

# **Annual Budget Report**

**2009-2010**

# TABLE OF CONTENTS

District Information .....	1
Budget Process .....	4
Enrollment Projections .....	6
Average Daily Attendance .....	7
Revenues .....	9
<i>Revenue Limit Funding</i> .....	9
<i>Lottery</i> .....	11
<i>Supplemental Hourly Programs</i> .....	11
<i>American Recovery and Reinvestment Act</i> .....	12
<i>Special Education</i> .....	12
<i>Mandated Costs</i> .....	14
<i>Community Day School</i> .....	14
<i>Restricted Programs</i> .....	15
Expenditures .....	18
<i>Employee Salaries and Benefits</i> .....	18
<i>Books and Supplies</i> .....	20
<i>Services and Other Operating Expenditures</i> .....	21
<i>Capital Outlay Expenditures</i> .....	21
<i>School Site Allocations</i> .....	22
<i>Budgeted Expenditures by Object</i> .....	23
<i>Budgeted Expenditures by Function</i> .....	24
Contributions .....	25
District Reserves and Net Ending Balances .....	26
Other District Funds .....	27
Adopted Budget Summaries by Fund.....	30
<i>Unrestricted General Fund</i> .....	30
<i>Restricted General Fund</i> .....	31
<i>Combined General Fund</i> .....	32
<i>Charter Schools Special Revenue Fund</i> .....	33
<i>Adult Education Fund</i> .....	34
<i>Deferred Maintenance Fund</i> .....	35
<i>Building Fund</i> .....	36
<i>Capital Facilities Fund</i> .....	37
<i>County Schools Facilities Fund</i> .....	38
<i>Special Reserve Fund for Capital Outlay</i> .....	39
<i>Capital Project Fund for Blended Component Units</i> .....	40
<i>Bond Interest and Redemption</i> .....	41
<i>Debt Service Fund</i> .....	42
Fiscal Outlook .....	43
<i>Multi-Year Projections</i> .....	44
School Finance Terms .....	45



# DISTRICT INFORMATION

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 2009-2010, 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, will be fully operational with grades 9-12 in 2009-2010. Heritage opened in August 2007 with 9<sup>th</sup> and 10<sup>th</sup> grades, added 11<sup>th</sup> grade in 2008-2009, and with this school year, will be adding 12<sup>th</sup> grade. The district is currently in escrow for its fourth comprehensive high school located within the southeast area of Menifee.

### Middle School (Grades 7-8)

Pinacate Middle School

### High Schools (Grades 9-12)

Perris High School  
Paloma Valley High School  
Heritage High School



### 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

As California faces the deepest economic downturn since the Great Depression, public education, including PUHSD, is certainly feeling the pain. The current economy, together with the State's financial system and the impact of the state's past spending pattern, have created a monumental challenge in building not only a balanced budget, but a budget that meets the educational priorities of the District. Although the District's 2009-2010 budget includes significant reductions in funding as a result of state budget cuts, PUHSD continues to maintain strong educational programs for the students it serves. 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 past. This has placed PUHSD ahead of most other school districts in its ability to meet its financial obligations for 2009-2010, as well as to better plan for further reductions in funding in subsequent years.



One of the core philosophies of PUHSD is the value placed on our employees. Recognizing that in an educational system it takes people to teach, the Board of Trustees, Superintendent, and his Cabinet made the commitment early on that lay-offs would not be used as a mechanism to balance the 2009-2010 budget. Not only do we recognize the value of our dedicated employees to the educational success of the District and the students we serve, but most importantly the way in which we treat our employees. Despite the short-term setbacks and challenges we are faced with, we know our economic future is inevitably destined to turn around. When this happens, it is important to realize that for a period much longer than this budget crisis will last, our employees will remember how they were treated by the District.

In addition to committing to not laying-off existing employees, PUHSD is dedicated to strong instructional programs and the resulting proven student success. The District's State Academic Performance Index (API) scores are continually increasing, and improvements are being made with Federal Adequate Yearly Progress (AYP). API increased 18 points in 2008, from 657 to 675. Progress within API and AYP is an important indicator of increased student achievement. However, despite this progress, students in two identified subgroups were not able to meet federal standards, and as a result, in 2006, the District was identified as a Program Improvement (PI) District.

Given the PI status of the District, the 2009-2010 budget, much like that of 2007-2008 and 2008-2009, is built around the fundamental element of exiting the District from this status. The budget ensures alignment of all expenditures toward achievement of "Nine Essential Program Components" or EPC's. The EPC's are designed to meet the needs of all students through State Board of Education (SBE) adopted and standards-aligned instructional materials including interventions, appropriate instructional time and pacing schedules, professional development for teachers and administrators, assignment of fully credentialed highly qualified teachers, use of data obtained from a student achievement monitoring system, instructional support, teacher collaboration, and fiscal support. As a result of PI, the District was required to revise its Local Educational Area Plan (LEA Plan) to address the deficiencies that prevent students in its schools from achieving proficiency in Reading and Mathematics. The LEA Plan addresses the fundamental teaching and learning needs of schools, especially the academic problems of low-achieving students; also incorporating strategies grounded in scientifically based research that will strengthen instruction in the core content areas; and provide for high-quality professional development for instructional staff that focuses primarily on improved instruction and standards-based instruction. The LEA Plan was revised to document steps that fully implement Corrective Action 6 which put into action the most recent SBE adopted standards-aligned core and intervention materials in Mathematics and English-Language Arts (ELA) for every school and classroom in the District.

As a PI District we are required to contract with a state approved District Assistance and Intervention Team (DAIT) that identifies high leverage action steps and supports implementation in a focused, coherent plan to raise student achievement. They assist in meeting all state requirements while working collaboratively to build effective systemic change and close the achievement gap for all students. With the District's DAIT provider, Action Learning Systems (ALS), PUHSD focuses on targeted professional development and Direct Interactive Instruction (DII). Through effective use of State adopted materials,



and research-based instructional strategies that support students at all proficiency levels, the objective is to increase student achievement by ensuring mastery of content standards. Additionally, PUHSD provides in-classroom support for teachers in an effort to increase student achievement. This includes a coaching program covering roles and responsibilities, formal training, demonstration lessons, co-planning, co-teaching, observations and feedback, collegial support, and data collection and analysis.

Though resources are extremely limited as a result of State budget cuts, the District has been diligent in focusing its available dollars on those expenditures that are of the highest priority for increasing student achievement. This includes professional development and materials that are related to PI and DAIT. The District has appropriated funds to support students who are not achieving grade level standards by providing lowered class sizes for intervention programs in the areas of Reading and Mathematics. The 2009-2010 Budget encompasses a core philosophy that supports strong instructional programs and increased student achievement to the best of the District's ability within all available means.

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**

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

### **Administration**

Jonathan L. Greenberg, Ed.D., Superintendent  
Candace Reines, Assistant Superintendent Business Services  
Steve Spraker, Assistant Superintendent Educational 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. At a minimum, budget revisions are presented to the Board of Trustees as part of the 1<sup>st</sup> and 2<sup>nd</sup> Interim reporting process. Additionally, once the State Budget has been adopted, or if legislative action is taken to change an already enacted State Budget, the District has 45 days to present the financial impact of the changes to the Board.

The District's budget is initially adopted in June of each year for the following fiscal year. The budget process, however, begins much earlier than this. Normally, in January the Governor publishes the proposed State budget and the District begins building its budget. Then, in mid-May, the Governor publishes the May Revise of the January proposed budget allowing the District to finalize its budget projections. However, this has been anything but a typical budget year for the State of California.

Following the 2008-2009 State Budget being adopted three months late in September 2008, the Legislature was called into three special sessions. Three months later, in February 2009, the 2009-2010 Budget Act was signed four months early. That measure reduced 2008-2009 education funding and established the budget for 2009-2010. Keeping in mind that the May Revise usually comes before the adoption of the budget, this year the Governor's May Revision is to a budget that has already been enacted by the Legislature. The initial May Revision, released on May 14<sup>th</sup>, proposed a second round of cuts to 2008-2009 funding, as well as further reductions for 2009-2010. Following through on his promise to respond to voters' dissatisfaction with how state policy makers have handled the fiscal crisis, Governor Schwarzenegger released an update to the May Revision on May 29<sup>th</sup> with further program reductions for both 2008-2009 and 2009-2010. The Legislature would need to act by two-thirds majority in order to make these cuts.

The budget process for PUHSD, and all school districts was especially difficult and time consuming this year given the volatility of the State Budget. The multi-year projections were recalculated multiple times with each anticipated or enacted change to the State Budget. The final District budget and multi-year projections were calculated using the latest forecasts from the May 29<sup>th</sup> May Revision.

As part of the budget process, the District goes through a number of steps to reach what becomes the final budget. In January the District begins revenue estimates based on the then latest State Budget information. Though revenue estimates changed significantly and



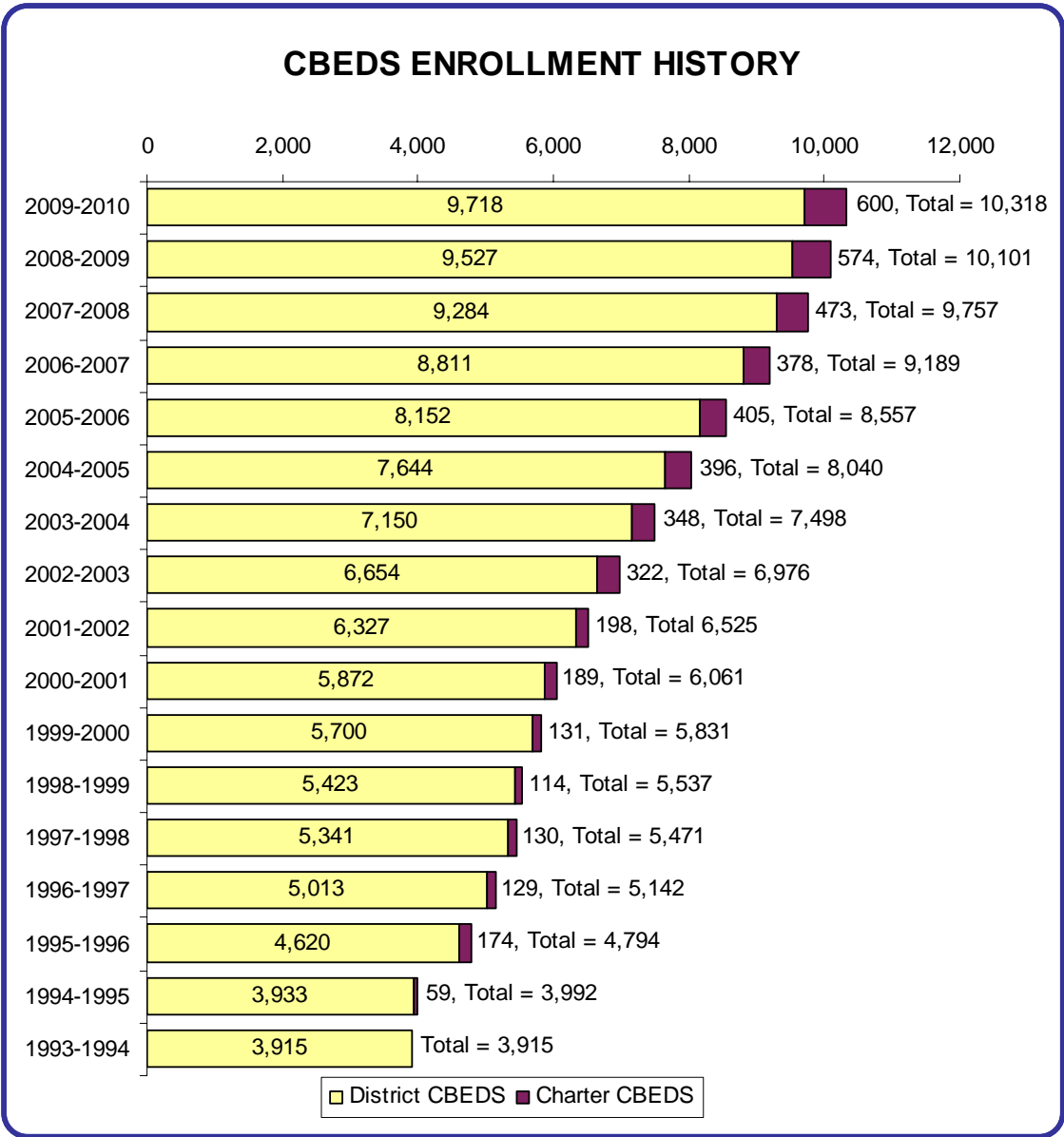
often up through the preparation of this final Annual Budget Report, there were many factors that were far less volatile for the 2009-2010 budget. Of these were enrollment, staffing and employee costs. In February, the District develops initial enrollment projections and staffing formulas. In March, 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 3<sup>rd</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 2008-2009 Estimated Actuals and the 2009-2010 Adopted Budget. Additionally, during these months, the District works to finalize allocated staffing levels including staff transfers where necessary. 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.

Given the devastating cuts to the State Budget, and consequently the funding for public education, the District formed a Budget Advisory Committee as it did when faced with cuts the prior year. This thirty-member committee was made up of PSEA and CSEA representatives, Board Members, parents, students, 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. These reductions totaling \$1,987,940 for 2009-2010 were approved by the Board in May. The Board had previously approved budget reductions of \$2,445,197 under the same process for the 2008-2009 budget.



# ENROLLMENT PROJECTIONS

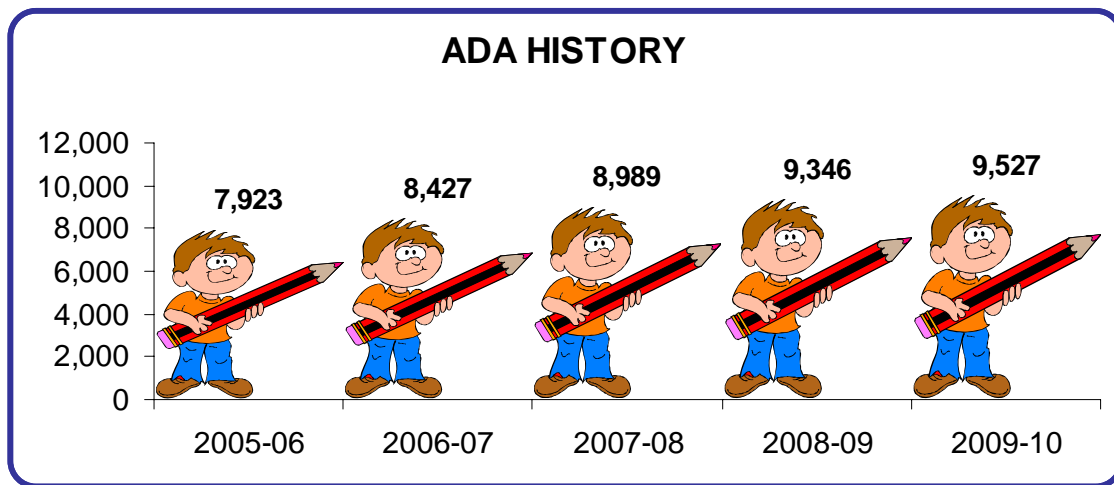
The District's enrollment is projected to increase a total of 191 students, or 2.0%, in 2009-2010. Projected enrollment is 9,718 compared to 9,527 in the previous year. District growth rates have been over 6.5% since 2003-2004, reaching an all time high of 8.08% in 2006-2007. In 2007-2008 however, the District began to see a decrease in its growth rate with an increase of only 5.37%. This was followed with an even smaller increase of 2.62% in 2008-2009. District operated Charter Schools are projected to increase by 26 for a total of 600 students. Overall District enrollment, including Charter Schools, is projected to be 10,318. This represents an increase of 2.15% District-wide. Mid-October CBEDS enrollment is used for projections so that it can be used for year to year comparison purposes. CBEDS is an annual collection of basic student data required by the state, and includes student enrollment, along with other information.





# 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 2009-2010 is projected to be 8,950, an increase of 168 or 1.92% over the previous year. Just as enrollment in the Charter Schools is increasing, so too is the ADA. Charter ADA is projected to be 577 for the budget year, which is an increase of 13 or 2.3%. Overall District ADA, including Charters, is projected to be 9,527. This represents an increase of 181 ADA or 1.94%.



## ADA HISTORY BY SCHOOL SITE

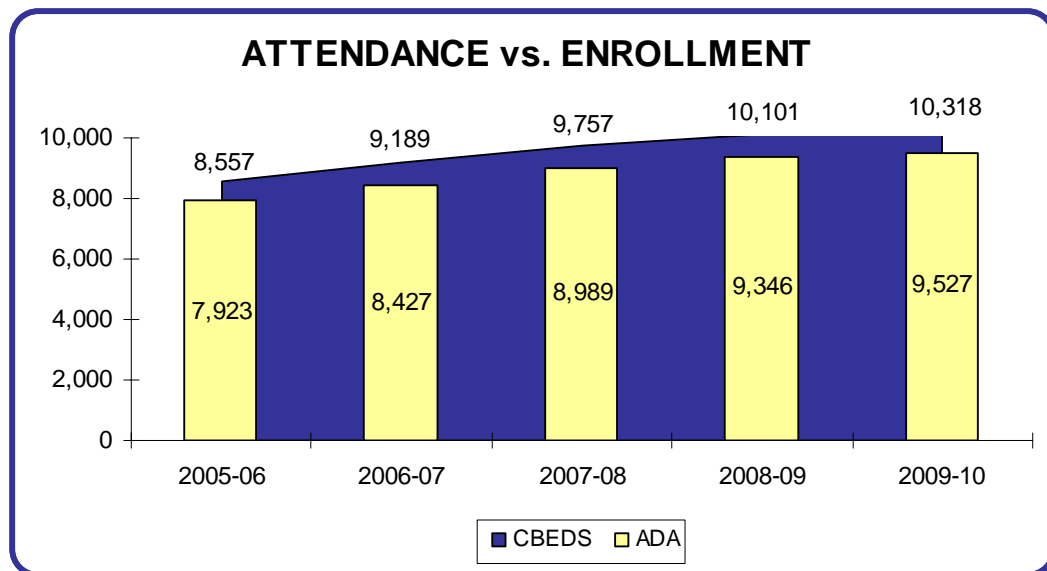
	2005-06	2006-07	2007-08	2008-09 (estimated)	2009-10 (projection)
Pinacate Middle School	1,246.73	1,223.61	1,284.00	1,307.92	1,323.48
Perris High School	2,554.82	2,829.23	2,545.97	2,435.20	2,371.58
Paloma Valley High School	2,955.81	3,188.01	2,919.60	2,745.52	2,366.05
Heritage High School			1,078.43	1,764.19	2,340.26
Perris Lake High School	250.90	230.77	281.80	304.68	299.33
The Academy	448.61	463.53	297.42	167.94	189.73
Independent Study	54.23	110.82	102.76	46.14	46.05
Other	16.11	18.48	17.74	10.23	13.82
<b>DISTRICT TOTAL</b>	<b>7,527.21</b>	<b>8,064.45</b>	<b>8,527.72</b>	<b>8,781.82</b>	<b>8,950.28</b>
Choice 2000	189.83	146.87	148.34	182.39	168.30
California Military Institute	205.95	215.25	312.54	381.68	408.50
<b>CHARTER TOTAL</b>	<b>395.78</b>	<b>362.12</b>	<b>460.88</b>	<b>564.07</b>	<b>576.80</b>
<b>GRAND TOTAL</b>	<b>7,922.99</b>	<b>8,426.57</b>	<b>8,988.60</b>	<b>9,345.89</b>	<b>9,527.08</b>

Note: Annual ADA is represented for The Academy. P-2 (Period-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 who 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 \$45 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 \$398,735 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 2008-2009, District-wide ADA to Enrollment was 92.18%. If school sites were each to increase their attendance by just 1%, it would equate to increased ADA of 95.44, or \$594,333 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.

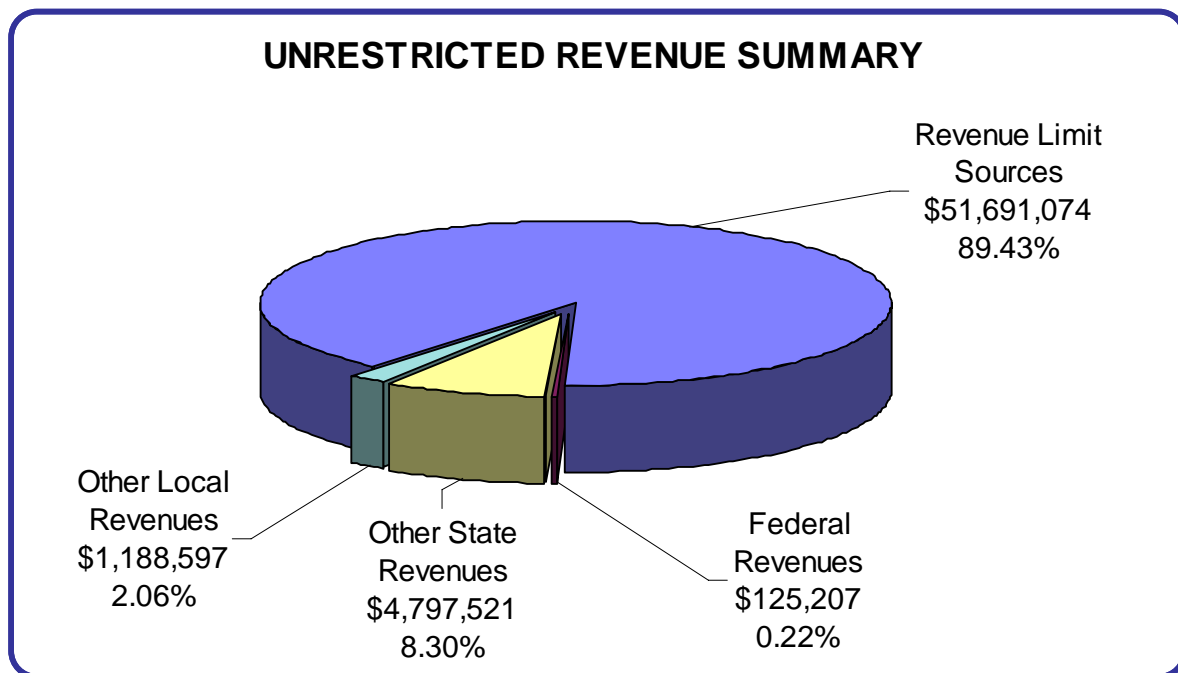
School districts’ total Revenue Limit dollars represent an entitlement that will be funded by a combination of local property tax income and state aid. The education share of local property tax income is subtracted from the Revenue Limit entitlement, and the State of California funds the entire balance. 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 41% of the Revenue Limit and State Aid makes up the remaining 59%. Approximately 87.43% 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. However, following two years of fully funded Revenue Limits, or no deficits, the deficit factor for 2008-2009 has grown from 5.357% at adopted budget to 11.428% based on the



Governor's May Revise. Also based on the May Revise, a deficit factor of 17.967% is included in the 2009-2010 budget.

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 2009-2010, the calculated COLA projected to be 4.25% is multiplied by the average Revenue Limit for high school districts to yield \$300 additional Revenue Limit dollars per ADA above that received in 2008-2009. However, once the deficit factor is applied, the District is actually receiving \$213.64 less per ADA between 2008-2009 and 2009-2010. This is compounded by the high deficit in 2008-2009 resulting in \$424.48 less per ADA in funding received from 2007-2008. Overall, the District is receiving \$638.12 less per ADA based on 2007-2008 funding levels, and \$1,317.12 less per ADA if COLA was fully funded and there was not a deficit factor.



## 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 2009-2010 is projected to be \$121 per prior-year annual Average Daily Attendance. This per-pupil rate reflects \$109.50 per pupil for unrestricted Lottery revenues, and \$11.50 per pupil for Lottery funding restricted to the purchase of instructional materials.

The California State Lottery is projected to yield \$1,129,172 or approximately 1.5% of the District's income in 2009-2010. 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. Given that the amount of income is not consistent, lottery expenditures have also varied widely throughout the years.

## 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. In the past, the State reimbursed districts on an hourly basis. Starting in 2009-2010, supplemental hourly program funding is based on actual dollars received in 2007-2008 reduced by a deficit of 19.9%. The programs that PUHSD receives funding 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. The K-12 Core Academic program is capped at the 2007-2008 level of 55,704 hours. The cap is calculated by taking 5% of prior year CBEDS multiplied by 120 hours. In 2007-08 it was funded at a deficit of 10.0%, resulting in a \$3.67 hourly rate, and will experience an additional deficit in the 2009-2010 school year.

**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, in 2007-2008 it was funded at a deficit of 28.6%, yielding a \$2.91 hourly rate.

**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 uncapped program was fully funded in 2007-2008 at a \$4.08 hourly rate, but will experience a deficit in the 2009-2010 school year.



## **AMERICAN RECOVERY AND REINVESTMENT ACT (ARRA)**

The intent of these one-time federal dollars are to save jobs, stimulate the economy and improve academic outcomes and support school reform. The District will be receiving three types of these dollars.

**Title I** – PUHSD will be receiving a total of \$806,267. The District received \$362,820 in 2008-2009 and will be receiving \$443,447 in 2009-2010. All funds will be utilized during the 2009-2010 school year for staff development and trainings including the new math textbook adoption, AB430 Administrator, DAIT, and Leadership Academy.

**Special Education IDEA** – The District will be receiving a total of \$1,280,956 in 2009-2010. These funds will be utilized over a period of two years to cover expenditures normally supported by the Unrestricted General Fund contribution to the Special Education program while ensuring the District's required levels of "MOE."

**State Fiscal Stabilization Funding (SFSF)** – The District received \$2,780,838 in 2008-2009. These funds will be utilized during the 2009-2010 school year to offset the deficit in state funding and to maintain PUHSD's current educational programs.

## **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.

In the past, the federal government has not provided the funding that was envisioned when the laws mandating programs for Special Education students were adopted. This 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. However, in 2009-2010, PUHSD will be receiving Federal American Recovery and Reinvestment Act (ARRA) funding dollars in the amount of \$1,280,956. PUHSD is utilizing these dollars over a two year period from 2009-2010 through 2010-2011, to offset the Special Education encroachment to reduce the traditional contribution needed from the General Fund. This in turn will free up Unrestricted dollars to maintain current educational programs.

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 a deficated rate of \$6,013.65. Anticipated ADA for 2009-2010 is 312.8 resulting in a transfer of \$1,881,214.

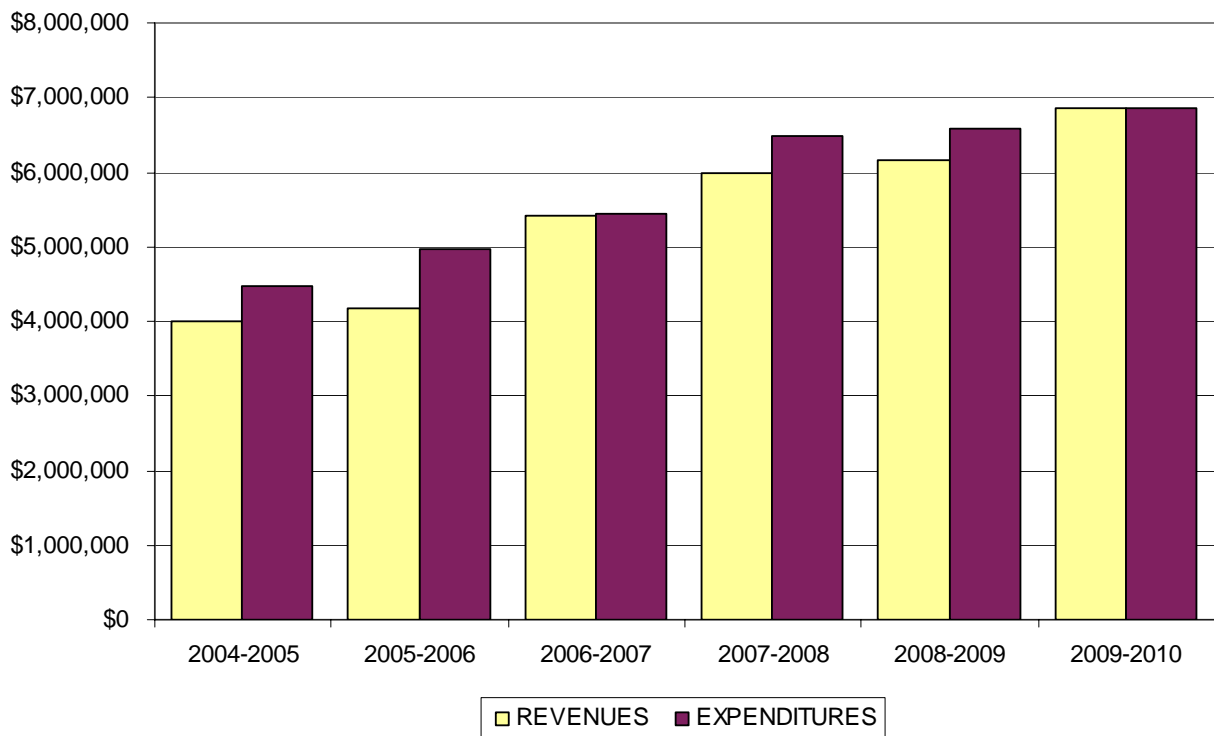


**Special Education Local Plan Area (SELPA) AB602 Revenues** - The District participates in Special Education funding as part of a group of school districts called a “Special Education Local Plan Area,” or “SELPA”. The SELPA receives the Special Education funding for all the districts within the plan 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 \$3,579,443 in SELPA dollars. The SELPA also distributes State dollars for the Mental Health Allocation. PUHSD is projecting to receive \$48,939 in Mental Health dollars. These dollars are in addition to the AB602 dollars as described above and are reported under State Revenues.

**Contributions to Special Education** - For 2009-2010, with the receipt of the ARRA funds, the District does not anticipate a need to make a contribution to the Special Education Program from its Unrestricted General Fund.

### HISTORY OF SPECIAL EDUCATION DEFICIT

	2004-2005	2005-2006	2006-2007	2007-2008	2008-2009	2009-2010
<b>REVENUES</b>	\$4,004,278	\$4,182,444	\$5,421,512	\$5,983,335	\$6,155,671	\$6,867,331
<b>EXPENDITURES</b>	\$4,465,257	\$4,979,772	\$5,453,341	\$6,480,467	\$6,572,372	\$6,867,331
<b>DEFICIT</b>	<b>(\$460,980)</b>	<b>(\$797,328)</b>	<b>(\$31,829)</b>	<b>(\$497,132)</b>	<b>(\$416,701)</b>	<b>\$0</b>



*Note: PUHSD 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 2009-2010. This one-time money is for past years' claims, and 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 two different calculations:

**Annual ADA** - The Academy receives a Revenue Limit dollar amount of \$6,013.65 per the program's annual ADA. In the 2009-2010 Adopted Budget, the projected annual ADA is 187.63 resulting in revenue of \$1,173,947 less any applicable deficits.

**State Apportionment Dollars** – In prior years, The Academy received additional funding beyond Revenue Limit dollars for 5<sup>th</sup> and 6<sup>th</sup> hour ADA, as well as hourly funding for 7<sup>th</sup> and 8<sup>th</sup> hour programs operated after the regular school day. The State has changed the funding mechanism for Community Day Schools, and as such, this additional funding is very limited. All additional funding is now based solely on 2007-2008 as the base year, meaning that no matter how few or many hours each program was operated, 2009-2010 will be funded at that same level. This funding is projected to be \$388,934, which has been deficated by an additional 19.9% for 2009-2010.

Despite the 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 2009-2010 are projected to exceed revenues by \$1,598,464. 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.



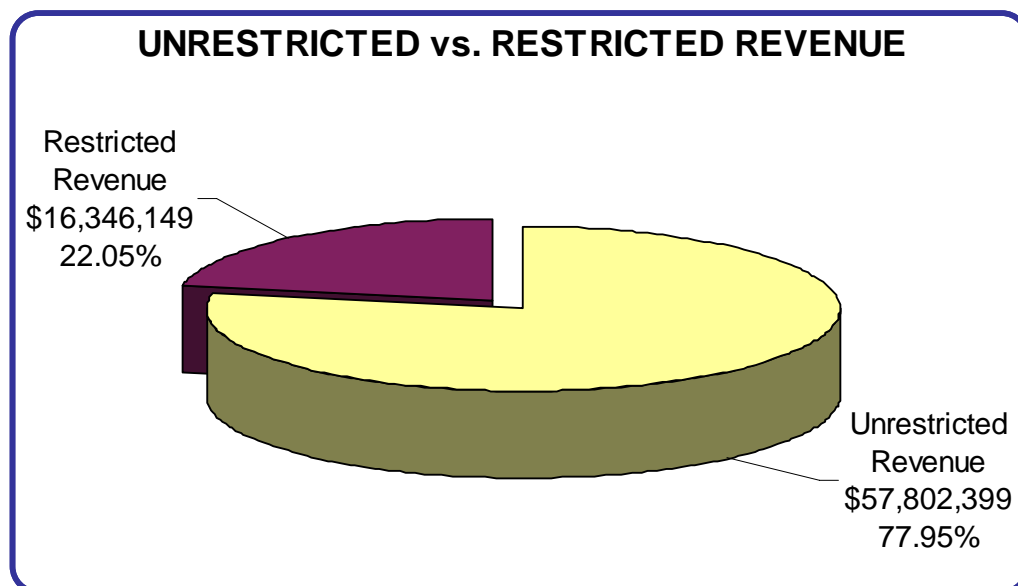


## RESTRICTED PROGRAMS

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.

In fiscal year 2008-2009, significant changes to law provided unprecedented budgeting flexibility. This allows School Districts to use prior year restricted ending balances in selected categorical programs for any educational purpose. It additionally allows for the use of funding from programs that were formerly restricted, to be used within the Unrestricted General Fund. The required contribution to the Routine Restricted Maintenance Account (RRMA) was also lowered from 3% to 1% of the District's total general fund expenditures for further flexibility and for use within the Unrestricted General Fund. Flexibility provisions within the budget are in effect starting 2008-2009 through 2012-2013, and are categorized by a series of tiers. Tier I includes programs which are not subject to cuts or flexibility. Tier II includes programs which are subject to a 15.4% reduction in 2008-2009 and an additional 4.5% reduction in 2009-2010, but with no flexibility provisions. Tier III programs are subject to the same reductions as Tier II programs; however, with a provision allowing full flexibility.

In its effort to remain solvent while continuing to fund the highest priority expenditures, the District utilized \$1.3 million in prior year ending balances from 2007-2008. The District is projecting an additional \$1 million to be transferred to the Unrestricted General Fund from selected categorical programs from 2008-2009 ending balances. Revenues that fall within the Tier III series of programs for 2009-2010 amount to approximately \$1.7 million. These funds are being used within the Unrestricted General Fund to help offset State Budget cuts.



## **Federal Funding Sources**

**ARRA IDEA Part B, Special Education Basic Local Assistance** **\$1,280,956**  
Funding provided on a one-time basis to support the expense of educating Special Education students.

**NCLB: Title I, Part A** **\$1,488,577**  
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.

**Title I, Part A, Federal Stimulus** **\$806,267**  
The American Recovery and Reinvestment Act of 2009 (ARRA) provides additional Fiscal Year 2009 Title I, Part A, funds to local educational agencies. This is to be used for schools that have high concentrations of students from families who live in poverty in order to help teaching and learning for students most at risk of failing which improves state academic achievement standards.

**Program Improvement Local Education Agency Corrective Action** **\$164,429**  
As a District that is in Program Improvement (PI) Year 3 (Corrective Action), the District has been awarded this grant to contract with a state-approved District Assistance and Intervention Team (DAIT) provider to implement federal Corrective Action 6, which includes implementation of the most recent State adopted standards-aligned curriculum in English – Language Arts (ELA) and Mathematics.

**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 ensuring all teachers are highly qualified.

**NCLB: Title II, Part D, Enhancing Education through Technology** **\$16,105**  
Formula grants are given to Districts 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** **\$243,112**  
Funding designed to assist English Language Learner students to study the English language and achieve grade-level and graduation standards.

**NCLB: Title IV, Part A, Safe & Drug-Free Schools** **\$32,391**  
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.



<b>Medi-Cal</b>	<b>\$17,148</b>
Funds allocated by the Department of Health Services (DHS), to reimburse Medi-Cal covered services provided by Districts (e.g. school nurses & other pupil support personnel) to eligible students.	
<b>Carl D. Perkins Act - Vocational and Technical Education</b>	<b>\$156,333</b>
Funding provided for the improvement of secondary and postsecondary vocational and technical education programs.	
<b>Adult Education: Adult Basic Education &amp; ESL</b>	<b>\$33,012</b>
Program provides basic skills instruction to adults at a level comparable to the elementary schools grades.	
<b>Adult Education: Adult Secondary Education</b>	<b>\$28,398</b>
Funding provided for instruction leading to a general equivalency or high school diploma.	
<b>Adult Education: English Literacy &amp; Civics Education</b>	<b>\$15,000</b>
Program provides integrated English literacy and civics education, including civic participation and citizenship preparation.	

## **State Funding Sources**

<b>State Fiscal Stabilization Fund</b>	<b>\$2,780,838</b>
The State Fiscal Stabilization Fund (SFSF) is intended to avert layoffs of teachers and other personnel. It is also intended to further education reform in the key areas of teacher quality, standards and assessments, by using longitudinal data to improve instruction and support struggling schools.	
<b>English Language Acquisition Program (ELAP)</b>	<b>\$29,753</b>
Funding used to support English acquisition for English learners.	
<b>Special Education: Project WorkAbility</b>	<b>\$76,761</b>
Funding allocated to provide students with exceptional needs instruction and experiences that reinforce core curriculum concepts and skills leading to gainful employment.	
<b>Special Education: Personnel Staff Development</b>	<b>\$2,121</b>
State funding provided for staff development that meets the highly qualified teacher requirements and ensures that all personnel are appropriately and adequately prepared.	
<b>Tobacco Use Prevention Education (TUPE)</b>	<b>\$4,766</b>
State funding provided for grades 4-8 for education on tobacco use prevention.	
<b>Agricultural Vocational Incentive Grant</b>	<b>\$22,383</b>
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.	
<b>Economic Impact Aid - SCE and LEP (EIA)</b>	<b>\$904,978</b>
Supplemental funding provided to support additional programs and services for English learners and economically disadvantaged students.	



# 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 \$79.3 million in 2009-2010 for the combined Unrestricted and Restricted General Funds. This is an increase of approximately \$1.3 million from the 2008-2009 estimated actuals. Approximately 73% 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 55% of budgeted expenditures are for direct classroom instruction services. About 79.6% 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% of budgeted expenditures. Other statutory employee benefits such as retirement and workers' compensation expenditures represent 10.6% 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 employee's 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 2008-2009 and is projected to increase again in the 2009-2010 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

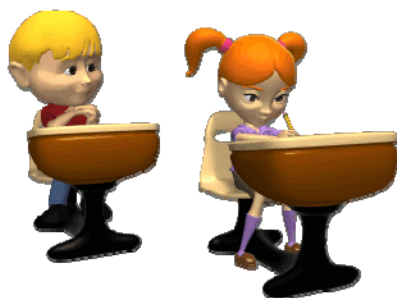


bargaining units. The District considers the health benefit plan to be part of an employee's total compensation, and as the costs of District-funded benefits increase, the District's ability to provide salary increases is gravely diminished. The District has budgeted \$5,580,408 for employee health and welfare benefits during the coming year, which is an increase of \$498,620 over the prior year.

Another area in budgeted employee costs are automatic step increases, which are also part of an employee's total compensation. For 2009-2010, the District has included \$990,161 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 2009-2010 budget are new positions as a result of District growth and the opening of an additional grade at Heritage High School. Some of this is offset with the District's decision to phase out 9<sup>th</sup> grade class size reduction. In phasing out this program, none of the eleven additional teachers required for this program were laid off, but rather absorbed into staffing vacancies through attrition. One additional Assistant Principal for Heritage High School was added as well as 1.625 FTE's for classified support positions. Classified personnel staffing levels were reallocated and more evenly distributed among the school sites, therefore eliminating the need to hire any additional staff as a result of the growth at Heritage High School.

Enrollment trends at PUHSD 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 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 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.



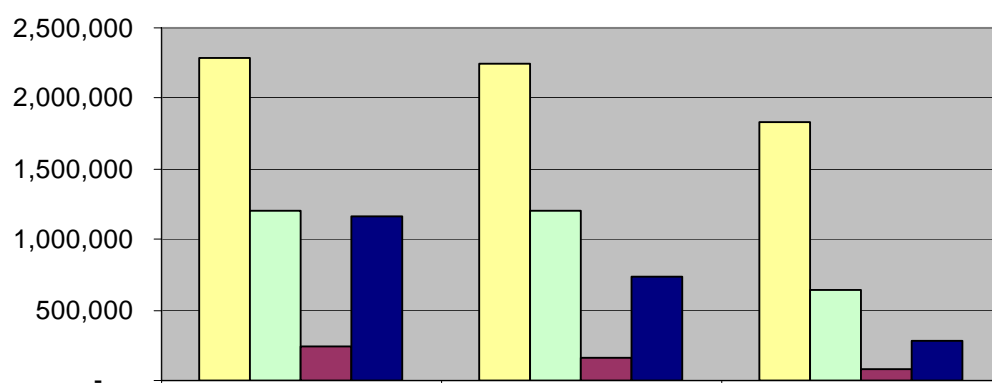
## **BOOKS AND SUPPLIES**

The category of books and supplies includes approved textbooks and core curricula materials, books and other reference materials, basic 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. Basic 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 2009-2010 budget has allocated \$511,613 toward the purchase of textbooks within the category of books and supplies. This allocation is funded by the Instructional Materials Funding Realignment Program (IMFRP), and is expended on the California Textbook Adoption Cycle. A major portion of the expenditures in 2009-2010 will be directly related to the partial adoption of new English-Language Arts textbooks. IMFRP allocations in subsequent years will fund the remaining books needed for the complete adoption. Additional textbooks in all areas will be purchased to address increased student enrollment.



### **BOOKS AND SUPPLIES EXPENDITURE SUMMARY**



	2007-2008 Actuals	2008-2009 Estimated	2009-2010 Projected
Materials & Supplies	2,285,233	2,242,144	1,828,583
Approved Textbooks	1,205,809	1,208,345	644,943
Books & Other Ref Materials	239,917	161,877	76,409
Non-Cap Equipment	1,168,695	735,839	284,214



## **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.

Services and other operating expenditures are increasing in 2009-2010 as a result of expenditures for consultants providing high quality staff development opportunities. These trainings will focus on increasing student achievement and on Direct Interactive Instruction (DII). DII refers to teaching activities where goals are clear to students, time allocated for instruction is sufficient, and content is strongly congruent with skills and concepts most often associated with basic skills and foundational concepts. DII develops a set of teacher behaviors that can be applied to all content areas and grade levels, consequently increasing student achievement. Additional trainings are also being held in relationship to the adoption of new Mathematics textbooks and the partial adoption of new English-Language Arts textbooks.

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

	<b>2007-2008 Actuals</b>	<b>2008-2009 Estimated</b>	<b>2009-2010 Projected</b>
Subagreements for Services	4,360,734	4,169,610	3,800,246
Travel & Conferences	387,999	216,868	185,308
Dues & Memberships	73,108	83,862	93,207
Insurance	358,869	457,728	428,119
Operations & Housekeeping	2,212,012	2,396,863	2,426,205
Rentals, Leases and Repairs	814,327	800,730	774,321
Transfers of Direct Costs	-	(105,927)	(98,339)
Professional/Consulting Services & Other Operating	3,946,012	3,676,318	4,349,563
Communications	373,029	439,826	503,007
<b>Total</b>	<b>12,526,090</b>	<b>12,135,878</b>	<b>12,461,637</b>

## **CAPITAL OUTLAY EXPENDITURES**

Included in capital outlay expenditures are costs for land, buildings, equipment, capitalized complements of books for new libraries, equipment replacement, and other intangible capital assets, such as computer software.



## 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 \$147 to \$191 determined by grade levels and type of educational setting. Not unlike district level department budgets, which were cut by 25% in 2008-2009 and an additional 12% in 2009-2010, school site allocations were cut an additional 10% after being cut 10-15% in some areas, and eliminated in other areas in 2008-2009. Allocations are given to school sites in the areas of Instruction, Administration, Custodial, and Co-Curricular/Athletics at the reduced funding levels. 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	\$130,767
Heritage High School	\$375,950
Paloma Valley High School	\$375,074
Perris High School	\$370,986
Perris Lake High School	\$34,775
The Academy (Community Day School)	\$20,188
Choice 2000 Charter School	\$16,660
California Military Institute	\$62,780
Adult Education	\$12,040
Independent Study	\$3,500
<b>Total Discretionary Allocations</b>	<b>\$1,402,720</b>



School site discretionary allocations are managed under the direction of the site Principal. This practice, referred to as site-based management, involves the School Site Leadership Teams and School Site Councils, as well as guidance from the District Office Administration. 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.

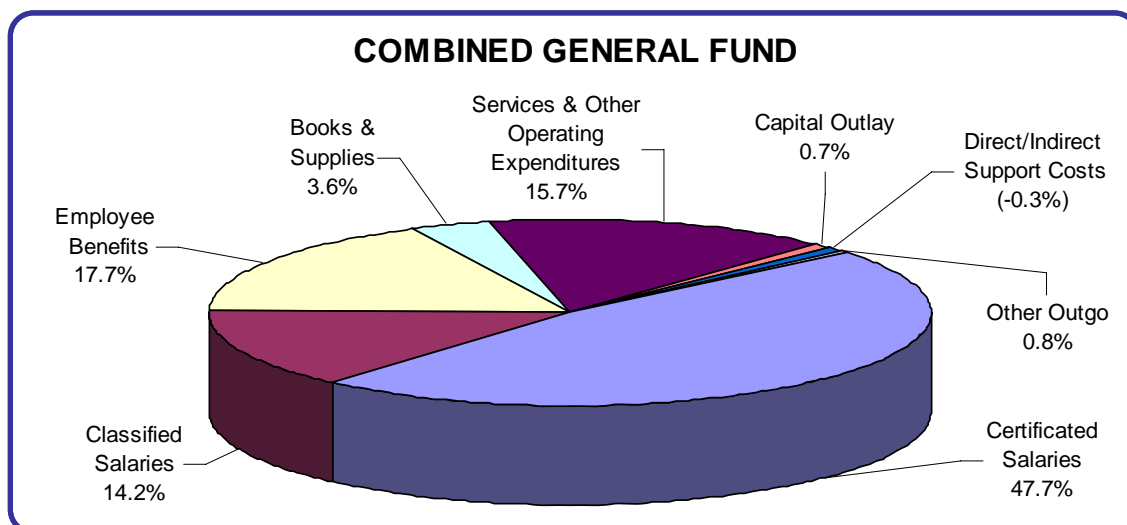
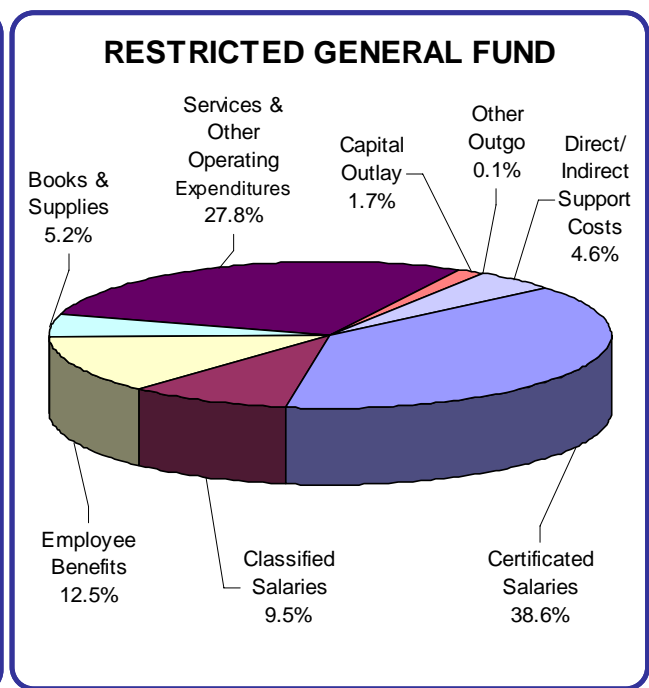
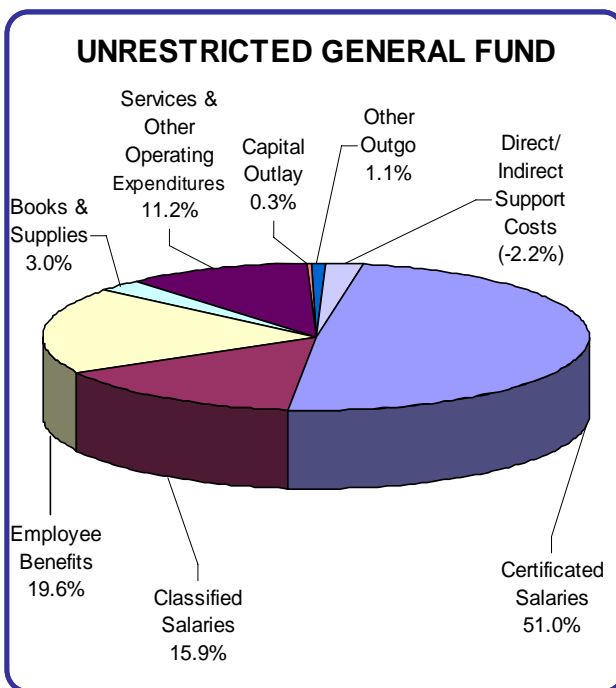
School site discretionary budgets are expended items or services that are within the control of the site, often referred to as "site responsibilities". Falling within this category are supplies for the day-to-day operation of the site, including instructional, office, custodial and health supplies. Sites are also responsible for athletic, band, fine arts, custodial and technology equipment including computer replacement. The cost of employee travel and conferences, 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.





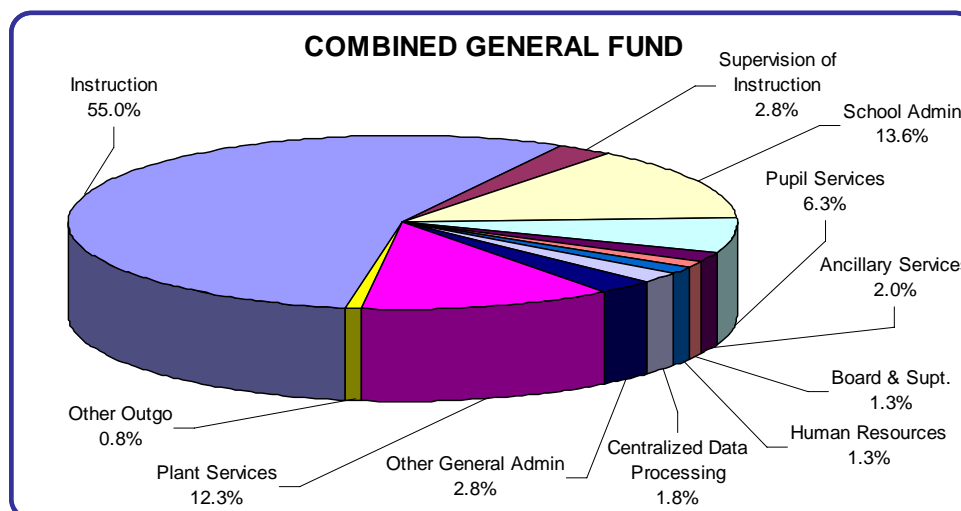
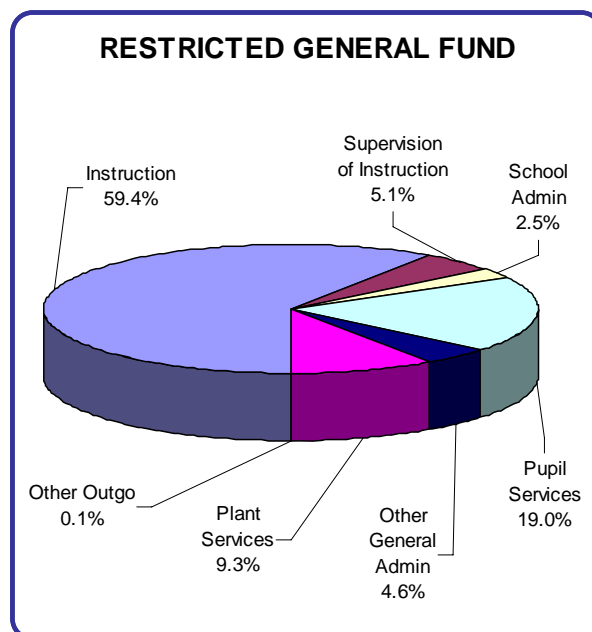
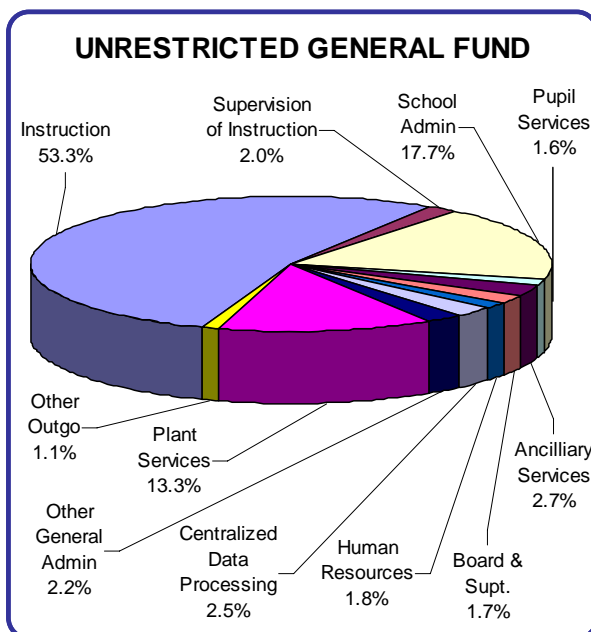
# BUDGETED EXPENDITURES BY OBJECT

Object Classification	Unrestricted	Restricted	Combined
Certificated Salaries	29,558,770	8,273,376	37,832,146
Classified Salaries	9,220,910	2,035,932	11,256,842
Employee Benefits	11,352,598	2,666,659	14,019,257
Books & Supplies	1,726,544	1,107,605	2,834,149
Services & Other			
Operating Expenditures	6,505,053	5,956,584	12,461,637
Capital Outlay	162,673	365,000	527,673
Other Outgo	650,000	13,010	663,010
Direct/Indirect Support Costs	(1,269,217)	993,259	(275,958)
<b>Total</b>	<b>57,907,331</b>	<b>21,411,425</b>	<b>79,318,756</b>



# BUDGETED EXPENDITURES BY FUNCTION

Function Classification	Unrestricted	Restricted	Combined
Instruction	30,893,206	12,716,644	43,609,850
Supervision of Instruction	1,162,036	1,091,177	2,253,213
School Admin	10,233,281	526,658	10,759,939
Pupil Services	905,652	4,078,140	4,983,792
Ancillary Services	1,570,459	-	1,570,459
Board & Supt.	1,010,053	-	1,010,053
Human Resources	1,064,454	-	1,064,454
Centralized Data Processing	1,439,846	-	1,439,846
Other General Admin	1,250,172	993,259	2,243,431
Plant Services	7,728,172	1,992,537	9,720,709
Other Outgo	650,000	13,010	663,010
<b>Total</b>	<b>57,907,331</b>	<b>21,411,425</b>	<b>79,318,756</b>

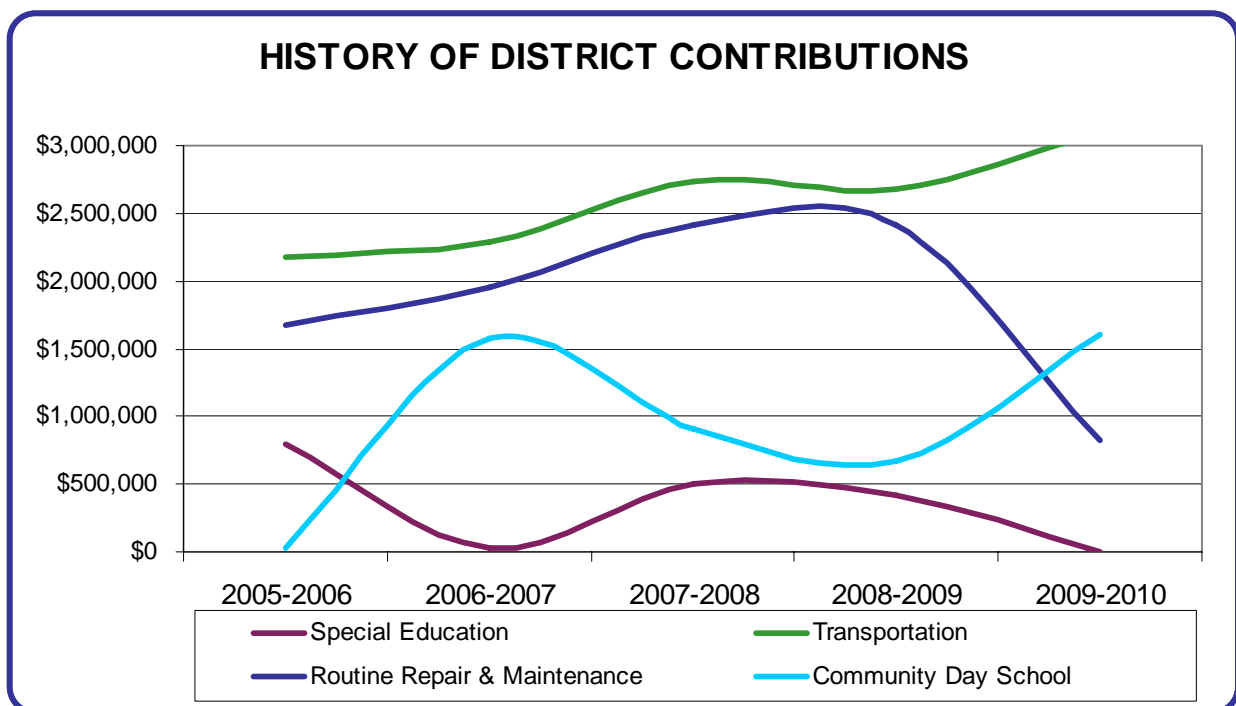


# CONTRIBUTIONS

The District currently has significant encroachments in the Restricted programs: Transportation, Community Day School, and Routine Repair and Maintenance. Contributions are made from the Unrestricted General Fund to cover these encroachments.

In 2009-2010, PUHSD will be receiving Federal American Recovery and Reinvestment Act (ARRA) funding dollars in the amount of \$1,280,956 for Special Education. The Federal Government's intent of the ARRA dollars is to save jobs, stimulate the economy, improve academic outcomes and support school reform. PUHSD is utilizing these dollars over a two year period from 2009-2010 through 2010-2011 to offset the Special Education shortfall (encroachment) to reduce the traditional contribution needed from the General Fund. This allows the District to utilize its Unrestricted General Fund for other educational purposes, including instructional personnel and professional development to improve classroom instruction.

<b>Contributions</b>	<b>Amount</b>
Contribution to Special Education <i>(Eliminated due to the receipt of ARRA funds)</i>	\$ 0
Contribution to Transportation	\$3,102,133
Contribution to Routine Repair & Maintenance	\$ 822,906
Contribution to Community Day School <i>(Includes Restricted and Unrestricted)</i>	\$1,598,464
<b>Total Contributions</b>	<b>\$5,523,503</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 strives to maintain a reserve of at least 4%; however, given the State Budget reductions this will only be possible in 2009-2010. In 2010-2011, the reserve levels drop to 3.15% with a transfer of \$1.2 million from Fund 40 to the General Fund. For 2011-2012, a transfer of the remaining dollars in Fund 40 to the General Fund and assumed expenditure reductions of \$5.5 million will be needed to maintain the 3% minimum required reserve level for the district.

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

	2009-2010	2010-2011	2011-2012
Revolving Cash	25,000	25,000	25,000
Legally Restricted Balances	2,943,391	3,306,882	3,659,649
Reserved for Economic Uncertainties	3,172,750	2,449,235	2,239,198
Other Designations:			
School Site Carryover/Donations	429,973	0	0
<b>Total General Fund Reserves</b>	<b>6,571,114</b>	<b>5,781,117</b>	<b>5,923,847</b>
Fund 40 (Available for Reserves)	4,739,887	0	0
<b>TOTAL RESERVES</b>	<b>11,311,001</b>	<b>5,781,117</b>	<b>5,923,847</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 the 2007-2008 rate of 176.52. The 2009-2010 budget is based on the 2007-2008 funding level less a 19.9% deficit.

## **Deferred Maintenance Fund**

**Fund 14**

Deferred Maintenance Revenue is part of the flexibility provided within the enacted State Budget. While these dollars are considered Unrestricted, PUHSD will continue to spend these funds on 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. Another provision of the State budget no longer requires 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 purpose 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. The 2009-2010 budget reflects a transfer of \$1.2 million into the General Fund to assist in maintaining the educational programs of PUHSD. The remaining available dollars within this fund, in the amount of \$4,889,887, will be transferred into the General Fund in 2010-2011 as a result of State Budget cuts.

**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.

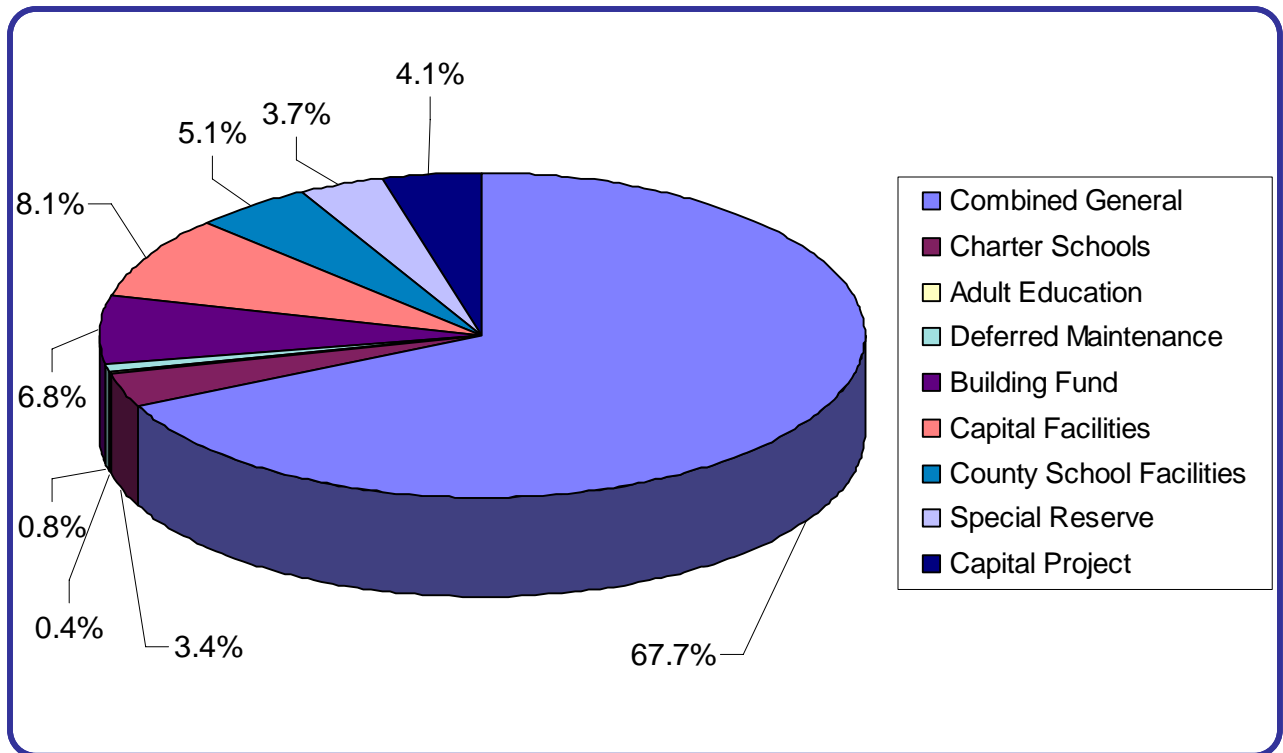
**Debt Service Fund****Fund 56**

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



## 2009-2010 BUDGET SUMMARY - ALL FUNDS

	Estimated Beginning Balance	Projected Revenue (+/-) Transfers In/Out	2008-2009 Total Available Dollars
Combined General Fund	10,420,625	75,469,245	<b>85,889,870</b>
Charter Schools Special Revenue Fund	832,274	3,524,542	<b>4,356,816</b>
Adult Education Fund	0	457,854	<b>457,854</b>
Deferred Maintenance Fund	686,057	282,135	<b>968,192</b>
Building Fund	8,451,427	150,000	<b>8,601,427</b>
Capital Facilities Fund	9,544,581	790,000	<b>10,334,581</b>
County School Facilities Fund	6,313,542	100,000	<b>6,413,542</b>
Special Reserve Fund for Capital Outlay Projects	5,877,630	-1,137,743	<b>4,739,887</b>
Capital Project Fund for Blended Component Units	5,442,709	-273,188	<b>5,169,521</b>
<b>District Total</b>			<b>126,931,690</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	54,144,588	56,298,433	54,808,844	53,054,887	51,691,074
2) Federal Revenues	196,221	175,000	175,000	162,885	125,207
3) Other State Revenues	2,611,728	2,440,655	3,297,773	3,212,890	4,797,521
4) Other Local Revenues	1,535,927	1,738,793	2,886,735	2,310,123	1,188,597
<b>5) TOTAL REVENUES</b>	<b>58,488,464</b>	<b>60,652,881</b>	<b>61,168,352</b>	<b>58,740,785</b>	<b>57,802,399</b>
<b>B. EXPENDITURES</b>					
1) Certificated Salaries	28,733,346	29,929,579	30,157,165	29,732,812	29,558,770
2) Classified Salaries	8,192,383	8,490,080	8,721,913	8,703,593	9,220,910
3) Employee Benefits	9,734,784	10,966,696	11,138,389	10,908,961	11,352,598
4) Books and Supplies	2,064,950	1,518,228	2,894,792	2,816,685	1,726,544
5) Services, Other Operating Exp	5,981,207	5,639,270	5,649,573	6,231,381	6,505,053
6) Capital Outlay	496,615	655,896	720,919	294,989	162,673
7) Other Outgo	-	621,119	622,719	620,101	650,000
8) Direct/Indirect Costs	(1,388,535)	(1,382,261)	(1,132,723)	(1,107,754)	(1,269,217)
<b>9) TOTAL EXPENDITURES</b>	<b>53,814,750</b>	<b>56,438,607</b>	<b>58,772,747</b>	<b>58,200,768</b>	<b>57,907,331</b>
<b>C. EXCESS (DEFICIENCY) OF REV/EXP (A5 - B9)</b>	<b>4,673,714</b>	<b>4,214,274</b>	<b>2,395,605</b>	<b>540,017</b>	<b>(104,932)</b>
<b>D. OTHER FINANCING SOURCES/USES</b>					
1a) Interfund Transfers In	137,961	-	-	418,628	1,320,697
1b) Interfund Transfers Out	-	-	-	-	-
2a) Other Sources	-	-	-	-	-
2b) Other Uses	-	-	-	-	-
3) Contributions	(6,837,173)	(6,920,546)	(5,255,258)	(3,903,243)	(4,263,337)
<b>4) Total Other</b>	<b>(6,699,212)</b>	<b>(6,920,546)</b>	<b>(5,255,258)</b>	<b>(3,484,615)</b>	<b>(2,942,640)</b>
<b>E. CHANGE IN FUND BALANCE (C + D4)</b>	<b>(2,025,498)</b>	<b>(2,706,272)</b>	<b>(2,859,653)</b>	<b>(2,944,598)</b>	<b>(3,047,572)</b>
<b>F. BEGINNING BALANCE</b>	<b>11,645,391</b>	<b>10,236,816</b>	<b>9,619,893</b>	<b>9,619,893</b>	<b>6,675,295</b>
<b>G. ENDING BALANCE</b>	<b>9,619,893</b>	<b>7,530,544</b>	<b>6,760,240</b>	<b>6,675,295</b>	<b>3,627,723</b>





## Budget Summary

### Fund 06 - Restricted 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	3,230,498	3,260,125	3,045,805	2,572,529	3,055,161
2) Federal Revenues	2,950,599	3,248,585	6,752,545	3,579,269	7,698,754
3) Other State Revenues	5,774,882	5,021,135	4,144,837	4,216,312	1,512,791
4) Other Local Revenues	4,682,126	4,305,626	4,621,822	4,598,954	4,079,443
<b>5) TOTAL REVENUES</b>	<b>16,638,105</b>	<b>15,835,471</b>	<b>18,565,009</b>	<b>14,967,064</b>	<b>16,346,149</b>
<b>B. EXPENDITURES</b>					
1) Certificated Salaries	6,784,145	6,773,308	9,413,687	6,619,163	8,273,376
2) Classified Salaries	2,433,345	2,645,795	2,229,614	2,238,916	2,035,932
3) Employee Benefits	2,442,043	2,764,962	2,892,857	2,484,191	2,666,659
4) Books and Supplies	2,834,703	3,281,724	2,425,958	1,531,520	1,107,605
5) Services, Other Operating Exp	6,544,883	7,210,946	6,767,163	5,904,497	5,956,584
6) Capital Outlay	392,132	96,000	301,523	68,710	365,000
7) Other Outgo	12,229	12,229	12,229	22,040	13,010
8) Direct/Indirect Costs	1,075,488	1,020,123	868,607	874,328	993,259
<b>9) TOTAL EXPENDITURES</b>	<b>22,518,968</b>	<b>23,805,087</b>	<b>24,911,638</b>	<b>19,743,365</b>	<b>21,411,425</b>
<b>C. EXCESS (DEFICIENCY) OF REV/EXP (A5 - B9)</b>	<b>(5,880,863)</b>	<b>(7,969,616)</b>	<b>(6,346,629)</b>	<b>(4,776,301)</b>	<b>(5,065,276)</b>
<b>D. OTHER FINANCING SOURCES/USES</b>					
1a) Interfund Transfers In	-	-	-	88,338	-
1b) Interfund Transfers Out	427,239	403,235	449,081	421,397	-
2a) Other Sources	-	-	-	-	-
2b) Other Uses	-	-	-	-	-
3) Contributions	6,837,173	6,920,546	5,255,258	3,903,243	4,263,337
<b>4) Total Other</b>	<b>6,409,934</b>	<b>6,517,311</b>	<b>4,806,177</b>	<b>3,570,184</b>	<b>4,263,337</b>
<b>E. CHANGE IN FUND BALANCE (C + D4)</b>	<b>529,071</b>	<b>(1,452,305)</b>	<b>(1,540,452)</b>	<b>(1,206,117)</b>	<b>(801,939)</b>
<b>F. BEGINNING BALANCE</b>	<b>4,422,378</b>	<b>3,755,939</b>	<b>4,951,448</b>	<b>4,951,448</b>	<b>3,745,330</b>
<b>G. ENDING BALANCE</b>	<b>4,951,449</b>	<b>2,303,634</b>	<b>3,410,996</b>	<b>3,745,331</b>	<b>2,943,391</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	57,375,086	59,558,558	57,854,649	55,627,416	54,746,235
2) Federal Revenues	3,146,820	3,423,585	6,927,545	3,742,154	7,823,961
3) Other State Revenues	8,386,610	7,461,790	7,442,610	7,429,202	6,310,312
4) Other Local Revenues	6,218,053	6,044,419	7,508,557	6,909,077	5,268,040
<b>5) TOTAL REVENUES</b>	<b>75,126,569</b>	<b>76,488,352</b>	<b>79,733,361</b>	<b>73,707,849</b>	<b>74,148,548</b>
<b>B. EXPENDITURES</b>					
1) Certificated Salaries	35,517,492	36,702,887	39,570,852	36,351,975	37,832,146
2) Classified Salaries	10,625,728	11,135,875	10,951,527	10,942,509	11,256,842
3) Employee Benefits	12,176,828	13,731,658	14,031,246	13,393,152	14,019,257
4) Books and Supplies	4,899,653	4,799,952	5,320,750	4,348,205	2,834,149
5) Services, Other Operating Exp	12,526,090	12,850,216	12,416,736	12,135,878	12,461,637
6) Capital Outlay	888,748	751,896	1,022,442	363,699	527,673
7) Other Outgo	12,229	633,348	634,948	642,141	663,010
8) Direct/Indirect Costs	(313,047)	(362,138)	(264,116)	(233,426)	(275,958)
<b>9) TOTAL EXPENDITURES</b>	<b>76,333,721</b>	<b>80,243,694</b>	<b>83,684,385</b>	<b>77,944,133</b>	<b>79,318,756</b>
<b>C. EXCESS (DEFICIENCY) OF REV/EXP (A5 - B9)</b>	<b>(1,207,152)</b>	<b>(3,755,342)</b>	<b>(3,951,024)</b>	<b>(4,236,284)</b>	<b>(5,170,208)</b>
<b>D. OTHER FINANCING SOURCES/USES</b>					
1a) Interfund Transfers In	137,961	-	-	506,966	1,320,697
1b) Interfund Transfers Out	427,239	403,235	449,081	421,397	-
2a) Other Sources	-	-	-	-	-
2b) Other Uses	-	-	-	-	-
3) Contributions	-	-	-	-	-
<b>4) Total Other</b>	<b>(289,278)</b>	<b>(403,235)</b>	<b>(449,081)</b>	<b>85,569</b>	<b>1,320,697</b>
<b>E. CHANGE IN FUND BALANCE (C + D4)</b>	<b>(1,496,430)</b>	<b>(4,158,577)</b>	<b>(4,400,105)</b>	<b>(4,150,715)</b>	<b>(3,849,511)</b>
<b>F. BEGINNING BALANCE</b>	<b>16,067,770</b>	<b>13,992,755</b>	<b>14,571,341</b>	<b>14,571,341</b>	<b>10,420,625</b>
<b>G. ENDING BALANCE</b>	<b>14,571,340</b>	<b>9,834,178</b>	<b>10,171,236</b>	<b>10,420,626</b>	<b>6,571,114</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	2,983,692	3,189,800	3,096,022	3,092,777	3,012,289
2) Federal Revenues	-	-	156,935	-	156,935
3) Other State Revenues	280,882	363,903	393,314	370,796	333,618
4) Other Local Revenues	32,499	26,263	27,263	23,794	21,700
<b>5) TOTAL REVENUES</b>	<b>3,297,073</b>	<b>3,579,966</b>	<b>3,673,534</b>	<b>3,487,367</b>	<b>3,524,542</b>
<b>B. EXPENDITURES</b>					
1) Certificated Salaries	1,559,700	1,939,550	2,029,415	1,859,763	1,923,213
2) Classified Salaries	318,246	331,019	351,965	336,233	334,291
3) Employee Benefits	427,129	567,877	627,693	566,333	605,132
4) Books and Supplies	284,618	389,268	551,689	280,442	74,114
5) Services, Other Operating Exp	365,045	369,445	520,578	511,166	411,506
6) Capital Outlay	31,548	110,000	60,237	45,471	16,000
7) Other Outgo	-	-	-	-	-
8) Direct/Indirect Costs	287,689	338,627	238,197	216,391	258,140
<b>9) TOTAL EXPENDITURES</b>	<b>3,273,975</b>	<b>4,045,786</b>	<b>4,379,774</b>	<b>3,815,799</b>	<b>3,622,396</b>
<b>C. EXCESS (DEFICIENCY) OF REV/EXP (A5 - B9)</b>	<b>23,098</b>	<b>(465,820)</b>	<b>(706,240)</b>	<b>(328,432)</b>	<b>(97,854)</b>
<b>D. OTHER FINANCING SOURCES/USES</b>					
1a) Interfund Transfers In	24,578	-	45,846	18,162	-
1b) Interfund Transfers Out	-	-	-	16,338	-
2a) Other Sources	-	-	-	-	-
2b) Other Uses	-	-	-	-	-
3) Contributions	-	-	-	-	-
<b>4) Total Other</b>	<b>24,578</b>	<b>-</b>	<b>45,846</b>	<b>1,824</b>	<b>-</b>
<b>E. CHANGE IN FUND BALANCE (C + D4)</b>	<b>47,676</b>	<b>(465,820)</b>	<b>(660,394)</b>	<b>(326,608)</b>	<b>(97,854)</b>
<b>F. BEGINNING BALANCE</b>	<b>1,111,207</b>	<b>998,199</b>	<b>1,158,883</b>	<b>1,158,882</b>	<b>832,274</b>
<b>G. ENDING BALANCE</b>	<b>1,158,883</b>	<b>532,379</b>	<b>498,489</b>	<b>832,274</b>	<b>734,420</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	-	-	-	-	-
2) Federal Revenues	63,064	63,064	76,410	76,410	76,410
3) Other State Revenues	793,600	459,888	674,974	726,404	479,398
4) Other Local Revenues	34,328	29,544	14,544	16,670	10,000
<b>5) TOTAL REVENUES</b>	<b>890,992</b>	<b>552,496</b>	<b>765,928</b>	<b>819,484</b>	<b>565,808</b>
<b>B. EXPENDITURES</b>					
1) Certificated Salaries	370,676	261,218	261,018	219,970	204,017
2) Classified Salaries	115,519	110,055	110,029	106,745	123,818
3) Employee Benefits	99,972	95,827	96,357	88,075	89,298
4) Books and Supplies	5,316	32,854	133,457	9,490	12,974
5) Services, Other Operating Exp	15,550	16,071	13,918	10,459	9,929
6) Capital Outlay	-	-	-	-	-
7) Other Outgo	-	-	-	-	-
8) Direct/Indirect Costs	25,358	23,511	25,919	17,035	17,818
<b>9) TOTAL EXPENDITURES</b>	<b>632,391</b>	<b>539,536</b>	<b>640,698</b>	<b>451,774</b>	<b>457,854</b>
<b>C. EXCESS (DEFICIENCY) OF REV/EXP (A5 - B9)</b>	<b>258,601</b>	<b>12,960</b>	<b>125,230</b>	<b>367,710</b>	<b>107,954</b>
<b>D. OTHER FINANCING SOURCES/USES</b>					
1a) Interfund Transfers In	-	-	-	-	-
1b) Interfund Transfers Out	135,682	-	-	490,628	107,954
2a) Other Sources	-	-	-	-	-
2b) Other Uses	-	-	-	-	-
3) Contributions	-	-	-	-	-
<b>4) Total Other</b>	<b>(135,682)</b>	<b>-</b>	<b>-</b>	<b>(490,628)</b>	<b>(107,954)</b>
<b>E. CHANGE IN FUND BALANCE (C + D4)</b>	<b>122,919</b>	<b>12,960</b>	<b>125,230</b>	<b>(122,918)</b>	<b>-</b>
<b>F. BEGINNING BALANCE</b>	<b>-</b>	<b>-</b>	<b>122,918</b>	<b>122,919</b>	<b>-</b>
<b>G. ENDING BALANCE</b>	<b>122,919</b>	<b>12,960</b>	<b>248,148</b>	<b>1</b>	<b>-</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	299,989	-	338,142	279,535	279,535
4) Other Local Revenues	12,641	8,886	4,486	3,287	2,600
<b>5) TOTAL REVENUES</b>	<b>312,630</b>	<b>8,886</b>	<b>342,628</b>	<b>282,822</b>	<b>282,135</b>
<b>B. EXPENDITURES</b>					
1) Certificated Salaries	-	-	-	-	-
2) Classified Salaries	-	-	-	-	-
3) Employee Benefits	-	-	-	-	-
4) Books and Supplies	240,890	131,331	35,665	24,341	435,416
5) Services, Other Operating Exp	315,761	488,440	373,620	150,220	420,000
6) Capital Outlay	224,197	-	82,268	58,064	-
7) Other Outgo	-	-	-	-	-
8) Direct/Indirect Costs	-	-	-	-	-
<b>9) TOTAL EXPENDITURES</b>	<b>780,848</b>	<b>619,771</b>	<b>491,553</b>	<b>232,625</b>	<b>855,416</b>
<b>C. EXCESS (DEFICIENCY) OF REV/EXP (A5 - B9)</b>	<b>(468,218)</b>	<b>(610,885)</b>	<b>(148,925)</b>	<b>50,197</b>	<b>(573,281)</b>
<b>D. OTHER FINANCING SOURCES/USES</b>					
1a) Interfund Transfers In	402,661	403,235	403,235	403,235	-
1b) Interfund Transfers Out	-	-	-	-	-
2a) Other Sources	-	-	-	-	-
2b) Other Uses	-	-	-	-	-
3) Contributions	-	-	-	-	-
<b>4) Total Other</b>	<b>402,661</b>	<b>403,235</b>	<b>403,235</b>	<b>403,235</b>	<b>-</b>
<b>E. CHANGE IN FUND BALANCE (C + D4)</b>	<b>(65,557)</b>	<b>(207,650)</b>	<b>254,310</b>	<b>453,432</b>	<b>(573,281)</b>
<b>F. BEGINNING BALANCE</b>	<b>298,182</b>	<b>207,650</b>	<b>232,625</b>	<b>232,625</b>	<b>686,057</b>
<b>G. ENDING BALANCE</b>	<b>232,625</b>	<b>-</b>	<b>486,935</b>	<b>686,057</b>	<b>112,776</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	708,387	368,000	260,075	260,075	150,000
<b>5) TOTAL REVENUES</b>	<b>708,387</b>	<b>368,000</b>	<b>260,075</b>	<b>260,075</b>	<b>150,000</b>
<b>B. EXPENDITURES</b>					
1) Certificated Salaries	-	-	-	-	-
2) Classified Salaries	-	-	-	-	-
3) Employee Benefits	-	-	-	-	-
4) Books and Supplies	75,512	-	19,867	19,867	-
5) Services, Other Operating Exp	125,190	-	21,201	21,150	-
6) Capital Outlay	10,794,850	1,768,281	1,879,178	1,732,983	3,150,000
7) Other Outgo	-	702,694	-	-	-
8) Direct/Indirect Costs	-	-	-	-	-
<b>9) TOTAL EXPENDITURES</b>	<b>10,995,552</b>	<b>2,470,975</b>	<b>1,920,246</b>	<b>1,774,000</b>	<b>3,150,000</b>
<b>C. EXCESS (DEFICIENCY) OF REV/EXP (A5 - B9)</b>	<b>(10,287,165)</b>	<b>(2,102,975)</b>	<b>(1,660,171)</b>	<b>(1,513,925)</b>	<b>(3,000,000)</b>
<b>D. OTHER FINANCING SOURCES/USES</b>					
1a) Interfund Transfers In	-	702,694	-	-	-
1b) Interfund Transfers Out	-	-	-	-	-
2a) Other Sources	-	-	-	-	-
2b) Other Uses	-	-	-	-	-
3) Contributions	-	-	-	-	-
<b>4) Total Other</b>	<b>-</b>	<b>702,694</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>E. CHANGE IN FUND BALANCE (C + D4)</b>	<b>(10,287,165)</b>	<b>(1,400,281)</b>	<b>(1,660,171)</b>	<b>(1,513,925)</b>	<b>(3,000,000)</b>
<b>F. BEGINNING BALANCE</b>	<b>20,252,518</b>	<b>18,551,915</b>	<b>9,965,352</b>	<b>9,965,352</b>	<b>8,451,427</b>
<b>G. ENDING BALANCE</b>	<b>9,965,353</b>	<b>17,151,634</b>	<b>8,305,181</b>	<b>8,451,427</b>	<b>5,451,427</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	3,156,125	1,100,000	1,075,000	1,064,592	790,000
<b>5) TOTAL REVENUES</b>	<b>3,156,125</b>	<b>1,100,000</b>	<b>1,075,000</b>	<b>1,064,592</b>	<b>790,000</b>
<b>B. EXPENDITURES</b>					
1) Certificated Salaries	-	-	-	-	-
2) Classified Salaries	91,109	113,725	113,205	110,854	23,602
3) Employee Benefits	40,403	53,858	53,413	47,855	11,540
4) Books and Supplies	204,041	-	27,898	27,898	-
5) Services, Other Operating Exp	308,517	100,000	182,371	199,153	20,000
6) Capital Outlay	7,766,686	1,684,335	1,511,491	56,400	505,000
7) Other Outgo	404,800	1,190,000	-	-	-
8) Direct/Indirect Costs	-	-	-	-	-
<b>9) TOTAL EXPENDITURES</b>	<b>8,815,556</b>	<b>3,141,918</b>	<b>1,888,378</b>	<b>442,160</b>	<b>560,142</b>
<b>C. EXCESS (DEFICIENCY) OF REV/EXP (A5 - B9)</b>	<b>(5,659,431)</b>	<b>(2,041,918)</b>	<b>(813,378)</b>	<b>622,432</b>	<b>229,858</b>
<b>D. OTHER FINANCING SOURCES/USES</b>					
1a) Interfund Transfers In	-	31,683	-	-	-
1b) Interfund Transfers Out	-	-	-	-	-
2a) Other Sources	-	-	-	-	-
2b) Other Uses	-	-	-	-	-
3) Contributions	-	-	-	-	-
<b>4) Total Other</b>	<b>-</b>	<b>31,683</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>E. CHANGE IN FUND BALANCE (C + D4)</b>	<b>(5,659,431)</b>	<b>(2,010,235)</b>	<b>(813,378)</b>	<b>622,432</b>	<b>229,858</b>
<b>F. BEGINNING BALANCE</b>	<b>14,581,580</b>	<b>8,969,801</b>	<b>8,922,149</b>	<b>8,922,149</b>	<b>9,544,581</b>
<b>G. ENDING BALANCE</b>	<b>8,922,149</b>	<b>6,959,566</b>	<b>8,108,771</b>	<b>9,544,581</b>	<b>9,774,439</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	1,540,776	-	-	-	-
4) Other Local Revenues	1,306,558	173,591	1,150,321	1,173,228	100,000
<b>5) TOTAL REVENUES</b>	<b>2,847,334</b>	<b>173,591</b>	<b>1,150,321</b>	<b>1,173,228</b>	<b>100,000</b>
<b>B. EXPENDITURES</b>					
1) Certificated Salaries	-	-	-	-	-
2) Classified Salaries	-	-	-	-	-
3) Employee Benefits	-	-	-	-	-
4) Books and Supplies	1,529,898	23,000	136,763	131,257	-
5) Services, Other Operating Exp	109,738	150,000	245,465	244,387	-
6) Capital Outlay	2,597,912	3,561,004	3,425,299	1,403,696	1,200,000
7) Other Outgo	-	-	-	-	-
8) Direct/Indirect Costs	-	-	-	-	-
<b>9) TOTAL EXPENDITURES</b>	<b>4,237,548</b>	<b>3,734,004</b>	<b>3,807,527</b>	<b>1,779,340</b>	<b>1,200,000</b>
<b>C. EXCESS (DEFICIENCY) OF REV/EXP (A5 - B9)</b>	<b>(1,390,214)</b>	<b>(3,560,413)</b>	<b>(2,657,206)</b>	<b>(606,112)</b>	<b>(1,100,000)</b>
<b>D. OTHER FINANCING SOURCES/USES</b>					
1a) Interfund Transfers In	2,738,148	-	-	-	-
1b) Interfund Transfers Out	-	-	-	-	-
2a) Other Sources	-	-	-	-	-
2b) Other Uses	-	-	-	-	-
3) Contributions	-	-	-	-	-
<b>4) Total Other</b>	<b>2,738,148</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>E. CHANGE IN FUND BALANCE (C + D4)</b>	<b>1,347,934</b>	<b>(3,560,413)</b>	<b>(2,657,206)</b>	<b>(606,112)</b>	<b>(1,100,000)</b>
F. BEGINNING BALANCE	5,571,719	6,351,272	6,919,654	6,919,653	6,313,542
G. ENDING BALANCE	6,919,653	2,790,859	4,262,448	6,313,541	5,213,542





## 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	317,590	346,054	346,054	183,800	75,000
<b>5) TOTAL REVENUES</b>	<b>317,590</b>	<b>346,054</b>	<b>346,054</b>	<b>183,800</b>	<b>75,000</b>
<b>B. EXPENDITURES</b>					
1) Certificated Salaries	-	-	-	-	-
2) Classified Salaries	-	-	-	-	-
3) Employee Benefits	-	-	-	-	-
4) Books and Supplies	5,458	-	-	1,452	-
5) Services, Other Operating Exp	317,377	70,000	80,136	50,843	-
6) Capital Outlay	341,069	907,342	873,634	1,069,184	-
7) Other Outgo	-	-	-	-	-
8) Direct/Indirect Costs	-	-	-	-	-
<b>9) TOTAL EXPENDITURES</b>	<b>663,904</b>	<b>977,342</b>	<b>953,770</b>	<b>1,121,479</b>	<b>-</b>
<b>C. EXCESS (DEFICIENCY) OF REV/EXP (A5 - B9)</b>	<b>(346,314)</b>	<b>(631,288)</b>	<b>(607,716)</b>	<b>(937,679)</b>	<b>75,000</b>
<b>D. OTHER FINANCING SOURCES/USES</b>					
1a) Interfund Transfers In	-	-	-	-	-
1b) Interfund Transfers Out	-	-	-	-	1,212,743
2a) Other Sources	1,235	-	-	-	-
2b) Other Uses	-	-	-	-	-
3) Contributions	-	-	-	-	-
<b>4) Total Other</b>	<b>1,235</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>(1,212,743)</b>
<b>E. CHANGE IN FUND BALANCE (C + D4)</b>	<b>(345,079)</b>	<b>(631,288)</b>	<b>(607,716)</b>	<b>(937,679)</b>	<b>(1,137,743)</b>
<b>F. BEGINNING BALANCE</b>	<b>7,160,388</b>	<b>6,926,615</b>	<b>6,815,309</b>	<b>6,815,309</b>	<b>5,877,630</b>
<b>G. ENDING BALANCE</b>	<b>6,815,309</b>	<b>6,295,327</b>	<b>6,207,593</b>	<b>5,877,630</b>	<b>4,739,887</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	3,031,073	1,352,471	1,477,471	2,148,771	1,747,812
<b>5) TOTAL REVENUES</b>	<b>3,031,073</b>	<b>1,352,471</b>	<b>1,477,471</b>	<b>2,148,771</b>	<b>1,747,812</b>
<b>B. EXPENDITURES</b>					
1) Certificated Salaries	-	-	-	-	-
2) Classified Salaries	-	-	-	-	-
3) Employee Benefits	-	-	-	-	-
4) Books and Supplies	-	-	-	-	-
5) Services, Other Operating Exp	50,888	30,800	85,851	127,450	127,450
6) Capital Outlay	31,644	150,000	-	-	-
7) Other Outgo	-	-	-	-	-
8) Direct/Indirect Costs	-	-	-	-	-
<b>9) TOTAL EXPENDITURES</b>	<b>82,532</b>	<b>180,800</b>	<b>85,851</b>	<b>127,450</b>	<b>127,450</b>
<b>C. EXCESS (DEFICIENCY) OF REV/EXP (A5 - B9)</b>	<b>2,948,541</b>	<b>1,171,671</b>	<b>1,391,620</b>	<b>2,021,321</b>	<b>1,620,362</b>
<b>D. OTHER FINANCING SOURCES/USES</b>					
1a) Interfund Transfers In	-	-	-	-	-
1b) Interfund Transfers Out	3,940,427	702,694	1,861,011	2,073,049	2,021,000
2a) Other Sources	-	-	-	-	-
2b) Other Uses	-	-	-	-	-
3) Contributions	-	-	-	-	-
<b>4) Total Other</b>	<b>(3,940,427)</b>	<b>(702,694)</b>	<b>(1,861,011)</b>	<b>(2,073,049)</b>	<b>(2,021,000)</b>
<b>E. CHANGE IN FUND BALANCE (C + D4)</b>	<b>(991,886)</b>	<b>468,977</b>	<b>(469,391)</b>	<b>(51,728)</b>	<b>(400,638)</b>
<b>F. BEGINNING BALANCE</b>	<b>6,486,324</b>	<b>2,533,224</b>	<b>5,494,437</b>	<b>5,494,437</b>	<b>5,442,709</b>
<b>G. ENDING BALANCE</b>	<b>5,494,438</b>	<b>3,002,201</b>	<b>5,025,046</b>	<b>5,442,709</b>	<b>5,042,071</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	35,535	-	-	-	-
4) Other Local Revenues	3,459,259	-	-	-	-
<b>5) TOTAL REVENUES</b>	<b>3,494,794</b>	<b>-</b>	<b>-</b>	<b>-</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	3,028,831	-	-	-	-
8) Direct/Indirect Costs	-	-	-	-	-
<b>9) TOTAL EXPENDITURES</b>	<b>3,028,831</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>C. EXCESS (DEFICIENCY) OF REV/EXP (A5 - B9)</b>	<b>465,963</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</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>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>E. CHANGE IN FUND BALANCE (C + D4)</b>	<b>465,963</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
F. BEGINNING BALANCE	3,410,315	-	3,876,277	3,876,277	-
G. ENDING BALANCE	3,876,278	-	3,876,277	3,876,277	-



## 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	33,746	-	50,000	10,000	-
<b>5) TOTAL REVENUES</b>	<b>33,746</b>	<b>-</b>	<b>50,000</b>	<b>10,000</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	1,380,197	-	1,942,694	2,073,049	2,021,000
8) Direct/Indirect Costs	-	-	-	-	-
<b>9) TOTAL EXPENDITURES</b>	<b>1,380,197</b>	<b>-</b>	<b>1,942,694</b>	<b>2,073,049</b>	<b>2,021,000</b>
<b>C. EXCESS (DEFICIENCY) OF REV/EXP (A5 - B9)</b>	<b>(1,346,451)</b>	<b>-</b>	<b>(1,892,694)</b>	<b>(2,063,049)</b>	<b>(2,021,000)</b>
<b>D. OTHER FINANCING SOURCES/USES</b>					
1a) Interfund Transfers In	1,200,000	-	1,892,694	2,073,049	2,021,000
1b) Interfund Transfers Out	-	31,683	31,683	-	-
2a) Other Sources	-	-	-	-	-
2b) Other Uses	-	-	-	-	-
3) Contributions	-	-	-	-	-
<b>4) Total Other</b>	<b>1,200,000</b>	<b>(31,683)</b>	<b>1,861,011</b>	<b>2,073,049</b>	<b>2,021,000</b>
<b>E. CHANGE IN FUND BALANCE (C + D4)</b>	<b>(146,451)</b>	<b>(31,683)</b>	<b>(31,683)</b>	<b>10,000</b>	<b>-</b>
<b>F. BEGINNING BALANCE</b>	<b>310,593</b>	<b>31,683</b>	<b>164,142</b>	<b>164,142</b>	<b>174,142</b>
<b>G. ENDING BALANCE</b>	<b>164,142</b>	<b>-</b>	<b>132,459</b>	<b>174,142</b>	<b>174,142</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. Beginning with the January proposal of the Governor's 2008-2009 Budget, public education again began a rollercoaster funding cycle. The January proposal included cuts to 2007-2008 that were ultimately abandoned. It also included COLA and a deficit factor that together yielded a negative effective, or funded COLA of -2.4%. When the Governor published his May Revise, 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. When the 2008-2009 State Budget was eventually passed, three months late, the COLA and deficit factor yielded an effective COLA of .68%. However, three months and three special sessions later, the 2009-2010 Budget Act was signed an unprecedented four months early in February 2009. The May Revise, released on May 29<sup>th</sup> includes further program reductions for both 2008-2009 and 2009-2010, including a combined deficit factor in 2009-2010 of nearly 18%. It is the factors within this May Revise that the PUHSD Budget was built upon, though changes to an already enacted State Budget would require a two-thirds majority vote by the Legislature.

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. California's economy is suffering even more than the nation as a whole. The State economy drives General Fund revenues. In simple terms, the State collects revenue when people spend money and when they earn it. Neither of these is taking place to the level that was expected by the State; therefore, State revenues have fallen dramatically. The State was at the epicenter of the subprime mortgage collapse; home building fell for the fourth consecutive year in 2008, with housing starts expected to be down 24% in 2009. The State's unemployment rate is among the highest in the nation at 11.2% in March of 2009, up from 6.4% just one year earlier. Personal income is projected to decline 1.0% in 2009 which is the first time it has fallen since 1938.

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. There was no exception to this for the 2009-2010 Budget. School districts are unable to project subsequent year revenues accurately making it increasingly difficult for any district, including PUHSD, 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.



Knowing that the economy may continue to deteriorate through 2009 and into 2010, not only is the State Budget at risk of additional shortfalls, but the District's Budget is also at risk for additional cuts. These could come in the form of mid-year cuts in 2009-2010, or an increase to the deficit factor in 2010-2011. No matter the outcome of the State Budget and its resulting impact to school districts, PUHSD will continue to offer the best instructional programs we can provide with the funds that are made available.

## **MULTI-YEAR PROJECTIONS**

Enrollment is projected to increase by 2% in the two subsequent fiscal years to 9,912 in 2010-2011, and to 10,110 in 2011-2012. ADA is projected to be 9,129 in 2010-2011, and 9,311 in 2011-2012. COLA is expected to decrease to 0.90% in 2010-2011 and then increase to 2.4% in 2011-2012 with no equalization funding or plans to restore the deficits from prior years. Base Revenue Limit is increased by COLA and projected to be \$6,068 in 2010-2011 and \$6,214 in 2011-2012. Based on current projections, Revenue Limit funding will be \$690 per ADA lower than what it would have been in 2009-2010 if COLA had been fully funded without deficit factors applied. This is \$11 per ADA lower than 2007-2008 funding levels.

The multi-year projections include maintaining the District's reserve for economic uncertainties at 3% which is the required minimum reserve level. The District will need to utilize its entire reserve in Fund 40, in addition to all other prior year ending balances, to remain solvent through 2010-2011. The multi-year projections are built assuming the status quo in all expenditure categories, including staffing. This means that employee salaries and benefits, as well as materials and other operating expenditures, are currently projected to increase consistent with District growth. The multi-year projections also build upon, and carry forward, almost \$4.5 million in budget cuts made for 2008-2009 and 2009-2010. Despite what has already been cut from the budget, in 2011-2012 PUHSD will be \$5.5 million short if no additional cuts are made. Built into the multi-year projections is a single line item cut in this same amount. The District will need to identify the specific additional cuts to be made for 2011-2012 in order to remain solvent. This will be a difficult task to undertake, one in which the unfortunate reality of the lack of funding provided to public education has forced upon us.



# 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.

**AMERICAN RECOVERY AND REINVESTMENT ACT (ARRA)** - The overall goals are to stimulate the economy in the short term and invest in education and other essential public services to ensure the long-term economic health of our nation. Four principles guide the distribution and use of these funds: (1) Spend funds quickly to save and create jobs; (2) Improve student achievement through school improvement and reform; (3) Ensure transparency, reporting and accountability. Due to the unprecedented scope and importance of this investment, these funds are subject to additional and more rigorous reporting requirements than normally apply to grant recipients; (4) Invest one-time funds thoughtfully to minimize the “funding cliff.”

**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.

**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.

**DISTRICT ASSISTANCE INTERVENTION TEAMS (DAIT)** - Funding for school districts that have been identified for Program Improvement Corrective Action for implementing federal corrective action and associated technical assistance requirements.



**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.

**DEFICIT SPENDING** - The excess of actual expenditures over actual revenues.

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

**DESIGNATION FOR ECONOMIC UNCERTAINTIES** - The portion of the fund balance that has been designated “set aside” to provide for emergencies or economic events, such as revenue shortfalls.

**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.

**INDIVIDUALS WITH DISABILITIES EDUCATION ACT (IDEA)** - Funding provided to support the expense of educating identified students with disabilities.





**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.

**MAINTENANCE OF EFFORT (MOE)** - Maintaining the same level of financial support as was provided in the prior year for the Special Education program.

**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, categorical, 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.

**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.



**TIER III FLEXIBILITY** - Provision under SBX3 4 which allows for state categoricals to be transferred from the Restricted to Unrestricted General Fund for any “educational purpose” for the period from 2008-2009 through 2012-2013.

**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.

