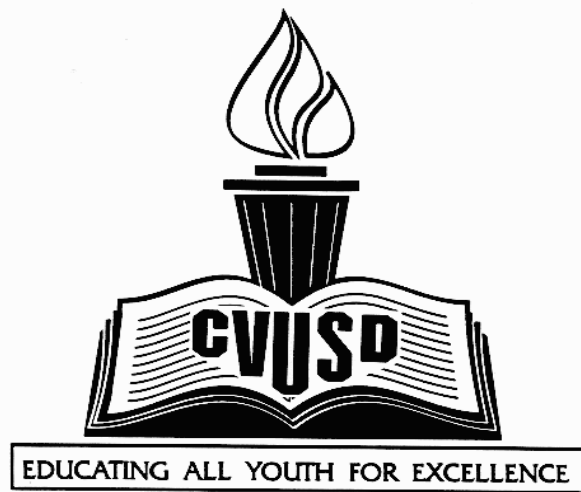


# Castro Valley Unified School District



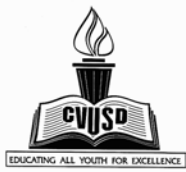
*2010-2011*

***FINAL BUDGET***

*Communicating the District Budget to Staff and the Community*

Presented June 24, 2010

*“User Friendly Version”*



**CASTRO VALLEY UNIFIED SCHOOL DISTRICT**  
4400 Alma Avenue  
Castro Valley, California 94546  
(510) 537-3000 - FAX (510) 886-7529

***BOARD OF EDUCATION***

<i>President</i>	<i>Janice Friesen</i>
<i>Vice-President/Clerk</i>	<i>George Granger</i>
<i>Member</i>	<i>John J. Barbieri</i>
<i>Member</i>	<i>Jo A. S. Loss</i>
<i>Member</i>	<i>Kunio Okui</i>

*Jim Negri*  
*Superintendent*

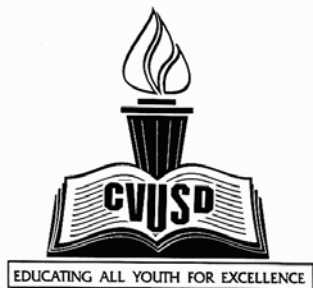
*Michael Bush*  
*Assistant Superintendent*  
*Business Services*

*Gael K. Treible*  
*Director of Business Services*



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# Castro Valley Unified School District

## BOARD OF EDUCATION

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

## INTERIM SUPERINTENDENT

Jim Negri

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

## 2010-2011 Final Budget

### Executive Summary

June 24, 2010

#### Background

On June 10<sup>th</sup>, the preliminary budget was presented and approved by the board. The final budget is being presented for adoption following a public hearing. As required, the budget was made available for public inspection.

The combined impact of economic recession, a flawed system of funding for public education and, seemingly irreconcilable legislative differences has led to a continually worsened condition for California. As a result, the state has faced significant and recurring budget shortfalls. The state currently faces a \$19.1 billion deficit and legislators have not yet agreed to the remedies. The district will adjust as appropriate when the state budget is adopted.

Over the two year period of 2008-09 and 2009-10, the district lost \$16.5 million through deficits and per-ADA (Revenue Limit) reductions. For the 2010-11 fiscal year the Revenue Limit deficit reduction is \$10.1 million. In addition, the State has identified the need to further reduce the base revenue limit by \$270 per ADA, including a negative cost-of-living-adjustment (COLA). The total unfunded revenue limit entitlement for 2010-11, with the additional \$270 and negative COLA taken into consideration, is now estimated to be \$12.2 million (see RL calculation worksheet). The cumulative unfunded Revenue Limit entitlement for the three year period is now at \$28.7 million (see page 15 User Friendly Budget). In addition, the state has made significant cuts to most categorical funding that had been used for specific educational purposes.

The Final Budget reflects the use of approximately \$2.6 million in one-time resources as well as reductions to ongoing programs and operations of approximately \$2.5 million. The reductions have amounted to the loss of about 35 full time jobs.

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 approved by the Board of Education and will continue to monitor developments in the State budget.

#### Major One-Time Resources 2010-2011

• State Federal Stimulus Funding	\$1,238,063
• Contribution to restricted programs	101,736
• Building Fund Reimbursement	200,000
• Adult Education Fund Sweep	200,000
• Override Fund Sweep	200,000
• Deferred Maintenance Sweep	150,000
• Employee Furloughs ( <i>tentative</i> )	332,152
• SOSCV! donation	60,000
• Music Parents Society donation	<u>20,000</u>
	\$2,501,951

### **Major On-Going Programs and Operations**

• K-3 Class Size from 20:1 to 25:1	\$343,200
• District level management	270,000
• All funding for athletics	156,000
• Counseling (1.5 FTE)	110,000
• Prep and Release Periods	84,000
• District Office Classified	76,241
• Maintenance Services	61,595
• Extra Duty Stipends	54,456
• Transportation Coordinator	<u>53,000</u>
	\$1,208,492

### **Elimination of Tier III Categorical Programs**

• Instructional Materials	\$318,938
• SLIP	310,000
• Professional Development BG	168,448
• SLIP 2	112,688
• School Safety/Violence Prevention	65,850
• Pupil Retention	26,036
• English Tutoring	<u>21,050</u>
	\$1,023,010

### **Continued Uncertainty**

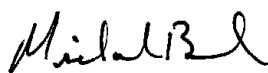
A high level of uncertainty exists with regard to the State's economic outlook and its potential additional impact on Castro Valley. Of particular concern are the severe reductions to child care, social and health programs and elimination of the CalWorks program as proposed the Governor's May Revision. If these proposals are not implemented, the resulting budget shortfall could result to even further cuts to education. 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 complicated by the fact that both the state and district have used one-time or limited time solutions in resolving the budget crisis. The one-time solutions will provide temporary benefit to the district. However, absent a nearly miraculous economic recovery, Castro Valley will face further budget reductions for the 2011-12 and 2012-13 fiscal years.



Jim Negri  
Superintendent



Michael Bush  
Assistant Superintendent, Business Services



Gael Treible  
Director, Business Services



## 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.

### Goals

**GOAL I:** All students will achieve at a level of proficiency or better in reading and mathematics by 2013-2014.

**GOAL II:** All English Learner students will become proficient in English and achieve at a level of proficiency or better in reading/language arts and mathematics.

**GOAL III:** All students will be taught by highly qualified teachers.

**GOAL IV:** All students will be educated in a learning environment that is safe, drug-free, and conducive to learning.

**GOAL V:** All students will graduate from high school

**GOAL VI:** The District will closely monitor the budget to ensure fiscal stability and implement a budget development process that includes regular communication with employees, parents, and the community accompanied by opportunities for input.

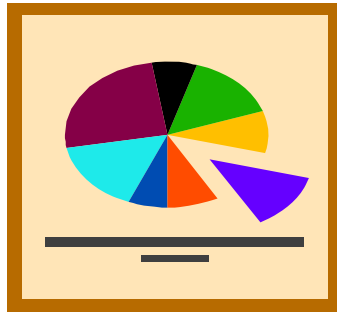
**GOAL VII:** The District will regularly and openly communicate with staff, parents, and the community to ensure an understanding of District issues and encourage involvement in district.



## 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 2010-2011 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 the district but 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 reduced by \$270 per ADA. The budget year base revenue limit is \$849 less than the \$5,806 received in 2007-08.
- Overall enrollment is expected to remain unchanged at 8,922. The average daily attendance will be 8,582, which is the bases for most revenue calculations.
- Lottery income is projected to be \$125.50 per ADA. Of this, \$14.50 per ADA must be spent on instructional materials while \$111 per ADA will be spent on the District's priorities.
- Interest earnings on cash balances are expected at 0.5%.
- K-3 CSR will be funded at \$750 per average enrollment, which reflects penalties for increased class sizes of 25:1.
- Special Education will receive no net increase for COLA.
- The Special Education Mandate will generate \$33,952 for the District.
- Categorical Flexibility will be utilized to increase revenues in the Unrestricted General Fund.



## ***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%.
- All known retirements will be incorporated into salary projections.
- 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 limited to Lottery Funds, allocated at current year rates.
- The Routine Restricted Maintenance Account (RRMA) will be reduced pursuant to temporary state flexibility provisions as a means to increase Unrestricted General Fund resources.
- Based on current trends, utilities are expected to increase 5%.
- The amount required for economic uncertainty will be maintained at the required level of 3%.
- State fiscal stimulus funds of \$1,238,063 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	Additional BRL Reduction
2010-2011	-0.39%	-18.355%	8,582	-3.85%

DISTRICT REVENUE SOURCES (8000 - 8700)			
A.	REVENUE LIMIT INCOME		\$43,460,120
B.	OTHER REVENUE		
	Federal Revenue*		\$12,003,225
	Other State Revenue*		\$32,967,426
	State Lottery Revenue		\$1,311,349
	Other Local Revenue		\$862,342
	TOTAL OTHER REVENUE		\$47,144,342
	<b>TOTAL REVENUES</b>		<b>\$90,604,462</b>
DISTRICT EXPENDITURES (1000 - 7000)			
1000	Certificated Salaries		\$33,882,649
2000	Classified Salaries		\$9,578,793
3000	Employee Benefits		\$10,686,158
4000	Books and Supplies		\$1,551,573
5000	Services/Utilities/Operating Exp.		\$6,051,997
6000	Capital Outlay		\$365,000
7000	Other Outgo/Support/Uses*		\$28,950,698
7600	Interfund Transfers		\$2,633,000
	<b>TOTAL EXPENDITURES</b>		<b>\$93,699,868</b>
	<b>REVENUE OVER EXPENDITURES</b>		<b>(\$3,095,406)</b>

\* Includes MAC SELPA revenue/expenditures



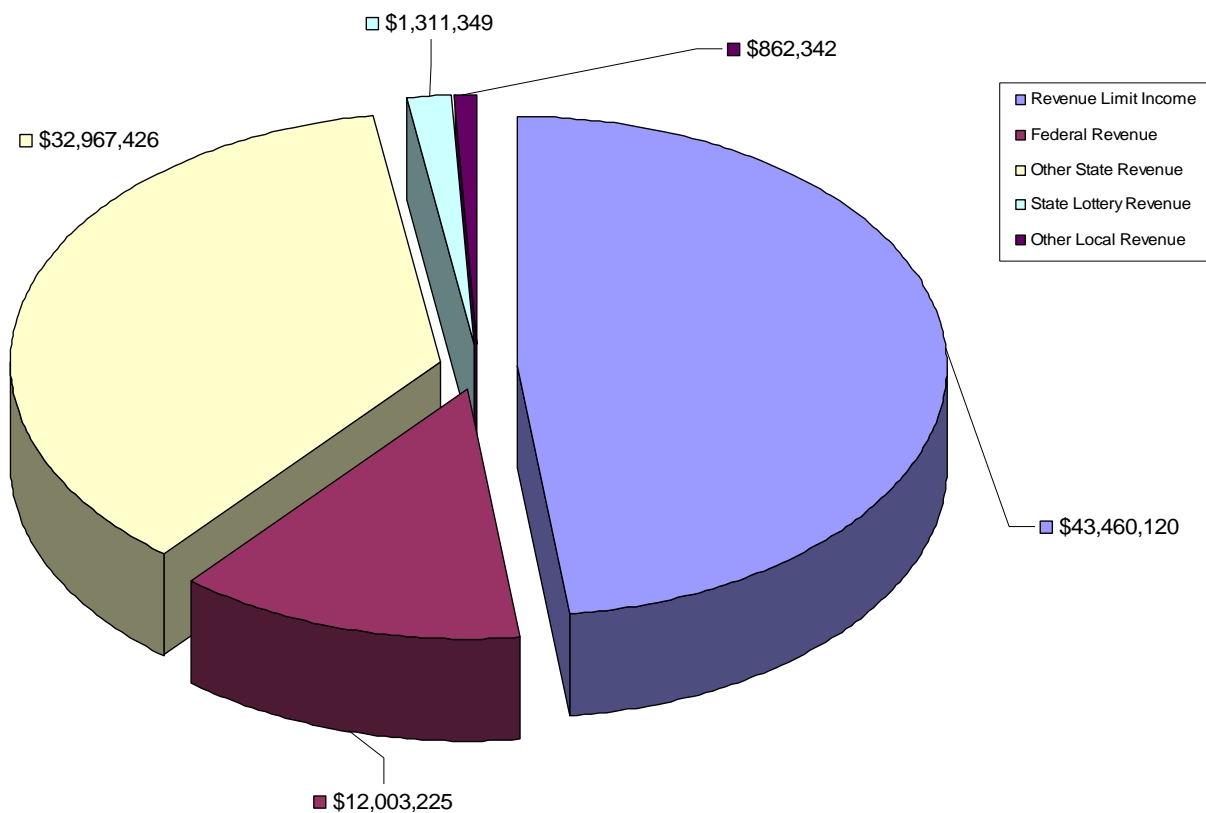
## ***DISTRICT REVENUE***

### ***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 2010-11 Revenue Limit per ADA is currently anticipated to be \$4,957, which is \$849 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:

		<b>2010-2011</b>
<b><i>REVENUE LIMIT SOURCES</i></b>		<b><u>Proposed Budget</u></b>
8011	Principal Apportionment/Current Year	\$29,247,901
8021	Homeowners' Exemptions	87,394
8022	Timber Yield Tax	26
8041	Secured Roll Taxes	7,739,308
8042	Unsecured Roll Taxes	582,832
8043	Prior Years' Taxes	22,101
8044	Supplemental Taxes	322,146
8045	Ed. Revenue Augmentation Fund	4,863,895
8047	Community Redevelopment Funds	24,531
8092	PERS Reduction Transfer	303,310
8097	Sp. Ed. Property Tax Transfer	266,676
<b>TOTAL REVENUE LIMIT SOURCES</b>		<b>\$43,460,120</b>
<b><i>FEDERAL REVENUE</i></b>		
8181	Federal Handicap Law PL94-142	\$1,394,204
8182	Sp.Ed. Discr. Grant	118,513
8287	Pass Through Revenue (SELPA) *	9,567,223
8290	Other Federal Income	923,285
<b>TOTAL FEDERAL REVENUE</b>		<b>\$12,003,225</b>



***District Revenue - Detail (Cont'd.)***

<b><i>OTHER STATE REVENUE</i></b>		
8311	Other State Apportionments*	\$24,032,501
8434	Class Size Reduction K-3	1,713,600
8550	Mandated Costs Reimbursements	0
8560	State Lottery Revenue	1,311,349
8587	Pass Thru Revenue	280,576
8590	All Other State Revenues	6,940,749
	<b>TOTAL OTHER STATE REVENUES</b>	<b>\$34,278,775</b>
<b><i>OTHER LOCAL REVENUE</i></b>		
8650	Leases and Rentals	\$219,602
8660	Interest	80,000
8675	Transportation Fees/Individual	100,000
8677	Inter-Agency Services	275,548
8699	All Other Local Income	68,000
8791	Special Ed Transfers from Districts	119,192
8793	ROP Transfers from JPAs	0
	<b>TOTAL OTHER LOCAL REVENUE</b>	<b>\$862,342</b>
<b><i>INTERFUND TRANSFERS</i></b>		
8912	From: Special Reserve	\$41,440
	<b>TOTAL INTERFUND TRANSFERS</b>	<b>\$41,440</b>
	<b>TOTAL REVENUE</b>	<b>\$90,645,902</b>

\* 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 2010-2011 budget year.

BUDGET YEAR	CBEDS ENROLLMENT	INCREASE		ADA	INCREASE		%
		#	%		#	%	
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	8,881	(2)	-0-	8,531	(37)	(.01)	96.1
2010/11	8,881	-0-	-0-	8,544	13	-0-	96.6

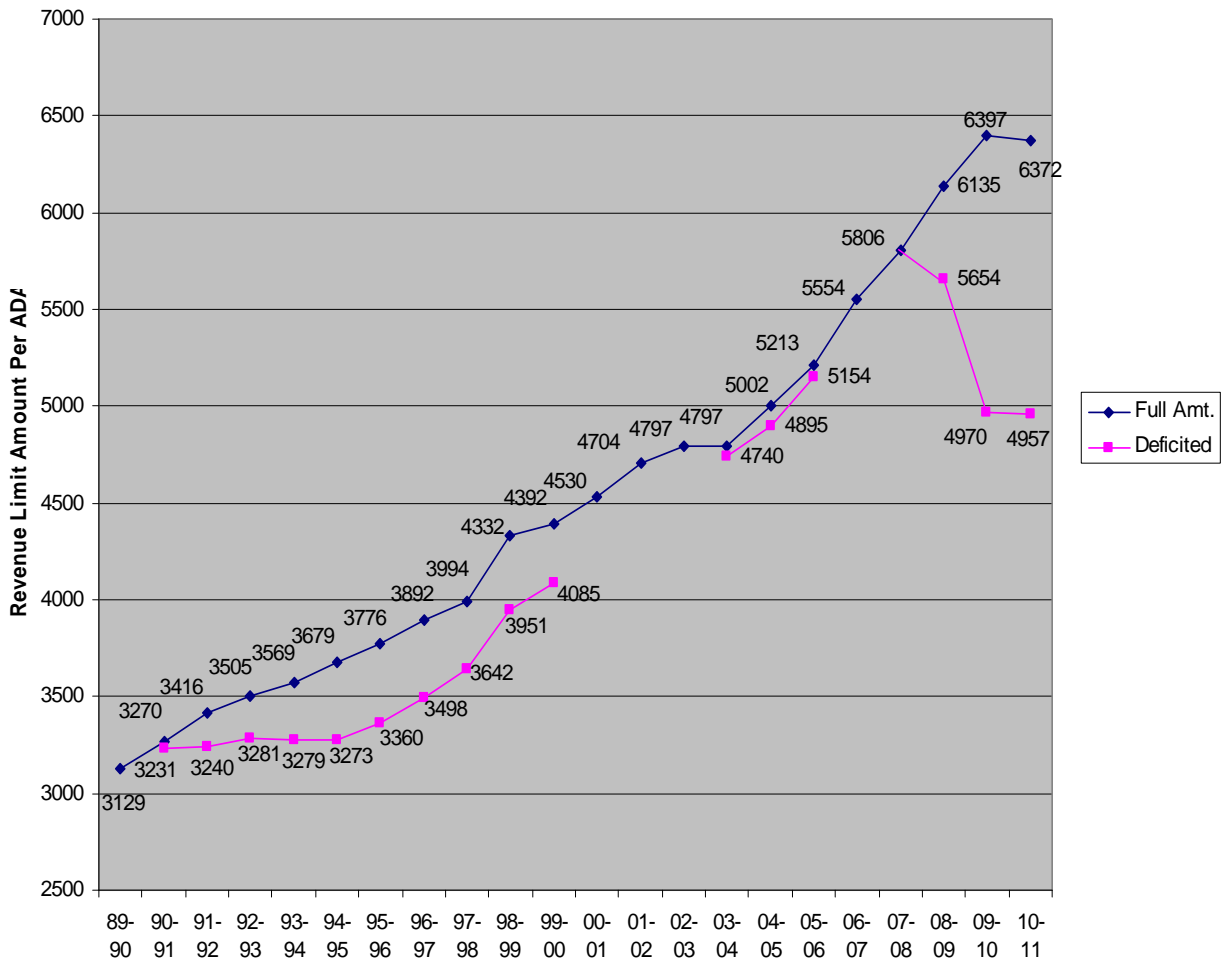


## **REVENUE LIMIT PER ADA**

### ***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. The revenue limit per ADA has been reduced over 22% in 2010-2011!

### **REVENUE LIMIT ENTITLEMENTS vs. AMOUNTS ACTUALLY RECEIVED**



From 1990 through 2005-06, Castro Valley lost \$28,849,573 due to deficits. From 2008-09 through 2010-11, Castro Valley will lose \$28,705,722 due to deficits and base revenue limit reductions. The State has fully funded the Proposition 98 Guarantee in only 4 of the last 21 years.



## ***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:

		<b>2010-2011</b>
		<b>Proposed Budget</b>
<b>CERTIFICATED SALARIES</b>		
1100	Teachers' Salaries	\$28,673,328
1200	Librarians' Salaries	93,371
1300	School Administrators' Salaries	2,290,006
1300	Directors, Coordinators & Other Admin.	622,237
1300	Assistant Superintendents' Salaries	164,114
1500	Guidance, Welfare, & Attendance Salaries	1,348,698
1600	Physical Health Salaries	187,447
1900	Other Certificated Salaries	503,448
<b>TOTAL CERTIFICATED SALARIES</b>		<b>\$33,882,649</b>
<b>CLASSIFIED SALARIES</b>		
2100	Instructional Assistants' Salaries	\$2,347,628
2200	Classified Support Salaries	2,553,489
2300	Supt./Dep.Supt./Supervisors & Admin.	1,186,105
2400	Clerical and Office	2,829,941
2600	Transportation Salaries	235,144
2900	Other Classified Salaries	426,486
<b>TOTAL CLASSIFIED SALARIES</b>		<b>\$9,578,793</b>



***DISTRICT EXPENDITURES - DETAIL (Cont'd.)***

		<b>2010-2011</b>
<b>EMPLOYEE BENEFITS</b>		<b>Proposed Budget</b>
3101-3102	State Teachers Retirement System (STRS)	\$2,756,713
3201-3202	Public Employees Retirement System (PERS)	800,003
3301-3306	Social Security (OASDI, Medicare, Alternative)	1,113,701
3401-3402	Health and Welfare Benefits	3,349,066
3501-3502	Unemployment Insurance	302,962
3601-3602	Workers' Compensation	712,641
3701-3702	Retiree Health and Welfare	1,349,421
3801-3802	PERS Reduction from Revenue Limit	260,939
3901-3902	Other Employee Benefits	40,712
<b>TOTAL EMPLOYEE BENEFITS</b>		<b>\$10,686,158</b>
<b>BOOKS AND SUPPLIES</b>		
4100	Textbooks	\$169,136
4200	Books Other Than Textbooks	7,150
4300	Materials and Supplies	1,147,010
4400	Consumable Equipment	228,277
<b>TOTAL BOOKS AND SUPPLIES</b>		<b>\$1,551,573</b>
<b>SERVICES, OTHER OPERATING EXPENSES</b>		
5100	Sub-Agreements	\$416,252
5200	Travel and Conferences	178,184
5300	Dues and Memberships	21,650
5400	Insurance	498,540
5500	Utilities and Housekeeping services	1,737,785
5600	Rentals, Leases and Repairs	380,292
5700	Interfund Transfers	(57,910)
5800	Other Services and Operating Expenditures	2,695,468
5900	Communications	181,736
<b>TOTAL SERVICES, OTHER OPERATING EXP.</b>		<b>\$6,051,997</b>

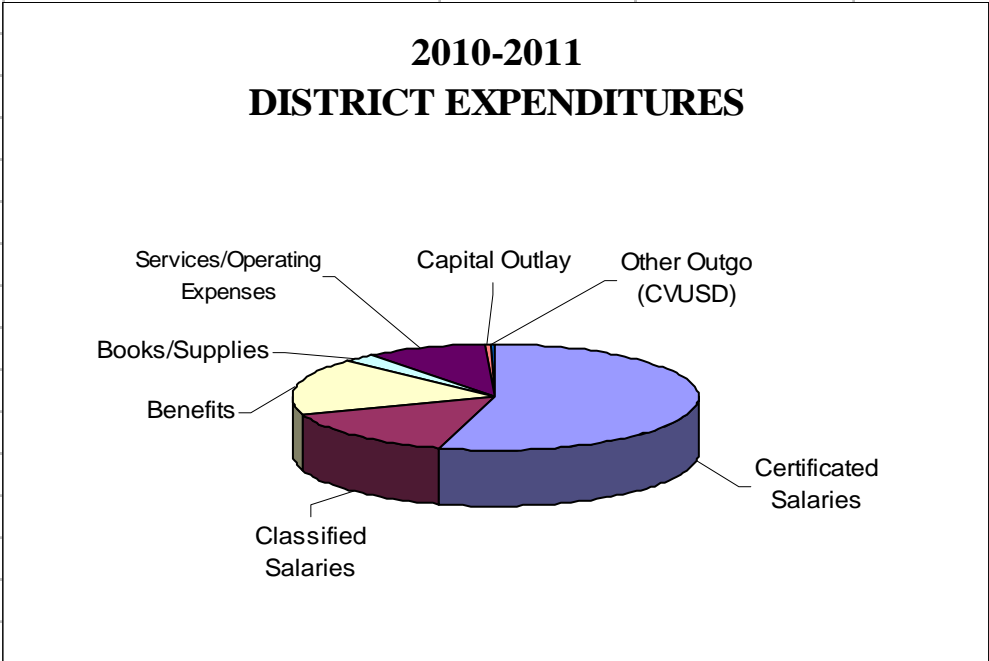


***DISTRICT EXPENDITURES - DETAIL (Cont'd.)***

		<b>2010-2011</b>
		<b>Proposed Budget</b>
<b>CAPITAL OUTLAY</b>		
6100	Sites and Improvements of Sites	\$0
6200	Buildings and Improvements of Buildings	300,000
6400	Equipment/Software	40,000
6500	Equipment Replacement	25,000
	<b>TOTAL CAPITAL OUTLAY</b>	<b>\$365,000</b>
<b>OTHER OUTGO</b>		
7130	State Special Schools	\$0
7211	SELPA Pass Through Revenues to Districts	9,847,799
7221	SELPA Transfers	18,700,002
7223	Transfer of Apportionments to JPAs	638,466
	<b>TOTAL OTHER OUTGO</b>	<b>\$29,186,267</b>
<b>DIRECT SUPPORT/INDIRECT COSTS</b>		
7350	Interfund Transfers of Direct Support/Indirect Costs	(\$235,569)
	<b>TOTAL DIRECT SUPPORT/INDIRECT COSTS</b>	<b>(\$235,569)</b>
<b>INTERFUND TRANSFERS/OTHER USES</b>		
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	2,633,000
	<b>TOTAL INTERFUND TRANSFERS/OTHER USE</b>	<b>\$2,633,000</b>
	<b>TOTAL EXPENDITURES/OTHER OUTGO/TRANSFERS</b>	<b>\$93,699,868</b>



<b>GENERAL FUND SUMMARY</b>			
<b>2010-2011</b>			
Total Projected Revenue			\$90,645,902
Total Projected Expenditures			\$93,699,868
Revenue to Expenditures			(\$3,053,966)
Certificated Salaries	\$33,882,649	54.8%	
Classified Salaries	\$9,578,793	15.5%	
Benefits	\$10,686,158	17.3%	
Books/Supplies	\$1,551,573	2.5%	
Services/Operating Expenses	\$6,051,997	9.8%	
Capital Outlay	\$365,000	0.5%	
Other Outgo (CVUSD)	(\$235,569)	-0.4%	
<b>TOTAL</b>	<b>\$61,880,601</b>	<b>100.0%</b>	
* Other Outgo (Other Districts)	\$31,819,267		
<b>GRAND TOTAL</b>	<b>\$93,699,868</b>		





## ***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.

<b><i>COMPONENTS OF THE PROJECTED 2009-2010 ENDING BALANCE</i></b>	
<b><i>RESTRICTED AMOUNTS</i></b>	
Restricted Carry Over	\$2,595,379
Revolving Cash	62,000
Stores	26,611
Prepaid Expenses	16,963
Designated for Economic Uncertainties	2,124,893
<b>TOTAL RESTRICTED AMOUNTS</b>	<b>\$4,825,846</b>
<b><i>UNRESTRICTED AMOUNTS</i></b>	
Board Designated Amounts	
Site & Department Carry Over	\$2,861,984
Revenue Limit Shortfall	116,931
Deferred Maintenance	882,070
FY10/11 One-Time Budget Solutions	2,174,093
FY11/12 One-Time Budget Solutions	610,000
Technology Investment	274,366
Textbooks	0
<b>TOTAL UNRESTRICTED RESERVE AMOUNTS</b>	<b>\$6,919,444</b>
<b><i>TOTAL ENDING BALANCE*</i></b>	<b><i>\$11,745,290</i></b>
* 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*



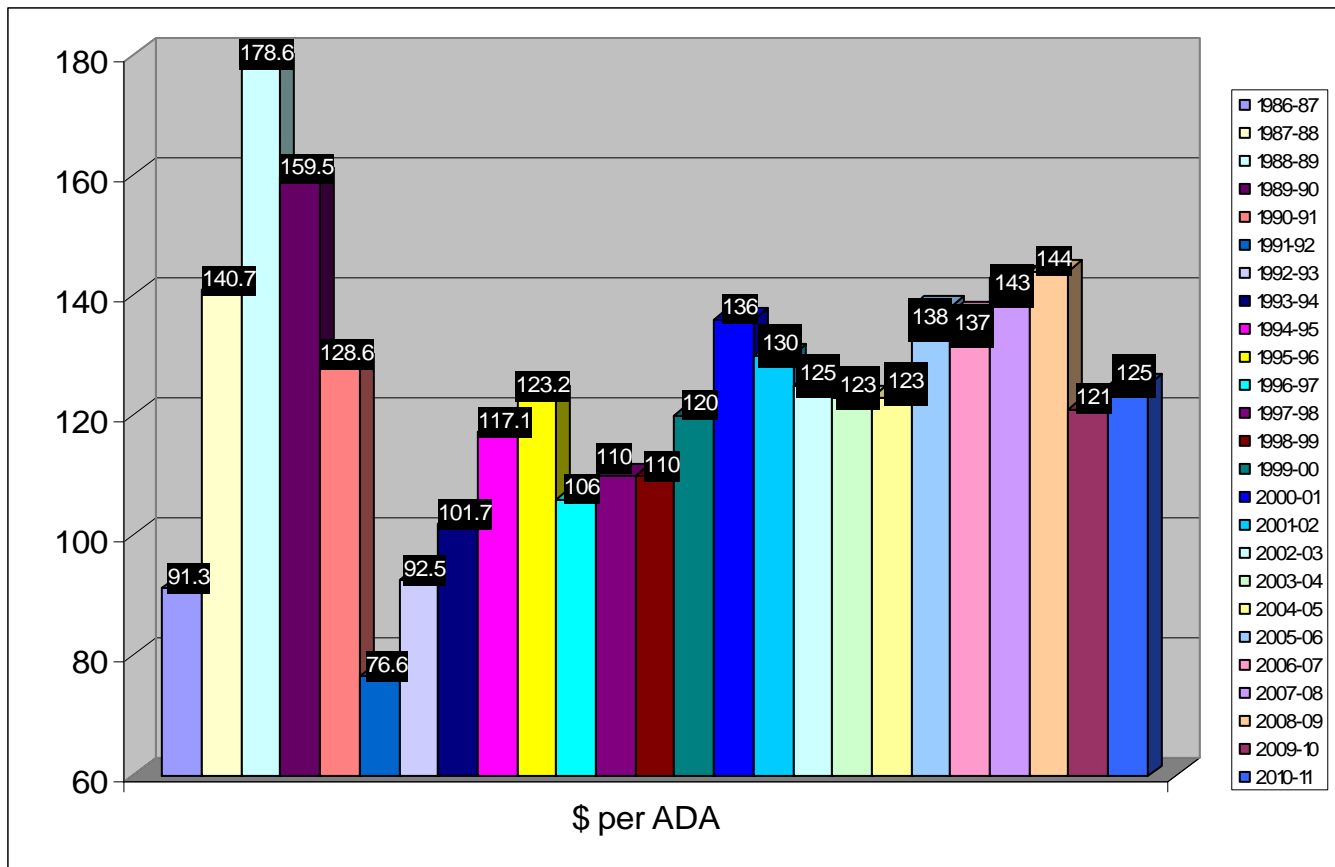


## STATE LOTTERY FUNDS

### 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 2010-2011 year is expected to be at approximately \$125 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. The use of the fund will be altered pursuant to temporary state flexibility provisions.

#### ***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 (other than Bond Interest and Redemption Fund repayments) to be financed from ad valorem tax levied. The final repayment was made in 1990-91 and the remaining assets in this fund will be transferred to the General Fund.

### ***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.)*

<b>OTHER DISTRICT FUNDS</b>																									
Adult Education	\$3,786,535																								
Child Development	\$89,625																								
Cafeteria	\$2,493,755																								
Deferred Maintenance	\$0																								
Special Reserve	\$1,299,932																								
Building Fund	\$730,749																								
Capital Facilities	\$887,008																								
Capital Projects	\$583,188																								
Tax Override	\$481,529																								
Self-Insurance Fund	\$1,492,000																								
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<b>Total 2010-2011 Income &amp; Beginning Balance</b>																									
<b>Amounts by Fund</b>																									
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## BUDGET DEVELOPMENT CALENDAR

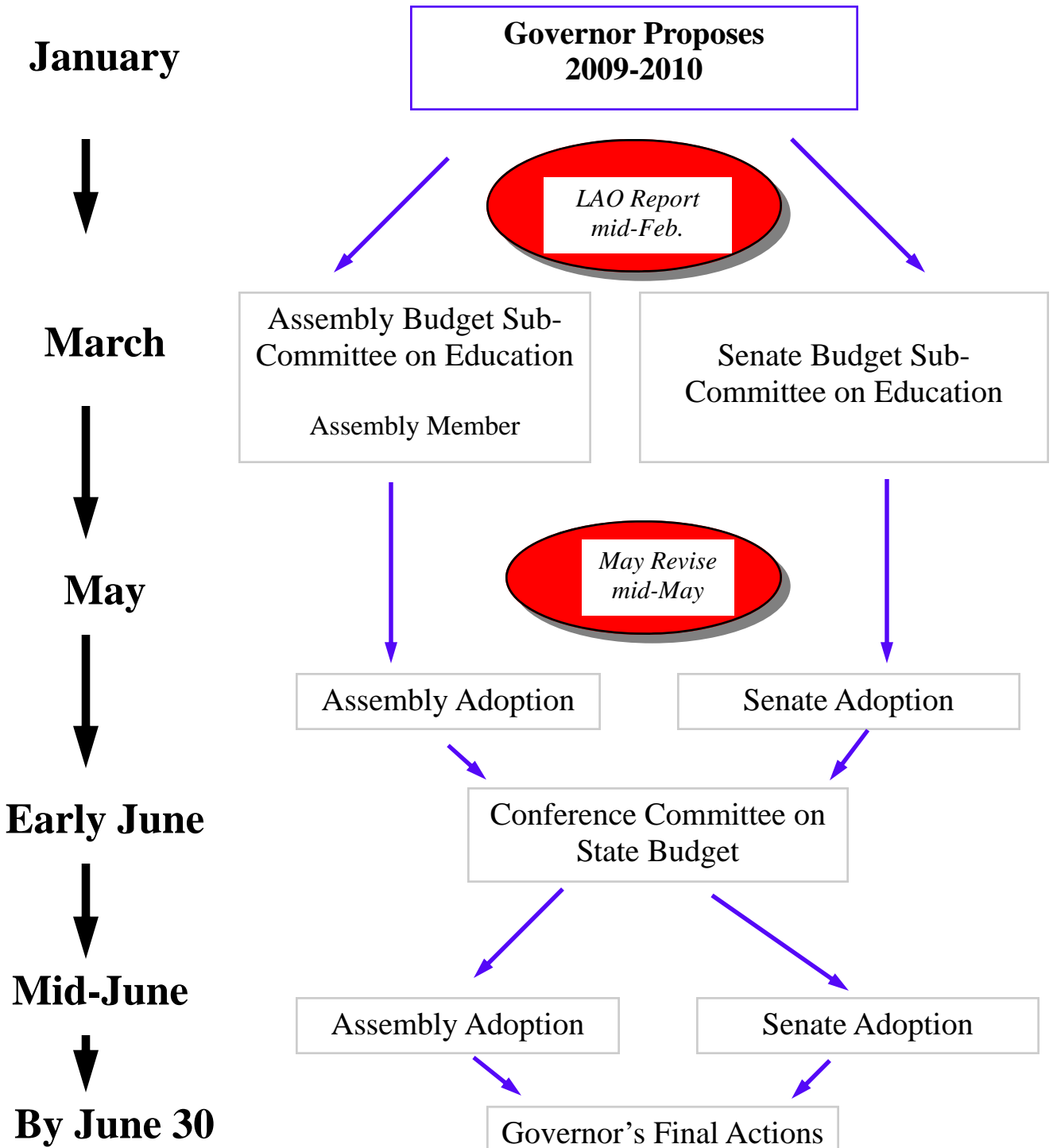
The Budget Development Calendar presents an overview of the District's budget process identifying key events. The calendar ensures adequate planning time and compliance with State mandated requirements. The dates outlined below are subject to minor changes depending on Board meetings and the receipt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

September through December	Adopt 2010-2011 Budget Development Calendar
	Communicate budget situation through All Hands, Community Forums and Parent Leadership Meetings.
	Monitor developments in Sacramento and communicate with all employee and community stakeholders.
	Identify and assess potential 2010-2011 actions requiring long lead time to analyze/implement, including alignment of budget with district goals and objectives
December	Develop budget options.
	Accept 2009-2010 audit report 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
January through May	Communicate budget situation through All Hands, Community Forums and Parent Leadership Meetings.
February	Present 2010-2011 preliminary budget assumptions and projections, including results of needs assessment
	Distribute basic budget development forms and allocations to Program Managers
	Prepare preliminary staffing and master schedule projections
	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
	Revise enrollment projections and staffing allocations
April	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 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 15th	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. Prior to the 2010-11 budget, most schools also received categorical funds for special programs such as the school and library improvement block grant. These funds were a significant addition to school budgets. Due to budgetary constraints schools will no longer receive these funds and must determine a way to conserve limited resources for the next two years. Special Ed students are funded from the Special Education program. School sites have the discretion to budget these funds to best meet the program needs of the school.

### SUPPLIES AND EQUIPMENT

### CURRENT ANNUAL ALLOCATION

Supplies and Equipment:  
(Discretionary funds allocated to each school)



Elementary	\$47.37 per regular education student
Middle Schools	\$45.34 per regular education student
High School	\$58.11 per regular education student

Lottery - Instructional Materials Allocation

K-12 - \$9 per student

## HOW MUCH DOES EACH SCHOOL RECEIVE?



2010-11 SCHOOL DISCRETIONARY ALLOCATIONS	
School	Discretionary Allocation
Castro Valley Elementary	\$27,988
Chabot Elementary	\$25,868
Independent Elementary	\$31,861
Jensen Ranch Elementary	\$23,720
Marshall Elementary	\$28,402
Palomares Elementary	\$10,016
Proctor Elementary	\$29,713
Stanton Elementary	\$28,252
Vannoy Elementary	\$27,234
Canyon Middle	\$60,019
Creekside Middle	\$36,844
Castro Valley High	\$159,789
Redwood Alternative	\$13,117
<b>TOTAL</b>	<b>\$502,823</b>



## 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.
<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.



## SCHOOL FINANCE GLOSSARY (Cont'd.)

<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
<i>EDUCATION REVENUE AUGMENTATION FUND</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
<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.
<i>GATE - GIFTED AND TALENTED</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.



## SCHOOL FINANCE GLOSSARY (Cont'd.)

<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.
<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.
<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.