25% but the Budget Act is reducing it by a total deficit factor of 12.715%.

Average Daily Attendance and Base Revenue Rates

The most significant revenue source for the Alameda County Office of Education (ACOE) is the revenue limit (approximately 34%). The revenue limit is calculated by multiplying the average daily attendance (ADA) by the net revenue limit rates. The following chart shows the average daily attendance and the deficiated revenue limit rates for the 2008/09 fiscal year and the 2009/10 budget year.

Programs	ADA		Deficiated Revenue Limit Rates	
	Est. Actual 2008/09	Projected 2009/10	Est. Actual 2008/09	Projected 2009/10
Juvenile Court	408	413	\$9,263.03	\$ 9,145.79
Community Schools	86	74	\$9,293.53	\$9,176.25
Independent Study	106	130	\$9,293.53	\$9,176.25
Home & Hospital	12	12	\$5,638.20	\$ 5,583.91
Direct Services	1,879	2,122	\$61.73	\$ 60.95

Other Purposes	226,541	226,541	\$43.71	\$43.16
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The FY 2009/10 projected total revenue limit of \$15 million will be comprised of the following:

- \$5.6 million is generated by the ADA in the Juvenile Court and Community Schools.
- \$10 million is generated by the ADA of the 18 districts within the County's jurisdiction provided by the State to meet the County's legal requirements (e.g., AB 1200, PERS/STRS reporting) and other regionalized services to the same 18 school districts in the county. It also provides for the operating expenditures of ACOE.

Special Education Funding

There are five special education local plan areas (SELPAs) that operate special education programs for school districts within Alameda County. ACOE is a member of the Tri-Valley SELPA. Each SELPA determines the allocation of revenues for the organizations within the SELPA.

Our AB602 rate for FY 2009/10 is budgeted at \$631.91. It is projected to generate \$295,459 from the local SELPA and \$145,614 from IDEA entitlements.

ACOE also expects to receive funding for the infant special day class of \$666,862 in FY 2009/10; this amount is shown as special education master plan revenue.

Federal Revenues

For the FY 2009/10 budget, approximately 22% of ACOE revenue is initially projected to come from the federal government. This revenue is received in the form of grants that are restricted in use to certain programs or activities. ACOE may not receive the final entitlement letters for these awards until after the new fiscal year begins. Therefore, the budgeted revenues for these grants are based on the history of funding from the federal government and contracts with the grantor agencies. The budget for each of these grants was developed to ensure that the expenditures do not exceed the anticipated revenue. As is the case each year, we expect that federal revenues will be substantially higher at the end of the year.

The most significant federal grants are:

- Title 1 (Basic Grants/Basic School Support/Local Delinquent)
- Drug Free Schools
- Carol White Physical Education Grant
- 21st Century Learning
- IDEA (Local Assistance/Early Intervention/Infant Discretionary/Low Incidence)
- Mental Health Services
- Math & Science Partnership
- Character Education

- NASA – Operation Lift Off
- Title I - Regional System of Districts & School Support

Under the Federal Stimulus Package, the American Recovery and Reinvestment Act (ARRA), ACOE is projected to receive the following:

- Title I Programs - \$520,000
- IDEA Programs – The amount is not yet determined and is still unclear if the State will use the amount to offset the AB 602 funding for Special Education.
- State Fiscal Stabilization Fund - \$799,529

Other State Revenues

The State Budget Act of 2009 classified 39 state programs into 3 tiers with certain reductions and flexibility. ACOE state programs are classified as follows:

Tier I – no reduction and not subject to flexibility.

- After School Educational Safety
- Child Development
- Child Nutrition
- Quality Investment Act (QEIA)
- Special Education

Tier II – subject to 4.5% reduction but are not subject to flexibility.

- County Office Oversight (FCMAT)
- Foster Youth Services

Tier III – subject to 4.5% reduction and flexibility.

- Professional Development Block Grant
- Pupil retention Block Grant
- FYS Juvenile Detention
- School Safety and Violence Prevention
- Alternative Credentialing
- Arts & Music Block Grant
- Bilingual Teacher Training
- CA High School Exit Exam
- Cal SAFE
- Education Technology – CTAP
- Instructional Materials Fund
- Peer Assistance Review
- Williams Case County Oversight
- Deferred Maintenance Fund

The flexibility provision allows ACOE to redirect funding from the above programs to any educational purpose. It also allows the use of year-end unused balances of these programs to any educational purpose. Funding for the affected programs will be based on FY 2008/09

funding levels rather than the factors used as formulas. There are no state restrictions or requirements such as expenditure reports or compliance reviews, associated with the funding.

ACOE has initially decided to keep the Tier III program funding within the respective divisions. ACOE intends to invoke the maximum Tier III flexibility provisions and use these funds to support providing services to districts and operation of educational programs. However, the superintendents of the member counties of the Regional CTAP have decided to take their allotments for their own educational purposes. ACOE continues to operate the Tier III programs in the same manner as in the past, including CTAP, using the reduced amounts.

The budgeted revenues for these grants are based on the latest funding information from the State and contact with program managers at various state agencies. The budget for these State grants was developed to ensure that the expenditures do not exceed the anticipated revenues. Necessary adjustments will be made once the detail of the apportionment is received.

In addition to the state grants, ACOE receives other funds from the State of California such as:

- Lottery - estimated at \$121 per ADA, \$109.50 as unrestricted portion and \$11.50 restricted for instructional materials.
- Mandated Cost Revenues - no revenue is projected in FY 2009/10.

The total Other State Revenues is projected to be 18% of the ACOE FY 2009/10 revenues.

Other Local Revenue

The local revenue is anticipated at over \$11.8 million, representing 26% of ACOE's total revenues. This revenue includes local grants, interest income, workshop fees, rents and leases, donations, contracts, business system fees and other local income. Among the significant restricted local revenues are:

- Reading Implementation Program - Professional Development Workshops
- Mathematics And Science Workshops
- Nutrition Education and Physical Activity Promotion
- Parental Information and Resource Center
- T-3 Paraprofessional Teacher Training
- California Nutrition Network
- South Bay Math Collaboration
- Ford Foundation
- Service Learning - Waste

EXPENDITURES

Salaries and Benefits

The proposed FY 2009/10 budget on salaries and benefits uses the salary schedules effective FY 2007/08 and includes step and column increases as appropriate. There have been no COLA adjustments since then. The teachers have started negotiating their labor contract and the other unions are expected to follow. Any salary adjustment as a result of the negotiations will be reflected on the budget at the time agreements are finalized.

Also included in the budget are the statutory benefits provided to employees – retirement programs, the State Teachers’ Retirement System (STRS) and the Public Employees’ Retirement System (PERS). CSEA members are paid fixed monthly amounts of \$567 for health and welfare, \$102.20 for dental benefit and \$8.35 for life insurance. All other employees elected to include their benefits on the salary schedule. These employees are entitled to purchase health and welfare benefits under the county’s IRS Section 125 Cafeteria Plan. The current Kaiser rates are \$508.30 for employee only, \$1,016.60 for employee plus 1 dependent, and \$1,321.58 for employee plus 2 or more dependents. The Blue Shield rates are \$560.57, \$1,121.14 and \$1,457.48, respectively.

Contribution to the Retiree Benefit Fund

Effective FY 2008/09, ACOE is implementing GASB45. Under this guideline, the contribution to the post-retirement benefit fund is based on the Annual Required Contribution as determined by an actuarial study equivalent to \$276,000 per year.

Utilities

The budget for utilities will be based on the estimated actual costs for FY 2008/09 plus any expected increases.

Other Contract Services

This budget category includes the cost of insurance and professional contract services, which are based on estimated contract costs for FY 2009/10 as provided by each program manager.

Other Outgo

This budget represents the restricted pass-thru money (\$4,084,381) to Alameda County Mental Health Services.

Inter-fund Transfers Out

The budgeted general fund inter-fund transfers out in FY 2009/10 represents a \$15,000 transfer to the Special Reserve - Capital Outlay Fund.

Student Programs and Services (SPAS)

There is an on going review of the Juvenile Court and Community Schools to determine the approved level of spending in order to minimize the yearly contribution from the unrestricted

fund. A major cause of the decline in revenues is the SPAS declining enrollment. Since 1998-99, SPAS overall ADA has dropped by approximately 21% and has reduced revenue by the proportionate amount. The decreases are most significant at Buena Vista and Sweeney. Attendance at these facilities is dependent on the mandate of the county court over which ACOE has no control over. Similarly, the decreases are partially compensated by the opening of the Independent Study Program in FY 2003/04.

ACOE has decided to stop operations at Rock LaFleche starting FY 2009/10.

The following table shows the ADA comparison in each of these schools:

	Buena Vista	Sweeney	Chabot/ Satellite	Total JCS	Community Schools	Independent Study
FY 1998/99	361	159	70	590	166	0
FY 2003/04	283	84	2	366	144	59
FY 2004/05	280	93	0	373	93	67
FY 2005/06	272	98	(closed)	370	83	66
FY 2006/07	277	95	(closed)	372	100	87
FY 2007/08	306	100	(closed)	406	85	95
FY 2008/09 (Estimate)	313	95	(closed)	408	86	106
FY 2009/10 (Estimate)	313	100	(closed)	413	74	130

Contributions to Restricted Programs

The projected contribution of the unrestricted fund's support:

- Juvenile Court & Community School - \$534,174
- Special Education - \$504,258
- CalSAFE - \$274,675

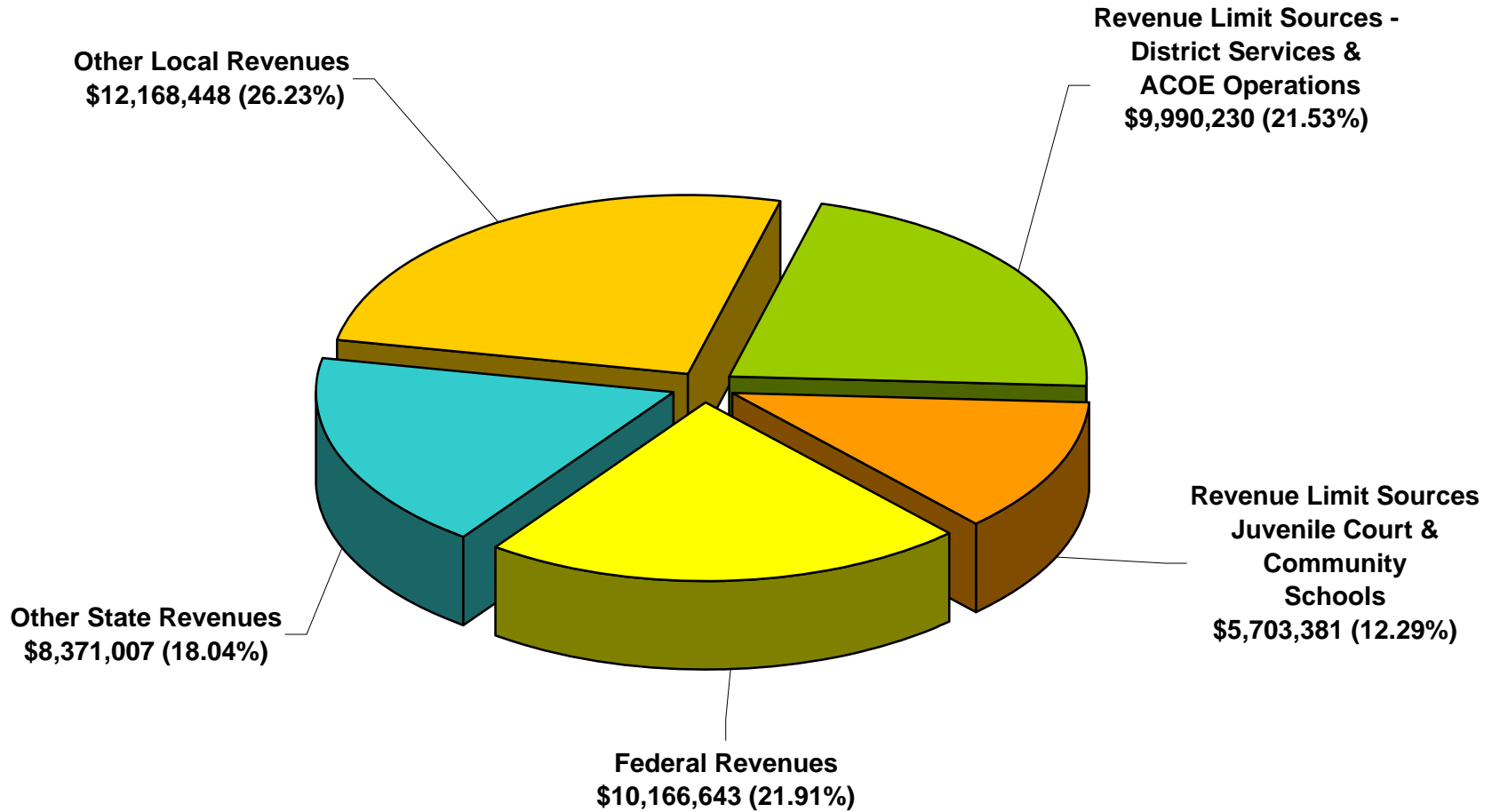
For FY 2009/10, best efforts will be made to balance the SPAS budget in order to minimize general fund contributions.

The actual contributions to the Juvenile & Court Schools, Special Education and CalSAFE programs at the end of the last 5 fiscal years are as follows:

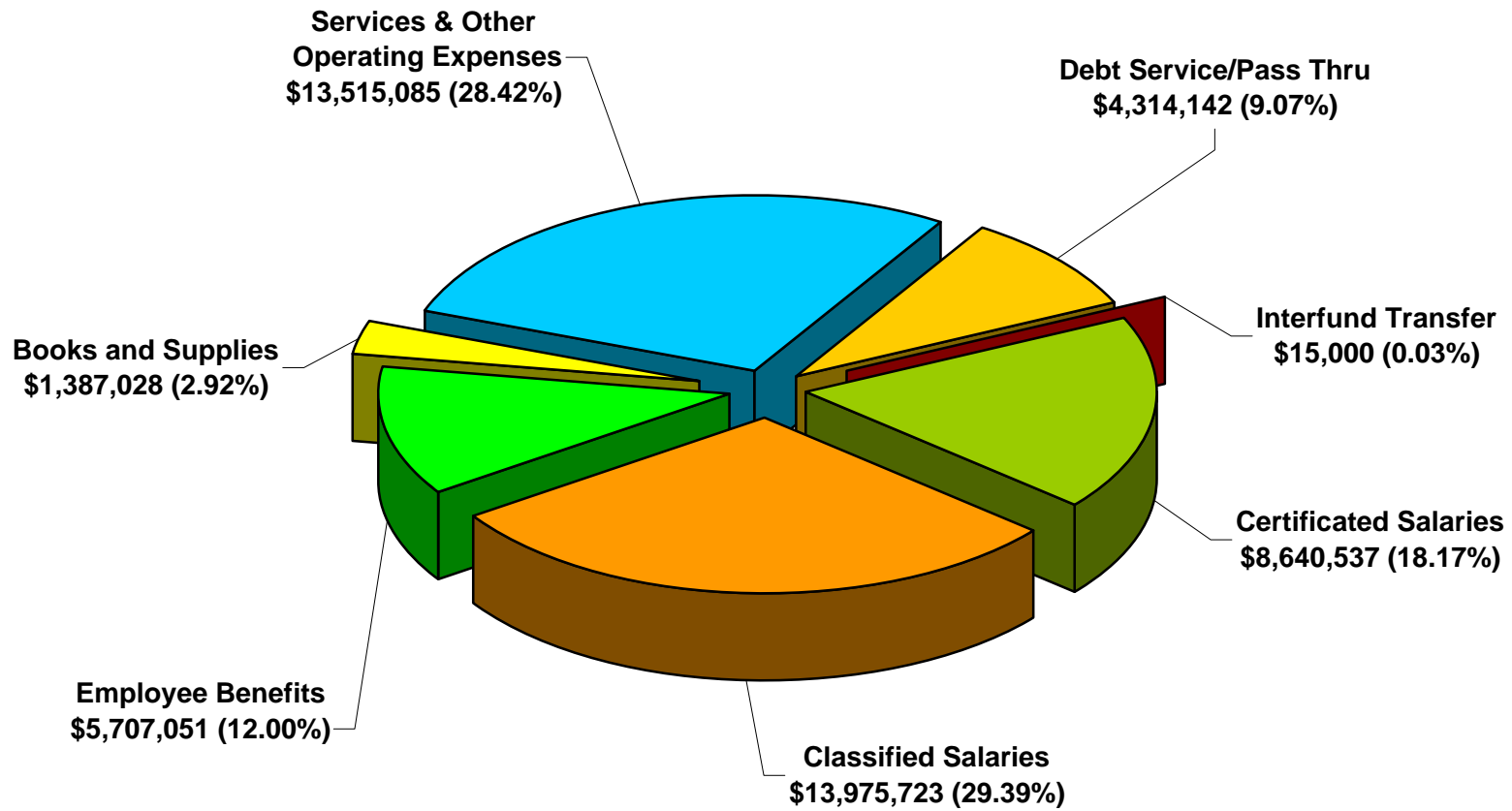
- FY 2003/04 \$436,902
- FY 2004/05 \$169,826
- FY 2005/06 \$0
- FY 2006/07 \$0
- FY 2007/08 \$0
- FY 2008/09 (estimate) \$1,180,539

Budget Summary

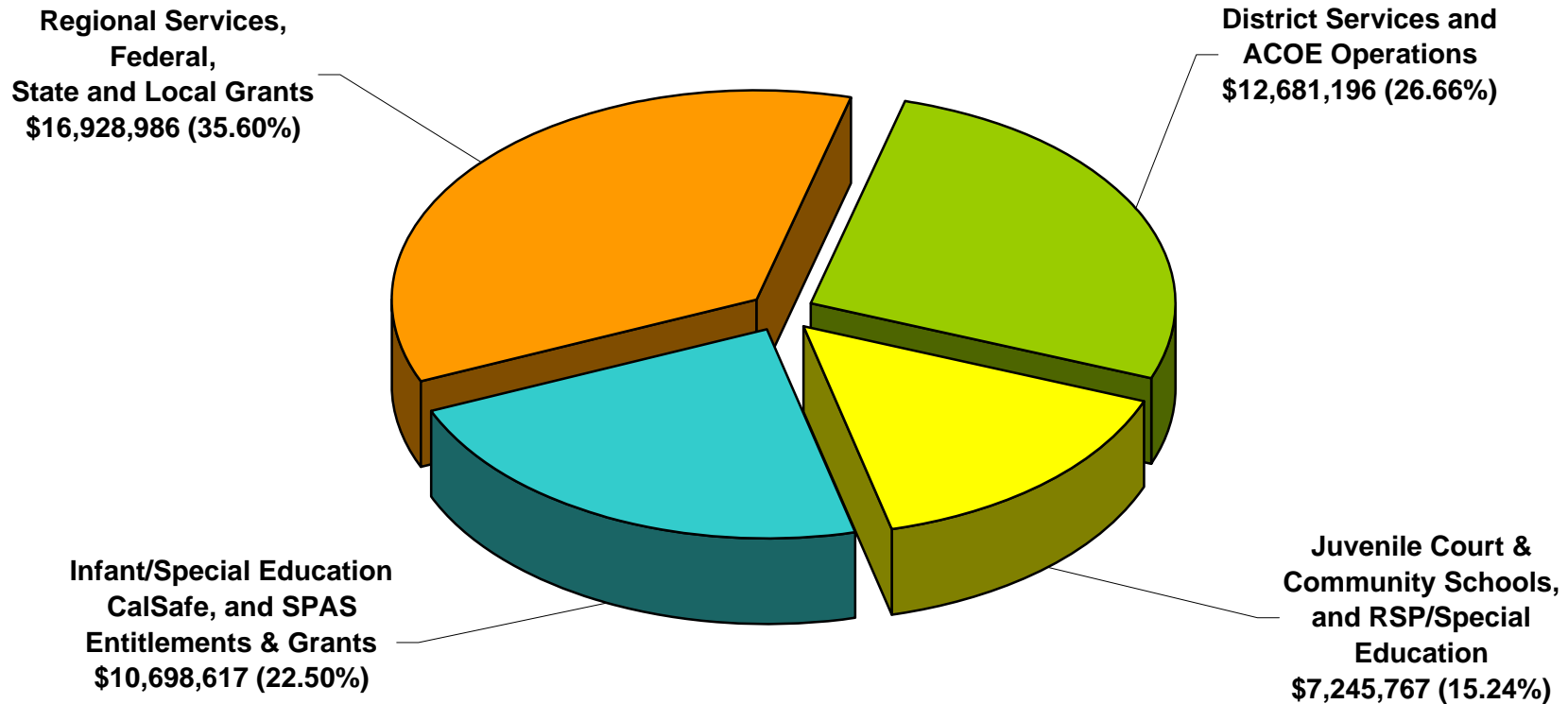
**Budgeted Revenues & Transfers In
Unrestricted & Restricted Funds = \$46,399,709
Fiscal Year 2009/10**



**Budgeted Disbursements & Transfers Out
(How Money Is Spent)
By Major Object Code = \$47,554,566
Fiscal Year 2009/10**



**Budgeted Disbursements & Transfers Out
(How Money Is Spent)
By Services = \$47,554,566
Fiscal Year 2009/10**



Alameda County Office of Education
 Comparison - FY 08/09 Second Interim Report, FY08/09 Estimated Actual & FY 09/10 Proposed Budget

As of 5/18/09

Description	Object Codes	Fiscal Year 2008/09 Second Interim Report			Fiscal Year 2008/09 Estimated Actual (As of 5/18/09)			Fiscal Year 2009/10 Proposed Budget		
		Unrestricted	Restricted	Total	Unrestricted	Restricted	Total	Unrestricted	Restricted	Total
A REVENUES										
1 Revenue Limit Sources	8010-8099	10,109,554	5,617,887	15,727,441	10,109,554	5,617,887	15,727,441	9,990,230	5,703,381	15,693,611
2 Federal Revenues	8100-8299	0	12,446,911	12,446,911	0	13,386,135	13,386,135	0	10,166,643	10,166,643
3 Other State Revenues	8300-8599	311,480	9,857,026	10,168,506	291,706	10,204,366	10,496,072	301,820	8,069,187	8,371,007
4 Other Local Revenues	8600-8799	3,707,548	12,397,956	16,105,504	3,659,084	13,511,021	17,170,105	3,430,949	8,737,499	12,168,448
5 TOTAL, REVENUES		14,128,582	40,319,780	54,448,362	14,060,344	42,719,409	56,779,753	13,722,999	32,676,710	46,399,709
B EXPENDITURES										
1 Certificated Salaries	1000-1999	1,090,369	9,336,679	10,427,048	1,047,626	9,158,670	10,206,296	974,878	7,665,659	8,640,537
2 Classified Salaries	2000-2999	8,127,024	6,315,689	14,442,713	7,983,228	6,176,502	14,159,730	8,247,941	5,727,782	13,975,723
3 Employee Benefits	3000-3999	2,628,347	3,559,179	6,187,526	2,536,397	3,480,496	6,016,893	2,666,056	3,040,995	5,707,051
4 Books and Supplies	4000-4999	840,384	1,522,487	2,362,871	823,327	1,595,063	2,418,390	609,844	777,184	1,387,028
5 Services, Other Operating Expenses	5000-5999	3,998,492	18,018,010	22,016,502	3,221,815	18,367,914	21,589,729	2,784,417	10,730,668	13,515,085
6 Capital Outlay	6000-6599	334,820	0	334,820	334,820	0	334,820	0	0	0
7 Other Outgo 7100-7299/	7400-7499	284,960	5,335,237	5,620,197	284,960	5,430,426	5,715,386	0	4,314,142	4,314,142
8 Direct Support/Indirect Costs	7300-7399	-3,215,935	3,215,935	0	-3,176,395	3,176,395	0	-2,537,992	2,537,992	0
9 TOTAL, EXPENDITURES		14,088,461	47,303,216	61,391,677	13,055,778	47,385,466	60,441,244	12,745,144	34,794,422	47,539,566
C EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES BEFORE OTHER FINANCING SOURCES AND USES (A5 - B9)		40,121	-6,983,436	-6,943,315	1,004,566	-4,666,057	-3,661,491	977,855	-2,117,712	-1,139,857
D OTHER FINANCING SOURCES/USES										
1 a Interfund Transfers In	8910-8929	80,917	0	80,917	80,917	0	80,917	0	0	0
b Interfund Transfers Out	7610-7629	-347,106	0	-347,106	-267,106	0	-267,106	-15,000	0	-15,000
2 a Other Sources	8930-8979	0	0	0	0	0	0	0	0	0
b Other Uses	7630-7699	0	0	0	0	0	0	0	0	0
3 Contributions to Rest. Programs	8980-8999	-1,172,539	1,172,539	0	-1,180,539	1,180,539	0	-1,313,107	1,313,107	0
4 TOTAL, OTHER FINANCING SOURCES/USES		-1,438,728	1,172,539	-266,189	-1,366,728	1,180,539	-186,189	-1,328,107	1,313,107	-15,000
E NET INCREASE (DECREASE) IN FUND BALANCE		-1,398,607	-5,810,897	-7,209,504	-362,162	-3,485,518	-3,847,680	-350,252	-804,605	-1,154,857
F FUND BALANCE										
1 a Beginning Balance, Unaudited	9791	11,503,930	5,903,074	17,407,004	11,503,930	5,903,074	17,407,004	11,141,768	2,417,556	13,559,324
b,d Audit Adjustments & Restatements	9792-9793	0	0	0	0	0	0	0	0	0
2 ENDING BALANCE, June 30		10,105,323	92,177	10,197,500	11,141,768	2,417,556	13,559,324	10,791,516	1,612,951	12,404,467
Components:										
Reserve for Economic Uncertainties (6%)		3,699,472	0	3,699,472	3,637,466	0	3,637,466	2,853,044	0	2,853,044
Designated Amount		6,078,495	92,177	6,170,672	7,133,660	2,417,556	9,551,216	7,583,660	1,612,951	9,196,611
Unappropriated Amount		327,356	0	327,356	370,642	0	370,642	354,812	0	354,812

Student
Programs
and
Services

**Proposed Budget - Juvenile Court Schools, Community Schools, Special Education & Cal-Safe Programs
Fiscal Year 2009-2010**

Description	JCS - Resc 2410			Community Schools - Resc 2420				JCCS Admin Support	Total J C C S	Special Education			Cal-Safe Programs			Total S P A S Division
	Buena Vista	Camp Sweeney	Total JCS	Thunder Road	Quest Academy	Hayward Comm Sch	Total CS			Infant Program	RSP Program	Total Special Ed	Cal-Safe Academic	Cal-Safe Child Care	Total Cal-Safe	
Number of Teachers	19.67	6	25.67	3	5	3	11		36.67			-				36.67
Average Daily Attendance																-
Juvenile Courts/Community Schools	313	100	413	24	130	50	204		617			0				0
Thunder Road Home/Hospital			0	12			12		12			0				12
Total ADA	313	100	413	36	130	50	216	0	629	0	0	0	0	0	0	629
Revenue																0
Revenue Limit Sources	2,862,633	914,579	3,777,212	220,230	1,192,913	458,813	1,871,956		5,649,168			0				5,649,168
Thunder Road Home/Hospital			0	67,007			67,007		67,007			0				67,007
Special Education Master Plan			0				0		0	666,862		666,862				666,862
Other State Revenue			0				0		0				602,179	412,451	1,014,630	1,014,630
Transfer from SELPA (AB602)			0				0		0		241,246	241,246			0	241,246
Property Tax Transfer			0				0		0		54,213	54,213			0	54,213
Other Local Revenue			0	187,992			187,992		187,992		14,000	14,000			0	201,992
Total Revenue	2,862,633	914,579	3,777,212	475,229	1,192,913	458,813	2,126,955	0	5,904,167	666,862	309,459	976,321	602,179	412,451	1,014,630	7,895,118
Expenditures																
Certificated Salaries	1,953,754	578,933	2,532,687	310,390	677,327	263,638	1,251,355	166,570	3,950,612	314,042	496,476	810,518	333,626	50,311	383,937	5,145,067
Classified Salaries	136,034	52,558	188,592	0	100,982	92,732	193,714	231,831	614,137	144,812	90,178	234,990	40,325	109,854	150,179	999,306
Employees' Benefits	308,734	107,096	415,830	40,277	129,062	73,622	242,961	118,832	777,623	108,534	104,335	212,869	62,504	58,053	120,557	1,111,049
Books & Supplies	24,000	9,000	33,000	5,000	7,000	6,700	18,700	30,000	81,700	3,800	9,500	13,300	15,000	2,100	17,100	112,100
Services, Other Operating Expenses	46,264	15,600	61,864	9,750	19,200	71,200	100,150	266,952	428,966	40,380	33,068	73,448	162,550	319,500	482,050	984,464
Other Outgoing Expenses														20,100	20,100	20,100
Total Before Admin/Support Cost	2,468,786	763,187	3,231,973	365,417	933,571	507,892	1,806,880	814,185	5,853,038	611,568	733,557	1,345,125	614,005	559,918	1,173,923	8,372,086
Admin/Support Cost Allocation	436,734	133,218	569,952	66,609	111,015	66,609	244,233	(814,185)	0	0	0	0	0	0	0	0
Total Before Indirect Support Cost	2,905,520	896,405	3,801,925	432,026	1,044,586	574,501	2,051,113	0	5,853,038	611,568	733,557	1,345,125	614,005	559,918	1,173,923	8,372,086
Indirect Cost	290,552	89,641	380,192	43,203	104,458	57,450	205,110	0	585,302	61,585	73,869	135,454	61,400	53,982	115,382	836,138
Total Expenditures	3,196,071	986,046	4,182,117	475,229	1,149,044	631,951	2,256,224	0	6,438,341	673,153	807,426	1,480,579	675,405	613,900	1,289,305	9,208,225
Excess/(Deficits) before contributions	(333,438)	(71,467)	(404,905)	0	43,869	(173,138)	(129,269)	0	(534,174)	(6,291)	(497,967)	(504,258)	(73,226)	(201,449)	(274,675)	(1,313,107)
Contributions & Transfers																
Inter-site Transfer			0		(43,869)	43,869	0		0							0
Contributions From Unrestricted Funds	333,438	71,467	404,905			129,269	129,269		534,174	6,291	497,967	504,258	73,226	201,449	274,675	1,313,107
Total Contributions/Transfers	333,438	71,467	404,905	0	(43,869)	173,138	129,269	0	534,174	6,291	497,967	504,258	73,226	201,449	274,675	1,313,107
Ending Fund Balance	0	0	(0)	0	(0)	0	0	0	0	0	(0)	(0)	(0)	0	(0)	(0)
Cost Per ADA	10,211	9,860	10,126	13,201	8,839	12,639	10,445									

Alameda County Office of Education

Comparison of Average Daily Attendance

FY 1999/00 through FY2009/2010 Projections

Site	Annual 1999/00	Annual 2000/01	Annual 2001/02	Annual 2002/03	Annual 2003/04	Annual 2004/05	Annual 2005/06	Annual 2006/07	Actual 2007/08	Best Est. 2008/09	Projected 2009/10
Buena Vista	324	326	291	265	283	280	273	277	307	313	313
Sweeney	135	99	86	81	84	93	82	95	100	95	100
Chabot/ Satellite/Broadway	67	59	43	20	2	0	0	0	0	0	0
Rock La Fleche	60	59	49	51	45	31	29	31	25	12	0
Thunder Road	53	56	53	51	47	46	44	31	31	36	36
Hayward	41	49	52	42	35	32	31	49	39	50	50
Independent Study	0	0	0	4	59	67	76	87	95	106	130
Total All Sites	680	648	574	514	555	549	535	570	597	612	629
Summary											
JCS	459	425	377	346	367	373	355	372	407	408	413
CS	202	199	176	143	108	94	88	100	85	86	74
Independent Study	0	0	0	4	59	67	76	87	95	106	130
Total ACOE	661	624	553	493	534	534	519	559	587	600	617
Thunder Road (Home Hospital)	19	24	21	21	21	15	16	11	10	12	12
Total	680	648	574	514	555	549	535	570	597	612	629

Glossary and
Abbreviations
and
Acronyms

Glossary of Terms

AB 1200

A bill that established major fiscal accountability controls on school districts and county offices of education, by establishing minimum reserve levels and other requirements for agency budgets and fiscal practices. See especially Education Code Sections 1240 et seq. and 42131 et seq.

Academic Performance Index (API)

A single number index for a school or district using specified measures of student performance. A school's API score is used as the basis for ranking California's public schools. The ranking system is based on deciles, with each decile representing 10% of the schools. Decile 1 schools are the lowest performing schools. Decile 10 schools are the highest performing. The law specifies that at least 60% of the API must consist of test results. The remaining 40% may include measures such as student and staff attendance rates and graduation rates, but so far those measures have not been included because they have not been found to be valid and reliable.

Account Code

A number that classifies sources of revenues or purposes of expenditures in either a school district budget or the reports districts submit to the California Department of Education (CDE). The account code classifies expenditures according to the types of items purchased or services obtained, and revenues by the general source and type of revenue.

Accounts Payable

Amounts due and owed to private persons, business firms, governmental units, or others for goods received and services rendered prior to the end of the fiscal year. Includes amounts billed but not paid.

Accounts Receivable

Amounts due and owed to the county office of education from private persons, business firms, government units or others for goods or services provided by the county office of education prior to the end of the fiscal year. Includes amounts billed but not received.

Adequacy

An approach to school funding that begins with the idea that the amount of funding schools receive should be based on some estimate of the cost of achieving the state's educational goals. It tries to answer two questions: How much money would be enough to achieve those goals and where would it best be spent?

Adequate Yearly Progress (AYP)

Adequate yearly progress is the minimum level of improvement that states, school districts, and schools must achieve each year, according to the federal No Child Left Behind Act (NCLB). This progress is determined by a collection of performance measures that a state, its school districts, and subpopulations of students within its schools are supposed to meet if the state receives Title I, Part A federal funding. In California, the measures include: (1) specified percentages of students scoring "proficient" or "advanced" on California Standards Tests in English language arts and math; (2) participation of at least 95% of students on those tests; (3) specified Academic Performance Index scores or gains; and (4) for high schools, a specified graduation rate or improvement in the rate.

Apportionment

State Aid given to a school district or county office of education. Apportionments are calculated three times for each school year. The First Principal Apportionment (P-1) is calculated in February of the school year corresponding to the P-1 ADA (see Attendance Reports); the Second Principal Apportionment is calculated in June corresponding to the P-2 ADA; and the annual recalculation of the apportionment is made in the February following the school year and is based on P-2 ADA except for programs where the annual count of ADA is used.

Appropriations

Funds set aside or budgeted by the state or county office of education for a specific time period and specific purposes.

Appropriations for Contingencies

That portion of the current fiscal year's budget that is not appropriated for any specific purpose but is held subject to intra-budget transfer, i.e., transfer to other specific appropriation accounts as needed during the fiscal year.

Assembly Bill (AB) 1200

Legislation passed in 1991 that defined a system of fiscal accountability for school districts and county offices of education to prevent bankruptcy. The law requires districts to do multiyear financial projections; identify sources of funding for substantial cost increases, such as employee raises; and make public the cost implications of such increases before approving employee contracts. County offices review district budgets, and the state reviews countywide school districts.

Assessed Value

The value of land, homes, and businesses set by the county assessor for property tax purposes. It is either the appraised value of any newly built or purchased property or, for continuously owned property, the value on March 1, 1975 plus annual increases. These increases, tied to the California Consumer Price Index, may not exceed 2% annually.

Attendance Reports

Each county office of education reports its attendance three times during a school year. The First Principal Apportionment ADA, called the P-1 ADA or the P-1 count, is counted from July 1 through the last school month ending on or before December 31 of a school year. The Second Principal Apportionment ADA, called the P-2 ADA, is counted from July through the last school month ending on or before April 15 of a school year. Fiscal or annual ADA is based on the count from July 1 through June 30. The final calculation of the apportionment is based on the P-2 ADA except for adult education programs, regional occupational centers and programs and non-public school funding, all of which use the annual count of ADA.

Audit

An examination of records and accounts for the purpose of; 1) determining the propriety of transactions; 2) ascertaining whether all transactions are recorded properly; and 3) determining whether statements drawn from accounts reflect an accurate picture of financial operations and financial status. County offices of education are required to have an annual audit report prepared by an independent auditor.

Average Daily Attendance (ADA)

The total days of attendance in the county schools divided by the number of days the schools in the county are in session for at least the required minimum day. (Education Code 46300 and California Administrative Code, Title 5, 400-424).

Basic Aid

The minimum general-purpose aid guaranteed by the state's constitution for each school district in California. The amount is \$120 per pupil (ADA), with a minimum of \$2,400 per district for very small districts. In 2003 lawmakers decided that the funding schools receive from categorical programs could satisfy this guarantee.

Basic Aid School District	The historical name for a district in which local property taxes equal or exceed the district's revenue limit. These districts may keep the money from local property taxes and still receive constitutionally guaranteed state basic aid funding.
Block Grant	An allotment of money that is the sum of multiple special-purpose funds combined into one. A block grant tends to have fewer restrictions on how the money is spent than the original, disparate funding streams had; and it often combines funds that have similar purposes.
Bonus/Performance Pay	Extra money for school district employees who perform extra duties or are considered exemplary. In some states, performance pay is being offered as an incentive for teachers to improve their students' performance. In California, both employee pay and benefits are determined by collective bargaining, according to state law.
Budget	A plan of financial operations consisting of an estimate of proposed income and expenditures for a given period and purpose.
Budget Act	The legislative vehicle for the state's budget appropriations. It must be passed by two-thirds of each house and sent to the governor by June 15 of each year. The governor may reduce or delete individual items, but may not make any increases.
Budget Document	The instrument used by the county office of education to present a comprehensive financial program. It includes a balanced statement of revenues and expenditures as well as other exhibits to report; 1) the financial condition of the several funds of the county office of education at the end of the preceding completed fiscal period; 2) the estimated condition of the funds at the end of the fiscal period in progress; and 3) the estimated condition of the funds at the close of the ensuing fiscal period based on the financial proposals contained in the budget document.
Building Fund	A fund that districts must use only for buildings. The money comes from sources such as bonds and the sale/rental of property.
California Basic Education	

Data System (CBEDS)	The statewide system of collecting enrollment, staffing, and salary data from all school districts on an “Information Day” each October.
California Work Opportunity and Responsibility to Kids (CalWORKs)	A welfare program that gives cash aid and services to eligible needy California families. CalWORKs is a state program that is operated locally by county welfare departments.
Capital Outlay	Money spent for major physical changes to a school, such as new buildings, renovations, reconstruction, or certain new equipment. These investments in the physical structure of a school are expected to last for a number of years.
Categorical Aid/Categorical Programs	Allocations from the state or federal government that generally fall into three categories: specific programs, specific students, and specific characteristics of school districts. All districts receive categorical aid in varying amounts in addition to the funding they receive for their general education program. In most cases, districts have limitations on how they may use these funds.
Certificated/Credentialed Employees	Employees who are required by the state to hold some type of teaching credentials, including most administrators and full-time, part-time, substitute, and temporary teachers. The requirements for a fully credentialed teacher include having a bachelor’s degree, completing additional required coursework, and passing the California Basic Educational Skills Test (CBEST).
Chart of Accounts	A list of accounts systematically arranged, applicable to a specific concern. All account names and numbers, if any, are listed in order.
Charter School	A public school operated independently under a performance agreement with a school district, a county office of education (COE), or the State Board of Education. Charter schools are funded on a per-pupil basis, freed from most state regulations that apply to school districts and COEs, usually able to hire their own teachers and other staff, and subject to closure if they fail to meet their promises for student outcomes.

Class Size Reduction (CSR)

Incentive programs that provide funding to schools with class sizes of no more than 20 students per teacher. CSR was initiated in the 1996–97 school year for kindergarten through third grade. A separate program supports smaller classes for core academic subjects in 9th grade.

Classified Employees

School employees who are not required to hold teaching credentials, such as secretaries, custodians, instructional aides, and some management personnel.

Collective Bargaining

Senate Bill 160 (1975) defines the manner and scope of negotiations between school districts/county offices and employee organizations. The law also mandates a state regulatory board.

Con App (Consolidated Application)

The application districts can use to apply for about 20 state and federal categorical programs. Most, if not all, districts use the “con app” to secure funding from at least some of the programs on the application. These programs tend to be on roughly the same timeline and are relatively straightforward to apply for, such as the federal Title I program and the state School Improvement Program (SIP).

Consolidation

The combining of two or more elementary or high school districts with adjoining borders to form a single district.

Contracted Services

Expense of services rendered under contract by personnel who are not on the payroll of the county system, including all related expenses covered by the contract.

Consumer Price Index (CPI)

A measure of the cost of living compiled by the United States Bureau of Labor Statistics. These indices of inflation are calculated regularly for the United States, California, some regions within California, and selected cities. The CPI is one of several measures of economic change.

Cost of Living Adjustment (COLA)

An increase in funding for revenue limits or categorical aid programs. Current law ties COLAs to various indices of inflation, although different amounts are appropriated in some years.

County School Service Fund

The fund used to finance the ordinary operations of the county office of education. It is available for any legally authorized purpose.

County Office of Education (COE)

The agency that provides, in general, educational programs for certain students; business, administrative, and curriculum services to school districts; and financial oversight of districts. These services are affected by the size and type of districts within the county, the geographical location and size of the county, and the special needs of students that are not met by the districts. Each of California's 58 counties has an office of education.

Deferred Maintenance

Major repairs of buildings and equipment, which have been postponed by school districts/county offices. Some matching state funds are available to districts/county offices which establish a deferred maintenance program.

Deficits

Reductions in state allocations to school districts or county offices of education caused by insufficient state appropriations.

Deficit Factor

The percentage by which an expected allocation of funds to a school district or county office of education is reduced. The state may apply deficit factors to revenue limits and categorical programs when the appropriation is insufficient based on the funding formulas specified by law.

Developer Fees

A charge per square foot on residential and commercial construction within a school district that is based on the premise that new construction will lead to additional students. School districts decide whether to levy the fees and at what rate up to the maximum allowed by law. Proceeds are used for building or renovating schools and for portable classrooms.

Direct Services

Services—including business, attendance, health, guidance, library, and supervision of instruction (K–8 only)—performed without cost by county offices of education for small districts, which are defined as fewer than 901 (elementary), 301 (high school), and 1,501 (unified) students based on ADA.

Disbursements	Payments by currency check or warrant. (The term is not synonymous with expenditures.)
Economic Impact Aid (EIA)	State categorical funds for districts with concentrations of children who are transient, from low-income families, or need to learn English.
Education Code	The body of law that regulates education in California. Additional regulations affecting education are contained in the California Administrative Code, Titles 5 and 8, the Government Code, and general statutes.
Elementary and Secondary Education Act (ESEA)	The principal federal law affecting K–12 education. The No Child Left Behind Act (NCLB) is the most recent reauthorization of ESEA. (See No Child Left Behind Act.) Enacted in 1965 as part of the War on Poverty, ESEA supports the education of the country’s poorest children. Congress must reauthorize it every six years.
Employee Benefits	Amounts paid by the county office of education on behalf of employees; these amounts are not included in the gross salary, but are over and above. They are fringe benefit payments, and while not paid directly to employees, they are nevertheless a part of the cost of salaries and benefits. Examples are; 1) group health or life insurance payments; 2) contributions to employee retirement; 3) O. A. S. D. I. (Social Security) taxes; 4) worker compensation payments and 5) payments made to personnel on sabbatical leave.
Encroachment	The expenditure of a local education agency's general-purpose funds for mandated special-purpose programs in which the cost of providing the programs exceeds the state or federal funding provided.
Encumbrances	Obligations for purchase orders, contracts, salaries, and other commitments chargeable to an appropriation for which a part of the appropriation is reserved.
English Learner (EL)	Students whose home language is not English and who qualify for extra help. EL students were formerly known as “limited English proficient” (LEP).
Enrollment	A count of the students enrolled in each school and district on a given day in October. The number of pupils enrolled

in the school is usually larger than the average daily attendance (ADA) due to factors such as students' moving, dropping out, or staying home because of illness.

Equalization Aid	Extra state aid provided in some years to promote revenue equalization among districts and county offices.
Expenditures	Amounts paid or liabilities incurred for all purposes.
Full-Time Equivalent (FTE)	The ratio of time expended in a part-time position to that of a full-time position. The ratio is derived by dividing the amount of employed time required in the part-time position by the amount of employed time required in a corresponding full-time position.
Fiscal Year	A period of one year, the beginning and ending dates of which are fixed by statute. In California, the period begins July 1 and ends June 30.
Fiscal Crisis and Management Assistance Team (FCMAT)	A statefunded agency that provides fiscal advice, management assistance, training, and other related school business services, with a particular emphasis on districts facing fiscal insolvency. FCMAT operates from the office of the Kern County Superintendent of Schools under contract with the California Department of Education and the governor's office.
Free/Reduced-price Meals (F/RPM)	A federal program to provide food—typically lunch and/or breakfast—for students from low-income families. The number of students participating in the National School Lunch Program is often used as a way to measure the poverty level of a school or district population. The number of children in this program can affect schools' or districts' eligibility for grants or other funding aimed at helping lower-income families. Almost half of California's public school children are eligible for free/reduced-price meals
Fund	A sum of money or other resources set aside for the purpose of carrying on specific activities or attaining certain objectives in accordance with special regulations, restrictions or limitations. A fund is a distinct financial or fiscal entity.

Gann Amendment	An initiative passed in November 1979, which added Article XIII B to the California Constitution. It established a ceiling, or limit, on each year's appropriation of tax dollars by the state, cities, counties, school districts, and special districts. Using the base year of 1978-79, subsequent year limits are adjusted for the change in the California Consumer Price Index or per capita personal income, whichever is smaller, and for any change in population.
General Fund	The primary, legally-defined fund used by the state and school districts to differentiate general revenues and expenditures from those placed in other funds for specific uses.
General Obligation Bond (G.O. Bond)	A form of borrowing commonly used to fund school facilities. Local G.O. bonds, financed through an increase in local property taxes, can be used for renovating, reconstructing, and building new facilities and for certain new equipment. School districts can seek either two-thirds or 55% voter approval, the latter with additional accountability requirements. A simple majority of state voters can approve a state G.O. bond, which is repaid by state funds and has no impact on property tax rates. Although both state and local bonds are G.O. bonds, people often use the term "G.O. bond" to refer only to local bonds for school facilities.
General-purpose Funding	Money granted to school districts for general purposes, with the largest portion of it based on a per pupil revenue limit amount. Districts can decide how the money is spent, within the constraints of certain laws and contracts with employees. (See Revenue Limit.)
Gifted and Talented Education (GATE)	A program that provides supplemental, differentiated, challenging curriculum and instruction to California public school students who are deemed by districts to be intellectually gifted or especially talented in leadership or visual and performing arts.
Healthy Start	A state grant program in which schools work with community organizations to provide children and families

with access to health and human services, often at schools. The state approved the last round of new grants in 2002.

**High Priority Schools
Grant Program (HPSGP)**

A program to support schools in the lower half of the state rankings (deciles 1 through 5) based on the Academic Performance Index (API). However, the initial emphasis is on Decile 1 schools, which are at the bottom of the state's ranking system. (See Academic Performance Index.)

IDEA

The Individuals with Disabilities Education Act (IDEA), previously called PL 94-142, provides an opportunity to ensure that educational improvements for all children include children with disabilities.

**Immediate Intervention/
Underperforming Schools
Program (II/USP)**

A component of California's Public Schools Accountability Act (PSAA) designed to provide assistance and intervention for schools identified as underperforming. Three cohorts of 430 schools were chosen—one each in 1999, 2000, and 2001—for the three-to-four year program. In 2002 lawmakers funded instead a similar program. (See High Priority Schools Grant Program.)

Implicit Price Deflator

A measure of inflation used to compare expenditures over a period of time. The state uses the Implicit Price Deflator for State and Local Government Purchases of Goods and Services to calculate increases to revenue limits.

**Individual Education
Plan (IEP)**

A plan developed for a specific student that outlines what that student needs to learn in a specified period of time and what special services need to be provided based on the student's ability. Special Education students have IEPs that sometimes require exemptions from tests or accommodations for testing such as an exam in Braille.

Interfund Transfers

Money that is taken from one fund and added to another fund. Such transfers are not receipts or expenditures.

J-90

An optional salary information report that most districts and county offices of education submit to the California Department of Education. The main focus is teachers' salaries, but the J-90 also includes other certificated staff.

J-200, J-380	Financial (J-200) and program cost accounting (J-380) reports that school districts and county offices of education submit to the California Department of Education. When all districts converted to SACS (see Standardized Account Code Structure) in 2003–04, CDE discontinued the J-200 and J-380 software.
Joint Powers Agreement (JPA)	An agreement among local education agencies (LEAs) (and/or sometimes the California Department of Education) to share services or responsibilities. A joint powers board made up of representatives of the LEAs governs the JPA.
Joint School Districts	School districts with boundaries that cross county lines.
Limited English Proficient (LEP)	See English Learner.
Local Education Agency (LEA)	A public board of education or other public authority within a state that maintains administrative control of public elementary or secondary schools in a city, county, township, school district, or other political subdivision of a state. School districts and county offices of education are both LEAs. Sometimes charter schools function as LEAs.
Local Miscellaneous Revenues	School funding from locally generated sources, such as community contributions, interest income, developer fees, and revenues from local parcel tax elections.
Lottery	Approved by the voters in November 1984, lottery games began in October 1985. The minimum of 34% of lottery revenue distributed to public schools and colleges must be used for "education of pupils." Lottery income has added about 2 to 3% to K-12 education funding.
Maintenance Assessment District	An area in which fees charged to property owners are used to provide a service of benefit to all fee payers, such as the maintenance of public parks and recreation areas. Districts must hold an election before fees are levied. It is sometimes called a Benefit Assessment District.
Mandated Costs	County office of education expenditures which occur as a result of federal or state law, court decisions, administrative regulations, or initiative measures.

**Master Plan for K–16
Education**

A long-term, strategic plan for a single, seamless system of education from prekindergarten through postsecondary education that will provide better schools and higher levels of student achievement in every school, college, and university, and will prepare students to enter the workforce. The main objectives of the plan are to focus the education system on student success and guide education policy and budget decisions over the next 20 years. This master plan has been in place since August 2002. For the most part, legislation to implement the plan has not been enacted.

**Master Plan for
Special Education**

California categorical program for the education of all handicapped children, enacted in 1980 and frequently modified since then.

**Mello-Roos Community
Facility District**

A portion of a school district, often a new housing development that can be taxed if two-thirds of property owners vote to approve it. Under Mello-Roos, property owners pay a special tax that is not based directly on the assessed value of the property.

Mentor Teacher

A specially selected teacher who receives a stipend to work with new and experienced teachers on curriculum and instruction.

Migrant Education

Special federal funds for districts with students who are children of migrant workers.

Miscellaneous Funds

Local revenues received from royalties, bonuses, and other payments in lieu of taxes. Fifty percent of such revenues are used as an offset to state aid in the revenue limit formulas.

**Multitrack, Year-round
Education (MTYRE)**

Schools with classes that take place throughout the calendar year. Individual students attend school for nine months, but on staggered schedules. Districts typically choose MTYRE to fully utilize school facilities. (A few districts have single-track, year-round education—in which students have shorter vacations spread throughout the year—for educational reasons.)

National School Lunch Program

See Free/Reduced-price Meals.

Necessary Small Schools

Schools that need to have small populations, usually because they are in sparsely populated areas or serve special populations (such as Juvenile Court schools). These schools receive extra funding because they cannot realize economies of scale.

No Child Left Behind Act (NCLB)

NCLB's provisions represent a significant change in the federal government's influence in public schools and districts throughout the United States, particularly in terms of assessment, accountability, and teacher quality. It increases the federal focus on the achievement of disadvantaged pupils, including English learners and students who live in poverty, provides funding for innovative programs, and supports the right of parents to transfer their children to a different school if their school is low-performing or unsafe.

Obligations

Amounts that the county office of education may be legally required to meet out of its resources. They include not only actual liabilities, but also unliquidated encumbrances.

Office of Public School Construction (OPSC)

The agency that implements and administers the School Facility Program and other programs of the State Allocation Board (SAB). OPSC also verifies that all school districts applying for state funding to modernize or build new facilities meet specific criteria based on the type of funding requested.

Opportunity To Learn (OTL)

Standards that measure the extent to which key education resources—such as experienced teachers, adequate materials, rigorous courses, and safe, clean, uncrowded facilities—are provided at a school site.

Parcel Tax

An assessment on each parcel of property—not based on assessed value—that must be approved by two-thirds of the voters in a school district. When proposing parcel tax elections, districts indicate how the money will be used. Money from parcel taxes is generally used for educational programs, not for school construction or renovation, which

is normally financed through a general obligation (G.O.) bond measure.

**Per Capita
Personal Income**

Total personal income from all sources prior to taxation divided by the number of residents in, for example, a state.

**Public Employees'
Retirement System PERS**

State law requires that classified employees, school districts, county offices of education and the state contribute to this retirement fund.

**PL 81-874
(Public Law 81-874)**

The federal program that provides funds to districts with children whose families live or work on federal property, such as military bases. (See Title VIII.)

**PL 94-142
(Public Law 94-142)**

Federal law which mandates a "free and appropriate" education for all children with disabilities.

Property Tax

A tax on local residential and commercial property that is part of a school district's income based on a formula set by the Legislature and signed by the governor in 1978. These taxes, which vary by district, are part of the district's revenue limit income. (See Revenue Limit).

Proposition 13

An amendment to the California Constitution passed by voter initiative in June 1978 that limits property taxes to no more than 1% of full assessed value (plus any additional rates approved by local voters, such as general obligation bonds). Annual increases in assessed value are capped at 2% or the percentage growth in the state's Consumer Price Index (CPI), whichever is less. For individual properties, the assessed value is also raised when new construction or the sale of property occurs (with a few exceptions). Proposition 13 and implementing legislation caused a shift in support for schools from local property taxes to state general funds. Local voters can levy a uniform dollar tax per parcel of land, but they cannot increase property taxes based on value except by issuing general obligation (G.O.) bonds for school construction or renovation.

Proposition 39

An amendment to the California Constitution passed by voter initiative in November 2000. It added the option of a lower voter-approval threshold (55% vs. two-thirds) for local school district general obligation (G.O.) bonds. If districts choose to seek 55% instead of two-thirds approval,

they have added requirements involving financial and performance accountability.

Proposition 49

An amendment to the California Constitution passed by voter initiative in November 2002. It modified and expanded the existing state after-school programs. Beginning in 2004–05, any funding increases to the After School Education and Safety Program must come from outside of Proposition 98 funds. Without voter approval, lawmakers can only reduce funding to the program if they also reduce Proposition 98 funds by the same percentage.

Proposition 98 and 111

An initiative adopted in 1988 and then amended by Proposition 111 in 1990. Proposition 98 contains three major provisions: (1) a minimum level of state funding for K-14 school agencies (unless suspended by the Legislature); (2) a formula for allocating any state tax revenues in excess of the state’s Gann Limit; and, (3) the requirement that a School Accountability Report Card be prepared for every school.

Public Employees’

Retirement System (PERS) A retirement fund required by state law. Classified employees and their employer (such as school districts and county offices of education) contribute.

Public Employment

Relations Board (PERB) A five-person board appointed by the governor that regulates collective bargaining between public employees (including school district employees) and employee organizations.

Public Schools

Accountability Act (PSAA) A law that outlines a comprehensive process for measuring schools’ academic performance and ranking schools based on that performance. When schools fall short of expectations, the state may intervene—first with assistance and later with sanctions. Successful schools are expected to be recognized and rewarded. California lawmakers approved the PSAA in April 1999.

Pupil Weighting

System of distributing funds—through the state to districts, county offices of education, or schools—that provides more or less money based upon the educational or social conditions of students in a school or district.

Requisition	A document submitted initiating a purchase order to secure specified articles or services.
Reserves	Funds set aside in a county office of education budget to provide for estimated future expenditures or to offset future losses, for working capital, or for other purposes.
Revenue Limit	The maximum amount of revenue, which a county office of education can collect annually for general purposes from local property taxes and State aid. In addition to revenue limit income, a county office of education may receive state and federal categorical aid and other sources of local income such as rents and donations. The revenue limit is composed of a base revenue limit - a basic education amount per unit of ADA computed by formula each year from the previous year's base revenue limit - and any of a number of revenue limit adjustments that are computed anew each year.
Revenues Per Pupil	The total amount of revenues from all sources allocated to K-12 education, divided by the number of students as determined, most often, by average daily attendance (ADA). The formula for revenues per pupil is based on the amount budgeted by the state rather than on what is actually spent by districts and the state to provide services. (See Expenditures Per Pupil.)
Revolving Cash Fund	A stated amount of money used primarily for emergency or small or sundry disbursements and reimbursed periodically through properly documented expenditures, which are summarized and charged to proper accounting classifications.
ROC/ROP	Regional Occupational Centers/Regional Occupational Programs. Established by a school district, group of districts, or county offices of education, the centers provide training for entry-level jobs, counseling, and upgrading of skills for youths ages 16-18.
School Accountability Report Card (SARC)	An annual report on specified aspects of a school's operation, which is required as part of Proposition 98.

Other state legislation and the federal No Child Left Behind Act (NCLB) also require SARCs. (See Propositions 98 and 111.)

School Board

A locally elected group, usually between three and seven members, who set fiscal, personnel, instructional, and student-related policies. A school district governing board also provides direction for the district, hires and fires the district superintendent, and approves the budget and contracts with employee unions.

School Facility

Improvement District (SFID) A portion of a school district that is taxed through a general obligation (G.O.) bond based on the value of the property and approved by the voters in that portion of the district being taxed. Originally, SFIDs required two-thirds voter approval. But in July 2001, the Legislature added the option of a 55% approval threshold with the additional accountability provisions of Proposition 39. Typically, SFIDs involve new housing developments that create additional facility needs for the school district.

School Foundation

A tax-exempt organization—also referred to as an education foundation—established to raise funds and receive gifts and grants in support of a school district or individual school.

School Improvement Program (SIP)

A plan for an improved education program developed by a school site council composed of staff, parents, and students (high schools only). SIP is one of the few categorical programs that provide discretionary money directly to schools. Typical uses are for instructional aides, classroom materials, technology, and staff development.

School Site Council

Parents, students (high schools only), teachers, and other staff selected by their peers to prepare a school improvement plan and to assist in seeing that the planned activities are carried out and evaluated. Such a council is required when a school receives funding for a School Improvement Program (SIP) or through Title I.

Scope of Bargaining

The range of subjects, which are negotiated between county offices of education and employee organizations during the collective bargaining process. Scope includes matters relating to wages, hours, and working conditions. PERB is responsible to interpreting disputes about scope.

Section 504	A section of the federal Rehabilitation Act of 1973 that protects “handicapped” individuals from discrimination based on their handicap by employers, educational institutions, or programs that receive federal funds. Section 504 defines an “individual with a handicap” more broadly than the Individuals with Disabilities Act (IDEA) and in some circumstances provides additional rights not available under IDEA.
Seniority	A statutory system for protecting the job security of employees with the longest periods of service in a district. With few exceptions, the seniority list is used to determine which employees will be the first to be laid off or rehired.
<i>Serrano Bands</i>	A specific range of per-pupil funding. Under the <i>Serrano v. Priest</i> case (see below), the courts required the California Legislature to reduce differences in general-purpose funding to \$100 per student adjusted annually for inflation, called the <i>Serrano</i> band. The <i>Serrano</i> band was about \$350 per student in 2004.
<i>Serrano v. Priest</i>	A California court case—began in 1968 and settled in the mid-1970s—that challenged the inequities created by the U.S. tradition of using property taxes as the principal source of revenue for public schools, saying the wide discrepancies in school funding because of differences in district wealth represented a denial of equal opportunity. In response, legislators passed Senate Bill 90 in 1972, creating the revenue limit system that put a ceiling on the amount of general-purpose money each district could receive. (See <i>Serrano Bands</i> .)
Shortfall	An insufficient allocation of money, requiring an additional appropriation or resulting in a deficit.
Single Plan for Student Achievement	A required plan for schools that participate in any state or federal program included in the state’s consolidated application. (See Consolidated Application.) The plan, which is developed by the school site council, must describe how the school will spend the funds received through the consolidated application to improve student achievement. The school district governing board must

review and approve the plan. This replaced the disparate plans required for some state and federal programs.

Small Districts

For revenue limits: an elementary district with fewer than 101 students (based on average daily attendance or ADA); a high school district with fewer than 301 students (ADA); and a unified (K–12) district with fewer than 1,501 students (ADA). For some other purposes, a small elementary district is defined as fewer than 901 (ADA). In California, more than 40% of districts have fewer than 1,000 students.

Special Education

Programs to identify and meet the educational needs of exceptional children, such as those with learning or physical handicaps. PL 94-142 requires that all handicapped children between 3 and 21 years be provided free and appropriate education.

Special Education

Local Plan Area (SELPA)

Regional group for purposes of administering Special Education services effectively and efficiently. Districts are organized into SELPAs. Some are countywide, a single large district, or part of a district; and some combine several smaller districts.

Split Roll

A system of taxing business and industrial property at a different rate from residential property.

**Standardized Account
Code Structure (SACS)**

A comprehensive system of accounting for and reporting school district revenues and expenditures. As of 2003–04, all school districts use SACS, which gives them a variety of ways to track and report financial information, including by specific programs and functions.

**Standardized Testing
and Reporting Program
(STAR)**

Statewide testing system that contains three elements: 1) California Standards Tests (CSTs), which are based on the state's academic content standards; 2) California Achievement Tests, Sixth Edition Survey (CAT/6), a nationally normed, standardized, multiple-choice, basic-skills test; and 3) Spanish Assessment of Basic Education, Second Edition (SABE/2), an additional norm-referenced test that native Spanish-speaking students take during their

first year in California public schools. Student achievement on certain STAR tests largely determines a school's statewide ranking. (See Academic Performance Index.)

State Allocation Board (SAB)

A regulatory agency that controls most state-aided capital outlay and deferred maintenance projects, and that distributes funds for them.

State Education Agency (SEA)

The agency primarily responsible for the supervision of a state's public elementary and secondary schools, such as the California Department of Education.

State Teachers' Retirement System STRS

State law requires certificated employees, school districts, county offices of education and the state to contribute to this retirement fund.

Sunset

The termination of the regulations (but not necessarily the funding) for a categorical program. A schedule for the Legislature to consider the sunset of most state programs is in current law.

Supplemental Grants

Money given to some school districts by the state, typically to districts that are less challenged than those receiving Economic Impact Aid (EIA). In some districts these grants supplement revenue limits, while in others they go to specific programs.

Supplemental Services (under NCLB)

Additional learning opportunities, such as tutoring services, that must be provided to students from low-income families who are attending schools that have not met annual performance goals for two years in a row under the No Child Left Behind Act (NCLB). Parents can choose the appropriate services for their child from a list of approved providers. The school district pays for the services. (See Adequate Yearly Progress.)

Supply

A material item of an expendable nature that is consumed, wears out, or deteriorates with use; or one that loses its identity through fabrication or incorporation into a different or more complex unit or substance.

Tenure

A system of due process and employment guarantee for

teachers. After serving a two-year probationary period, teachers are assured continued employment in the school district unless carefully defined procedures for dismissal or layoff are successfully followed.

Titles I–X Ten sections in the federal No Child Left Behind Act (NCLB).

Title I Provides funds for educationally disadvantaged students, including the children of migrant workers. Funding is based on the number of low-income children in a school and is intended to supplement, not replace, state and district funds. The funds are distributed to school districts, which make allocations to eligible schools according to criteria in the federal law. Schools receiving Title I monies are supposed to involve parents in deciding how those funds are spent and in reviewing progress. Title I used to be called Chapter One. Part A provides basic grants for school improvement, while Part B focuses on helping schools improve their reading programs. Parts C through I provide funding for a variety of purposes, including advanced placement programs and dropout prevention.

Title II Provides funding to prepare, train, and recruit high quality teachers and principals. It also includes grants to integrate technology into the classroom.

Title III Provides funding for language instruction for English learner (EL) and immigrant students. This funding is on top of any Title I funding a school might receive. It includes specific assessment and parent notification requirements.

Title IV Provides grants for out-of-school programs aimed at keeping students safe and supporting academic achievement. Title IV includes funding for the 21st Century Community Learning Centers and the Safe and Drug Free Schools and Communities programs.

Title V Promotes informed parental choice and innovative programs by providing grants to support Innovative Programs (Part A) and Public Charter Schools (Part B). It also includes an incentive program to help charter schools meet their facility needs.

Title VI Provides funding to promote flexibility and accountability. Part A provides funds for states to improve the quality,

validity, and reliability of their testing systems. It also allows districts to transfer funds among certain titles to most effectively meet student needs. Part B provides extra grant funds and flexibility to school districts that are located in rural areas and serve fewer than 600 students.

Title VII	Covers Indian, Native Hawaiian, and Alaska Native Education.
Title VIII	Provides Impact Aid to school districts with children whose families live or work on federal property, such as military bases or Native American reservations.
Titles IX and X	Cover administrative issues.
Tuition Tax Credit	A reduction in state or federal income tax to offset a specified amount of money for private education tuition.
Unappropriated	The portion of a fund balance not segregated for specific purposes. All assets and income available for appropriation are credited to the account and General Reserve; appropriations and obligations are debited. The net value of the account represents the unappropriated fund balance.
Unencumbered	That portion of an appropriation or allotment not expended or obligated.
Unification	Joining together of all or part of an elementary school district (grades K–8) and high school district (grades 9–12) to form a new unified school district (grades K–12) with a single governing board.
Unionization	Joining together of two or more elementary or high school districts to form a single elementary (grades K–8) or high school district (grades 9–12).
Voucher	A promise of payment from the state for all or part of a student’s education expenses at a school of the student’s choice. This term is generally used for the certificates or promises that governments provide public school students so they can attend private schools of their choice.
Waivers	Permission from the State Board of Education or, in some cases, from the Superintendent of Public Instruction, to set aside the requirements of an Education Code provision upon the request of a school district.

Williams v. California

A class action lawsuit, originally filed in 2000, in which plaintiffs contend that California has failed to provide thousands of public school students—particularly low-income students and students of color—with “bare minimum necessities.” In August 2004 a tentative settlement was reached that included: accountability measures, such as empowering county superintendents to intervene in the lowest-performing schools; a commitment to provide highly qualified teachers in every core class by 2006; and about \$1.2 billion to make facilities repairs, buy textbooks, create a statewide facilities inventory, and continue the High Priority Schools Grant Program.

Abbreviations and Acronyms

AFDC	Aid to Families with Dependent Children
AHERA	Asbestos Hazard Emergency Reduction Act
AB	Assembly Bill
ACA	Assembly Constitutional Amendment
ACSA	Association of California School Administrators
ADA	Average Daily Attendance or Americans with Disabilities Act
API	Academic Performance Index
AYP	Adequate Yearly Progress
CalPERS	California Public Employees' Retirement System
CalSTRS	California State Teachers' Retirement System
CalWORKs	California Work Opportunity Responsibility to kids
CASBO	California Association of School Business Officials
CBEDS	California Basic Education Data Systems
CBEST	California Basic Education Skills Test
CDE	California Department of Education
CSBA	California School Boards Association
CSEA	California School Employees Association
CTA	California Teachers Association
COBRA	Consolidated Omnibus Budget Reconciliation Act
COE	County Office of Education
CPI	Consumer Price Index
COLA	Cost of Living Adjustment

CSR	Class Size Reduction
DP	Data Processing (now known as Information Technology)
DIS	Designated Instruction and Services
EIA	Economic Impact Aid
EL	English Learner
ESEA	Elementary and Secondary Education Act
ESL	English as a Second Language
FICA	Federal Insurance Compensation Act
FCMAT	Fiscal Crisis and Management Assistance Team
F/RPM	Free/Reduced-price Meals
FTE	Full Time Equivalent
FY	Fiscal Year
GO	General Obligation Bond
GATE	Gifted and Talented Education
HPSGP	High Priority Schools Grant Program
IDEA	Individuals with Disabilities Education Act (formerly PL 94-142)
IEP	Individualized Education Plan
II/USP	Immediate Intervention/Underperforming
IMFRP	Instructional Materials Funding Realignment
JPA	Joint Powers Authority
K-12	Kindergarten through 12 th Grade
K-14	Kindergarten through Community College
K-16	Kindergarten through Undergraduate University
LEP	Limited English Proficient

LEA	Local Education Agency
MPSE	Master Plan for Special Education
MTYRE	Multitrack, Year-round Education
M & O	Maintenance and Operations
NCLB	No Child Left Behind
NPA	Non-Public Agency
NPS	Non-Public School
OPSC	Office of Public School Construction
OTL	Opportunity to Learn
PERS	Public Employees Retirement System
PERB	Public Employment Relations Board
PL	Public Law
PSAA	Public Schools Accountability Act
ROC/ROP	Regional Occupational Center/Program
RSP	Resource Specialist Program
SAB	State Allocation Board
SACS	Standardized Account Code Structure
SARC	School Accountability Report Card
SB	Senate Bill
SBE	State Board of Education
SDC	Special Day Class
SDE	State Department of Education
SEA	State Education Agency
SELPA	Special Education Local Plan Area
SFID	School Facility Improvement District

SIP	School Improvement program
STAR	Standardized Testing and Reporting Program
STRS	State Teachers Retirement System
SUI	State Unemployment Insurance
SWP	Schoolwide Program
TANF	Temporary Assistance for Needy Families
TAP	Teaching as a Priority
TAS	Targeted Assistance School
TRANS	Tax and Revenue Anticipation Notes