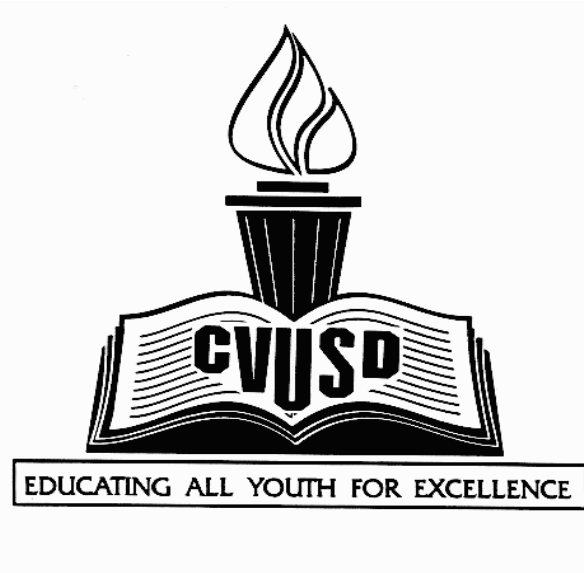


Castro Valley Unified School District



2009/2010 ***FINAL BUDGET***

Communicating the District Budget to Staff and the Community

Presented June 25, 2009

“User Friendly Version”

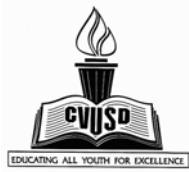
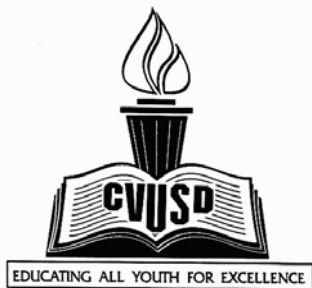


TABLE OF CONTENTS

	EXECUTIVE SUMMARY	4
	DISTRICT MISSION STATEMENT and STRATEGIC PLAN	6
SECTION I	KEY ELEMENTS OF THE BUDGET	7
	Assumptions Utilized in Budget Development	8
	Summary of Proposed Final Budget	10
	District Revenue	11
	District Revenue - Detail	12
	Enrollment and Average Daily Attendance (ADA)	14
	Revenue Limit Per ADA	15
	District Expenditures - Detail	16
	General Fund Summary	19
	District Ending Balance	20
SECTION II	PROGRAMS AND EXPENDITURES OF SIGNIFICANT INTEREST	21
	State Lottery Funds	22
	Description of District Funds	23
	Budget Development Calendar	26
	Significant Steps of the State Budget	27
SECTION III	INDIVIDUAL SCHOOL BUDGET SUMMARIES	28
	School Site Budgets	29
SECTION IV	APPENDIX - School Finance Glossary	30



Castro Valley Unified School District

BOARD OF EDUCATION

John J. Barbieri
Janice Friesen
George Granger
Jo A.S. Loss
Kunio Okui

INTERIM SUPERINTENDENT

Jerry L. Macy

P.O. BOX 2146 CASTRO VALLEY, CALIFORNIA 94546 (510) 537-3000 Fax (510) 886-8962

2009-10 Final Budget

Executive Summary

June 25, 2009

Background

Development of the 2009-10 Preliminary Budget and preparation for the school year were incredibly difficult as the impact of global economic recession and California's budget crisis continually worsened throughout the budget planning period. In February 2009 the State Legislature adopted a budget plan that addressed a \$42 billion projected State budget deficit. The February plan included immediate mid-year reductions in funding for public education which resulted in a loss of current year revenue for Castro Valley of \$2.6 million. Faced with the potential of enormous disruption to its programs, the Board chose to use one-time budget reserves, rather than making mid-year cuts, to offset this unexpected loss. Under the State budget plan the current year reduction was to be met by a further reduction of approximately \$1.2 million per year in ongoing revenue for the 2009-10 budget year. These reductions initiated the need for Castro Valley to identify and implement approximately \$4.1 million in reductions to its expenditures beginning in the 2009-10 fiscal year. The major aspects of the budget reductions are summarized below:

Major Aspects of Budget Reductions for 2009-2010

- By Level of Operations
 - District-wide Support (13.3% cut)
 - School Level (4.3% cut)
- By Employee Group
 - Management (6.7% cut)
 - Certificated (4.3% cut)
 - Classified (3.1% cut)
- Key Areas to be Fully Eliminated
 - Reading Specialists (elementary)
 - 9th Grade Class Size Reduction (CVHS)
 - Seven-period day (CVHS)
- Key Areas to be Reduced – Lower level of service
 - Athletics (all levels) (50% cut; sustain through fees/donations)
 - Counselors (secondary) (27% cut)
 - Custodians (all levels) (15% cut)
 - Home-to-School Transportation (10% cut and 15% increase in fees)
 - Librarians (secondary) (33% cut)
 - Music (22% cut; sustain through donations)
- Key Areas to be Sustained at Current Levels
 - K-3 Class Size Reduction (20 students per classroom)
 - Science program (elementary)

Continued Uncertainty

In May 2009, just three months after the February budget solutions had been adopted in Sacramento, the State further downgraded its economic outlook in its May Revise. The State took action to address the worsened outlook and proposed further reductions in funding for public education. As a result, the District was forced to revise its revenue forecast downward to the extent of another \$1.7 million per year. This reduction came late in the District budget planning process and was very fortunately offset by approximately \$2.3 million in one-time federal stimulus funding.

A high level of uncertainty still exists with regard to the State’s economic outlook and its potential additional impact on Castro Valley. Administration will implement the budget reductions already approved by the Board of education and will continue to monitor developments in the State budget. It is likely that the District budget will require updates as economic developments unfold.

Three-Year Outlook

The three-year financial outlook for Castro Valley is made somewhat more complicated by the fact that the State has used one-time or limited time solutions in resolving its budget crisis. In addition, the District has received (or will receive) short-term Federal support in the form of the American Recovery and Reinvestment Act (federal stimulus funding). While the one-time State solutions along with the Federal support provide temporary benefit to the District, Castro Valley will face further budget reductions for the 2010-11 and 2011-12 fiscal years. There are a great number of elements that will influence future budgets however at this point in time District estimates indicate a deficit of approximately \$2.3 million for the 2010-11 fiscal year. Planning will begin early to address this issue.

Jerry L. Macy
Interim Superintendent

Michael Bush
Assistant Superintendent, Business

Gael Treible
Director, Business



CASTRO VALLEY UNIFIED SCHOOL DISTRICT

Mission Statement

The mission of the Castro Valley Unified School District (CVUSD), a public pre-school through adult educational organization, is to provide all students programs of excellence that instill a passion for lifelong learning while preparing them for the challenges of tomorrow. The CVUSD will enhance students' self-esteem, help them discover and maximize their individual potential, and guide each to dignify, appreciate, respect, and accept human diversity.

Strategic Plan

Over the last several years, the Castro Valley Unified School District Board of Education has, through a series of community workshops and board meetings, developed a clear district mission; an organizational set of beliefs; and individual vision statements for each elementary, middle and high school. This plan represents the Board's commitment to provide district level support to its schools through a coordinated strategic plan which will be dynamic and responsive to ongoing change, challenge, and opportunity.

Given the accelerated pace at which change takes place, the volatility of educational funding, and changing demographics, it is important to develop plans which account for all these factors. It is equally important that districts have processes in place which can review the general assumptions upon which coordinated strategic plans are based. Finally, plans must provide sufficient implementation timelines to permit change to be supported while avoiding extensive timelines which cannot account for the environmental factors which influence them.

Based upon these assumptions, the district has developed a Strategic Plan. Castro Valley's Strategic Plan is a blend of elements from both Strategic Plans and Implementation Plans. Designed with a five-year life span, the District's Strategic Plan provides a balance between general direction and specific objectives. It permits the organization to present a clearer picture of how it expects to translate the common vision into programmatic action.

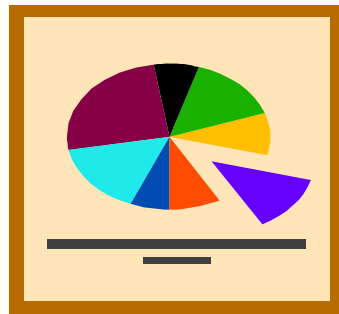
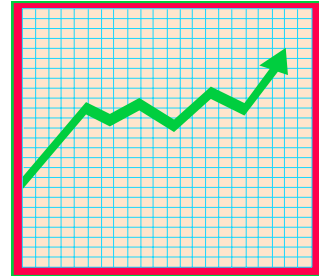
The budget reflects the financial resources available to support the Strategic Plan of the District, as well as the following annual goals presented by the Superintendent.



SECTION I

KEY ELEMENTS OF THE BUDGET

- ◆ REVENUE (INCOME)
How Much We Generate
- ◆ EXPENDITURES
How Much We Spend
- ◆ RESERVE
How Much is Allocated for Contingencies



The following section of the "User Friendly Budget" will provide detailed information regarding the District's sources of revenue, categories of expenditure, and level of reserve.





ASSUMPTIONS UTILIZED IN BUDGET DEVELOPMENT*

HOW ARE REVENUE AND EXPENDITURE PROJECTIONS ESTABLISHED?

Every year there are many unpredictable factors affecting revenue and expenditures; the extraordinary uncertainties of the current State budget crisis make this year's budget process the most difficult in history. It is critical that we develop and utilize budget assumptions based on the best information available at the time the budget is adopted. The dramatic down swing in the state budget situation makes this more challenging than ever. Consequently, the Adopted Budget should be considered a "financial snapshot" on the date it is adopted. As variables change, it is necessary to make formal adjustments, approved by the Governing Board throughout the course of the year. The 2009/10 assumptions follow.

Special Note: CVUSD is the lead school district for the Mid-Alameda County Special Education Local Plan Area (MAC SELPA). As such, funds for all four districts of the MAC SELPA flow through and are reported as part of Castro Valley's General Fund. Location of these funds are noted as appropriate.

REVENUE

- State funding of the Revenue Limit is projected to be further reduced by \$187 per ADA. The current year deficated rate of \$5,434 is \$372 less than the \$5,806 received in 2007-08. This is a reduction of \$559 per ADA over a two year period.
- Overall enrollment is expected to remain unchanged at 8,922. The average daily attendance will be 8,605.
- Lottery income is projected to be \$121 per ADA. Of this, \$11.50 per ADA must be spent on instructional materials while \$109.50 per ADA will be spent on the District's priorities.
- Interest earnings on cash balances are expected at 1.96%.
- K-3 CSR will be funded at \$1,071 per average enrollment.
- Special Education will receive no net increase for COLA.
- The Special Education Mandate will generate \$33,952 for the District.



ASSUMPTIONS UTILIZED IN BUDGET DEVELOPMENT (Cont'd.)

EXPENDITURES

- Movement on the salary schedules and longevity costs will be projected using current employees. The overall increase is typically 1.5%.
- Health and Welfare benefits will be computed based on the actual employee usage with a maximum district cost of \$5,552.
- Retiree Health and Welfare costs will be based on the District's actuarial study.
- Total school site per enrollment allocations for books, supplies and equipment will be reduced by 13% as part of the Board approved budget reductions.
- The Routine Restricted Maintenance Account (RRMA) will be reduced to reflect approved budget reductions, which take advantage of state flexibility provisions.
- Based on current trends, utilities are expected to increase 10%.
- The amount required for economic uncertainty will be maintained at the required level of 3%.
- State fiscal stimulus funds of \$2,329,677 will be included to help offset deficit spending.

**** The assumptions reflect recommendations made by the Governor in his May Revision. Subsequent budget revisions will depict proposals which have been included in the final state budget.***



SUMMARY - PROPOSED FINAL BUDGET

Year	Projected COLA	Projected Deficit Factor	Revenue Limit ADA
2009-2010	4.25%	-17.967%	8,605

DISTRICT REVENUE SOURCES (8000 - 8700)			
A.	REVENUE LIMIT INCOME		\$45,882,865
B.	OTHER REVENUE		
	Federal Revenue*		\$25,921,341
	Other State Revenue*		\$30,929,417
	State Lottery Revenue		\$1,282,119
	Other Local Revenue		\$1,156,343
	TOTAL OTHER REVENUE		\$59,289,220
	TOTAL REVENUES		\$105,172,085
DISTRICT EXPENDITURES (1000 - 7000)			
1000	Certificated Salaries		\$36,529,782
2000	Classified Salaries		\$10,621,562
3000	Employee Benefits		\$10,876,622
4000	Books and Supplies		\$2,232,478
5000	Services/Utilities/Operating Exp.		\$6,586,152
6000	Capital Outlay		\$90,000
7000	Other Outgo/Support/Uses*		\$38,452,428
	TOTAL EXPENDITURES		\$105,389,024
	REVENUE OVER EXPENDITURES		(\$216,939)

* Includes MAC SELPA revenue/expenditures



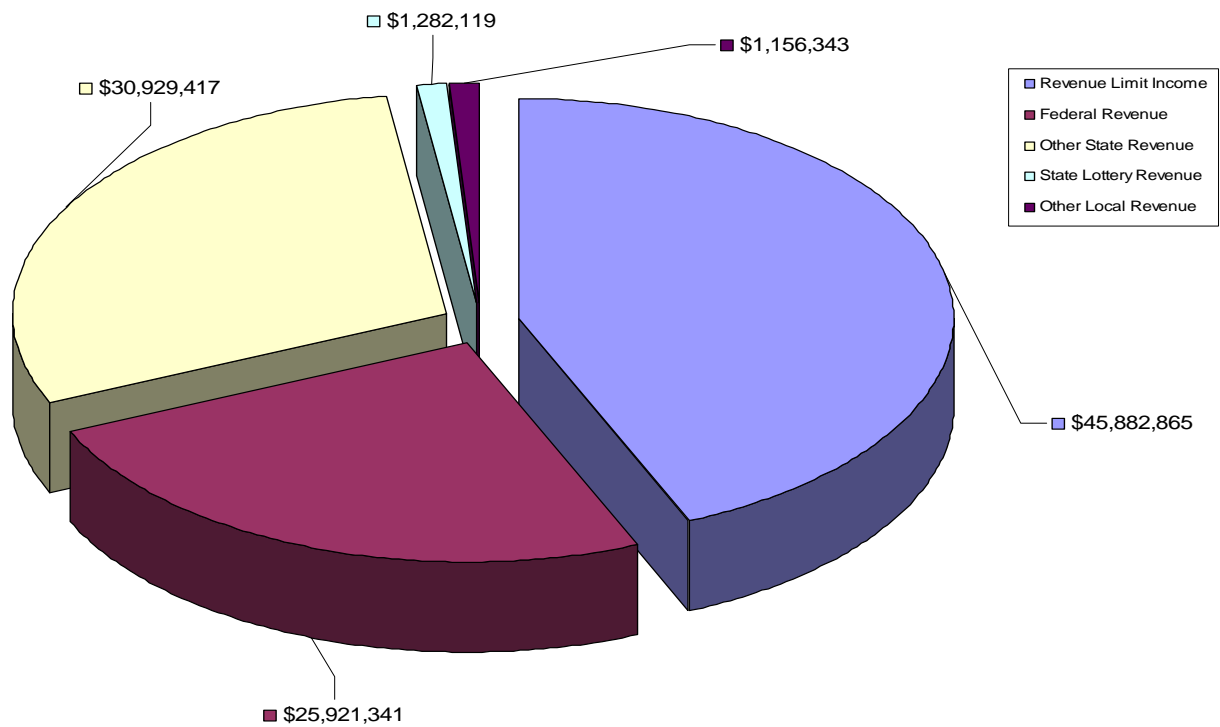
DISTRICT REVENUE

WHERE DOES THE MONEY COME FROM TO OPERATE OUR SCHOOLS?

The District derives revenue from a number of sources as shown below. The major sources of revenue are:

- Revenue Limit (State Aid and Local Taxes)
- Other State Revenue
- Federal Revenue

Details of each category shown above are reflected on pages 15 and 16.



The single largest source of income is Revenue Limit funds. The Revenue Limit calculation uses District average daily attendance (ADA) multiplied by a revenue limit amount as defined for each District, and is normally adjusted annually by State cost of living allowance (COLA).

Castro Valley's 2009-10 Revenue Limit per ADA is currently anticipated to be \$5,247, which is \$559 less than what it received in 2007-08!



DISTRICT REVENUE - DETAIL

DOES REVENUE COME FROM MANY SOURCES WITHIN EACH MAJOR INCOME CATEGORY, OR IS THERE JUST ONE “POT” OF MONEY FROM SACRAMENTO?

The following is a summary of District income by account within each major category:

		2009/2010		
<i>REVENUE LIMIT SOURCES</i>		<u>Proposed Budget</u>		
8011	Principal Apportionment/Current Year	\$31,633,384		
8021	Homeowners' Exemptions	86,245		
8022	Timber Yield Tax	20		
8041	Secured Roll Taxes	8,990,628		
8042	Unsecured Roll Taxes	601,464		
8043	Prior Years' Taxes	10,994		
8044	Supplemental Taxes	433,407		
8045	Ed. Revenue Augmentation Fund	3,572,424		
8047	Community Redevelopment Funds	17,540		
8092	PERS Reduction Transfer	271,157		
8097	Sp. Ed. Property Tax Transfer	265,602		
	TOTAL REVENUE LIMIT SOURCES	\$45,882,865		
<i>FEDERAL REVENUE</i>				
8181	Federal Handicap Law PL94-142	\$2,444,221		
8182	Sp.Ed. Discr. Grant	316,529		
8287	Pass Through Revenue (SELPA) *	19,515,906		
8290	Other Federal Income	3,644,685		
	TOTAL FEDERAL REVENUE	\$25,921,341		



District Revenue - Detail (Cont'd.)

<i>OTHER STATE REVENUE</i>		
8311	Other State Apportionments*	\$24,468,354
8434	Class Size Reduction K-3	2,552,193
8550	Mandated Costs Reimbursements	0
8560	State Lottery Revenue	1,282,119
8587	Pass Thru Revenue	284,117
8590	All Other State Revenues	3,624,753
	TOTAL OTHER STATE REVENUES	\$32,211,536
<i>OTHER LOCAL REVENUE</i>		
8650	Leases and Rentals	\$78,103
8660	Interest	225,000
8675	Transportation Fees/Individual	153,000
8677	Inter-Agency Services	215,419
8699	All Other Local Income	350,581
8791	Special Ed Transfers from Districts	134,240
8793	ROP Transfers from JPAs	0
	TOTAL OTHER LOCAL REVENUE	\$1,156,343
	TOTAL REVENUE	\$105,172,085

* Includes MAC SELPA revenue



ENROLLMENT AND AVERAGE DAILY ATTENDANCE (ADA)

HOW DOES THE DISTRICT GENERATE MONEY?

The District primarily earns income through enrollment converted to Average Daily Attendance (ADA). Enrollment is simply the total number of students enrolled in district schools; ADA is the Average Daily Attendance of those enrolled students. Average Daily Attendance computations are important because they are used as the basis for most of the district's General Fund revenue. In Castro Valley, the ADA figure historically averages about 96% of the average enrollment.

WHAT IS THE DIFFERENCE BETWEEN DISTRICT ENROLLMENT AND ADA, AND HOW DO THEY AFFECT INCOME?

The following illustrates the District enrollment and Average Daily Attendance (ADA) growth over the last eight years, plus a projection for the 2009/2010 budget year.

BUDGET YEAR	CBEDS ENROLLMENT	INCREASE		ADA	INCREASE		% ADA
		#	%		#	%	
2001/02	8,042	53	0.7	7,694	150	1.9	95.6
2002/03	8,211	169	2.1	7,859	165	2.1	95.7
2003/04	8,391	180	2.1	8,104	245	3.1	96.6
2004/05	8,543	152	1.8	8,177	73	0.9	95.7
2005/06	8,626	83	.97	8,273	96	1.2	95.9
2006/07	8,722	96	1.1	8,372	99	1.2	96.0
2007/08	8,801	79	.9	8,466	94	1.1	96.0
2008/09	8,883	82	.9	8,568	102	1.2	96.5
2009/10	8,883	-0-	-0-	8,568	-0-	-0-	96.5

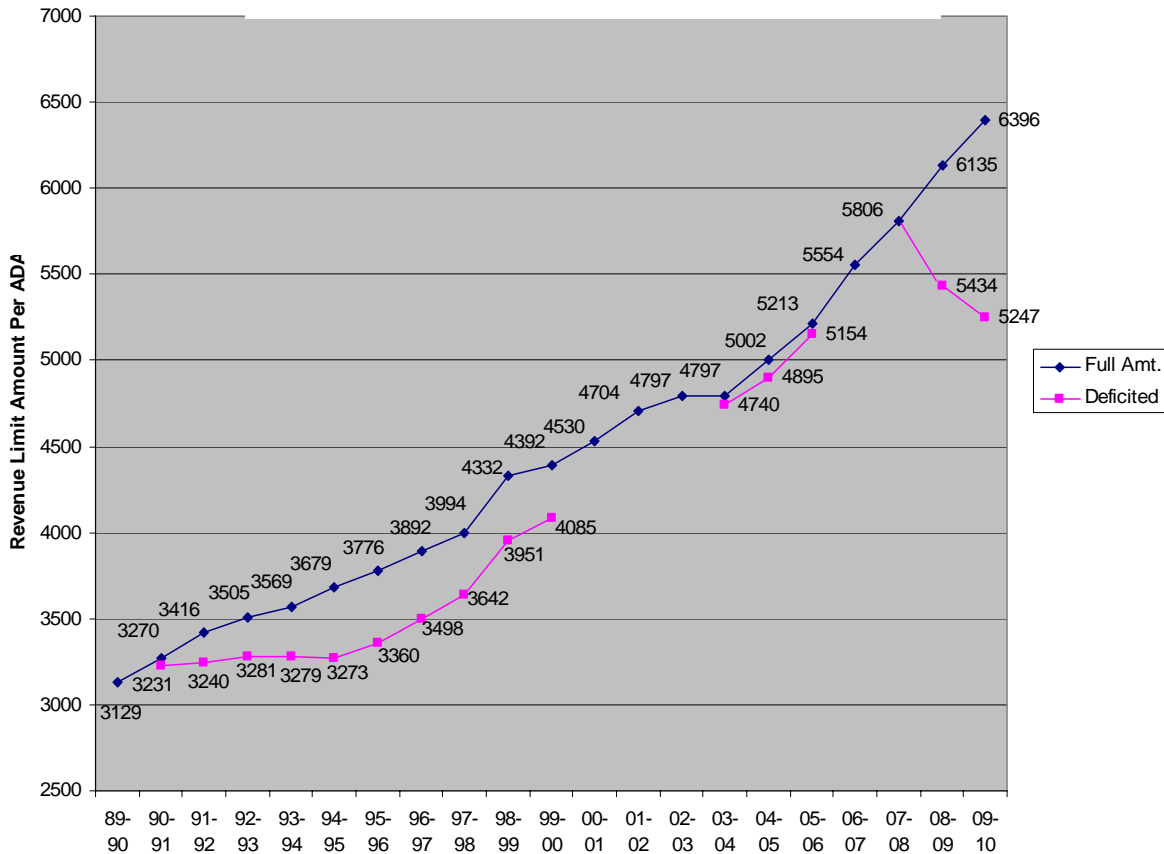


REVENUE LIMIT PER ADA

DOES THE STATE GIVE SCHOOL DISTRICTS THE FULL AMOUNT TO WHICH THEY'RE ENTITLED?

The line graph below shows a recent history of Castro Valley's Revenue Limit funding per ADA to which the District was entitled, as well as the net Revenue Limit amount that the District received when State deficit factors have been applied. In other words, the Revenue Limit was under-funded by the State from 1990-91 through 1999-2000. The deficit factor was finally eliminated in 2000-01 through 2002-03. However, the State budget situation led the Governor to reinstate the deficit factor in 2003-04. The budget for fiscal year 2006-07 eliminated the deficit factor once again but it was reinstated in 2008-2009 and has grown to nearly 18% in 2009-10!

REVENUE LIMIT ENTITLEMENTS vs. AMOUNTS ACTUALLY RECEIVED



Since 1990, Castro Valley has lost \$28,849,573 due to deficits. In 2009/10, Castro Valley will lose \$9,962,217 due to the 17.967% deficit.



DISTRICT EXPENDITURES - DETAIL

HOW ARE THE DOLLARS SPENT TO EDUCATE PUPILS IN CASTRO VALLEY?



The following is a summary of District expenditures by account within each major category:

		2009/2010
		Proposed Budget
CERTIFICATED SALARIES		
1100	Teachers' Salaries	\$30,710,271
1200	Librarians' Salaries	93,986
1300	School Administrators' Salaries	2,493,581
1300	Directors, Coordinators & Other Admin.	807,521
1300	Assistant Superintendents' Salaries	156,332
1500	Guidance, Welfare, & Attendance Salaries	1,623,887
1600	Physical Health Salaries	187,514
1900	Other Certificated Salaries	456,690
TOTAL CERTIFICATED SALARIES		\$36,529,782
CLASSIFIED SALARIES		
2100	Instructional Assistants' Salaries	\$2,918,791
2200	Classified Support Salaries	2,634,831
2300	Supt./Dep.Supt./Supervisors & Admin.	1,179,463
2400	Clerical and Office	3,106,002
2600	Transportation Salaries	298,133
2900	Other Classified Salaries	484,342
TOTAL CLASSIFIED SALARIES		\$10,621,562



DISTRICT EXPENDITURES - DETAIL (Cont'd.)

		2009/2010
EMPLOYEE BENEFITS		Proposed Budget
3101-3102	State Teachers Retirement System (STRS)	\$2,943,991
3201-3202	Public Employees Retirement System (PERS)	764,647
3301-3306	Social Security (OASDI, Medicare, Alternative)	1,169,424
3401-3402	Health and Welfare Benefits	3,524,987
3501-3502	Unemployment Insurance	133,477
3601-3602	Workers' Compensation	759,802
3701-3702	Retiree Health and Welfare	1,311,951
3801-3802	PERS Reduction from Revenue Limit	227,631
3901-3902	Other Employee Benefits	40,712
TOTAL EMPLOYEE BENEFITS		\$10,876,622
BOOKS AND SUPPLIES		
4100	Textbooks	\$442,418
4200	Books Other Than Textbooks	31,596
4300	Materials and Supplies	1,487,758
4400	Consumable Equipment	270,706
TOTAL BOOKS AND SUPPLIES		\$2,232,478
SERVICES, OTHER OPERATING EXPENSES		
5100	Sub-Agreements	\$684,000
5200	Travel and Conferences	189,106
5300	Dues and Memberships	49,050
5400	Insurance	492,366
5500	Utilities and Housekeeping services	1,712,500
5600	Rentals, Leases and Repairs	562,086
5700	Interfund Transfers	(56,588)
5800	Other Services and Operating Expenditures	2,794,782
5900	Communications	158,850
TOTAL SERVICES, OTHER OPERATING EXP.		\$6,586,152

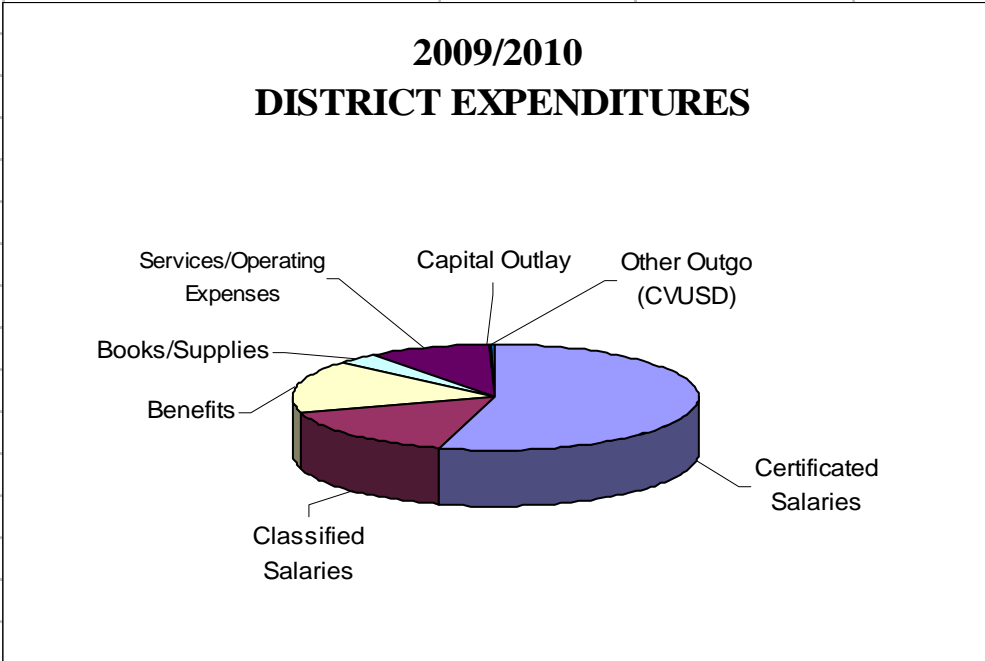


DISTRICT EXPENDITURES - DETAIL (Cont'd.)

		2009/2010
		Proposed Budget
CAPITAL OUTLAY		
6100	Sites and Improvements of Sites	\$0
6200	Buildings and Improvements of Buildings	0
6400	Equipment/Software	40,000
6500	Equipment Replacement	50,000
	TOTAL CAPITAL OUTLAY	\$90,000
OTHER OUTGO		
7130	State Special Schools	\$12,000
7211	SELPA Pass Through Revenues to Districts	19,800,023
7221	SELPA Transfers	18,890,617
7223	Transfer of Apportionments to JPAs	0
	TOTAL OTHER OUTGO	\$38,702,640
DIRECT SUPPORT/INDIRECT COSTS		
7350	Interfund Transfers of Direct Support/Indirect Costs	(\$250,212)
	TOTAL DIRECT SUPPORT/INDIRECT COSTS	(\$250,212)
INTERFUND TRANSFERS/OTHER USES		
7611	To: Child Development	\$0
7615	To: Deferred Maintenance Fund	0
7616	To: Cafeteria Fund - Needy Meals Revenue	0
7619	Other Interfund Transfers/Debt Services	0
	TOTAL INTERFUND TRANSFERS/OTHER USE	\$0
	TOTAL EXPENDITURES/OTHER OUTGO/TRANSFERS	\$105,389,024



GENERAL FUND SUMMARY			
2009/2010			
Total Projected Revenue			\$105,172,085
Total Projected Expenditures			\$105,389,024
Revenue to Expenditures			(\$216,939)
Certificated Salaries	\$36,529,782	54.8%	
Classified Salaries	\$10,621,562	15.9%	
Benefits	\$10,876,622	16.3%	
Books/Supplies	\$2,232,478	3.3%	
Services/Operating Expenses	\$6,586,152	9.9%	
Capital Outlay	\$90,000	0.1%	
Other Outgo (CVUSD)	(\$238,212)	-0.3%	
TOTAL	\$66,698,384	100.0%	
* Other Outgo (Other Districts)	\$38,690,640		
GRAND TOTAL	\$105,389,024		





DISTRICT ENDING BALANCE

WHAT MAKES UP THE ENDING BALANCE? HOW MUCH MONEY IS LEFT OVER AT THE END OF THE YEAR? WHY CAN'T WE SPEND IT?

The "Total Budget" includes the beginning balance and all anticipated income for the year. The "Ending Balance" is made up of the resources that are required or remain after expenditures are deducted from the total budget amount. The ending balance is made up of restricted and unrestricted amounts which include the reserves.

<i>COMPONENTS OF THE PROJECTED 2008/2009 ENDING BALANCE</i>		
<i>RESTRICTED AMOUNTS</i>		
Restricted Carry Over		\$677,195
Revolving Cash		62,000
Stores		24,386
Prepaid Expenses		15,740
Designated for Economic Uncertainties		2,297,425
TOTAL RESTRICTED AMOUNTS		\$3,076,746
<i>UNRESTRICTED AMOUNTS</i>		
Board Designated Amounts		
Site Carry Over		\$533,881
Reserve for Declining Enrollment		0
Step and Column		0
Mandated Cost		574,817
Technology Investment		502,000
Textbooks		0
TOTAL UNRESTRICTED RESERVE AMOUNTS		\$1,610,698
TOTAL ENDING BALANCE*		\$4,687,444
* The Ending Balance is only an estimate at this time. The Actual Balance will not be available until Year-End Closing is completed in late August.		



SECTION II

PROGRAMS AND EXPENDITURES OF SIGNIFICANT INTEREST

*WHAT ISSUES ALWAYS SEEM TO
COME UP WHEN TALKING
ABOUT SCHOOL BUDGETS?*



LOTTERY FUNDS

SPECIAL PURPOSE FUNDS

TIMELINE FOR BUDGET DEVELOPMENT

- LOCAL

- STATE



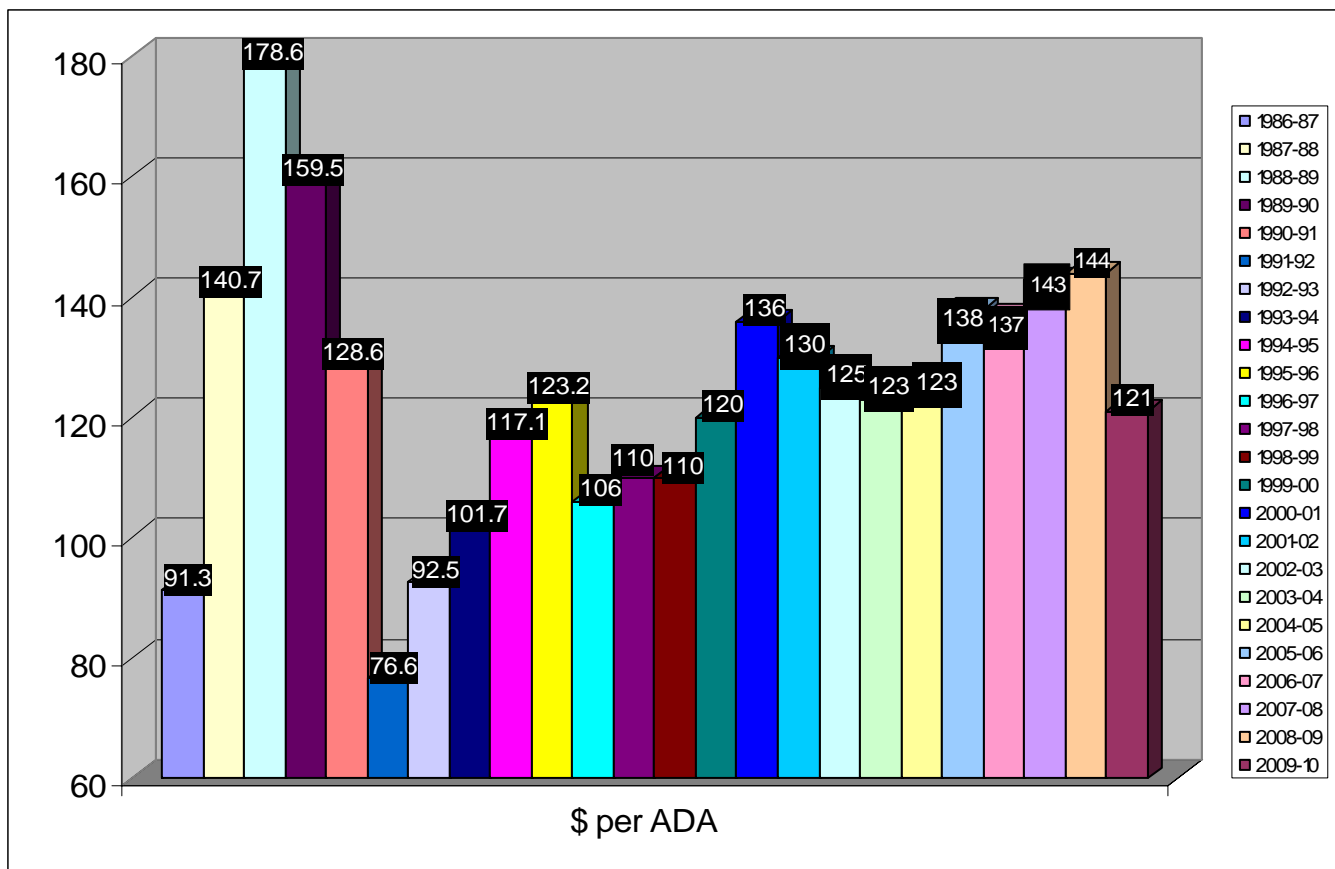


STATE LOTTERY FUNDS

HOW DO LOTTERY DOLLARS HELP?

School districts in California received proceeds from the State Lottery for the first time in 1986/87. Over the years, lottery income has proven to be an *unstable* source of income fluctuating tremendously, from a “high point” of \$178 per ADA in 1988/89 to a low point of \$77 per ADA in 1991/92. Funding for the 2009/2010 year is expected to be at approximately \$121 per ADA.

CALIFORNIA STATE LOTTERY



Lottery funding is now based on annual ADA times 1.04446 (the statewide average factor to offset excused absences)

Source: School Services of California



DESCRIPTION OF DISTRICT FUNDS

DOES THE DISTRICT HAVE SPECIAL FUNDS FOR SPECIFIC PURPOSES OTHER THAN THOSE TO OPERATE THE SCHOOLS?

In addition to the General Fund, which is used to operate the schools, the District operates other special purpose funds as authorized or required by law. The funds are as follows:

ADULT EDUCATION FUNDS

The Adult Education Fund exists to account separately for Federal, State and Local revenue and expenditures for the District's adult programs.

CAFETERIA FUND

The Cafeteria Fund records Federal, State and Local income and expenditures associated with operation of the District's food service program.

CHILD DEVELOPMENT FUND (State Preschool)

The Child Development Fund separates Federal, State and Local income to operate child development programs. This fund is used in Castro Valley to record all income and expenditures associated with the State Preschool program.

DEFERRED MAINTENANCE FUND

The Deferred Maintenance Fund records State apportionments and District contributions for deferred maintenance purposes. Expenditures in this fund are for major repair or replacement under the plan approved by the State Allocation Board.

SPECIAL RESERVE FUND (Other Than Capital Projects)

The Special Reserve Fund for other than capital projects was designated by the Board to serve as an emergency reserve for the General Fund.

BUILDING FUND

The Building Fund reflects proceeds from sale of real property and Certificates of Participation (COPs and Measure C Bonds) which can only be used to support the acquisition or construction of major capital facilities.

In April 1998 Measure C was approved by the voters of Castro Valley. The proceeds of approximately \$36.5 million are limited to the construction projects presented to the voters. Proceeds were disbursed in increments of approximately \$6 million every two years through 2005.

In March 2002 a second Measure C was subsequently approved by the Castro Valley voters. The proceeds of the \$16.8 million are likewise limited to the projects presented to the voters. The first allocation of approximately \$8.4 million was made in 2002 and the last allocation of a similar amount was made in 2004.



DESCRIPTION OF DISTRICT FUNDS (Cont'd.)

In November 2005, Castro Valley voters approved a third school facilities bond (Measure B). The proceeds of approximately \$44 million are limited to the projects presented to the voters. The first bond issuance (\$24 million) was made in April 2006. The second and last issuance (\$20 million) was made in August 2007.

CAPITAL FACILITIES FUND

The Capital Facilities Fund records fees levied upon developers or other agencies as a condition of approving a development project. These funds are used to provide additional school facilities for the increased growth associated with increased development.

SPECIAL RESERVE FUND (Capital Projects)

The Special Reserve Fund for capital outlay projects exists primarily to provide for the accumulation of General Fund monies for capital outlay purposes. Other authorized revenues are proceeds from the sale of real property, rentals and leases of real property and excess amounts sufficient to pay all unpaid bond obligations. Authorized transfers must be expended for capital outlay purposes. Proceeds from the sale of surplus District property were deposited to this fund.

TAX OVERRIDE FUND

The Tax Override Fund exists for the repayment of voted indebtedness tax levies (other than Bond Interest and Redemption Fund repayments) to be financed from ad valorem tax levied. Even though the final payment was made in 1990-91, delinquent taxes are occasionally received. These funds are to be used for capital projects.

SELF-INSURANCE FUND

The Self Insurance Fund is used to record the Other Post Employment Benefits that are the contracted obligation of the District.



DESCRIPTION OF DISTRICT FUNDS (Cont'd.)

OTHER DISTRICT FUNDS			
Adult Education	\$4,237,671		
Child Development	\$89,625		
Cafeteria	\$2,645,515		
Deferred Maintenance	\$2,038,943		
Special Reserve	\$1,177,304		
Building Fund	\$1,107,420		
Capital Facilities	\$786,542		
Capital Projects	\$989,235		
Tax Override	\$481,529		
Self-Insurance Fund	\$4,296		
Other District Funds			
Total 2009/10 Income & Beginning Balance			
Amounts by Fund			



BUDGET DEVELOPMENT CALENDAR

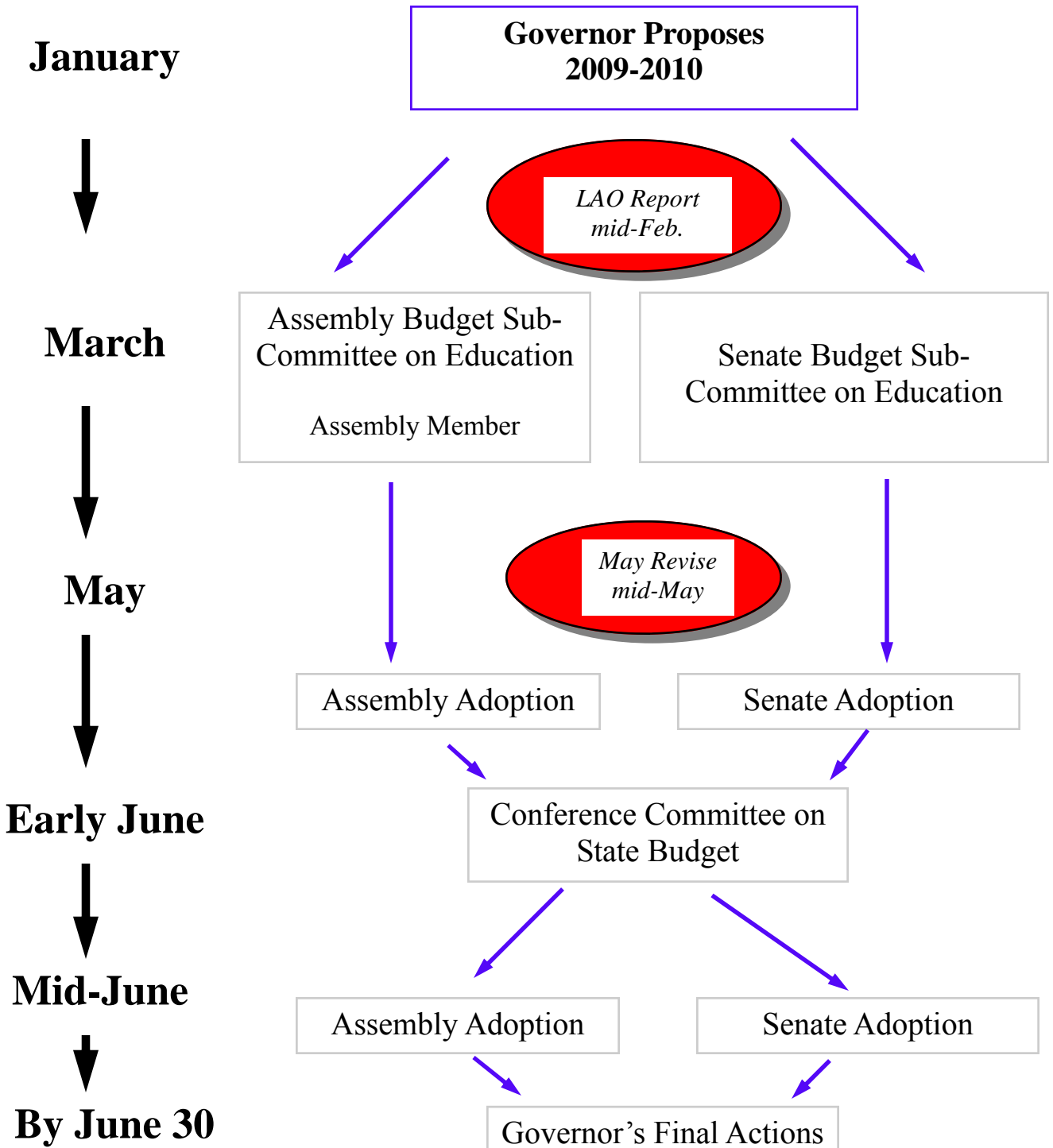
The Budget Development Calendar presents an overview of the District's budget process identifying key events. The calendar ensures adequate planning time and compliance with State mandated requirements. The dates outlined below are subject to minor changes depending on Board meetings and the receipt of timely information from the State.

October through December	Communicate budget situation through Superintendent's site meetings and visits
	Monitor developments in Sacramento
	Identify and assess potential 2009-2010 actions requiring long lead time to analyze/implement, including alignment of budget with district goals and objectives
December	Accept 2008-2009 audit report
	Adopt 2010-2011 Budget Development Calendar
	Prepare and adopt 2009-2010 First Interim Report and provide budget analysis
January	Develop estimate of enrollment and ADA
	Review Governor's proposed 2010-2011 State budget and impact on district
February	Present 2010-2011 preliminary budget assumptions and projections, including results of needs assessment
	Distribute basic budget development forms and allocations to Program Managers
	Review budget projections
March	Program Managers return completed budget development forms to Director of Business Services; budget priorities defined
	Prepare and adopt 2009-2010 Second Interim Report and provide budget analysis
	Prepare preliminary staffing projections
April	Revise enrollment projections and finalize staffing allocations
	Estimate 2009-2010 Ending Balance
	Review impact of State block grant initiatives
May	Revise income projections and expenditure budgets using latest projected State Budget COLA/ data, as adjusted by the May Revise
	Prepare proposed 2010-2011 budget
June	Present 2010-2011 proposed budget and proposed District Goals and Objectives to Board of Education
	Publish dates and locations for public inspection and public hearing
	Have proposed budget available for inspection
	Conduct public hearing
	Adopt proposed budget and District objectives
July	File SACS budget documents with County Superintendent of Schools
August	Recalculate revenue and expenditures to reflect any changes required by the Budget Act within 45 days after the budget bill is signed by the Governor
	Provide for public review and approve any necessary changes
August 15	County Office review and approval of Adopted 2010-2011 Budget
September	Adopt Gann Limit resolution
	Certify prior year unaudited actuals; file with County Superintendent of Schools





Significant Steps of the State Budget Cycle





SECTION III

INDIVIDUAL SCHOOL BUDGET SUMMARIES



What are they based on?



*How much do the individual schools
have to work with?*





SCHOOL SITE BUDGETS

In addition to the Non-Discretionary Budget allotted to a school site for staff, utilities, and custodial supplies, a discretionary allocation is given to each school based on the amount per student shown below. Most schools also receive categorical funds for special programs such as the school and library improvement block grant (SLIBG). Special Ed students are funded from the Special Education program. The charts below list Discretionary and SLIBG allocations for each school. School sites have the discretion to budget these funds to best meet the program needs of the school.

Note that these allocations have been reduced from the 2008-2009 level by 13%.

<u>SUPPLIES AND EQUIPMENT</u>		<u>CURRENT ANNUAL ALLOCATION</u>
Supplies and Equipment: (Discretionary funds allocated to each school)	Elementary	\$46.31 per regular education student
	Middle Schools	\$47.97 per regular education student
	High School	\$59.34 per regular education student
State Textbooks/ Instructional Materials Allocation	K-12	- \$50 per student

HOW MUCH DOES EACH SCHOOL RECEIVE?



2009/10 SCHOOL DISCRETIONARY ALLOCATIONS		2009/10 SLIBG ALLOCATIONS	
School	Discretionary Allocation	School	Allocation
Castro Valley Elementary	\$31,109	Castro Valley Elementary	\$25,211
Chabot Elementary	\$29,270	Chabot Elementary	\$27,486
Independent Elementary	\$36,507	Independent Elementary	\$37,532
Jensen Ranch Elementary	\$26,677	Jensen Ranch Elementary	\$23,884
Marshall Elementary	\$31,609	Marshall Elementary	\$25,905
Palomares Elementary	\$11,048	Palomares Elementary	\$8,341
Proctor Elementary	\$33,913	Proctor Elementary	\$33,931
Stanton Elementary	\$31,428	Stanton Elementary	\$25,654
Vannoy Elementary	\$30,198	Vannoy Elementary	\$23,948
Canyon Middle	\$70,406	Canyon Middle	\$69,925
Creekside Middle	\$43,062	Creekside Middle	\$41,861
Castro Valley High	\$182,245	Castro Valley High	\$151,173
Redwood Alternative	\$14,798	Redwood Alternative	\$11,321
		Curriculum (Pooled Res.)	\$115,703
TOTAL	\$572,270	TOTAL	\$621,875



SECTION IV

APPENDIX

SCHOOL FINANCE GLOSSARY

<i>APPORTIONMENTS</i>	Federal or State funds distributed to school districts or other governmental units according to established formulas.
<i>APPROPRIATIONS</i>	Funds set aside or budgeted by the state or local school districts for a specific time period and specific purpose.
<i>ADA - AVERAGE DAILY ATTENDANCE</i>	The number of students present on each school day throughout the year, divided by the total number of school days in the school year. ADA approximates 96% of the average enrollment statewide. A school district's revenue limit income is based on its ADA.
<i>BUDGET ACT</i>	The legislative vehicle for the State's budget appropriations. The Constitution requires that it be passed by a two-thirds vote of each house and sent to the Governor by June 15 each year. The Governor may reduce or delete, but not increase, individual items.
<i>CAPITAL OUTLAY</i>	Amount paid for the acquisition of or addition to fixed assets including land or existing buildings, initial or additional equipment, major renovation or reconstruction, or new schools.
<i>CATEGORICAL AID</i>	Funds from the State or Federal government granted to qualifying school districts for children with special needs, such as educationally handicapped; for special programs, such as the School Improvement Program; or for special purposes, such as the Economic Impact Aid or transportation. Expenditure of most categorical aid is restricted to its particular purpose.
<i>CERTIFICATED EMPLOYEES</i>	Employees who are required by the State to hold teaching credentials, including full-time, part-time, substitute or temporary teachers and most administrators.



SCHOOL FINANCE GLOSSARY (Cont'd.)

<i>CLASSIFIED EMPLOYEES</i>	School employees who are not required to hold teaching credentials, such as secretaries, custodians, bus drivers, and some management personnel.
<i>COST OF LIVING ALLOWANCE (COLA)</i>	An increase in funding for revenue limits or categorical programs. Current law ties COLAs to various economic indicators.
<i>DEFERRED MAINTENANCE</i>	Major repairs of buildings and equipment which have been postponed by the school district. Some matching State funds are available to districts which establish a deferred maintenance program.
<i>DEFICITS</i>	Funding shortfalls which occur whenever the State appropriations are insufficient to fund local district and county entitlements.
<i>DIRECT SUPPORT</i>	Charges for support programs and services that directly benefit other programs.
<i>EIA -ECONOMIC IMPACT</i>	State categorical aid for districts with concentrations of children who are bilingual, transient, or from low income families.
<i>EDUCATION CODE</i>	The body of law which regulates education in California. Additional regulations are contained in the California Administrative Code, Titles 5 and 8, the Government Code, and general statutes.
<i>EDUCATION REVENUE AUGMENTATION FUND (ERAF)</i>	Local tax revenue that has been moved from other areas to replace funds that were formerly apportioned by the State. The net effect is no change in funds to public schools.
<i>ENDING BALANCE</i>	The ending balance is made up of the resources that are required or remain after expenditures are deducted from the total budget amount.
<i>ESL -ENGLISH AS A SECOND LANGUAGE</i>	Refer to description of EIA funds above. This is a term used to refer to categorical and non-categorical aid used to support bilingual education.
<i>FTE -FULL TIME EQUIVALENT</i>	Term used to indicate an employee or combination of employees working an equivalent number of hours per day or per week to constitute a full-time position.



SCHOOL FINANCE GLOSSARY (Cont'd.)

<i>GATE - GIFTED AND TALENTED EDUCATION</i>	Gifted and Talented Education program, to provide educational services to children who are identified as exceptionally able or talented.
<i>INDIRECT SUPPORT</i>	Charges for routine services which are not performed for a specific program, but which benefit many programs. These costs are allocated per a State formula to the programs that benefit from them.
<i>MANDATED COSTS</i>	School district expenditures which occur as a result of Federal or State law, court decisions, administrative regulations, or initiative measures.
<i>MASTER PLAN FOR SPECIAL EDUCATION</i>	California categorical program for the education of all handicapped children, originally enacted in 1980 and amended frequently since then.
<i>NO CHILD LEFT BEHIND (NCLB)</i>	Federal law enacted in 2002 that is the primary driver in school and student accountability nationwide. This legislation requires every state system of public education to implement a statewide accountability program that measures the “adequate yearly progress” of students, programs, and schools over time through the collection and analysis of disaggregated data.
<i>PROPOSITION 13 (1978)</i>	An initiative amendment passed in June 1978 adding Article XIII A to the California Constitution. Tax rates on secured property are restricted to no more than 1% of full cash value. Proposition 13 also defined assessed value and required a two-thirds vote to change existing taxes or levy other new taxes.
<i>PERS - PUBLIC EMPLOYEES' RETIREMENT SYSTEM</i>	State retirement program for non-certificated employees. State law requires that classified employees, school districts, and the State contribute to the Public Employees' Retirement System.
<i>RESERVES</i>	Funds required by law to be maintained in a school district budget from year to year to provide for future expenditures or to offset future losses, for working capital, or for other purposes.
<i>REVENUE LIMIT</i>	The specific amount of money a school district receives annually for its general education program from local taxes and State aid. Categorical aid is granted in addition to the revenue limit.



SCHOOL FINANCE GLOSSARY (Cont'd.)

<i>SCHOOL SITE COUNCIL</i>	Parents, students, teachers, and other staff selected by their peers to prepare a school plan and to assist in seeing that the planned activities are carried out and evaluated.
<i>SELPA</i>	Special Education Local Plan Area. Several districts combine resources to serve the needs of the Special Education students more efficiently than can be accomplished individually.
<i>SECOND PRINCIPLE APPORTIONMENT</i>	The second statutory date (June 25) by which the Department of Education must recalculate district and county funding entitlements.
<i>SECURED ROLL TAXES</i>	Local taxes based upon the assessed value of stationary property, such as land and buildings.
<i>SHORTFALL</i>	An insufficient allocation of money, requiring an additional appropriation or resulting in deficits.
<i>SIP - SCHOOL IMPROVEMENT PROGRAMS</i>	Money granted by the State to selected schools to carry out a plan developed by the school site council for improvement of the school's program.
<i>SPECIAL EDUCATION</i>	Programs to identify and meet the educational needs of exceptional children, such as those with learning or physical handicaps. Federal law PL 94-142 requires that all handicapped children between 3 and 21 years be provided free and appropriate education. See "Master Education Plan for Special Education."
<i>STRS - STATE TEACHERS RETIREMENT SYSTEM</i>	State retirement program for certificated employees. State law requires certificated employees, school districts, and the State to contribute to the State Teachers' Retirement System.
<i>TITLE I</i>	Title I is a Federal grant for integrating programs that teach to the highest level of achievement attainable. Distribution reflects a greater concentration of funds in lower income areas.
<i>TITLE V</i>	Title V consists of Federal funds consolidated into block grants to states and local districts. These funds are used primarily for curriculum development, teacher training programs, and instructional materials.