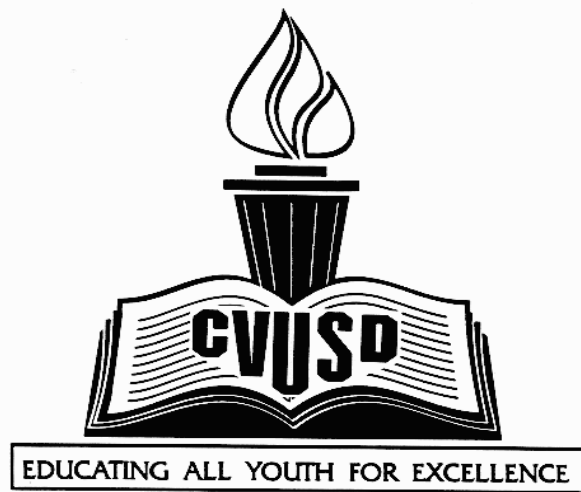


Castro Valley Unified School District



2011-2012

FINAL BUDGET

Communicating the District Budget to Staff and the Community

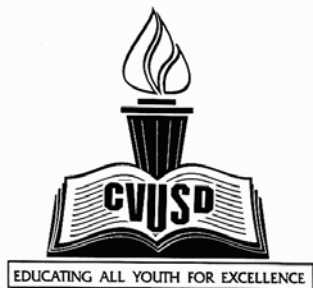
Presented June 23, 2011

“User Friendly Version”



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Castro Valley Unified School District

BOARD OF EDUCATION

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SUPERINTENDENT

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

2011-2012 Final Budget

Executive Summary

June 23, 2011

Background:

The State of California continues to struggle with economic recession and the resulting budget shortages. While the recession has created hardship on a national scale, California has experienced an especially difficult time with its relatively high unemployment and weak housing market. Today, the economy is beginning to show signs of improvement. However, California appears to be improving more slowly than the nation as a whole in terms of unemployment, a key economic indicator.

	November 2010	March 2011
National unemployment rate fell	9.8%	8.8%
California unemployment remains high	12.5%	12%

The California situation has been exacerbated by years of delay in addressing its budgetary issues. In May, Governor Edmund G. Brown, Jr. unveiled a revised state budget that reflects \$13.4 billion in real cuts, fund shifts, and loans, but the budget still depends on \$11.2 billion of new revenue to bring the budget into balance. The new revenue is proposed to come from the extension of certain current taxes. The Governor has expressed desire for voters to make this decision if the Legislature is unable to decide. Given the schedule of elections, the state could be several months into its new budget year with this very important, yet unresolved issue. The state is making progress toward fiscal stability but still faces considerable risks in a fragile economy and its need for additional revenue. On June 15th, the Legislature passed a budget, but Governor vetoes it on June 16th, leaving more unanswered questions.

Over the three-year period of 2008-09 to 2010-11, the district lost \$23.5 million through successive deficits and per-ADA (Revenue Limit) reductions. Per the Governor's May Revise budget plan no further cuts to funding are included in the district's 2011-12 budget. However, it is important to note that even with no further reductions, the district will be funded at a level that is more than **\$7 million** less than it would have received prior to the cuts.

The district has been fortunate to have received one-time resources from the federal and state governments. In 2010-11, the district received approximately \$1.7 million in Federal Education Jobs funding and approximately \$2.7 million from the 100 day late state budget, which the board has designated for future use. The district will use these one-time resources along with its own budget reserves and reductions to support on-going programs and operations and to maintain fiscal solvency. The reductions in recent years have resulted in the loss of approximately 35 full-time personnel and the valuable service that these employees provide. The one-time funding will help to provide stability for our students and employees alike. The 2011-2012 budget is included under separate cover.

Staffing Implications

The resources provided in the May Revision along with the one-time resources and reserves mentioned above will enable the district to continue programs and services without the need for further staffing reductions in 2011-12. The district will restore two furlough days (one instructional day and one staff development day) for Castro Valley Teachers Association members. The district will restore two furlough days for management and three furlough days for senior management.

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. These solutions will provide temporary benefit, but will eventually need to be replaced by on-going revenue or, in absence thereof; further budget cuts will be needed. On-going revenues are likely to be met with a pent-up demand for their use. Program restoration, new and unknown needs of student programs, and numerous inflationary pressures will compete for limited funds. The challenge will be to identify priorities that lead to student achievement while balancing all other budgetary needs of the district.



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.

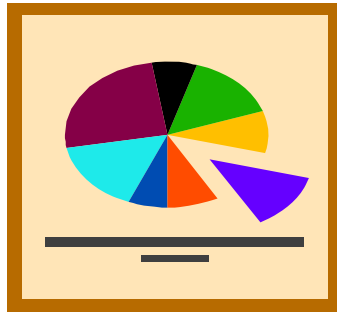
GOAL VII: The District will regularly and openly communicate with staff, parents, and the community to ensure an understanding of District issues and encourage involvement in district.



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 2011-2012 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 remain at 2010-2011 levels. The budget year base revenue limit is \$578 less than the \$5,806 received in 2007-08.
- Overall enrollment is expected to remain unchanged at 9,021. The average daily attendance will be 8,735, which is the bases for most revenue calculations.
- Lottery income is projected to be \$128.50 per ADA. Of this, \$17.50 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 0.72%.
- K-3 CSR will be funded at \$857 per average enrollment, which reflects penalties for increased class sizes of 25:1.
- Special Education will receive no net increase for COLA.
- 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 will not increase.
- The amount required for economic uncertainty will be maintained at the required level of 3%.
- Federal Education Jobs Funds of \$1,666,367 will be included to maintain lower class sizes and continue operation of the newly created SE ED class.

**** 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
2011-2012	2.24%	-19.754%	8,738

DISTRICT REVENUE SOURCES (8000 - 8700)		
A.	REVENUE LIMIT INCOME	\$47,003,141
B.	OTHER REVENUE	
	Federal Revenue	\$3,867,862
	Other State Revenue	\$14,457,592
	State Lottery Revenue	\$1,365,569
	Other Local Revenue	\$739,726
	TOTAL OTHER REVENUE	\$20,430,749
	TOTAL REVENUES	\$67,433,890
DISTRICT EXPENDITURES (1000 - 7000)		
1000	Certificated Salaries	\$35,497,889
1300	Certificated Management	
2000	Classified Salaries	\$10,420,566
2300	Classified Management	
3000	Employee Benefits	\$11,799,821
4000	Books and Supplies	\$1,718,724
5000	Services/Utilities/Operating Exp.	\$7,367,278
6000	Capital Outlay	\$358,000
7000	Other Outgo/Support/Uses*	\$3,098,201
	TOTAL EXPENDITURES	\$70,260,479
	REVENUE OVER EXPENDITURES	(\$2,826,589)



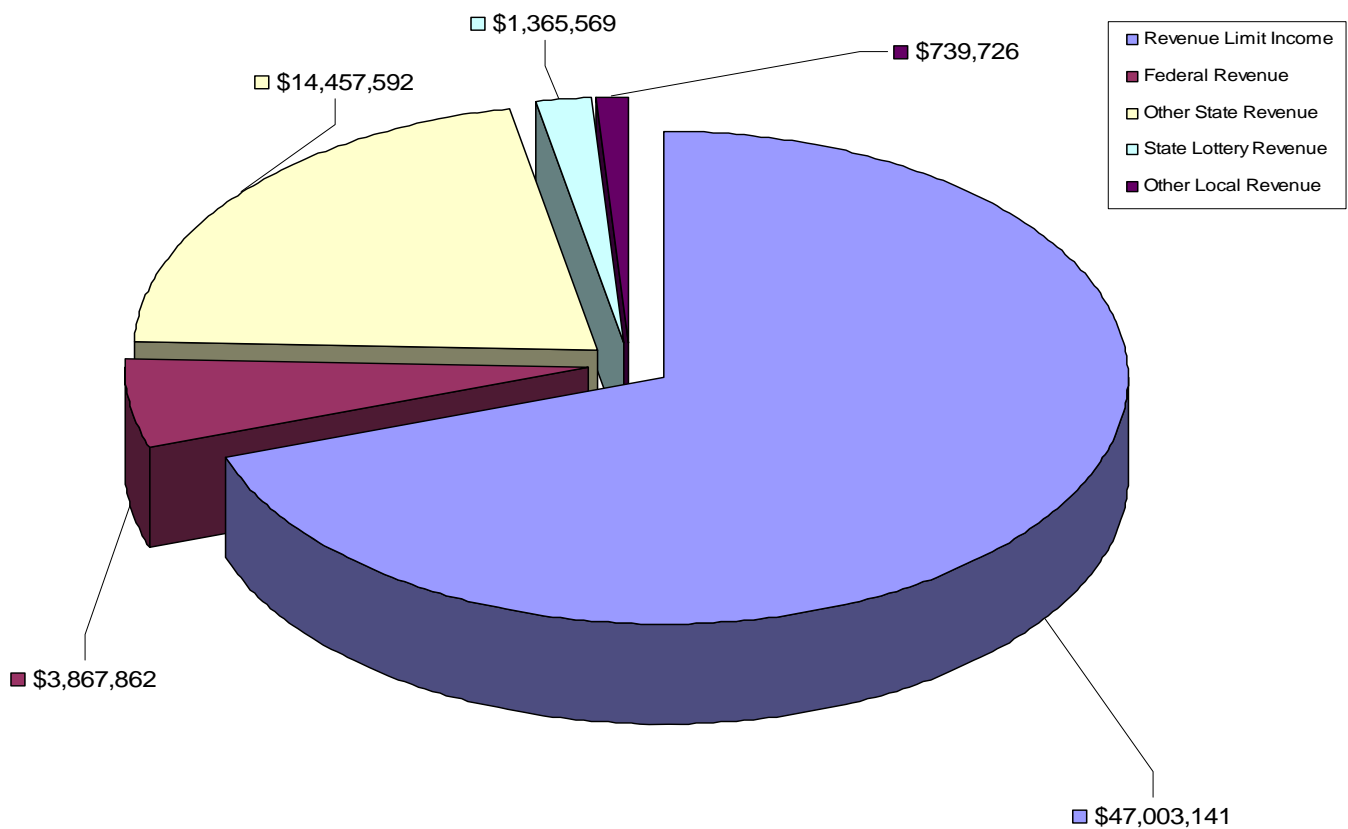
DISTRICT REVENUE

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 2011-2012 Revenue Limit per ADA is currently anticipated to be \$5,228, which is \$578 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:

		2011-2012
<i>REVENUE LIMIT SOURCES</i>		<u>Proposed Budget</u>
8011	Principal Apportionment/Current Year	\$32,720,532
8021	Homeowners' Exemptions	87,812
8022	Timber Yield Tax	16
8041	Secured Roll Taxes	8,580,794
8042	Unsecured Roll Taxes	583,158
8043	Prior Years' Taxes	8,756
8044	Supplemental Taxes	116,740
8045	Ed. Revenue Augmentation Fund	4,503,397
8047	Community Redevelopment Funds	21,925
8092	PERS Reduction Transfer	135,519
8097	Sp. Ed. Property Tax Transfer	244,492
TOTAL REVENUE LIMIT SOURCES		\$47,003,141
<i>FEDERAL REVENUE</i>		
8181	Federal Handicap Law PL94-142	\$1,293,454
8182	Sp.Ed. Discr. Grant	154,195
8287	Pass Through Revenue (SELPA) *	64,093
8290	Other Federal Income	2,356,120
TOTAL FEDERAL REVENUE		\$3,867,862



District Revenue - Detail (Cont'd.)

<i>OTHER STATE REVENUE</i>		
8311	Other State Apportionments*	\$5,828,046
8434	Class Size Reduction K-3	1,851,759
8550	Mandated Costs Reimbursements	0
8560	State Lottery Revenue	1,365,569
8587	Pass Thru Revenue	0
8590	All Other State Revenues	6,777,787
	TOTAL OTHER STATE REVENUES	\$15,823,161
<i>OTHER LOCAL REVENUE</i>		
8650	Leases and Rentals	\$252,693
8660	Interest	80,000
8675	Transportation Fees/Individual	100,000
8677	Inter-Agency Services	161,647
8699	All Other Local Income	145,386
8791	Special Ed Transfers from Districts	0
8793	ROP Transfers from JPAs	0
	TOTAL OTHER LOCAL REVENUE	\$739,726
<i>INTERFUND TRANSFERS</i>		
8912	From: Special Reserve	\$0
	TOTAL INTERFUND TRANSFERS	\$0
	TOTAL REVENUE	\$67,443,890

* 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 2011-2012 budget year.

BUDGET YEAR	CBEDS ENROLLMENT	INCREASE		ADA	INCREASE		%
		#	%		#	%	
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	8,995	-0-	-0-	8,738	13	-0-	97.1
2011/12	8,995	-0-	-0-	8,738	-0-	-0-	97.1

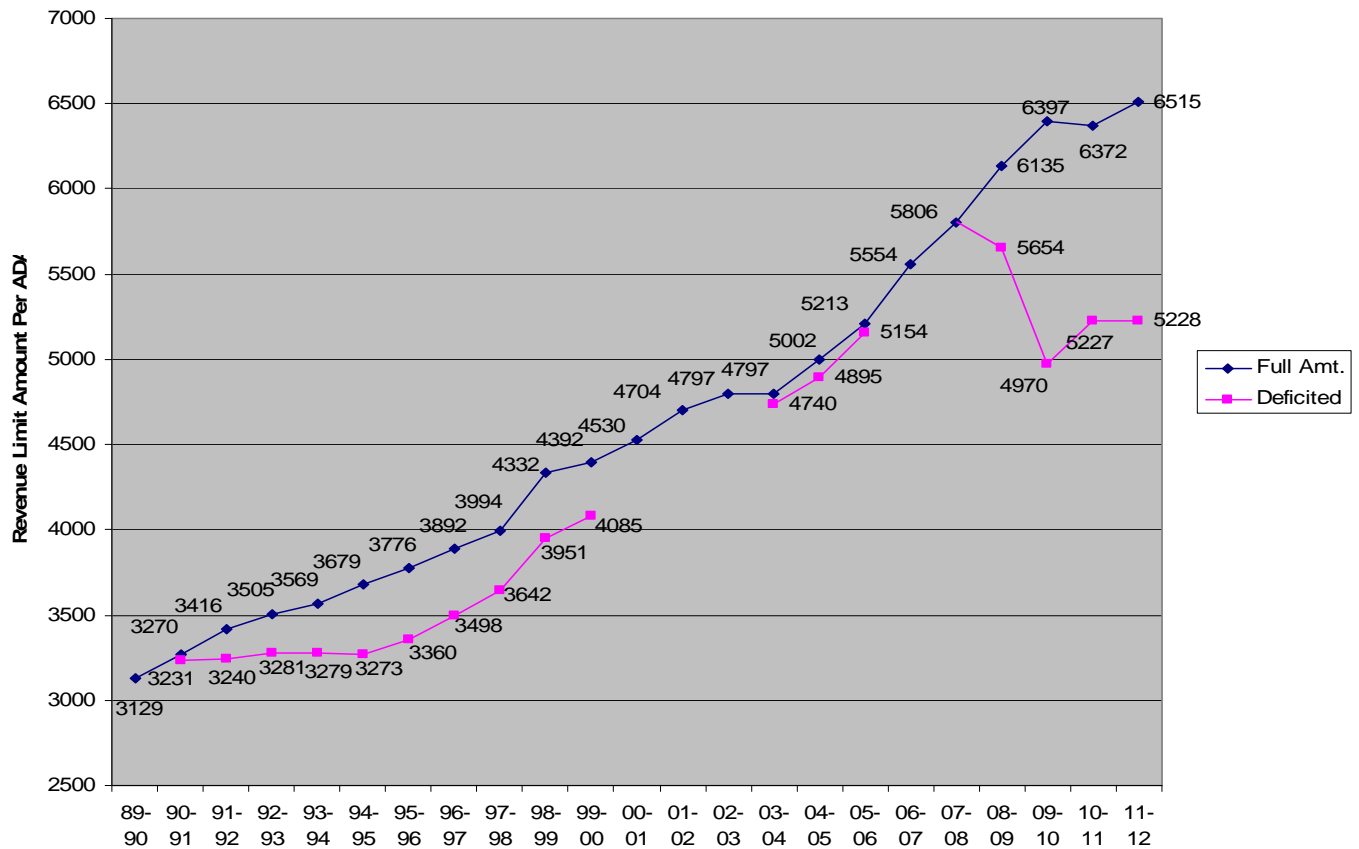


REVENUE LIMIT PER ADA

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:

		2011-2012
		Proposed Budget
CERTIFICATED SALARIES		
1100	Teachers' Salaries	\$29,721,084
1200	Cert. Pupil Support	1,936,059
1300	Administrators' Salaries	1,354,797
1500	Guidance, Welfare, & Attendance Salaries	1,649,146
1600	Physical Health Salaries	193,542
1900	Other Certificated Salaries	643,261
	TOTAL CERTIFICATED SALARIES	\$35,497,889
CLASSIFIED SALARIES		
2100	Instructional Assistants' Salaries	\$2,648,631
2200	Classified Support Salaries	2,870,640
2300	Supt./Dep.Supt./Supervisors & Admin.	1,204,572
2400	Clerical, Office and Transportation	3,007,815
2900	Other Classified Salaries	688,908
	TOTAL CLASSIFIED SALARIES	\$10,420,566



DISTRICT EXPENDITURES - DETAIL (Cont'd.)

		2011-2012
EMPLOYEE BENEFITS		Proposed Budget
3101-3102	State Teachers Retirement System (STRS)	\$2,899,328
3201-3202	Public Employees Retirement System (PERS)	980,285
3301-3306	Social Security (OASDI, Medicare, Alternative)	1,185,558
3401-3402	Health and Welfare Benefits	3,671,797
3501-3502	Unemployment Insurance	711,937
3601-3602	Workers' Compensation	976,408
3701-3702	Retiree Health and Welfare	1,235,745
3801-3802	PERS Reduction from Revenue Limit	96,651
3901-3902	Other Employee Benefits	42,112
TOTAL EMPLOYEE BENEFITS		\$11,799,821
BOOKS AND SUPPLIES		
4100	Textbooks	\$169,136
4200	Books Other Than Textbooks	6,200
4300	Materials and Supplies	1,240,163
4400	Consumable Equipment	303,225
TOTAL BOOKS AND SUPPLIES		\$1,718,724
SERVICES, OTHER OPERATING EXPENSES		
5100	Sub-Agreements	\$520,000
5200	Travel and Conferences	278,837
5300	Dues and Memberships	20,950
5400	Insurance	454,250
5500	Utilities and Housekeeping services	1,560,557
5600	Rentals, Leases and Repairs	580,941
5700	Interfund Transfers	(40,000)
5800	Other Services and Operating Expenditures	3,842,320
5900	Communications	149,423
TOTAL SERVICES, OTHER OPERATING EXP.		\$7,367,278

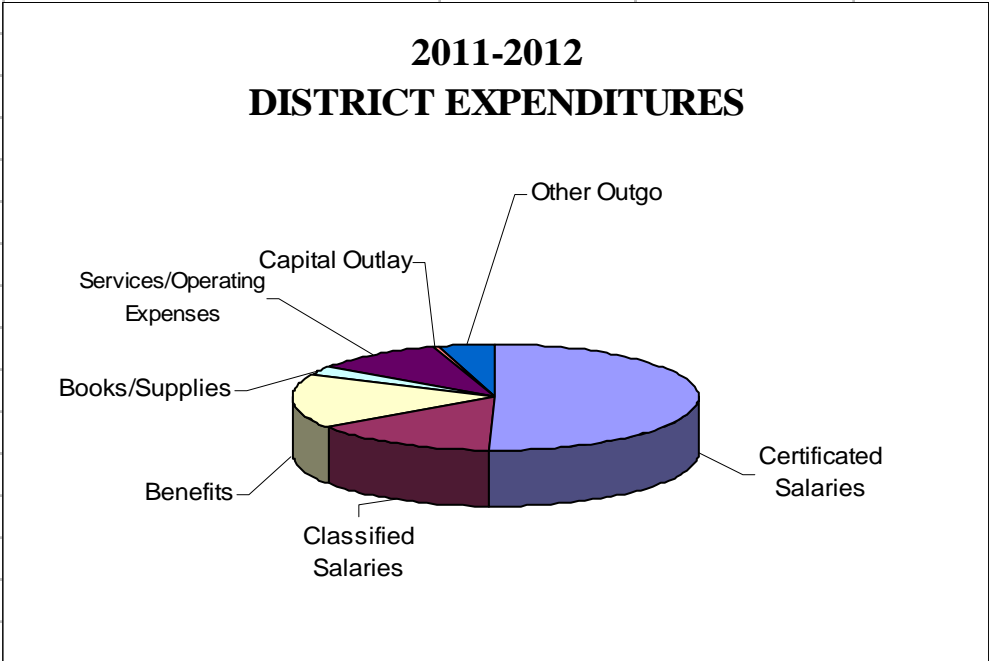


DISTRICT EXPENDITURES - DETAIL (Cont'd.)

		2011-2012
		Proposed Budget
CAPITAL OUTLAY		
6100	Sites and Improvements of Sites	\$40,000
6200	Buildings and Improvements of Buildings	253,000
6400	Equipment/Software	40,000
6500	Equipment Replacement	25,000
	TOTAL CAPITAL OUTLAY	\$358,000
OTHER OUTGO		
7130	State Special Schools	\$0
7211	SELPA Pass Through Revenues to Districts	64,093
7221	SELPA Transfers	0
7223	Transfer of Apportionments to JPAs	638,466
	TOTAL OTHER OUTGO	\$702,559
DIRECT SUPPORT/INDIRECT COSTS		
7350	Interfund Transfers of Direct Support/Indirect Costs	(\$237,358)
	TOTAL DIRECT SUPPORT/INDIRECT COSTS	(\$237,358)
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	2,633,000
	TOTAL INTERFUND TRANSFERS/OTHER USE	\$2,633,000
TOTAL EXPENDITURES/OTHER OUTGO/TRANSFERS		\$70,260,479



GENERAL FUND SUMMARY			
2011-2012			
Total Projected Revenue			\$67,433,890
Total Projected Expenditures			\$70,260,479
Revenue to Expenditures			(\$2,826,589)
Certificated Salaries	\$35,497,889	50.5%	
Classified Salaries	\$10,420,566	14.8%	
Benefits	\$11,799,821	16.8%	
Books/Supplies	\$1,718,724	2.5%	
Services/Operating Expenses	\$7,367,278	10.5%	
Capital Outlay	\$358,000	0.5%	
Other Outgo	\$3,098,201	4.4%	
TOTAL	\$70,260,479	100.0%	





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 2010-2011 ENDING BALANCE</i>	
Non-Spendable Amounts	\$159,968
Restricted	1,390,469
Designated for Economic Uncertainties	2,155,781
Board Designated Amounts	
Site & Department Carry Over	\$1,573,956
Deferred Maintenance	1,163,300
FY11/12 One-Time Budget Solutions	1,697,374
FY12/13 One-Time Budget Solutions	4,442,497
Technology Investment	355,210
Textbooks	1,050,104
<i>TOTAL ENDING BALANCE*</i>	<i>\$13,988,659</i>
* 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



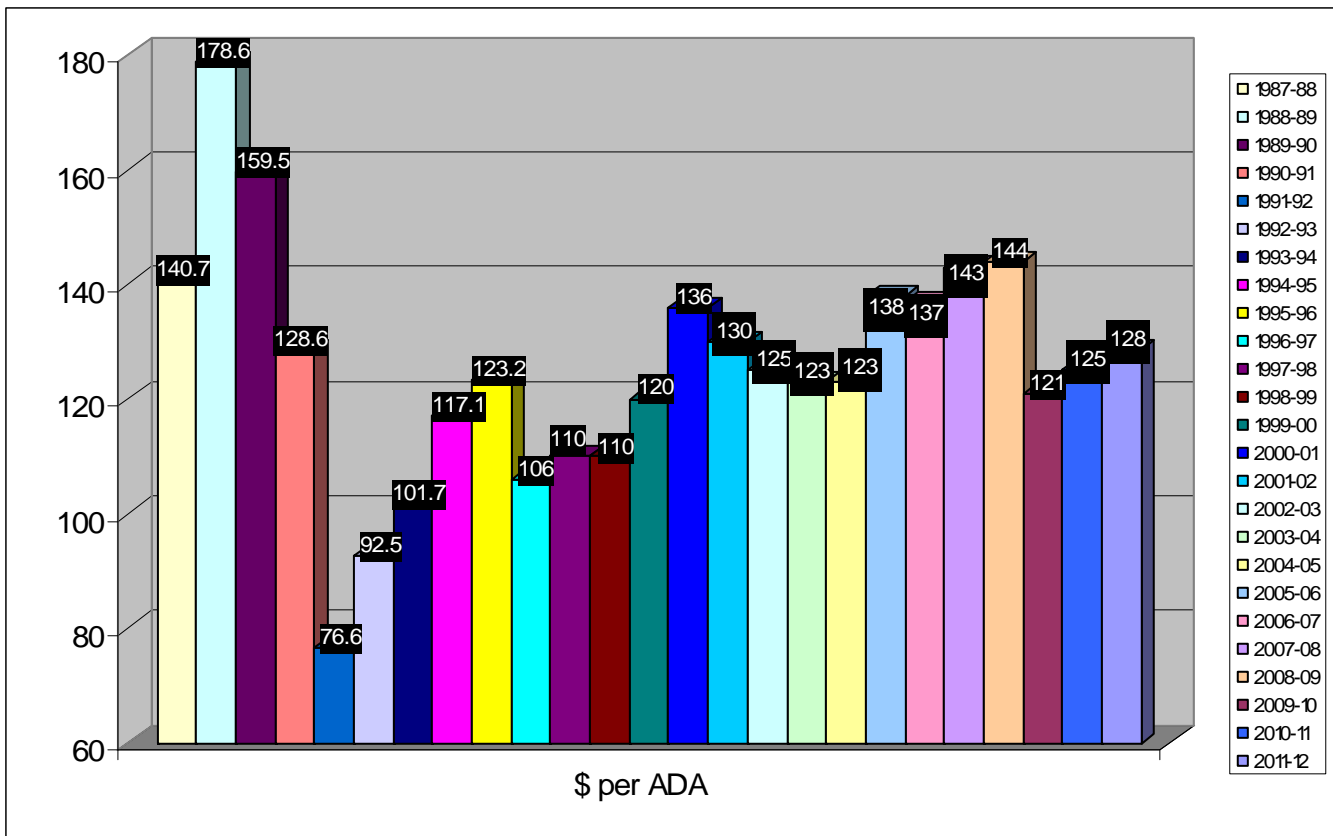


STATE LOTTERY FUNDS

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 2011-2012 year is expected to be at approximately \$128.50 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:

SPECIAL EDUCATION PASS-THROUGH FUND

The Special Education Pass-Through Fund is established for use by the administrative unit of the Special Education Local Plan Area to account for Special Education Pass-Through revenue outside the general fund.

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.

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.

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.

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			
	Special Education Pass-Through	\$26,264,191	
	Adult Education	\$4,451,279	
	Child Development	\$79,305	
	Cafeteria	\$2,403,620	
	Building Fund	\$3,906,597	
	Capital Facilities	\$965,176	
	County School Facilities	\$4,561,917	
	Capital Projects	\$525,917	
	Self-Insurance Fund	\$1,292,000	
Other District Funds			
Total 2011-2012 Income & Beginning Balance			
Amounts by Fund			



BUDGET DEVELOPMENT CALENDAR

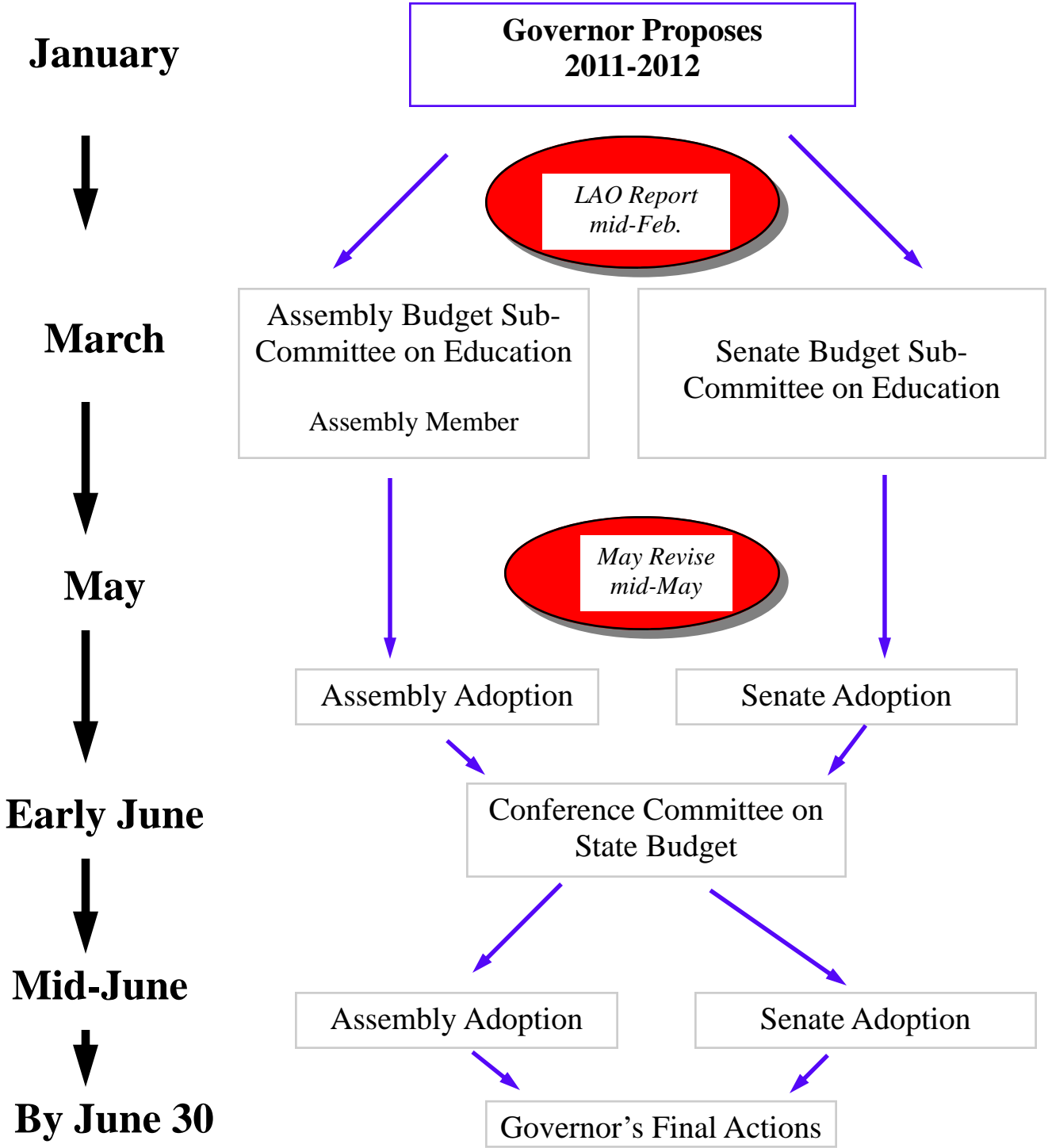
The Budget Development Calendar presents an overview of the District's budget process identifying key events. The calendar ensures adequate planning time and compliance with State mandated requirements. The dates outlined below are subject to minor changes depending on Board meetings and the receipt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

September through December	Adopt 2012-2013 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 2012-2013 actions requiring long lead time to analyze/implement, including alignment of budget with district goals and objectives
	Develop budget options.
December	Accept 2010-2011 audit report
	Prepare and adopt 2011-2012 First Interim Report and provide budget analysis
January	Develop estimate of enrollment and ADA
	Review Governor's proposed 2012-2013 State budget and impact on district
January through May	Communicate budget situation through All Hands, Community Forums and Parent Leadership Meetings.
February	Present 2012-2013 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 2011-2012 Second Interim Report and provide budget analysis
	Revise enrollment projections and staffing allocations
April	Estimate 2011-2012 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 2012-2013 budget
June	Present 2012-2013 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 2012-2013 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.

<u>SUPPLIES AND EQUIPMENT</u>		<u>CURRENT ANNUAL ALLOCATION</u>
Supplies and Equipment: (Discretionary funds allocated to each school)	Elementary	\$46.69 per regular education student
	Middle Schools	\$48.40 per regular education student
	High School	\$59.50 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	\$29,231
Chabot Elementary	\$25,981
Independent Elementary	\$31,861
Jensen Ranch Elementary	\$25,340
Marshall Elementary	\$28,402
Palomares Elementary	\$10,694
Proctor Elementary	\$29,713
Stanton Elementary	\$29,156
Vannoy Elementary	\$27,271
Canyon Middle	\$60,093
Creekside Middle	\$36,844
Castro Valley High	\$164,145
Redwood Alternative	\$13,117
<i>TOTAL</i>	<i>\$511,848</i>



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.
<i>EIA -ECONOMIC IMPACT</i>	State categorical aid for districts with concentrations of children who are bilingual, transient, or from low income families.



SCHOOL FINANCE GLOSSARY (Cont'd.)

<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.
<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
<i>PERS - PUBLIC EMPLOYEES'</i>	State retirement program for non-certificated employees. State law requires that classified employees, school districts, and the State contribute to the Public
<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.



SCHOOL FINANCE GLOSSARY (Cont'd.)

<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 edu-
<i>STRS - STATE TEACHERS RETIREMENT</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.