

# **Annual Budget Report**

**2008-2009**

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# DISTRICT INFORMATION

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Perris Union High School District (PUHSD) was established on August 23, 1897. District boundaries cover approximately 180 square miles. This includes a majority of the City of Perris and all of the unincorporated communities of Sun City, Menifee, Lakeview, Nuevo, Romoland and Homeland. The District provides education for grades 7-12 for students generated by the Perris Elementary School District and for grades 9-12 for students generated by the Menifee Union School District, the Nuview School District and the Romoland School District. In 2008-2009 the District will operate one middle school, three comprehensive high schools, one continuation high school, two charter schools and a community day school. The district additionally operates an independent study program, and an adult education program. Heritage High School, the district's third comprehensive high school, which opened in August 2007 with 9<sup>th</sup> and 10<sup>th</sup> grades will be adding 11<sup>th</sup> grade in 2008-2009. California Military Institute, one of the district's charter schools, will be adding 12<sup>th</sup> grade to its current grade 7-11 program.

## **Middle School (Grades 7-8)**

Pinacate Middle School

## **High Schools (Grades 9-12)**

Perris High School

Paloma Valley High School

Heritage High School (grades 9-11 in 2008-2009)

## **Charter Schools**

Choice 2000 Online Charter School (grades 9-12)

California Military Institute (grades 7-12)

## **Alternative/Continuation Schools**

Perris Lake High School (grades 10-12)

The Academy (Community Day School grades 7-12)

Independent Study

Adult Education



Although the 2008-2009 proposed State budget includes reductions in funding levels to most programs, PUHSD continues to maintain a strong financial position exceeding required state reserves by 1% while maintaining strong educational programs for the students served by the District. The strength of our position is due for the most part to the continued increase in student enrollment as well as to the District's fiscally conservative position. The District continues its aggressive facilities acquisition, construction and modernization programs in addition to its continued efforts in the maintenance and repair of existing facilities. The District's state Academic Performance Index (API) and federal Adequate Yearly Progress (AYP) scores are continually increasing. Despite this progress, students in two identified subgroups were not been able to meet federal standards and as a result, in 2006, the District was identified as a Program Improvement (PI) District.



As a result of Program Improvement, the 2008-2009 budget, much like the 2007-2008 budget, was built around the fundamental element of exiting the District from this status. This particular goal of the District is accomplished with the continued efforts to address teaching and learning needs of the District and to identify problems of low-achieving students. The districts budget ensures alignment of expenditures and purchases toward achievement of the “Nine Essential Program Components” or EPCs.

A five-member Board of Trustees, whose members are elected to four-year terms, governs the District. The terms are staggered on two-year intervals to provide continuity of governance. The Superintendent, appointed by the Board, is responsible for management of the day-to-day operations of the District and for the work of other District administrators. The Governing Board believes the mission of the District is to provide quality educational programs and meaningful opportunities which encompass the intellectual, social, emotional, and physical aspects of all students within the District and which will enable them to become productive members of society.

### **Board Members**

Eric J. Kroencke, President  
Joan D. Cooley, Vice President  
William F. Hulstrom, Clerk  
Carolyn A. Twyman, Member  
Randy J. Williams, Member

### **Administration**

Jonathan L. Greenberg, Ed.D. Superintendent  
Steve Spraker, Assistant Superintendent Educational Services  
Bobbie Foote, Assistant Superintendent Business Services  
Leslie Ventuleth, Chief Human Resources Officer



# BUDGET PROCESS

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Budgets provide a description of a school district's program plans for the upcoming fiscal year. They include an estimate of the money the district will receive (revenues) and the district's plan for spending those funds (expenditures). The accuracy of the district's budget projection for the next year is only as good as the assumptions that are used in developing the budget. If the assumptions are wrong, so too will be the budget. As a consequence, the primary assumptions have to be carefully considered in evaluating the accuracy of next year's revenues and expenditures. The key variables that affect the budget are student enrollment, student attendance, staffing and staffing ratios, employee costs, school facilities, state funding and program expenditures. The budget is revised based on changes in these assumptions several times during a fiscal year. Once the State budget has been adopted, the District has 45 days to present the financial impact of the changes to the Board of Trustees. Revised budgets are additionally presented to the Board as part of the 1<sup>st</sup> and 2<sup>nd</sup> Interim reporting process.

The District's budget is initially adopted in June of each year for the following fiscal year; the budget process however, begins in January when the Governor publishes the proposed State budget. Using information from the proposed State budget, the District can begin revenue limit estimates, categorical funding estimates and initial budget assumptions. Beginning in February, the District develops initial enrollment projections and staffing formulas. In March, the District finalizes school site and department budget allocations and works with administrators to distribute budgets by specific line items. To this end, Business Services held its 2<sup>nd</sup> Annual Year-End/Budget Workshop in March for site and department administrators and for support staff. The workshop was an opportunity to provide details regarding the California State Budget, the implications of the proposed budget reductions to the District and school site budgets, as well as how these and other factors guide the District budget process. During April and May, the District focuses its efforts on identifying resources to meet anticipated needs. Revenues and expenditures are analyzed by individual line item for both 2007-2008 Estimated Actuals and the 2008-2009 Adopted Budget. Additionally, during these months, the District works to finalize allocated staffing levels. In mid-May, the Governor publishes the May Revise of the January proposed budget. This updated information provides additional insight and direction for the District to use in finalizing its budget projections. By June 30<sup>th</sup> of each year, the annual budget is presented to the Board of Trustees for approval. The final budget document is available for public review 72 hours prior to the board meeting in which the budget is adopted.

The budget process was especially difficult and time consuming this year given the State Budget. When the January proposed State budget was published, it called for devastating cuts to K-12 education. With a budget shortfall of more than \$14.5 Billion at the State level, the January budget called for mid-year cuts in 2007-2008 and a suspension of Proposition 98 in 2008-2009. COLA was declared at 4.94%, but not funded with a deficit factor of 6.99%. This yielded a negative effective, or funded COLA of -2.4% and could have meant \$7,310,363 in total lost dollars This included Revenue Limit funding, Charter School Funding and Categorical Funding. While the proposed mid-year cuts were abandoned in February, the proposed 2008-2009 budget remained in place despite mass opposition.



With the assumptions of the January budget, the projected deficit for 2008-2009 in the Unrestricted General Fund was \$2,119,798. In 2009-2010 the deficit was \$5,968,636. Given the severity and impact that such cuts would make to PUHSD, the District formed a Budget Advisory Committee. This seventeen-member committee was made up of PSEA and CSEA representatives, Board Members, parents, community members, and District Administration. To address the budget reductions, the committee was charged with the task of identifying and coming up with recommendations for potential areas for budget cuts. Each recommendation from the committee, or brought to the committee, was initially equally weighted. Then, once a cost value was assigned to each reduction proposal, the committee came to a consensus on the ranking of each item looking at feasibility and ease of implementation. The committee additionally looked at a priority level for each budget reduction item in an effort to keep reductions as far away from instruction and student needs as possible. The recommendations of the committee were then carefully reviewed by the Superintendent and his Cabinet to make a final recommendation to the Board of Trustees.

When the Governor published his May Revision, K-12 education saw a definite improvement over the January budget. The initial proposal to suspend Proposition 98 was no longer included in the proposed budget. A COLA of 5.66%, paired with a deficit factor of 5.357%, produced essentially level funding per ADA between 2007-2008 and 2008-2009. The proposed cuts of 6.5% to almost all categorical programs were not restored. The May revision did provide hoped for relief in the area of Special Education, but does so at the expense of the state's contribution to Deferred Maintenance. The May revision also allowed several flexibility provisions for districts to mitigate the impact of the budget reductions. Districts could reduce their reserve requirement for economic uncertainties by one-half the required amount, move unspent categorical dollars to the unrestricted general fund, reduce set-asides for Routine Restricted Maintenance from 3% to 2%, eliminate the local Deferred Maintenance match, as well as other categorical flexibility options. In building the 2008-2009 budget, PUHSD made a calculated decision not to partake in these flexibility options, mostly because of the impact they would have on the affected programs.

The budget "balancer" at the state level is a proposal to borrow \$15 billion against the State Lottery's future revenue streams. Under this proposal, the state would borrow from the capital markets in exchange for Lottery revenues related to expanded sales. This is based upon the assumption that through new games and advertising, enough revenue would be generated to retain the State's current \$1.2 Billion in annual Lottery proceeds and to attract Wall Street Lenders to lend the State \$15 Billion.

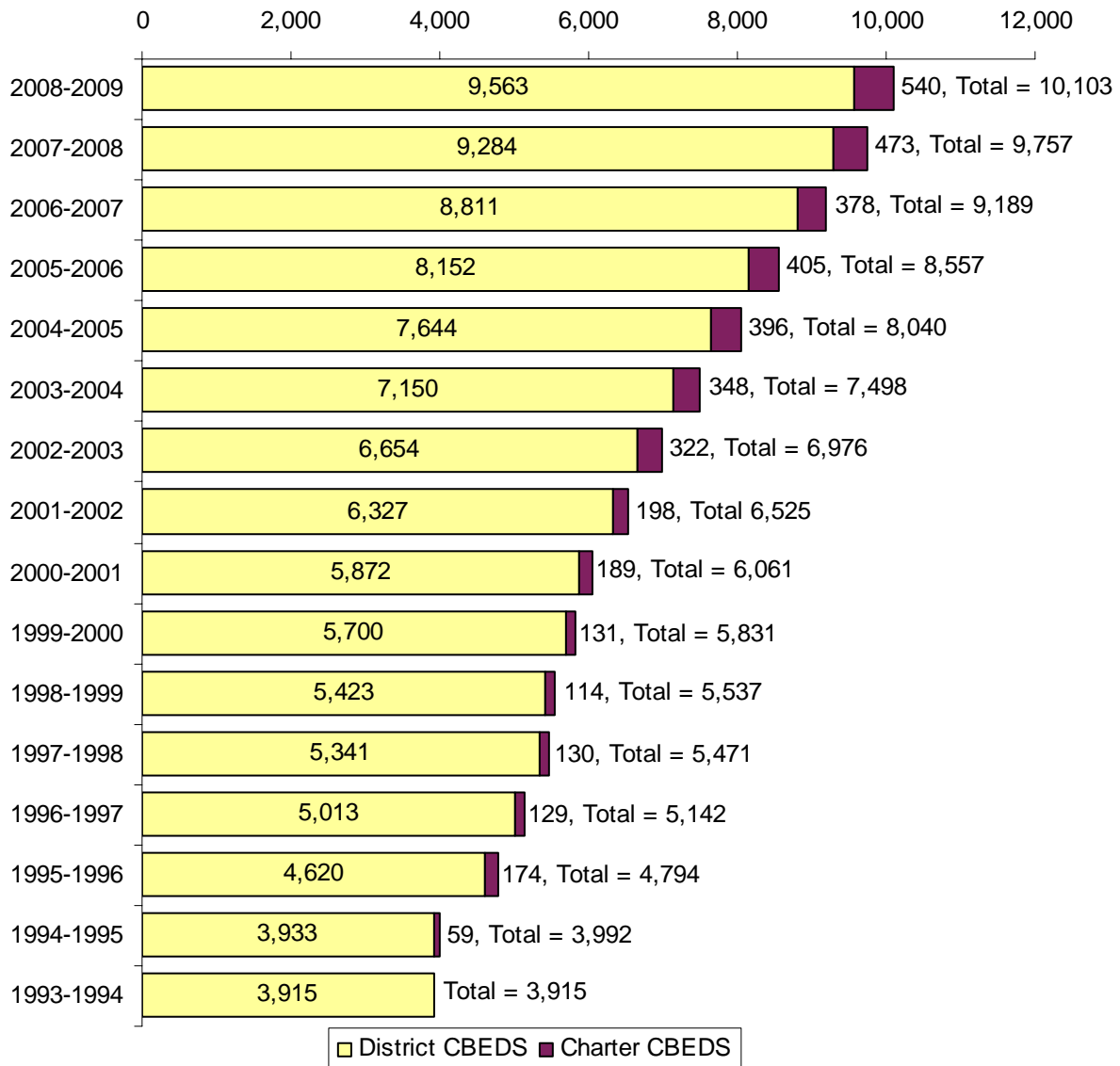
With the risks that could be involved with the Lottery proposal, and given that both the Senate and Assembly Budget Subcommittees have each proposed alternative and differing budget packages, the State budget is uncertain at best. In an effort to be fiscally conservative, PUHSD moved forward in implementing the budget reductions that began with the Budget Advisory Committee. Based upon the Superintendent's and Business Services' recommendation, these reductions were approved by the Board in May. This puts the district in a position to be prepared should the final State budget be less optimistic than proposed, as well as have the ability to restore budget cuts if it proves to provide the funding levels proposed. To this end, the district continues to plan and not panic, however, nor are we celebrating.



# ENROLLMENT PROJECTIONS

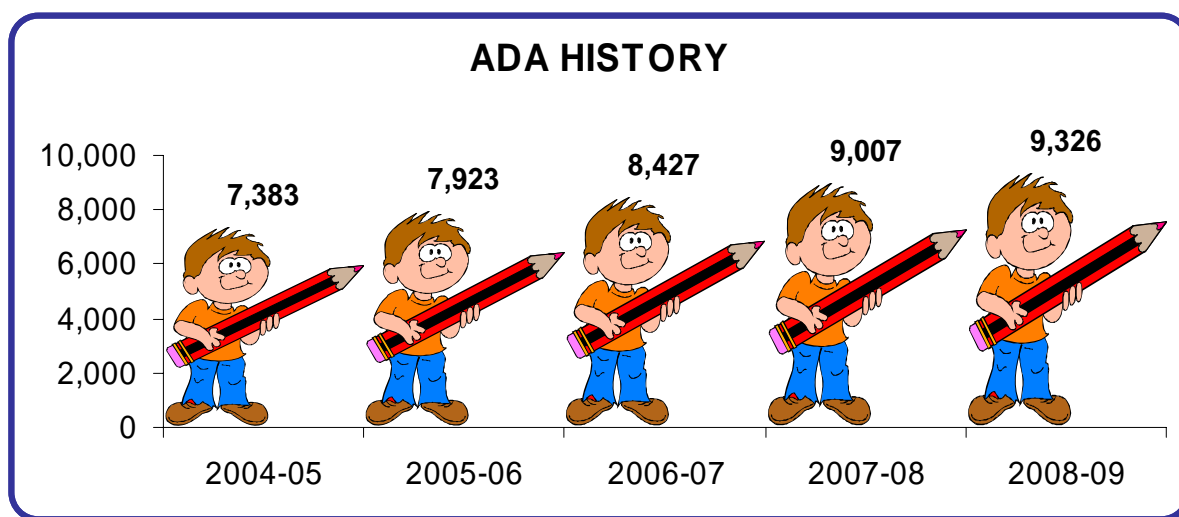
The District's enrollment is projected to increase a total of 279 students, or 3.01%, in 2008-2009. Projected enrollment for mid-October (CBEDS) is 9,563 compared to 9,284 in the previous year. District growth rates have been over 6.5% since 2003-2004, reaching an all time high of 8.08% in 2006-2007. In 2007-2008 however, the district began to see a decrease in its growth rate with an increase of only 5.37%. District operated Charter schools are projected to increase by 67 for a total of 540 students. This is an increase of 14.16% over the prior year's CBEDS of 473. Overall District enrollment, including Charter schools, is projected to be 10,103. This represents an increase of 3.55% District-wide.

## CBEDS ENROLLMENT HISTORY



# AVERAGE DAILY ATTENDANCE (ADA)

Although enrollment projections are used to estimate staffing and facilities needs, state funding is provided to the District based on Average Daily Attendance. ADA is projected at just over 92% of CBEDS enrollment. ADA for 2008-2009 is projected to be 8,808, an increase of 262 or 3.06% over the previous year. Just as enrollment in the Charter schools is increasing at a large rate, so too is the ADA. Charter ADA is projected to be 519 for the budget year, which is an increase of 58 or 12.52%. Overall district ADA, including Charters, is projected to be 9,326. This represents an increase of 319 ADA or 3.54%.



## ADA HISTORY BY SCHOOL SITE

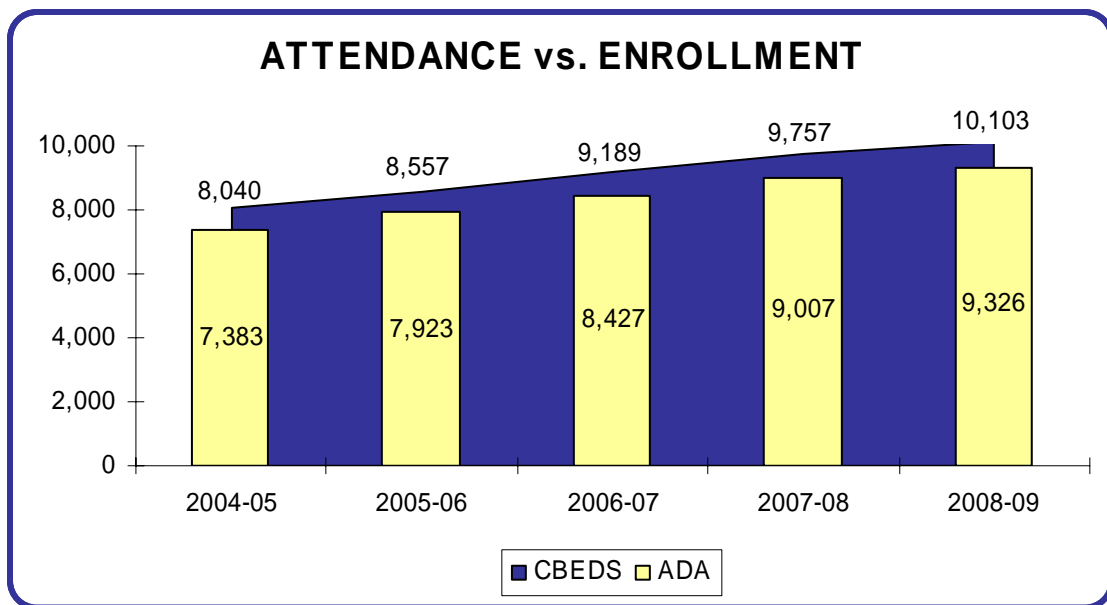
	2004-05	2005-06	2006-07	2007-08 (estimated)	2008-09 (projection)
Pinacate Middle School	1,245.51	1,246.73	1,223.61	1,282.15	1,269.14
Perris High School	2,366.57	2,554.82	2,829.23	2,540.51	2,452.62
Paloma Valley High School	2,543.68	2,955.81	3,188.01	2,913.17	2,774.05
Heritage High School				1,076.27	1,624.64
Perris Lake High School	327.42	250.90	230.77	281.53	299.33
The Academy	424.33	448.61	463.53	330.51	299.33
Independent Study	71.25	54.23	110.82	102.62	73.68
Other	34.90	16.11	18.48	19.26	14.74
<b>DISTRICT TOTAL</b>	<b>7,013.66</b>	<b>7,527.21</b>	<b>8,064.45</b>	<b>8,546.02</b>	<b>8,807.52</b>
Choice 2000	225.65	189.83	146.87	148.34	138.60
California Military Institute	144.14	205.95	215.25	312.54	380.00
<b>CHARTER TOTAL</b>	<b>369.79</b>	<b>395.78</b>	<b>362.12</b>	<b>460.88</b>	<b>518.60</b>
<b>GRAND TOTAL</b>	<b>7,383.45</b>	<b>7,922.99</b>	<b>8,426.57</b>	<b>9,006.90</b>	<b>9,326.12</b>

*Note: Annual ADA is represented for The Academy. P-2 is represented for all others. "Other" includes Special Ed Extended Year, Home Hospital and Non-Public Schools.*



The most significant characteristic for determining District income is the calculation of the average number of students that are present in school on a daily basis. This average daily attendance, or ADA, is multiplied by the District's revenue limit per ADA to determine the total Revenue Limit income for the District. Since ADA is such a vital part of the District's income base, the projection of ADA for this next fiscal year plays a critical part in projecting the District's income. Even small fluctuations in the District's ADA can mean tens of thousands of dollars as a gain or loss of income. It is for this reason that District attendance records are monitored monthly and ADA is updated throughout the year to ensure that the projected revenue limit income matches the District's budgeted or revised projections.

Public schools are the only agencies that receive income based on the population they serve. Cities or counties, as an example, do not have either increases or decreases in their revenue based on the number of citizens in their community. Public schools, on the other hand, receive most of their income based on student attendance. For each day a student misses school, the District loses approximately \$50 in Revenue Limit dollars alone. With this, considerable costs for setting up instructional programs will be lost unless students attend school every day possible. If every student came to school just one more day per year, the District would generate \$443,987 in additional Revenue Limit dollars. Given this, a critical part of monitoring ADA is examining ADA as compared to enrollment. The number of students present in a day divided, by the number of students enrolled, gives the District its ADA to Enrollment percentage. At P-2 in 2007-2008, District-wide ADA to Enrollment was 92.82%. If school sites were each to increase their attendance by just 1%, it would equate to increased ADA of 164.49, or \$1,094,515 in Revenue Limit dollars.



# REVENUES

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## REVENUE LIMIT FUNDING

California school districts receive the primary base of their funding from their “Revenue Limit”, which is a dollar amount for each child who is in attendance on average during the course of the year. This dollar amount, which is determined by the State of California through a combination of statutory and state budget law, is assigned to the District as the funding base for expenditures that is determined at the local level.

The Revenue Limit dollar amount is multiplied times the number of pupils who are in attendance on average during the course of the year. This average daily attendance, ADA, is a measurement of the District’s population served by their schools. It is important to note that the District is funded based upon attendance and not enrollment. As a consequence, it is very important to ensure that students are in attendance unless there are specific reasons for the child to be excused. Districts are no longer funded for students who have an “excused absence” as was the case up through 1997-1998. The student must be in attendance in order for the District to receive the income for that day.

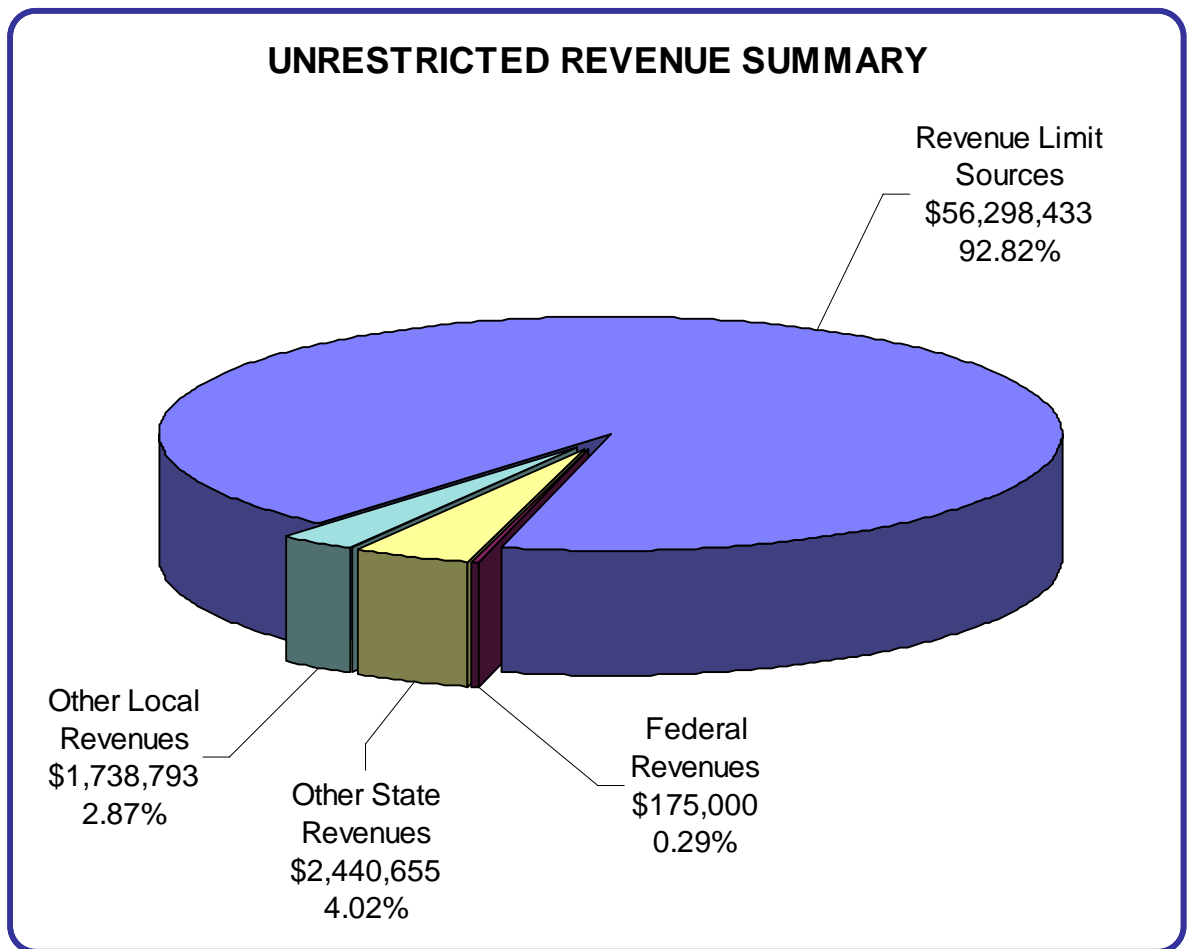
Because school districts are funded based on ADA and not on the population they serve, a district that has growth in enrollment will consequently have growth in its total revenue limit income from one school year to the next. Conversely, a district that declines in population will also decline in income. It is very difficult to manage a district that consistently declines in student attendance as the consistent revenue reduction has a deteriorating effect on the expenditure options that are available to the local agency. For this reason, PUHSD is very fortunate to be growing in enrollment, though the enrollment growth is not as high as in past years.

School district’s total revenue limit dollars represent an entitlement that will be funded by a combination of local property tax income and state aid. The education share of local property tax income is subtracted from the revenue limit entitlement, and the State of California funds the entire balance. Accordingly, local agencies receive the dollar amounts authorized by their total revenue limit income regardless of their local property tax wealth. Thus, a local education agency that collects only a small amount of property tax income (because of low assessed value in its community’s properties) will receive a high level of state aid. The reverse is also true. A community with a very high assessed valuation due to either industry or high values of residential property will have a smaller allocation of state aid. PUHSD’s property tax makes up 42% of the Revenue Limit and State Aid makes up the remaining 58%. Approximately 93% of the General Fund’s revenues derive from Revenue Limit Funds.

When an appropriation to the State School Fund for revenue limits is insufficient to pay all claims for State Aid, a deficit factor is applied to reduce the allocation of State Aid to the amount appropriated. This deficit factor reached an all time high of 11.01% in 1994-1995. A deficit of 5.357% is included in the 2008-2009 budget which follows two years of fully funded revenue limits, or no deficits.



Each year, the District's Revenue Limit entitlement is increased by a cost-of-living adjustment (COLA) that is established in accordance with the requirements of state law. The cost-of-living adjustment for school districts is based upon a calculation of governmental expenditure price increases from one year to the next, and this percentage of the cost-of-living increase is multiplied by the average state Revenue Limit for each district type whether they are unified, elementary or high school districts. That is, in 2008-2009, the calculated COLA projected to be 5.66% is multiplied by the average revenue limit for high school districts to yield \$379 additional Revenue Limit dollars per ADA above that received in 2007-2008. Once the deficit factor is applied, the additional dollars only amount to \$2.36 per ADA which is essentially level funding between 2007-2008 and 2008-2009.



## LOTTERY

In addition to the District's Revenue Limit, California State Lottery provides a small allocation to school districts that can be used as determined by the District. The dollar amounts for Lottery vary significantly between fiscal years, but Lottery funding for 2008-2009 is projected to be \$131.50 per prior-year annual Average Daily Attendance. This per-pupil rate reflects \$115 per pupil for unrestricted Lottery revenues and \$16.50 per pupil for Lottery funding restricted to the purchase of instructional materials.

The California State Lottery is projected to yield \$1,203,751 or approximately 1.6% of the District's income in 2008-2009. While this income is longed-for, it will yield only a small portion of the total income needed to support the District's educational program. The income in the budget year, as an example, would be sufficient to buy three textbooks per student, or four computers per classroom.



Lottery income is not a stable source of income for the District; it has ranged from a high of \$176 per ADA in 1988-89 to a low of \$77 per ADA in 1991-92. Lottery revenues could be even more volatile in the upcoming years in light of the Governor's May Revision proposal to borrow against future California Lottery earnings and the anticipation that Lottery sales can be increased significantly through new games and advertising.

## SUPPLEMENTAL HOURLY PROGRAMS

Supplemental Hourly Programs provide additional funding to the District for programs offered outside of the regular school day. This includes Summer School and after-school programs. The state reimburses districts on an hourly basis, not on an ADA basis as is done with regular instruction. The hourly funding rate for 2008-2009 is \$4.08 per hour with some programs being funded at a deficit and some being capped at a maximum number of hours that can be claimed. The programs that PUHSD can claim hourly attendance for are:

**K-12 Core Academic** – This program offers core academics for students in grades K-12. This is the most flexible supplemental hourly program as any student can qualify for it. This program, which was fully funded in 2007-2008, is now funded at a deficit of 43%, yielding only \$2.33 per hour. Additionally, the K-12 Core Academic program is capped at 55,704 hours. The cap is calculated by taking 5% of prior year CBEDS multiplied by 120 hours.

**2-9 Retained** – Intended for students in grades 2-9 who have been retained or notified that they will be retained. Although this program does not have a cap, it is funded at a deficit of 17%, yielding \$3.37 per hour.

**7-12 Remedial** – Designed to provide remedial instruction for students in grades 7-12 who do not show adequate progress toward passing the California High School Exit Exam, or for students who have already taken the exam but have not passed. This is an uncapped program, and unlike in 2007-2008, is fully funded at \$4.08 per hour.



## **GRADE 9 CLASS SIZE REDUCTION**

The Morgan-Hart Class Size Reduction Act allocates funds to school Districts for participating high schools to reduce class size in grade nine English and one other course required for graduation. PUHSD participates in this program by offering reduced class sizes of 20:1 in 9<sup>th</sup> grade Math and English. The District has projected to receive \$487,080 in state funding for this program. The cost of the additional teachers required to operate this program is estimated to be \$926,500. This encroachment, funded out of the Unrestricted General Fund, accounts for the cost of additional classroom facilities or for the cost to furnish and operate the classrooms.

## **SPECIAL EDUCATION**

School districts throughout the state face a continuing challenge in funding the costs for serving special education students. PUHSD is proud of the special education support provided to our students, but the District is also faced with prevailing increases in the difference between the federal and state government's funding and the educational costs of providing these mandated vital student services.

Unfortunately, the federal government has not provided the funding that was envisioned when the laws mandating programs for special education students were adopted. The nation's capital had committed to provide funding for 40% of the costs for special education, but has never been able to match much more than about 17% of the total cost.

This shortfall in dedicated funding has led to a very significant encroachment of the District's Unrestricted General Fund. Encroachment, the amount of Special Education expenditures exceeding revenues, prevents districts throughout the State from offering other programs or services that they could have otherwise provided.

The dollars supporting the Special Education Program come from three major areas:

**Special Education ADA** – Revenue generated by special education students is transferred from the District's Unrestricted General Fund revenue limit sources. The amount per ADA is the same for special education as it is for regular education at \$6,654.13. Anticipated ADA for 2008-2009 is 190.61 resulting in a transfer of \$1,268,344.

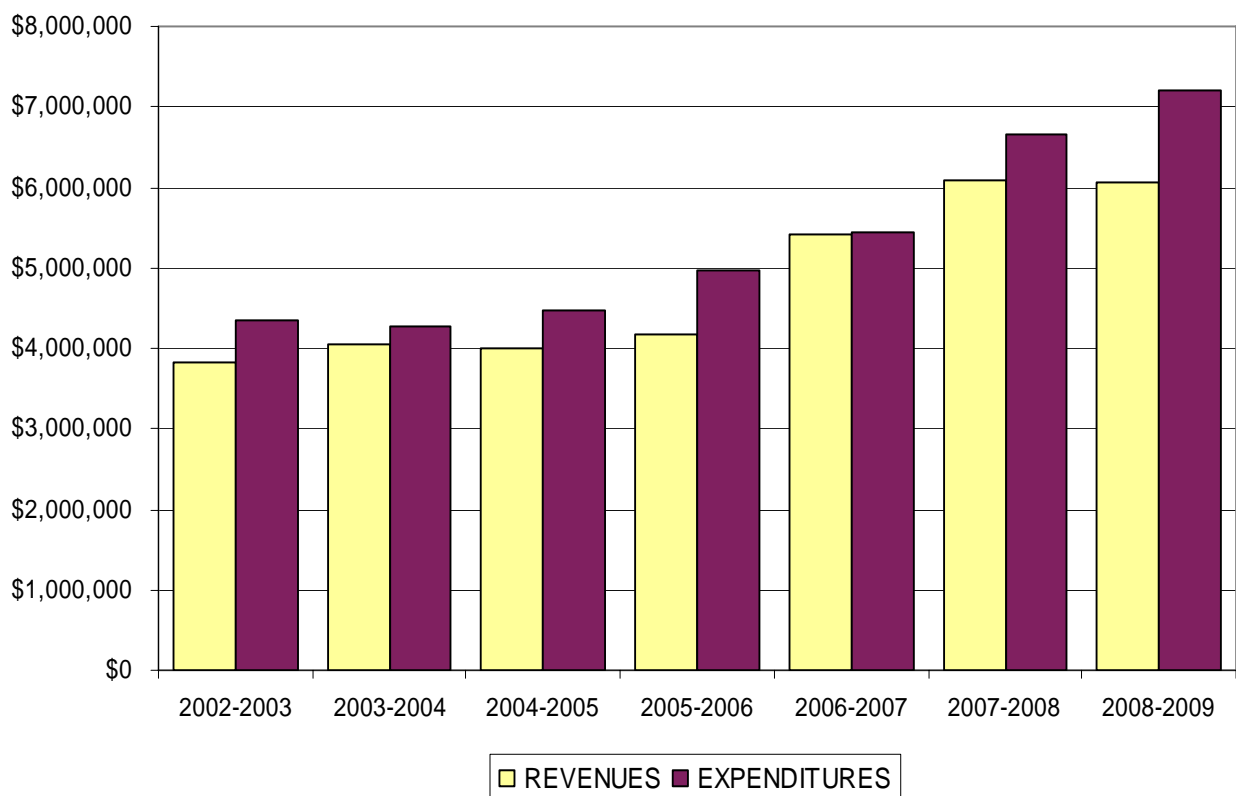
**Special Education Local Plan Area (SELPA) AB602 Revenues** – The District participates in Special Education funding as part of a group of school districts called a "Special Education Local Plan Area," or "SELPA". The SELPA receives the special education funding for all the districts within the plan area and in turn, distributes this funding to all its member agencies. SELPA dollars are distributed based on total District and Charter School ADA, and are comprised of both federal and local dollars. PUHSD is projecting to receive \$3,634,169 in SELPA dollars. The SELPA also distributes state dollars for the Mental Health Allocation. These dollars are in addition to the AB602 dollars as described above and are reported under State Revenues.



**Contributions to Special Education** – Since the cost of providing Special Education services far exceeds the level of funding received from ADA and SELPA dollars, the District must contribute the remaining shortage. For 2008-2009, the District anticipates expenditures to exceed revenues by \$1,150,927, thus, the District will make a contribution to the Special Education program from its Unrestricted General Fund.

### HISTORY OF SPECIAL EDUCATION DEFICIT

	2002-2003	2003-2004	2004-2005	2005-2006	2006-2007	2007-2008	2008-2009
<b>REVENUES</b>	\$3,832,067	\$4,045,305	\$4,004,278	\$4,182,444	\$5,421,512	\$6,095,342	\$6,053,440
<b>EXPENDITURES</b>	\$4,337,630	\$4,265,242	\$4,465,257	\$4,979,772	\$5,453,341	\$6,660,587	\$7,204,367
<b>DEFICIT</b>	(\$505,563)	(\$219,937)	(\$460,980)	(\$797,328)	(\$31,829)	(\$565,245)	(\$1,150,927)



*Note: The district received additional funds in 2006-2007 from Riverside County Office of Education as a result of prior year excess ending balances being redistributed to districts.*



## **MANDATED COST REIMBURSEMENTS**

State revenues for mandated cost reimbursements are not projected to be distributed to school districts in 2008-2009. Much of this one-time money is for past years' claims, and because these claims are also subject to the punitive audit process that is still in place at the State Controller's Office, more than 80% of the audited prior year claims have been denied. Consequently, PUHSD has not budgeted for any Mandated Cost Reimbursement revenue for the coming year.

## **COMMUNITY DAY SCHOOL**

Community Day School Programs receive revenue based on three different calculations:

**Annual ADA** - The Academy receives a revenue limit dollar amount of \$6,654.13 per the program's annual ADA. In the 2008-2009 Adopted Budget the projected annual ADA is 299.33 resulting in revenue of \$1,911,781.

**State Apportionment Dollars** – The Academy receives additional funding beyond revenue limit dollars for 5<sup>th</sup> and 6<sup>th</sup> hours. Within the mandatory expulsion category as defined by Education Code section 48915 (c), the Community Day Program receives \$2,742.77 for each additional 5<sup>th</sup> and 6<sup>th</sup> hour generated ADA. The Academy also earns 5<sup>th</sup> and 6<sup>th</sup> hour ADA for students falling outside of the Mandatory Expulsion category. There is a limit to this funding, however, and a cap is applied to the program equal to .625% of the prior year annual District ADA. For 2008-2009 the cap on the non-mandatory program is 53.16 ADA. Additionally, the non-mandatory program is funded at a deficit of 14%. Budgeted revenue for both the mandatory and non-mandatory programs is expected to be \$253,528.

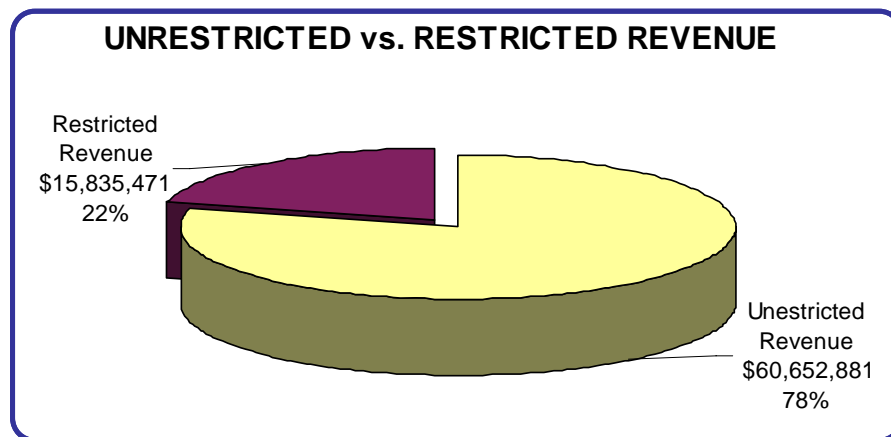
**Hourly Funding** – The Academy receives an additional \$5.25 for each 7<sup>th</sup> and 8<sup>th</sup> hour of instruction the Community Day School program provides. Like the state apportioned 5<sup>th</sup> and 6<sup>th</sup> hour funding, the hourly funded at a deficit of 14%. The District has budgeted to provide 49,765 hours of services for a total of \$224,689 in Hourly Funding dollars.

Despite the three funding sources for the Community Day program, there is still a shortfall in revenue when compared to projected expenditures. There is an augmented cost of operating a Community Day School over that of a comprehensive school because with this alternative program, student-teacher ratios are lower and an increased number of school administration personnel, as well as classified support staff, are needed to operate a quality program. Given these factors, expenditures for 2008-2009 are projected to exceed revenues by \$671,510. It is for this reason that a contribution in the same amount must be made and has been budgeted to be made using the Unrestricted General Fund to support the cost of operating the Community Day School.



## **RESTRICTED PROGRAMS**

In addition to the unrestricted income coming primarily from the District's Revenue Limit, local agencies also receive funding for selected students based on need or demographics. These "need-based" revenues are provided to local agencies to address specific needs as determined generally by the federal, state or local grantor. The funding for these types of programs is "restricted", meaning that it may not be expended as determined by the local agency, but rather, they must be expended according to federal and state guidelines.



## **Federal Funding Sources**

### **NCLB: Title I, Part A**

**\$1,647,028**

Title I funds are allocated to districts based on a formula that takes into account the number of children from low-income families residing within the District's attendance area. Eligibility is measured by a variety of indicators, primarily free/reduced meal and CalWORKS eligibility. This program is part of the Consolidated Application.

### **NCLB: Title I, Part A, Program Improvement**

**\$35,875**

Funding for districts identified as program improvement, to fulfill NCLB and Education Code requirements. This funding is provided for a maximum of two years. PUHSD will be on its third year of implementation. Funding in this program is carryover from 2006-2007.

### **NCLB: Title II, Part A, Teacher Quality**

**\$325,906**

The purpose of Title II, Part A is to increase the academic achievement of all students by helping schools and districts to improve teacher and principal quality through professional development and other activities, including reduced class sizes, and to ensure all teachers are highly qualified.

### **NCLB: Title II, Part D, Enhancing Education through Technology**

**\$15,169**

Formula grants are given to LEAs that demonstrate the highest need based on specific criteria such as percentage of low-income students, availability of technology, and low-performing schools. Formula grants are distributed pro-rata based on Title I allocation amounts and may be used for students in any grade (K-12).

**NCLB: Title III, Immigrant Education/Limited English Proficient Program** **\$136,290**  
Funding designed to assist English Language Learner students to acquire English and achieve grade-level and graduation standards.

**NCLB: Title IV, Part A, Safe & Drug-Free Schools** **\$32,982**  
Program provides funding to develop, implement, and evaluate comprehensive drug/alcohol, tobacco, and violence prevention programs and activities, which are consistent with the principles of effectiveness and that are coordinated with school and community-based program services.

**Medi-Cal** **\$17,586**  
Funds allocated by the Department of Health Services (DHS), to reimburse Medi-Cal covered services provided by LEAs (e.g. school nurses & other pupil support personnel) to eligible students.

**Carl D. Perkins Act – Vocational and Technical Education** **\$159,389**  
Funding provided for the improvement of secondary and postsecondary vocational and technical education programs.

**Adult Education: Adult Basic Education & ESL** **\$19,816**  
Program provides basic skills instruction to adults at a level comparable to the elementary schools grades.

**Adult Education: Adult Secondary Education** **\$28,248**  
Funding provided for instruction leading to a general equivalency or high school diploma.

**Adult Education: English Literacy & Civics Education** **\$15,000**  
Program provides integrated English literacy and civics education, including civic participation and citizenship preparation.

## **State Funding Sources**

**National Board for Professional Teaching Standards** **\$5,000**  
Funding allocated to school districts for the purpose of providing incentive grants to teachers who are teaching in low-performing schools and have attained certification from the National Board for Professional Teaching Standards.

**Community Based Tutoring Grants (CBET)** **\$44,478**  
Funds to provide free or subsidized programs of adult English language instruction to parents and other community members who pledge to provide personal English language tutoring to children with limited English proficiency.

**English Language Acquisition Program (ELAP)** **\$83,633**  
Funding used to support English acquisition for English learners. \$42,008 of projected carryover is budgeted within this program.

**School Safety and Violence Prevention** **\$302,746**  
Funding provided to school districts maintaining grades 8-12 for purposes that improve school safety or reduce violence among students.



- Special Education: Project WorkAbility** **\$72,707**  
Funding allocated to provide students with exceptional needs instruction and experiences that reinforce core curriculum concepts and skills leading to gainful employment.
- Special Education: Personnel Staff Development** **\$1,901**  
State funding provided for staff development that meets the highly qualified teacher requirements and ensures that all personnel are appropriately and adequately prepared.
- Tobacco Use Prevention Education (TUPE)** **\$15,874**  
State funding provided for grades 4-8 for education on tobacco use prevention. Funds in the 2008-2009 budget are a result of prior year carryover.
- Arts and Music Block Grant** **\$145,825**  
This block grant program was created in response to historical reductions in arts and music programs from district and site budgets. Funding is intended to supplement existing resources for arts and music and may be used for professional development of teachers, arts specialists and administrators, hiring of new teachers or visual and performing arts coordinators, evaluating school arts education programs, creating district arts education plans, and purchasing newly adopted instructional materials.
- Arts, Music, and Physical Education Block Grant (one-time)** **\$221,999**  
Program designed to support instructional programs in acquiring instructional resources used in the delivery of sequential standards-based instruction in physical education and visual and performing arts. Instructional resources purchased with these funds shall be supplies and equipment specifically identified in the District or school physical education and visual and performing arts sequential standards-based curriculum. Funding in this program was one-time, thus the budgeted amount is carryover from 2006-2007.
- Agricultural Vocational Incentive Grant** **\$22,700**  
Funds provided for improving the quality of the agricultural vocational education program and to ensure a constant source of employable trained and skilled individuals. This funding can also be used for the purchase or lease of equipment used in agricultural career technical education programs.
- California High School Exit Exam (CAHSEE)** **\$310,692**  
Funding allocated to provide intensive instruction and services to those students who have failed one or both parts of the CAHSEE.
- Middle and High School Supplemental Counseling** **\$1,029,761**  
Funding supports additional, appropriate counseling services for students in grades seven through 12 at risk of not passing the California High School Exit Examination (CAHSEE), or not accessing the standards curriculum because they are two or more grade levels below standards by the 7th grade. This supplemental funding will be used to increase the access for those students to appropriate counseling services. Included in these budgeted expenditures is \$429,561 of prior year carryover.
- Economic Impact Aid – SCE and LEP (EIA)** **\$813,074**  
Supplemental funding provided to support additional programs and services for English learners and economically disadvantaged students.



**Gifted and Talented Education (GATE) \$62,438**

Funding provided for local educational agencies (LEAs) to develop unique education opportunities for high-achieving and underachieving pupils who have been identified as gifted and talented. Special efforts are made to ensure that pupils from economically disadvantaged and varying cultural backgrounds are provided with full participation in these unique opportunities.

**Instructional Materials Funding Realignment Program (IMFRP) \$570,466**

Funding provided to ensure that each pupil is provided with standards-aligned textbooks or basic instructional materials in the core curriculum areas of reading/language arts, mathematics, science, and history/social sciences.

**Instructional Materials: English Language Learners \$30,440**

One-time appropriations to purchase supplementary instructional materials for English language learners to accelerate pupils as rapidly as possible towards grade level proficiency in reading, writing, and speaking English. This funding is a result of carryover from 2007-2008.

**Administrator Training Program \$26,500**

Funding provided for professional development for principals to build leadership, and the capacity to carry out critical and complex school roles. The budget in this program is made up of prior year carryover.

**Pupil Retention Block Grant \$59,477**

The intent of the program is to consolidate nine separate funding sources for various pupil support services – academic and environmental – and to provide additional flexibility in running those programs. Districts may operate one or more of the programs included in this block grant or develop hybrid programs whose purposes are the same as one or more programs included in this block grant.

**Targeted Instructional Improvement Block Grant (TIIBG) \$326,036**

Funding provided for school districts to improve educational delivery and provide instructional improvement for the lowest achieving pupils in the District. \$87,000 of the budgeted expenditures represent carryover from 2007-2008.

**School and Library Improvement Grant \$148,179**

Funding is for school site-based programs targeted to student achievement with an advisory council charged with writing and monitoring a student achievement plan. It also provides ongoing funding support for school library purchases.

**School Site Discretionary Block Grant (one-time) \$225,686**

Funding provided to address a range of operational and school improvement needs. Before funds may be encumbered or expended, the school site council or school advisory group, as applicable, shall approve the proposed use. Budgeted expenditures are a result of carryover as this was one-time funding.



# EXPENDITURES

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General Fund expenditures for salaries, employee benefits, books and supplies, services and other operating expenditures, capital outlay, and transfers of indirect/direct support costs total \$80.2 million in 2008-2009 for the combined Unrestricted and Restricted General Funds. This is an increase of over \$2.2 million from the 2007-2008 estimated actuals. Approximately 70% of budgeted expenditures are within the Unrestricted General Fund.

## **EMPLOYEE SALARIES AND BENEFITS**

A significant portion of expenditures in a school district is designated to salaries and benefits of employees. It takes people to teach students, and in PUHSD 54.9% of budgeted expenditures is for direct classroom instruction services. About 76.7% of expenditures are for overall employee costs.

Employee salaries are divided into two separate line items: certificated and classified employees. Certificated employees consist of teachers, counselors, nurses, librarians, psychologists, and others who provide services that require credentials from the state of California. Also included in the certificated line item are Certificated Management employees. This includes principals, assistant principals, and other instructional leaders. Classified employees include all of the support personnel in the District, including secretaries, clerks, accountants, maintenance and custodial personnel. Incorporated in the classified line item are Confidential support staff and Classified Management employees.

Health and Welfare benefits for District employees represent 7.3% of budgeted expenditures. Other statutory employee benefits such as retirement and workers' compensation expenditures represent 9.8% of the budget. Excluding costs for Health and Welfare benefits, it costs an additional 12.5% for certificated and 30.47% for classified in statutory benefits above the employees' base salary.

The District also contributes, as part of an employee's compensation, to the premium costs for health, dental, vision, and life insurance benefits. Employees must be in full-time employment in order to receive the maximum District contribution, but part-time employees can also participate in the plan at a pro-rated District support cost.

The District's contribution toward this benefit rose dramatically in 2007-2008 and is projected to increase again in the 2008-2009 budget year. Public education is not immune to the escalating high cost of health benefits. Continuing to fund these benefits has become progressively more challenging. The increase in cost per ADA for health benefits absorbs a high percentage of the District's new revenues.

The benefit plans and the dollar amounts that are contributed by the District per employee are determined by the collective bargaining agreement reached with the District's bargaining units. The District considers the health benefit plan to be part of an employee's



total compensation, and as the costs of District-funded benefits increase, the District's ability to provide salary increases is gravely diminished. The District has budgeted \$5,832,423 for employee Health and Welfare benefits during the coming year, which is an increase of \$961,878 over the prior year.

Another area in budgeted employee costs are automatic step increases. This is also part of an employee's total compensation. For 2008-2009, the District has included \$856,788 for step increases for all employee groups. This amount includes fixed costs on the new base salary after the automatic step increase.

Included in the 2008-2009 budget are new positions as a result of District growth and the opening of an additional grade at Heritage High School. A total of 6 FTE teachers were added for District-wide growth. Enrollment trends in the district are such that the District sees a significant decline in students from 1<sup>st</sup> semester to 2<sup>nd</sup> semester. Given this analysis, PUHSD now fills a portion of allocated staffing at the comprehensive school sites with 6<sup>th</sup> period assignments. A majority of these 6<sup>th</sup> period assignments will revert back to 5-period teaching assignments for the 2<sup>nd</sup> semester. This new strategy of the District allows for appropriate staffing levels in 2<sup>nd</sup> semester without being overstaffed as a result of the decline in student enrollment seen in 2<sup>nd</sup> semester. The need for only 6 additional teaching positions in 2008-2009 comes as a result of being overstaffed in teaching positions 2<sup>nd</sup> semester of 2007-2008.

The District has also included one additional Assistant Principal for Heritage High School as well as 11.25 FTE's of Classified positions. This includes 4 Special Education Paraeducators, 2 Custodians, 3 Campus Supervisors and 4 clerical positions. Pinacate Middle School required 2 additional Special Education Paraeducators for Special Circumstance students. In the area of Maintenance, Operations and Transportation, 2 additional Groundskeepers were included in the budget as a result of growth and additional grounds at Heritage High School. As part of the budget reduction proposal which was approved by the Board in May of 2008, a number of vacant positions were not filled including 2 Counselors, the Lead Maintenance Worker, Lead Groundskeeper, 6 Special Education Paraeducators, and 3 Campus Supervisors that were formally On Campus Detention (OCD) Supervisors, that are required by law to be Certificated.

Also included in the approved budget reductions is the decrease in Classified Substitute usage by 20% to save \$45,000 and reduction of non Associated Student Body (ASB) related Classified Overtime by 25% to save \$55,000.

## **BOOKS AND SUPPLIES**

The category of books and supplies includes approved textbooks and core curricula materials, books and other reference materials, materials and supplies and non-capitalized equipment. The basic curriculum adopted by the State Board of Education or the Board of Trustees falls within the category of approved textbooks and core curricula materials. Books and other reference materials include expenditures for books that have not been adopted by the proper authority for use as basic curricula, books that are available for

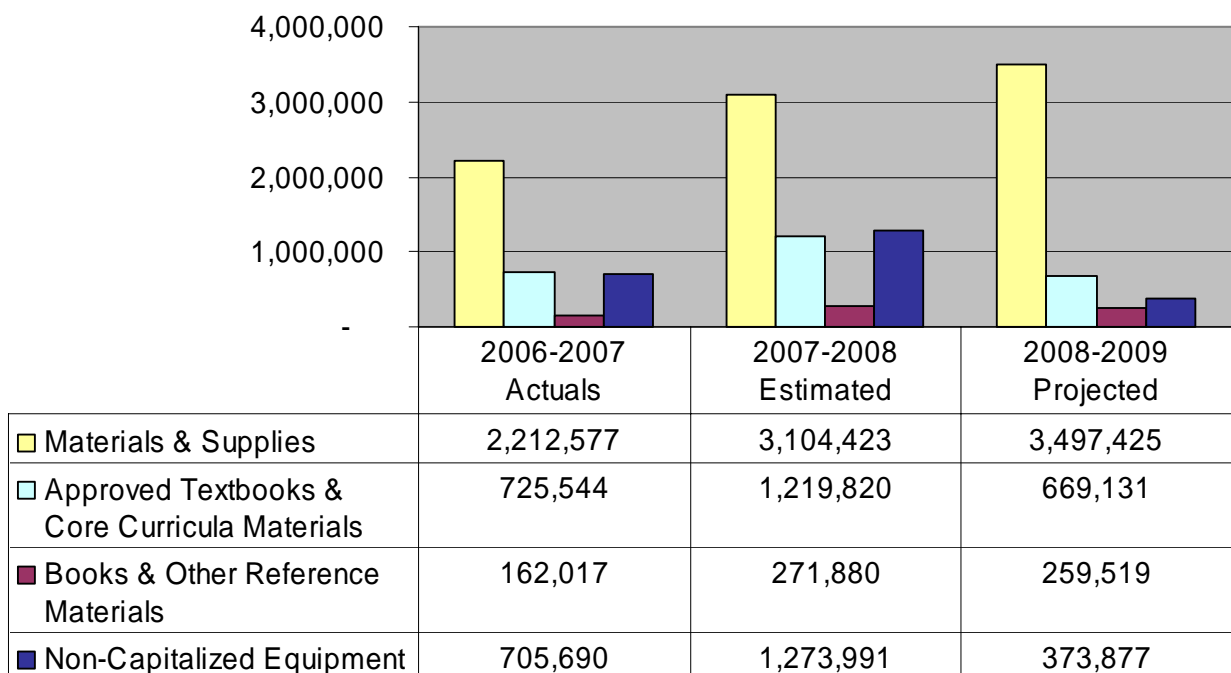


general use by students in the classroom, library books, and all other materials used for reference purposes. Materials and supplies encompass all other items which are consumable and under \$500 such as classroom instructional supplies, custodial supplies, grounds and maintenance supplies, supplies for other operations including gasoline, repair and upkeep of equipment or buildings and grounds, and medical and office supplies. Expenditures for movable personal property of a relatively permanent nature that has an estimated useful life greater than one year and a cost between \$500 and \$4,999 fall within the category of Non-Capitalized Equipment.

The 2008-2009 budget has allocated \$721,507 toward the purchase of textbooks within the category of books and supplies. This funding is provided by the Instructional Materials Funding Realignment Program (IMFRP), and Restricted Lottery. Textbook purchases are based on the California Textbook Adoption Cycle. A major portion of the expenditures in 2008-2009 will be directly related to the adoption of new Math textbooks. Additional textbooks in all areas will be purchased to address increased student enrollment.



### BOOKS AND SUPPLIES EXPENDITURE SUMMARY



## **SERVICES AND OTHER OPERATING EXPENDITURES**

Included in services and other operating expenditures are categories for travel and conference, dues and memberships, insurance for other than employee benefits, operations and housekeeping (utilities), rentals, leases and repairs, professional/consulting services and other operating expenditures, and communications (telephone and postage). Legal expenses are incurred in this category for costs related to negotiations, personnel matters, board items, contracts, and student matters.

Included in the budget reductions for 2008-2009 was the elimination of Summer School transportation for a savings of \$143,698. This elimination did not apply to The Academy Community Day School students or Special Education students. Non-Categorical Travel and Conferences were reduced by 50% with a projected savings of \$49,000. The cost of utilities is projected to decline as the district embarks on an energy management and education program.

### **SERVICES AND OTHER OPERATING EXPENDITURES SUMMARY**

	<b>2006-2007 Actuals</b>	<b>2007-2008 Estimated</b>	<b>2008-2009 Projected</b>
Subagreements for Services	-	4,532,058	4,561,000
Travel & Conferences	550,215	510,363	428,962
Dues & Memberships	75,597	76,267	72,092
Insurance	272,227	270,000	275,000
Operations & Housekeeping	1,847,211	2,310,693	1,931,045
Rentals, Leases and Repairs	734,677	750,693	857,650
Professional/Consulting Services & Other Operating	7,481,155	4,366,720	4,224,061
Communications	369,297	426,553	500,406
<b>Total</b>	<b>11,330,379</b>	<b>13,243,347</b>	<b>12,850,216</b>

*Note: A significant portion of expenditures formally classified as professional/consulting services & other operating expenditures are being classified as subagreements for services according to new state guidelines.*

## **CAPITAL OUTLAY EXPENDITURES**

The cost of a new Student Information System is included in the 2008-2009 budget. This is budgeted because the current Student Information System, SASI XP, is no longer supported by the vendor and is not current with state attendance rules and regulations. A Student Information System Selection Committee was formed in 2007-2008 and began working through a detailed and structured process to select a new system that will meet the needs of the District.



## **SCHOOL SITE ALLOCATIONS**

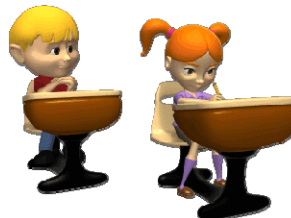
In addition to a variety of restricted funding, school sites receive an unrestricted discretionary budget. Site budgets are calculated on a per student allocation factor based on projected enrollment. Per student amounts range from \$100 to \$160 determined by grade levels and type of educational setting. Not unlike district level department budgets which were cut across the board by 25%, school site allocations were cut 10-15% in some areas, and eliminated in other areas. Allocations were given in the areas of Instruction, Administration, Custodial, and Co-Curricular/Athletics at the reduced funding level. Allocations that were supplemental, and given for the first time in 2007-2008, were eliminated with the 2008-2009 budget. This included supplemental allocations for Extra Duty/Substitutes, Equipment Replacement, and Special Education.

<b>School Site</b>	<b>Allocation</b>
Pinacate Middle School	\$138,421
Heritage High School	\$283,034
Paloma Valley High School	\$483,275
Perris High School	\$427,279
Perris Lake High School	\$35,409
The Academy (Community Day School)	\$32,809
Choice 2000 Charter School	\$14,133
California Military Institute	\$64,180
Adult Education	\$12,726
Independent Study	\$6,060
<b>Total Discretionary Allocations</b>	<b>\$1,497,326</b>



School site discretionary allocations are managed under the direction of the site Principal. This practice, referred to as site-based management, involves the Site Leadership Teams and School Site Councils, as well as guidance from the District Office. School Site Councils have the final authority on how some of the site's categorical dollars are expended, and provide recommendations to the Principal on how all other dollars are expended.

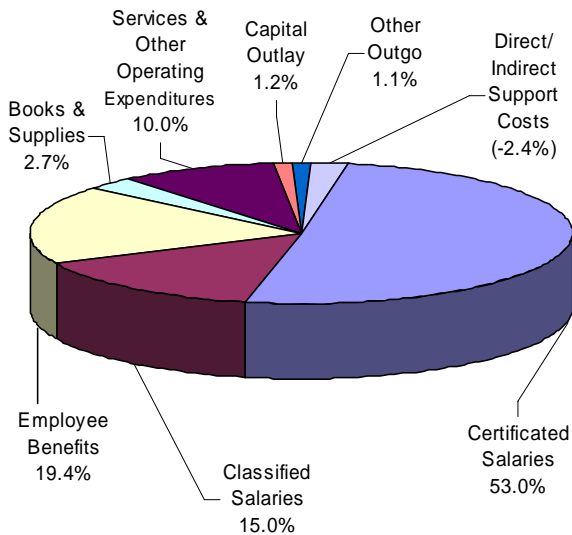
School site discretionary budgets are expended items or services that are within the control of the site, often referred to as "site responsibilities". Falling within this category are supplies for the day-to-day operation of the site, including instructional, office, custodial and health supplies. Sites are also responsible for athletic, band, fine art, custodial and technology equipment including computer replacement. The cost of employee travel and conference, student field trips, and site directed extra-duty or overtime are the responsibility of the school sites. Expenditures that are outside the control of the school site, referred to as "district responsibilities", include salaries and benefits of employees, substitute costs, stipends included in the collective bargaining agreements, pupil testing costs, textbooks, utilities, maintenance and operations of sites and its fixtures, and software licensing and support for district-wide applications. The district is also responsible for costs associated with site or district growth.



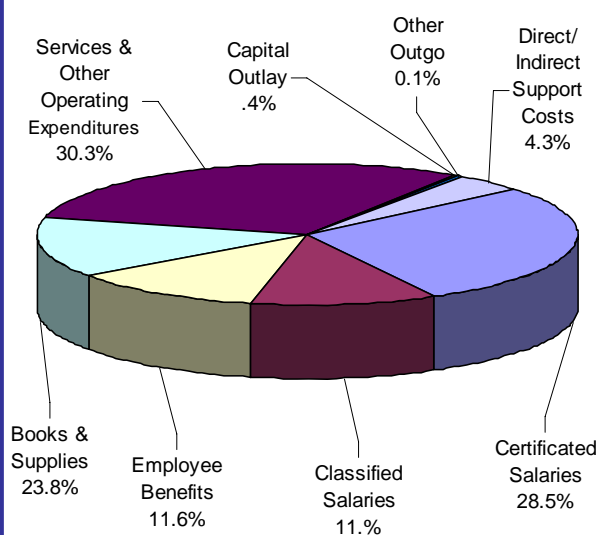
# BUDGETED EXPENDITURES BY OBJECT

Object Classification	Unrestricted	Restricted	Combined
Certificated Salaries	29,929,579	6,773,308	36,702,887
Classified Salaries	8,490,080	2,645,795	11,135,875
Employee Benefits	10,966,696	2,764,962	13,731,658
Books & Supplies	1,518,228	3,281,724	4,799,952
Services & Other Operating Expenditures	5,639,270	7,210,946	12,850,216
Capital Outlay	655,896	96,000	751,896
Other Outgo	621,119	12,229	633,348
Direct/Indirect Support Costs	(1,382,261)	1,020,123	(362,138)
<b>Total</b>	<b>56,438,607</b>	<b>23,805,087</b>	<b>80,243,694</b>

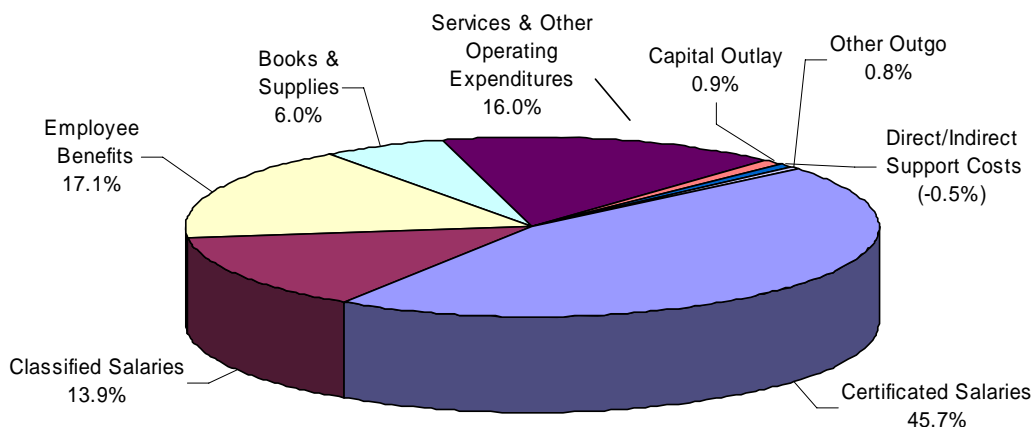
**UNRESTRICTED GENERAL FUND**



**RESTRICTED GENERAL FUND**

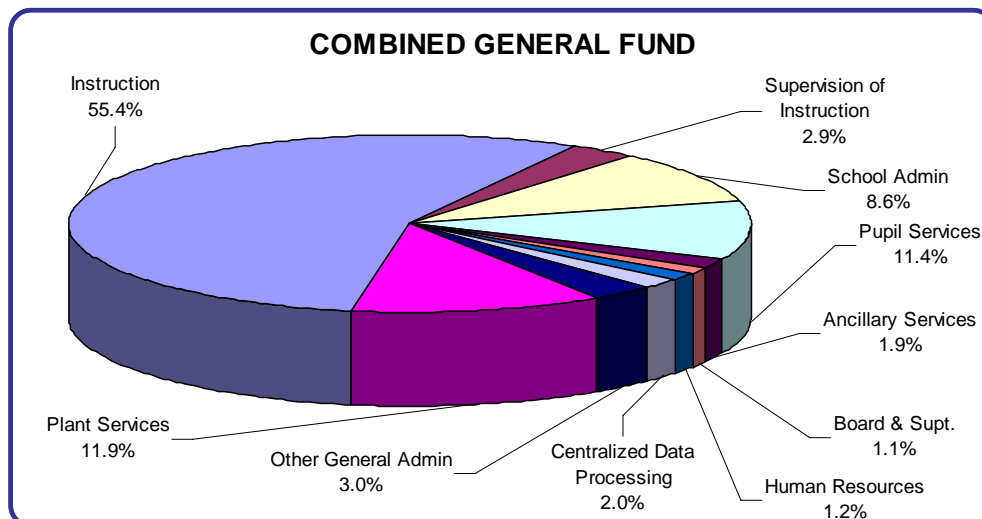
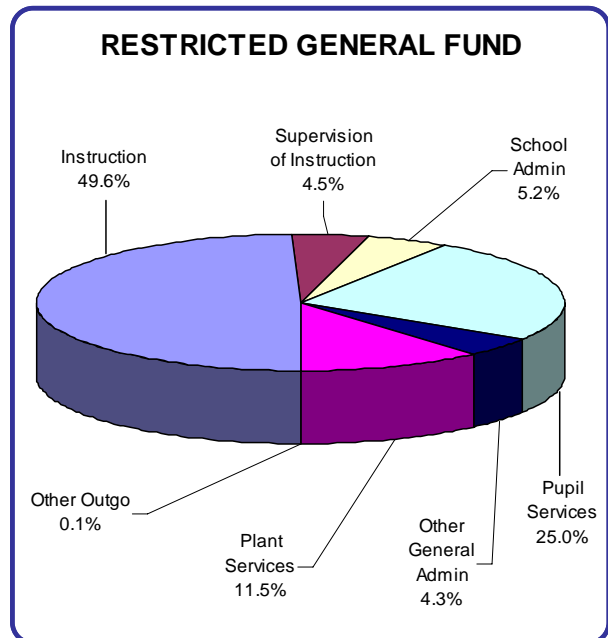
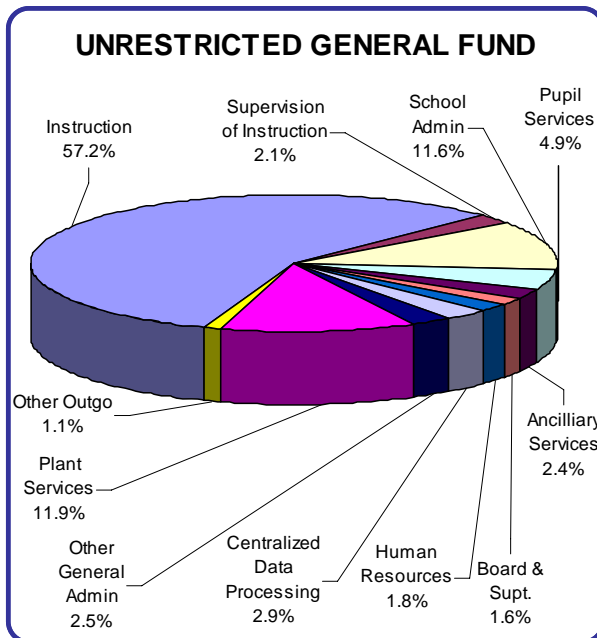


**COMBINED GENERAL FUND**



# BUDGETED EXPENDITURES BY FUNCTION

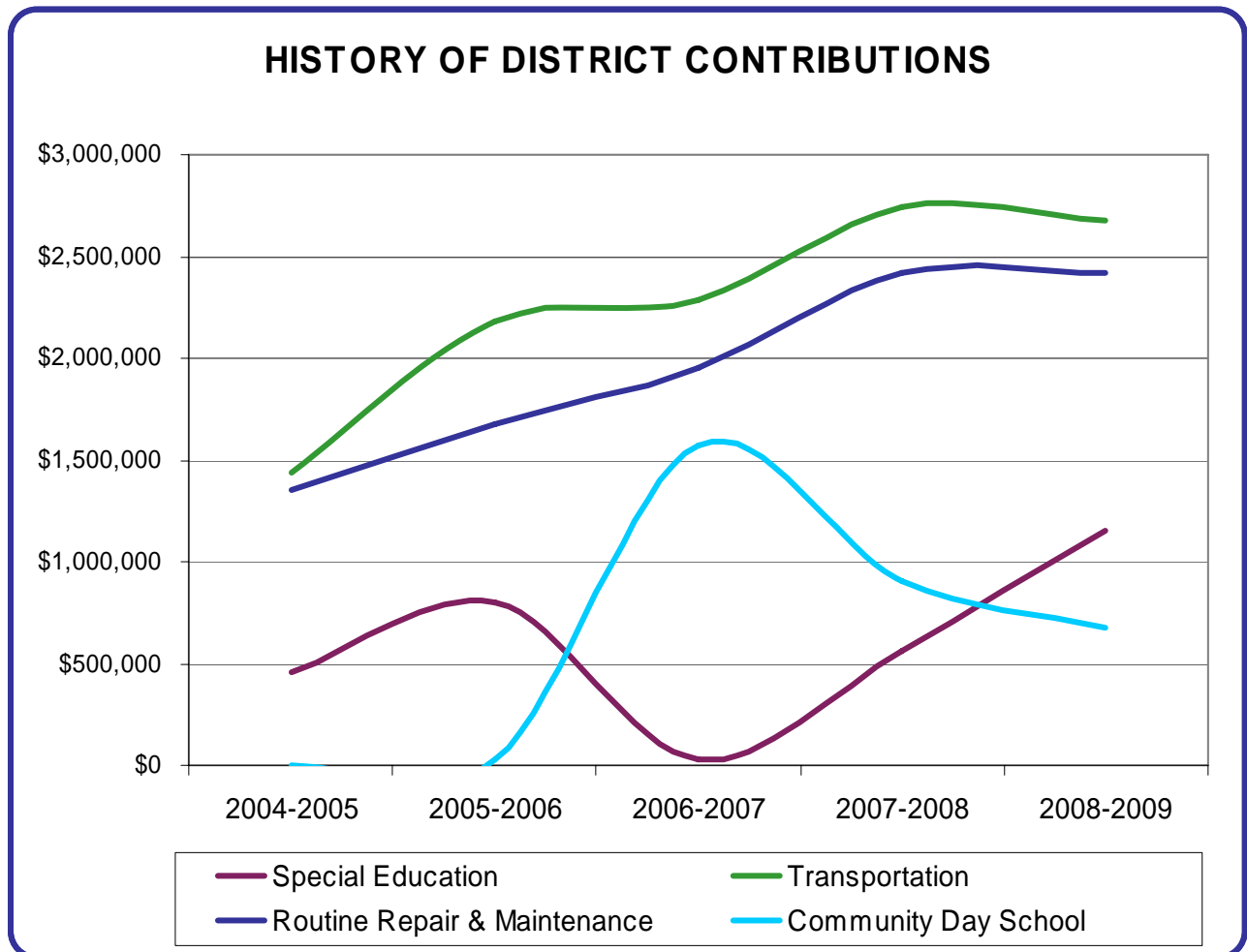
Function Classification	Unrestricted	Restricted	Combined
Instruction	32,284,188	11,797,040	44,081,228
Supervision of Instruction	1,210,505	1,064,613	2,275,118
School Admin	6,519,828	1,226,826	7,746,654
Pupil Services	2,753,924	5,956,061	8,709,985
Ancillary Services	1,360,152	1,000	1,361,152
Board & Supt.	900,075	-	900,075
Human Resources	1,028,919	-	1,028,919
Centralized Data Processing	1,628,720	-	1,628,720
Other General Admin	1,386,811	1,020,123	2,406,934
Plant Services	6,744,366	2,727,195	9,471,561
Other Outgo	621,119	12,229	633,348
<b>Total</b>	<b>56,438,607</b>	<b>23,805,087</b>	<b>80,243,694</b>



# CONTRIBUTIONS

The District currently has significant encroachments in the areas of Transportation, Special Education, Community Day School and Adult Education. Contributions are made from the Unrestricted General Fund to cover encroachments in programs within the Restricted General Fund.

<b>Contributions</b>	<b>Amount</b>
Contribution to Special Education (Federal & State)	\$1,150,927
Contribution to Transportation	\$2,678,705
Contribution to Routine Repair & Maintenance (Includes \$402,661 to Deferred Maintenance)	\$2,419,408
Contribution to Community Day School	\$ 671,510
<b>Total Contributions</b>	<b>\$10,608,284</b>



*Note: The district received additional funds in 2006-2007 from Riverside County Office of Education as a result of prior year excess ending balances being redistributed to districts.*



# DISTRICT RESERVES & NET ENDING BALANCE

Revenues that have not been expended during a budget year are carried over into the subsequent year and are identified as the District's Net Ending Balance. In most cases, this is the only reserve account that a school district has for general operational purposes. The Net Ending Balance of one year becomes the Net Beginning Balance of the subsequent year.

Included within the projected Net Ending Balance is a "Reserve for Economic Uncertainties", which is a minimum balance that the State of California requires to be retained to cover unforeseen shortfalls in revenues or higher-than-expected expenditures. The State's minimum Reserve for Economic Uncertainties for PUHSD is 3% of the total General Fund expenditures. Many districts have reserves that are higher than the minimum state requirement due to the significant fluctuations in public education revenues and/or due to local circumstances and risk factors. PUHSD maintains a reserve of 4%.

Also included in the Net Ending Balance are restricted carryover balances that originated from sources that can only be used for selected purposes. These revenues can only be expended for the purposes determined by the grantor, and the balances in these accounts carry the same restrictions as the originating income. Thus, a Net Ending Balance is composed of two types of accounts, those that are restricted that can be used for selected purposes only and those that are unrestricted that can be expended by decisions of the local agency.

## COMPONENTS OF NET ENDING BALANCE

	2008-2009	2009-2010	2010-2011
Revolving Cash	25,000	25,000	25,000
Legally Restricted Balances	2,328,634	2,293,508	2,535,172
Reserved for Economic Uncertainties	3,225,877	3,302,777	3,419,607
Other Designations:			
District Growth	300,000	350,000	400,000
Column Advancement	60,000	65,000	70,000
Technology & Communications	50,000	50,000	50,000
Textbook Adoption	400,000	300,000	300,000
Special Education Costs	600,000	600,000	600,000
Program/District Enhancement	451,034	138,134	136,134
Facilities & Capital Improvements	500,000	100,000	0
Budget Reduction Restoration	500,000	400,000	400,000
Mandated Cost Reimbursement*	<u>1,393,633</u>	<u>1,393,633</u>	<u>1,393,633</u>
Total Other Designations	4,254,667	3,396,767	3,349,767
<i>*subject to State Audit</i>			
<b>Total Reserves</b>	<b>9,834,177</b>	<b>9,018,052</b>	<b>9,329,546</b>



# OTHER DISTRICT FUNDS

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In addition to the General Fund, which is used to operate the schools, the District, by law, operates other special purpose funds. A list of all the special purpose funds the District has is as follows:

## **Charter Schools Special Revenue Fund**

## **Fund 09**

The Charter School Fund is used to account for the operations of the District operated charter schools. Revenues in this fund are comprised of the Charter School General Purpose Entitlement (Charter State Aid), Categorical Block Grant, Transfers In-Lieu of Property Taxes received from the District General Fund, Lottery dollars, Interest and Other State and Local Revenue.

## **Adult Education Fund**

## **Fund 11**

The Adult Education Fund is used to account separately for federal, state, and local revenues for Adult Education programs. Expenditures in this fund are geared toward instruction and support of adult learners to have the knowledge and skills necessary to participate effectively as citizens, workers, parents, and community members. Expenditures in this fund may be made only for Adult Education purposes. Adult Education ADA is capped at 167.95 for 2008-2009. The ADA cap is increased by 2.5% each year and was 163.85 in 2007-2008. The cap in 2007-2008 was increased by 60.36 ADA from the original budget of 103.49 ADA as a result of applying for, and receiving excess Adult Education revenue from the state. This was a one-time redistribution of excess ADA funds from 2006-2007.

## **Deferred Maintenance Fund**

## **Fund 14**

The Deferred Maintenance Fund receives State apportionments and District contributions for Deferred Maintenance projects. Monies in this fund may be expended only for major repair or replacement of plumbing, heating, air-conditioning, electrical, roofing, and floor systems; exterior and interior painting of school buildings; the inspection, sampling, and analysis of building materials; the removal of asbestos-containing materials, and any other items of maintenance approved by the State Allocation Board. Projects such as roof replacement are intended to prolong the life of our facilities and sites. As part of the Governor's proposed state budget, the state dollars normally received in Deferred Maintenance will instead be redirected to Special Education. Though the district will not receive any state Deferred Maintenance revenue, the district will continue to make a contribution into this fund.

## **Building Fund**

## **Fund 21**

The Building Fund exists primarily to account separately for proceeds from the sale of bonds. Bond money may not be used for any purposes other than those for which the bonds were issued. The District expended all remaining proceeds from Measure T bonds in 2007-2008. The district continues to track proceeds from Measure Z bonds as well as the expenditures made under these bond monies.



**Capital Facilities Fund****Fund 25**

This fund is used primarily to account separately for monies received from fees levied on developers or other agencies as a condition of approving a development. Funds are used to support facility improvements and pay for expansion of school sites to accommodate increased enrollment.

**County School Facilities Fund****Fund 35**

This fund is used to receive apportionments authorized by the State Allocation Board for new school facility construction, modernization projects, and facility hardship grants. Typical expenditures in this fund are payments for the costs of sites, site improvements, buildings, building improvements, and furniture and fixtures capitalized as part of the construction project.

**Special Reserve Fund for Capital Outlay Projects****Fund 40**

This fund exists primarily to provide for the accumulation of general fund monies being reserved for capital outlay purposes. Salaries of school District employees whose work is directly related to projects financed by this fund's revenues are capitalized as a part of the capital facilities project.

**Capital Project Fund for Blended Component Units****Fund 49**

This fund is used to account for capital projects financed by Mello-Roos Community Facilities Districts and similar entities that are considered blended component units of the District.

**Bond Interest and Redemption Fund****Fund 51**

This fund is used for the repayment of bonds issued. The county auditor maintains control over the fund ensuring that bond revenues are sufficient to cover bond debt. The principal and interest on the bonds is paid by the county treasurer from the taxes levied by the county auditor-controller.

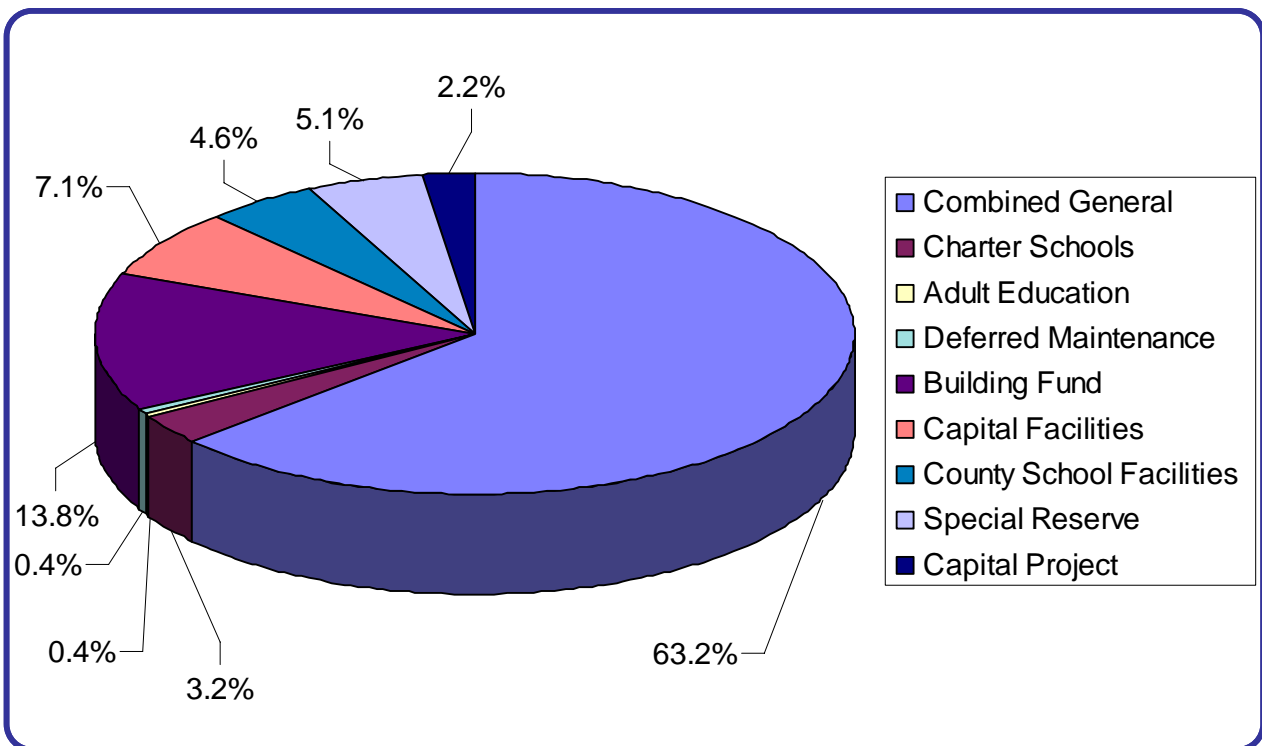
**Debt Service Fund****Fund 56**

This fund exists to accumulate the resources required for the payment of principal and interest on general long-term debt.



## 2008-2009 BUDGET SUMMARY - ALL FUNDS

	Estimated Beginning Balance	Projected Revenue (+/-) Transfers In/Out	2008-2009 Total Available Dollars
Combined General Fund	13,992,755	76,085,117	<b>90,077,872</b>
Charter Schools Special Revenue Fund	998,199	3,579,966	<b>4,578,165</b>
Adult Education Fund	0	552,496	<b>552,496</b>
Deferred Maintenance Fund	207,650	412,121	<b>619,771</b>
Building Fund	18,551,915	1,070,694	<b>19,622,609</b>
Capital Facilities Fund	8,969,801	1,131,683	<b>10,101,484</b>
County School Facilities Fund	6,348,272	173,591	<b>6,521,863</b>
Special Reserve Fund for Capital Outlay Projects	6,926,615	346,054	<b>7,272,669</b>
Capital Project Fund for Blended Component Units	2,533,224	649,777	<b>3,183,001</b>
<b>District Total</b>			<b>142,529,930</b>



# ADOPTED BUDGET SUMMARIES BY FUND

## Budget Summary Fund 03 - Unrestricted General Fund

	Prior Year Actuals	Current Year Adopted Budget	Current Year Revised Budget	Estimated Actuals	Projected Budget
<b>A. REVENUES</b>					
1) Revenue Limit Sources	49,102,567	53,983,799	53,347,633	54,679,390	56,298,433
2) Federal Revenues	98,299	102,000	102,000	172,158	175,000
3) Other State Revenues	3,584,294	2,168,434	2,168,434	2,600,505	2,440,655
4) Other Local Revenues	1,788,130	1,604,000	1,652,538	1,655,417	1,738,793
<b>5) TOTAL REVENUES</b>	<b>54,573,290</b>	<b>57,858,233</b>	<b>57,270,605</b>	<b>59,107,470</b>	<b>60,652,881</b>
<b>B. EXPENDITURES</b>					
1) Certificated Salaries	24,027,590	26,598,247	28,292,028	29,087,672	29,929,579
2) Classified Salaries	6,289,261	8,144,360	8,298,481	7,951,746	8,490,080
3) Employee Benefits	7,919,979	9,692,846	10,014,142	9,537,086	10,966,696
4) Books and Supplies	1,810,225	2,412,709	2,884,507	2,244,970	1,518,228
5) Services, Other Operating Exp	5,399,268	5,823,938	5,955,277	6,010,440	5,639,270
6) Capital Outlay	772,048	429,783	268,814	512,693	655,896
7) Other Outgo	1,052,645	-	-	-	621,119
8) Direct/Indirect Costs	(1,591,517)	(1,490,923)	(1,806,271)	(1,442,387)	(1,382,261)
<b>9) TOTAL EXPENDITURES</b>	<b>45,679,499</b>	<b>51,610,960</b>	<b>53,906,978</b>	<b>53,902,220</b>	<b>56,438,607</b>
<b>C. EXCESS (DEFICIENCY) OF REV/EXP (A5 - B9)</b>	<b>8,893,791</b>	<b>6,247,273</b>	<b>3,363,627</b>	<b>5,205,250</b>	<b>4,214,274</b>
<b>D. OTHER FINANCING SOURCES/USES</b>					
1a) Interfund Transfers In	-	-	135,682	137,804	-
1b) Interfund Transfers Out	135,682	2,557,773	-	-	-
2a) Other Sources	-	-	-	-	-
2b) Other Uses	-	-	-	-	-
3) Contributions	(6,003,059)	(7,205,282)	(7,474,106)	(6,751,629)	(6,920,546)
<b>4) Total Other</b>	<b>(6,138,741)</b>	<b>(9,763,055)</b>	<b>(7,338,424)</b>	<b>(6,613,825)</b>	<b>(6,920,546)</b>
<b>E. CHANGE IN FUND BALANCE (C + D4)</b>	<b>2,755,050</b>	<b>(3,515,782)</b>	<b>(3,974,797)</b>	<b>(1,408,575)</b>	<b>(2,706,272)</b>
<b>F. BEGINNING BALANCE</b>	<b>8,890,341</b>	<b>11,315,904</b>	<b>11,645,391</b>	<b>11,645,391</b>	<b>10,236,816</b>
<b>G. ENDING BALANCE</b>	<b>11,645,391</b>	<b>7,800,122</b>	<b>7,670,594</b>	<b>10,236,816</b>	<b>7,530,544</b>



## Budget Summary

### Fund 06 - Rerestricted General Fund

	Prior Year Actuals	Current Year Adopted Budget	Current Year Revised Budget	Estimated Actuals	Projected Budget
<b>A. REVENUES</b>					
1) Revenue Limit Sources	4,955,377	3,833,551	3,552,777	3,466,371	3,260,125
2) Federal Revenues	3,427,004	3,338,072	3,349,281	3,240,402	3,248,585
3) Other State Revenues	6,080,399	5,103,200	5,645,871	5,565,082	5,021,135
4) Other Local Revenues	3,778,833	3,764,394	3,795,394	4,813,647	4,305,626
<b>5) TOTAL REVENUES</b>	<b>18,241,613</b>	<b>16,039,217</b>	<b>16,343,323</b>	<b>17,085,502</b>	<b>15,835,471</b>
<b>B. EXPENDITURES</b>					
1) Certificated Salaries	6,677,783	6,430,192	6,789,954	6,646,631	6,773,308
2) Classified Salaries	2,413,970	2,766,552	2,772,320	2,439,027	2,645,795
3) Employee Benefits	2,365,112	2,642,548	2,669,320	2,548,270	2,764,962
4) Books and Supplies	1,995,592	5,334,969	5,066,616	3,661,144	3,281,724
5) Services, Other Operating Exp	5,931,091	7,227,129	7,463,294	7,232,907	7,210,946
6) Capital Outlay	659,151	178,701	218,658	408,505	96,000
7) Other Outgo	-	-	-	12,229	12,229
8) Direct/Indirect Costs	1,345,710	1,380,663	1,493,665	1,135,022	1,020,123
<b>9) TOTAL EXPENDITURES</b>	<b>21,388,409</b>	<b>25,960,754</b>	<b>26,473,827</b>	<b>24,083,735</b>	<b>23,805,087</b>
<b>C. EXCESS (DEFICIENCY) OF REV/EXP (A5 - B9)</b>	<b>(3,146,796)</b>	<b>(9,921,537)</b>	<b>(10,130,504)</b>	<b>(6,998,233)</b>	<b>(7,969,616)</b>
<b>D. OTHER FINANCING SOURCES/USES</b>					
1a) Interfund Transfers In	-	-	-	-	-
1b) Interfund Transfers Out	324,682	402,661	419,834	419,834	403,235
2a) Other Sources	-	-	-	-	-
2b) Other Uses	-	-	-	-	-
3) Contributions	6,003,059	7,205,282	7,474,106	6,751,629	6,920,546
<b>4) Total Other</b>	<b>5,678,377</b>	<b>6,802,621</b>	<b>7,054,272</b>	<b>6,331,795</b>	<b>6,517,311</b>
<b>E. CHANGE IN FUND BALANCE (C + D4)</b>	<b>2,531,581</b>	<b>(3,118,916)</b>	<b>(3,076,232)</b>	<b>(666,438)</b>	<b>(1,452,305)</b>
<b>F. BEGINNING BALANCE</b>	<b>1,890,797</b>	<b>4,375,205</b>	<b>4,422,378</b>	<b>4,422,377</b>	<b>3,755,939</b>
<b>G. ENDING BALANCE</b>	<b>4,422,378</b>	<b>1,256,289</b>	<b>1,346,146</b>	<b>3,755,939</b>	<b>2,303,634</b>



## Budget Summary Combined General Fund

	Prior Year Actuals	Current Year Adopted Budget	Current Year Revised Budget	Estimated Actuals	Projected Budget
<b>A. REVENUES</b>					
1) Revenue Limit Sources	54,057,944	57,817,350	56,900,410	58,145,761	59,558,558
2) Federal Revenues	3,525,303	3,440,072	3,451,281	3,412,560	3,423,585
3) Other State Revenues	9,664,693	7,271,634	7,814,305	8,165,587	7,461,790
4) Other Local Revenues	5,566,963	5,368,394	5,447,932	6,469,064	6,044,419
<b>5) TOTAL REVENUES</b>	<b>72,814,903</b>	<b>73,897,450</b>	<b>73,613,928</b>	<b>76,192,972</b>	<b>76,488,352</b>
<b>B. EXPENDITURES</b>					
1) Certificated Salaries	30,705,373	33,028,439	35,081,982	35,734,303	36,702,887
2) Classified Salaries	8,703,231	10,910,912	11,070,801	10,390,773	11,135,875
3) Employee Benefits	10,285,092	12,335,394	12,683,462	12,085,356	13,731,658
4) Books and Supplies	3,805,817	7,747,678	7,951,123	5,906,114	4,799,952
5) Services, Other Operating Exp	11,330,359	13,051,067	13,418,571	13,243,347	12,850,216
6) Capital Outlay	1,431,199	608,484	487,472	921,198	751,896
7) Other Outgo	1,052,645	-	-	12,229	633,348
8) Direct/Indirect Costs	(245,807)	(110,260)	(312,606)	(307,365)	(362,138)
<b>9) TOTAL EXPENDITURES</b>	<b>67,067,909</b>	<b>77,571,714</b>	<b>80,380,805</b>	<b>77,985,955</b>	<b>80,243,694</b>
<b>C. EXCESS (DEFICIENCY) OF REV/EXP (A5 - B9)</b>	<b>5,746,994</b>	<b>(3,674,264)</b>	<b>(6,766,877)</b>	<b>(1,792,983)</b>	<b>(3,755,342)</b>
<b>D. OTHER FINANCING SOURCES/USES</b>					
1a) Interfund Transfers In	-	-	135,682	137,804	-
1b) Interfund Transfers Out	460,364	2,960,434	419,834	419,834	403,235
2a) Other Sources	-	-	-	-	-
2b) Other Uses	-	-	-	-	-
3) Contributions	-	-	-	-	-
<b>4) Total Other</b>	<b>(460,364)</b>	<b>(2,960,434)</b>	<b>(284,152)</b>	<b>(282,030)</b>	<b>(403,235)</b>
<b>E. CHANGE IN FUND BALANCE (C + D4)</b>	<b>5,286,630</b>	<b>(6,634,698)</b>	<b>(7,051,029)</b>	<b>(2,075,013)</b>	<b>(4,158,577)</b>
<b>F. BEGINNING BALANCE</b>	<b>10,781,138</b>	<b>15,691,109</b>	<b>16,067,770</b>	<b>16,067,768</b>	<b>13,992,755</b>
<b>G. ENDING BALANCE</b>	<b>16,067,768</b>	<b>9,056,411</b>	<b>9,016,741</b>	<b>13,992,755</b>	<b>9,834,178</b>



## Budget Summary

### Fund 09 - Charter Schools Special Revenue Fund

	Prior Year Actuals	Current Year Adopted Budget	Current Year Revised Budget	Estimated Actuals	Projected Budget
<b>A. REVENUES</b>					
1) Revenue Limit Sources	1,052,367	2,625,210	2,796,855	2,797,063	3,189,800
2) Federal Revenues	-	-	-	-	-
3) Other State Revenues	237,161	253,828	355,176	287,709	363,903
4) Other Local Revenues	1,091,725	60,000	60,113	26,376	26,263
<b>5) TOTAL REVENUES</b>	<b>2,381,253</b>	<b>2,939,038</b>	<b>3,212,144</b>	<b>3,111,148</b>	<b>3,579,966</b>
<b>B. EXPENDITURES</b>					
1) Certificated Salaries	1,193,820	1,550,484	1,559,268	1,539,155	1,939,550
2) Classified Salaries	175,936	287,513	306,801	308,031	331,019
3) Employee Benefits	321,553	458,051	446,849	428,083	567,877
4) Books and Supplies	276,286	350,489	428,921	337,660	389,268
5) Services, Other Operating Exp	301,701	476,738	342,899	319,671	369,445
6) Capital Outlay	-	37,000	31,549	31,549	110,000
7) Other Outgo	-	-	-	-	-
8) Direct/Indirect Costs	221,500	85,060	283,508	277,180	338,627
<b>9) TOTAL EXPENDITURES</b>	<b>2,490,796</b>	<b>3,245,335</b>	<b>3,399,795</b>	<b>3,241,329</b>	<b>4,045,786</b>
<b>C. EXCESS (DEFICIENCY) OF REV/EXP (A5 - B9)</b>	<b>(109,543)</b>	<b>(306,297)</b>	<b>(187,651)</b>	<b>(130,181)</b>	<b>(465,820)</b>
<b>D. OTHER FINANCING SOURCES/USES</b>					
1a) Interfund Transfers In	-	-	17,173	17,173	-
1b) Interfund Transfers Out	-	-	-	-	-
2a) Other Sources	-	-	-	-	-
2b) Other Uses	-	-	-	-	-
3) Contributions	-	-	-	-	-
<b>4) Total Other</b>	<b>-</b>	<b>-</b>	<b>17,173</b>	<b>17,173</b>	<b>-</b>
<b>E. CHANGE IN FUND BALANCE (C + D4)</b>	<b>(109,543)</b>	<b>(306,297)</b>	<b>(170,478)</b>	<b>(113,008)</b>	<b>(465,820)</b>
<b>F. BEGINNING BALANCE</b>	<b>1,220,750</b>	<b>1,175,464</b>	<b>1,111,207</b>	<b>1,111,207</b>	<b>998,199</b>
<b>G. ENDING BALANCE</b>	<b>1,111,207</b>	<b>869,167</b>	<b>940,729</b>	<b>998,199</b>	<b>532,379</b>



## Budget Summary

### Fund 11 - Adult Education Fund

	Prior Year Actuals	Current Year Adopted Budget	Current Year Revised Budget	Estimated Actuals	Projected Budget
<b>A. REVENUES</b>					
1) Revenue Limit Sources	264,644	-	-	-	-
2) Federal Revenues	60,675	60,675	63,064	63,064	63,064
3) Other State Revenues	48,344	385,346	764,338	698,385	459,888
4) Other Local Revenues	14,480	8,900	6,500	22,680	29,544
<b>5) TOTAL REVENUES</b>	<b>388,143</b>	<b>454,921</b>	<b>833,902</b>	<b>784,129</b>	<b>552,496</b>
<b>B. EXPENDITURES</b>					
1) Certificated Salaries	268,609	191,015	334,404	378,652	261,218
2) Classified Salaries	114,108	101,186	105,326	115,427	110,055
3) Employee Benefits	83,126	70,853	97,316	99,011	95,827
4) Books and Supplies	21,258	79,247	79,105	9,378	32,854
5) Services, Other Operating Exp	50,360	45,193	45,335	15,794	16,071
6) Capital Outlay	-	-	-	-	-
7) Other Outgo	-	-	-	-	-
8) Direct/Indirect Costs	24,307	25,200	29,098	30,185	23,511
<b>9) TOTAL EXPENDITURES</b>	<b>561,768</b>	<b>512,694</b>	<b>690,584</b>	<b>648,447</b>	<b>539,536</b>
<b>C. EXCESS (DEFICIENCY) OF REV/EXP (A5 - B9)</b>	<b>(173,625)</b>	<b>(57,773)</b>	<b>143,318</b>	<b>135,682</b>	<b>12,960</b>
<b>D. OTHER FINANCING SOURCES/USES</b>					
1a) Interfund Transfers In	135,682	57,773	-	-	-
1b) Interfund Transfers Out	-	-	135,682	135,682	-
2a) Other Sources	-	-	-	-	-
2b) Other Uses	-	-	-	-	-
3) Contributions	-	-	-	-	-
<b>4) Total Other</b>	<b>135,682</b>	<b>57,773</b>	<b>(135,682)</b>	<b>(135,682)</b>	<b>-</b>
<b>E. CHANGE IN FUND BALANCE (C + D4)</b>	<b>(37,944)</b>	<b>-</b>	<b>7,636</b>	<b>-</b>	<b>12,960</b>
<b>F. BEGINNING BALANCE</b>	<b>37,944</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>G. ENDING BALANCE</b>	<b>-</b>	<b>-</b>	<b>7,636</b>	<b>-</b>	<b>12,960</b>



## Budget Summary

### Fund 14 - Deferred Maintenance Fund

	Prior Year Actuals	Current Year Adopted Budget	Current Year Revised Budget	Estimated Actuals	Projected Budget
<b>A. REVENUES</b>					
1) Revenue Limit Sources	-	-	-	-	-
2) Federal Revenues	-	-	-	-	-
3) Other State Revenues	286,883	300,000	299,989	299,989	-
4) Other Local Revenues	28,525	30,000	9,000	8,886	8,886
<b>5) TOTAL REVENUES</b>	<b>315,408</b>	<b>330,000</b>	<b>308,989</b>	<b>308,875</b>	<b>8,886</b>
<b>B. EXPENDITURES</b>					
1) Certificated Salaries	-	-	-	-	-
2) Classified Salaries	-	-	-	-	-
3) Employee Benefits	-	-	-	-	-
4) Books and Supplies	240,390	60,000	260,000	247,482	131,331
5) Services, Other Operating Exp	389,610	572,661	447,302	331,057	488,440
6) Capital Outlay	749,210	100,000	302,529	223,529	-
7) Other Outgo	-	-	-	-	-
8) Direct/Indirect Costs	-	-	-	-	-
<b>9) TOTAL EXPENDITURES</b>	<b>1,379,210</b>	<b>732,661</b>	<b>1,009,831</b>	<b>802,068</b>	<b>619,771</b>
<b>C. EXCESS (DEFICIENCY) OF REV/EXP (A5 - B9)</b>	<b>(1,063,802)</b>	<b>(402,661)</b>	<b>(700,842)</b>	<b>(493,193)</b>	<b>(610,885)</b>
<b>D. OTHER FINANCING SOURCES/USES</b>					
1a) Interfund Transfers In	324,682	402,661	402,661	402,661	403,235
1b) Interfund Transfers Out	-	-	-	-	-
2a) Other Sources	-	-	-	-	-
2b) Other Uses	-	-	-	-	-
3) Contributions	-	-	-	-	-
<b>4) Total Other</b>	<b>324,682</b>	<b>402,661</b>	<b>402,661</b>	<b>402,661</b>	<b>403,235</b>
<b>E. CHANGE IN FUND BALANCE (C + D4)</b>	<b>(739,120)</b>	<b>-</b>	<b>(298,181)</b>	<b>(90,532)</b>	<b>(207,650)</b>
<b>F. BEGINNING BALANCE</b>	<b>1,037,302</b>	<b>-</b>	<b>298,182</b>	<b>298,182</b>	<b>207,650</b>
<b>G. ENDING BALANCE</b>	<b>298,182</b>	<b>-</b>	<b>1</b>	<b>207,650</b>	<b>-</b>



## Budget Summary

### Fund 21 - Building Fund

	Prior Year Actuals	Current Year Adopted Budget	Current Year Revised Budget	Estimated Actuals	Projected Budget
<b>A. REVENUES</b>					
1) Revenue Limit Sources	-	-	-	-	-
2) Federal Revenues	-	-	-	-	-
3) Other State Revenues	-	-	-	-	-
4) Other Local Revenues	1,407,696	1,050,000	1,050,000	846,660	368,000
<b>5) TOTAL REVENUES</b>	<b>1,407,696</b>	<b>1,050,000</b>	<b>1,050,000</b>	<b>846,660</b>	<b>368,000</b>
<b>B. EXPENDITURES</b>					
1) Certificated Salaries	-	-	-	-	-
2) Classified Salaries	-	-	-	-	-
3) Employee Benefits	-	-	-	-	-
4) Books and Supplies	-	-	88,726	63,721	-
5) Services, Other Operating Exp	32,508	-	82,690	156,489	-
6) Capital Outlay	8,417,159	10,687,859	10,516,443	12,733,550	1,768,281
7) Other Outgo	644,100	-	-	404,800	702,694
8) Direct/Indirect Costs	-	-	-	-	-
<b>9) TOTAL EXPENDITURES</b>	<b>9,093,767</b>	<b>10,687,859</b>	<b>10,687,859</b>	<b>13,358,560</b>	<b>2,470,975</b>
<b>C. EXCESS (DEFICIENCY) OF REV/EXP (A5 - B9)</b>	<b>(7,686,071)</b>	<b>(9,637,859)</b>	<b>(9,637,859)</b>	<b>(12,511,900)</b>	<b>(2,102,975)</b>
<b>D. OTHER FINANCING SOURCES/USES</b>					
1a) Interfund Transfers In	615,896	-	-	1,186,871	702,694
1b) Interfund Transfers Out	-	-	-	-	-
2a) Other Sources	-	-	-	8,961,283	-
2b) Other Uses	-	-	-	-	-
3) Contributions	-	-	-	-	-
<b>4) Total Other</b>	<b>615,896</b>	<b>-</b>	<b>-</b>	<b>10,148,154</b>	<b>702,694</b>
<b>E. CHANGE IN FUND BALANCE (C + D4)</b>	<b>(7,070,175)</b>	<b>(9,637,859)</b>	<b>(9,637,859)</b>	<b>(2,363,746)</b>	<b>(1,400,281)</b>
<b>F. BEGINNING BALANCE</b>	<b>27,985,836</b>	<b>23,461,587</b>	<b>20,915,662</b>	<b>20,915,661</b>	<b>18,551,915</b>
<b>G. ENDING BALANCE</b>	<b>20,915,661</b>	<b>13,823,728</b>	<b>11,277,803</b>	<b>18,551,915</b>	<b>17,151,634</b>



## Budget Summary

### Fund 25 - Capital Facilities Fund

	Prior Year Actuals	Current Year Adopted Budget	Current Year Revised Budget	Estimated Actuals	Projected Budget
<b>A. REVENUES</b>					
1) Revenue Limit Sources	-	-	-	-	-
2) Federal Revenues	-	-	-	-	-
3) Other State Revenues	-	-	-	-	-
4) Other Local Revenues	4,194,221	3,400,000	2,500,000	2,879,873	1,100,000
<b>5) TOTAL REVENUES</b>	<b>4,194,221</b>	<b>3,400,000</b>	<b>2,500,000</b>	<b>2,879,873</b>	<b>1,100,000</b>
<b>B. EXPENDITURES</b>					
1) Certificated Salaries	-	-	-	-	-
2) Classified Salaries	138,761	130,822	130,822	91,098	113,725
3) Employee Benefits	52,828	51,734	51,734	40,436	53,858
4) Books and Supplies	48,201	-	-	3,314	-
5) Services, Other Operating Exp	191,363	205,000	205,000	276,561	100,000
6) Capital Outlay	3,710,612	6,922,052	6,922,052	9,978,618	1,684,335
7) Other Outgo	1,484,364	-	-	1,169,058	1,190,000
8) Direct/Indirect Costs	-	-	-	-	-
<b>9) TOTAL EXPENDITURES</b>	<b>5,626,129</b>	<b>7,309,608</b>	<b>7,309,608</b>	<b>11,559,085</b>	<b>3,141,918</b>
<b>C. EXCESS (DEFICIENCY) OF REV/EXP (A5 - B9)</b>	<b>(1,431,908)</b>	<b>(3,909,608)</b>	<b>(4,809,608)</b>	<b>(8,679,212)</b>	<b>(2,041,918)</b>
<b>D. OTHER FINANCING SOURCES/USES</b>					
1a) Interfund Transfers In	5,206,422	-	-	1,169,058	31,683
1b) Interfund Transfers Out	-	-	-	-	-
2a) Other Sources	-	-	-	-	-
2b) Other Uses	-	-	-	-	-
3) Contributions	-	-	-	-	-
<b>4) Total Other</b>	<b>5,206,422</b>	<b>-</b>	<b>-</b>	<b>1,169,058</b>	<b>31,683</b>
<b>E. CHANGE IN FUND BALANCE (C + D4)</b>	<b>3,774,514</b>	<b>(3,909,608)</b>	<b>(4,809,608)</b>	<b>(7,510,154)</b>	<b>(2,010,235)</b>
<b>F. BEGINNING BALANCE</b>	<b>12,705,442</b>	<b>7,464,184</b>	<b>16,479,955</b>	<b>16,479,955</b>	<b>8,969,801</b>
<b>G. ENDING BALANCE</b>	<b>16,479,956</b>	<b>3,554,576</b>	<b>11,670,347</b>	<b>8,969,801</b>	<b>6,959,566</b>



## Budget Summary

### Fund 35 - County Schools Facilities Fund

	Prior Year Actuals	Current Year Adopted Budget	Current Year Revised Budget	Estimated Actuals	Projected Budget
<b>A. REVENUES</b>					
1) Revenue Limit Sources	-	-	-	-	-
2) Federal Revenues	-	-	-	-	-
3) Other State Revenues	6,756,952	2,608,979	1,540,776	1,540,776	-
4) Other Local Revenues	1,068,354	300,000	285,000	245,302	173,591
<b>5) TOTAL REVENUES</b>	<b>7,825,306</b>	<b>2,908,979</b>	<b>1,825,776</b>	<b>1,786,078</b>	<b>173,591</b>
<b>B. EXPENDITURES</b>					
1) Certificated Salaries	-	-	-	-	-
2) Classified Salaries	-	-	-	-	-
3) Employee Benefits	-	-	-	-	-
4) Books and Supplies	403,005	1,479,300	1,425,451	1,440,214	23,000
5) Services, Other Operating Exp	27,554	-	-	23,430	150,000
6) Capital Outlay	27,202,635	6,768,922	6,004,301	2,301,665	3,561,004
7) Other Outgo	-	-	-	-	-
8) Direct/Indirect Costs	-	-	-	-	-
<b>9) TOTAL EXPENDITURES</b>	<b>27,633,194</b>	<b>8,248,222</b>	<b>7,429,752</b>	<b>3,765,309</b>	<b>3,734,004</b>
<b>C. EXCESS (DEFICIENCY) OF REV/EXP (A5 - B9)</b>	<b>(19,807,888)</b>	<b>(5,339,243)</b>	<b>(5,603,976)</b>	<b>(1,979,231)</b>	<b>(3,560,413)</b>
<b>D. OTHER FINANCING SOURCES/USES</b>					
1a) Interfund Transfers In	-	-	-	2,758,784	-
1b) Interfund Transfers Out	3,722,058	-	-	-	-
2a) Other Sources	-	-	-	-	-
2b) Other Uses	-	-	-	-	-
3) Contributions	-	-	-	-	-
<b>4) Total Other</b>	<b>(3,722,058)</b>	<b>-</b>	<b>-</b>	<b>2,758,784</b>	<b>-</b>
<b>E. CHANGE IN FUND BALANCE (C + D4)</b>	<b>(23,529,946)</b>	<b>(5,339,243)</b>	<b>(5,603,976)</b>	<b>779,553</b>	<b>(3,560,413)</b>
<b>F. BEGINNING BALANCE</b>	<b>29,101,665</b>	<b>5,620,272</b>	<b>5,571,719</b>	<b>5,571,719</b>	<b>6,348,272</b>
<b>G. ENDING BALANCE</b>	<b>5,571,719</b>	<b>281,029</b>	<b>(32,257)</b>	<b>6,351,272</b>	<b>2,787,859</b>



## Budget Summary

### Fund 40 - Special Reserve Fund for Capital Outlay

	Prior Year Actuals	Current Year Adopted Budget	Current Year Revised Budget	Estimated Actuals	Projected Budget
<b>A. REVENUES</b>					
1) Revenue Limit Sources	-	-	-	-	-
2) Federal Revenues	-	-	-	-	-
3) Other State Revenues	-	-	-	-	-
4) Other Local Revenues	402,899	350,000	350,000	346,054	346,054
<b>5) TOTAL REVENUES</b>	<b>402,899</b>	<b>350,000</b>	<b>350,000</b>	<b>346,054</b>	<b>346,054</b>
<b>B. EXPENDITURES</b>					
1) Certificated Salaries	-	-	-	-	-
2) Classified Salaries	-	-	-	-	-
3) Employee Benefits	-	-	-	-	-
4) Books and Supplies	6,014	-	-	5,727	-
5) Services, Other Operating Exp	116,204	67,200	80,080	356,099	70,000
6) Capital Outlay	1,082,158	2,784,665	2,557,120	218,001	907,342
7) Other Outgo	-	-	-	-	-
8) Direct/Indirect Costs	-	-	-	-	-
<b>9) TOTAL EXPENDITURES</b>	<b>1,204,376</b>	<b>2,851,865</b>	<b>2,637,200</b>	<b>579,827</b>	<b>977,342</b>
<b>C. EXCESS (DEFICIENCY) OF REV/EXP (A5 - B9)</b>	<b>(801,477)</b>	<b>(2,501,865)</b>	<b>(2,287,200)</b>	<b>(233,773)</b>	<b>(631,288)</b>
<b>D. OTHER FINANCING SOURCES/USES</b>					
1a) Interfund Transfers In	-	2,500,000	-	-	-
1b) Interfund Transfers Out	-	-	-	-	-
2a) Other Sources	-	-	-	-	-
2b) Other Uses	-	-	-	-	-
3) Contributions	-	-	-	-	-
<b>4) Total Other</b>	<b>-</b>	<b>2,500,000</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>E. CHANGE IN FUND BALANCE (C + D4)</b>	<b>(801,477)</b>	<b>(1,865)</b>	<b>(2,287,200)</b>	<b>(233,773)</b>	<b>(631,288)</b>
<b>F. BEGINNING BALANCE</b>	<b>7,961,865</b>	<b>7,332,784</b>	<b>7,160,388</b>	<b>7,160,388</b>	<b>6,926,615</b>
<b>G. ENDING BALANCE</b>	<b>7,160,388</b>	<b>7,330,919</b>	<b>4,873,188</b>	<b>6,926,615</b>	<b>6,295,327</b>



## Budget Summary

### Fund 49 - Capital Project Fund for Blended Component Units

	Prior Year Actuals	Current Year Adopted Budget	Current Year Revised Budget	Estimated Actuals	Projected Budget
<b>A. REVENUES</b>					
1) Revenue Limit Sources	-	-	-	-	-
2) Federal Revenues	-	-	-	-	-
3) Other State Revenues	-	-	-	-	-
4) Other Local Revenues	3,667,586	3,509,000	3,509,000	2,224,040	1,352,471
<b>5) TOTAL REVENUES</b>	<b>3,667,586</b>	<b>3,509,000</b>	<b>3,509,000</b>	<b>2,224,040</b>	<b>1,352,471</b>
<b>B. EXPENDITURES</b>					
1) Certificated Salaries	-	-	-	-	-
2) Classified Salaries	-	-	-	-	-
3) Employee Benefits	-	-	-	-	-
4) Books and Supplies	-	-	-	-	-
5) Services, Other Operating Exp	35,696	48,800	48,800	28,661	30,800
6) Capital Outlay	153,466	725,000	725,000	31,644	150,000
7) Other Outgo	-	-	-	-	-
8) Direct/Indirect Costs	-	-	-	-	-
<b>9) TOTAL EXPENDITURES</b>	<b>189,162</b>	<b>773,800</b>	<b>773,800</b>	<b>60,305</b>	<b>180,800</b>
<b>C. EXCESS (DEFICIENCY) OF REV/EXP (A5 - B9)</b>	<b>3,478,424</b>	<b>2,735,200</b>	<b>2,735,200</b>	<b>2,163,735</b>	<b>1,171,671</b>
<b>D. OTHER FINANCING SOURCES/USES</b>					
1a) Interfund Transfers In	-	-	-	-	-
1b) Interfund Transfers Out	1,790,000	2,208,718	2,579,407	6,116,835	702,694
2a) Other Sources	-	-	-	-	-
2b) Other Uses	-	-	-	-	-
3) Contributions	-	-	-	-	-
<b>4) Total Other</b>	<b>(1,790,000)</b>	<b>(2,208,718)</b>	<b>(2,579,407)</b>	<b>(6,116,835)</b>	<b>(702,694)</b>
<b>E. CHANGE IN FUND BALANCE (C + D4)</b>	<b>1,688,424</b>	<b>526,482</b>	<b>155,793</b>	<b>(3,953,100)</b>	<b>468,977</b>
<b>F. BEGINNING BALANCE</b>	<b>4,797,900</b>	<b>5,080,270</b>	<b>6,486,324</b>	<b>6,486,324</b>	<b>2,533,224</b>
<b>G. ENDING BALANCE</b>	<b>6,486,324</b>	<b>5,606,752</b>	<b>6,642,117</b>	<b>2,533,224</b>	<b>3,002,201</b>



## Budget Summary

### Fund 51 - Bond Interest and Redemption Fund

	Prior Year Actuals	Current Year Adopted Budget	Current Year Revised Budget	Estimated Actuals	Projected Budget
<b>A. REVENUES</b>	-	-	-	-	-
1) Revenue Limit Sources	-	-	-	-	-
2) Federal Revenues	-	-	-	-	-
3) Other State Revenues	51,119	-	-	-	-
4) Other Local Revenues	4,096,689	-	-	-	-
<b>5) TOTAL REVENUES</b>	<b>4,147,808</b>	-	-	-	-
<b>B. EXPENDITURES</b>	-	-	-	-	-
1) Certificated Salaries	-	-	-	-	-
2) Classified Salaries	-	-	-	-	-
3) Employee Benefits	-	-	-	-	-
4) Books and Supplies	-	-	-	-	-
5) Services, Other Operating Exp	-	-	-	-	-
6) Capital Outlay	-	-	-	-	-
7) Other Outgo	3,226,338	-	-	-	-
8) Direct/Indirect Costs	-	-	-	-	-
<b>9) TOTAL EXPENDITURES</b>	<b>3,226,338</b>	-	-	-	-
<b>C. EXCESS (DEFICIENCY) OF REV/EXP (A5 - B9)</b>	<b>921,470</b>	-	-	-	-
<b>D. OTHER FINANCING SOURCES/USES</b>	-	-	-	-	-
1a) Interfund Transfers In	-	-	-	-	-
1b) Interfund Transfers Out	-	-	-	-	-
2a) Other Sources	-	-	-	-	-
2b) Other Uses	-	-	-	-	-
3) Contributions	-	-	-	-	-
<b>4) Total Other</b>	-	-	-	-	-
<b>E. CHANGE IN FUND BALANCE (C + D4)</b>	<b>921,470</b>	-	-	-	-
<b>F. BEGINNING BALANCE</b>	<b>2,488,845</b>	-	<b>3,410,315</b>	<b>3,410,315</b>	-
<b>G. ENDING BALANCE</b>	<b>3,410,315</b>	-	<b>3,410,315</b>	<b>3,410,315</b>	-



## Budget Summary

### Fund 56 - Debt Service Fund

	Prior Year Actuals	Current Year Adopted Budget	Current Year Revised Budget	Estimated Actuals	Projected Budget
<b>A. REVENUES</b>					
1) Revenue Limit Sources	-	-	-	-	-
2) Federal Revenues	-	-	-	-	-
3) Other State Revenues	-	-	-	-	-
4) Other Local Revenues	17,437	10,000	10,000	35,594	-
<b>5) TOTAL REVENUES</b>	<b>17,437</b>	<b>10,000</b>	<b>10,000</b>	<b>35,594</b>	<b>-</b>
<b>B. EXPENDITURES</b>					
1) Certificated Salaries	-	-	-	-	-
2) Classified Salaries	-	-	-	-	-
3) Employee Benefits	-	-	-	-	-
4) Books and Supplies	-	-	-	-	-
5) Services, Other Operating Exp	-	-	-	-	-
6) Capital Outlay	-	-	-	-	-
7) Other Outgo	64,492	2,900,000	2,900,000	1,314,504	-
8) Direct/Indirect Costs	-	-	-	-	-
<b>9) TOTAL EXPENDITURES</b>	<b>64,492</b>	<b>2,900,000</b>	<b>2,900,000</b>	<b>1,314,504</b>	<b>-</b>
<b>C. EXCESS (DEFICIENCY) OF REV/EXP (A5 - B9)</b>	<b>(47,055)</b>	<b>(2,890,000)</b>	<b>(2,890,000)</b>	<b>(1,278,910)</b>	<b>-</b>
<b>D. OTHER FINANCING SOURCES/USES</b>					
1a) Interfund Transfers In	1,790,000	2,208,718	2,579,407	1,000,000	-
1b) Interfund Transfers Out	2,100,261	-	-	-	31,683
2a) Other Sources	-	-	-	-	-
2b) Other Uses	-	-	-	-	-
3) Contributions	-	-	-	-	-
<b>4) Total Other</b>	<b>(310,261)</b>	<b>2,208,718</b>	<b>2,579,407</b>	<b>1,000,000</b>	<b>(31,683)</b>
<b>E. CHANGE IN FUND BALANCE (C + D4)</b>	<b>(357,316)</b>	<b>(681,282)</b>	<b>(310,593)</b>	<b>(278,910)</b>	<b>(31,683)</b>
<b>F. BEGINNING BALANCE</b>	<b>667,909</b>	<b>681,282</b>	<b>310,593</b>	<b>310,593</b>	<b>31,683</b>
<b>G. ENDING BALANCE</b>	<b>310,593</b>	<b>-</b>	<b>-</b>	<b>31,683</b>	<b>-</b>



# FISCAL OUTLOOK

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California public education has been on a rollercoaster funding cycle for a number of years. In the early 1990s, California's recession led to almost no increase in per-ADA funding for four years. In 2000-2001, the State Budget provided per-ADA increases close to 11% but then, for the next three years, education funding rollbacks were again common. The volatility of funding has plagued school district planning for almost a generation.

In 2006-2007, California rebounded from the slowing economy and the State Budget provided major new revenues with numerous program improvements. In 2007-2008, the State Budget was more modest with a 4.53% cost of living increase and little else in the way of increased funding. For 2008-2009, the proposed State Budget includes essentially neutral revenue limit and special education funding and significant cuts to many other programs. Approximately 90% of the District's revenue is determined by the State of California. State revenues are determined by the growth in the economy, and when the State of California faces a budget deficit, there is a direct impact to school districts.

One of the major difficulties facing the budget development process each year is the huge swing in state funding from one year to the next. Education agencies are unable to project subsequent year revenues accurately and therefore it is increasingly difficult for a district to plan on a long term basis. Each budget must be managed as almost a single year document with considerable restraints in adopting programs or program increases that are ongoing.

## **MULTI-YEAR PROJECTIONS**

ADA is projected to increase by 3% in the two subsequent fiscal years to 9,072 in 2009-2010, and to 9,344 in 2010-2011. Enrollment is projected to be 9,850 in 2009-2010, and 10,146 in 2010-2011. COLA is expected to decrease over the next two years and it has been projected at 4.83 in 2009-2010 and 2.7% in 2010-2011 with no equalization funding or plans to restore the 2008-2009 deficit factor. Base Revenue Limit is increased by COLA and projected to be \$6,977 in 2009-2010 and \$7,166 in 2010-2011. Lottery funding is expected to increase by less than \$1 per ADA over the next two years.

Salaries and benefit expenditures have been projected to increase consistent with District growth. Based on growth, it is projected that an additional 10 teachers will be needed in 2009-2010 and an additional 11 teachers in 2010-2011. The need for textbook adoptions, equipment replacement, services and other operating expenses, and capital outlay is also projected to increase accordingly.

The multi-year projections include maintaining the District reserve for economic uncertainties at 4% which is 1% above the required minimum reserve level. The District plans to continue making a contribution to Routine Repair and Maintenance equal to 3% of both unrestricted and restricted budgeted expenditures as required by the state to participate in state school building funding programs. The District has additionally projected for increased contributions to underfunded restricted programs.



# SCHOOL FINANCE TERMS

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**APPORTIONMENTS** - Federal or state taxes distributed to school districts according to established formulas.

**APPROPRIATIONS** - Funds set aside or budgeted by the state or local school districts for a specific time period and purpose.

**AVERAGE DAILY ATTENDANCE (ADA)** - The number of students present on each day throughout the year, divided by the total number of school days in the school year. ADA approximates 95% of the average enrollment statewide. A school district's revenue limit income is based on its ADA.

**CALIFORNIA BASIC EDUCATION DATA SYSTEM (CBEDS)** - The statewide system designed to collect enrollment, staffing, and salary data from all school districts on an "Information Day" each October.

**CAPITAL OUTLAY** - Expenditure for new equipment, major renovation, reconstruction, or new schools or buildings.

**CATEGORICAL AID** - Funds from the state or federal government granted to 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 transportation. Expenditure of most categorical aid is restricted and can only be spent for a particular purpose.

**CERTIFICATED EMPLOYEES** - Employees who are required by the State to hold teaching or administrative credentials. This includes full-time, part-time, substitute, or temporary teachers, school and most District Office administrators.

**CLASSIFIED EMPLOYEES** - School employees who are not required to hold teaching credentials such as secretaries, custodians, bus drivers, and some management personnel.

**COST OF LIVING ALLOWANCE (COLA)** - An increase in funding for revenue limits or categorical programs. Current law ties COLAs to various economic indicators.

**DEFERRED MAINTENANCE** - Major repairs of buildings and equipment which have been postponed by the District. Some matching state funds are available to districts which establish a long range deferred maintenance program.

**DEFICITS** - Funding shortfalls which occur whenever the State appropriations are insufficient to fund local district and county entitlements.

**DIRECT SUPPORT** - Charges for support programs and services that directly benefit other programs.



**ECONOMIC IMPACT AID (EIA)** - State categorical aid for districts with concentrations of children who are limited English proficient, transient, or from low income families.

**EDUCATION CODE** - 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.

**ENCROACHMENT** - The expenditure of school Districts' general purpose funds in support of a categorical program, i.e. the categorical expense "encroaches" into the District's general fund for support.

**ENCUMBRANCES** - Obligations in the form of purchase orders, contracts, salaries, and other commitments chargeable to an appropriations account for which a part of the appropriation is reserved.

**ENDING BALANCE** - Generally a reference to a school district's net ending balance of their general fund. The ending balance is separated into restricted and unrestricted funds that a school district has remaining at the end of a fiscal year. A school district must have a "Reserve for Economic Uncertainties" in their ending balance which meets the criteria and standards minimums as established by the State Board of Education.

**FULL TIME EQUIVALENT (FTE)** - 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.

**GIFTED and TALENTED EDUCATION (GATE)** - Program which provides educational services to children who are identified as exceptionally able and talented.

**INDIRECT SUPPORT** - Charges for routine services which are not performed for a specific program, but which benefit many programs. These costs are charged against the programs that benefit from them.

**MANDATED COSTS** - School district expenditures occurring as a result of federal or state law, court decisions, administrative regulations, or initiative measures.

**PUBLIC EMPLOYEES' RETIREMENT SYSTEM (PERS)** - State law requires that classified employees, districts, and the State contribute to this mandatory retirement fund for classified employees.

**PURCHASE ORDER** - An encumbrance document that shows the vendor from whom a purchase is being made, what is being purchased by the school district, the amount of the purchase, the fund from which the purchase is being made (general, building or bond fund), an accounting code to which the purchase shall be applied, the signature or initial approval of the designated central office personnel responsible for approving the ordering of goods.



**RESERVES** - Funds, set aside in a school district budget to provide for future expenditures or to offset future losses, for working capital, or for other purposes. Certain minimum reserve percentages are required by law.

**REVENUE LIMIT** - The specified amount of money a school district can collect annually for its general education programs from local taxes and state aid. Categorical aid is granted in addition to the revenue limit.

**REVOLVING CASH FUND** - A stated amount of money used primarily for emergency or small or sundry disbursements and reimbursed periodically through properly documented expenditures, which are summarized and charged to proper accounting classifications.

**STANDARDIZED ACCOUNT CODE STRUCTURE (SACS)** - Standardized accounting method used by school districts and county offices of education in the state of California. This allows revenue and expenditures to be reported to the state in a uniform manner.

**SCHOOL SITE COUNCIL** - Parents, 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.

**SECURED ROLL TAXES** - Local taxes based upon the assessed value of stationary property, such as land and buildings.

**SCHOOL BASED COORDINATED PROGRAM (SBCP)** – State funds pooled together for selected schools to carry out a plan developed by the School Site Council for improvement of the school's program.

**STATE TEACHERS' RETIREMENT SYSTEM (STRS)** - State law requires certificated employees, school districts, and the state to contribute to this mandatory retirement fund for all certificated employees.

**TITLE I** - A federal grant for educationally disadvantaged children at qualified school sites.

**TITLE II** - 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.

