



# Annual Budget 2017–18

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*Adopted June 12, 2017*

Los Altos School District  
Los Altos, California 94024  
[www.losaltos.k12.ca.us](http://www.losaltos.k12.ca.us)



ADOPTED JUNE 12, 2017

## 2017–2018 Budget

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Jeffrey Baier, Superintendent  
201 Covington Road  
Los Altos, California 94024  
Phone 650.947.1150 • Fax 650.947.0118  
[www.losaltos.k12.ca.us](http://www.losaltos.k12.ca.us)





# Los Altos School District 2017–18 Budget

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# INTRODUCTORY SECTION



Revolutionizing Learning for ALL Students

## LOS ALTOS SCHOOL DISTRICT (2017–18)

### Board of Trustees

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Mr. Sangeeth Peruri  
*President*  
*Term expires 2018*

Mr. Steve Taglio  
*Member*  
*Term expires 2020*

Mr. Vladimir Ivanovic  
*Vice-President*  
*Term expires 2018*

Mr. Bryan Johnson  
*Member*  
*Term expires 2018*

Ms. Jessica Speiser  
*Clerk*  
*Term expires 2020*

### District Administration

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Mr. Jeffrey Baier  
*Superintendent*

Mr. Randall Kenyon  
*Assistant Superintendent, Business Services*

Mrs. Sandra McGonagle  
*Assistant Superintendent, Curriculum & Instruction*

Mrs. Jennifer Keicher  
*Director of Special Education*

Ms. Erin Green  
*Director of Student & Staff Services*

### School Administration

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#### Elementary Schools:

Almond School Principal: Mrs. Erica Benadom

Oak School Principal: Mrs. Amy Romem

Covington School Principal: Mr. Wade Spenader

Santa Rita School Principal: Mr. Gregory Land

Gardner Bullis School Principal: Ms. Nadia Oskolkoff

Springer School Principal: Ms. Lynn Boskie

Loyola School Principal: Mrs. Kimberly Attell

#### Intermediate Schools:

Blach School Principal: Mrs. Bhavna Narula

Egan School Principal: Mr. Keith Rocha

# Executive Summary

## INTRODUCTION

**A**s we enter the 2017–18 budget year we are concerned about the state of the economy. There have been seven years of continued growth in the economy since the last recession, a longer rebound period than almost any time in our state’s history. Economic growth has slowed in the last two years and we believe another recession is on the near horizon and must prepare for it. We have drawn down our reserves over the last year and must replenish them to at least the level called for in our board policy (8 – 10%). Our budget projections for 2017–18 show us ending the year with a little over 5% in reserve.

Because of continuing housing turnover and several new large project developments in one section of our district we expect to see 6.5% growth in property tax collections (our primary revenue source). Coupled with two parcel taxes and a large contribution from our educational foundation, our local community provides almost 90% of our total revenue.

We face a significant challenge in the competition for quality teachers, as the pool of teacher candidates has shrunk in recent years—especially in the areas of math, science, and special education. Our teacher salaries

<b>Key Budget Facts</b>	Enrollment	4,538
	Revenues per Student	\$12,991
	Expenditures per Student	\$13,073
	Assessed Valuation	\$22.1B
	Property Tax Collections	\$42.4M
	Property Tax Growth	6.5%
	Number of Teachers	247 FTE
	Total Employees	437 FTE
	Average Teacher Salary	\$86,653

remain at or just below the average among all districts in our county. We always seek the “best and brightest” candidates, especially important while we continue efforts to transform instruction from teacher-centered to student-centered. Our academic initiatives focus on this subtle shift in approach—from a focus on teacher instruction delivery to a focus on student learning.

We also continue the search for an affordable site for another school. With responsibility for providing facilities for a county-sponsored charter school, we currently have ten schools on nine campuses. Our \$150 million bond authorization can provide much of the funding for a new site, but we have other capital needs as well. We face the challenge of balancing the many needs with what funding is available.

With this as background we present our budget for 2017–18. The budget reflects the educational plan of the district and board goals for the coming year. The budget meets all legal requirements, including having adequate reserve levels. This document is divided into four main sections: **Introductory, Organizational, Financial, and Informational**. As part of the Introductory section, this Executive Summary highlights the key issues we face, provides an overview of the district, and summarizes the financial and related information contained in the rest of the document.

## FINANCIAL OVERVIEW

Our operating budget (General Fund) shows us spending 2% less in the budget year than in the current year, primarily due to the loss of one-time monies. Capital spending is expected to be less than the current year as a result of fewer projects.

Expenditures: Budget Year Compared to Current Year				
	2016-17		2017-18	% Change
General Fund	\$	60,533,182	\$ 59,323,075	-2.0%
Special Revenue Funds				
Deferred Maintenance	\$	400,400	\$ 300,000	-25.1%
Special Reserve	\$	-	\$ -	
Sub-total, Special Revenue Funds	\$	400,400	\$ 300,000	-25.1%
Capital Project Funds				
Building	\$	3,149,967	\$ 717,553	-77.2%
Capital Facilities	\$	1,240,242	\$ 1,035,648	-16.5%
Sub-total, Capital Project Funds	\$	4,390,209	\$ 1,753,201	-60.1%
Total, All Governmental Funds	\$	65,323,791	\$ 61,376,275	-6.0%
Note: Expenditures totals include Interfund Transfers Out.				

Projected revenues for the budget year are less than projected expenditures and less than the revenues we are receiving in the current year by 2.2%. General Fund revenues are \$1.0 million greater than in the current year. We again plan to transfer \$300,000 from the General Fund to the Deferred Maintenance Fund in 2017–18. Revenues in our Building Fund in the budget year come from ongoing lease revenue from the Eastbrook School site and proceeds from a recently passed bond measure.

Revenue Sources: Budget Year Compared to Current Year					
	2016-17		2017-18		% Change
General Fund	\$	57,973,514	\$	58,951,848	1.7%
Special Revenue Funds					
Deferred Maintenance	\$	301,174	\$	301,174	0.0%
Special Reserve	\$	117,010	\$	236,277	0.0%
Sub-total, Special Revenue Funds	\$	418,184	\$	537,451	28.5%
Capital Project Funds					
Building	\$	2,844,076	\$	307,460	-89.2%
Capital Facilities	\$	1,005,267	\$	1,055,267	5.0%
Sub-total, Capital Project Funds	\$	3,849,343	\$	1,362,727	-64.6%
Total, All Governmental Funds	\$	62,241,040	\$	60,852,026	-2.2%
Note: Revenue Sources totals include Interfund Transfers In					

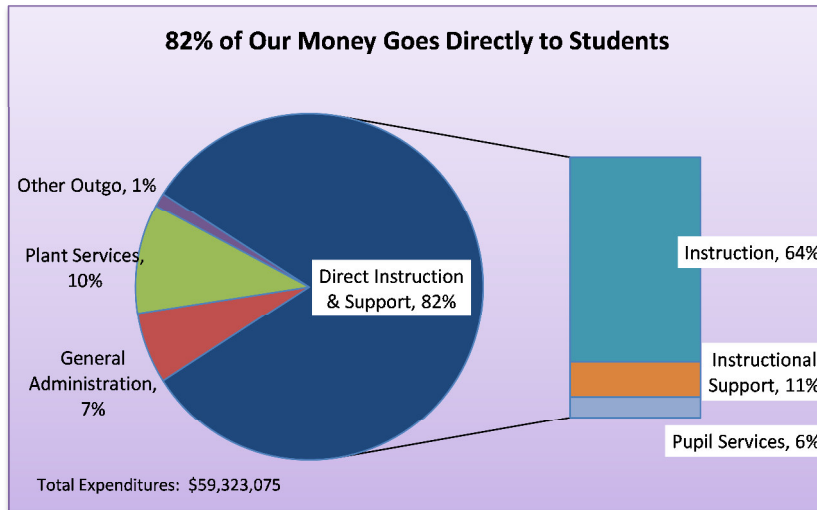
## GENERAL FUND EXPENDITURES

Our General Fund spending plan is based on carrying the current program forward. The projected enrollment is 4,538, which is 16 students greater than in the current year.

Spending in the General Fund is broken down between unrestricted and restricted, depending on the source of funds. \$41.9 million of our total spending (71%) is identified as unrestricted. The balance, \$17.2 million, is being spent on programs with spending restrictions in place. In addition there is \$200,000 in transfers out.

Our core curriculum is funded primarily by our unrestricted revenues. Enrichment programs (such as music, art, physical education, and technology) are funded by local contributions—either directly through our educational foundation or indirectly through our parcel tax. Parcel tax and foundation funding also enable us to have small neighborhood schools and relatively low class sizes.

We continue to enjoy some of the lowest class sizes among the 32 districts in our county. We have one of the lowest administrator-to-teacher ratios in the state—we employ far fewer administrators than recommended under state guidelines. We attempt to funnel as much of our spending as possible into the classroom, for the direct benefit of our students. 82% of our spending goes directly to children.



In 2017–18 we anticipate spending \$59,323,075 or \$13,073 per student. 86% of our spending pays employee salaries and benefits. The greatest proportion of this (37%) goes to pay classroom teacher salaries. The average teacher costs the district \$116,500, \$86,600 in salary and \$29,900 in benefits. Our General Fund spending plan for 2017–18 is shown in the accompanying table.

General Fund	2017-18 Expenditures		\$ per Student (4,538 students)	% of Total
Teacher Salaries	\$	21,833,537	\$ 4,811	37%
Other Salaries		13,710,339	3,021	23%
Employee Health Benefits		6,864,565	1,513	12%
Other Employee Benefits		8,277,842	1,824	14%
Books & Supplies		1,610,590	355	3%
Utilities, Repairs, Other Services		6,237,472	1,374	11%
Capital Outlay, Other Outgo		788,731	174	1%
<b>Total</b>	<b>\$</b>	<b>59,323,075</b>	<b>\$ 13,073</b>	<b>100%</b>

GENERAL FUND REVENUES

Our single largest source of funding is property tax revenues. Under state law each district has a guaranteed amount of general purpose funding. The guarantee is determined by multiplying a per-student amount by the district's average daily attendance. Property tax revenues fund this guarantee. The state provides funds to supplement local property tax collections to reach the calculated amount. Should tax collections exceed the calculated amount, state law allows districts to retain the excess—they become what are called “community funded” districts (also referred to as “basic aid” districts). Because of several years of accelerated tax growth, we continue in this status for the budget year and the foreseeable future.

Top 5 Revenue Sources	
\$36,227,478	•Property Taxes (net)
\$10,018,701	•Parcel Tax
\$3,450,000	•Los Altos Educational Foundation
\$2,996,197	•Special Education Funding
\$874,803	•Lottery
<b>\$53,567,179</b>	<b>•Total (91% of total revenue)</b>

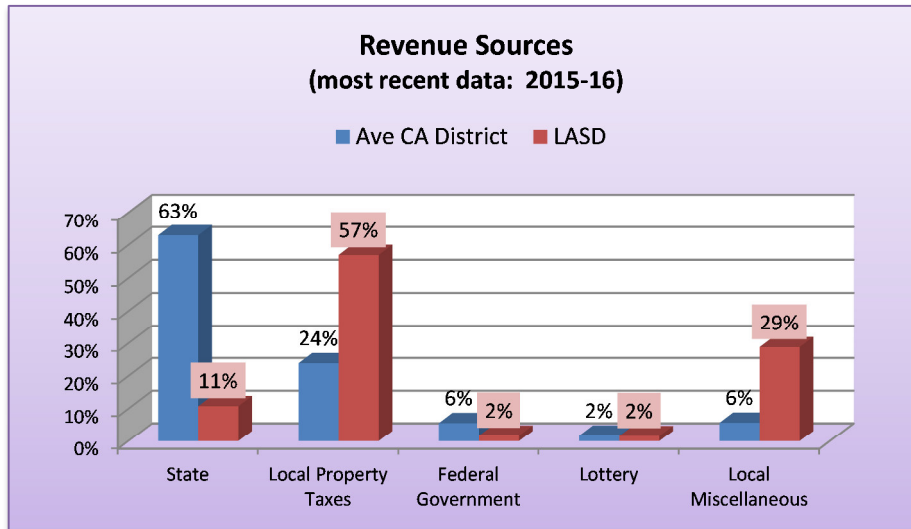
For the budget year our state general purpose funding calculation totals \$33.6 million. We project \$37.8 million in net property tax revenues plus other adjustments, which gives us \$4.2 million of revenue in excess of our state guarantee. A transfer of county property taxes to be used as special education funding is added to the amount of net property tax proceeds to produce our total property tax revenues. Thus property tax proceeds, in total, equal \$38.3 million and translate into \$8,447 per student or 65% of all general fund revenues. The state provides some special purpose funding—only 6% of our total revenues. We expect to garner approximately \$875,000 from the California Lottery, 1.5% of our total funding.

General Fund	2017-18 Revenues		\$ per Student (4,538 students)	% of Total
Property Taxes <sup>1</sup>	\$	38,330,381	\$ 8,447	65%
State Aid		3,372,276	743	6%
Lottery		874,803	193	1%
Federal		1,107,494	244	2%
Parcel Tax		10,018,701	2,208	17%
Education Foundation (LAEF)		3,450,000	760	6%
Other Local		1,798,193	396	3%
<b>Total</b>	<b>\$</b>	<b>58,951,848</b>	<b>\$ 12,991</b>	<b>100%</b>

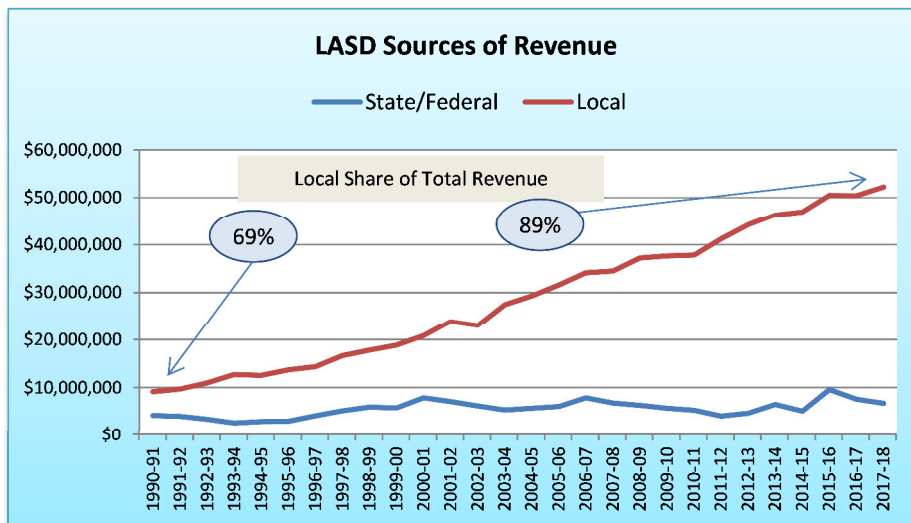
<sup>1</sup> Includes \$2,102,904 of County Taxes transferred to the district.

Only 2% of total funding comes from the federal government. The balance of funding (26%) is local in nature. Our two parcel taxes generate \$10 million in revenue. The community-supported Los Altos Educational Foundation (LAEF) is expected to contribute \$3.45 million to the district for the budget year. Our parcel taxes and foundation provide the district some measure of local control. Other local revenues include local grants, interest earnings, rental income, and facility use and other fees. *Our local revenues (including property taxes) are unusually high in comparison to other districts.*





It is interesting to note the increasing role that local revenues play in our operating budget. The chart below shows a very different picture in the early 1990's compared to now.



### California's School Funding Scheme

California's school funding scheme is the first overhaul of school funding since the early 1970's. Enacted by AB97 in spring 2013 the scheme is called the **Local Control Funding Formula (LCFF)** and replaces the 1972 enacted Revenue Limit scheme. In announcing the new scheme which took effect July 1, 2013, Governor Jerry Brown focused on the two key aspects of the scheme—local control and additional funding for districts that serve high needs students. High needs students are defined as those who are low income, English learners, and foster youth.

How the new funding scheme works is relatively simple. All districts across the state have the same targeted base funding level—a per pupil amount that varies by grade span (K–3, 4–6, 7–8, and 9–12). [Based on state revenue projections it likely will take another two to three years to reach “full funding”, with annual increases in funding based on the state's economy.] Supplemental funding is granted to districts based on the number of high needs students. Additional funding (concentration grants) is given to districts with more than 55% high needs students. *Our district has a relatively low level of high needs students (14%) so we are not eligible for concentration grant funding.*

Districts determine locally how to spend the monies they receive, but are held accountable for improved student performance—particularly for high needs students. Districts are required to adopt a **Local Control and Accountability Plan (LCAP)** that outlines the district's goals and priorities and its action plans to achieve those goals. The plan must address eight state priority areas—access to core services, student achievement, student engagement, parent involvement, school climate, implementation of the Common Core State Standards, access to a broad course of study, and other student outcomes.

## ISSUES & CHALLENGES

We are closing the 2016–17 year and entering the 2017–18 year as the local economy continues on a strong recovery path from a prolonged slump tied to the “Great Recession.” That breeds a sense of optimism as we look to the future. The new funding scheme has little or no impact on us (as a community funded district). Our financial future is tied to what happens locally, in particular the growth rate in property values.

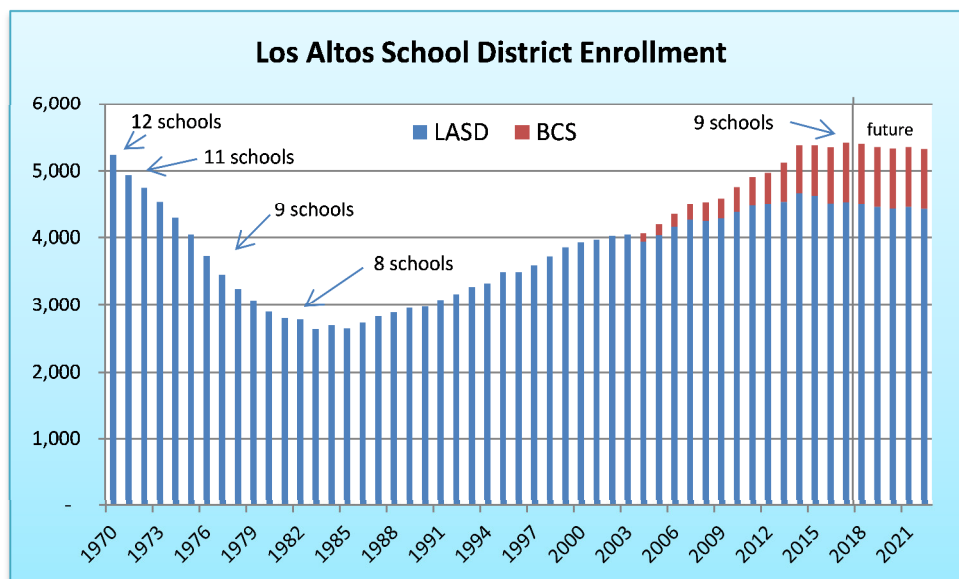
Key challenges we face include the following:

- Enrollment growth and needing to find appropriate facilities, including finding a long-term location for the charter school. [See below.]
- State pension systems have an unfunded liability, with school districts and employees subject to significant contribution increases in coming years. [See below.]
- We have insufficient funds set aside for capital needs, including equipment replacement. As our facilities age we are sinking more operating funds into repairs. [See below.]
- Securing on-going funding and additional staffing to implement identified academic initiatives.
- Remaining competitive in the employment marketplace in order to attract and retain the best and the brightest, especially at a time when there is a shrinking pool of qualified instructional leaders.

Our board goals for the upcoming year reflect the issues and challenges mentioned above.

## ENROLLMENT GROWTH ISSUE

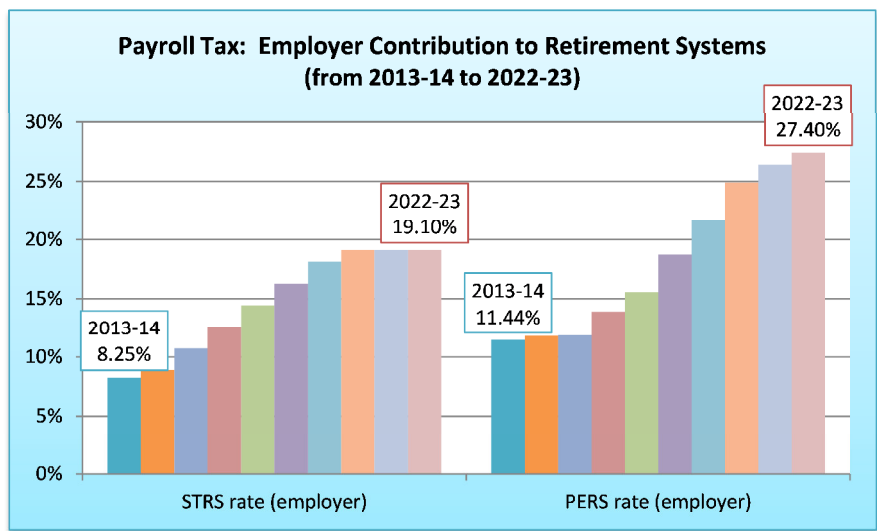
With continuing enrollment growth and the need to find a long-term location for the charter school, we face the prospect of needing at least one additional school site and perhaps two. As the chart below illustrates, we have three fewer school sites serving approximately the same enrollment as we had in 1970, when we had twelve school sites. With future projected enrollment growth (between the district and the charter school), district campuses will continue becoming more crowded unless additional sites are found.



STATE PENSION SYSTEMS

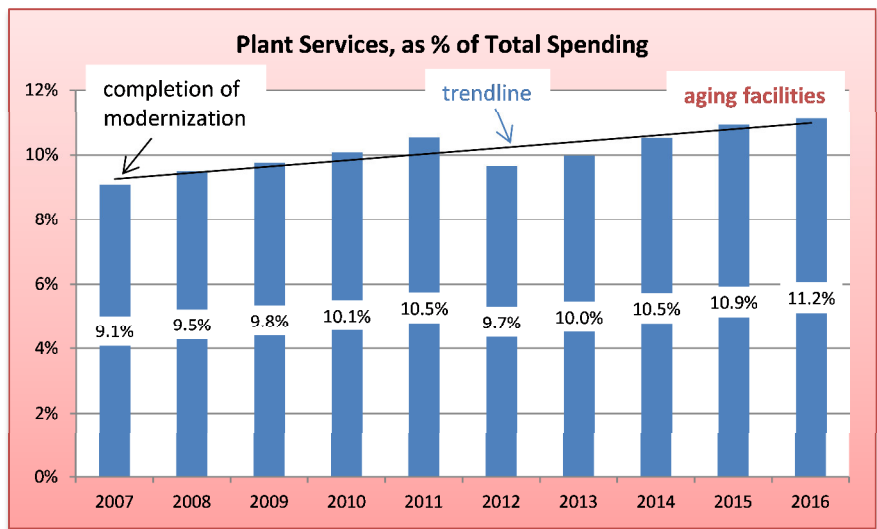
Since the early 2000s California’s two pensions systems for public employees have experienced declining investment returns and retirees have been living longer than anticipated earlier. As a result the two systems have significant unfunded liabilities. The State Teachers Retirement System (STRS) covers all certificated employees who work in public education. The Public Employees Retirement System (PERS) covers all other public sector employees. Both retirement systems are addressing their unfunded liabilities by increasing contributions from employees, employers, and the state as well as reducing retiree benefits for workers new to the system starting in 2013.

The accompanying chart shows the steep increases in school employer contributions, as a percent of payroll. Our contribution cost in 2014–15 was a little under \$3 million. By 2022–23 we project the costs to rise to almost \$7 million, absent any change in the retirement systems’ funding outlook.



CAPITAL NEEDS

Since the modernization of our campuses in the early 2000s, as our facilities age, more repairs and replacements are needed. With the \$150 million bond in place we hope to make improvements and reduce these costs.



## GENERAL INFORMATION

### DISTRICT DESCRIPTION

Los Altos School District is a political subdivision of the State of California. The district was founded in 1909 for the purpose of providing a free public education to the residents within the district’s geographical boundaries. The district, located in northwestern Santa Clara County, encompasses most of the city of Los Altos, half of Los Altos Hills, part of Mountain View, part of Palo Alto, and some unincorporated county lands. There are nine schools, seven elementary and two intermediate, serving students in grades kindergarten through eight.

**Governance.** An elected board of trustees governs the school district. There are five members of the board, each elected for a four-year term. The school board usually meets twice monthly on the second and fourth Mondays. A superintendent, Jeffrey Baier, heads district operations.

**Demographics.** The district serves 4,538 students in its nine schools. Enrollment has grown 7% over the last ten years. However, that growth peaked in 2014–15 and enrollment has declined since then. Enrollment is expected to decline slightly in the next few years and then level off—pending the number of students generated by several new planned housing developments in our community. Most of the students live in neighborhoods of relatively high socioeconomic status. The racial/ethnic composition of our student body, as reported in an annual ethnicity survey, is 47% Caucasian, 32% Asian, 8% Hispanic, and less than 1% Black. The remaining 12% represents families with multi-ethnic backgrounds and those who did not respond to the survey.

*We are one of the highest performing school districts in California. Past test results have ranked us at or near the top among all districts year after year.*

**Achievement.** As the state transitions to Common Core standards and revamps its testing and achievement measures, we have little current testing data to report. However, up until the cessation of standardized testing in 2013, our students consistently scored within the top 2% of all children tested in California. Results over the sixteen years of testing (1998–2013 Standardized Testing and Reporting (STAR) tests) consistently showed 80% or more Los Altos students scoring at an advanced or proficient level.

The State Department of Education consistently ranked our district in the top 1% in the state, based on our test scores. All of our schools are California Distinguished Schools and five schools (Gardner Bullis, when it was Bullis-Purissima, Oak, Santa Rita, Blach, and Egan) applied for and were chosen as national Blue Ribbon Schools. Results under the newly adopted testing program show our students continuing to have exemplary performances.

### BUDGET DEVELOPMENT

The Board of Trustees has provided overall direction in the development of the budget, including developing the following district goals for the upcoming year (shown on next page). The goals are reflected in the programs the district has budgeted for in 2017–18.

### District Goals for 2017–18



Meet the individual learning needs of all students



Support teachers in their design of relevant learning experiences for all students



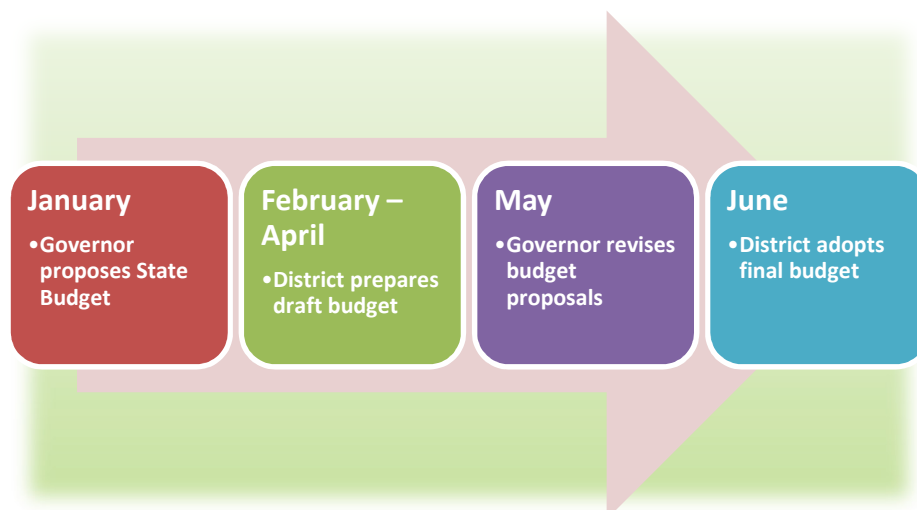
Engage staff, parents, and community members as learning partners



Pursue new and effective learning methodologies for implementation in our schools that acknowledge the rapidly changing world in which our students live

Preparation of this budget began in January with the release of the Governor’s proposed budget for the State of California for the upcoming year, which includes funding for schools. The district’s budget advisory committee, appointed by the school board, has worked since February overseeing the development of this budget. The committee (which includes parents, teachers, classified staff, principals, and administrators) evaluates program in light of the current financial situation. In lean years the committee faces the unenviable task of recommending budget reductions in order to achieve a balanced budget (as required by law). In years when cuts are not needed, the committee may make recommendations for program enhancements. This year, following the requirements under the new state funding scheme, the committee reviewed and provided input to the district’s budget plan (Local Control and Accountability Plan). The committee recommended board approval of the LCAP and recommended a status quo position—no new programs or any program reductions.

### Key Dates in Budget Development



School staff and school site councils have worked together to prepare their individual site budgets. The site budgets reflect allocations of unrestricted monies given on a per student basis, as well as special purpose appropriations from the Los Altos Educational Foundation and state and federal agencies (when applicable).

The efforts of our community are also reflected in the district budget. The community supports our schools directly through PTA contributions, funding from our educational foundation, and through our local parcel taxes. These sources generate close to a third of the district's revenue and enable the district to maintain a high quality educational experience for our students even during difficult economic times.

District staff has worked with these various groups to develop the budget. The district's final budget, according to state law, is adopted prior to July 1. (The district's fiscal year is from July 1 to June 30.) But the budget is modified many times thereafter. Adoption of the state budget and the closing of the district books for the prior year, both of which usually occur in the summer months, provide additional information that causes the budget to be modified. Throughout the school year, the budget is monitored closely and continues to be adjusted.

There have been no significant changes in the district's budget policies or development process from prior years.

## ACCOUNTING BY FUND

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The accounts of the district are organized on the basis of funds, each of which is considered to be a separate accounting entity. We have five funds, which are described below.

The **General Fund** is the general operating fund of the district. It is used to account for all financial resources except those required to be accounted for in another fund. The district's General Fund is used to account for the day-to-day operations of the district. The salaries of our teachers, classroom aides, administrators, custodians, school secretaries and clerks, librarians, counselors, maintenance workers, district administrators and clerical support staff, and all other certificated and classified staff are accounted for in the general fund. Our textbooks, other books and supplies, utility costs, repair costs, consulting services, and equipment costs are also paid out of the general fund.

The district's General Fund is divided into two sections: unrestricted funds and restricted funds. Restricted funds are monies received by the district that are categorical in nature, i.e., they can only be used for the purposes prescribed by the funding agency. The state and federal governments provide such funding for many special programs or projects. For example, special education funds are restricted. They can only be spent on students with identified special needs and in the manner outlined in state and federal law. Restricted funds are, in some cases, provided directly to the schools and in other cases are controlled centrally by the district. In either case, how the district spends these monies is determined by restrictions imposed by the granting agency.

Unrestricted funds are monies received that are not restricted in their use. The district can spend unrestricted monies on whatever programs it chooses. Examples of unrestricted funds include property tax collections, parcel tax revenues, and rental and lease income.

In addition to the General Fund, the district has four special purpose funds.

- The **Deferred Maintenance Fund** is used for the purpose of major repair or replacement of district property.
- The **Special Reserve Fund** is used, along with reserves in the General Fund, to maintain the state required 3% reserve level and to account for future retiree health benefit payments.

- The **Building Fund** is used to account for funds received from the sale of property, which are designated for maintenance and capital outlay purposes, and to account for the proceeds from the sale of general obligation bonds.
- The **Capital Facilities Fund** is used to account for monies received from developer impact fees assessed under provision of the California Environmental Quality Act (CEQA).

### INSTRUCTIONAL PROGRAM

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Our district has adopted and implemented a comprehensive core curriculum for all students at all grade levels. Our elementary school students (K–6) are taught in self-contained classrooms. Our fourth through sixth graders are part of a “continuous progress” mathematics program that culminates with grade 6 pre-algebra for qualified students. At the intermediate schools, our seventh and eighth graders have a rich departmentalized program of core academic subjects and self-selected electives. Our teachers use a variety of teaching techniques and methods and specialized materials to meet the instructional needs of all students. The core curriculum for our students is in the areas of language arts and reading, mathematics, history and social science, and science. All students receive instruction in physical education, music, and art.

The district complies with all state standards regarding the curricular areas. State approved textbooks are used at all grade levels. We comply with state requirements for longer day and longer year funding—i.e., the number of minutes of instruction in the student year meets or exceeds state standards.

The district has implemented many changes in its instructional practices over the last few years, utilizing project-based learning, design thinking, and interactive technology-based learning. As a result the district is far ahead of the state in embracing a transition to deeper learning and more critical thinking (goals of the Common Core State Standards recently adopted by the state).

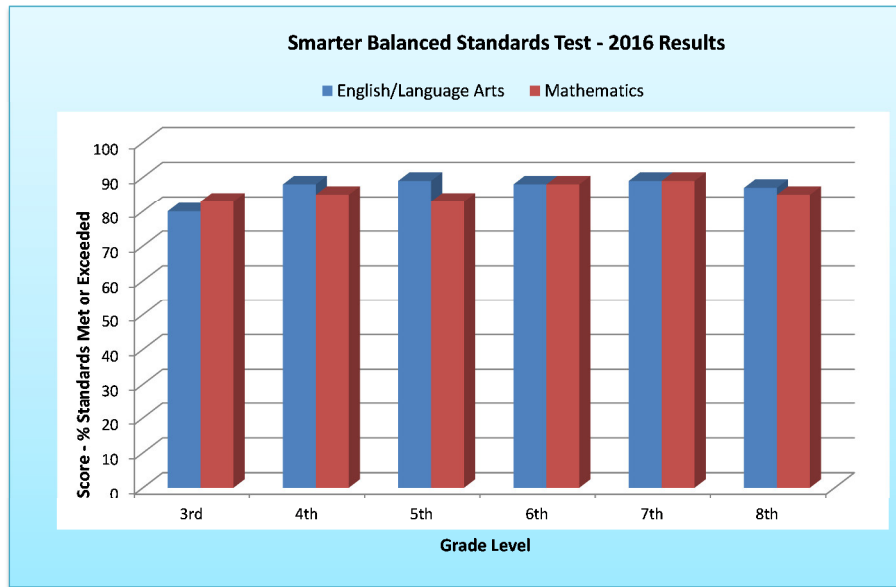
*California has been at the forefront of embracing and adopting the new **Common Core State Standards** that align instruction with clear and consistent learning goals to better prepare students for college, career and life. With the transition to Common Core the existing assessment system in California became obsolete. In spring 2015 students were given the first set of “smarter balanced” tests under the new assessment system and the state will once again track student performance and rank districts using a revised API (yet to be determined).*

### STUDENT ACHIEVEMENT

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*With the transition to Common Core standards, California is in the process of adopting a newer statewide testing program and achievement measures.* The second battery of test results were reported from Spring 2016 and show how students performed against certain standards in English/Language Arts and Mathematics. Test results for our students are shown in the chart below.



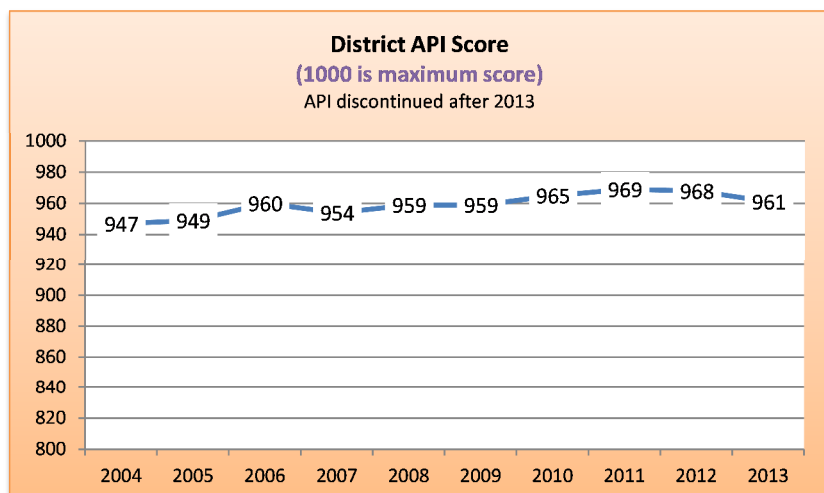


These test results are similar to results under the previous STAR testing program, which is described below. We include this information as it shows a history of high performance by our students.

*Our students performed exceptionally well on standardized tests given every spring through 2013 to public school students in California. The performance rankings of schools in California done by the State Department of Education reflected these results.*

**STAR.** Each spring, through 2013, all students in grades 2–11 in California’s public schools participated in the Standardized Testing and Reporting (STAR) testing program. The tests covered reading, mathematics, language, and spelling. Results from spring 2013 showed our students testing at a very high level. Except for the Science test, the state abandoned the STAR tests beginning in 2014 as it transitions to Common Core State Standards and a new assessment system.

**API Ranking.** Each year, again through 2013, the California Department of Education released an Academic Performance Index (API), which ranked all the public schools in California. This ranking was largely based on test results from the previous spring. Each school received an index number between 200 and 1,000, with a score of 800 being considered the “target” score. Up through 2013 the index number was in turn divided into a decile, with all schools divided into groups of ten, based on their index. The decile served as a rank, with 10 being the highest and 1 the lowest. The use of decile rankings was discontinued as of 2013. In October 2013 the Department of Education released its 2013 rankings. All our schools ranked among the best statewide. With a district API score of 961 our district had the third highest ranking in the state. The accompanying chart shows the recent history of the district’s API ranking, consistently among the top in the state.



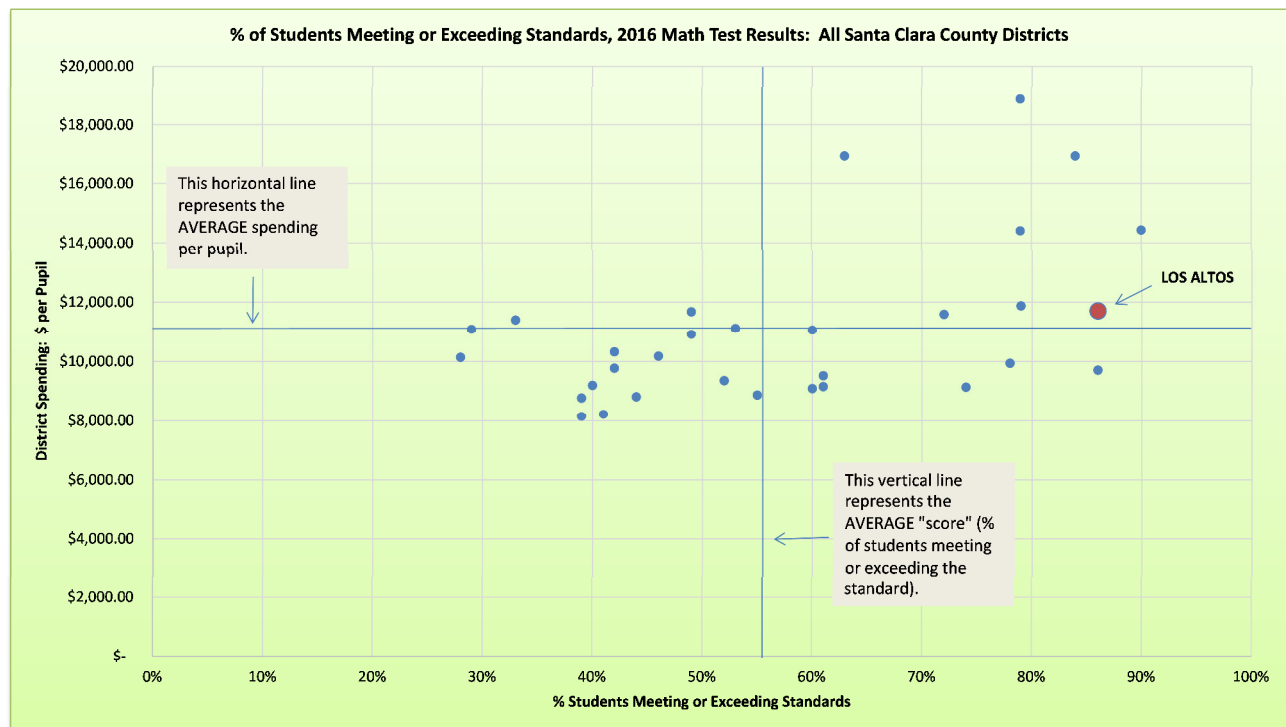
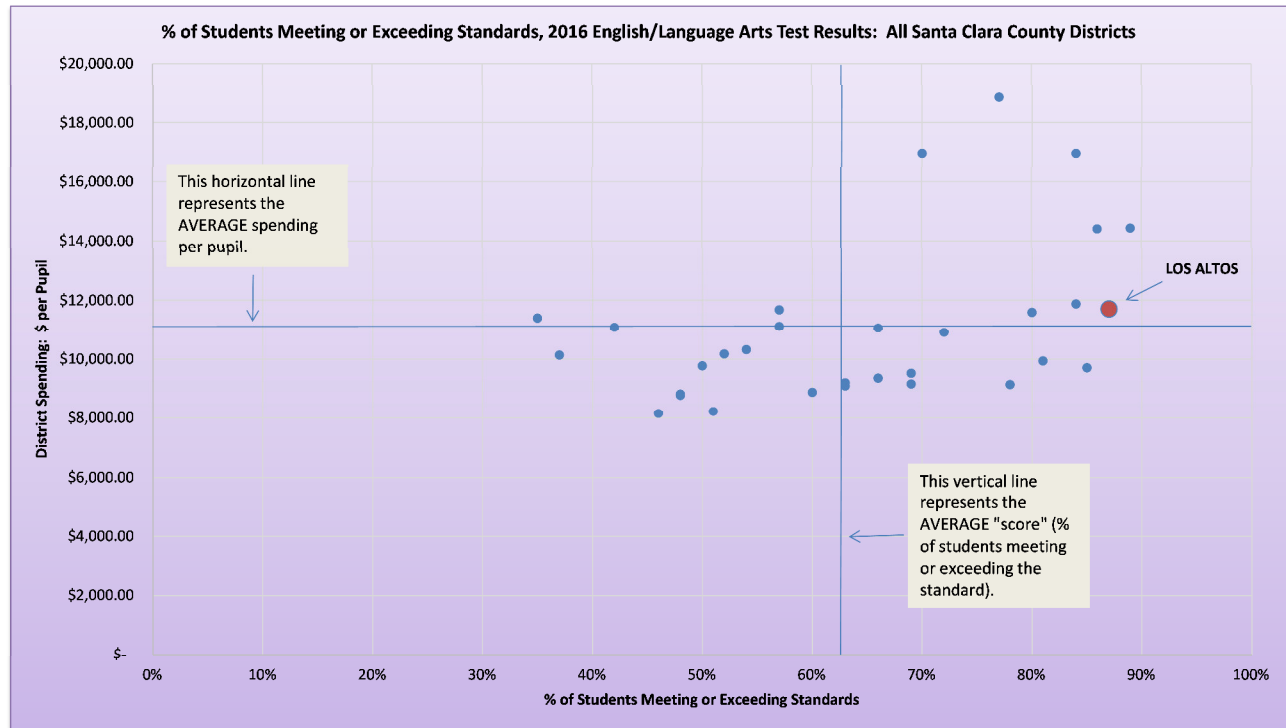
RELATIONSHIP BETWEEN ACHIEVEMENT AND EXPENDITURES

As a result of the significant amount of community support for our schools, our students benefit in a number of ways. Students enjoy relatively small class sizes when compared to most schools in the state. Our students perform exceedingly well on standardized tests (as indicated above) in part as a result of the smaller classes, but also due to our cadre of excellent teachers and our efforts toward individualized instruction. We can measure the result of community support by looking at spending per student compared to the state average, seeing how much of our spending comes from local sources, and how we pay our teachers (in order to attract and retain the best and the brightest). The spending differential is particularly acute when looking at unrestricted spending per student—a measure of how much local control a district has over its budget. *Comparison data below is from Ed-Data website ([www.ed-data.k12.ca.us](http://www.ed-data.k12.ca.us)) for most recent year of available data (2015–16).*

	LASD	State
<b>Outputs</b>		
Pupil/Teacher Ratio	18.9	21.7
Results from State Testing Program		
% Meeting/Exceeding Standards		
English/Language Arts	87%	49%
Mathematics	86%	37%
% Scoring Advanced/Proficient		
Science, Grade 5	91%	54%
Science, Grade 8	94%	61%
<b>Inputs</b>		
Expenditures per ADA	\$ 12,433	\$ 10,658
Expenditures per ADA (unrestricted)	\$ 8,570	\$ 7,029
Local Revenue Sources (% of Total)	29%	6%
AVE Teacher Salary	\$ 81,124	\$ 77,179
Highest Teacher Salary	\$ 98,309	\$ 88,529

Another way to view the relationship between achievement and expenditures is shown in the charts on the following page. These charts compare all districts in our county by the investment made (measured by each district's average per pupil spending in 2015–16) and the outcome produced (measured by percentage of students meeting or exceeding standards on the 2016 English/Language Arts and Math performance tests. Each dot on the charts represents a different school district.

The results show our district students performing exceedingly well (over 85% of students met or exceeded the performance standards) while our per pupil spending in 2015–16 was very close to the average of all districts.



## CONSTRUCTION PROGRAM

We have completed phase one of our construction program. Since 2000 we have spent over \$120 million to renovate and modernize all of our campuses. Construction on the Gardner Bullis campus, the last of our schools to be modernized, was completed in 2008. The funds for phase one came from a voter approved bond measure. We still have phase two of the program in our plans and with passage of a \$150 million bond in November 2014 we now have funds available. However we have another significant draw on bond funds—the need to acquire

an additional site on which to build a new school to deal with enrollment growth. Phase two entails replacing portable classrooms with permanent ones and replacing some of the non-classroom buildings at certain sites (libraries, multi-purpose buildings, and school offices). We are in the process of searching for an appropriate new site and in the planning stages of deciding how much of phase two we can complete.

### ALLOCATION OF HUMAN RESOURCES—STAFFING

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District staffing is determined annually according to the needs of the district. Prior year staffing acts as a baseline, to which staffing FTE (full-time equivalents) is either added or subtracted. The district has endeavored over the years to maintain as small a district level staff as possible, preferring to allocate resources directly to the school sites. Teacher staffing is determined by established class size ratios. We are staffing K–3 at 23 students per teacher, grades 4–6 at 25 students per teacher, and junior high at 25 per class.

Total district staffing for 2017–18 is projected at 437 full-time equivalents (FTE), which is 1 more FTE than in the current year.

### RATIOS

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**Staffing.** Our budget calls for 221 regular teachers in the coming year. In addition, we have 22 special education teachers and 4 bilingual teachers. Our classroom instructional staffing, as mentioned above, is based on a projected staffing ratio of 23:1 (K–3), 25:1 (Grades 4–6), and 25:1 (Grades 7–8). The state has a mandatory ratio of administrators to teachers. Having only 13.8 FTE administrators in the district, we fall well below the state cap on administrators that allows us up to 22.3.

**% Spending on Classroom Instruction.** The state also requires that elementary districts spend 60% or more of their funds on classroom instruction. Each year we file a report with the state showing what proportion of our spending goes to the classroom. The most recent report filed shows the district spending 64%, well within the guidelines.

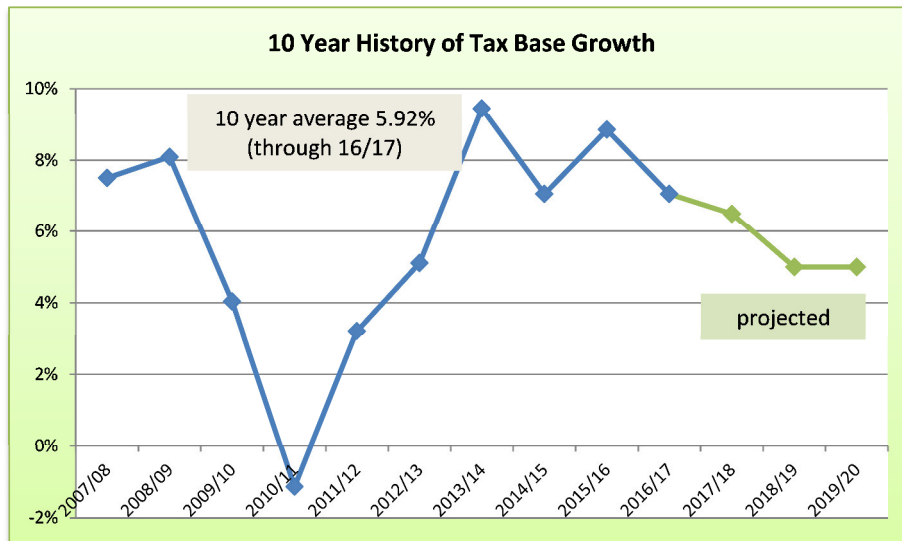
**Required Reserves Level.** California schools are required to have a general operating reserve of at least 3%. Our reserves are made up of unappropriated and unrestricted monies in our general fund, plus funds set aside in a special reserve fund. For 2017–18 we project reserves in the amount of \$3.3 million, which equates to 5.5% of projected expenditures.

### TAXES

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Until the early 2000's Los Altos School District had not been dependent on local property tax collections. Indeed they made up a significant portion of our revenue but, as part of the former state "revenue limit" funding formula, the state would supplement local property tax revenues in whatever amount was needed to equal the total calculated state guarantee. This in effect created a dependence on the state, not on local tax dollars, for adequate funding.

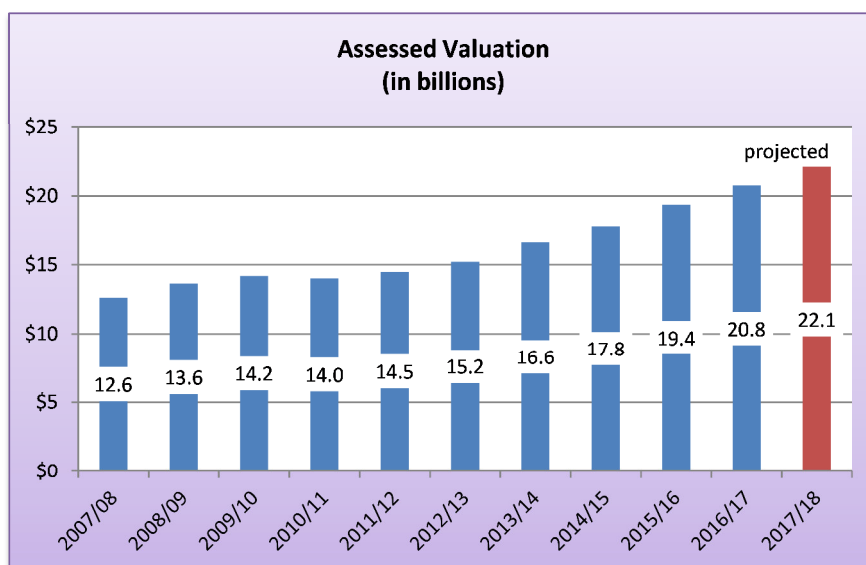
As a community funded district we have become more dependent on local property tax collections. The guarantee still is in effect—the state guarantees that we will get at least that calculated amount of funding each year. But now it becomes a kind of floor (it's our minimum level of funding) while property tax collections define how high that level reaches each year. Our county uses the Teeter Plan in allocating tax revenues—it guarantees that we will receive 100% of levied taxes—thus eliminating the impact of delinquencies.



For the typical taxpayer in our district approximately 19% of his/her tax bill goes to Los Altos School District. Since state law caps the property tax rate at 1% of assessed value (AV), this translates into an average tax for our schools of \$190 per \$100,000 of AV. On top of that, district taxpayers now pay a flat \$820 per parcel of property (our parcel tax) and pay another \$60 per \$100,000 of AV to pay off the district's bonded indebtedness.

As a result of the passage of Proposition 13 in 1978, not only are property taxes capped at 1% of the assessed value of property but the county assessor can only increase the AV by a maximum of 2% each year for inflation. Houses are reassessed at market value only when ownership changes hands. As a result, there are inequities in assessed values and the corresponding taxes collected—since similar homes can have widely varying AV depending on when they were last sold. AV is set by the county assessor each year as of July 1.

In recent years the growth in AV (our tax base) has averaged just under 6% per year, which helped fuel our move into community funded status. With the decline in the economy we witnessed a significant decline in AV growth in 2009–10 and 2010–11 but with the continuing economic rebound we are projecting 6.5% growth for 2017–18 and 5% growth in succeeding years. Property tax growth does not match exactly the growth in AV, as properties get reassessed during the course of the year due to sales and owner-requested reassessments.

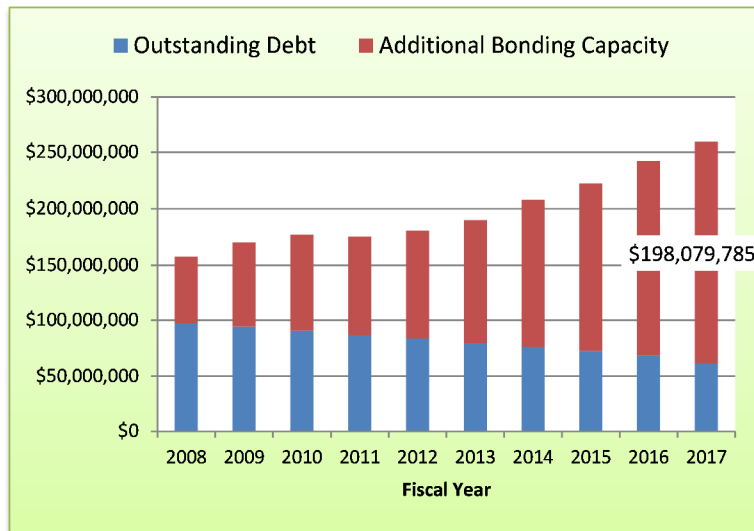


## CHANGES IN DEBT

In February 1999 the district issued its first series of general obligation bonds to fund our construction program. The amount of bonds issued totaled \$40 million. We issued our second series of bonds in May 2001 in the amount of \$46.7 million and issued our third series in October 2003 for \$8 million. We refinanced our outstanding debt in June 2006 and again in January 2013. Prior to these issuances, the district had no outstanding debt. The debt service on the bonds is shown in the accompanying table.

General Obligation Bonds Annual Debt Service Schedule				
Period Ending June 30	Principal	Interest	Debt Service	Debt Service Remaining
2018	\$7,870,000	\$2,660,875	\$10,530,875	\$60,458,775
2019	8,630,000	2,321,000	10,951,000	49,507,775
2020	9,450,000	1,904,900	11,354,900	38,152,875
2021	10,395,000	1,408,775	11,803,775	26,349,100
2022	11,410,000	887,200	12,297,200	14,051,900
2023	12,450,000	339,825	12,789,825	1,262,075
2024	1,235,000	27,075	1,262,075	0
<b>Total</b>	<b>\$61,440,000</b>	<b>\$9,549,650</b>	<b>\$70,989,650</b>	

State law limits debt to 1.25% of our total AV. Our current debt limit is \$259.5 million. With \$61.4 million in outstanding debt, we have the capacity to issue \$198.1 million in additional debt. Debt service payments have been scheduled to limit the impact on taxpayers to no more than \$60 per \$100,000 of assessed value. General obligation bond debt does not impact present or future operating budgets.



Our debt margin  
is now \$198  
million.

## KEY VARIABLES & DETERMINANTS

On the following pages we discuss in detail the key variables and determinants underlying our general fund budget projections.

### STATE FUNDING SYSTEM: LCFF, REVENUE LIMITS, AND PROPERTY TAXES

Before we discuss the new funding system (Local Control Funding Formula—LCFF) it is instructive to review how the previous system worked.

**Revenue Limit History and Equity Issue.** The landmark *Serrano v. Priest* court decision in the late 1960’s said schools throughout the state should be spending at the same level, thus providing an equal educational opportunity for every student. In response to this decision, in 1972 the state imposed revenue limits on school districts, a cap on the amount of general-purpose monies a district could raise. The cap was expressed as a per student dollar amount.

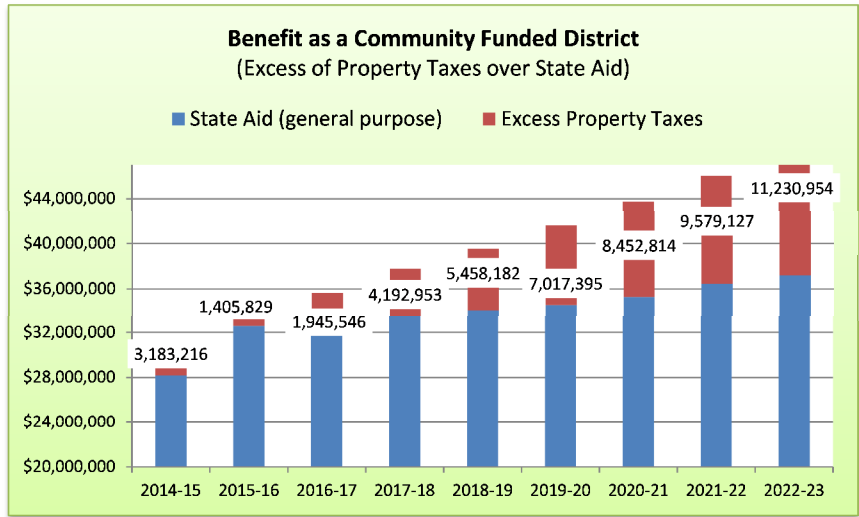
Districts had different revenue limits depending on how their local communities were funding their schools through local tax measures prior to 1972. To achieve equity, the state provided annual inflation increases (COLA’s) to the revenue limit—with high spending districts receiving smaller increases than low spending districts. In the mid 1980’s the courts ruled that that this process had worked, in that funding had been equalized for 93% of the districts in the state. Since then the state continued its push toward spending equity by continuing to grant equalization aid adjustments in the revenue limit calculation for districts whose revenue limit fell below the statewide average.

*Under the LCFF model all districts have the same base funding level. However, incremental funding is provided for students who are low income, English Language learners, or foster youth. Thus a district with a high proportion of these students would receive more on a per student basis.*

**LCFF (the new funding system).** Unlike revenue limits, under the new system all districts have the same base per pupil funding level. That per pupil amount varies by grade span (K–3, 4–6, 7–8, 9–12) and gets supplemented based on the number of high needs students and for class size reduction. Previously the revenue limit was supplemented by separate categorical funding for specific programs or needs. Now almost all categorical funding has been subsumed into the base LCFF funding amount. Districts no longer have to follow very prescriptive state regulations on how the categorical funds are to be spent; rather they have the ability to make spending decisions locally. ***The calculated funding level under LCFF, just like under the revenue limit system, is a guarantee from the state.***

**How the LCFF Guarantee is Calculated.** Each year the state determines the per pupil amount for each grade span. That amount is the base amount augmented by an amount for class size size reduction (class sizes of 24 or less) and an amount based on the number of high needs students in the district. The total per pupil amount is then multiplied by the number of students in the district. As under the revenue limit system, the number of students used in the LCFF calculation is not an enrollment count, but rather a calculated number representing average daily attendance (ADA). Our district’s ADA is typically 98% of our enrollment—relatively high compared to most districts in the state.

**Property Taxes.** The monies used to fund the state guarantee come from a combination of local property tax collections and state aid. Local property tax revenues are subtracted from the total calculated amount to determine the amount of state aid needed. Typically the amount of local property taxes collected is less than the total guarantee amount. For the average district, approximately 30% of the total comes from property taxes and the state contributes the remaining 70%. In some districts, though, the amount of local property tax collected is actually larger than the total guarantee. These districts get to keep the entire property tax collections and are referred to as “community funded” districts. Our projected property tax collections for 2017–18 continue to exceed our calculated state guarantee, thus providing a significant benefit as a community funded district.



We expect our property tax revenues to exceed the state funding guarantee by \$4.2 million in 2017–18.

Local tax revenues tend to be more volatile than state aid. Over the last ten years tax growth has averaged 6% per year but has ranged from a low of <2%> to a high of 9.4%—a wide swing. For the budget year we project 6.5% growth in property tax collections as a result of an increase in housing turnover. For the six year planning horizon we forecast growth at 5% per year—slightly lower than the historical average. Assessed valuations, on which property taxes are based, will be set in July for the upcoming year.



The sidebar shows a simplified version of the calculation of the budget year funding guarantee for our district. Since our property tax collections exceed the calculated guarantee we get no state aid from LCFF. We receive \$200 per student in Proposition 30 funding annually through 2029–30. In addition, we get a small amount (\$654,000) of supplemental state aid—to reimburse us for lost categorical funding. For districts that were revenue limit under the previous scheme, that funding was added to their base under LCFF. Excess county property taxes earmarked for special education students (approximately \$2,100,000 in 2017–18) are also accounted for within this revenue category.

#### The State Funding Guarantee and Property Taxes

Our funding guarantee is the product of a per pupil general purpose funding amount times the average number of students in attendance on any given day (average daily attendance). The per pupil amount varies with grade span (K–3, 4–6, 7–8) but for illustration purposes we show the weighted average of the three applicable amounts. *Numbers may not tie due to rounding.*

##### 2017-18 State Funding Calculation (under LCFF)

\$ per Pupil (weighted average)	\$7,547
No. of Students (ADA)	4,451
LCFF total (\$ per pupil x ADA)	\$33,595,520

Property tax collections are used to fund the guarantee total. If tax collections fall short of the total, the state makes up the difference. If taxes exceed the guarantee the district gets to keep the excess (“community funded” status). Since property taxes are used to pay for charter school students, the amount we transfer to the charter school is deducted from property tax proceeds to arrive at a net figure.

Property Taxes, gross	\$42,423,606
Less, Transfer to Charter	<6,196,129>
Property Taxes, net	\$36,227,478
+ Basic Aid “fair share”	654,207
+ Prop 30 Funding	906,788
Total (to compare to LCFF total)	\$37,788,473

State Aid	\$0
<i>(LCFF total less net property taxes and add-ons; if negative, no state aid)</i>	

LCFF Sources for 2017–18 are shown below.

##### Reconciliation for Revenue Accounting

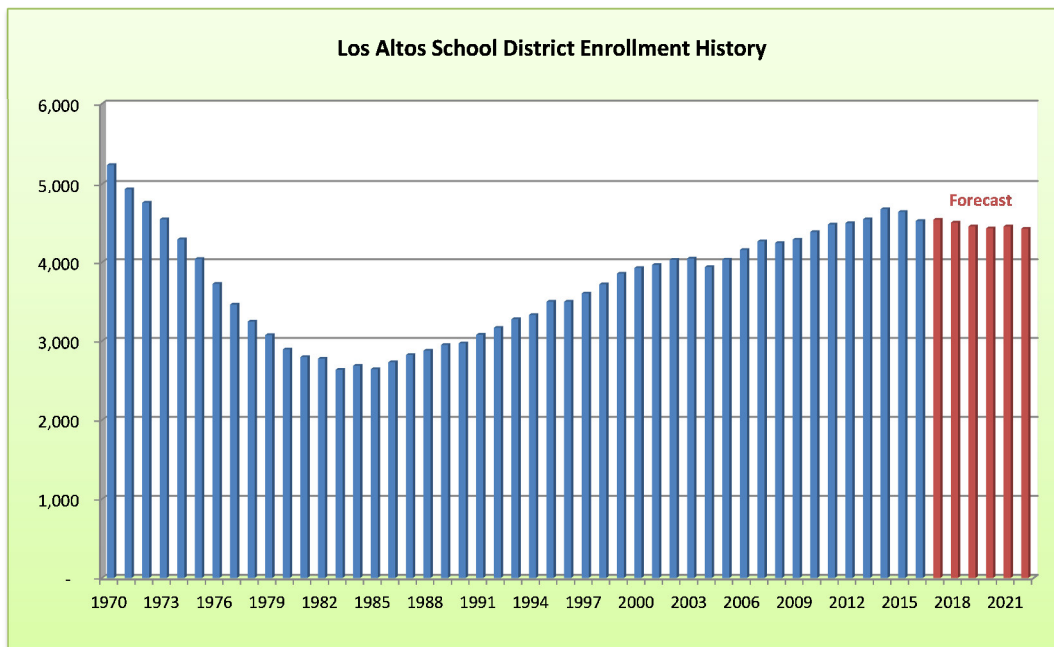
State Aid	\$0
Property Taxes, gross	42,423,606
Transfer to Charter	<6,196,129>
Proposition 30 Funding	906,788
Other LCFF Sources	2,482,683
Total LCFF/Revenue Limit Sources	\$39,616,949

## ENROLLMENT

Since 1998 we have employed Lapkoff & Gobalet Demographic Research, Inc. (a demographic consulting firm) to study our enrollment history and make projections for the future.

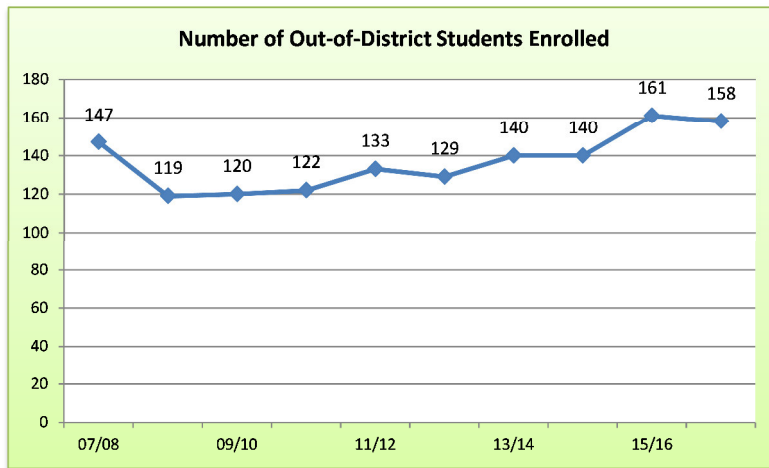
The enrollment forecasts are produced using the standard demographic method for forecasting populations, the “cohort survival” technique. This method advances the current student body one grade for each year of the forecast period. One year’s kindergarten students become the next year’s first graders; first graders become second graders; and so on. There are three assumptions underlying the forecasts: grade progressions, kindergarten forecasts, and interdistrict transfers.

The most recent forecast shows a gradual enrollment decline in the next few years and a leveling off after that. The addition of state-required transitional kindergarten serving 4 year olds adds to the growth.



**Interdistrict Transfers.** Because of the good reputation of our schools, many parents want to transfer their children from other districts into ours. California law permits interdistrict transfers, assuming that both the sending district and the receiving district approve the transfer. As part of that law, the Allen Bill gives transfer priority rights to parents who work in the district but who live outside of it. While we had been granting over 200 interdistrict transfers a year (as much as 5% of our student population), we now turn down many transfer requests because of class size restrictions and to maintain our small school sizes.

A community funded district gets no additional per pupil funding for interdistrict transfers or other incoming students. Because we have shifted to “community funded” status, we have limited the number of new interdistrict students (see accompanying chart).



The following table shows a more detailed analysis of interdistrict transfers over the last ten years.

	Number of Students Transferring In From Other Districts									
	07/08	08/09	09/10	10/11	11/12	12/13	13/14	14/15	15/16	16/17
Allen Bill, Non-employees	36	34	24	16	22	25	27	27	38	33
Allen Bill, Employees	23	27	34	45	44	47	51	51	62	58
Other	88	58	62	61	67	57	62	62	61	67
<b>Total</b>	<b>147</b>	<b>119</b>	<b>120</b>	<b>122</b>	<b>133</b>	<b>129</b>	<b>140</b>	<b>140</b>	<b>161</b>	<b>158</b>

## COMMUNITY SUPPORT

### PARCEL TAX

In June 1989 the voters of the Los Altos School District passed Measure A, a special parcel tax assessment for the schools. In June 1997 district voters approved an increase to the parcel tax of \$96, bringing the total tax to \$264 per parcel. In November 2002 voters once again authorized an increase to the tax. The tax is now set at \$597

*Community support is critical to our success. Our two parcel taxes provide 17% of our total revenue. Our educational foundation contributes another 6% of total revenue.*

per parcel, a \$333 increase over the previous rate. Based on \$597 per parcel for 12,500 parcels, the tax raises approximately \$7.5 million annually and never sunsets. This is 13% of our total revenue. There are 14,600 parcels in the district, yet approximately 2,100 annually receive exemptions. These exemptions go to senior citizens who apply for them and to properties that are non-taxable, such as churches and public buildings. The parcel tax has paid for classroom teachers, school libraries, part of the music program, the junior high elective program, student textbooks, classroom cleaning, preventive maintenance, major repair projects, a school nurse, psychological

services to students, and playground supervisors.

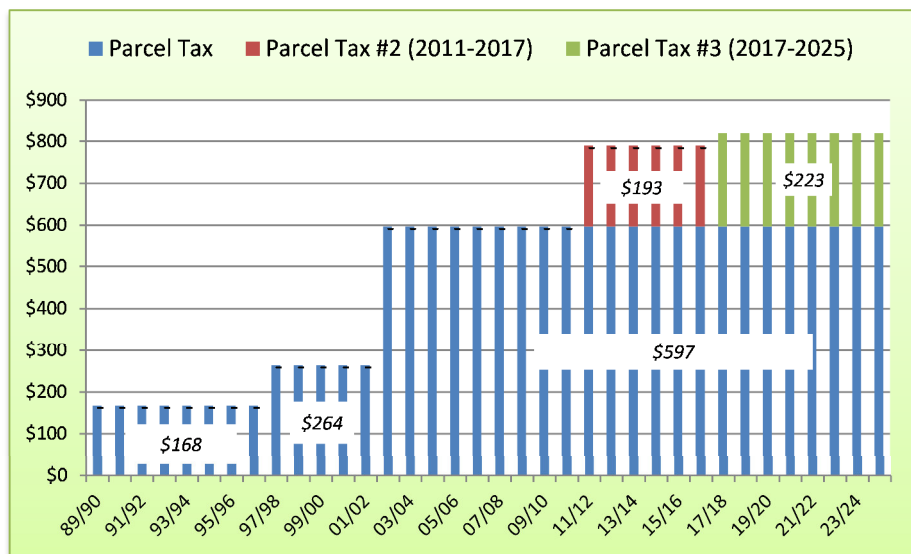
A second tax was approved by voters in May 2011. This tax, set at \$193 per parcel, brought the total tax to \$790 per parcel. The two taxes in combination generate \$10 million for the district. The \$193 tax was designed to fill a revenue gap caused by the recent recession and to help the district maintain current programs through a long economic recovery. The new tax, unlike the original one, has a finite lifespan—it terminates after six years (on

## Los Altos School District 2017–18 Budget

June 30, 2017). In its place a new tax was approved by voters in November 2016. The new tax sunsets after eight years (June 30, 2025) and essentially renews the \$193 tax and adds an additional \$30 for a total tax of \$223. The \$30 increase is intended to provide a proportionate share of the new tax to Bullis Charter School, while maintaining roughly the same tax revenue for the district.

ELECTION DATE	PER PARCEL AMOUNT	TYPE OF ELECTION	VOTE REQUIRED	% OF YES VOTES	PASSED/FAILED
1989-June 6	\$168	New tax	2/3	68.50%	Passed
1993-March 2	\$168	Renewal	Simple majority	81.30%	Passed
1997-June 3	\$264	Increase	2/3	74.20%	Passed
2000-November 7	\$264	Renewal	Simple majority	76.00%	Passed
2002-April 9	\$597	Increase	2/3	64.70%	Failed
2002-November 5	\$597	Increase	2/3	70.70%	Passed
2006-November 7	\$597	Renewal	Simple majority	77.90%	Passed
2011-May 3	\$193	New tax	2/3	67.06%	Passed
2016-November 8	\$223	New tax <sup>1</sup>	2/3	70.94%	Passed
<sup>1</sup> Nov 2016 tax replaced May 2011 \$193 tax					

Each year the Superintendent issues a Parcel Tax Report Card to the community. As an accountability measure, this report card tells our community how their parcel tax dollars are spent.



## LOS ALTOS EDUCATIONAL FOUNDATION (LAEF)

Our community provides support for enrichment programs and to help keep class sizes low through a local foundation (see accompanying sidebar).

The Los Altos Educational Foundation (LAEF) was established in 1982 by parents in the district concerned with the inadequacy of state funding. The Foundation raises money for specific district programs that otherwise would not be funded by state and local revenue sources. 1983–84 was the first year of LAEF contributions to the district (\$61,250). Contributions from LAEF have increased steadily over the years, reaching a high of \$3.45 million in 2016–17 and the budget year (6% of the district's total operating revenue).

LAEF is a non-profit corporation independent of the school district. Parent representatives from each school sit on the foundation board. Currently there are 21 board members operating in a voluntary capacity. The foundation has three paid staff members— a full-time executive director and two part-time staff.

**Los Altos Educational Foundation (LAEF)**

LAEF is expected to provide \$3.45 million in grant funding to the district in 2017–18. LAEF funds enable the district to maintain enrichment programs and to keep class sizes low. The Foundation is also providing funding in support of innovative academic programs.

**2017–18 LAEF Funding****Elementary:**

K–3 Class Size Reduction/Literacy Program	\$600,000
Physical Education Specialists	\$580,000
Music Specialists	\$325,000
Library Specialists	\$230,000
Art Docents Program	\$50,000

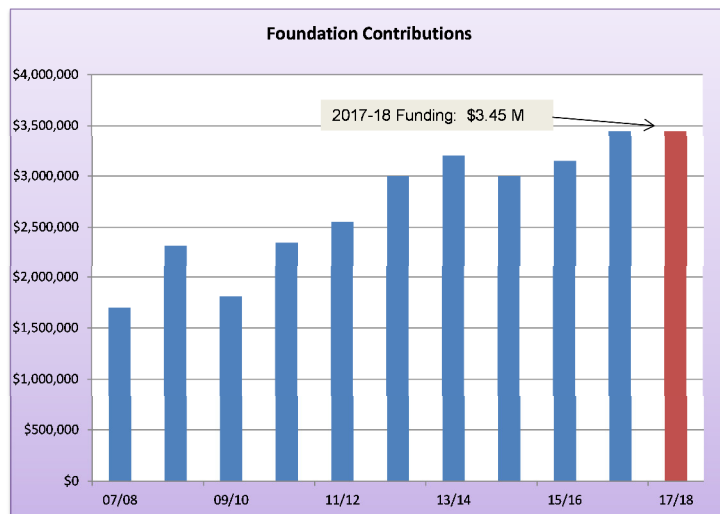
**Junior High:**

Math Class Size Reduction	\$90,000
English Class Size Reduction	\$90,000
Science Class Size Reduction	\$90,000
Social Studies Class Size Reduction	\$90,000
Elective Program	\$125,000
Library Specialists	\$70,000
Instructional Support Teacher	\$85,000

Subtotal: \$2,430,000

Innovation Grant: \$1,020,000  
(cSTEM Teacher, STEM Program Manager, STEM Teachers, Program Coordinators)

The foundation board works closely with the district in determining which programs to fund.



### CLASS SIZE REDUCTION

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In 1996–97 the state began offering incentive funding to districts to reduce class size. \$650 per student was given for every student in grades 1, 2, and 3 who was in a class with 20 or fewer students. In 1997–98 the state expanded this program to include kindergarten and increased the per pupil incentive amount to \$800. With annual COLA's applied, funding peaked at around \$1,100 per student. During the recent recession the state provided some flexibility in implementing the program, allowing classes to exceed 20 students but with modest to severe penalties, depending how high class sizes get. One of the benefits of this flexibility is keeping students from having to attend a school other than their neighborhood school, which can occur when you have a hard cap of 20 students per class.

We have participated in this program in all four grades in every school in the district. State funding typically has covered 80% of the cost of the additional teachers needed as a result of lower class sizes. Total state funding for this program reached a high of \$1.96 million in 2008–09 (4% of our total revenues that year) but since then was severely reduced due to state budget cuts. Under the new funding scheme incentive funding is now rolled into the state's base general purpose funding and with added flexibility. Districts will receive full funding as long as the class sizes in grades K–3 average 24 or less on a school by school basis.

### LOTTERY

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In November 1984 voters approved the California State Lottery. Proceeds from lottery ticket sales augment school districts' budgets. For each dollar of lottery revenue, public schools receive thirty-four cents. Lottery funds are distributed throughout the state on a per pupil basis. Actual apportionments of lottery funds typically occur from four to six months after ticket sales, due to the complexities of accounting and distribution of prize winnings. Funding for 2017–18 is budgeted at \$144 per pupil for unrestricted lottery revenues, which equates to an annual amount of \$695,000. Lottery revenues make up 1.5% of the district's total income. An additional \$228,000 (\$45 per pupil) in lottery revenues is expected, but these monies are restricted in purpose. Legislation passed in 2000 mandates that any lottery funds collected in excess of the amount collected in 1997–98 must be used to purchase instructional materials.

### CLASSROOM TEACHERS

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We have an experienced and highly qualified corps of teachers. The average age of our teaching staff is 43 years. Over half have at least a Master's Degree. 77% of our teachers have been in the district for six or more years.

A total of 247 FTE teachers are budgeted for 2017–18. Of this total, 191 are regular classroom teachers and 56 are specialists (e.g. music, physical education, STEM, special education, and bilingual teachers). Based on a projected enrollment of 4,538 students, the average regular class size is 25. Classroom teachers represent 84% of the total cost for certificated employees. The average salary for classroom teachers in the district is \$86,653. The district pays employee benefits for teachers at an average of \$29,868 per teacher. The average cost of a teacher is \$116,521, the combined total of salary and benefits.

Salary increases for longevity and professional growth are estimated at \$694,000 and are included in the budget. The total salary and benefits cost for teachers is approximately \$28.8 million. This amount represents 49% of the total budget.

## EMPLOYEE BENEFITS

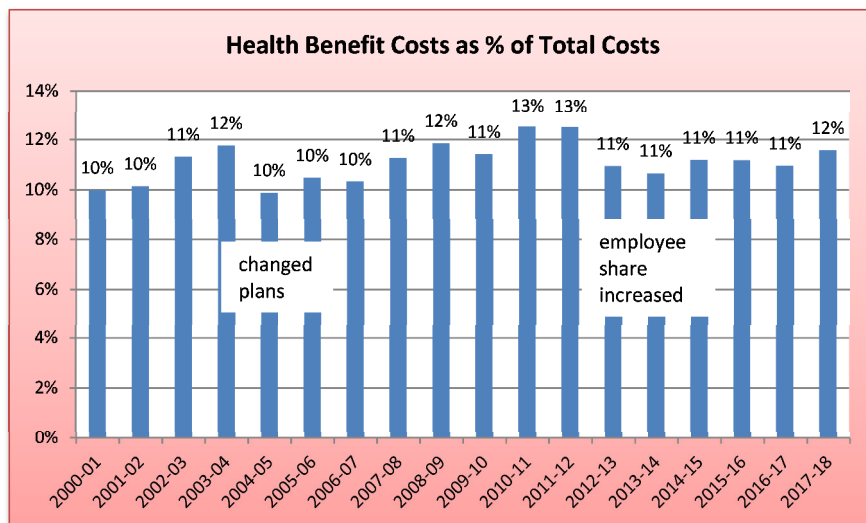
The district is required by law to provide certain benefits to its employees. These statutory benefits include retirement funding (State Teachers Retirement System, STRS, for certificated employees and Public Employees Retirement System, PERS, for classified employees), social security and Medicare contributions, unemployment insurance, and worker's compensation benefits. The total budgeted for statutory benefits for all employees for next year is \$8.3 million, which is 14% of our total expenditures.

STRS and PERS rates continue increasing per state mandated contribution increases. Rates for other statutory benefits will remain approximately the same as in the current year.

In addition to these statutorily required benefits, the district provides health and welfare benefits for its employees. These benefits include medical and dental insurance, life insurance, and disability insurance. They cost over \$6.9 million in total. A portion of that cost is for retired employees—\$1.0 million. The 2017–18 cost of health and welfare benefits is expected to increase 7.5% as a result of anticipated premium rate increases (starting in January 2018 when our plans renew). The average per person cost of our health and welfare benefits package is projected to be \$13,630 for the budget year, 98% of which pays for medical and dental insurance.

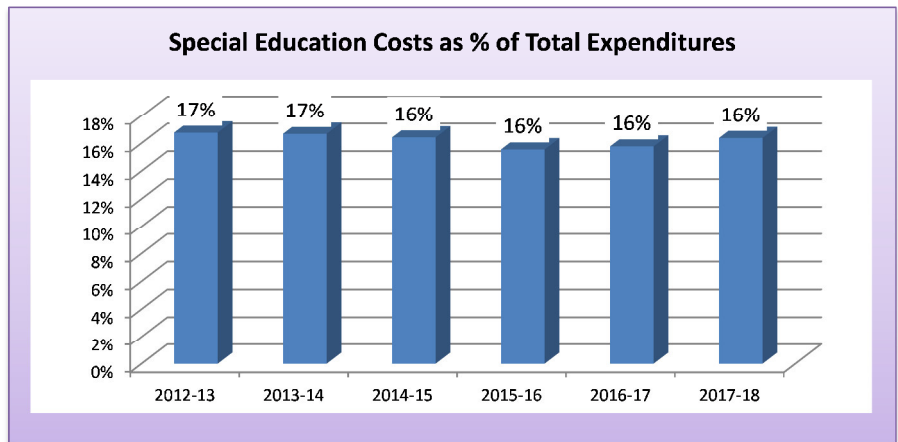
*To deal with an unfunded liability for future benefits, the state enacted increases in contribution rates for the State Teachers Retirement System. Rates ramp up from 8.25% in 2013–14 to 19.1% over seven years—causing a significant negative impact on district budgets.*

Due to increases in the cost of providing medical care in this country over the last two decades, the district cost of providing health and welfare benefits has risen substantially. Over the years the district has worked with its employees to wage an aggressive campaign to keep health care costs under control. We have changed health plans, implemented cost containment measures, and put a cap on lifetime medical benefits. Health care costs continue spiraling upward, in spite of the cost control measures in place. We changed plans again twelve years ago to mitigate these cost increases. Beginning in January 2006 employees agreed to pay 5% of the cost of medical insurance, thus helping keep district costs under control. Starting in January 2012 employees began paying an even greater share of health care premiums. Teachers are paying, on average, 16% of the premium costs. Management staff is paying 25%, confidential employees are paying 20%, while classified employees are paying 10%. More cost containment measures are needed, however, to stem the growing cost of health care for our employees.



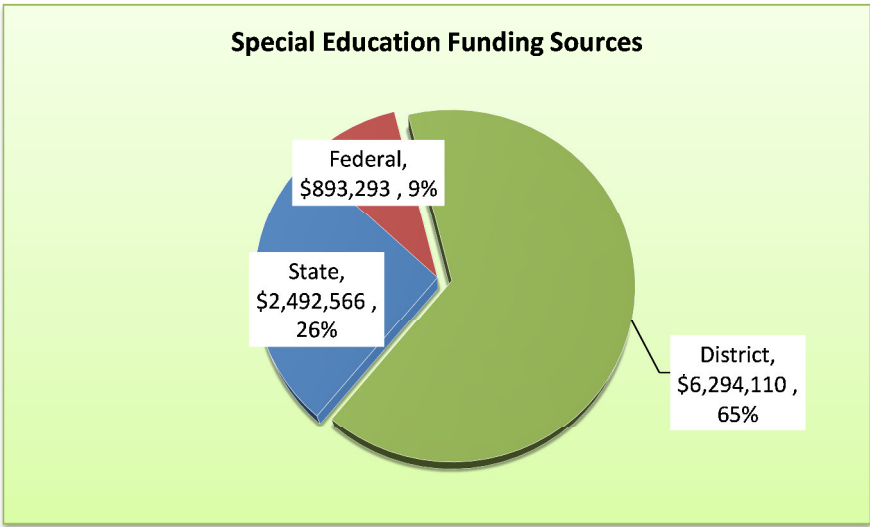
SPECIAL EDUCATION

We are committed to educating students with special educational needs, as required by state and federal law. These students are served in a variety of ways—from limited pullout programs to separate special classrooms. Other agencies and non-public schools serve students whose educational needs cannot be met by district programs. The placement and appropriate services provided these students are determined by the student’s individual education plan. We are spending approximately \$9.7 million in the budget year on special education, 16% of our total expenditures.



**Inadequacy of Funding.** Typically state and federal funding is inadequate to fully cover the costs of special education. The difference between expenditures for special education and the revenues received from these agencies results in an encroachment on our general purpose revenues. The federal government provides funding only at a 25% level of what its laws call for. The State of California also underfunds special education. For years there has been a double-digit funding deficit from the state. In recent years court decisions have expanded the definition of needs and required districts to provide an increased level of special education services for some students. This increased demand for service, coupled with state and federal under-funding, has placed a tremendous financial burden on school districts in California.

**Funding Model.** The current state-funding model was enacted in 1998–99. Under this model, districts receive funds on a per pupil basis—using the total enrollment of the district. Funds flow from the state to our Special Education Local Plan Area (SELPA), a consortium of four districts in this area of our county, and from the SELPA to districts.





**History of Encroachment.** The accompanying table shows a recent history of special education revenues and expenditures for the district. The district’s contribution to funding special education programs is almost \$6.3 million or 65% of the total funds needed. Our contribution level, as is true for many districts in the state, has risen significantly in recent years. To better serve some of our students with the highest levels of need and to contain costs, we continue expanding in-house programs rather than outsourcing to other agencies or non-public schools. We hope to continue saving as a result of this practice.

Special Education	2013-14	2014-15	2015-16	2016-17	2017-18
State/Federal Revenue	\$ 3,359,424	\$ 3,794,480	\$ 3,820,289	\$ 3,722,880	\$ 3,404,854
District Contribution	\$ 5,006,090	\$ 5,130,945	\$ 4,958,273	\$ 5,752,199	\$ 6,275,115
<b>District Share of Total Revenue</b>	<b>60%</b>	<b>57%</b>	<b>56%</b>	<b>61%</b>	<b>65%</b>
Expenditures	\$ 8,365,513	\$ 8,925,426	\$ 8,778,563	\$ 9,475,079	\$ 9,679,969

## GENERAL FUND BUDGET ASSUMPTIONS

The following are the revenue and expenditure assumptions for our 2017–18 General Fund Budget.

### REVENUES

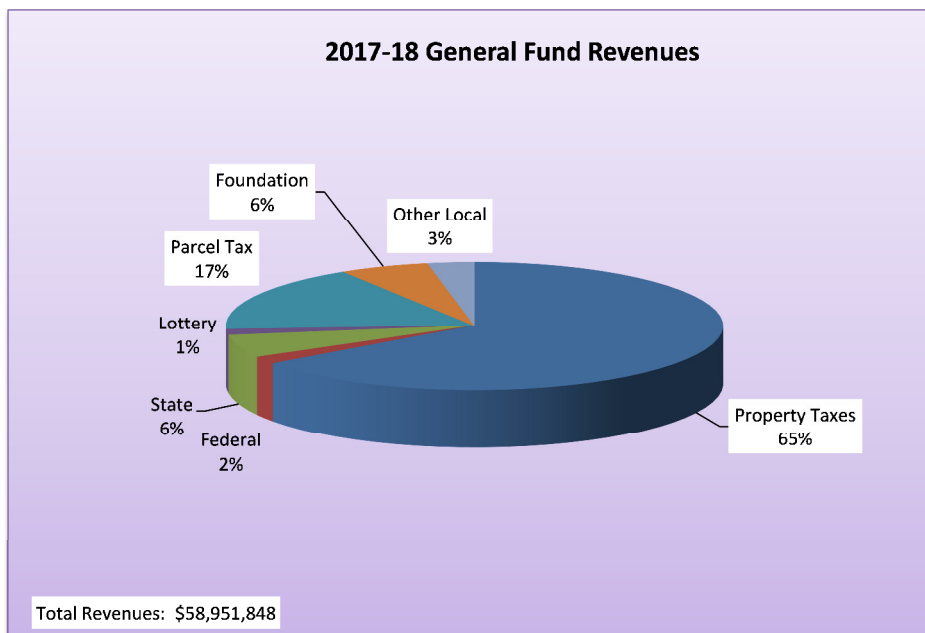
**LCFF Sources/Property Taxes.** LCFF Sources include property tax collections, state funding, and miscellaneous county tax revenues. The state funding calculation is based on enrollment growth of 0.4% and a formula that results in an increased per student funding level when compared to the prior year. Property taxes are projected to grow 6.5% over the current year and exceed the calculated state guarantee by \$4.2 million.

**Federal Revenue.** Budget estimates reflect carrying the same programs forward from the current year with a slight decrease in funding.

**Other State Revenue.** State revenues in this category will decline from \$3.8 million down to \$3.0 million, due to the loss of one-time funding. Lottery funding is expected to be slightly higher than in the current year, funded at \$189 per pupil.

**Other Local Revenue.** Other local revenues are expected to remain approximately the same as in the current year. Parcel tax and LAEF funding continue to provide a significant portion (23%) of our total income. LAEF funding for the upcoming year is expected to be \$3.45 million.

Revenues by source of funding are shown in the following chart.



## EXPENDITURES

**Certificated Salaries.** Our budget projection for certificated salaries shows only a modest increase over the current year. We are budgeting for two fewer classroom teachers in 2017–18. Step and column movement on the salary schedule for eligible teachers is expected to cost \$694,000, offset somewhat by cheaper, less experienced teachers replacing teachers who retire.

**Classified Salaries.** The budget year reflects an increased cost of \$130,000 for step and column movement. Staffing levels are roughly the same as in the current year. For both certificated and classified employees there are no across-the-board salary increases in our projections.

**Employee Benefits.** The cost of employee benefits is similar to the current year except for anticipated mid-year health benefit premium increases of 7.5%. All statutory benefit rates are expected to remain approximately the same as in the current year, except for a significant rate increase for the teachers' retirement system (STRS).

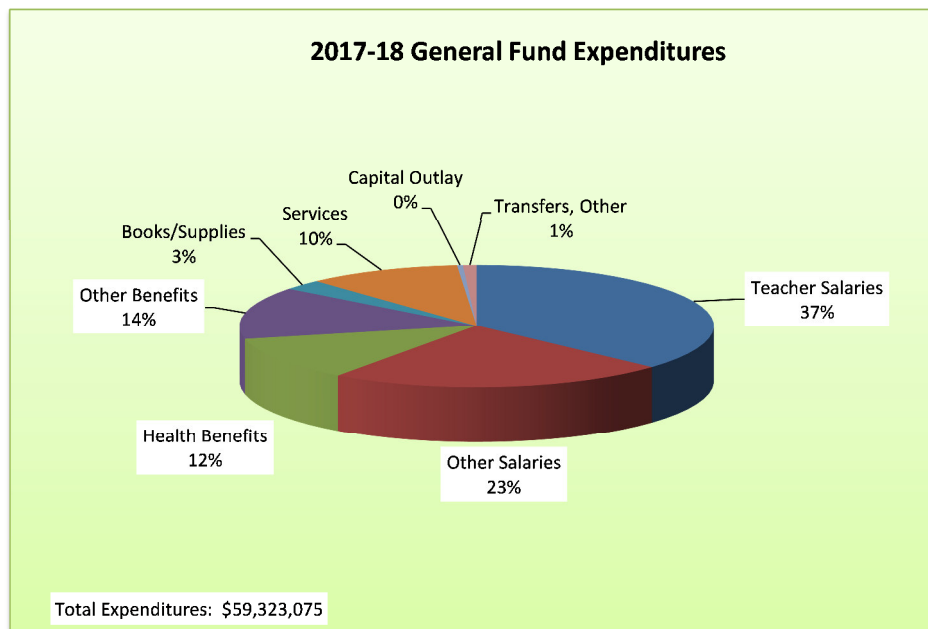
**Books & Supplies.** The cost of supplies and materials generally increase over time due to inflation and growth in student enrollment. However, estimated costs for the budget year reflect a 31% reduction from the current year due to less discretionary revenues available at school sites.

**Services & Other Operating Expenditures.** The cost of contracted services in the budget year includes an inflationary increase on "fixed cost" items (utilities, insurances, legal fees, etc.) offset by a drop in expenses due to one-time funding going away and lower projected repair and contracted services costs.

**Capital Outlay.** The district spends a small amount each year for capital improvements and equipment. The bulk of the expenditures have been for state-funded library books and materials, new equipment (e.g., computers, audio visual equipment, music instruments), or for the replacement of obsolete or broken down equipment. Most of the funds in this category are under the discretion of the program manager.

**Transfers and Other Outgo.** Transfers to the Special Reserve Fund, plus the debt service on two capital lease borrowings make up the bulk of expenditures in this category.

Expenses by object of expenditure are shown in the following chart.



FUND BALANCE

**Beginning Balance.** The actual beginning balance for the budget year will not be known until August, after the district books for 2016–17 are closed. At this time it is projected to be \$1.3 million. This amount represents a \$2.6 million drawdown of our reserves.

**Ending Balance.** The projected ending balance for 2017–18 is \$963,000, representing a fund balance decrease of \$370,000.

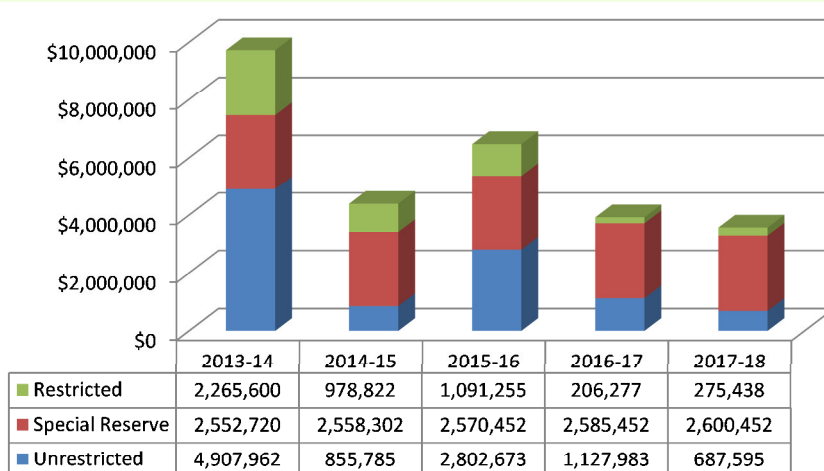
**Restrictions on Ending Balance.** Of the total ending balance, \$275,000 is restricted or designated. The district maintains a \$5,000 revolving cash fund and we have funds set aside to help pay for future retiree benefits (\$270,000). The unrestricted (unassigned) ending balance is projected to be \$688,000.

**Reserve.** The state requires districts our size to maintain a 3% reserve. The district meets that requirement. Based on projected 2017–18 expenditures that reserve requirement is \$1,780,000. The district maintains a separate fund, our Special Reserve Fund, which was created with parcel tax funds and augmented this past year by a transfer from the General Fund.

This fund in the budget year is expected to contribute \$2.6 million toward meeting the district reserve’s requirement. The combination of this amount from the Special Reserve Fund and the unrestricted balance in the General Fund add up to \$3.3 million, or a reserve of 5.5%. Districts are allowed to use their reserve funds during the year (they are for emergencies and to help buffer loss of state and other revenues), but they must replenish those reserves at the year’s end.

*Our Special Reserve Fund has grown as a result of transferring monies in 2012–13 from the General Fund unrestricted reserves to create a separate rainy day fund reserve—with the goal of providing program stability during an economic downturn. We now need to turn our attention to increasing our unrestricted reserves.*

General Fund Ending Balance & Reserves



## BUDGET SUMMARIES

### SPECIAL PURPOSE FUNDS

In addition to the general operating fund, the district has four special purpose funds. 2017–18 revenues and expenses for all funds are displayed on the pages that follow.

#### *Special Revenue Funds*

The **Deferred Maintenance Fund** is used to account for revenues and expenditures relating to major maintenance projects. The state previously provided a separate allocation approximately equal to one-half of 1% of a district's total General Fund expenditures budget. The allocation took the form of matching funds, on a dollar-for-dollar basis, to assist school districts with expenditures for major repair or replacement of existing school building components, including plumbing, heating, air conditioning, electrical systems, roofing, interior and exterior painting, floor systems, and the like. Now the state provides funding as part of its general purpose allocation, which for a community funded district like us means we get no additional revenues. We continue to transfer monies from our General Fund into our Deferred Maintenance Fund, equivalent to what used to be the sum of the state match and district contribution for deferred maintenance projects.

The **Special Reserve Fund** was created by the district from parcel tax funds earmarked for improving the district's reserves. The money in this fund is for reserves only and cannot be spent. These monies are added to the General Fund reserves to make up the required 3% reserve level for the district. We moved \$2.5 million of General Fund monies into this fund in 2013–14 in creating a 5% special reserve for economic uncertainties (a "rainy day" fund). During 2010–11 we moved \$1.2 million from the General Fund to the Special Reserve Fund to set aside monies for payment of future retiree health benefits. This amount represented the obligation under GASB 45 accumulated to date. Additional monies are being set aside each year in the General Fund and will be transferred into this fund at year end. The current balance in the Special Reserve Fund is approximately \$5.5 million, which with interest earnings and an additional transfer from the General Fund projects to \$5.7 million for 2017–18.

#### *Capital Project Funds*

The **Building Fund** is used to account for monies the district has received from the sale or lease of sites and from the issuance of general obligation bonds. Monies in this fund can only be used for building or major maintenance projects. After completing phase one of our modernization program, we have depleted all of our bond proceeds. During 2009–10 and 2010–11 the state paid us \$1,363,000 in grant monies for the completion of our last modernization project (Gardner Bullis School). No additional state revenues are expected in the future. Lease revenues from the Eastbrook School site and proceeds from the November 2014 approved bond measure are the only source of monies for this fund. No bonds have yet been issued from the November 2014 authorization.

The **Capital Facilities Fund** is used to account for the developer fees the district receives. These monies can only be spent on new construction or furniture for housing new students as a result of enrollment growth. We currently charge a fee of \$2.32 per square foot for residential and \$0.37 per square foot for commercial developments. We have spent developer fee revenues on portable classrooms and furnishings for our growth in enrollment.

ALL FUNDS SUMMARY

The following table displays revenues and expenditures by object for all funds.

	General Fund	Special Revenue Funds	Capital Project Funds	Total All Governmental Funds
<b>REVENUES</b>				
LCFF/Revenue Limit Sources	39,616,948	300,174	-	39,917,122
Federal Revenue	1,107,494	-	-	1,107,494
Other State Revenue	2,960,512	-	-	2,960,512
Other Local Revenue	15,266,894	36,000	1,362,727	16,665,621
<b>TOTAL REVENUES</b>	<b>58,951,848</b>	<b>336,174</b>	<b>1,362,727</b>	<b>60,650,749</b>
<b>EXPENDITURES</b>				
Certificated Salaries	26,364,575	-	-	26,364,575
Classified Salaries	9,179,301	-	-	9,179,301
Employee Benefits	15,142,407	-	-	15,142,407
Books & Supplies	1,610,589	-	112,790	1,723,379
Services & Other Operating Expenditures	6,237,472	300,000	1,494,127	8,031,599
Capital Outlay	236,570	-	146,284	382,854
Other Outgo	350,884	-	-	350,884
<b>TOTAL EXPENDITURES</b>	<b>59,121,797</b>	<b>300,000</b>	<b>1,753,201</b>	<b>61,174,998</b>
<b>Excess (Deficiency) of Revenues Over Expenditures</b>	<b>(169,949)</b>	<b>36,174</b>	<b>(390,474)</b>	<b>(524,249)</b>
<b>OTHER FINANCING SOURCES/USES</b>				
Interfund Transfers In	-	201,277	-	201,277
Interfund Transfers Out	(201,277)	-	-	(201,277)
<b>TOTAL OTHER FINANCING SOURCES/USES</b>	<b>(201,277)</b>	<b>201,277</b>	<b>-</b>	<b>-</b>
<b>NET INCREASE/(DECREASE) IN FUND BALANCE</b>	<b>(371,226)</b>	<b>237,451</b>	<b>(390,474)</b>	<b>(524,249)</b>
<b>BEGINNING FUND BALANCES</b>	<b>1,334,260</b>	<b>5,512,391</b>	<b>1,186,227</b>	<b>8,032,878</b>
<b>ENDING FUND BALANCES</b>	<b>963,033</b>	<b>5,749,842</b>	<b>795,753</b>	<b>7,508,629</b>

\$1 dollar difference in General Fund Ending Fund Balance due to rounding error.

## GENERAL FUND REVENUES, 2 YEAR COMPARISON

GENERAL FUND REVENUES	2016-17 Est. Actuals	2017-18 Budget	Changes From Prior Year
LCFF/Revenue Limit Sources			
State Aid	1,586,741	1,586,741	-
Property Taxes	42,132,310	44,526,510	2,394,200
Transfer to Deferred Maintenance Fund	(300,174)	(300,174)	
Transfer to Charter School	(5,741,912)	(6,196,129)	(454,217)
Total, LCFF/Revenue Limit Sources	37,676,965	39,616,948	1,939,983
Federal Revenue			
Special Education (PL94-142)	780,126	780,126	-
Special Education (Preschool, Other)	118,386	113,167	(5,219)
Other	214,201	214,201	-
Total, Federal Revenue	1,112,713	1,107,494	(5,219)
Other State Revenue			
Mandated Cost Reimbursements	1,102,314	342,314	(760,000)
Lottery	923,138	874,803	(48,335)
Special Education Mental Health	275,501	238,733	(36,768)
STRS On-Behalf Payments	1,493,724	1,493,724	-
Other	10,938	10,938	-
Total, Other State Revenue	3,805,615	2,960,512	(845,103)
Other Local Revenue			
Parcel Tax	10,018,701	10,018,701	-
Workers Comp/Safety Credit Reimbursements	6,736	6,736	-
Rents and Leases	434,254	446,062	11,808
Interest Earnings	46,000	46,000	-
Los Altos Educational Foundation	3,450,000	3,450,000	-
Fees/Donations	441,784	453,801	12,017
PTA Support	9,044	9,076	32
Transfers from Palo Alto USD	280,000	284,144	4,144
Pro Rata Share, Bullis Charter School	212,180	218,545	6,365
Premium, revenue anticipation notes	120,000	120,000	
Other	359,522	213,829	(145,693)
Total, Other Local Revenue	15,378,221	15,266,894	(111,327)
<b>TOTAL OPERATING REVENUE</b>	<b>57,973,514</b>	<b>58,951,848</b>	<b>978,334</b>

GENERAL FUND EXPENDITURES, 2 YEAR COMPARISON

GENERAL FUND EXPENDITURES	2016-17 Est. Actuals	2017-18 Budget	Changes From Prior Year
Certificated Salaries			
Teachers	21,885,117	21,833,537	(51,580)
Administrators	2,370,566	2,433,292	62,726
Other	2,045,417	2,097,746	52,329
Total, Certificated Salaries	26,301,100	26,364,575	63,475
Classified Salaries			
Instructional Aides	3,472,830	3,769,513	296,683
Classified Support	2,286,885	2,291,000	4,115
Supervisors/Administration	1,256,143	1,238,419	(17,724)
Clerical & Technical Support	1,641,272	1,652,503	11,231
Other	233,498	227,866	(5,632)
Total, Classified Salaries	8,890,628	9,179,301	288,673
Employee Benefits			
Certificated Retirement (STRS)	4,709,717	5,146,869	437,152
Classified Retirement (PERS)	1,194,493	1,379,202	184,709
Social Security/Medicare	1,094,223	1,119,691	25,468
Health Insurance	5,577,870	5,846,346	268,476
Unemployment Insurance	18,798	18,966	168
Workers Compensation Insurance	483,903	489,148	5,246
Retiree Health Insurance	1,059,470	1,018,219	(41,251)
Other	131,676	123,967	(7,709)
Total, Employee Benefits	14,270,148	15,142,407	872,259
Books & Supplies			
Textbooks	658,248	388,286	(269,962)
Materials & Supplies	1,382,918	1,011,455	(371,463)
Non-capitalized Equipment	189,140	110,849	(78,291)
Food Supplies	100,000	100,000	-
Total, Books & Supplies	2,330,305	1,610,590	(719,716)
Services & Other Operating Expenditures			
Meetings, Workshops, Dues	321,801	157,224	(164,577)
Insurance	255,893	195,691	(60,202)
Utilities	1,289,281	1,353,391	64,110
Rentals and Repairs	2,142,306	1,596,176	(546,130)
Other Services	3,334,774	2,714,417	(620,357)
Communications	220,572	220,572	-
Total, Services & Other Oper. Exp.	7,564,628	6,237,472	(1,327,156)
Capital Outlay			
Site and Building Improvements	163,555	10,000	(153,555)
Library Books & Media	57,636	57,152	(484)
Equipment	172,288	169,418	(2,870)
Total, Capital Outlay	393,479	236,570	(156,909)
Transfers & Other Outgo			
Tuition, Charter Schools	18,081	18,081	-
Debt Service	332,803	332,803	-
Transfers to Other Funds	432,010	201,277	(230,733)
Total, Transfers & Other Outgo	782,894	552,161	(230,733)
<b>TOTAL OPERATING EXPENDITURES</b>	<b>60,533,182</b>	<b>59,323,075</b>	<b>(1,210,106)</b>
<b>Revenues over (under) Expenditures</b>	<b>(2,559,668)</b>	<b>(371,227)</b>	<b>2,188,441</b>
<b>Beginning Fund Balance</b>	<b>3,893,928</b>	<b>1,334,260</b>	<b>(2,559,668)</b>
<b>Ending Fund Balance</b>	<b>1,334,260</b>	<b>963,033</b>	<b>(371,227)</b>



## SPECIAL PURPOSE FUNDS

Special Revenue Funds:	Deferred Maintenance 2017-18 Budget	Special Reserve 2017-18 Budget	Total
<b>REVENUES</b>			
LCFF/Revenue Limit Sources	300,174		300,174
Federal Revenue			
Other State Revenue			
Other Local Revenue	1,000	35,000	36,000
Sale/Lease of Properties			
GO Bonds/Transfers In From Other Funds		201,277	201,277
<b>TOTAL OPERATING REVENUE</b>	<b>301,174</b>	<b>236,277</b>	<b>537,451</b>
<b>EXPENDITURES</b>			
Certificated Salaries			
Classified Salaries			
Employee Benefits			
Books & Supplies			
Services & Other Operating Expenditures	300,000		300,000
Capital Outlay			
Other Expenses and Outgo			
Transfers Out To Other Funds			
<b>TOTAL OPERATING EXPENDITURES</b>	<b>300,000</b>		<b>300,000</b>
<b>Revenues over (under) Expenditures</b>	<b>1,174</b>	<b>236,277</b>	<b>237,451</b>
<b>Beginning Fund Balance</b>	<b>35,824</b>	<b>5,476,568</b>	<b>5,512,391</b>
<b>Ending Fund Balance</b>	<b>36,998</b>	<b>5,712,845</b>	<b>5,749,842</b>

Capital Project Funds:	Building 2017-18 Budget	Capital Facilities 2017-18 Budget	Total
<b>REVENUES</b>			
LCFF/Revenue Limit Sources			
Federal Revenue			
Other State Revenue			
Other Local Revenue	5,400	1,055,267	1,060,667
Sale/Lease of Properties	302,060		302,060
GO Bonds/Transfers In From Other Funds			
<b>TOTAL OPERATING REVENUE</b>	<b>307,460</b>	<b>1,055,267</b>	<b>1,362,727</b>
<b>EXPENDITURES</b>			
Certificated Salaries			
Classified Salaries			
Employee Benefits			
Books & Supplies	50,088	62,702	112,790
Services & Other Operating Expenditures	527,465	966,662	1,494,127
Capital Outlay	140,000	6,284	146,284
Other Expenses and Outgo			
Transfers Out To Other Funds			
<b>TOTAL OPERATING EXPENDITURES</b>	<b>717,553</b>	<b>1,035,648</b>	<b>1,753,201</b>
<b>Revenues over (under) Expenditures</b>	<b>(410,093)</b>	<b>19,619</b>	<b>(390,474)</b>
<b>Beginning Fund Balance</b>	<b>1,084,755</b>	<b>101,472</b>	<b>1,186,227</b>
<b>Ending Fund Balance</b>	<b>674,662</b>	<b>121,090</b>	<b>795,753</b>

## MULTI-YEAR FINANCIAL INFORMATION – ALL FUNDS

A multi-year forecast and historical information for each of our governmental funds is presented below. The first table is a composite summary of the individual funds. From 2013–14 through the forecast for 2020–21 the fund balances as a total decline significantly. Individually the fund balances vacillate over time. A major concern with the General Fund is the state imposed rate increases for employee pensions. The Special Reserve Fund has grown as a result of transfers from the General Fund to provide funds for future retiree health benefits and to provide a “rainy day” fund (reserve for economic uncertainties). Our capital funds have very low balances and have been supported in the last three years by transfers from the General Fund. We continue to have many capital needs, which hopefully can be addressed by using proceeds from the recently approved bond measure.

All Governmental Funds	2013-14 Actuals	2014-15 Actuals	2015-16 Actuals	2016-17 Est. Actuals	2017-18 Budget	2018-19 Forecast	2019-20 Forecast	2020-21 Forecast
TOTAL OPERATING REVENUES	57,926,851	58,033,346	68,034,331	62,241,040	60,852,026	65,553,412	64,760,198	67,067,291
TOTAL OPERATING EXPENDITURES	57,083,131	63,211,144	64,548,411	65,323,791	61,376,275	64,521,572	65,329,126	67,103,782
Revenues over (under) Expenditures	843,719	(5,177,798)	3,485,920	(3,082,750)	(524,249)	1,031,840	(568,928)	(36,490)
Beginning Fund Balance	12,010,764	12,807,507	7,629,709	11,115,629	8,032,879	7,508,629	8,540,469	7,971,541
Ending Fund Balance	12,854,483	7,629,709	11,115,629	8,032,879	7,508,629	8,540,469	7,971,541	7,935,050

2014/15 includes an adjustment to Beginning Fund Balance \$1 dollar difference in 2017-18 Ending Fund Balance due to rounding error.

General Fund	2013-14 Actuals	2014-15 Actuals	2015-16 Actuals	2016-17 Est. Actuals	2017-18 Budget	2018-19 Forecast	2019-20 Forecast	2020-21 Forecast
TOTAL OPERATING REVENUES	52,831,850	52,095,239	60,060,443	57,973,514	58,951,848	61,570,298	62,750,513	65,042,167
TOTAL OPERATING EXPENDITURES	53,809,291	57,387,219	58,001,121	60,533,182	59,323,075	61,427,272	63,225,821	64,991,201
Revenues over (under) Expenditures	(977,441)	(5,291,980)	2,059,322	(2,559,668)	(371,227)	143,026	(475,308)	50,966
Beginning Fund Balance	8,151,002	7,126,587	1,834,607	3,893,929	1,334,261	963,034	1,106,060	630,752
Ending Fund Balance	7,173,563	1,834,607	3,893,929	1,334,261	963,034	1,106,060	630,752	681,718

2014/15 includes an adjustment to Beginning Fund Balance \$1 dollar difference in 2017-18 Beginning and Ending Fund Balance due to rounding error.

Deferred Maintenance Fund	2013-14 Actuals	2014-15 Actuals	2015-16 Actuals	2016-17 Est. Actuals	2017-18 Budget	2018-19 Forecast	2019-20 Forecast	2020-21 Forecast
TOTAL OPERATING REVENUES	301,635	301,465	301,547	301,174	301,174	301,174	310,179	319,455
TOTAL OPERATING EXPENDITURES	439,947	422,213	397,269	400,400	300,000	300,000	300,000	300,000
Revenues over (under) Expenditures	(138,313)	(120,748)	(95,722)	(99,226)	1,174	1,174	10,179	19,455
Beginning Fund Balance	489,833	351,520	230,772	135,050	35,824	36,998	38,172	48,351
Ending Fund Balance	351,520	230,772	135,050	35,824	36,998	38,172	48,351	67,806

Special Reserve Fund	2013-14 Actuals	2014-15 Actuals	2015-16 Actuals	2016-17 Est. Actuals	2017-18 Budget	2018-19 Forecast	2019-20 Forecast	2020-21 Forecast
TOTAL OPERATING REVENUES	2,723,211	274,530	260,024	117,010	236,277	305,438	290,782	290,783
TOTAL OPERATING EXPENDITURES	0	0	0	0	0	1,000,000	0	0
Revenues over (under) Expenditures	2,723,211	274,530	260,024	117,010	236,277	(694,562)	290,782	290,783
Beginning Fund Balance	2,101,793	4,825,004	5,099,534	5,359,558	5,476,568	5,712,845	5,018,283	5,309,065
Ending Fund Balance	4,825,004	5,099,534	5,359,558	5,476,568	5,712,845	5,018,283	5,309,065	5,599,848

Building Fund	2013-14 Actuals	2014-15 Actuals	2015-16 Actuals	2016-17 Est. Actuals	2017-18 Budget	2018-19 Forecast	2019-20 Forecast	2020-21 Forecast
TOTAL OPERATING REVENUES	964,072	2,869,250	5,945,136	2,844,076	307,460	2,319,359	348,301	349,731
TOTAL OPERATING EXPENDITURES	668,530	2,906,128	4,921,009	3,149,967	717,553	827,639	836,644	845,920
Revenues over (under) Expenditures	295,542	(36,878)	1,024,127	(305,891)	(410,093)	1,491,720	(488,344)	(496,188)
Beginning Fund Balance	107,856	403,398	366,520	1,390,646	1,084,755	674,662	2,166,382	1,678,039
Ending Fund Balance	403,398	366,520	1,390,646	1,084,755	674,662	2,166,382	1,678,039	1,181,850

Capital Facilities Fund	2013-14 Actuals	2014-15 Actuals	2015-16 Actuals	2016-17 Est. Actuals	2017-18 Budget	2018-19 Forecast	2019-20 Forecast	2020-21 Forecast
TOTAL OPERATING REVENUES	1,106,083	2,492,861	1,467,182	1,005,267	1,055,267	1,057,144	1,060,423	1,065,156
TOTAL OPERATING EXPENDITURES	2,165,363	2,495,583	1,229,012	1,240,242	1,035,648	966,662	966,662	966,662
Revenues over (under) Expenditures	(1,059,281)	(2,722)	238,170	(234,975)	19,619	90,482	93,761	98,494
Beginning Fund Balance	1,160,279	100,999	98,277	336,447	101,472	121,090	211,572	305,333
Ending Fund Balance	100,999	98,277	336,447	101,472	121,090	211,572	305,333	403,826

## AWARDS AND RECOGNITION

The Association of School Business Officials (ASBO) awarded its Meritorious Budget Award to Los Altos School District for its 2016–17 Annual Budget. The award certificate is shown on the following page. This was the seventeenth consecutive year that the district has received this prestigious award. Receiving this award is recognition that the district has met the highest standards of excellence in school district budgeting as adopted by ASBO. The award recognizes that the district’s budget is both technically comprehensive as well as easily understandable to the layperson. The district believes that this budget document, which will be submitted to ASBO for review, will also conform to these high standards.

The district’s budget has been recognized by the California Association of School Business Officials (CASBO) and School Services of California, Incorporated as an exemplary document. Both organizations have used the document in workshops on budget development. The district is very proud of this recognition.

The district has also received national recognition for its annual financial report. Our Comprehensive Annual Financial Report (CAFR) for the last thirteen years has received certificates of excellence for financial reporting from both ASBO and the Government Finance Officers Association (GFOA).



ASSOCIATION OF  
SCHOOL BUSINESS OFFICIALS  
INTERNATIONAL

This Meritorious Budget Award is presented to

## LOS ALTOS SCHOOL DISTRICT

for excellence in the preparation and issuance of its budget  
for the Fiscal Year 2016-2017.

The budget adheres to the principles and standards  
of ASBO International's Meritorious Budget Award criteria.



A handwritten signature in black ink, reading 'Brenda Burkett'.

**Brenda R. Burkett, CPA, CSBA, SFO**  
President

A handwritten signature in black ink, reading 'John D. Musso'.

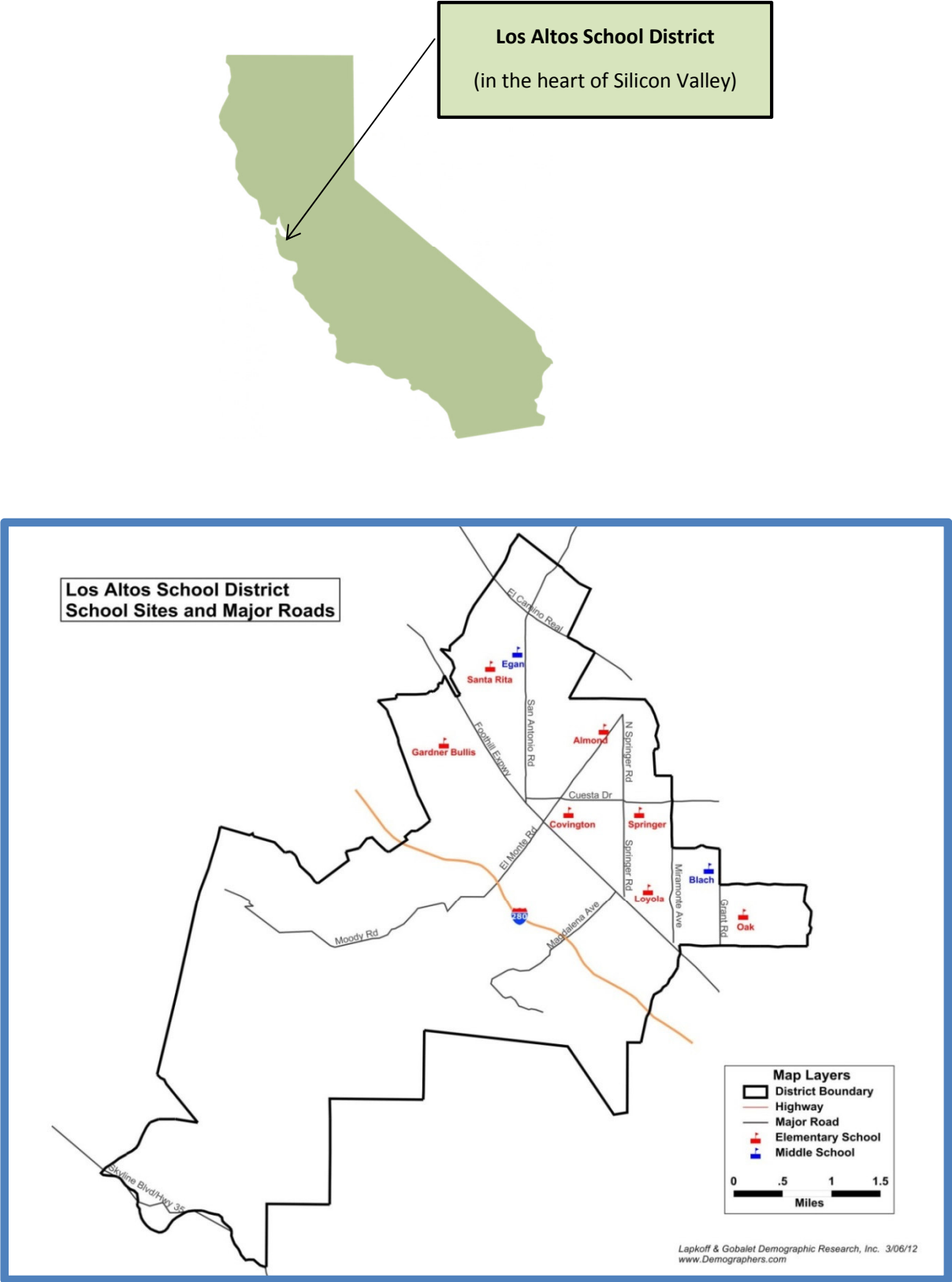
**John D. Musso, CAE, RSBA**  
Executive Director

## ORGANIZATIONAL SECTION



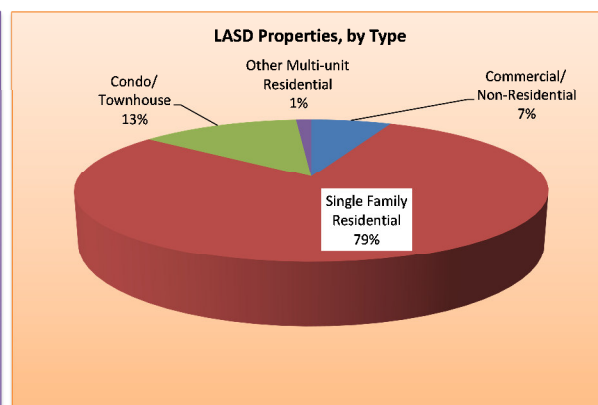
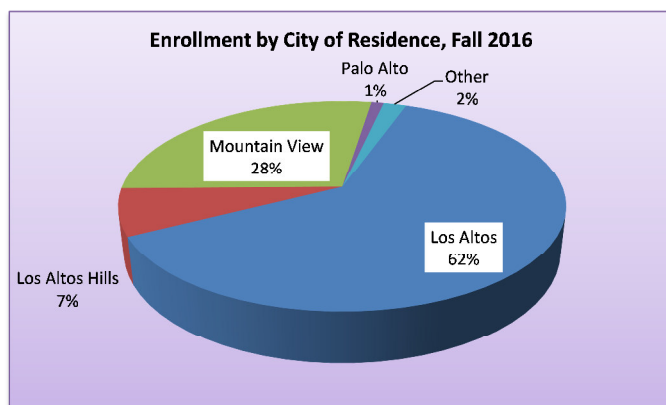
Empowering our Teachers to Challenge Students to Actively Discover Curriculum

WHERE WE ARE LOCATED



## DISTRICT DESCRIPTION

We are an elementary school district in northwest Santa Clara County serving students in grades kindergarten to eighth (K–8). We are located in the heart of Silicon Valley in the San Francisco Bay Area. The district boundaries include most of the City of Los Altos, half of Los Altos Hills, parts of Mountain View, Palo Alto and some unincorporated county lands. The district is predominantly residential—79% of the properties are single family residences and another 13% is comprised of condominiums, townhouses, and other housing. Los Altos School District was founded in 1909.



An elected five-member board of trustees governs the district. Trustees are elected for four-year terms. The superintendent, an appointed position, runs the day-to-day operations of the district. Mr. Jeffrey Baier was appointed superintendent in July 2010. The district is a public agency governed by the laws of the State of California. We are fiscally dependent on the Santa Clara County Office of Education.

Board of Trustees		
Mr. Sangeeth Peruri	President	Term expires December 2018
Mr. Vladimir Ivanovic	Vice-President	Term expires December 2018
Ms. Jessica Speiser	Clerk	Term expires December 2020
Mr. Steve Taglio	Member	Term expires December 2020
Mr. Bryan Johnson	Member	Term expires December 2018
Board members are elected for four year terms. Officers rotate based on experience and election results. Newly elected board members typically start as regular members before moving into an officer position. The board appoints the district superintendent.		

The district operates nine schools—seven elementary (K–6) and two intermediate (7–8). Most of our students live in neighborhoods of relatively high socio-economic status. The median household income is 262% of the state average (\$168,635 as compared to \$64,563)<sup>1</sup>. Many of the executive officers of our country's most prominent technology firms live within our district. Our citizenry is older and better educated than in most communities in California. Our median age is 45 compared to the state average of 36 and 81% of adults have at least a Bachelor's Degree as compared to 31% statewide. The average sales price of homes within our district in 2016 was just over \$3.1 million.

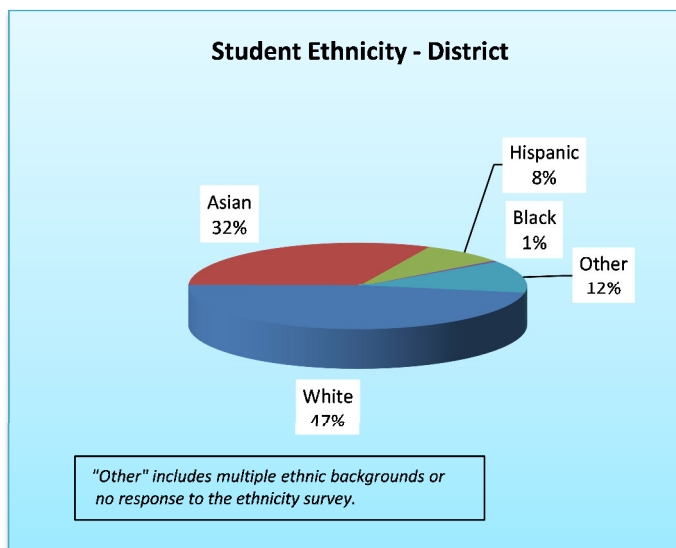
<sup>1</sup> Source: U. S. Census Bureau's American Community Annual Survey (2015)

## STUDENT DEMOGRAPHICS

**Enrollment.** We expect 4,538 students in the fall of 2017 compared to 4,522 students one year earlier. A recent history of fall enrollments by school is shown in the table below. Over the last ten years enrollment has grown an average of 1% per year. The district's enrollment is expected to decline slightly in the near term and then level off.

Fall Enrollment History										
	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017*
Almond	554	538	531	526	540	510	545	536	541	535
Blach	475	449	476	476	471	512	525	512	499	527
Gardner Bullis	202	246	291	298	321	318	337	352	345	346
Covington	488	455	455	498	500	512	553	559	561	587
Egan	539	534	537	556	520	560	619	645	658	631
Loyola	538	571	590	588	573	542	526	505	446	410
Oak	445	450	446	463	487	506	459	444	430	430
Santa Rita	514	523	542	537	566	561	568	561	541	565
Springer	490	521	516	535	517	522	538	522	501	507
<b>Total</b>	<b>4,245</b>	<b>4,287</b>	<b>4,384</b>	<b>4,477</b>	<b>4,495</b>	<b>4,543</b>	<b>4,670</b>	<b>4,636</b>	<b>4,522</b>	<b>4,538</b>
* Fall 2017 is projected enrollment.										

**Ethnicity.** Each year California school districts request ethnicity information from families of students. Based on the most recent data collected (Fall 2016), our ethnicity mix is 47% Caucasian, 32% Asian, 8% Hispanic, less than 1% Black, and 12% other. The "other" category includes students with multi-ethnic backgrounds as well as families that did not respond to the survey.

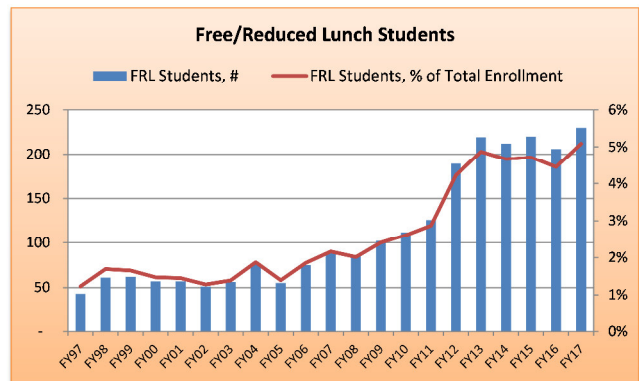
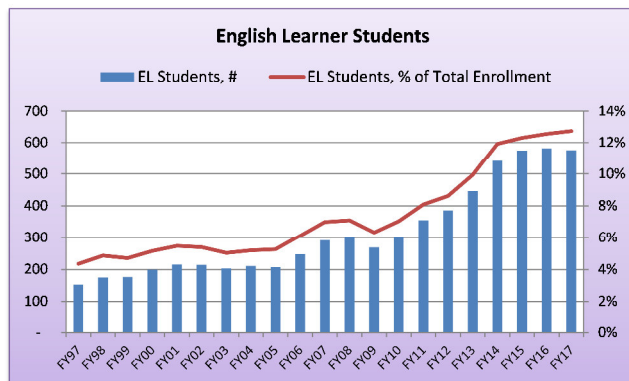




**Special Services.** A portion of our students receives special services, depending on their needs. 9% of our students receive special education services, from minimal services such as speech therapy to intensive services for severely handicapped children. Of the 408 students identified as having special needs less than half (171) receive only speech therapy. We serve 576 students (13%) for whom English is a second language. There are 35 different primary languages among our students. The generally high socio-economic status of our students makes us eligible for only a small amount of federal aid for disadvantaged children (Title 1). 5% of our students are identified as eligible for free or reduced meals.

Under the new state funding scheme low income and English learners qualify for supplemental funding as part of the state general purpose funding guarantee. We continue looking for ways to best serve these students in addressing the achievement gap.

Students Receiving Special Services	2012-13		2013-14		2014-15		2015-16		2016-17	
	Count	% of Total	Count	% of Total	Count	% of Total	Count	% of Total	Count	% of Total
<b>Total Enrollment</b>	<b>4,495</b>		<b>4,543</b>		<b>4,670</b>		<b>4,636</b>		<b>4,522</b>	
Students receiving Spec Ed services	450	10%	445	10%	407	9%	404	9%	408	9%
-students receiving only speech therapy	177		172		161		171		171	
Students eligible for free & reduced meals	219	5%	212	5%	220	5%	206	4%	230	5%
English as a Second Language students	447	10%	542	12%	575	12%	582	13%	576	13%



### BOARD GOALS FOR 2017-18

Each spring the school board adopts goals for the upcoming school year. These goals help district staff focus on areas needing special attention. All of the goals ultimately reflect and support the district’s mission statement. The goals are developed as part of an on-going strategic planning process—called an “Educational Blueprint.” The goals are multi-year in nature and are considered three-year goals. 2017–18 is the first year of these goals.

**Our Vision.** Our Educational Blueprint has led us to embark on a journey to “**revolutionize learning for all students.**” To accomplish this we endeavor to “ignite a passion for learning”—not only for students but also for teachers and all staff members. We seek to “empower our teachers to challenge students to actively discover curriculum” and to “prepare students to become creative problem-solvers and collaborative learners.” Our mission, our core values, and our goals all reflect these endeavors.

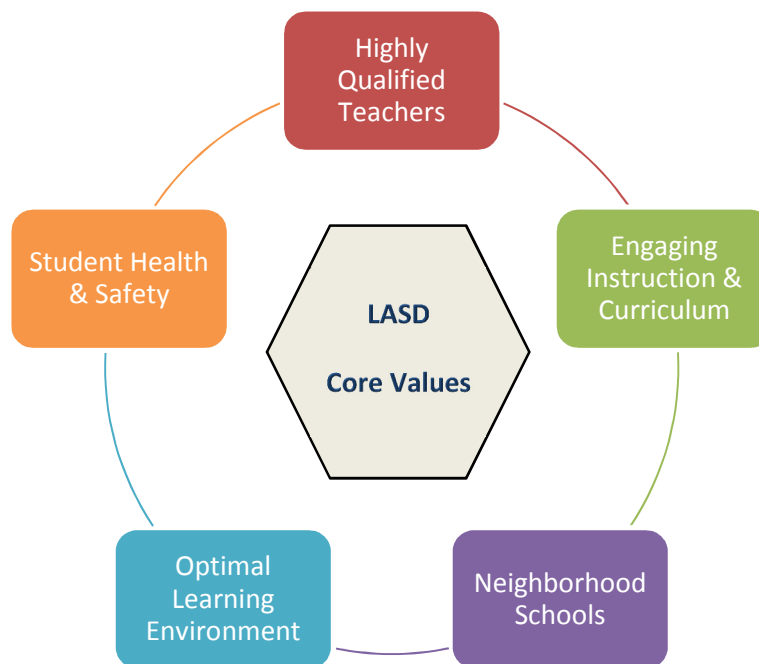
### LASD Mission Statement

- **The Los Altos School District inspires a passion for learning and prepares all K-8 students to thrive in our rapidly changing global economy.**

*• adopted by the Board of Trustees on November 15, 2010*

### CORE VALUES

The Educational Blueprint committee has identified the following as our core values.



Each Core Value includes specific statements to elucidate the meaning of the value, as noted below.

#### **HIGHLY QUALIFIED TEACHERS**

- Experienced teachers caring for the whole child
- Lifelong learners involved in ongoing professional development
- Passionate professionals committed to excellence in education for our students

#### **ENGAGING INSTRUCTION & CURRICULUM**

- Meaningful, relevant learning goals meeting the needs of each student
- Data-guided instruction focused on high standards
- Research-based integration of technology challenging students to think critically and creatively

#### **NEIGHBORHOOD SCHOOLS**

- Welcoming, integral part of the neighborhood
- Mutual benefit between the school and surrounding community
- Source of local pride; school seen as an asset
- School community has a connection to the neighborhood

#### **OPTIMAL LEARNING ENVIRONMENT**

- Student sense of belonging
- Needs of the whole child are understood and being addressed
- Small class size
- Positive and meaningful relationships between teachers and students
- Students actively participate in their own learning

#### **STUDENT HEALTH & SAFETY**

- Schools have a positive and supportive climate
- All students are welcome, included and known
- Safe and secure
- Support for students evolves to meet the needs of all

*Our Educational Blueprint embodies our mission, core values, and goals. We are “revolutionizing learning for all students,”... “igniting a passion for learning,”... “empowering our teachers to challenge students to actively discover curriculum,”... and “preparing students to become creative problem-solvers and collaborative learners.”*

### GOALS

All teachers are required to incorporate one of the board goals into their individual goals for the year and are evaluated on their success in meeting these goals. The district administration and principals work collaboratively to determine which goal should be included in every teacher's personal goals. The Superintendent is held accountable annually for the district meeting the board goals.

The goals established by the board for 2017–18 are as follows. After each goal is a short list of objectives or action plans to help achieve the goals.

#### **Goal: Meet the individual learning needs of all students**

- LASD teachers will regularly provide opportunities for students to self-assess their learning as part of a balanced assessment philosophy.
- All teachers of English will be trained in small group instruction through a workshop model as a method for meeting individual student needs in literacy, including English language needs. New curriculum will be implemented.
- State and local data will be used at all levels to ensure that all students are making significant growth.
- Teachers will design engaging, multi-disciplinary learning experiences for ALL students, based on principles and strategies for high quality first instruction.
- Schools will develop concrete plans and systems to respond to student needs.
- LASD will provide a rich summer school experience for our at-risk learners.
- LASD will promote positive and supportive school environments at each of our campuses: teach, model, and reinforce appropriate behaviors; support students in social problem solving and empathy.

*Fiscal Impact: \$418,833. We expect to spend \$101,071 on professional development, \$100,000 for remedial Summer School programs, and \$217,762 for curriculum-related materials.*

#### **Goal: Support teachers in their design of relevant learning experiences for all students**

- Utilize instructional support teachers to connect professional development to classroom practice.
- Provide teacher collaboration time embedded within the work day to impact practice and improve student learning.
- Increase professional development time, supported by ongoing coaching.
- Create teacher cohorts and lab classrooms as innovative models for supporting teachers.

*Fiscal Impact: \$281,567. We anticipate spending \$2,827 on substitute teachers, \$196,709 on new teacher mentoring, and expect to spend \$82,031 on professional development over the summer and in the fall.*

#### **Goal: Engage staff, parents and community members as learning partners**

- Ensure that parents and community members are engaged and informed about district and school progress.
- Consider all stakeholders as learners and provide regular learning opportunities, including Parent EdTalks and an improved online presence.
- Implement methods to engage the larger district community in student learning projects.

*Fiscal Impact: \$103,271. We anticipate spending \$12,180 for community newsletters and other communiques and translation services, and \$91,091 for consulting services.*

**Goal: Pursue new and effective learning methodologies for implementation in our schools that acknowledge the rapidly changing world in which our students live**

- Create district and school action plans for Education 3.0, a school model that will better prepare students for future learning.
- Clarify and then act upon the knowledge, skills, and dispositions we want every student to attain; identify ways to measure growth; and communicate this to all stakeholders.
- At each school creatively display proof of learning through student exhibition of work that is thoughtfully curated and highlights deep student thinking and ownership.
- Prioritize student-centered decision-making in schools and classrooms and mitigate the impact of existing adult-centered structures or systems.
- Investigate and evaluate teacher residency as a method to develop future teachers.
- Fully integrate the STEM program into all classrooms.

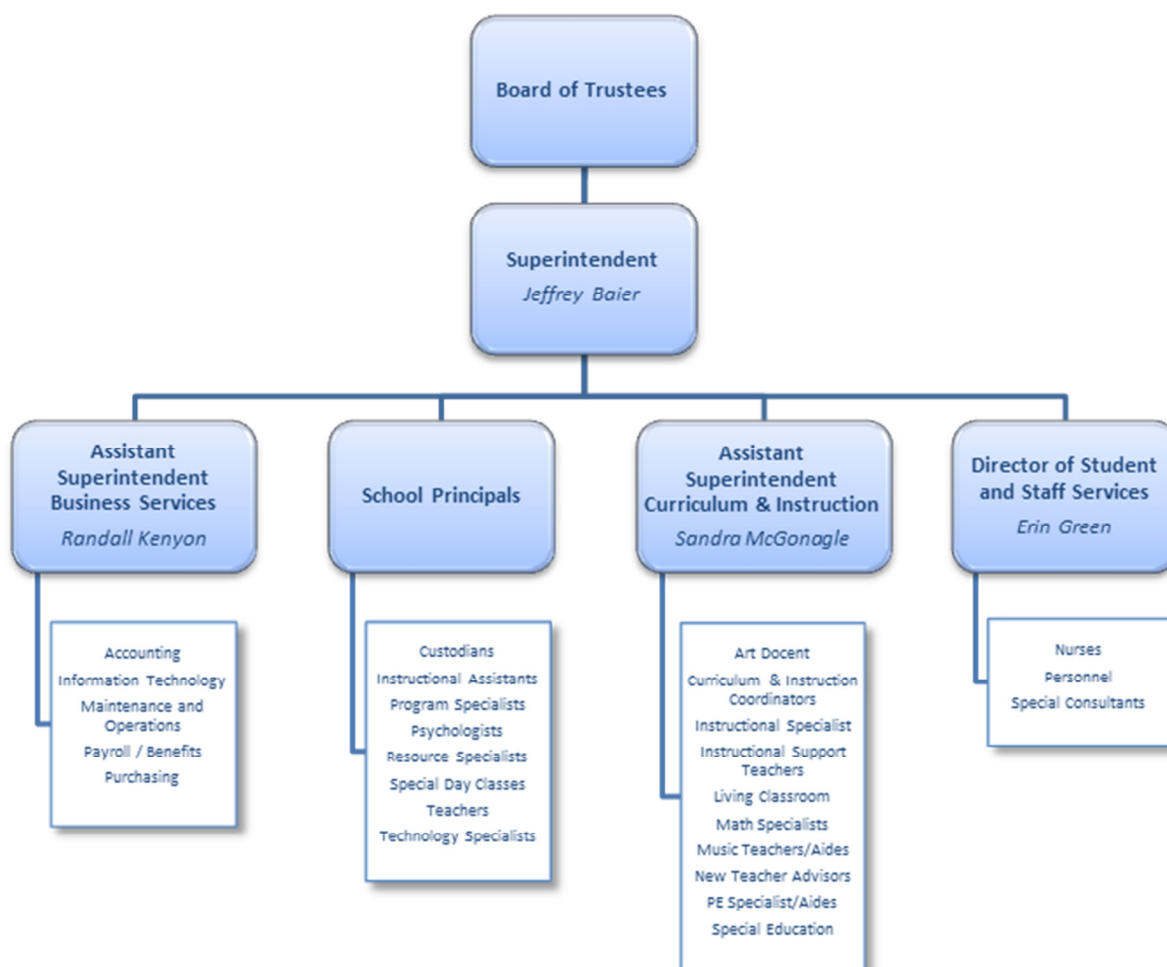
*Fiscal Impact: \$1,288,405. We expect to spend \$1,276,145 on our STEM and cSTEM programs and \$12,260 on professional development model.*

**KEY FACTORS AND ISSUES FACING THE DISTRICT**

In developing our 2017–18 budget we have taken into account some key factors that affect our finances. First and foremost is our projection of property tax revenues, as they comprise 65% of our total revenue. As a result of a continuing strong local economy we expect 6.5% growth in property taxes for the budget year, above the most recent 10 year historical average of 6%. Offsetting the influx of new revenues are increased costs for salaries as a result of movement on the salary schedule, rising health insurance costs, and state mandated increases in employer contributions to the state teachers' retirement system.

As we look beyond the budget year we have some key issues to address. We anticipate a downturn in the economy sometime within the next several years. We need to maintain a healthy reserve in the short term to protect us from program reductions in the event of revenue shortfalls during a recession. Other issues include the need to add facilities to address continued enrollment growth, the need to address other capital needs (including repairs and equipment replacement), and the continuing need to attract and retain high quality teachers in an area with a high cost of living. Our recently approved general obligation bond measure for \$150 million will help us address some of the capital issues.

LOS ALTOS SCHOOL DISTRICT ORGANIZATIONAL CHART (2017-18)



ACCOUNTING POLICIES

The district's accounting policies conform to generally accepted accounting principles as prescribed by the Governmental Accounting Standards Board (GASB) and the American Institute of Certified Public Accountants. The district accounts for its financial transactions in accordance with the policies and procedures of the California School Accounting Manual per California Education Code Section 41010.

## FUND ACCOUNTING

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The accounts of the district are organized on the basis of funds, each of which is considered to be a separate accounting entity. The operations of each fund are accounted for with a separate set of self-balancing accounts that comprise its assets, liabilities, fund equity, revenues, and expenditures. District resources are allocated to and accounted for in individual funds based upon the purpose for which they are to be spent and the means by which spending activities are controlled. The district's accounts are organized into three fund types.

The **General Fund** is the general operating fund of the district. It is used to account for all financial resources except those required to be accounted for in another fund. The General Fund is used to account for the day-to-day operations of the district. The fund is divided into two sections: unrestricted funds and restricted funds. Restricted funds are monies received by the district that are categorical in nature; i.e., they can only be used for the purposes prescribed by the funding agency. Unrestricted funds are monies available for use at the district's discretion.

**Special Revenue Funds** are used to account for the proceeds of specific revenue sources that are legally restricted to expenditures for specific purposes. The district maintains two special revenue funds:

- The **Deferred Maintenance Fund** is used for the purpose of major repair or replacement of district property.
- The **Special Reserve Fund** is used for the purpose of accumulating reserves for any economic uncertainties and to account for monies set aside for the future cost of retiree health benefits.

**Capital Project Funds** are used to account for the acquisition and/or construction of all major governmental general fixed assets. The district maintains two capital project funds:

- The **Building Fund** is used to account for funds received from the sale of property, which are designated for maintenance and capital outlay purposes, and to account for the proceeds from the sale of general obligation bonds.
- The **Capital Facilities Fund** is used to account for resources received from developer impact fees assessed under provision of the California Environmental Quality Act (CEQA).

## BASIS OF ACCOUNTING

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Basis of accounting refers to when revenues and expenditures or expenses are recognized in the accounts and reported in the financial statements. Basis of accounting relates to the timing of measurement made, regardless of the measurement focus applied.

Governmental funds are generally accounted for using the modified accrual basis of accounting. Their revenues are recognized in the accounting period in which they become both measurable and available to finance expenditures of the current fiscal period. Expenditures are recognized in the accounting period in which the liability is incurred (when goods are received or services rendered).

### ENCUMBRANCES/PURCHASE ORDERS

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Encumbrance accounting is a useful tool to assure effective budgetary control and accountability. Encumbrance accounting is used in all budgeted funds to reserve portions of applicable appropriations for which commitments have been made. Encumbrances are recorded for purchase orders, contracts, and other commitments when they are written. Encumbrances are liquidated when the commitments are paid. All encumbrances and unencumbered appropriations are liquidated on June 30.

The district will not issue purchase orders unless there are funds budgeted in the appropriate category. Purchase orders are initiated by school and district program managers and require final approval of the Assistant Superintendent for Business Services. All purchase orders are reviewed by Business Office staff for account code verification, verification that funds are available, and compliance with all district purchasing guidelines. Cash purchases, per district policy, are limited to \$100 unless there is program manager and Business Office approval to override this limit.

### FUND BALANCES

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The district classifies its fund balances in accordance with Governmental Accounting Standards Board (GASB) Statement 54—using the designations non-spendable, restricted, committed, assigned, and unassigned. The district’s reserves policy requires it to maintain a minimum unassigned fund balance of 8–10% of general fund expenditures as a reserve for economic uncertainties. During 2013–14 the board of trustees approved segregating 5% of total reserves in the Special Reserve Fund, leaving the balance in the General Fund.

### WARRANT PROCEDURES/CASH INVESTMENTS

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The district contracts with its county office for financial and payroll services. Payroll and other warrants are drawn on district funds held in the county treasury. All warrants are submitted for approval to the Assistant Superintendent for Business Services. Cash in the county treasury is invested by the County Treasurer, restricted to relatively safe investments by California Education Code Section 41015 and California Government Code Section 53601.

### REVENUE & EXPENDITURE ACCOUNTING

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Los Altos School District records revenues and expenditures in accordance with the California School Accounting Manual as prescribed by California Education Code Section 41010. Revenues are classified by fund and sources.

**Fund classifications** are shown below.

Fund Classifications	
Funds 01 to 08	General Fund
Fund 14	Deferred Maintenance Fund
Fund 17	Special Reserve Fund
Fund 21	Building/Bond Fund
Fund 25	Capital Facilities Fund



Within each fund, **revenues are classified by source** as shown below.

Revenue Classifications	
8010–8099	LCFF/Revenue Limit Sources
8100–8299	Federal Revenue
8300–8599	Other State Revenue
8600–8799	Other Local Revenue
8910–8929	Interfund Transfers In
8930–8979	Other Financing Sources
8980–8999	Contributions to Restricted Programs

**Expenditures are classified by object.** The use of object of expenditures enables consistent reporting across districts throughout the state and nation. Within each fund, the major object classifications for expenditures are as shown.

Expenditure Classifications	
1000–1999	Certificated Personnel Salaries
2000–2999	Classified Personnel Salaries
3000–3999	Employee Benefits
4000–4999	Books and Supplies
5000–5999	Services and Other Operating Expenses
6000–6999	Capital Outlay
7000–7999	Other Outgo

Under California Education Code Section 42600 expenditures cannot legally exceed appropriations by major object classifications.

## BUDGET DEVELOPMENT AND ADMINISTRATION

Preparation of the budget begins in January with the release of the Governor’s proposed budget for the State of California for the upcoming year. In that proposed budget, the Governor indicates his estimate of school revenues. We prepare a preliminary district budget based on the Governor’s proposals and take this budget to our Budget Review Committee for analysis and discussion.

The Budget Review Committee, appointed by the school board, has worked since February overseeing the development of this budget. The Budget Review Committee is a standing committee whose principal task is to advise and make recommendations to the Board of Trustees regarding budget matters. This committee initially was formed in February 1988. The committee is comprised of representatives of each constituency of the district—teachers, administrators, classified (support) staff, and the parent community.

Under the LCFF funding scheme, districts are required to prepare a 3-year budget plan (the **Local Control and Accountability Plan—LCAP**) that ties district programs and their

*Districts in California must develop a Local Control and Accountability Plan (LCAP) that provides a clear nexus between budgets and programs—with the goal of using state funds to improve instruction and student learning.*

## Los Altos School District 2017–18 Budget

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budgets to state provided funding levels. This state funding system replaces most state defined categorical program funding with funds under district control. Yet the state will monitor how funds are spent through review of the LCAP and audit of its implementation. Compliance with state spending regulations has been replaced by a system of accountability for district spending based on student progress. The state requires districts to share and review their LCAP proposals with constituents. The Budget Review Committee this year reviewed the proposed LCAP and provided recommendations to the board prior to board approval.

In May, the Governor prepares a revised estimate of revenues (May Revise). We adjust our budget projections to reflect these revisions and any other anticipated assumption changes. We then present our budget for adoption in June.

State law defines the budget adoption and monitoring process. The school board must hold a public hearing for the purpose of gathering public input on the proposed budget. After receiving that input the board must adopt a budget prior to July 1 of each year (California Education Code Section 42127). The California Department of Education requires that the annual budget be submitted on specific budget forms (SACS). These forms include established budget standards and criteria. The Los Altos School District budget complies with the state's standards and criteria.

The adopted budget is forwarded to the Santa Clara County Office of Education for review and approval. After county approval, the process is complete unless there are significant revisions needed due to the adoption of the state budget. The district continues to revise its budget several times each year as new information becomes available. If the county disapproves the district's budget, then the state Superintendent of Public Instruction is notified and outside reviewers get involved. Los Altos School District has never had a budget disapproved.

With the adoption of the budget in June, the board approves the spending plan for the coming year. The school board, by a simple majority vote, can make changes to that plan—through budget adjustments or transfers.

During the year the budget is monitored and managed in a number of ways. Financial reports are provided to program managers on a monthly basis, allowing them to keep track of their discretionary budgets and account balances. Program managers are not permitted to exceed their budgeted allocations. Board action (in the form of a resolution) is required to affect changes to the budget, either revenue or expenditure adjustments or transfers between accounts. The business office reviews all account balances on a monthly basis, notifying program managers of any potential problems. The district files interim financial reports as legally required (see below).

Budget Calendar Highlights	
<b>January</b>	Governor proposes State Budget
<b>February</b>	District prepares Preliminary Budget estimates (based on Governor's proposals) District prepares Local Control & Accountability Plan (LCAP) for budget year Budget Review Committee begins meeting
<b>March/April</b>	Superintendent prepares enrollment and staffing projections Program Managers develop program budgets LCAP shared with constituents <i>Business Office prepares capital projects budget</i>
<b>May</b>	Governor updates revenue projections (May Revise) District prepares Final Budget estimates and finalizes LCAP Budget Review Committee finalizes recommendation to School Board <i>Board reviews and approves capital projects budget</i>
<b>June</b>	School Board holds public hearings and adopts budget and budget plan (LCAP)
<b>Prior to July 1 (state law)</b>	State Budget adopted
<b>By August 15</b>	District Budget updated to reflect adopted State Budget
<i>Note: Capital projects budget timeline shown in purple.</i>	

## FISCAL ACCOUNTABILITY

California school districts are required to file two interim financial reports during the year (California Education Code Section 42130). These reports must be presented to the school board at a public meeting and require board certification and approval. The first report reflects actual data as of October 31 and must be filed within 45 days of that date. The second report reflects actual data as of January 31 and must be filed within 45 days as well. The county office reviews these reports, makes comment, and files them with the state. The reports include actual revenues and expenditures to date, revised projections for the year, a two-year future forecast, and a standards and criteria section. As part of the report, the district certifies that it is able (or unable) to meet its financial obligations in the current and two future years.

School districts are required under AB 1200 to publicly disclose the costs associated with tentative collective bargaining agreements with its employee groups. The costs must be disclosed at a public board meeting prior to final ratification of the agreement. Additionally, districts are required to notify the county office of education within 45 days after ratification of any budget revisions made necessary by the terms of that agreement.

State law (California Education Code Section 41020) requires that an independent certified public accounting firm conduct an audit of the school district each year. The results of that audit are presented to the school board at a public meeting and filed with the state controller's office. As a part of the audit, the audit firm works with district staff to compile and present the district's financial statements for the prior year. Districts are required to make adjustments to their financial records to reconcile with the financials presented by the auditor.

## Budget Development and Fiscal Accountability

### Key Points in Time for Board Review of District Budget



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#### BUDGET DEVELOPMENT GUIDELINES AND RESPONSIBILITIES

The Assistant Superintendent for Business Services has oversight responsibility for the budget and finances of the district. Individual program managers, however, are held accountable for their discretionary budgets. The following guidelines explain the district's philosophy and outline budget development methodology and program managers' responsibilities.

**Budget Requirements.** Per Board Policy 3100 the adopted budget must be compatible with the district's vision and goals. The budget must itemize all proposed expenditures and estimated revenues for the budget year, together with a comparison of revenues and expenditures for the current fiscal year. The fund balances in the budget must be classified in accordance with Governmental Accounting Standards Board (GASB) Statement 54. Under the same policy the district must have a board-approved plan to fund non-pension, other post-employment benefits (OPEB). The district's plan includes annually setting aside funds in a Special Reserve Fund to meet our actuarially determined future obligation to retirees.

**Decentralized Budgeting.** It is the intent and practice of the district to decentralize the budgeting process to the greatest degree possible. This decentralized budgeting system has been implemented in order to create greater responsiveness to student needs, to improve instruction, to bring decisions on programs closer to those who are directly responsible and concerned with the education of students, to increase staff participation in budget decisions, to make the most efficient and effective use of available funds, and to develop greater responsiveness to community and neighborhood needs.

Decentralized budgeting, while granting greater flexibility in meeting needs, also carries with it added responsibility. It is incumbent upon the program manager and his or her staff to plan wisely so that daily essential needs such as basic instructional materials, equipment, and repairs are not sacrificed for other wants.

**Program Manager Responsibilities.** Listed below are the basic responsibility guidelines that district program managers follow in developing and submitting budget proposals.

All Program Managers shall:

- Develop a program that will lead to achievement of the goals and objectives of the educational plan of their program.
- Ensure that all staff members are knowledgeable with established budget development procedures and are involved in budget development.
- Ensure that all budget proposals are available for review by all staff members and that the lay community is involved in budget review where appropriate.
- Ensure that budget development guidelines and procedures are achieved within the time schedule established.
- Ensure that expenditures required for their program, but are budgeted in other program budgets such as pupil services, are included according to budget development procedures by notifying such support service managers of their needs.
- Develop their program budgets as realistically as possible to ensure a minimum transfer of funds during the school year.
- Review tentative and final budget proposals to ensure allocations, staffing, special requests, and carryover projections are correct and complete.

**Enrollment Projections.** Enrollment projections prepared by the superintendent and chief business official are used as a basis for all expenditure and staffing allocations. Student housing also is based on these projections. They develop a preliminary projection in January, modify it in March, and finalize the enrollment projection for budget purposes in June.

**Authorized Staffing Guidelines.** The superintendent prepares allocations for district authorized staffing, based on enrollment projections. These staffing allocations are sent to all program managers. District authorized staffing is budgeted in district level budget accounts. If significant changes in enrollment occur during the first month of school, a principal may request staffing modifications.

**School Allocations.** School allocations are based on enrollment. During budget development the enrollment projections for the budget year are used to estimate the school's allocation. During the school year the allocation is adjusted to reflect the actual enrollment as of the first week of October.

**Allocation—District Level Programs.** The allocation for all district level programs is the same as approved in the budget of the previous year. Any programs or services not continuing in the budget year do not receive an allocation.

**Carryover Funds Guidelines.** All funds in program manager budgets remaining unspent at the end of the year are carried forward into the following year. This carryover is not applicable to authorized staffing funds and other district level funds. Negative ending balances are carried forward as well as positive balances. Some categorical programs (special projects) may have carryover restrictions. Program managers are encouraged to use carryover funds as a source of funding for special needs, such as replacement equipment or new equipment.

**Capital Budget Process.** Equipment needs are addressed through the normal budget development process. Program managers are required to submit their equipment requests first to the Maintenance and Operations Director. The Director in turn will review the requests with the chief business official for inclusion in the district's

## Los Altos School District 2017-18 Budget

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budget. If special needs arise during the year, a request is submitted to the chief business official and ultimately to the board.

Major capital expenditures are funded by one or more of the district's special purpose funds—the deferred maintenance fund, the building fund, or the capital facilities fund. Needs are identified every spring, costs are estimated, resources are analyzed, and the board determines which projects (if any) will be funded. Key steps are shown in the Budget Calendar Highlights on a previous page. Typically capital projects are accomplished during the summer.

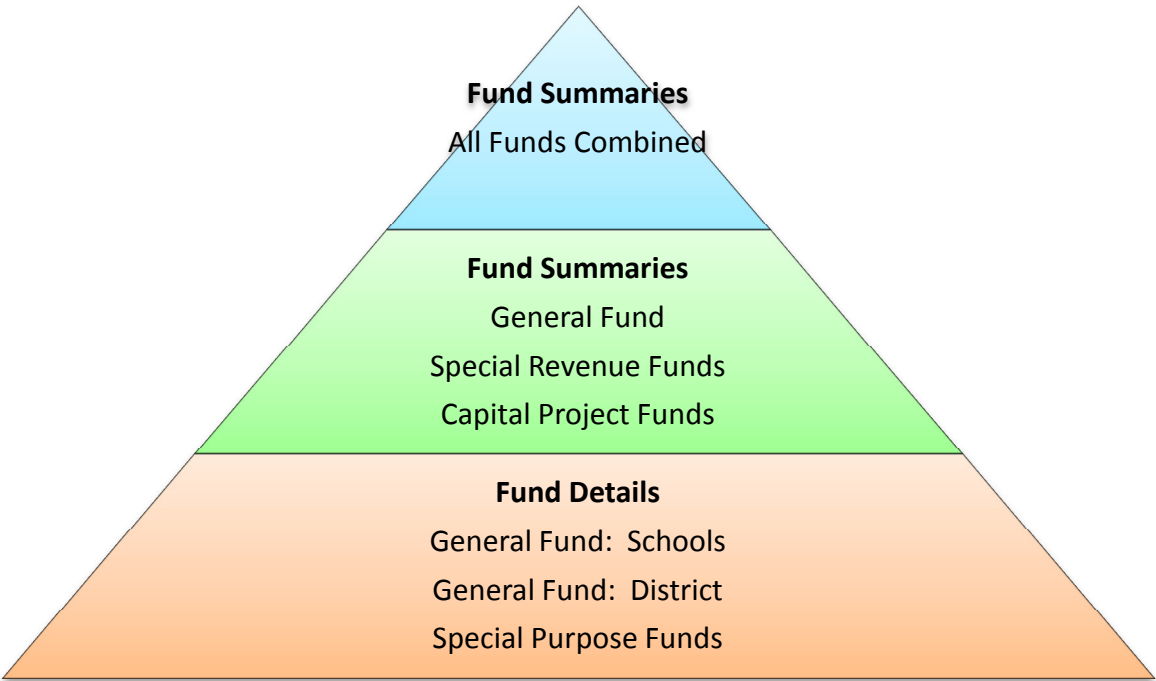
## FINANCIAL SECTION



Igniting a Passion for Learning

FINANCIAL OVERVIEW

The Financial Section is organized so that summary data is presented first, followed by detail information. Expenditures are shown both by object (category) and by function. Revenues are not accounted for by function, only by source.

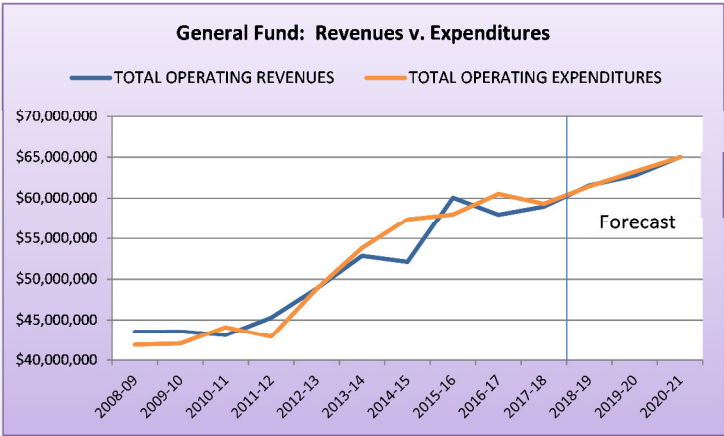


DEBT

After the presentation of Fund Details there is a section on district debt.

FUND SUMMARIES: REVENUES AND EXPENDITURES, BY OBJECT

The following tables (starting on the next page) show a three year history for each fund, as well as current and budget year projections and a three year future forecast. The first table is a summary of all governmental funds (the district has no other funds), followed by each of the individual funds.



Our future projections show operating revenues and expenditures pretty much in balance.



## ALL FUNDS

	2013-14 Actuals	2014-15 Actuals	2015-16 Actuals	2016-17 Est. Actuals	2017-18 Budget	2018-19 Forecast	2019-20 Forecast	2020-21 Forecast
<b>All Governmental Funds</b>								
<b>REVENUES</b>								
LCFF/Revenue Limit Sources	31,459,840	31,730,727	36,138,756	37,977,139	39,917,122	41,429,461	43,534,997	45,747,499
Federal Revenue	934,871	1,003,227	1,024,458	1,112,713	1,107,494	1,134,074	1,162,766	1,193,695
Other State Revenue	2,952,235	1,494,816	5,864,691	3,805,615	2,960,512	2,754,529	2,754,498	2,753,276
Other Local Revenue	18,730,607	20,579,597	18,288,116	16,118,224	16,363,561	16,354,823	16,425,004	16,472,345
Sale/Lease of Properties	192,360	197,400	280,906	295,340	302,060	309,914	317,971	326,239
GO Bonds/Transfers In From Other Funds	3,656,938	3,027,578	6,437,405	2,932,010	201,277	3,570,612	564,961	574,238
<b>TOTAL OPERATING REVENUE</b>	<b>57,926,851</b>	<b>58,033,346</b>	<b>68,034,331</b>	<b>62,241,040</b>	<b>60,852,026</b>	<b>65,553,412</b>	<b>64,760,198</b>	<b>67,067,291</b>
<b>EXPENDITURES</b>								
Certificated Salaries	23,132,798	24,731,255	24,846,783	26,301,100	26,364,575	26,518,593	26,739,733	27,039,373
Classified Salaries	7,235,259	8,138,710	8,307,382	8,890,628	9,179,301	9,290,766	9,402,987	9,516,008
Employee Benefits	9,930,036	11,211,089	13,444,409	14,270,148	15,142,407	16,762,794	18,091,403	19,311,184
Books & Supplies	2,749,958	3,624,127	2,565,920	2,443,348	1,723,379	1,634,259	1,653,375	1,678,860
Services & Other Operating Expenditures	8,572,337	8,526,380	8,600,466	9,679,396	8,031,599	8,149,591	8,274,589	8,408,299
Capital Outlay	1,433,167	3,570,590	4,827,829	2,956,277	382,854	244,073	251,194	258,867
Other Expenses and Outgo	372,639	381,415	398,217	350,884	350,884	350,884	350,884	350,884
Transfers Out To Other Funds	3,656,938	3,027,578	1,557,405	432,010	201,277	1,570,612	564,961	540,307
<b>TOTAL OPERATING EXPENDITURES</b>	<b>57,083,131</b>	<b>63,211,144</b>	<b>64,548,411</b>	<b>65,323,791</b>	<b>61,376,275</b>	<b>64,521,572</b>	<b>65,329,126</b>	<b>67,103,782</b>
<b>Revenues over (under) Expenditures</b>	<b>843,719</b>	<b>(5,177,798)</b>	<b>3,485,920</b>	<b>(3,082,750)</b>	<b>(524,249)</b>	<b>1,031,840</b>	<b>(568,928)</b>	<b>(36,490)</b>
<b>Beginning Fund Balance</b>	<b>12,010,764</b>	<b>12,807,507</b>	<b>7,629,709</b>	<b>11,115,628</b>	<b>8,032,878</b>	<b>7,508,628</b>	<b>8,540,467</b>	<b>7,971,538</b>
<b>Ending Fund Balance</b>	<b>12,854,483</b>	<b>7,629,709</b>	<b>11,115,629</b>	<b>8,032,878</b>	<b>7,508,629</b>	<b>8,540,468</b>	<b>7,971,539</b>	<b>7,935,047</b>

2014/15 includes an adjustment to Beginning Fund Balance

## GENERAL FUND

	2013-14 Actuals	2014-15 Actuals	2015-16 Actuals	2016-17 Est. Actuals	2017-18 Budget	2018-19 Forecast	2019-20 Forecast	2020-21 Forecast
<b>General Fund</b>								
<b>REVENUES</b>								
LCFF/Revenue Limit Sources	31,459,840	31,430,553	35,838,582	37,676,965	39,616,948	41,429,461	43,534,997	45,747,499
Federal Revenue	934,871	1,003,227	1,024,458	1,112,713	1,107,494	1,134,074	1,162,766	1,193,695
Other State Revenue	2,952,235	1,494,816	5,864,691	3,805,615	2,960,512	2,754,529	2,754,498	2,753,276
Other Local Revenue	17,484,905	18,166,643	17,332,712	15,378,221	15,266,894	15,252,234	15,298,252	15,347,697
Sale/Lease of Properties								
GO Bonds/Transfers In From Other Funds						1,000,000		
<b>TOTAL OPERATING REVENUE</b>	<b>52,831,850</b>	<b>52,095,239</b>	<b>60,060,443</b>	<b>57,973,514</b>	<b>58,951,848</b>	<b>61,570,298</b>	<b>62,750,513</b>	<b>65,042,167</b>
<b>EXPENDITURES</b>								
Certificated Salaries	23,132,798	24,731,255	24,846,783	26,301,100	26,364,575	26,518,593	26,739,733	27,039,373
Classified Salaries	7,235,259	8,138,710	8,307,382	8,890,628	9,179,301	9,290,766	9,402,987	9,516,008
Employee Benefits	9,930,036	11,211,089	13,444,409	14,270,148	15,142,407	16,762,794	18,091,403	19,311,184
Books & Supplies	2,628,155	3,410,006	2,486,192	2,330,305	1,610,589	1,634,259	1,653,375	1,678,860
Services & Other Operating Expenditures	6,741,926	6,104,249	6,557,215	7,564,628	6,237,472	6,355,464	6,480,462	6,614,172
Capital Outlay	111,541	382,917	403,518	393,479	236,570	244,073	251,194	258,867
Other Expenses and Outgo	372,639	381,415	398,217	350,884	350,884	350,884	350,884	350,884
Transfers Out To Other Funds	3,656,938	3,027,578	1,557,405	432,010	201,277	270,438	255,782	221,852
<b>TOTAL OPERATING EXPENDITURES</b>	<b>53,809,291</b>	<b>57,387,219</b>	<b>58,001,121</b>	<b>60,533,182</b>	<b>59,323,075</b>	<b>61,427,272</b>	<b>63,225,821</b>	<b>64,991,201</b>
<b>Revenues over (under) Expenditures</b>	<b>(977,441)</b>	<b>(5,291,980)</b>	<b>2,059,321</b>	<b>(2,559,668)</b>	<b>(371,227)</b>	<b>143,026</b>	<b>(475,308)</b>	<b>50,966</b>
<b>Beginning Fund Balance</b>	<b>8,151,002</b>	<b>7,126,587</b>	<b>1,834,607</b>	<b>3,893,928</b>	<b>1,334,260</b>	<b>963,033</b>	<b>1,106,059</b>	<b>630,751</b>
<b>Ending Fund Balance</b>	<b>7,173,563</b>	<b>1,834,607</b>	<b>3,893,928</b>	<b>1,334,260</b>	<b>963,033</b>	<b>1,106,059</b>	<b>630,751</b>	<b>681,717</b>

2014/15 includes an adjustment to Beginning Fund Balance

SPECIAL REVENUE FUNDS

Deferred Maintenance Fund	2013-14 Actuals	2014-15 Actuals	2015-16 Actuals	2016-17 Est. Actuals	2017-18 Budget	2018-19 Forecast	2019-20 Forecast	2020-21 Forecast
<b>REVENUES</b>								
LCFF/Revenue Limit Sources		300,174	300,174	300,174	300,174			
Federal Revenue								
Other State Revenue								
Other Local Revenue	1,461	1,291	1,373	1,000	1,000	1,000	1,000	1,000
Sale/Lease of Properties								
GO Bonds/Transfers In From Other Funds	300,174					300,174	309,179	318,455
<b>TOTAL OPERATING REVENUE</b>	<b>301,635</b>	<b>301,465</b>	<b>301,547</b>	<b>301,174</b>	<b>301,174</b>	<b>301,174</b>	<b>310,179</b>	<b>319,455</b>
<b>EXPENDITURES</b>								
Certificated Salaries								
Classified Salaries								
Employee Benefits								
Books & Supplies								
Services & Other Operating Expenditures	276,077	417,753	397,269	400,400	300,000	300,000	300,000	300,000
Capital Outlay	163,871	4,460						
Other Expenses and Outgo								
Transfers Out To Other Funds								
<b>TOTAL OPERATING EXPENDITURES</b>	<b>439,947</b>	<b>422,213</b>	<b>397,269</b>	<b>400,400</b>	<b>300,000</b>	<b>300,000</b>	<b>300,000</b>	<b>300,000</b>
<b>Revenues over (under) Expenditures</b>	<b>(138,313)</b>	<b>(120,748)</b>	<b>(95,722)</b>	<b>(99,226)</b>	<b>1,174</b>	<b>1,174</b>	<b>10,179</b>	<b>19,455</b>
<b>Beginning Fund Balance</b>	<b>489,833</b>	<b>351,520</b>	<b>230,772</b>	<b>135,050</b>	<b>35,824</b>	<b>36,998</b>	<b>38,172</b>	<b>48,351</b>
<b>Ending Fund Balance</b>	<b>351,520</b>	<b>230,772</b>	<b>135,050</b>	<b>35,824</b>	<b>36,998</b>	<b>38,172</b>	<b>48,351</b>	<b>67,806</b>

Special Reserve Fund	2013-14 Actuals	2014-15 Actuals	2015-16 Actuals	2016-17 Est. Actuals	2017-18 Budget	2018-19 Forecast	2019-20 Forecast	2020-21 Forecast
<b>REVENUES</b>								
LCFF/Revenue Limit Sources								
Federal Revenue								
Other State Revenue								
Other Local Revenue	12,647	16,158	27,619	35,000	35,000	35,000	35,000	35,000
Sale/Lease of Properties								
GO Bonds/Transfers In From Other Funds	2,710,564	258,372	232,405	82,010	201,277	270,438	255,782	255,783
<b>TOTAL OPERATING REVENUE</b>	<b>2,723,211</b>	<b>274,530</b>	<b>260,024</b>	<b>117,010</b>	<b>236,277</b>	<b>305,438</b>	<b>290,782</b>	<b>290,783</b>
<b>EXPENDITURES</b>								
Certificated Salaries								
Classified Salaries								
Employee Benefits								
Books & Supplies								
Services & Other Operating Expenditures								
Capital Outlay								
Other Expenses and Outgo								
Transfers Out To Other Funds						1,000,000		
<b>TOTAL OPERATING EXPENDITURES</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>1,000,000</b>	<b>0</b>	<b>0</b>
<b>Revenues over (under) Expenditures</b>	<b>2,723,211</b>	<b>274,530</b>	<b>260,024</b>	<b>117,010</b>	<b>236,277</b>	<b>(694,562)</b>	<b>290,782</b>	<b>290,783</b>
<b>Beginning Fund Balance</b>	<b>2,101,793</b>	<b>4,825,004</b>	<b>5,099,534</b>	<b>5,359,558</b>	<b>5,476,568</b>	<b>5,712,845</b>	<b>5,018,283</b>	<b>5,309,065</b>
<b>Ending Fund Balance</b>	<b>4,825,004</b>	<b>5,099,534</b>	<b>5,359,558</b>	<b>5,476,568</b>	<b>5,712,845</b>	<b>5,018,283</b>	<b>5,309,065</b>	<b>5,599,848</b>

## CAPITAL PROJECT FUNDS

Building Fund	2013-14 Actuals	2014-15 Actuals	2015-16 Actuals	2016-17 Est. Actuals	2017-18 Budget	2018-19 Forecast	2019-20 Forecast	2020-21 Forecast
<b>REVENUES</b>								
LCFF/Revenue Limit Sources								
Federal Revenue								
Other State Revenue								
Other Local Revenue	625,512	1,802,644	9,230	48,736	5,400	9,445	30,329	23,493
Sale/Lease of Properties	192,360	197,400	280,906	295,340	302,060	309,914	317,971	326,239
GO Bonds/Transfers In From Other Funds	146,200	869,206	5,655,000	2,500,000		2,000,000		
<b>TOTAL OPERATING REVENUE</b>	<b>964,072</b>	<b>2,869,250</b>	<b>5,945,136</b>	<b>2,844,076</b>	<b>307,460</b>	<b>2,319,359</b>	<b>348,301</b>	<b>349,731</b>
<b>EXPENDITURES</b>								
Certificated Salaries								
Classified Salaries								
Employee Benefits								
Books & Supplies		97,684	3,795	50,088	50,088			
Services & Other Operating Expenditures	579,371	893,132	643,264	658,365	527,465	527,465	527,465	527,465
Capital Outlay	89,159	1,915,312	4,273,951	2,441,514	140,000			
Other Expenses and Outgo								
Transfers Out To Other Funds						300,174	309,179	318,455
<b>TOTAL OPERATING EXPENDITURES</b>	<b>668,530</b>	<b>2,906,128</b>	<b>4,921,009</b>	<b>3,149,967</b>	<b>717,553</b>	<b>827,639</b>	<b>836,644</b>	<b>845,920</b>
<b>Revenues over (under) Expenditures</b>	<b>295,542</b>	<b>(36,878)</b>	<b>1,024,127</b>	<b>(305,891)</b>	<b>(410,093)</b>	<b>1,491,720</b>	<b>(488,344)</b>	<b>(496,188)</b>
<b>Beginning Fund Balance</b>	<b>107,856</b>	<b>403,398</b>	<b>366,520</b>	<b>1,390,646</b>	<b>1,084,755</b>	<b>674,662</b>	<b>2,166,382</b>	<b>1,678,039</b>
<b>Ending Fund Balance</b>	<b>403,398</b>	<b>366,520</b>	<b>1,390,646</b>	<b>1,084,755</b>	<b>674,662</b>	<b>2,166,382</b>	<b>1,678,039</b>	<b>1,181,850</b>

Capital Facilities Fund	2013-14 Actuals	2014-15 Actuals	2015-16 Actuals	2016-17 Est. Actuals	2017-18 Budget	2018-19 Forecast	2019-20 Forecast	2020-21 Forecast
<b>REVENUES</b>								
LCFF/Revenue Limit Sources								
Federal Revenue								
Other State Revenue								
Other Local Revenue	606,083	592,861	917,182	655,267	1,055,267	1,057,144	1,060,423	1,065,156
Sale/Lease of Properties								
GO Bonds/Transfers In From Other Funds	500,000	1,900,000	550,000	350,000				
<b>TOTAL OPERATING REVENUE</b>	<b>1,106,083</b>	<b>2,492,861</b>	<b>1,467,182</b>	<b>1,005,267</b>	<b>1,055,267</b>	<b>1,057,144</b>	<b>1,060,423</b>	<b>1,065,156</b>
<b>EXPENDITURES</b>								
Certificated Salaries								
Classified Salaries								
Employee Benefits								
Books & Supplies	121,803	116,437	75,934	62,955	62,702			
Services & Other Operating Expenditures	974,964	1,111,246	1,002,718	1,056,003	966,662	966,662	966,662	966,662
Capital Outlay	1,068,596	1,267,901	150,360	121,284	6,284			
Other Expenses and Outgo								
Transfers Out To Other Funds								
<b>TOTAL OPERATING EXPENDITURES</b>	<b>2,165,363</b>	<b>2,495,583</b>	<b>1,229,012</b>	<b>1,240,242</b>	<b>1,035,648</b>	<b>966,662</b>	<b>966,662</b>	<b>966,662</b>
<b>Revenues over (under) Expenditures</b>	<b>(1,059,281)</b>	<b>(2,722)</b>	<b>238,170</b>	<b>(234,975)</b>	<b>19,619</b>	<b>90,482</b>	<b>93,761</b>	<b>98,494</b>
<b>Beginning Fund Balance</b>	<b>1,160,279</b>	<b>100,999</b>	<b>98,277</b>	<b>336,447</b>	<b>101,472</b>	<b>121,090</b>	<b>211,572</b>	<b>305,333</b>
<b>Ending Fund Balance</b>	<b>100,999</b>	<b>98,277</b>	<b>336,447</b>	<b>101,472</b>	<b>121,090</b>	<b>211,572</b>	<b>305,333</b>	<b>403,826</b>

## EXPENDITURES BY FUNCTION, ALL FUNDS

In this section we show expenditures by function for all funds, followed by General Fund expenditures by function in more detail.

Function	General Fund	Deferred Maintenance Fund	Building Fund	Capital Facilities Fund	Total, All Funds
Instruction	\$ 38,261,002	\$ -	\$ -	\$ -	\$ 38,261,002
Instruction Related Services	\$ 6,485,278	\$ -	\$ -	\$ -	\$ 6,485,278
Pupil Services	\$ 3,797,455	\$ -	\$ -	\$ -	\$ 3,797,455
General Administration	\$ 3,941,744	\$ -	\$ -	\$ -	\$ 3,941,744
Plant Services	\$ 6,070,822	\$ 300,000	\$ 717,553	\$ 1,035,648	\$ 8,124,023
Other Outgo	\$ 766,774	\$ -	\$ -	\$ -	\$ 766,774
	\$ 59,323,075	\$ 300,000	\$ 717,553	\$ 1,035,648	\$ 61,376,275

## GENERAL OPERATING EXPENDITURES, BY FUNCTION

Our operating budget for 2017–18 totals just over \$59.3 million. With a projected enrollment of 4,538 students and an average class size (including special program classes) of 25 students, we are spending about \$266,000 per classroom. The table below shows how that investment is used in each classroom.

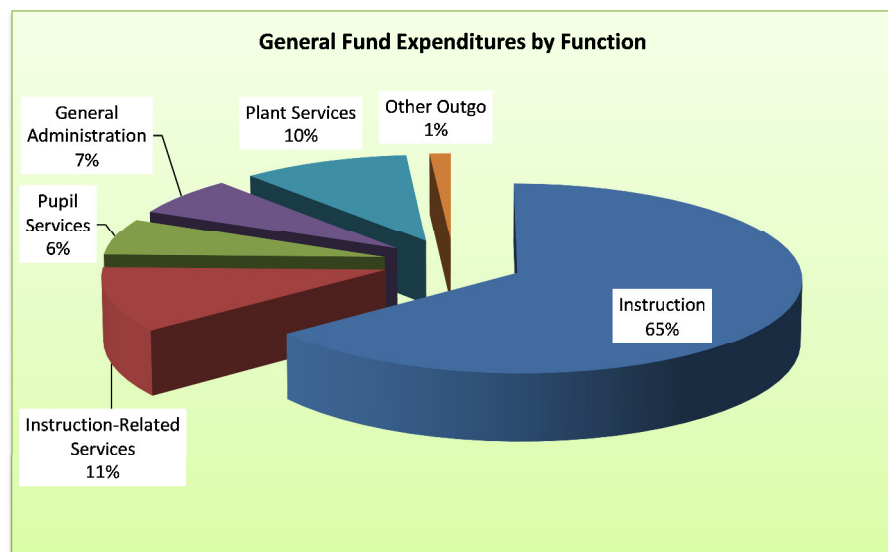
**Instruction.** 64% (\$171,485 per classroom) of our total spending goes for regular and special education classroom teachers and teacher aides. The average teacher costs \$116,521. In addition to that cost, this category includes the cost of teacher aides, substitutes, textbooks, and classroom equipment and supplies.

**Instruction-Related Services.** \$29,067 per classroom or 11% of our money pays for school administration (principals, secretaries, and office supplies) and for improving teaching. Improving teaching includes the cost of professional development of our teachers, mentor teachers, curriculum, and library services.

**Pupil Services.** 6% of our money goes for direct non-instructional services to students. The cost of counselors, psychologists, health and speech services, and pupil transportation are included here.

**General Administration.** 7% of our spending is for running the system. General administration includes costs for Personnel, the superintendent's office, pupil services administration, legal services, and business operations (insurance, printing, data processing, payroll, and bookkeeping).

**Plant Services.** 10% of our money pays for the cleaning and upkeep of our schools. We pay for custodians, our



maintenance and grounds crew, alarm systems, and utilities. Utilities alone cost around \$1 million.

**Other Outgo.** Other outgo, which includes debt service, interest on our Tax Revenue and Anticipation Notes (TRANS), and transfers to other funds comprises the final 1% of our spending.

2017-18 General Fund Expenditures By Function					
	Cost	% of Total	Cost per Classroom	Cost per Student	
Instruction	\$ 38,261,002	64%	\$ 171,485	\$ 8,431	
Instruction-Related Services	\$ 6,485,278	11%	\$ 29,067	\$ 1,429	
Pupil Services	\$ 3,797,455	6%	\$ 17,020	\$ 837	
General Administration	\$ 3,941,744	7%	\$ 17,667	\$ 869	
Plant Services	\$ 6,070,822	10%	\$ 27,209	\$ 1,338	
Other Outgo	\$ 766,774	1%	\$ 3,437	\$ 169	
<b>total</b>	<b>\$ 59,323,075</b>	<b>100%</b>	<b>\$ 265,884</b>	<b>\$ 13,073</b>	
<i>Based on 223 classrooms and 4,538 students.</i>					

## REVENUE AND EXPENDITURE TRENDS

The following table shows General Fund revenue and expenditure trends by component (object category).

### REVENUES

**LCFF/Revenue Limit Sources.** This category represents the state guarantee of funding, made up of local property taxes and state aid. Growth in property tax revenues is the single biggest driver of our revenues. When property taxes exceed the guarantee districts get to keep the excess and are considered "community funded" districts. We have been a community funded district since 2008–09.

**Federal.** We receive federal funding for special education and disadvantaged students.

**Other State.** All state funding, except for the LCFF/revenue limit guarantee, is recorded in this category. What little funding we get is restricted in purpose, with the exception of lottery revenues.

**Other Local.** We receive significantly more local revenue than most districts in California, due to community support through PTAs, our education foundation, and our two parcel taxes. This revenue category also includes state special education funding, which flows through our local special education consortium, as well as interest earnings and lease and fee revenues.

### EXPENDITURES

**Employee Compensation.** Employee compensation consumes 80—85% of our operating budget. Fluctuations result primarily from staffing reductions due to diminished funding or from staffing changes to accommodate changes in enrollment. Salary costs for teachers and other certificated employees, as well as salary costs for non-certificated (classified) employees, have remained a fairly consistent share of our total spending. Benefit costs have been moderated by employee concessions at the bargaining table. However, future health benefit

## Los Altos School District 2017–18 Budget

increases are projected at 7.5% per year. Per recent changes in state law, contributions to employee retirement plans increase significantly every year starting in 2014–15.

**Non-Personnel Costs.** The proportionate share of costs for goods and services has remained fairly constant over time. Spending on books, supplies, and other instructional materials and equipment reflects program manager decisions as well as available resources. Transfers to other funds include monies deposited into a Special Reserve Fund reflecting our liability for future retiree health benefit payments and to create a separate reserve for economic uncertainties. Additional transfers have been made to replenish our capital funds.

General Fund	2013-14 Actuals	2014-15 Actuals	2015-16 Actuals	2016-17 Est. Actuals	2017-18 Budget	2018-19 Forecast	2019-20 Forecast	2020-21 Forecast
<b>REVENUES</b>								
LCFF/Revenue Limit Sources	59.5%	60.3%	59.7%	65.0%	67.2%	67.3%	69.4%	70.3%
Federal Revenue	1.8%	1.9%	1.7%	1.9%	1.9%	1.8%	1.9%	1.8%
Other State Revenue	5.6%	2.9%	9.8%	6.6%	5.0%	4.5%	4.4%	4.2%
Other Local Revenue	33.1%	34.9%	28.9%	26.5%	25.9%	24.8%	24.4%	23.6%
<b>TOTAL OPERATING REVENUE</b>	<b>100.0%</b>	<b>100.0%</b>	<b>100.0%</b>	<b>100.0%</b>	<b>100.0%</b>	<b>100.0%</b>	<b>100.0%</b>	<b>100.0%</b>
<b>EXPENSES</b>								
Certificated Salaries	43.0%	43.1%	42.8%	43.4%	44.4%	43.2%	42.3%	41.6%
Classified Salaries	13.4%	14.2%	14.3%	14.7%	15.5%	15.1%	14.9%	14.6%
Employee Benefits	18.5%	19.5%	23.2%	23.6%	25.5%	27.3%	28.6%	29.7%
Books & Supplies	4.9%	5.9%	4.3%	3.8%	2.7%	2.7%	2.6%	2.6%
Services & Other Operating Expenditures	12.5%	10.6%	11.3%	12.5%	10.5%	10.3%	10.2%	10.2%
Capital Outlay	0.2%	0.7%	0.7%	0.7%	0.4%	0.4%	0.4%	0.4%
Other Expenses and Outgo	0.7%	0.7%	0.7%	0.6%	0.6%	0.6%	0.6%	0.5%
Transfers Out To Other Funds	6.8%	5.3%	2.7%	0.7%	0.3%	0.4%	0.4%	0.3%
<b>TOTAL OPERATING EXPENDITURES</b>	<b>100.0%</b>	<b>100.0%</b>	<b>100.0%</b>	<b>100.0%</b>	<b>100.0%</b>	<b>100.0%</b>	<b>100.0%</b>	<b>100.0%</b>

## BUDGET DETAILS

On the following pages we present expenditure information in more detail. We begin with General Fund information broken down by site (school and district programs). Following that we show expenditure information for our special purpose funds, concluding with a section on debt.

## GENERAL FUND EXPENDITURES

### SCHOOL PROGRAMS

The following section details information about each of our schools and shows budgeted expenditures as well as prior years' experience.

General Fund Budgets Detail	2017-18 Expenditures
<b>School Programs</b>	
<b>Elementary</b>	
Almond	3,879,696
Gardner Bullis	2,651,498
Covington	4,692,762
Loyola	3,734,657
Oak	3,415,549
Santa Rita	4,895,339
Springer	4,321,974
<b>Intermediate</b>	
Blach	4,485,562
Egan	4,985,577
<b>Total, School Programs</b>	<b>37,062,614</b>
<b>District Programs</b>	<b>20,766,737</b>
<b>Grand Total</b>	<b>57,829,351</b>
<i>Excludes 1,493,724 (Offset to state on-behalf contribution to STRS)</i>	

ELEMENTARY SCHOOLS (GRADES K THROUGH 6)

Our district is characterized by small neighborhood schools. The projected average school size is 483 students, ranging from a low of 346 (Gardner Bullis) to a high of 587 (Covington).

The elementary school program is pretty much standard from school to school. Students are taught in self-contained classrooms, following a strong district adopted curriculum. There are no magnets or special schools in the district. Students get opportunities outside of the classroom in music, physical education, computers, and art. Each school has a STEM lab with a credentialed teacher leading the students in the labs. Each school has its own web site, created by parents and maintained by students and parents.

School staffing is provided centrally. In addition, our elementary schools normally receive a general purpose discretionary allocation of \$55 per student. Each school has a special education resource specialist. Special education special day classes are housed at Covington, Loyola, Santa Rita and Springer Schools, serving elementary students from around the district. Transitional Kindergarten classes, serving students across the district, are housed at Almond, Santa Rita, and Springer.

All the district's elementary schools have received recognition as California Distinguished Schools. Gardner Bullis School (when it was Bullis-Purissima), Oak School, and Santa Rita School additionally have been recognized as National Blue Ribbon schools.

School	Enrollment by Grade										Total
	TK/K	1	2	3	4	5	6	7	8	SDC	
Almond Elementary	86	71	53	71	91	74	89				535
Gardner Bullis Elementary	48	42	48	49	51	53	55				346
Covington Elementary	77	65	95	63	101	80	86			20	587
Loyola Elementary	49	51	47	68	49	67	64			15	410
Oak Elementary	54	47	53	74	74	68	60				430
Santa Rita Elementary	106	72	79	70	74	78	77			9	565
Springer Elementary	89	59	61	60	75	63	85			15	507
Blach Intermediate								261	250	16	527
Egan Intermediate								304	320	7	631
<b>TOTAL</b>	<b>509</b>	<b>407</b>	<b>436</b>	<b>455</b>	<b>515</b>	<b>483</b>	<b>516</b>	<b>565</b>	<b>570</b>	<b>82</b>	<b>4,538</b>
<i>SDC = Special Day Class students (multi-grade)</i>											

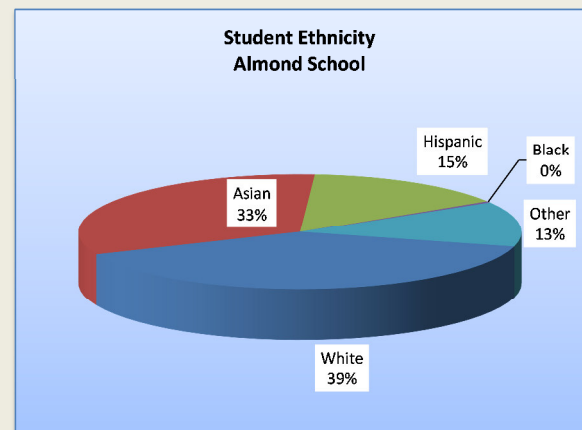
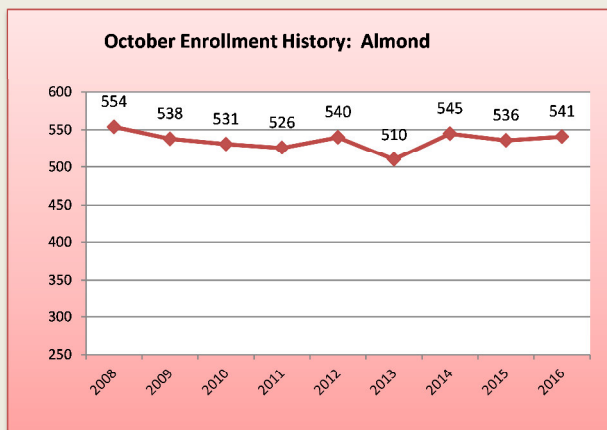




## Almond School (K-6)

- A California Distinguished School
- 550 Almond Avenue, Los Altos
- [www.almondschool.org](http://www.almondschool.org)
- Enrollment: 535
- Principal: Erika Benadom
- Site Acreage: 9.94 acres
- Teachers, Regular: 21.0 FTE
- Teachers, Other: 3.0 FTE
- Discretionary Allocation: \$55 per student
- Building SF: 42,987

Almond School is located on the north side of the district. Students attending Almond feed into Egan Intermediate School and then into Los Altos High School (in Mountain View-Los Altos High School District). Demographic and performance data for the school are shown below and on the following page. Budget information starts on the succeeding page.



Empower our students to OWN their learning in a collaborative community.

## ACHIEVEMENT TEST RESULTS: ALMOND SCHOOL

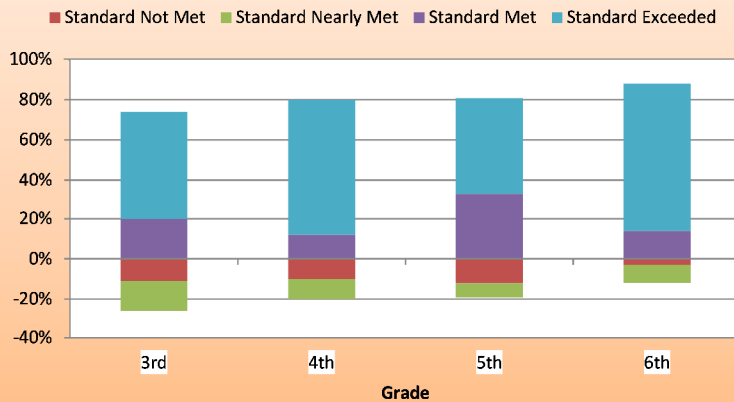
The state's Smarter Balanced Assessment System utilizes computer-adaptive tests and performance tasks that allow students to show what they know and are able to do. This system is based on the Common Core State

Standards for English language arts/literacy (ELA) and mathematics.

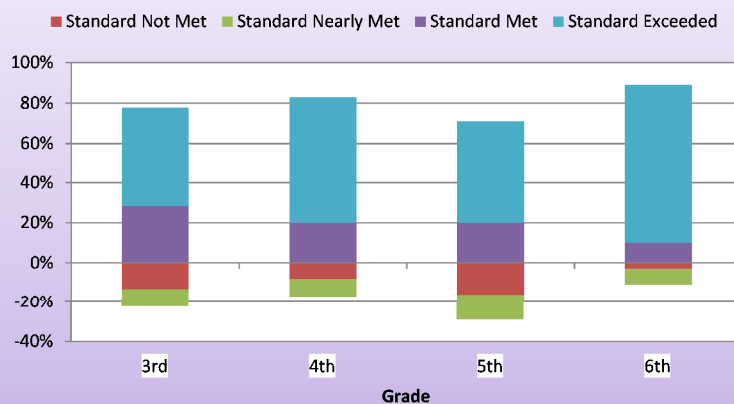
The accompanying test results show how our students performed as measured against state standards in the areas of English Language Arts and Mathematics. The charts show Standard Met and Standard Exceeded above the 0% line and Standard Nearly Met and Standard Not Met below the 0% line.

Below those test results we show the most recent results on the California Standards Test in Science, which is only given in certain grades (5<sup>th</sup> and 8<sup>th</sup>). The scoring differs from the Smarter Balanced tests in that student performance is rated as at the basic level or above or below basic. We highlight the % of students scoring at proficient or advanced levels.

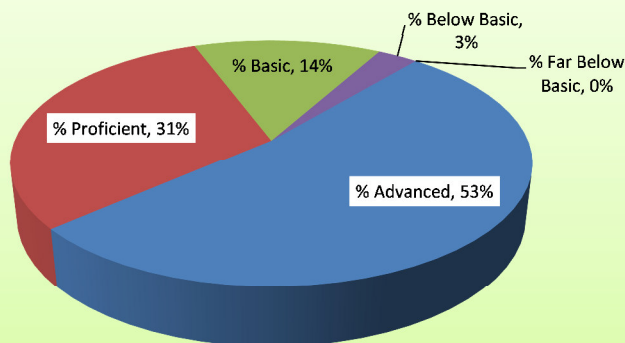
**2016 Smarter Balanced Test Results: English Language Arts**



**2016 Smarter Balanced Test Results: Mathematics**



**2016 California Standards Test Scores: Science (Grade 5 Only)**



**ALMOND SCHOOL    Los Altos School District 2017-18 Budget**

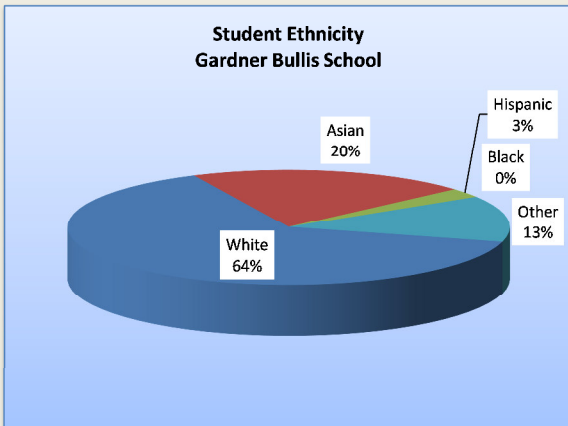
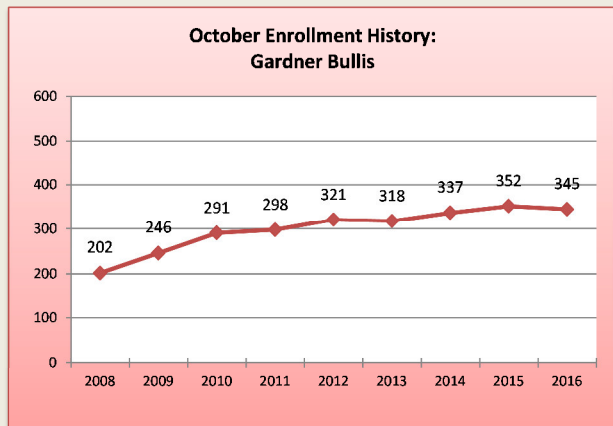
	<b>Actuals 2013-14</b>	<b>Actuals 2014-15</b>	<b>Actuals 2015-16</b>	<b>Est. Actuals 2016-17</b>	<b>Adopted 2017-18</b>	<b>Budget FTE 2017-18</b>
<b><u>1000 - Instruction</u></b>						
1 - Certificated Salaries	1,752,299	1,896,696	1,955,545	1,993,315	1,994,708	23.000
2 - Classified Salaries	30,923	61,745	59,586	104,160	124,348	3.944
3 - Benefits	522,776	616,229	653,416	674,048	733,944	
4 - Supplies	175,937	183,605	234,971	110,250	25,120	
5 - Services	24,702	39,613	77,400	14,800	14,000	
6 - Capital		25,918		1,000	1,000	
<b>1000 - Instruction</b>	<b>2,506,636</b>	<b>2,823,804</b>	<b>2,980,918</b>	<b>2,897,573</b>	<b>2,893,120</b>	<b>26.944</b>
<b><u>1120 - Special Ed.: Resources Specialist</u></b>						
1 - Certificated Salaries	82,003	83,931	72,506	67,295	71,263	1.000
2 - Classified Salaries	62,879	64,349	60,738	55,293	56,628	1.356
3 - Benefits	42,765	46,453	44,686	43,145	47,202	
<b>1120 - Special Ed.: Resources Specialist</b>	<b>187,646</b>	<b>194,733</b>	<b>177,930</b>	<b>165,733</b>	<b>175,093</b>	<b>2.356</b>
<b><u>1130 - Special Ed.: Supplemental Aids &amp; Services</u></b>						
2 - Classified Salaries	61,281	38,095	57,237	36,144	34,763	0.813
3 - Benefits	36,979	18,540	21,550	16,478	16,907	
<b>1130 - Special Ed.: Supplemental Aids &amp; Services</b>	<b>98,260</b>	<b>56,635</b>	<b>78,786</b>	<b>52,622</b>	<b>51,670</b>	<b>0.813</b>
<b><u>2420 - Instructional Library, Media, &amp; Technology</u></b>						
2 - Classified Salaries	62,441	66,422	69,394	75,973	75,593	1.375
3 - Benefits	18,324	13,687	14,143	15,267	15,931	
6 - Capital				2,192	2,140	
<b>2420 - Instructional Library, Media, &amp; Technology</b>	<b>80,766</b>	<b>80,110</b>	<b>83,536</b>	<b>93,432</b>	<b>93,664</b>	<b>1.375</b>
<b><u>2700 - School Administration</u></b>						
1 - Certificated Salaries	124,312	132,203	138,408	153,376	153,376	1.000
2 - Classified Salaries	68,054	71,223	71,767	85,725	85,021	1.625
3 - Benefits	73,015	77,974	85,211	95,666	102,040	
4 - Supplies				548	535	
5 - Services	2,750	2,750	2,750	6,250	6,250	
<b>2700 - School Administration</b>	<b>268,131</b>	<b>284,150</b>	<b>298,135</b>	<b>341,565</b>	<b>347,222</b>	<b>2.625</b>
<b><u>3120 - Psychological Services</u></b>						
1 - Certificated Salaries	74,181	94,684	88,285	98,790	103,890	1.000
3 - Benefits	24,382	31,518	32,446	35,942	39,200	
<b>3120 - Psychological Services</b>	<b>98,563</b>	<b>126,202</b>	<b>120,731</b>	<b>134,732</b>	<b>143,090</b>	<b>1.000</b>
<b><u>3900 - Other Pupil Services</u></b>						
2 - Classified Salaries	12,924	30,112	29,617	18,480	20,276	0.700
3 - Benefits	4,611	8,431	7,854	7,162	8,887	
<b>3900 - Other Pupil Services</b>	<b>17,535</b>	<b>38,543</b>	<b>37,471</b>	<b>25,642</b>	<b>29,163</b>	<b>0.700</b>
<b><u>8200 - Operations</u></b>						
2 - Classified Salaries	74,978	68,831	72,080	87,565	91,409	1.500
3 - Benefits	43,580	42,332	44,227	46,540	46,315	
4 - Supplies	5,430	6,665	8,505	5,480	5,350	
5 - Services	3,043	3,101	2,018	3,600	3,600	
<b>8200 - Operations</b>	<b>127,031</b>	<b>120,929</b>	<b>126,830</b>	<b>143,185</b>	<b>146,674</b>	<b>1.500</b>
<b>Grand Total</b>	<b>3,384,568</b>	<b>3,725,106</b>	<b>3,904,338</b>	<b>3,854,484</b>	<b>3,879,696</b>	<b>37.313</b>



### Gardner Bullis School (K-6)

- A California Distinguished School
- National Blue Ribbon School
- 25890 Fremont Road, Los Altos Hills
- [www.gardnerbullis.org](http://www.gardnerbullis.org)
- Enrollment: 346
- Principal: Nadia Oskolkoff
- Site Acreage: 9.97 acres
- Teachers, Regular: 14.0 FTE
- Teachers, Other: 2.0 FTE
- Discretionary Allocation: \$55 per student
- Building SF: 31,948

Gardner Bullis School (formerly Bullis-Purissima) is located on the north side of the district. Students attending Gardner Bullis feed into Egan Intermediate School and then into Los Altos High School (in Mountain View-Los Altos High School District). Demographic and performance data for the school are shown below and on the following page. Budget information starts on the succeeding page.



It is the mission of Gardner Bullis School to personalize learning and to engage all students through creative and innovative experiences to foster lifelong learning, global citizenship, and a growth mindset. With the support of our diverse community, we provide a safe, welcoming, and supportive environment through open communication, collaboration, and mutual respect.

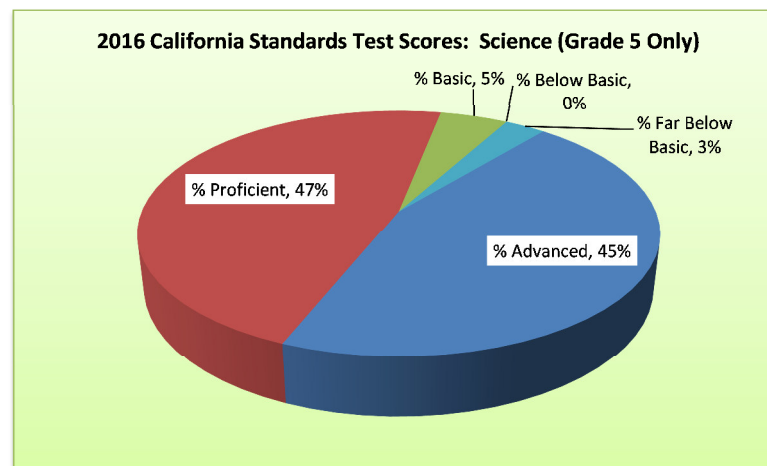
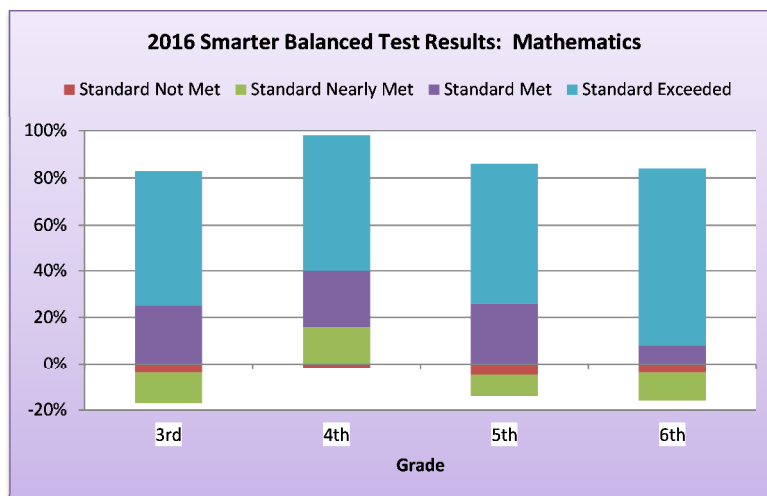
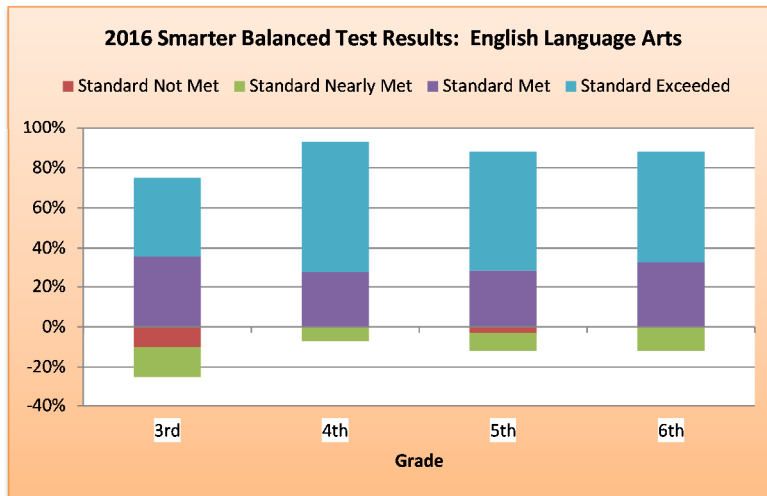
## ACHIEVEMENT TEST RESULTS: GARDNER BULLIS SCHOOL

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Standards for English language arts/literacy (ELA) and mathematics.

The accompanying test results show how our students performed as measured against state standards in the areas of English Language Arts and Mathematics. The charts show Standard Met and Standard Exceeded above the 0% line and Standard Nearly Met and Standard Not Met below the 0% line.

Below those test results we show the most recent results on the California Standards Test in Science, which is only given in certain grades (5th and 8th). The scoring differs from the Smarter Balanced tests in that student performance is rated as at the basic level or above or below basic. We highlight the % of students scoring at proficient or advanced levels.



Los Altos School District 2017-18 Budget **GARDNER BULLIS SCHOOL**

	<b>Actuals 2013-14</b>	<b>Actuals 2014-15</b>	<b>Actuals 2015-16</b>	<b>Est. Actuals 2016-17</b>	<b>Adopted 2017-18</b>	<b>Budget FTE 2017-18</b>
<b><u>1000 - Instruction</u></b>						
1 - Certificated Salaries	1,197,221	1,242,564	1,288,842	1,266,681	1,169,526	15.000
2 - Classified Salaries	32,191	57,214	47,767	57,516	58,335	1.638
3 - Benefits	326,439	366,161	383,749	421,679	419,868	
4 - Supplies	214,945	343,097	165,650	30,481	16,050	
5 - Services	62,466	28,046	30,644	13,300	10,300	
6 - Capital	25,121	9,510		1,000	1,000	
<b>1000 - Instruction</b>	<b>1,858,383</b>	<b>2,046,592</b>	<b>1,916,653</b>	<b>1,790,657</b>	<b>1,675,079</b>	<b>16.638</b>
<b><u>1110 - Special Ed.: Separate Classes</u></b>						
2 - Classified Salaries	238	2,881		28,903	29,100	0.688
3 - Benefits	22	704	3	23,785	25,225	
<b>1110 - Special Ed.: Separate Classes</b>	<b>259</b>	<b>3,585</b>	<b>3</b>	<b>52,688</b>	<b>54,325</b>	<b>0.688</b>
<b><u>1120 - Special Ed.: Resources Specialist</u></b>						
1 - Certificated Salaries	64,253	69,495	52,732	63,391	67,136	1.000
2 - Classified Salaries	76,245	56,923	74,925	68,941	70,216	1.666
3 - Benefits	70,857	60,163	75,124	74,430	79,970	
<b>1120 - Special Ed.: Resources Specialist</b>	<b>211,355</b>	<b>186,581</b>	<b>202,780</b>	<b>206,762</b>	<b>217,322</b>	<b>2.666</b>
<b><u>1130 - Special Ed.: Supplemental Aids &amp; Services</u></b>						
2 - Classified Salaries	2,189	39,511	17,373			
3 - Benefits	1,569	18,705	13,505			
<b>1130 - Special Ed.: Supplemental Aids &amp; Services</b>	<b>3,759</b>	<b>58,216</b>	<b>30,878</b>			
<b><u>2420 - Instructional Library, Media, &amp; Technology</u></b>						
2 - Classified Salaries	55,877	59,500	62,316	75,974	76,262	1.380
3 - Benefits	13,377	15,621	16,489	19,394	20,724	
6 - Capital				1,428	1,384	
<b>2420 - Instructional Library, Media, &amp; Technology</b>	<b>69,253</b>	<b>75,121</b>	<b>78,804</b>	<b>96,796</b>	<b>98,370</b>	<b>1.380</b>
<b><u>2700 - School Administration</u></b>						
1 - Certificated Salaries	127,744	121,223	125,740	138,476	142,977	1.000
2 - Classified Salaries	67,291	69,545	68,732	80,179	79,603	1.500
3 - Benefits	64,550	64,158	64,690	81,565	88,504	
4 - Supplies			1,882			
5 - Services	2,750	2,750	2,750	2,750	2,750	
<b>2700 - School Administration</b>	<b>262,336</b>	<b>257,676</b>	<b>263,794</b>	<b>302,970</b>	<b>313,834</b>	<b>2.500</b>
<b><u>3120 - Psychological Services</u></b>						
1 - Certificated Salaries	94,071	102,959	109,482	116,191	116,191	1.000
3 - Benefits	24,665	20,929	25,439	28,435	30,823	
<b>3120 - Psychological Services</b>	<b>118,736</b>	<b>123,888</b>	<b>134,921</b>	<b>144,626</b>	<b>147,014</b>	<b>1.000</b>
<b><u>3900 - Other Pupil Services</u></b>						
2 - Classified Salaries	12,065	18,855	15,630	6,529	6,529	0.225
3 - Benefits	3,124	5,162	4,641	2,949	3,119	
<b>3900 - Other Pupil Services</b>	<b>15,189</b>	<b>24,017</b>	<b>20,271</b>	<b>9,478</b>	<b>9,648</b>	<b>0.225</b>
<b><u>8200 - Operations</u></b>						
2 - Classified Salaries	64,383	78,587	78,659	85,946	86,334	1.438
3 - Benefits	27,884	34,092	33,100	38,152	40,112	
4 - Supplies	3,856	4,660	3,538	5,970	5,860	
5 - Services	2,786	1,324	3,214	3,600	3,600	
<b>8200 - Operations</b>	<b>98,910</b>	<b>118,663</b>	<b>118,512</b>	<b>133,668</b>	<b>135,906</b>	<b>1.438</b>
<b><u>8500 - Facilities Acquisition &amp; Construction</u></b>						
5 - Services	40,105					
6 - Capital		116,000	174,400			
<b>8500 - Facilities Acquisition &amp; Construction</b>	<b>40,105</b>	<b>116,000</b>	<b>174,400</b>			
<b>Grand Total</b>	<b>2,678,284</b>	<b>3,010,340</b>	<b>2,941,016</b>	<b>2,737,645</b>	<b>2,651,498</b>	<b>26.534</b>

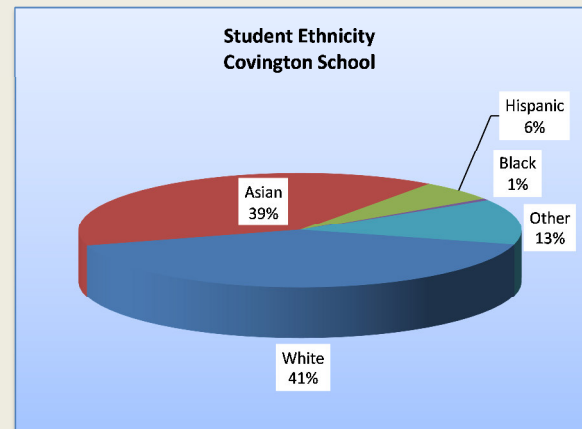
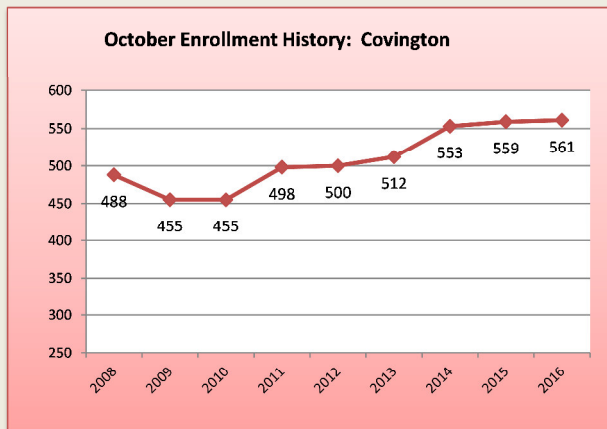




## Covington School (K-6)

- A California Distinguished School
- 205 Covington Road, Los Altos
- [www.covingtonschool.org](http://www.covingtonschool.org)
- Enrollment: 587
- Principal: Wade Spenader
- Site Acreage: 15.43 acres
- Teachers, Regular: 24.0 FTE
- Teachers, Other: 6.1 FTE
- Discretionary Allocation: \$55 per student
- Building SF: 51,704

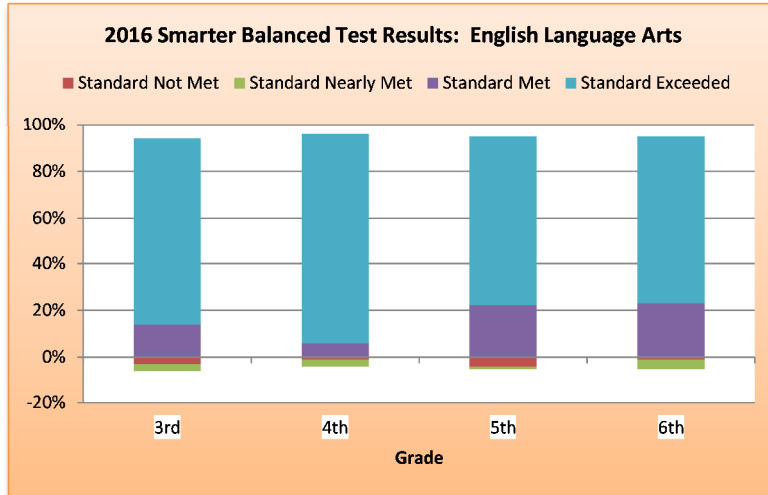
Covington School is located in the center of the district. Students attending Covington feed into either Blach or Egan Intermediate School and then into Los Altos or Mountain View High Schools (in Mountain View-Los Altos High School District). Demographic and performance data for the school are shown below and on the following page. Budget information starts on the succeeding page.



Covington Elementary commits to a high level of learning for every student and adult. Together we foster a safe culture, where we learn actively and collaboratively, think creatively and critically, develop perseverance, live respectfully and responsibly, and contribute positively to our diverse community and beyond.

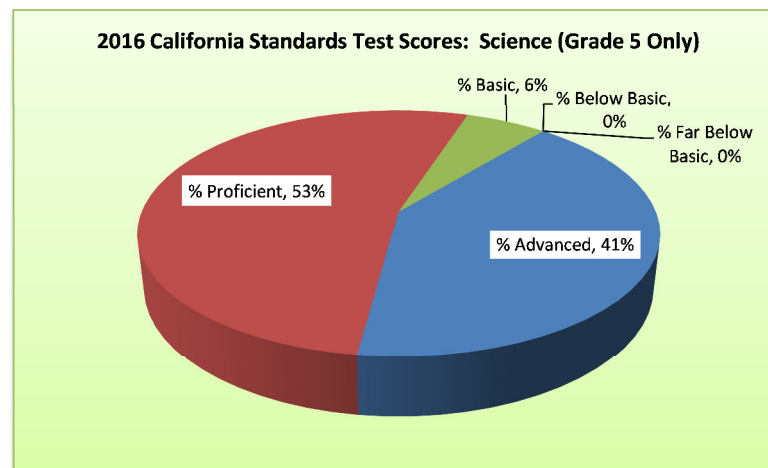
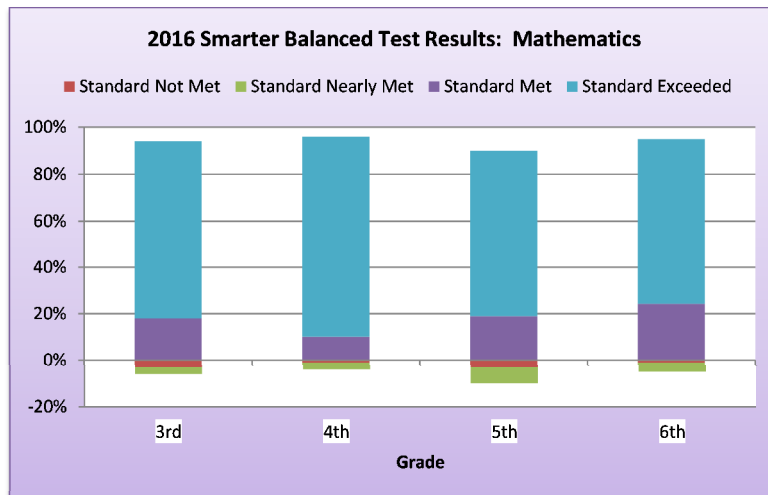
## ACHIEVEMENT TEST RESULTS: COVINGTON SCHOOL

The state's Smarter Balanced Assessment System utilizes computer-adaptive tests and performance tasks that allow students to show what they know and are able to do. This system is based on the Common Core State Standards for English language arts/literacy (ELA) and mathematics.



The accompanying test results show how our students performed as measured against state standards in the areas of English Language Arts and Mathematics. The charts show Standard Met and Standard Exceeded above the 0% line and Standard Nearly Met and Standard Not Met below the 0% line.

Below those test results we show the most recent results on the California Standards Test in Science, which is only given in certain grades (5th and 8th). The scoring differs from the Smarter Balanced tests in that student performance is rated as at the basic level or above or below basic. We highlight the % of students scoring at proficient or advanced levels.





**COVINGTON SCHOOL Los Altos School District 2017-18 Budget**

	<b>Actuals 2013-14</b>	<b>Actuals 2014-15</b>	<b>Actuals 2015-16</b>	<b>Est. Actuals 2016-17</b>	<b>Adopted 2017-18</b>	<b>Budget FTE 2017-18</b>
<b><u>1000 - Instruction</u></b>						
1 - Certificated Salaries	1,794,616	1,850,534	1,950,159	2,032,302	2,123,904	25.500
2 - Classified Salaries	17,956	52,517	65,633	67,241	67,861	2.127
3 - Benefits	535,169	561,240	641,912	693,387	803,177	
4 - Supplies	83,745	151,203	134,887	91,949	27,418	
5 - Services	21,688	28,815	32,481	32,200	16,800	
6 - Capital		7,786		1,000	1,000	
<b>1000 - Instruction</b>	<b>2,453,173</b>	<b>2,652,094</b>	<b>2,825,072</b>	<b>2,918,079</b>	<b>3,040,160</b>	<b>27.627</b>
<b><u>1110 - Special Ed.: Separate Classes</u></b>						
1 - Certificated Salaries	323,753	309,469	317,532	306,401	242,477	3.600
2 - Classified Salaries	262,738	254,138	270,766	250,711	261,037	5.625
3 - Benefits	220,865	208,736	222,857	228,982	226,440	
4 - Supplies	227	152	193	3,650	500	
5 - Services		39	178	200	200	
<b>1110 - Special Ed.: Separate Classes</b>	<b>807,583</b>	<b>772,534</b>	<b>811,525</b>	<b>789,944</b>	<b>730,654</b>	<b>9.225</b>
<b><u>1120 - Special Ed.: Resources Specialist</u></b>						
1 - Certificated Salaries	85,422	66,648	75,442	86,623	89,417	1.000
2 - Classified Salaries	48,920	51,492	53,964	31,874	32,089	0.750
3 - Benefits	43,285	44,965	53,176	47,801	51,306	
<b>1120 - Special Ed.: Resources Specialist</b>	<b>177,627</b>	<b>163,105</b>	<b>182,581</b>	<b>166,298</b>	<b>172,812</b>	<b>1.750</b>
<b><u>1130 - Special Ed.: Supplemental Aids &amp; Services</u></b>						
2 - Classified Salaries	85,533	3,345	36,235			
3 - Benefits	26,725	3,029	22,663			
<b>1130 - Special Ed.: Supplemental Aids &amp; Services</b>	<b>112,258</b>	<b>6,375</b>	<b>58,898</b>			
<b><u>2420 - Instructional Library, Media, &amp; Technology</u></b>						
2 - Classified Salaries	61,110	67,576	67,737	74,688	75,029	1.388
3 - Benefits	24,455	20,495	20,789	51,685	54,829	
6 - Capital				2,300	2,348	
<b>2420 - Instructional Library, Media, &amp; Technology</b>	<b>85,565</b>	<b>88,071</b>	<b>88,527</b>	<b>128,673</b>	<b>132,206</b>	<b>1.388</b>
<b><u>2700 - School Administration</u></b>						
1 - Certificated Salaries	141,466	224,298	149,912	153,376	153,376	1.000
2 - Classified Salaries	74,571	77,679	78,027	90,824	89,705	1.750
3 - Benefits	65,524	90,241	79,801	78,659	84,212	
4 - Supplies				575	587	
5 - Services	2,750	4,750	2,950	6,525	6,525	
<b>2700 - School Administration</b>	<b>284,310</b>	<b>396,968</b>	<b>310,689</b>	<b>329,959</b>	<b>334,405</b>	<b>2.750</b>
<b><u>3120 - Psychological Services</u></b>						
1 - Certificated Salaries	74,152	80,651	86,785	92,045	105,643	1.000
3 - Benefits	17,648	20,046	22,229	22,537	22,789	
<b>3120 - Psychological Services</b>	<b>91,800</b>	<b>100,697</b>	<b>109,014</b>	<b>114,582</b>	<b>128,432</b>	<b>1.000</b>
<b><u>3900 - Other Pupil Services</u></b>						
2 - Classified Salaries	9,710	19,215	23,452	9,273	9,607	0.333
3 - Benefits	885	4,926	7,324	2,669	2,775	
<b>3900 - Other Pupil Services</b>	<b>10,595</b>	<b>24,141</b>	<b>30,775</b>	<b>11,942</b>	<b>12,382</b>	<b>0.333</b>
<b><u>7210 - General Administration Cost Transfers</u></b>						
7 - Other Outgo				1,989	1,122	
<b>7210 - General Administration Cost Transfers</b>				<b>1,989</b>	<b>1,122</b>	
<b><u>8200 - Operations</u></b>						
2 - Classified Salaries	69,963	71,592	73,015	79,782	80,027	1.333
3 - Benefits	43,629	45,164	45,581	48,933	51,092	
4 - Supplies	9,735	10,123	10,943	5,750	5,870	
5 - Services	4,327	2,230	2,679	3,600	3,600	
<b>8200 - Operations</b>	<b>127,655</b>	<b>129,109</b>	<b>132,217</b>	<b>138,065</b>	<b>140,589</b>	<b>1.333</b>

## Los Altos School District 2017-18 Budget COVINGTON SCHOOL

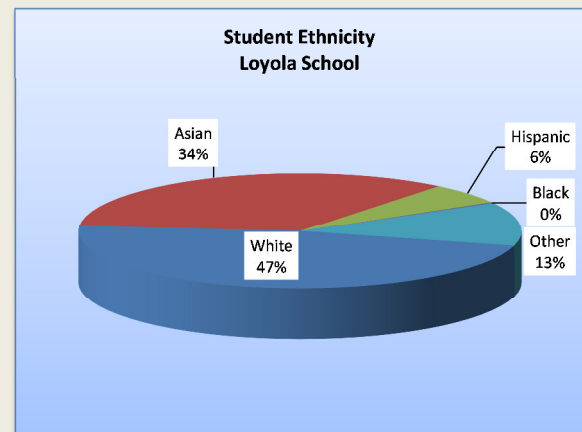
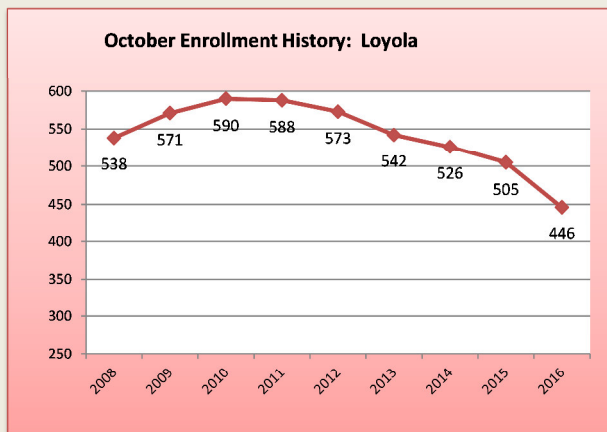
	Actuals 2013-14	Actuals 2014-15	Actuals 2015-16	Est. Actuals 2016-17	Adopted 2017-18	Budget FTE 2017-18
<b><u>8500 - Facilities Acquisition &amp; Construction</u></b>						
6 - Capital			57,846			
<b>8500 - Facilities Acquisition &amp; Construction</b>			<b>57,846</b>			
<b>Grand Total</b>	<b>4,150,567</b>	<b>4,333,092</b>	<b>4,607,146</b>	<b>4,599,531</b>	<b>4,692,762</b>	<b>45.406</b>



## Loyola School (K-6)

- A California Distinguished School
- 770 Berry Avenue, Los Altos
- [www.loyolaschool.org](http://www.loyolaschool.org)
- Enrollment: 410
- Principal: Kimberly Attell
- Site Acreage: 10.0 acres
- Teachers, Regular: 17.0 FTE
- Teachers, Other: 4.0 FTE
- Discretionary Allocation: \$55 per student
- Building SF: 42,371

Loyola School is located on the south side of the district. Students attending Loyola feed into Blach Intermediate School and then into Mountain View High School (in Mountain View-Los Altos High School District). Demographic and performance data for the school are shown below and on the following page. Budget information starts on the succeeding page.



Loyola School inspires students to become lifelong learners and engaged members of their communities. Our staff, in partnership with families and community members, creates a safe environment where children are empowered to develop the knowledge and life skills needed to contribute in an ever-changing world.

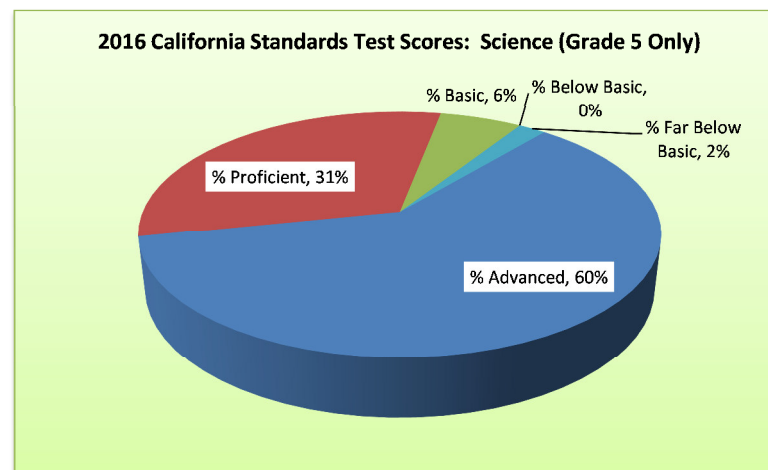
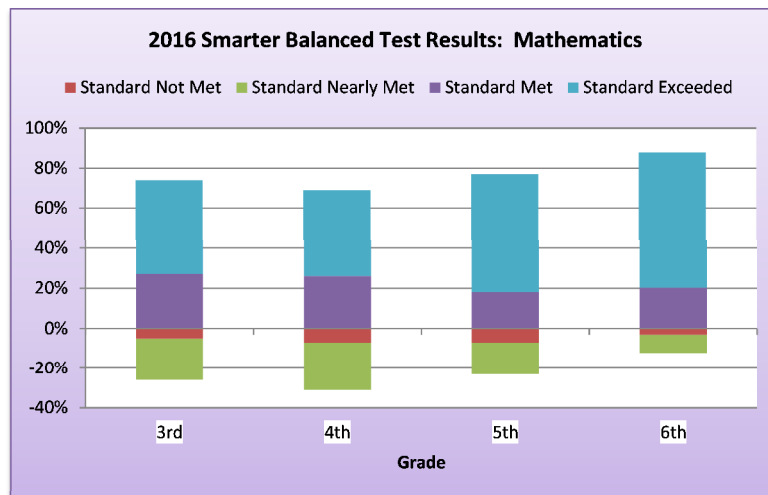
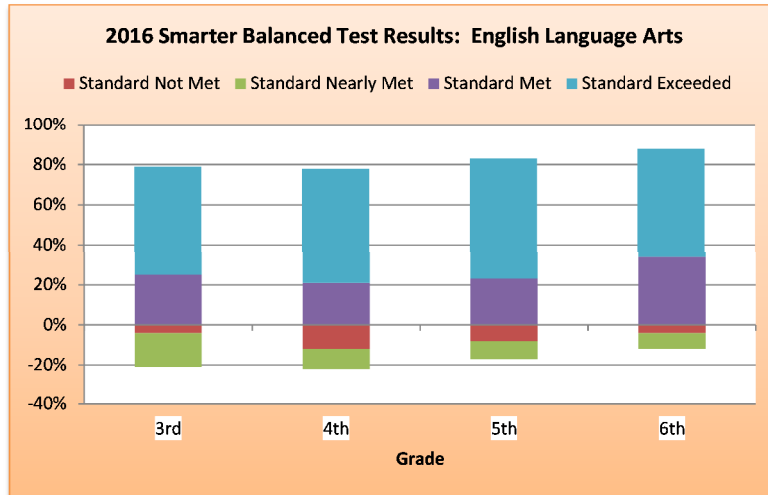
## ACHIEVEMENT TEST RESULTS: LOYOLA SCHOOL

The state's Smarter Balanced Assessment System utilizes computer-adaptive tests and performance tasks that allow students to show what they know and are able to do. This system is based on the Common Core State

Standards for English language arts/literacy (ELA) and mathematics.

The accompanying test results show how our students performed as measured against state standards in the areas of English Language Arts and Mathematics. The charts show Standard Met and Standard Exceeded above the 0% line and Standard Nearly Met and Standard Not Met below the 0% line.

Below those test results we show the most recent results on the California Standards Test in Science, which is only given in certain grades (5th and 8th). The scoring differs from the Smarter Balanced tests in that student performance is rated as at the basic level or above or below basic. We highlight the % of students scoring at proficient or advanced levels.



**LOYOLA SCHOOL    Los Altos School District 2017-18 Budget**

	<b>Actuals 2013-14</b>	<b>Actuals 2014-15</b>	<b>Actuals 2015-16</b>	<b>Est. Actuals 2016-17</b>	<b>Adopted 2017-18</b>	<b>Budget FTE 2017-18</b>
<b><u>1000 - Instruction</u></b>						
1 - Certificated Salaries	1,761,490	1,868,774	1,729,170	1,740,242	1,545,119	18.000
2 - Classified Salaries	53,679	79,531	90,836	76,589	78,453	2.078
3 - Benefits	477,406	533,893	547,131	544,446	535,806	
4 - Supplies	130,202	138,869	151,631	45,114	18,930	
5 - Services	19,378	34,122	41,550	19,889	13,900	
6 - Capital		59,444		1,000	1,000	
<b>1000 - Instruction</b>	<b>2,442,155</b>	<b>2,714,633</b>	<b>2,560,316</b>	<b>2,427,280</b>	<b>2,193,208</b>	<b>20.078</b>
<b><u>1110 - Special Ed.: Separate Classes</u></b>						
1 - Certificated Salaries	152,935	160,323	166,419	181,182	185,696	2.000
2 - Classified Salaries	151,308	152,386	133,203	178,638	206,950	5.044
3 - Benefits	109,925	112,492	113,995	128,148	145,278	
<b>1110 - Special Ed.: Separate Classes</b>	<b>414,168</b>	<b>425,201</b>	<b>413,617</b>	<b>487,968</b>	<b>537,924</b>	<b>7.044</b>
<b><u>1120 - Special Ed.: Resources Specialist</u></b>						
1 - Certificated Salaries	94,754	96,946	50,128	79,812	81,844	1.000
2 - Classified Salaries	26,582	27,206	27,837	78,341	91,710	2.219
3 - Benefits	51,306	53,615	41,706	62,326	75,934	
<b>1120 - Special Ed.: Resources Specialist</b>	<b>172,642</b>	<b>177,766</b>	<b>119,671</b>	<b>220,479</b>	<b>249,488</b>	<b>3.219</b>
<b><u>1130 - Special Ed.: Supplemental Aids &amp; Services</u></b>						
2 - Classified Salaries	53,010	42,725	67,180	9,203	26,859	0.781
3 - Benefits	28,540	28,956	39,449	1,185	3,698	
<b>1130 - Special Ed.: Supplemental Aids &amp; Services</b>	<b>81,550</b>	<b>71,681</b>	<b>106,628</b>	<b>10,388</b>	<b>30,557</b>	<b>0.781</b>
<b><u>2420 - Instructional Library, Media, &amp; Technology</u></b>						
2 - Classified Salaries	62,504	67,201	70,263	78,152	76,832	1.439
3 - Benefits	21,598	23,452	24,057	28,850	24,641	
6 - Capital				1,844	1,640	
<b>2420 - Instructional Library, Media, &amp; Technology</b>	<b>84,102</b>	<b>90,653</b>	<b>94,319</b>	<b>108,846</b>	<b>103,113</b>	<b>1.439</b>
<b><u>2700 - School Administration</u></b>						
1 - Certificated Salaries	138,560	141,817	143,945	153,376	153,376	1.000
2 - Classified Salaries	76,065	79,204	76,986	86,757	86,338	1.625
3 - Benefits	91,159	92,983	90,301	89,238	95,427	
4 - Supplies				461	410	
5 - Services	2,750	2,750	2,750	2,750	2,750	
<b>2700 - School Administration</b>	<b>308,534</b>	<b>316,753</b>	<b>313,982</b>	<b>332,582</b>	<b>338,301</b>	<b>2.625</b>
<b><u>3120 - Psychological Services</u></b>						
1 - Certificated Salaries	97,442	120,911	106,432	90,689	95,790	1.000
3 - Benefits	25,983	37,081	36,603	23,471	28,371	
<b>3120 - Psychological Services</b>	<b>123,425</b>	<b>157,992</b>	<b>143,035</b>	<b>114,160</b>	<b>124,161</b>	<b>1.000</b>
<b><u>3900 - Other Pupil Services</u></b>						
2 - Classified Salaries	15,682	23,735	21,989	12,599	13,592	0.475
3 - Benefits	2,389	5,455	3,621	2,114	2,635	
<b>3900 - Other Pupil Services</b>	<b>18,070</b>	<b>29,190</b>	<b>25,610</b>	<b>14,713</b>	<b>16,227</b>	<b>0.475</b>
<b><u>8200 - Operations</u></b>						
2 - Classified Salaries	69,858	76,173	81,608	89,183	78,590	1.500
3 - Benefits	43,086	46,041	53,722	57,640	55,388	
4 - Supplies	5,863	6,358	4,483	4,610	4,100	
5 - Services	4,101	5,264	2,468	3,600	3,600	
<b>8200 - Operations</b>	<b>122,908</b>	<b>133,836</b>	<b>142,281</b>	<b>155,033</b>	<b>141,678</b>	<b>1.500</b>
<b><u>8500 - Facilities Acquisition &amp; Construction</u></b>						
6 - Capital				6,475		
<b>8500 - Facilities Acquisition &amp; Construction</b>				<b>6,475</b>		
<b>Grand Total</b>	<b>3,767,556</b>	<b>4,117,705</b>	<b>3,919,460</b>	<b>3,877,924</b>	<b>3,734,657</b>	<b>38.160</b>

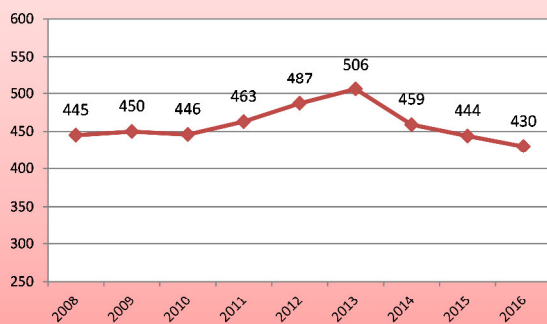


## Oak School (K-6)

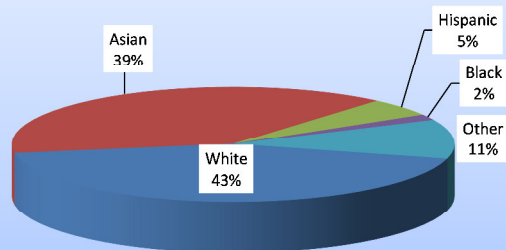
- A California Distinguished School
- National Blue Ribbon School
- 1501 Oak Avenue, Los Altos
- [www.oakschool.org](http://www.oakschool.org)
- Enrollment: 430
- Principal: Amy Romem
- Site Acreage: 10.0 acres
- Teachers, Regular: 18.0 FTE
- Teachers, Other: 2.0 FTE
- Discretionary Allocation: \$55 per student
- Building SF: 39,984

Oak School is located on the south side of the district. Students attending Oak feed into Blach Intermediate School and then into Mountain View High School (in Mountain View-Los Altos High School District). Demographic and performance data for the school are shown below and on the following page. Budget information starts on the succeeding page.

October Enrollment History: Oak



Student Ethnicity  
Oak School

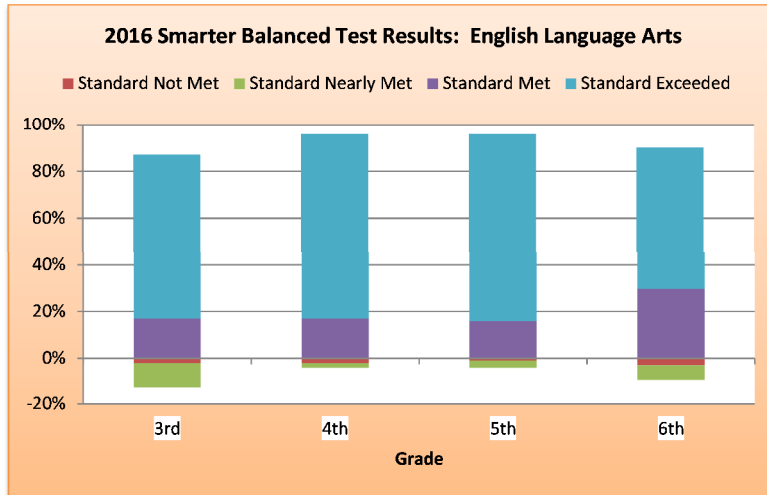


At Oak School, ALL staff collaborate to create an environment where ALL students develop academic and social skills, become confident, resilient, successful lifelong learners, who are caring and responsible citizens of our global community.

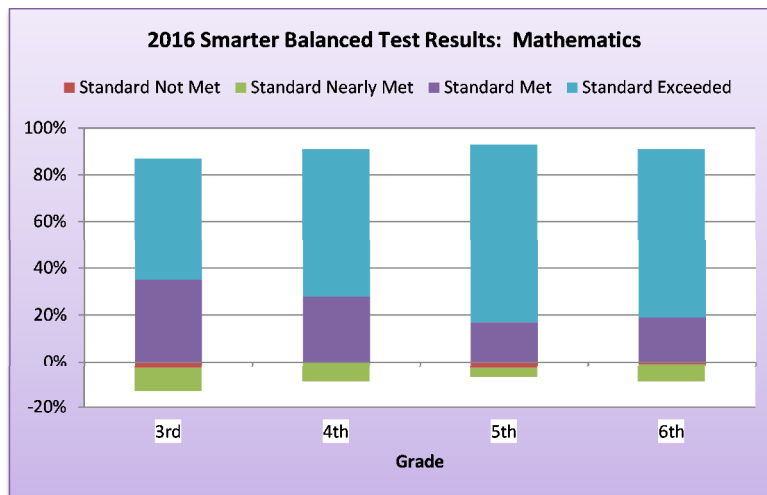
## ACHIEVEMENT TEST RESULTS: OAK SCHOOL

The state's Smarter Balanced Assessment System utilizes computer-adaptive tests and performance tasks that allow students to show what they know and are able to do. This system is based on the Common Core State

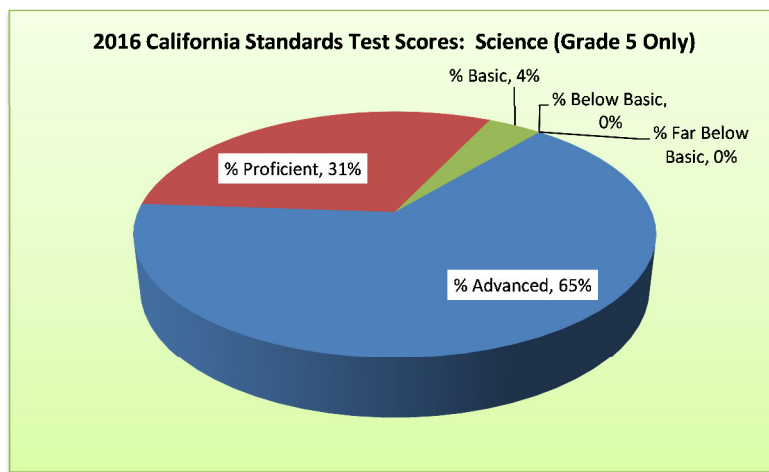
Standards for English language arts/literacy (ELA) and mathematics.



The accompanying test results show how our students performed as measured against state standards in the areas of English Language Arts and Mathematics. The charts show Standard Met and Standard Exceeded above the 0% line and Standard Nearly Met and Standard Not Met below the 0% line.



Below those test results we show the most recent results on the California Standards Test in Science, which is only given in certain grades (5th and 8th). The scoring differs from the Smarter Balanced tests in that student performance is rated as at the basic level or above or below basic. We highlight the % of students scoring at proficient or advanced levels.





	Actuals 2013-14	Actuals 2014-15	Actuals 2015-16	Est. Actuals 2016-17	Adopted 2017-18	Budget FTE 2017-18
<b><u>1000 - Instruction</u></b>						
1 - Certificated Salaries	1,641,581	1,723,602	1,534,054	1,641,177	1,658,704	19.000
2 - Classified Salaries	30,093	72,342	76,974	73,199	65,484	1.813
3 - Benefits	468,722	553,699	526,060	572,094	631,989	
4 - Supplies	123,098	119,420	141,876	42,671	19,466	
5 - Services	35,908	15,738	64,114	14,492	12,992	
6 - Capital				1,000	1,000	
<b>1000 - Instruction</b>	<b>2,299,402</b>	<b>2,484,802</b>	<b>2,343,078</b>	<b>2,344,633</b>	<b>2,389,635</b>	<b>20.813</b>
<b><u>1110 - Special Ed.: Separate Classes</u></b>						
2 - Classified Salaries			25			
3 - Benefits			5			
<b>1110 - Special Ed.: Separate Classes</b>			<b>30</b>			
<b><u>1120 - Special Ed.: Resources Specialist</u></b>						
1 - Certificated Salaries	94,754	96,946	98,508	104,544	104,544	1.000
2 - Classified Salaries	62,235	58,737	61,405	67,475	69,018	1.713
3 - Benefits	59,781	70,208	77,752	86,210	91,863	
<b>1120 - Special Ed.: Resources Specialist</b>	<b>216,770</b>	<b>225,891</b>	<b>237,664</b>	<b>258,229</b>	<b>265,425</b>	<b>2.713</b>
<b><u>1130 - Special Ed.: Supplemental Aids &amp; Services</u></b>						
2 - Classified Salaries			16,994	37,454	60,605	1.438
3 - Benefits			4,168	26,619	34,105	
<b>1130 - Special Ed.: Supplemental Aids &amp; Services</b>			<b>21,162</b>	<b>64,073</b>	<b>94,710</b>	<b>1.438</b>
<b><u>2420 - Instructional Library, Media, &amp; Technology</u></b>						
2 - Classified Salaries	61,897	64,746	65,888	73,088	73,114	1.350
3 - Benefits	14,832	15,874	16,212	17,559	18,769	
6 - Capital				1,736	1,720	
<b>2420 - Instructional Library, Media, &amp; Technology</b>	<b>76,729</b>	<b>80,620</b>	<b>82,099</b>	<b>92,383</b>	<b>93,603</b>	<b>1.350</b>
<b><u>2700 - School Administration</u></b>						
1 - Certificated Salaries	125,101	136,117	138,408	153,376	153,376	1.000
2 - Classified Salaries	71,802	74,654	75,830	82,235	82,494	1.500
3 - Benefits	64,046	67,956	74,060	78,850	75,851	
4 - Supplies				434	430	
5 - Services	2,750	3,750	2,750	2,750	2,750	
<b>2700 - School Administration</b>	<b>263,699</b>	<b>282,476</b>	<b>291,048</b>	<b>317,645</b>	<b>314,901</b>	<b>2.500</b>
<b><u>3120 - Psychological Services</u></b>						
1 - Certificated Salaries	67,600	74,390	72,267	83,489	88,589	1.000
3 - Benefits	16,896	20,852	20,583	23,273	25,952	
<b>3120 - Psychological Services</b>	<b>84,496</b>	<b>95,242</b>	<b>92,850</b>	<b>106,762</b>	<b>114,541</b>	<b>1.000</b>
<b><u>3900 - Other Pupil Services</u></b>						
2 - Classified Salaries	9,161	20,389	22,589	7,114	7,114	0.250
3 - Benefits	1,204	4,353	5,269	648	648	
<b>3900 - Other Pupil Services</b>	<b>10,365</b>	<b>24,742</b>	<b>27,858</b>	<b>7,762</b>	<b>7,762</b>	<b>0.250</b>
<b><u>8200 - Operations</u></b>						
2 - Classified Salaries	89,622	72,989	71,972	80,579	83,560	1.500
3 - Benefits	38,747	30,496	30,476	38,043	43,512	
4 - Supplies	51	4,270	2,591	4,340	4,300	
5 - Services	3,630	2,192	926	3,600	3,600	
<b>8200 - Operations</b>	<b>132,051</b>	<b>109,947</b>	<b>105,965</b>	<b>126,562</b>	<b>134,972</b>	<b>1.500</b>
<b><u>8500 - Facilities Acquisition &amp; Construction</u></b>						
6 - Capital				75,587		
<b>8500 - Facilities Acquisition &amp; Construction</b>				<b>75,587</b>		
<b>Grand Total</b>	<b>3,083,513</b>	<b>3,303,720</b>	<b>3,201,754</b>	<b>3,393,636</b>	<b>3,415,549</b>	<b>31.563</b>

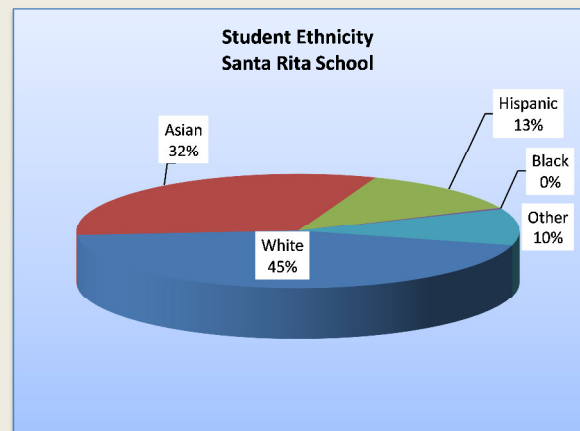
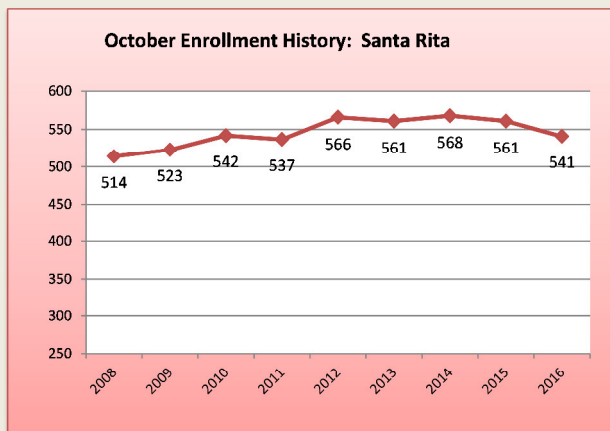




## Santa Rita School (K-6)

- A California Distinguished School
- National Blue Ribbon School
- 700 Los Altos Avenue, Los Altos
- [www.santaritaschool.org](http://www.santaritaschool.org)
- Enrollment: 565
- Principal: Greg Land
- Site Acreage: 11.32 acres
- Teachers, Regular: 22.0 FTE
- Teachers, Other: 5.0 FTE
- Discretionary Allocation: \$55 per student
- Building SF: 40,458

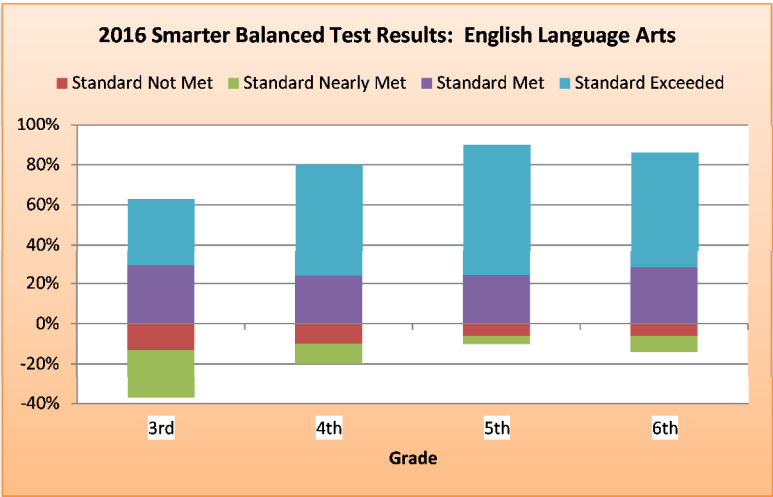
Santa Rita School is located on the north side of the district. Students attending Santa Rita feed into Egan Intermediate School and then into Los Altos High School (in Mountain View-Los Altos High School District). Demographic and performance data for the school are shown below and on the following page. Budget information starts on the succeeding page.



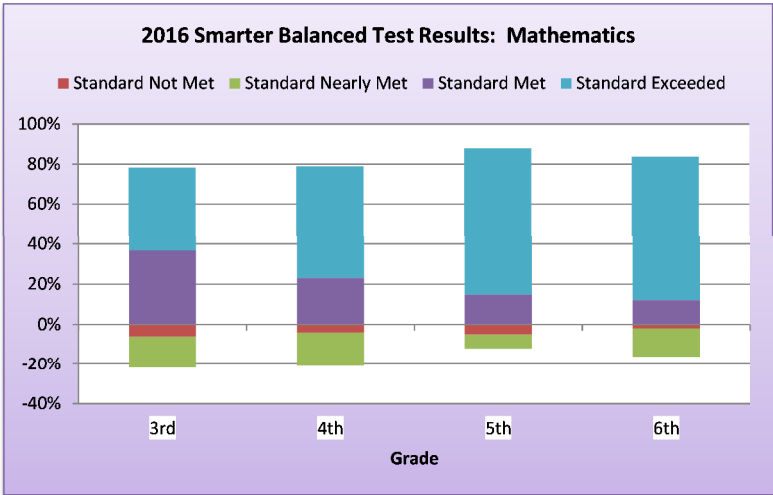
Create curious, motivated learners who will reach their highest potential in a supportive community.

ACHIEVEMENT TEST RESULTS: SANTA RITA SCHOOL

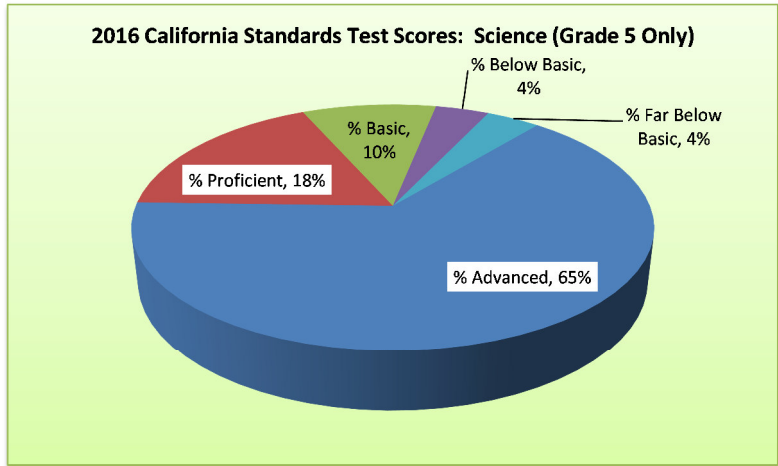
The state’s Smarter Balanced Assessment System utilizes computer-adaptive tests and performance tasks that allow students to show what they know and are able to do. This system is based on the Common Core State Standards for English language arts/literacy (ELA) and mathematics.



The accompanying test results show how our students performed as measured against state standards in the areas of English Language Arts and Mathematics. The charts show Standard Met and Standard Exceeded above the 0% line and Standard Nearly Met and Standard Not Met below the 0% line.



Below those test results we show the most recent results on the California Standards Test in Science, which is only given in certain grades (5th and 8th). The scoring differs from the Smarter Balanced tests in that student performance is rated as at the basic level or above or below basic. We highlight the % of students scoring at proficient or advanced levels.



**SANTA RITA SCHOOL Los Altos School District 2017-18 Budget**

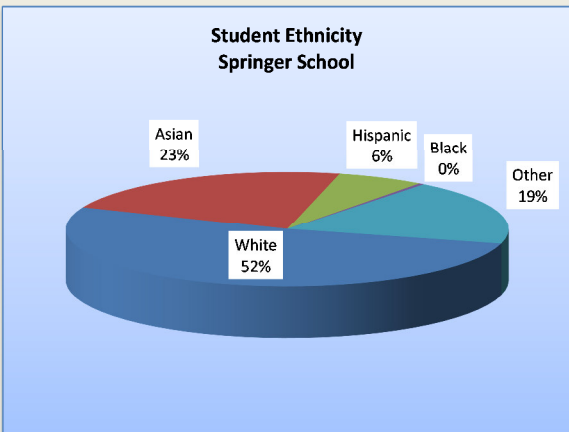
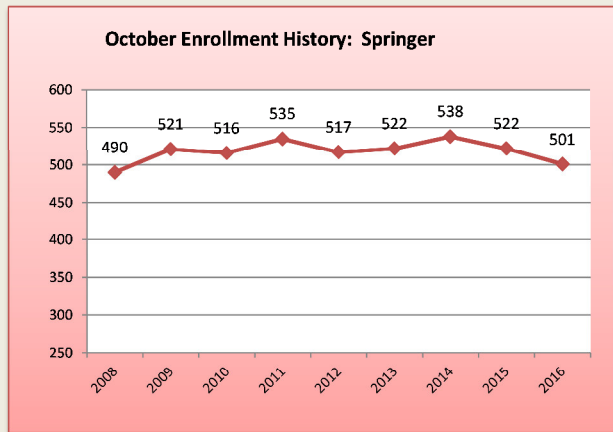
	<b>Actuals 2013-14</b>	<b>Actuals 2014-15</b>	<b>Actuals 2015-16</b>	<b>Est. Actuals 2016-17</b>	<b>Adopted 2017-18</b>	<b>Budget FTE 2017-18</b>
<b><u>1000 - Instruction</u></b>						
1 - Certificated Salaries	1,782,811	1,944,669	2,097,466	2,112,974	2,144,766	24.000
2 - Classified Salaries	32,994	86,089	92,173	111,886	112,008	3.513
3 - Benefits	559,609	620,079	729,223	773,012	855,067	
4 - Supplies	106,100	165,524	99,874	85,781	27,477	
5 - Services	19,931	19,084	25,429	20,202	17,600	
6 - Capital		50,769		1,000	1,000	
<b>1000 - Instruction</b>	<b>2,501,444</b>	<b>2,886,215</b>	<b>3,044,165</b>	<b>3,104,855</b>	<b>3,157,918</b>	<b>27.513</b>
<b><u>1110 - Special Ed.: Separate Classes</u></b>						
1 - Certificated Salaries	132,909	140,470	122,665	173,318	178,321	2.000
2 - Classified Salaries	262,340	275,544	320,528	402,450	434,171	7.375
3 - Benefits	153,972	173,529	181,280	213,136	237,828	
<b>1110 - Special Ed.: Separate Classes</b>	<b>549,221</b>	<b>589,543</b>	<b>624,473</b>	<b>788,904</b>	<b>850,320</b>	<b>9.375</b>
<b><u>1120 - Special Ed.: Resources Specialist</u></b>						
1 - Certificated Salaries	94,754	60,019	73,542	80,355	82,396	1.000
2 - Classified Salaries	54,624	46,127	57,101	62,639	63,069	1.500
3 - Benefits	57,038	38,512	40,171	45,304	48,714	
<b>1120 - Special Ed.: Resources Specialist</b>	<b>206,416</b>	<b>144,658</b>	<b>170,814</b>	<b>188,298</b>	<b>194,179</b>	<b>2.500</b>
<b><u>1130 - Special Ed.: Supplemental Aids &amp; Services</u></b>						
2 - Classified Salaries	58,666	57,273	30,740			
3 - Benefits	38,493	41,455	23,382			
<b>1130 - Special Ed.: Supplemental Aids &amp; Services</b>	<b>97,159</b>	<b>98,727</b>	<b>54,122</b>			
<b><u>2420 - Instructional Library, Media, &amp; Technology</u></b>						
2 - Classified Salaries	66,598	72,084	72,896	81,225	81,704	1.413
3 - Benefits	21,430	23,262	23,847	26,264	28,058	
6 - Capital				2,292	2,260	
<b>2420 - Instructional Library, Media, &amp; Technology</b>	<b>88,028</b>	<b>95,345</b>	<b>96,743</b>	<b>109,781</b>	<b>112,022</b>	<b>1.413</b>
<b><u>2700 - School Administration</u></b>						
1 - Certificated Salaries	138,398	141,817	143,945	153,376	153,376	1.000
2 - Classified Salaries	68,313	71,474	75,349	76,540	88,298	1.750
3 - Benefits	63,520	56,710	51,059	53,156	58,077	
4 - Supplies		55	439	573	565	
5 - Services	2,750	2,750	2,750	2,750	2,750	
<b>2700 - School Administration</b>	<b>272,980</b>	<b>272,806</b>	<b>273,542</b>	<b>286,395</b>	<b>303,066</b>	<b>2.750</b>
<b><u>3120 - Psychological Services</u></b>						
1 - Certificated Salaries	84,468	110,719	112,482	81,989	87,089	1.000
3 - Benefits	23,041	31,950	32,078	21,346	25,690	
<b>3120 - Psychological Services</b>	<b>107,509</b>	<b>142,669</b>	<b>144,559</b>	<b>103,335</b>	<b>112,779</b>	<b>1.000</b>
<b><u>3900 - Other Pupil Services</u></b>						
2 - Classified Salaries	12,172	26,455	27,195	14,405	15,046	0.525
3 - Benefits	1,502	7,522	8,629	1,694	1,743	
<b>3900 - Other Pupil Services</b>	<b>13,674</b>	<b>33,977</b>	<b>35,824</b>	<b>16,099</b>	<b>16,789</b>	<b>0.525</b>
<b><u>8200 - Operations</u></b>						
2 - Classified Salaries	79,779	81,611	82,928	84,297	83,860	1.500
3 - Benefits	40,468	41,901	42,325	48,969	55,156	
4 - Supplies	5,969	5,508	6,471	5,730	5,650	
5 - Services	3,040	1,960	1,637	3,600	3,600	
<b>8200 - Operations</b>	<b>129,256</b>	<b>130,981</b>	<b>133,360</b>	<b>142,596</b>	<b>148,266</b>	<b>1.500</b>
<b>Grand Total</b>	<b>3,965,689</b>	<b>4,394,921</b>	<b>4,577,603</b>	<b>4,740,263</b>	<b>4,895,339</b>	<b>46.575</b>



### Springer School (K-6)

- A California Distinguished School
- 1120 Rose Avenue, Mountain View
- [www.springerschool.org](http://www.springerschool.org)
- Enrollment: 507
- Principal: Lynn Boskie
- Site Acreage: 10.0 acres
- Teachers, Regular: 22.0 FTE
- Teachers, Other: 4.0 FTE
- Discretionary Allocation: \$55 per student
- Building SF: 39,683

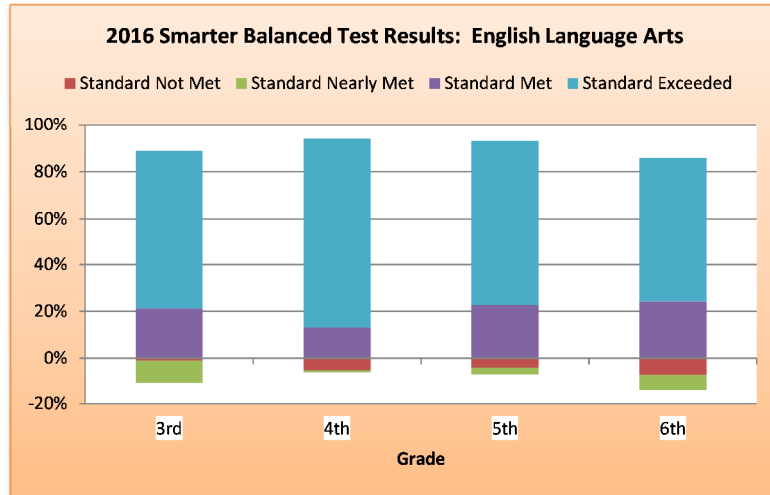
Springer School is located on the south side of the district. Students attending Springer feed into Blach Intermediate School and then into Mountain View High School (in Mountain View-Los Altos High School District). Demographic and performance data for the school are shown below and on the following page. Budget information starts on the succeeding page.



At Springer Elementary School, we will provide a safe and supportive environment that engages, inspires, and nurtures all students' emotional and academic needs in order to become empathetic, productive global citizens and lifelong learners.

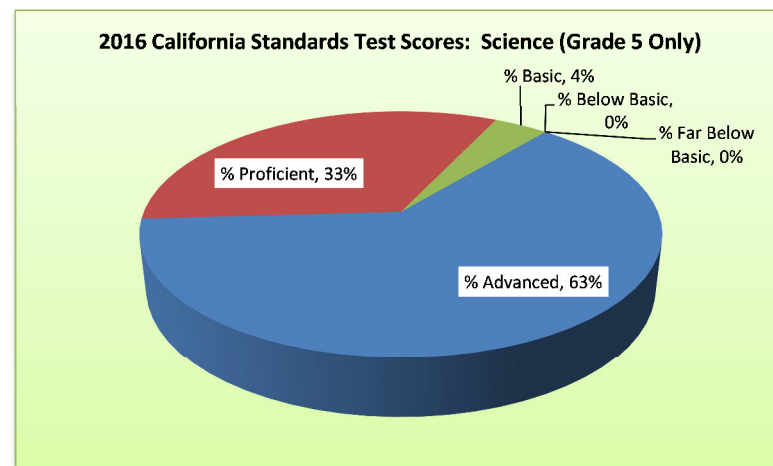
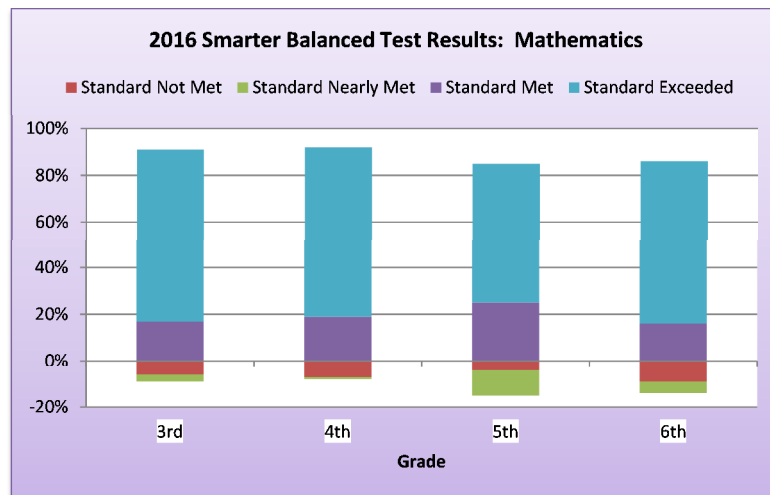
## ACHIEVEMENT TEST RESULTS: SPRINGER SCHOOL

The state's Smarter Balanced Assessment System utilizes computer-adaptive tests and performance tasks that allow students to show what they know and are able to do. This system is based on the Common Core State Standards for English language arts/literacy (ELA) and mathematics.



The accompanying test results show how our students performed as measured against state standards in the areas of English Language Arts and Mathematics. The charts show Standard Met and Standard Exceeded above the 0% line and Standard Nearly Met and Standard Not Met below the 0% line.

Below those test results we show the most recent results on the California Standards Test in Science, which is only given in certain grades (5th and 8th). The scoring differs from the Smarter Balanced tests in that student performance is rated as at the basic level or above or below basic. We highlight the % of students scoring at proficient or advanced levels.



## Los Altos School District 2017-18 Budget SPRINGER SCHOOL

	<b>Actuals 2013-14</b>	<b>Actuals 2014-15</b>	<b>Actuals 2015-16</b>	<b>Est. Actuals 2016-17</b>	<b>Adopted 2017-18</b>	<b>Budget FTE 2017-18</b>
<b><u>1000 - Instruction</u></b>						
1 - Certificated Salaries	1,799,551	1,862,196	1,929,853	2,028,169	2,049,329	23.000
2 - Classified Salaries	46,502	86,705	89,196	110,435	111,762	3.176
3 - Benefits	469,265	510,287	560,001	611,532	664,392	
4 - Supplies	176,353	178,369	144,735	75,447	23,484	
5 - Services	22,740	24,271	17,701	21,952	14,690	
6 - Capital		8,522	25,880	1,000	1,000	
<b>1000 - Instruction</b>	<b>2,514,411</b>	<b>2,670,349</b>	<b>2,767,365</b>	<b>2,848,534</b>	<b>2,864,657</b>	<b>26.176</b>
<b><u>1110 - Special Ed.: Separate Classes</u></b>						
1 - Certificated Salaries	186,927	193,892	156,823	165,675	175,033	2.000
2 - Classified Salaries	148,822	146,833	138,370	179,417	189,036	4.531
3 - Benefits	114,577	98,792	103,563	136,843	152,271	
<b>1110 - Special Ed.: Separate Classes</b>	<b>450,326</b>	<b>439,517</b>	<b>398,756</b>	<b>481,935</b>	<b>516,340</b>	<b>6.531</b>
<b><u>1120 - Special Ed.: Resources Specialist</u></b>						
1 - Certificated Salaries	47,910	49,351	94,239	104,544	104,544	1.000
2 - Classified Salaries	69,852	68,132	70,317	69,095	77,974	1.863
3 - Benefits	54,039	57,922	63,729	47,594	54,427	
<b>1120 - Special Ed.: Resources Specialist</b>	<b>171,801</b>	<b>175,405</b>	<b>228,285</b>	<b>221,233</b>	<b>236,945</b>	<b>2.863</b>
<b><u>1130 - Special Ed.: Supplemental Aids &amp; Services</u></b>						
2 - Classified Salaries	29,526	39,150	31,531	16,384	150	
3 - Benefits	8,265	10,783	8,892	24,612		
<b>1130 - Special Ed.: Supplemental Aids &amp; Services</b>	<b>37,792</b>	<b>49,933</b>	<b>40,424</b>	<b>40,996</b>	<b>150</b>	
<b><u>2420 - Instructional Library, Media, &amp; Technology</u></b>						
2 - Classified Salaries	65,601	69,954	70,870	74,781	72,340	1.422
3 - Benefits	17,114	18,532	18,820	25,481	27,608	
6 - Capital	272	200	200	2,160	2,028	
<b>2420 - Instructional Library, Media, &amp; Technology</b>	<b>82,987</b>	<b>88,686</b>	<b>89,889</b>	<b>102,422</b>	<b>101,976</b>	<b>1.422</b>
<b><u>2700 - School Administration</u></b>						
1 - Certificated Salaries	125,101	132,203	138,408	142,977	147,476	1.000
2 - Classified Salaries	70,820	74,991	76,091	85,192	84,521	1.625
3 - Benefits	66,995	65,679	69,218	74,121	80,307	
4 - Supplies		104	1,945	2,940	507	
5 - Services	2,750	2,750	2,750	2,750	2,750	
<b>2700 - School Administration</b>	<b>265,665</b>	<b>275,728</b>	<b>288,411</b>	<b>307,980</b>	<b>315,561</b>	<b>2.625</b>
<b><u>3120 - Psychological Services</u></b>						
1 - Certificated Salaries	105,246	107,719	109,482	100,890	105,991	1.000
3 - Benefits	21,794	23,167	25,380	27,018	32,471	
<b>3120 - Psychological Services</b>	<b>127,040</b>	<b>130,886</b>	<b>134,862</b>	<b>127,908</b>	<b>138,462</b>	<b>1.000</b>
<b><u>3900 - Other Pupil Services</u></b>						
2 - Classified Salaries	11,414	21,426	21,975	14,287	14,019	0.488
3 - Benefits	4,004	9,299	11,296	3,501	2,288	
<b>3900 - Other Pupil Services</b>	<b>15,419</b>	<b>30,724</b>	<b>33,271</b>	<b>17,788</b>	<b>16,307</b>	<b>0.488</b>
<b><u>8200 - Operations</u></b>						
2 - Classified Salaries	79,179	81,011	82,208	89,933	90,059	1.500
3 - Benefits	44,096	45,656	46,060	41,924	32,847	
4 - Supplies	6,076	7,506	6,701	5,400	5,070	
5 - Services	3,117	2,820	1,743	3,600	3,600	
<b>8200 - Operations</b>	<b>132,469</b>	<b>136,992</b>	<b>136,712</b>	<b>140,857</b>	<b>131,576</b>	<b>1.500</b>
<b>Grand Total</b>	<b>3,797,910</b>	<b>3,998,220</b>	<b>4,117,976</b>	<b>4,289,653</b>	<b>4,321,974</b>	<b>42.605</b>

## INTERMEDIATE SCHOOLS (GRADES 7 AND 8)

We run two intermediate schools (Blach and Egan)—one on each side of town. Egan has more students (631 as compared to 527 at Blach), but both schools are relatively small for schools serving these grade levels. Having such small schools provides a nurturing, almost personalized experience for the intermediate school student. This atmosphere is critically important, the district believes, at a time in students' lives when they are "in the middle," in transition from the elementary school to the high school.

The intermediate school program is very similar at both schools. There is a core curriculum; like the elementary curriculum it is a district adopted one. In addition to the core courses (English, Math, Science, Social Studies, and Physical Education), students have elective class opportunities. Both Blach and Egan have strong foreign language programs, as well as many other elective options. Each school has a computer lab. Each school has its own web site, created and maintained by students with help from staff and parents.

School staffing is provided centrally. In addition, our intermediate schools normally receive a general purpose discretionary allocation of \$60 per student. Both intermediate schools have a special education resource specialist. Both schools house Special Day Classes for intermediate students who need additional special education services.

Both Blach and Egan have received recognition as California Distinguished Schools and as national Blue Ribbon Schools.

School	Enrollment by Grade										Total
	TK/K	1	2	3	4	5	6	7	8	SDC	
Almond Elementary	86	71	53	71	91	74	89				535
Gardner Bullis Elementary	48	42	48	49	51	53	55				346
Covington Elementary	77	65	95	63	101	80	86			20	587
Loyola Elementary	49	51	47	68	49	67	64			15	410
Oak Elementary	54	47	53	74	74	68	60				430
Santa Rita Elementary	106	72	79	70	74	78	77			9	565
Springer Elementary	89	59	61	60	75	63	85			15	507
Blach Intermediate								261	250	16	527
Egan Intermediate								304	320	7	631
<b>TOTAL</b>	<b>509</b>	<b>407</b>	<b>436</b>	<b>455</b>	<b>515</b>	<b>483</b>	<b>516</b>	<b>565</b>	<b>570</b>	<b>82</b>	<b>4,538</b>
<i>SDC = Special Day Class students (multi-grade)</i>											

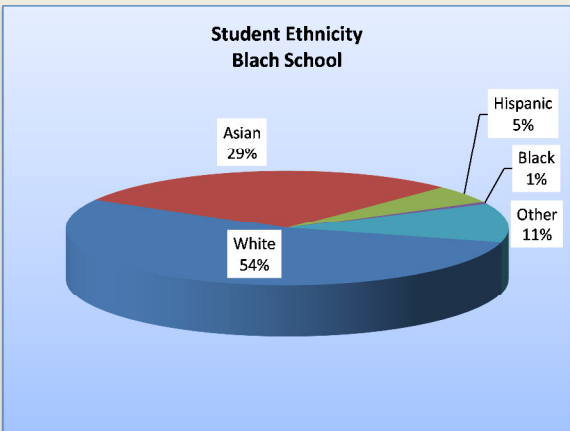
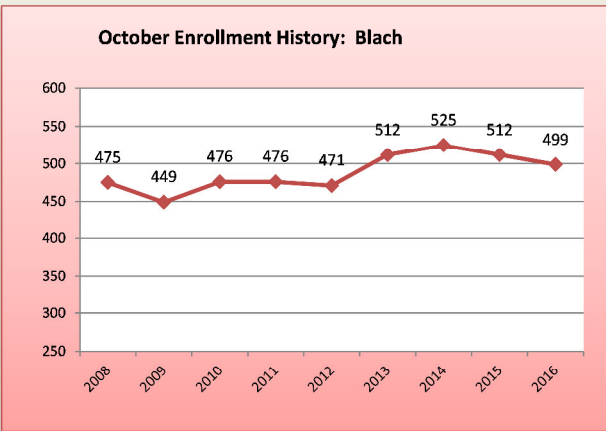




### Blach School (K-6)

- A California Distinguished School
- National Blue Ribbon School
- 1120 Covington Road, Los Altos
- [www.blachschool.org](http://www.blachschool.org)
- Enrollment: 527
- Principal: Bhavna Narula
- Site Acreage: 17.71 acres
- Teachers, Regular: 22.9 FTE
- Teachers, Other: 3.7 FTE
- Discretionary Allocation: \$60 per student
- Building SF: 64,784

Blach School is located on the south side of the district. Students attending Blach feed into Mountain View High School (in Mountain View-Los Altos High School District). Demographic and performance data for the school are shown below and on the following page. Budget information starts on the succeeding page.

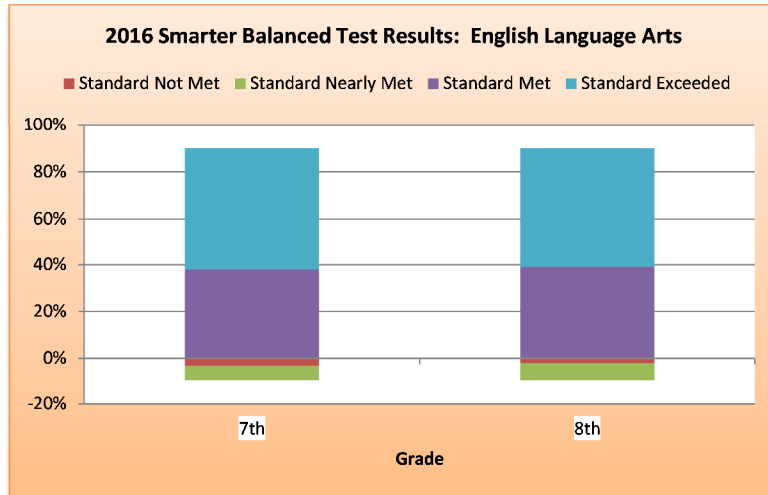


It is the mission of Georgina P. Blach Intermediate School to foster a positive, compassionate and inclusive community to facilitate high levels of learning and the development of fundamental skills that prepare each student for high school and beyond.



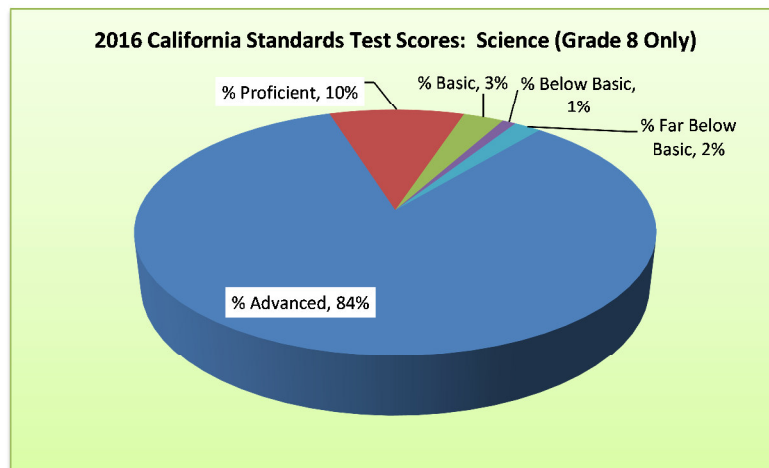
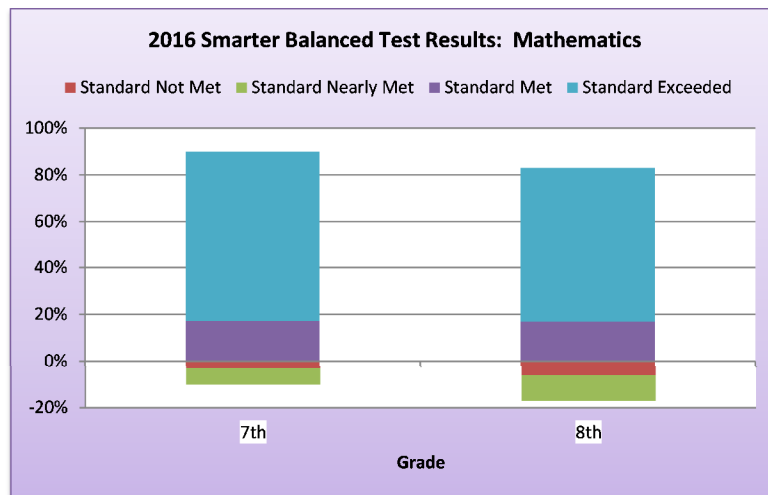
## ACHIEVEMENT TEST RESULTS: BLACH SCHOOL

The state's Smarter Balanced Assessment System utilizes computer-adaptive tests and performance tasks that allow students to show what they know and are able to do. This system is based on the Common Core State Standards for English language arts/literacy (ELA) and mathematics.



The accompanying test results show how our students performed as measured against state standards in the areas of English Language Arts and Mathematics. The charts show Standard Met and Standard Exceeded above the 0% line and Standard Nearly Met and Standard Not Met below the 0% line.

Below those test results we show the most recent results on the California Standards Test in Science, which is only given in certain grades (5th and 8th). The scoring differs from the Smarter Balanced tests in that student performance is rated as at the basic level or above or below basic. We highlight the % of students scoring at proficient or advanced levels.



# Los Altos School District 2017-18 Budget BLACH SCHOOL

	Actuals 2013-14	Actuals 2014-15	Actuals 2015-16	Est. Actuals 2016-17	Adopted 2017-18	Budget FTE 2017-18
<b><u>1000 - Instruction</u></b>						
1 - Certificated Salaries	1,889,362	1,986,669	1,980,905	2,105,062	2,107,317	22.917
2 - Classified Salaries	686	500	9,077	5,387	5,785	0.113
3 - Benefits	478,821	520,673	599,971	656,066	705,282	
4 - Supplies	156,951	148,163	117,808	63,127	26,390	
5 - Services	16,913	22,301	28,726	50,465	19,800	
6 - Capital				4,370	1,500	
<b>1000 - Instruction</b>	<b>2,542,733</b>	<b>2,678,305</b>	<b>2,736,487</b>	<b>2,884,477</b>	<b>2,866,074</b>	<b>23.030</b>
<b><u>1110 - Special Ed.: Separate Classes</u></b>						
1 - Certificated Salaries	123,035	138,040	108,417	134,027	184,953	2.667
2 - Classified Salaries	90,895	62,684	67,092	96,643	101,470	2.438
3 - Benefits	79,861	76,550	83,675	106,803	130,068	
<b>1110 - Special Ed.: Separate Classes</b>	<b>293,791</b>	<b>277,274</b>	<b>259,183</b>	<b>337,473</b>	<b>416,491</b>	<b>5.105</b>
<b><u>1120 - Special Ed.: Resources Specialist</u></b>						
1 - Certificated Salaries	120,846	125,842	128,251	80,979	84,826	1.000
2 - Classified Salaries	113,499	107,190	92,197	118,060	140,248	3.301
3 - Benefits	86,339	88,383	88,913	92,191	121,687	
<b>1120 - Special Ed.: Resources Specialist</b>	<b>320,684</b>	<b>321,416</b>	<b>309,361</b>	<b>291,230</b>	<b>346,761</b>	<b>4.301</b>
<b><u>1130 - Special Ed.: Supplemental Aids &amp; Services</u></b>						
2 - Classified Salaries	89,410	55,261		30,302	30,853	0.700
3 - Benefits	43,492	25,181	873	14,346	15,325	
<b>1130 - Special Ed.: Supplemental Aids &amp; Services</b>	<b>132,902</b>	<b>80,442</b>	<b>873</b>	<b>44,648</b>	<b>46,178</b>	<b>0.700</b>
<b><u>2420 - Instructional Library, Media, &amp; Technology</u></b>						
2 - Classified Salaries	67,325	72,084	73,234	81,338	81,902	1.529
3 - Benefits	30,960	32,904	33,281	35,985	37,881	
4 - Supplies	3,718					
6 - Capital	71	627		2,072	2,108	
<b>2420 - Instructional Library, Media, &amp; Technology</b>	<b>102,074</b>	<b>105,615</b>	<b>106,516</b>	<b>119,395</b>	<b>121,891</b>	<b>1.529</b>
<b><u>2700 - School Administration</u></b>						
1 - Certificated Salaries	130,802	134,140	137,652	151,286	155,998	1.000
2 - Classified Salaries	69,715	72,125	73,759	86,949	85,259	1.625
3 - Benefits	66,170	69,519	73,652	81,630	87,209	
4 - Supplies		300		518	527	
5 - Services	2,750	2,750	2,839	2,750	2,750	
<b>2700 - School Administration</b>	<b>269,437</b>	<b>278,834</b>	<b>287,902</b>	<b>323,133</b>	<b>331,743</b>	<b>2.625</b>
<b><u>3110 - Guidance &amp; Counseling Services</u></b>						
1 - Certificated Salaries	49,101	50,283	51,096	54,190	54,190	0.400
3 - Benefits	13,080	13,787	13,991	17,446	18,925	
<b>3110 - Guidance &amp; Counseling Services</b>	<b>62,181</b>	<b>64,069</b>	<b>65,087</b>	<b>71,636</b>	<b>73,115</b>	<b>0.400</b>
<b><u>3120 - Psychological Services</u></b>						
1 - Certificated Salaries	49,101	50,283	51,096	54,190	54,190	0.400
3 - Benefits	13,080	13,787	13,990	17,446	18,925	
<b>3120 - Psychological Services</b>	<b>62,181</b>	<b>64,069</b>	<b>65,086</b>	<b>71,636</b>	<b>73,115</b>	<b>0.400</b>
<b><u>3900 - Other Pupil Services</u></b>						
1 - Certificated Salaries	11,100	10,388	10,350	6,500	6,500	
2 - Classified Salaries	2,525	2,582	2,627	2,816	2,840	0.094
3 - Benefits	2,975	3,033	3,200	3,749	3,963	
<b>3900 - Other Pupil Services</b>	<b>16,600</b>	<b>16,003</b>	<b>16,177</b>	<b>13,065</b>	<b>13,303</b>	<b>0.094</b>
<b><u>8200 - Operations</u></b>						
2 - Classified Salaries	69,173	72,983	76,382	86,513	120,162	2.000
3 - Benefits	41,537	47,988	44,626	47,102	66,805	
4 - Supplies		5,401	4,823	6,216	6,324	
5 - Services	3,197	2,295	935	3,600	3,600	
<b>8200 - Operations</b>	<b>113,908</b>	<b>128,668</b>	<b>126,766</b>	<b>143,431</b>	<b>196,891</b>	<b>2.000</b>

## Los Altos School District 2017-18 Budget

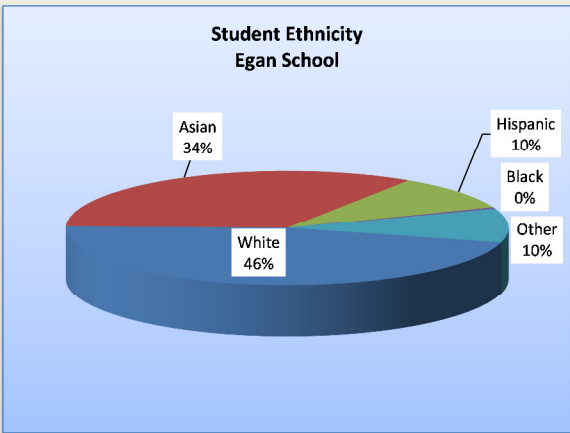
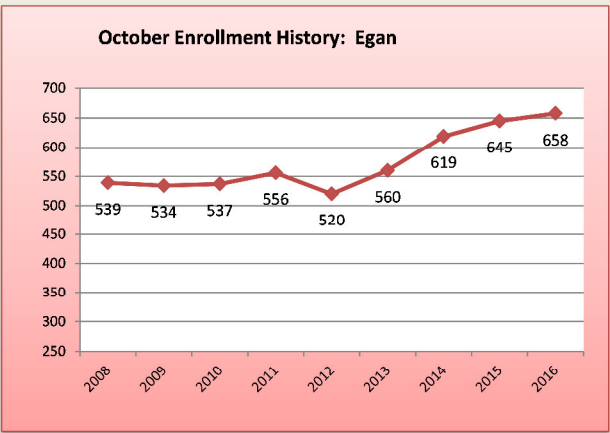
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### Egan School (K-6)

- A California Distinguished School
- National Blue Ribbon School
- 100 West Portola, Los Altos
- [www.eganschool.org](http://www.eganschool.org)
- Enrollment: 631
- Principal: Keith Rocha
- Site Acreage: 18.83 acres
- Teachers, Regular: 30.1 FTE
- Teachers, Other: 3.0 FTE
- Discretionary Allocation: \$60 per student
- Building SF: 69,088

Egan School is located on the north side of the district. Students attending Egan feed into Los Altos High School (in Mountain View-Los Altos High School District). Demographic and performance data for the school are shown below and on the following page. Budget information starts on the succeeding page.



Egan’s mission is to create a safe, caring, and supportive community where ALL students are empowered to learn at high levels, while growing to be resilient, respectful, and productive citizens in a dynamic global landscape.

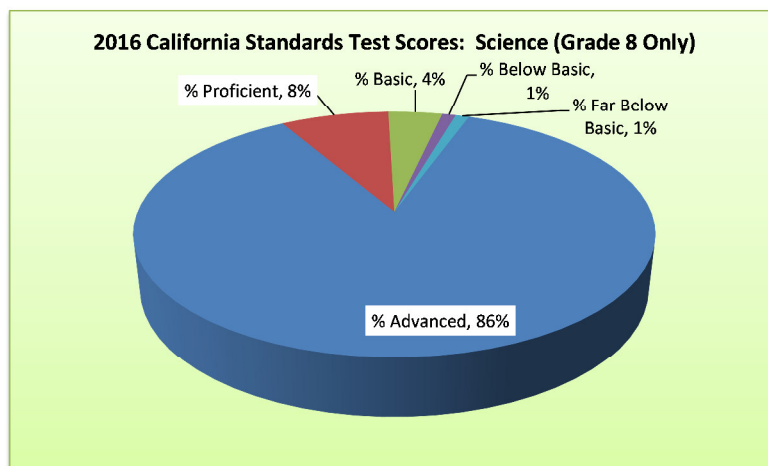
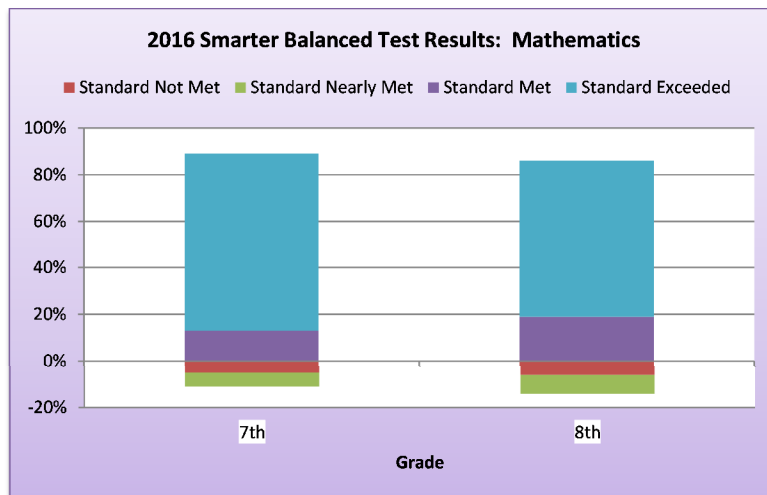
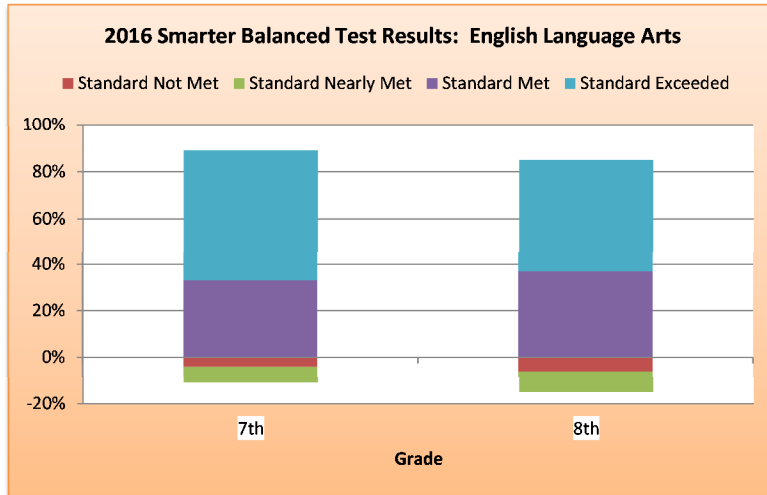
## ACHIEVEMENT TEST RESULTS: EGAN SCHOOL

The state's Smarter Balanced Assessment System utilizes computer-adaptive tests and performance tasks that allow students to show what they know and are able to do. This system is based on the Common Core State

Standards for English language arts/literacy (ELA) and mathematics.

The accompanying test results show how our students performed as measured against state standards in the areas of English Language Arts and Mathematics. The charts show Standard Met and Standard Exceeded above the 0% line and Standard Nearly Met and Standard Not Met below the 0% line.

Below those test results we show the most recent results on the California Standards Test in Science, which is only given in certain grades (5th and 8th). The scoring differs from the Smarter Balanced tests in that student performance is rated as at the basic level or above or below basic. We highlight the % of students scoring at proficient or advanced levels.



# Los Altos School District 2017-18 Budget EGAN SCHOOL

	Actuals 2013-14	Actuals 2014-15	Actuals 2015-16	Est. Actuals 2016-17	Adopted 2017-18	Budget FTE 2017-18
<b><u>1000 - Instruction</u></b>						
1 - Certificated Salaries	2,043,020	2,254,469	2,497,453	2,652,491	2,716,203	31.082
2 - Classified Salaries	34,210	5,745	2,625	2,500		
3 - Benefits	503,160	592,295	726,534	814,963	893,981	
4 - Supplies	185,100	278,917	112,690	79,257	28,761	
5 - Services	24,302	20,266	25,178	21,425	15,725	
6 - Capital			33,860	1,500	1,500	
<b>1000 - Instruction</b>	<b>2,789,792</b>	<b>3,151,690</b>	<b>3,398,339</b>	<b>3,572,136</b>	<b>3,656,170</b>	<b>31.082</b>
<b><u>1110 - Special Ed.: Separate Classes</u></b>						
1 - Certificated Salaries	56,211	58,860	71,055	90,709	90,709	1.000
2 - Classified Salaries	73,295	123,294	140,835	106,611	111,011	1.644
3 - Benefits	54,294	79,205	84,084	71,345	79,359	
<b>1110 - Special Ed.: Separate Classes</b>	<b>183,800</b>	<b>261,359</b>	<b>295,973</b>	<b>268,665</b>	<b>281,079</b>	<b>2.644</b>
<b><u>1120 - Special Ed.: Resources Specialist</u></b>						
1 - Certificated Salaries	81,855	85,452	42,488	106,044	106,044	1.000
2 - Classified Salaries	58,475	59,570	56,172	34,327	34,560	0.813
3 - Benefits	56,804	61,562	47,534	51,207	54,793	
<b>1120 - Special Ed.: Resources Specialist</b>	<b>197,134</b>	<b>206,585</b>	<b>146,193</b>	<b>191,578</b>	<b>195,397</b>	<b>1.813</b>
<b><u>1130 - Special Ed.: Supplemental Aids &amp; Services</u></b>						
2 - Classified Salaries				62,481	64,545	1.588
3 - Benefits				29,889	32,238	
<b>1130 - Special Ed.: Supplemental Aids &amp; Services</b>				<b>92,370</b>	<b>96,783</b>	<b>1.588</b>
<b><u>2420 - Instructional Library, Media, &amp; Technology</u></b>						
2 - Classified Salaries	71,015	73,888	75,833	82,726	81,981	1.580
3 - Benefits	25,047	25,450	25,374	26,845	28,180	
4 - Supplies	75	105				
6 - Capital	2,300	2,750	3,376	2,612	2,524	
<b>2420 - Instructional Library, Media, &amp; Technology</b>	<b>98,437</b>	<b>102,194</b>	<b>104,584</b>	<b>112,183</b>	<b>112,685</b>	<b>1.580</b>
<b><u>2700 - School Administration</u></b>						
1 - Certificated Salaries	149,157	148,569	131,729	145,072	149,786	1.000
2 - Classified Salaries	82,680	94,375	95,541	88,383	92,240	1.875
3 - Benefits	81,078	89,088	89,794	83,750	88,079	
4 - Supplies			2,200	653	631	
5 - Services	2,750	2,750	2,750	2,750	2,750	
<b>2700 - School Administration</b>	<b>315,665</b>	<b>334,782</b>	<b>322,014</b>	<b>320,608</b>	<b>333,486</b>	<b>2.875</b>
<b><u>3110 - Guidance &amp; Counseling Services</u></b>						
1 - Certificated Salaries	49,150	34,165	36,650	38,316	40,356	0.400
3 - Benefits	11,320	9,496	10,267	9,710	11,706	
<b>3110 - Guidance &amp; Counseling Services</b>	<b>60,471</b>	<b>43,660</b>	<b>46,917</b>	<b>48,026</b>	<b>52,062</b>	<b>0.400</b>
<b><u>3120 - Psychological Services</u></b>						
1 - Certificated Salaries	32,403	34,165	36,650	38,316	40,356	0.400
3 - Benefits	10,832	9,496	10,267	9,710	11,706	
<b>3120 - Psychological Services</b>	<b>43,235</b>	<b>43,660</b>	<b>46,918</b>	<b>48,026</b>	<b>52,062</b>	<b>0.400</b>
<b><u>3900 - Other Pupil Services</u></b>						
1 - Certificated Salaries	28,996	34,375	31,915	23,500	23,500	
2 - Classified Salaries		125				
3 - Benefits	3,556	4,157	4,344	5,135	5,569	
<b>3900 - Other Pupil Services</b>	<b>32,552</b>	<b>38,657</b>	<b>36,258</b>	<b>28,635</b>	<b>29,069</b>	
<b><u>8200 - Operations</u></b>						
2 - Classified Salaries	79,064	81,426	82,362	102,956	111,015	2.000
3 - Benefits	34,255	36,506	38,699	48,716	54,597	
4 - Supplies	9,172	9,511	11,222	7,836	7,572	
5 - Services	2,850	2,071	364	3,600	3,600	
<b>8200 - Operations</b>	<b>125,340</b>	<b>129,514</b>	<b>132,647</b>	<b>163,108</b>	<b>176,784</b>	<b>2.000</b>

## Los Altos School District 2017-18 Budget

	Actuals 2013-14	Actuals 2014-15	Actuals 2015-16	Est. Actuals 2016-17	Adopted 2017-18	Budget FTE 2017-18
<b><u>8500 - Facilities Acquisition &amp; Construction</u></b>						
6 - Capital				71,493		
<b>8500 - Facilities Acquisition &amp; Construction</b>				<b>71,493</b>		
<b>Grand Total</b>	<b>3,846,426</b>	<b>4,312,101</b>	<b>4,529,844</b>	<b>4,916,828</b>	<b>4,985,577</b>	<b>44.381</b>

## GENERAL FUND EXPENDITURES

### DISTRICT PROGRAMS

District programs support our school programs in a variety of ways, from direct instruction by teaching staff not assigned to a specific site to general administrative support. For the budget year a little over one-third (36%) of our expenditures (\$20,766,737 out of \$57,829,351) are recorded in district level cost centers (programs). The following information summarizes these cost centers, which are then shown on succeeding pages.

General Fund Budgets Detail	2017-18 Expenditures
<b>School Programs</b>	
<b>Elementary</b>	
Almond	3,879,696
Gardner Bullis	2,651,498
Covington	4,692,762
Loyola	3,734,657
Oak	3,415,549
Santa Rita	4,895,339
Springer	4,321,974
<b>Intermediate</b>	
Blach	4,485,562
Egan	4,985,577
<b>Total, School Programs</b>	<b>37,062,614</b>
<b>District Programs</b>	<b>20,766,737</b>
<b>Grand Total</b>	<b>57,829,351</b>
<i>Excludes 1,493,724 (Offset to state on-behalf contribution to STRS)</i>	

#### **Instruction (1000)**

In these cost centers we record the expense for physical education teachers, music teachers, and teacher coaches—all of whom travel among the various school sites. We also record the cost of textbooks purchased centrally.

#### **Special Education Cost Centers (1100)**

We run a preschool special education program that is located at the district office site. All of our costs for students attending non-public facilities for intensive special education are recorded at the district level. One-on-one aides and consultants serving special needs students are recorded here as well.

#### **Instructional Supervision (2100)**

We capture the costs of special education administration, the department of the assistant superintendent for curriculum and instruction, and incidental training costs in these cost centers.

#### **Library (2400)**

Support costs for our school libraries are recorded in these cost centers.



***School Administration (2700)***

We record summer school expenses at the district level, charging administrative costs to the School Administration cost center. We also record the cost of district paid health benefits for retired school administrators to the 2700 cost center.

***Guidance & Counseling (3110)***

Our contract with the Community Health Awareness Council (CHAC), which provides intervention services to students and families with needs, is recorded here.

***Psychological Services (3120)***

Here we record the cost of two psychologists serving students throughout the district. All other psychologist costs are recorded at the school site level.

***Health Services (3140)***

In this cost center we account for our two nurses, health assistants, and their supplies and services.

***Speech Services (3150)***

We employ a team of speech therapists who travel from school to school, with their costs recorded in these cost centers.

***Pupil Testing (3160)***

In this cost center we pay for testing materials and personnel costs to administer the state-required testing program.

***Pupil Transportation (3600)***

We pay the costs of transporting special education students on contract buses in this cost center.

***Food Services (3700)***

We pay the cost of providing lunches to students eligible for free and reduced meals in this cost center.

***Other Pupil Services (3900)***

In these cost centers we record the costs of contracted crossing guards, supplies for emergencies, and early retirement incentives for former employees who worked in pupil services.

***General Administration (7100 through 7200)***

In the 7100 and 7200 cost centers we record the costs of the superintendent's office, our spending on public communication, the cost of an annual audit, and general administrative costs not assigned to a particular program (such as legal fees and election costs).

***Fiscal Services (7300)***

The cost of our Business Services office is recorded in this cost center.

***Personnel (7400)***

We record the cost of our Human Resources department in this cost center.

***Central Support (7500)***

The costs of our warehouse and printing operations are recorded in these cost centers.

***Other General Administration (7600)***

The cost to purchase property and liability insurance is recorded in this cost center.

***Data Processing (7700)***

We employ three technology specialists to maintain our technology infrastructure. In this cost center we also record the costs of contracting with our county office for data services, including financial and payroll systems.

***Plant Services (8000)***

In these cost centers we record the costs of our maintenance department, our grounds department, custodians not assigned to a specific site, our utility costs, the cost for building alarm services, and lease costs for the portable buildings used by a preschool on one of our campuses.

***Other Outgo (9000)***

We record the debt service on Tax and Revenue Anticipation Notes (TRANS), debt service on two capital leases, the transfer of funds to a community school when used, and inter-fund transfers in these cost centers.

**DISTRICT**

**Los Altos School District 2017-18 Budget**

	<b>Actuals 2013-14</b>	<b>Actuals 2014-15</b>	<b>Actuals 2015-16</b>	<b>Est. Actuals 2016-17</b>	<b>Adopted 2017-18</b>	<b>Budget FTE 2017-18</b>
<b><u>1000 - Instruction</u></b>						
1 - Certificated Salaries	2,007,397	2,368,916	2,302,012	2,455,047	2,442,000	16.864
2 - Classified Salaries	23,448	25,513	23,318	22,502	22,530	0.100
3 - Benefits	903,985	991,573	997,351	1,130,496	1,086,601	
4 - Supplies	633,758	808,264	407,037	865,728	571,970	
5 - Services	143,808	228,822	311,693	303,621	155,105	
6 - Capital				968	968	
<b>1000 - Instruction</b>	<b>3,712,397</b>	<b>4,423,087</b>	<b>4,041,412</b>	<b>4,778,362</b>	<b>4,279,174</b>	<b>16.964</b>
<b><u>1110 - Special Ed.: Separate Classes</u></b>						
1 - Certificated Salaries	37,350	34,703	39,708	31,850	31,850	
2 - Classified Salaries	75,477	84,128	75,207	51,805	51,805	
3 - Benefits	22,757	22,677	21,934	15,788	15,788	
4 - Supplies	4,107	2,520	3,972	5,180	5,180	
<b>1110 - Special Ed.: Separate Classes</b>	<b>139,691</b>	<b>144,027</b>	<b>140,821</b>	<b>104,623</b>	<b>104,623</b>	
<b><u>1120 - Special Ed.: Resources Specialist</u></b>						
1 - Certificated Salaries				408	408	
3 - Benefits	1,404	7,494	11,985			
4 - Supplies	1,824	2,557	431	1,489	1,489	
<b>1120 - Special Ed.: Resources Specialist</b>	<b>3,228</b>	<b>10,050</b>	<b>12,417</b>	<b>1,897</b>	<b>1,897</b>	
<b><u>1130 - Special Ed.: Supplemental Aids &amp; Services</u></b>						
2 - Classified Salaries		17				
3 - Benefits		4				
4 - Supplies	8,227	24,818	9,821	17,807	17,807	
5 - Services	307,711	303,209	427,971	253,200	203,200	
6 - Capital	5,495			11,500	11,500	
<b>1130 - Special Ed.: Supplemental Aids &amp; Services</b>	<b>321,433</b>	<b>328,048</b>	<b>437,792</b>	<b>282,507</b>	<b>232,507</b>	
<b><u>1180 - Special Ed.: Nonpublic Agencies/Schools</u></b>						
5 - Services	974,078	1,058,313	902,447	674,138	632,500	
<b>1180 - Special Ed.: Nonpublic Agencies/Schools</b>	<b>974,078</b>	<b>1,058,313</b>	<b>902,447</b>	<b>674,138</b>	<b>632,500</b>	
<b><u>1190 - Special Ed.: Other Specialized Instruction</u></b>						
2 - Classified Salaries	447,183	754,854	637,452	792,712	885,950	16.857
3 - Benefits	181,054	297,364	273,067	336,417	396,774	
4 - Supplies			790			
<b>1190 - Special Ed.: Other Specialized Instruction</b>	<b>628,237</b>	<b>1,052,218</b>	<b>911,309</b>	<b>1,129,129</b>	<b>1,282,724</b>	<b>16.857</b>
<b><u>2100 - Supervision of Instruction</u></b>						
1 - Certificated Salaries	330,364	378,755	327,354	295,892	300,606	2.000
2 - Classified Salaries	371,022	461,939	516,752	595,661	610,740	7.932
3 - Benefits	172,980	215,420	252,350	282,142	301,508	
4 - Supplies	34,116	45,731	42,409	36,635	33,550	
5 - Services	39,298	90,409	82,220	95,820	93,820	
6 - Capital				1,000	1,000	
<b>2100 - Supervision of Instruction</b>	<b>947,780</b>	<b>1,192,253</b>	<b>1,221,084</b>	<b>1,307,150</b>	<b>1,341,224</b>	<b>9.932</b>
<b><u>2110 - Instructional Supervision</u></b>						
1 - Certificated Salaries	262,641	232,707	207,682	287,936	292,087	2.000
2 - Classified Salaries	92,713	94,776	97,080	103,044	103,044	1.000
3 - Benefits	120,764	123,976	132,938	159,228	168,142	
4 - Supplies	8,406	84,329	16,548	41,384	41,384	
5 - Services	34,520	33,862	58,288	34,760	34,760	
<b>2110 - Instructional Supervision</b>	<b>519,044</b>	<b>569,650</b>	<b>512,536</b>	<b>626,352</b>	<b>639,417</b>	<b>3.000</b>
<b><u>2120 - Instructional Research</u></b>						
4 - Supplies	103	561	401	950	950	
5 - Services		50		50	50	
<b>2120 - Instructional Research</b>	<b>103</b>	<b>611</b>	<b>401</b>	<b>1,000</b>	<b>1,000</b>	
<b><u>2130 - Curriculum Development</u></b>						
1 - Certificated Salaries	200	200		215,262	223,335	2.000

	Actuals 2013-14	Actuals 2014-15	Actuals 2015-16	Est. Actuals 2016-17	Adopted 2017-18	Budget FTE 2017-18
3 - Benefits				45,195	50,887	
5 - Services			135	5,876	5,876	
<b>2130 - Curriculum Development</b>	<b>200</b>	<b>200</b>	<b>135</b>	<b>266,333</b>	<b>280,098</b>	<b>2.000</b>
<b><u>2140 - Instructional Staff Development</u></b>						
5 - Services		1,500				
<b>2140 - Instructional Staff Development</b>		<b>1,500</b>				
<b><u>2420 - Instructional Library, Media, &amp; Technology</u></b>						
2 - Classified Salaries	13,795	4,671	2,603	8,430	8,430	
3 - Benefits	10,369	11,644	12,052	12,706	14,074	
4 - Supplies	375	57	11			
5 - Services		1,345	276	2,000	2,000	
6 - Capital	24,565	24,049	43,748	39,000	39,000	
<b>2420 - Instructional Library, Media, &amp; Technology</b>	<b>49,104</b>	<b>41,765</b>	<b>58,689</b>	<b>62,136</b>	<b>63,504</b>	
<b><u>2700 - School Administration</u></b>						
1 - Certificated Salaries	7,044	6,840	7,265	7,100	7,100	
2 - Classified Salaries	22,528	24,544	36,571	40,000	23,000	
3 - Benefits	83,068	106,265	108,890	93,613	94,473	
5 - Services	7,850	1,777	55,848	7,000	5,000	
<b>2700 - School Administration</b>	<b>120,489</b>	<b>139,425</b>	<b>208,574</b>	<b>147,713</b>	<b>129,573</b>	
<b><u>3110 - Guidance &amp; Counseling Services</u></b>						
5 - Services	46,125	47,509	24,468	175,849	51,381	
<b>3110 - Guidance &amp; Counseling Services</b>	<b>46,125</b>	<b>47,509</b>	<b>24,468</b>	<b>175,849</b>	<b>51,381</b>	
<b><u>3120 - Psychological Services</u></b>						
1 - Certificated Salaries	116,788	80,595	125,019	141,843	142,963	1.400
3 - Benefits	51,131	44,578	59,234	47,842	52,715	
4 - Supplies	7,421			2,000	2,000	
5 - Services	26			29,990	29,990	
<b>3120 - Psychological Services</b>	<b>175,365</b>	<b>125,173</b>	<b>184,253</b>	<b>221,675</b>	<b>227,668</b>	<b>1.400</b>
<b><u>3140 - Health Services</u></b>						
1 - Certificated Salaries	166,813	193,525	227,062	242,926	248,948	2.000
2 - Classified Salaries	90,613	115,841	114,359	103,454	106,750	2.000
3 - Benefits	95,772	113,333	122,916	136,801	151,730	
4 - Supplies	8,949	8,922	10,448	11,000	11,000	
5 - Services	14,510	15,572	16,356	26,544	26,544	
<b>3140 - Health Services</b>	<b>376,656</b>	<b>447,194</b>	<b>491,141</b>	<b>520,725</b>	<b>544,972</b>	<b>4.000</b>
<b><u>3150 - Speech Pathology &amp; Audiology Services</u></b>						
1 - Certificated Salaries	472,151	529,204	548,979	583,959	581,252	6.400
3 - Benefits	131,495	150,898	169,109	180,044	200,254	
4 - Supplies	12,442	2,907	3,683	500	500	
<b>3150 - Speech Pathology &amp; Audiology Services</b>	<b>616,088</b>	<b>683,010</b>	<b>721,771</b>	<b>764,503</b>	<b>782,006</b>	<b>6.400</b>
<b><u>3160 - Pupil Testing</u></b>						
2 - Classified Salaries	9,038	16,610	14,566	11,973	11,973	
3 - Benefits	880	2,260	1,998	1,552	1,552	
4 - Supplies	4,195	2,093	1,916	4,000	4,000	
<b>3160 - Pupil Testing</b>	<b>14,113</b>	<b>20,963</b>	<b>18,480</b>	<b>17,525</b>	<b>17,525</b>	
<b><u>3600 - Pupil Transportation</u></b>						
5 - Services	265,069	215,363	235,368	437,000	303,000	
<b>3600 - Pupil Transportation</b>	<b>265,069</b>	<b>215,363</b>	<b>235,368</b>	<b>437,000</b>	<b>303,000</b>	
<b><u>3700 - Food Services</u></b>						
4 - Supplies	77,609	97,373	98,785	105,600	105,600	
5 - Services		1,813	1,116	2,000	2,000	
<b>3700 - Food Services</b>	<b>77,609</b>	<b>99,186</b>	<b>99,901</b>	<b>107,600</b>	<b>107,600</b>	

## DISTRICT

## Los Altos School District 2017-18 Budget

	Actuals 2013-14	Actuals 2014-15	Actuals 2015-16	Est. Actuals 2016-17	Adopted 2017-18	Budget FTE 2017-18
<b><u>3900 - Other Pupil Services</u></b>						
1 - Certificated Salaries	68,895	72,895	56,163	70,000	70,000	
2 - Classified Salaries	16,925	24,902	21,779	21,613	20,128	0.694
3 - Benefits	65,605	326,681	174,764	232,505	197,188	
4 - Supplies		7,830		4,944	4,944	
5 - Services	40,754	48,168	38,683	71,221	53,300	
<b>3900 - Other Pupil Services</b>	<b>192,179</b>	<b>480,477</b>	<b>291,389</b>	<b>400,283</b>	<b>345,560</b>	<b>0.694</b>
<b><u>7110 - Board</u></b>						
2 - Classified Salaries	1,080	1,200	580	2,500	2,500	
3 - Benefits	98	111	54	266	266	
4 - Supplies	3,849	39,925	2,111	5,000	5,000	
5 - Services	1,511,578	491,352	260,094	499,489	423,223	
6 - Capital				1,500	1,500	
<b>7110 - Board</b>	<b>1,516,606</b>	<b>532,589</b>	<b>262,839</b>	<b>508,755</b>	<b>432,489</b>	
<b><u>7150 - Superintendent</u></b>						
1 - Certificated Salaries	238,733	248,983	237,612	252,773	253,181	1.000
2 - Classified Salaries	106,639	108,826	118,750	120,122	112,674	1.000
3 - Benefits	102,635	116,461	123,890	136,137	145,524	
4 - Supplies	43,719	72,446	23,820	20,000	20,000	
5 - Services	29,988	34,372	54,676	50,620	50,620	
6 - Capital				2,200	2,200	
<b>7150 - Superintendent</b>	<b>521,713</b>	<b>581,089</b>	<b>558,748</b>	<b>581,852</b>	<b>584,199</b>	<b>2.000</b>
<b><u>7180 - Public Information</u></b>						
4 - Supplies	9,452	7,606	1,185	12,180	12,180	
5 - Services	52,237	26,458	127,527	91,091	91,091	
<b>7180 - Public Information</b>	<b>61,689</b>	<b>34,064</b>	<b>128,712</b>	<b>103,271</b>	<b>103,271</b>	
<b><u>7191 - External Financial Audit</u></b>						
5 - Services	16,000	16,000	20,700	30,000	30,000	
<b>7191 - External Financial Audit</b>	<b>16,000</b>	<b>16,000</b>	<b>20,700</b>	<b>30,000</b>	<b>30,000</b>	
<b><u>7200 - Other General Administration</u></b>						
3 - Benefits				8,737	9,047	
5 - Services	3,827	5,238	4,436	4,300	4,300	
<b>7200 - Other General Administration</b>	<b>3,827</b>	<b>5,238</b>	<b>4,436</b>	<b>13,037</b>	<b>13,347</b>	
<b><u>7210 - General Administration Cost Transfers</u></b>						
7 - Other Outgo				(1,989)	(1,122)	
<b>7210 - General Administration Cost Transfers</b>				<b>(1,989)</b>	<b>(1,122)</b>	
<b><u>7300 - Fiscal Services</u></b>						
2 - Classified Salaries	647,729	701,295	707,292	737,642	721,020	6.000
3 - Benefits	258,751	277,935	362,246	328,441	336,024	
4 - Supplies	10,328	16,873	12,675	20,825	16,830	
5 - Services	117,736	115,834	125,053	119,277	123,272	
6 - Capital		13,086		3,500	3,500	
<b>7300 - Fiscal Services</b>	<b>1,034,543</b>	<b>1,125,023</b>	<b>1,207,266</b>	<b>1,209,685</b>	<b>1,200,646</b>	<b>6.000</b>
<b><u>7400 - Personnel or Human Resources Services</u></b>						
1 - Certificated Salaries	2,500		22,620	95,006	126,674	0.800
2 - Classified Salaries	131,030	152,967	156,485	166,799	165,380	2.000
3 - Benefits	61,029	68,932	80,609	103,456	115,851	
4 - Supplies	3,793	3,929	3,504	4,600	4,600	
5 - Services	54,234	24,517	20,242	38,660	38,660	
6 - Capital		489				
<b>7400 - Personnel or Human Resources Services</b>	<b>252,586</b>	<b>250,835</b>	<b>283,459</b>	<b>408,521</b>	<b>451,165</b>	<b>2.800</b>
<b><u>7410 - Staff Development (non-instructional)</u></b>						
5 - Services		1,032				
<b>7410 - Staff Development (non-instructional)</b>		<b>1,032</b>				

	Actuals 2013-14	Actuals 2014-15	Actuals 2015-16	Est. Actuals 2016-17	Adopted 2017-18	Budget FTE 2017-18
<b><u>7540 - Warehousing and Distribution</u></b>						
2 - Classified Salaries	61,743	60,828	61,728	68,976	69,579	1.000
3 - Benefits	48,058	44,603	47,735	50,751	53,297	
4 - Supplies	999	2,955	2,460	500	500	
5 - Services	398	605	419	2,500	2,500	
6 - Capital	19,956			1,000	1,000	
<b>7540 - Warehousing and Distribution</b>	<b>131,154</b>	<b>108,990</b>	<b>112,342</b>	<b>123,727</b>	<b>126,876</b>	<b>1.000</b>
<b><u>7550 - Printing, Publishing and Duplicating</u></b>						
3 - Benefits	3,919	4,177	4,411	4,320	4,853	
<b>7550 - Printing, Publishing and Duplicating</b>	<b>3,919</b>	<b>4,177</b>	<b>4,411</b>	<b>4,320</b>	<b>4,853</b>	
<b><u>7600 - All Other General Administration</u></b>						
5 - Services	93,765	65,289	101,364	207,518	148,770	
<b>7600 - All Other General Administration</b>	<b>93,765</b>	<b>65,289</b>	<b>101,364</b>	<b>207,518</b>	<b>148,770</b>	
<b><u>7700 - Data Processing Services</u></b>						
2 - Classified Salaries	245,053	270,381	284,377	274,034	279,682	3.000
3 - Benefits	81,448	87,911	93,927	94,243	101,567	
4 - Supplies	39,594	59,502	71,036	148,461	148,461	
5 - Services	152,696	160,793	181,269	178,239	177,721	
6 - Capital	15,840		40,842	112,600	112,600	
<b>7700 - Data Processing Services</b>	<b>534,630</b>	<b>578,587</b>	<b>671,451</b>	<b>807,577</b>	<b>820,031</b>	<b>3.000</b>
<b><u>8110 - Maintenance</u></b>						
2 - Classified Salaries	312,455	372,653	388,862	411,232	403,669	5.000
3 - Benefits	162,387	186,507	185,777	193,640	205,945	
4 - Supplies	201,033	238,830	266,486	206,229	206,229	
5 - Services	985,657	975,750	1,117,516	1,742,250	1,205,980	
6 - Capital	16,620	54,664	23,365	12,000	12,000	
<b>8110 - Maintenance</b>	<b>1,678,152</b>	<b>1,828,404</b>	<b>1,982,006</b>	<b>2,565,351</b>	<b>2,033,823</b>	<b>5.000</b>
<b><u>8200 - Operations</u></b>						
2 - Classified Salaries	359,663	380,710	446,192	412,146	388,074	3.729
3 - Benefits	181,837	199,084	208,338	206,845	216,143	
4 - Supplies	111,250	112,094	136,605	120,532	119,532	
5 - Services	1,339,646	1,697,491	1,665,520	1,746,117	1,810,227	
6 - Capital	1,302			12,650	12,650	
<b>8200 - Operations</b>	<b>1,993,699</b>	<b>2,389,380</b>	<b>2,456,655</b>	<b>2,498,290</b>	<b>2,546,627</b>	<b>3.729</b>
<b><u>8300 - Security</u></b>						
4 - Supplies				9,000	9,000	
5 - Services	24,539	40,632	21,791	25,100	25,100	
6 - Capital				500	500	
<b>8300 - Security</b>	<b>24,539</b>	<b>40,632</b>	<b>21,791</b>	<b>34,600</b>	<b>34,600</b>	
<b><u>8500 - Facilities Acquisition &amp; Construction</u></b>						
5 - Services				130,000		
6 - Capital		9,104		10,000	10,000	
<b>8500 - Facilities Acquisition &amp; Construction</b>		<b>9,104</b>		<b>140,000</b>	<b>10,000</b>	
<b><u>8700 - Facilities Rents and Leases</u></b>						
5 - Services	38,154	38,154	112,701	92,436	92,436	
<b>8700 - Facilities Rents and Leases</b>	<b>38,154</b>	<b>38,154</b>	<b>112,701</b>	<b>92,436</b>	<b>92,436</b>	
<b><u>9100 - Debt Service</u></b>						
5 - Services	104,745	79,717	204,617	214,613	214,613	
7 - Other Outgo	332,803	332,803	332,803	332,803	332,803	
<b>9100 - Debt Service</b>	<b>437,548</b>	<b>412,520</b>	<b>537,419</b>	<b>547,416</b>	<b>547,416</b>	
<b><u>9200 - Transfer Between Agencies</u></b>						
7 - Other Outgo	39,836	48,612	65,414	18,081	18,081	
<b>9200 - Transfer Between Agencies</b>	<b>39,836</b>	<b>48,612</b>	<b>65,414</b>	<b>18,081</b>	<b>18,081</b>	

## DISTRICT

## Los Altos School District 2017-18 Budget

	Actuals 2013-14	Actuals 2014-15	Actuals 2015-16	Est. Actuals 2016-17	Adopted 2017-18	Budget FTE 2017-18
<b><u>9300 - Interfund Transfers</u></b>						
7 - Other Outgo	3,656,938	3,027,578	982,405	432,010	201,277	
<b>9300 - Interfund Transfers</b>	<b>3,656,938</b>	<b>3,027,578</b>	<b>982,405</b>	<b>432,010</b>	<b>201,277</b>	
<b>Grand Total</b>	<b>21,218,287</b>	<b>22,177,318</b>	<b>20,028,507</b>	<b>22,350,958</b>	<b>20,766,737</b>	<b>84.776</b>

## CAPITAL IMPROVEMENT PLAN

By late summer 2008, with the reconstruction of the Gardner Bullis School campus, we put the finishing touches on Phase 1 of our modernization program. We reconstructed and modernized all nine of our campuses as promised when we went to the voters in November 1998.

The impact of the modernization program had been to reduce annual operating costs for upkeep and repairs of buildings and grounds. With newly modernized facilities the district had significantly reduced its repair budget (by approximately \$175,000 per year) and extended the useful life of all building and grounds systems. However, as the building and grounds systems have aged repair costs have started increasing again.

In order to deal with rising repair coast as well as deal with continuing enrollment growth, the district passed a \$150 million bond measure in November 2014. This measure is intended to fund the acquisition of a new school site and the building of a new school, in addition to completing Phase 2 of the original modernization program. Phase 2 involves replacing portable buildings with permanent ones and reconstructing libraries, multi-purpose buildings, and administration buildings on some of our campuses. No bonds have yet been issued as the district continues the challenge of identifying and acquiring an appropriate school site.

We also plan to renovate the playing fields at Gardner Bullis School, potentially as a joint use project with the Town of Los Altos Hills, in order to create larger sports play areas and provide a small park for community use. That project lacks funding at this time.

A summary of costs of our facilities master plan (capital improvement plan) is shown in the table below.

	2001-02	2002-03	2003-04	2004-05	2005-06 through 2006-07	2007-08	2008-09 through 2016-17	Total
<b>Phase 1 Modernization</b>								
Egan School*	\$ 13,703,224							\$ 13,703,224
Covington School*	\$ 14,717,795							\$ 14,717,795
District Office*	\$ 3,359,535							\$ 3,359,535
Blach School	\$ 14,539,550							\$ 14,539,550
Corporate Yard		\$ 1,927,516						\$ 1,927,516
Almond School		\$ 10,265,841						\$ 10,265,841
Springer School		\$ 9,554,917						\$ 9,554,917
Loyola School			\$ 12,418,047					\$ 12,418,047
Santa Rita School			\$ 11,638,865					\$ 11,638,865
Oak School				\$ 10,403,962				\$ 10,403,962
Gardner Bullis School						\$ 13,952,815		\$ 13,952,815
<b>Total</b>	<b>\$ 46,320,104</b>	<b>\$ 21,748,274</b>	<b>\$ 24,056,912</b>	<b>\$ 10,403,962</b>	<b>\$ -</b>	<b>\$ 13,952,815</b>	<b>\$ -</b>	<b>\$ 116,482,067</b>
* The first 3 projects were completed over a two-year period, from 2000-01 through 2001-02.								
<b>Phase 2 Modernization &amp; Site Acquisition (\$150 million bond measure in place)</b>								<i>in planning stage</i>
<b>Gardner Bullis field improvement (\$2 million; est.)</b>								<i>not yet funded</i>

The only capital projects scheduled for the budget year are shown in the following section.



## SPECIAL PURPOSE FUNDS

Budget details for each of our special purpose funds are on succeeding pages.

**Special Revenue Funds** are used to account for the proceeds of specific revenue sources that are legally restricted to expenditures for specific purposes. The district maintains two special revenue funds: **Deferred Maintenance Fund** and **Special Reserve Fund**.

**Capital Project Funds** are used to account for the acquisition and/or construction of all major fixed assets (such as buildings, land, and equipment). The district maintains two capital project funds: **Building Fund** and **Capital Facilities Fund**.

## MAJOR CAPITAL EXPENDITURES

The major capital expenditures planned for 2017–18 are listed below. A summary of these projects as well as anticipated projects in the next two years is presented on the following page. It is expected that all projects will be completed during the fiscal year, with most scheduled to be completed during the 2017 summer.

- Field improvements at Blach, Egan, and Santa Rita Schools (Deferred Maintenance Fund; \$46,500);
- Paving repairs of playgrounds and other areas at various schools (Deferred Maintenance Fund; \$123,425)
- New flooring and other interior repairs at various sites (Deferred Maintenance Fund; \$96,680)
- Repainting the Loyola School multi-purpose building interior (Deferred Maintenance Fund; \$5,500)

## IMPACTS ON GENERAL FUND OPERATING BUDGETS

Making field improvements and paving repairs reduces the possibility of trip and fall injuries, thus protecting against costly injury claims.

Renovating the flooring and interior areas prolongs the useful life of the building and reduces the need for costly repairs.

Painting repairs prolong the useful life of building interiors.

We will be making some (but limited) capital expenditures for new computers and other equipment, both for the classrooms and for staff. The equipment for staff should improve work efficiencies, eliminating some labor-intensive tasks.

Most of these capital expenditures will impact our operating budgets in a positive way, by lowering costs in 2017–18 and future years. Because it is difficult to quantify the savings achieved, our future forecasts do not recognize these savings.

CAPITAL EXPENDITURES—SUMMARY

The following table shows a summary of the projects identified above (scheduled for the budget year). Our expenditure budgets for the Deferred Maintenance Fund reflect the anticipated costs of these projects and the expectation that similar projects will be done in the two succeeding years. As an example, we have a rotating schedule for school field renovations—with several being done in the budget year yet fewer in future years. Each project is expected to be completed during the summer of the respective fiscal year.

Capital Projects						
	2017/18		2018/19		2019/20	Funding Source
Sites						
Field Renovations	\$	46,500	\$	46,500	\$ 46,500	Deferred Maintenance Fund
Paving Repairs	\$	123,425	\$	75,000	\$ 75,000	Deferred Maintenance Fund
Buildings						
Painting	\$	5,500	\$	15,000	\$ 15,000	Deferred Maintenance Fund
Flooring/Interior Repairs	\$	96,680	\$	100,000	\$ 100,000	Deferred Maintenance Fund
Total	\$	272,105	\$	236,500	\$ 236,500	

**DEFERRED MAINTENANCE FUND**

The Deferred Maintenance Fund is used to account for revenues and expenditures relating to major maintenance projects. The state previously provided a separate allocation of funds for this purpose to all districts in the state, provided that the district contributed a matching amount of its dollars. Under the new state funding scheme that allocation has been rolled into the state's general purpose allocation and thus districts are no longer required to contribute dollars as a match for state funding. "The Deferred Maintenance Program [*in the state's words*] provides State matching funds, on a dollar-for-dollar basis, to assist school districts with expenditures for major repair or replacement of existing school building components. Typically, this includes: plumbing, heating, air conditioning, electrical systems, roofing, interior and exterior painting, floor systems, etc."



The state allocation, prescribed as  $\frac{1}{2}$  of 1% of a district's general fund, varied over the years depending on the health of the state economy. In good years the state made a full allocation to districts. However, in lean years the state did not contribute a full allocation. Going forward the state has rolled the full allocation into its general purpose funding allocation. Even though funding is now part of the general purpose allocation to schools, districts must still have an approved Five Year Deferred Maintenance Plan on file with the state, demonstrating the need for the funds. Revenues recorded in this fund typically include the state allocation, the district match (a transfer into this fund from another fund), and interest earnings.

The expenditure budget for the upcoming year includes a number of relatively small projects, most of which are identified on the previous page. Additionally we annually budget for miscellaneous repairs and improvements.

Los Altos School District 2017-18 Budget DEFERRED MAINTENANCE FUND

	Actuals 2013-14	Actuals 2014-15	Actuals 2015-16	Est. Actuals 2016-17	Adopted 2017-18	Budget FTE 2017-18
<b><u>Income</u></b>						
<b><u>0000 - Undesignated</u></b>						
8 - Revenue	1,461	1,291	1,373	1,000	1,000	
<b>0000 - Undesignated</b>	<b>1,461</b>	<b>1,291</b>	<b>1,373</b>	<b>1,000</b>	<b>1,000</b>	
<b><u>9300 - Interfund Transfers</u></b>						
8 - Revenue	300,174	300,174	300,174	300,174	300,174	
<b>9300 - Interfund Transfers</b>	<b>300,174</b>	<b>300,174</b>	<b>300,174</b>	<b>300,174</b>	<b>300,174</b>	
<b>Income</b>	<b>301,635</b>	<b>301,465</b>	<b>301,547</b>	<b>301,174</b>	<b>301,174</b>	
<b><u>Expense</u></b>						
<b><u>8110 - Maintenance</u></b>						
5 - Services	276,077	417,753	397,269	400,400	300,000	
<b>8110 - Maintenance</b>	<b>276,077</b>	<b>417,753</b>	<b>397,269</b>	<b>400,400</b>	<b>300,000</b>	
<b><u>8500 - Facilities Acquisition &amp; Construction</u></b>						
6 - Capital	163,871	4,460				
<b>8500 - Facilities Acquisition &amp; Construction</b>	<b>163,871</b>	<b>4,460</b>				
<b>Expense</b>	<b>439,947</b>	<b>422,213</b>	<b>397,269</b>	<b>400,400</b>	<b>300,000</b>	

## SPECIAL RESERVE FUND

The Special Reserve Fund was created by the district from parcel tax funds earmarked for improving the district's reserves. The fund was established in 1989–90 with a transfer of \$100,000 of parcel tax revenue from the General Fund. Since then any one-time monies not needed to support our general operating budget have been deposited into this fund. In the budget and future years the only revenues projected are interest earnings, estimated at an average rate of return of 3% or less.



During 2010–11 we transferred \$1.2 million from our General Fund into a Special Reserve Fund. These monies have been set aside to account for our obligation to make future retiree health benefit payments, in accordance with the accounting standards set forth under Governmental Accounting Standards Board (GASB) Statement # 45. The \$1.2 million represented monies accumulated over three years to meet our GASB 45 requirement. Starting in 2012–13 we are making annual transfers from our General Fund into the Special Reserve Fund reflecting each year's liability. In 2013–14 the district transferred approximately \$2.5 million into this fund to comprise a "rainy day" fund (reserve for economic uncertainties) separate from the General Fund and equal to a 5% reserve level.

The money in this fund is for reserves only and cannot be spent (unless the school board votes to transfer monies back into the General Fund). These monies, excluding those needed for retiree health benefits, are added to the General Fund reserves to help make up the required 3% reserve level for the district.

	Actuals 2013-14	Actuals 2014-15	Actuals 2015-16	Est. Actuals 2016-17	Adopted 2017-18	Budget FTE 2017-18
<b><u>Income</u></b>						
<b><u>0000 - Undesignated</u></b>						
8 - Revenue	12,647	16,158	27,619	35,000	35,000	
<b>0000 - Undesignated</b>	<b>12,647</b>	<b>16,158</b>	<b>27,619</b>	<b>35,000</b>	<b>35,000</b>	
<b><u>9300 - Interfund Transfers</u></b>						
8 - Revenue	2,710,564	258,372	232,405	82,010	201,277	
<b>9300 - Interfund Transfers</b>	<b>2,710,564</b>	<b>258,372</b>	<b>232,405</b>	<b>82,010</b>	<b>201,277</b>	
<b>Income</b>	<b>2,723,211</b>	<b>274,530</b>	<b>260,024</b>	<b>117,010</b>	<b>236,277</b>	

**BUILDING FUND**

The Building Fund is used to account for monies the district has received from the sale or lease of buildings or sites and from the issuance of general obligation bonds.

In May 1995 the district entered into a 30-year lease agreement with Waldorf School of the Peninsula (a private school) for what remained of the Eastbrook School site. Current annual lease income is just under \$200,000 and the rent is indexed annually for inflation. At the end of the 30 years (in 2025) Waldorf School has an option to purchase the property for \$1.00.



Bond proceeds from the \$94.7 million issuance authorized by voters in November 1998 enabled us to reconstruct and modernize all of our campuses. All of those bond proceeds have been depleted. We entered into two capital leases to garner an additional \$4.1 million to help finance the modernization of our last project and to purchase 25 portable classroom buildings. With the passage of the November 2014 \$150 million bond measure, the district will be using these bond proceeds to address enrollment growth and to make improvements to existing campuses.

Monies in this fund can only be used for capital expenditures such as for facilities or major maintenance projects. We are leasing several of the classroom buildings used by the charter school with Building Fund monies.

	Actuals 2013-14	Actuals 2014-15	Actuals 2015-16	Est. Actuals 2016-17	Adopted 2017-18	Budget FTE 2017-18
<b><u>Income</u></b>						
<b><u>0000 - Undesignated</u></b>						
8 - Revenue	817,872	2,000,044	5,170,136	2,844,076	307,460	
<b>0000 - Undesignated</b>	<b>817,872</b>	<b>2,000,044</b>	<b>5,170,136</b>	<b>2,844,076</b>	<b>307,460</b>	
<b><u>9300 - Interfund Transfers</u></b>						
8 - Revenue	146,200	869,206	775,000			
<b>9300 - Interfund Transfers</b>	<b>146,200</b>	<b>869,206</b>	<b>775,000</b>			
<b>Income</b>	<b>964,072</b>	<b>2,869,250</b>	<b>5,945,136</b>	<b>2,844,076</b>	<b>307,460</b>	
<b><u>Expense</u></b>						
<b><u>8500 - Facilities Acquisition &amp; Construction</u></b>						
4 - Supplies		97,684	3,795	50,088	50,088	
5 - Services	362,512	472,245	393,728	430,923	300,023	
6 - Capital	89,159	1,915,312	4,273,951	2,441,514	140,000	
<b>8500 - Facilities Acquisition &amp; Construction</b>	<b>451,672</b>	<b>2,485,241</b>	<b>4,671,473</b>	<b>2,922,525</b>	<b>490,111</b>	
<b><u>8700 - Facilities Rents and Leases</u></b>						
5 - Services	216,858	420,887	249,536	227,442	227,442	
<b>8700 - Facilities Rents and Leases</b>	<b>216,858</b>	<b>420,887</b>	<b>249,536</b>	<b>227,442</b>	<b>227,442</b>	
<b>Expense</b>	<b>668,530</b>	<b>2,906,128</b>	<b>4,921,009</b>	<b>3,149,967</b>	<b>717,553</b>	



## CAPITAL FACILITIES FUND

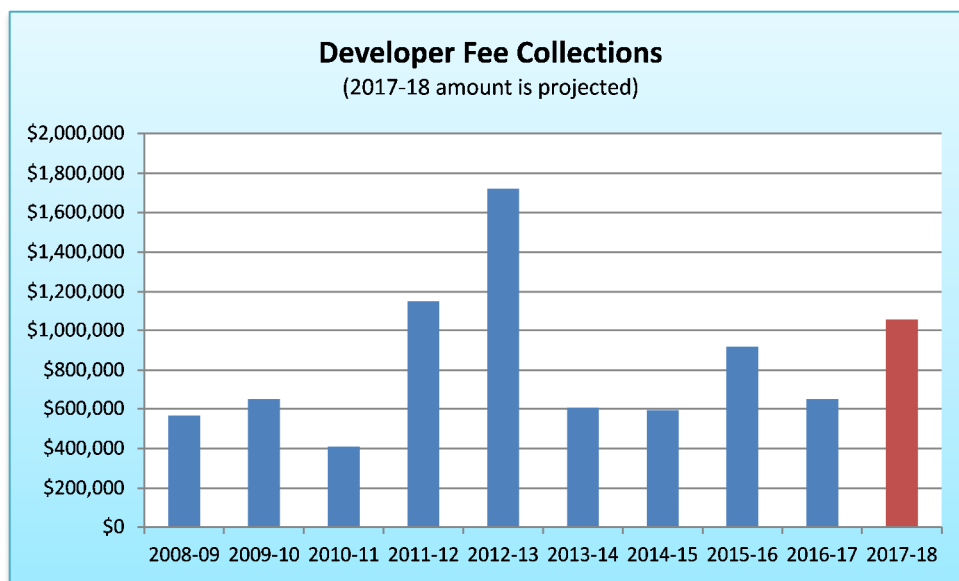
The Capital Facilities Fund is used to account for the developer fees the district receives pursuant to Government Code 53080, enacted in 1986. School districts are authorized to assess these fees on new residential and/or commercial construction within the district, provided the district has done a study which demonstrates the nexus between new development and student enrollment growth. In addition, whenever a homeowner expands his residence he becomes subject to the fee, as long as the expansion is greater than 500 square feet of inhabitable space.



The district currently charges a fee of \$2.32 per square foot for residential and \$0.37 per square foot for commercial developments. The amount the district charges is regulated by state law. Every two years the state increases the cap on fees by an inflationary amount.

Developer fee monies can only be spent on facilities or furniture for housing new students as a result of enrollment growth. Our fees pay for the many portable classrooms we have added over the years.

A recent history of developer fees collected is shown below. In 2011–12 and 2012–13 a couple major new residential projects generated a significant increase in fees. Additional new residential projects are in the pipeline so we expect to garner additional revenues in the budget year and in the near future.



Los Altos School District 2017-18 Budget CAPITAL FACILITIES FUND

	Actuals 2013-14	Actuals 2014-15	Actuals 2015-16	Est. Actuals 2016-17	Adopted 2017-18	Budget FTE 2017-18
<b><u>Income</u></b>						
<b><u>0000 - Undesignated</u></b>						
8 - Revenue	606,083	592,861	1,267,182	655,267	1,055,267	
<b>0000 - Undesignated</b>	<b>606,083</b>	<b>592,861</b>	<b>1,267,182</b>	<b>655,267</b>	<b>1,055,267</b>	
<b><u>9300 - Interfund Transfers</u></b>						
8 - Revenue	500,000	1,900,000	200,000	350,000		
<b>9300 - Interfund Transfers</b>	<b>500,000</b>	<b>1,900,000</b>	<b>200,000</b>	<b>350,000</b>		
<b>Income</b>	<b>1,106,083</b>	<b>2,492,861</b>	<b>1,467,182</b>	<b>1,005,267</b>	<b>1,055,267</b>	
<b><u>Expense</u></b>						
<b><u>8500 - Facilities Acquisition &amp; Construction</u></b>						
4 - Supplies	121,803	116,437	75,934	62,955	62,702	
5 - Services	181,090	265,957	29,836	48,000	46,000	
6 - Capital	1,068,596	1,267,901	150,360	121,284	6,284	
<b>8500 - Facilities Acquisition &amp; Construction</b>	<b>1,371,490</b>	<b>1,650,295</b>	<b>256,130</b>	<b>232,239</b>	<b>114,986</b>	
<b><u>8700 - Facilities Rents and Leases</u></b>						
5 - Services	793,874	845,289	972,882	1,008,003	920,662	
<b>8700 - Facilities Rents and Leases</b>	<b>793,874</b>	<b>845,289</b>	<b>972,882</b>	<b>1,008,003</b>	<b>920,662</b>	
<b>Expense</b>	<b>2,165,363</b>	<b>2,495,583</b>	<b>1,229,012</b>	<b>1,240,242</b>	<b>1,035,648</b>	

**DEBT**

California law limits debt to 2.5% of total assessed valuation for unified school districts and 1.25% each for elementary and high school districts. Being an elementary district, our debt limit is 1.25%. In November 1998 voters authorized \$94.7 million of general obligation bonds to fund our facilities modernization and construction program. At the time we issued our first series of bonds (February 1999), our total debt limit was \$70.6 million. Due to growth in assessed valuation, the current legal debt limit is \$259.5 million. After issuing our second and third series of bonds and doing refinancings in 2006 and in 2013 our total outstanding debt currently is \$61.4 million, \$198.1 million under the legal limit. The debt service schedule purposely has been structured to limit the impact on taxpayers to \$60 per \$100,000 of assessed valuation.

The debt service on general obligation bonds is levied as an add-on to the 1% property tax limit established by state law. General obligation bond debt has no impact on present or future operating budgets. It only has the effect of limiting future bond debt.

	2007-08	2008-09	2009-10	2010-11	2011-12
AV	\$12,607,089,540	\$13,627,085,860	\$14,176,996,881	\$14,015,681,413	\$14,465,689,790
Debt Limit (1.25% of AV)	\$157,588,619	\$170,338,573	\$177,212,461	\$175,196,018	\$180,821,122
Outstanding Debt	\$97,344,000	\$94,359,000	\$90,819,000	\$86,664,000	\$83,603,480
<b>Debt Capacity</b>	<b>\$60,244,619</b>	<b>\$75,979,573</b>	<b>\$86,393,461</b>	<b>\$88,532,018</b>	<b>\$97,217,642</b>
	2012-13	2013-14	2014-15	2015-16	2016-17
AV	\$15,205,649,537	\$16,641,461,184	\$17,816,282,409	\$19,392,728,583	\$20,761,582,826
Debt Limit (1.25% of AV)	\$190,070,619	\$208,018,265	\$222,703,530	\$242,409,107	\$259,519,785
Outstanding Debt	\$79,715,560	\$76,158,560	\$72,518,760	\$68,555,000	\$61,440,000
<b>Debt Capacity</b>	<b>\$110,355,059</b>	<b>\$131,859,705</b>	<b>\$150,184,770</b>	<b>\$173,854,107</b>	<b>\$198,079,785</b>
<i>District issued \$40 million of debt in February 1999.  District issued \$46.7 million of debt in May 2001.  District issued \$8 million of debt in October 2003.  In June 2006 District refunded outstanding debt.  In January 2013 District refunded outstanding debt.</i>					

The following table shows the various series of bond issues, identifying the amount issued and the debt amount still outstanding. With the 2006 refunding bonds we retired the debt on the three previous series of bonds issued. The 2013 refunding bonds refunded a portion of the outstanding 2006 bonds on an advanced basis. The 2006 bonds consisted of both current interest bonds (CIBs) and capital appreciation bonds (CABs), with the debt service being retired by the end of 2023.

General Obligation Bonded Debt					
Issue Date	Series	Amount of Original Issue	Original Final Maturity	Amount Counting Toward Authorization	Amount Outstanding June 30, 2017 <sup>(b)</sup>
10-Feb-99	Election of 1998, Series A <sup>(a)</sup>	\$40,000,000	8/1/2023	\$40,000,000	0
5-Jun-01	Election of 1998, Series B (CIBs) <sup>(a)</sup>	30,000,000	8/1/2019	30,000,000	0
5-Jun-01	Election of 1998, Series B (CABs) <sup>(a)</sup>	16,699,049	8/1/2025	16,699,049	0
7-Oct-03	Election of 1998, Series C <sup>(a)</sup>	8,000,000	8/1/2026	8,000,000	0
22-Jun-06	2006 GO Refunding Bonds (CIBs) <sup>(c)</sup>	92,215,000	8/1/2023	0	\$36,150,000
22-Jun-06	2006 GO Refunding Bonds (CABs) <sup>(a)(b)</sup>	8,854,000	8/1/2015	0	0
12-Feb-13	2013 GO Refunding Bonds <sup>(c)</sup>	<u>25,455,000</u>	8/1/2023	<u>0</u>	<u>25,290,000</u>
		<b><u>\$221,223,049</u></b>		<b><u>\$94,699,049</u></b>	<b><u>\$61,440,000</u></b>
<p><i>(a) The 2006 GO Refunding Bonds refunded all of the District's outstanding 1999 GO Bonds (Election of 1998, Series A) on an advance basis, all of the District's outstanding 2001 GO Bonds (Election of 1998, Series B) on an advance basis, and all of the District's outstanding 2003 GO Bonds (Election of 1998, Series C) on an advance basis.</i></p> <p><i>(b) Amount outstanding for capital appreciation represents original denominational amount.</i></p> <p><i>(c) The 2013 GO Refunding Bonds refunded a portion of the District's outstanding 2006 GO Refunding Bonds (CIBs) on an advanced basis.</i></p>					

Debt on the 2006 and 2013 refunding bonds will be retired by the end of 2023.

Principal Outstanding as of June 30 (after debt service payments)				
Fiscal Year	2006 GO Refunding Bonds (CIBs)	2006 GO Refunding Bonds (CABs)	2013 GO Refunding Bonds	Combined
2017	\$36,150,000	\$0	\$25,290,000	\$61,440,000
2018	31,590,000	0	21,980,000	53,570,000
2019	26,550,000	0	18,390,000	44,940,000
2020	20,995,000	0	14,495,000	35,490,000
2021	14,890,000	0	10,205,000	25,095,000
2022	8,190,000	0	5,495,000	13,685,000
2023	855,000	0	380,000	1,235,000
2024	0	0	0	0

## INFORMATIONAL SECTION



**Preparing Students to Become Creative Problem-Solvers and Collaborative Learners**

## BUDGET CHANGES AND ASSUMPTIONS

The 2016–17 estimated actuals form the baseline for determining the 2017–18 budget. This section explains changes from previous years and the assumptions used to create this year’s budget.

The table on the following page shows a four-year history of General Fund revenues and expenses. The following details revenue and expense assumptions in the light of past history.

### 2017–18 REVENUES AND CHANGES FROM PRIOR YEARS

**LCFF/Revenue Limit Sources.** The state funding guarantee (either under the new Local Control Funding Formula, LCFF, or the previous funding scheme, revenue limits) consists of a combination of property tax collections and state aid. Funding has grown an average of 6% since 2013–14 primarily as a result of property tax growth and recovery from the recession. Additionally, the transfer of property tax dollars to the charter school has

*Property taxes continue to be our largest and thus most important revenue source. Parcel tax and foundation funding are crucial in enabling us to offer the outstanding program our parents demand.*

impacted our revenues due to continual growth in charter school enrollments.

**Federal Revenue.** Federal funding to the district varies with federal spending on education and district eligibility for funds.

**Other State Revenue.** State funding varies depending on economic conditions and changes in state law. With the new funding scheme there is little in the way of categorical funding left in the “other state revenue” category. In 2013–14 through the budget year the state has provided varying amounts of one-time monies for implementation of the new state Common Core standards, for educator professional development, and to reduce the state’s obligation for mandated cost reimbursements. Starting in 2015–16 the state’s on-behalf payments to the State Teacher’s Retirement System (STRS) are required to be reported by districts as revenue, with a corresponding offset in an expense category.

**Other Local Revenue.** Revenues have varied depending on the amount of PTA contributions, one-time LAEF monies, and the overall impact of the economy.

#### KEY 2017–18 BUDGET ASSUMPTIONS

##### Revenue Assumptions

- ♦ 0.4% enrollment growth (16 students)
- ♦ 6.5% property tax growth
- ♦ A reduction in one-time state funding
- ♦ Lottery projected at \$189 per ADA
- ♦ Parcel tax at \$790 per parcel nets \$10 million
- ♦ LAEF funding of \$3.45 million

##### Expenditure Assumptions

- ♦ \$825,000 for professional growth & longevity
- ♦ 2 fewer teachers resulting in slightly higher class sizes
- ♦ No across-the-board salary increases
- ♦ Health benefit rates projected to increase 7.5% in January 2018
- ♦ 5% inflation on “fixed cost” items

## 2017–18 EXPENDITURES AND CHANGES FROM PRIOR YEARS

**Certificated and Classified Salaries.** Generally expenditures on employee salaries have risen as we have given cost-of-living increases, credit for professional growth and longevity, and as we hired more staff due to enrollment growth.

**Employee Benefits.** Costs for salary-related benefits have varied with changes in salary costs. Health benefit and retirement funding costs continue to rise disproportionately faster than the cost of other goods and services. The state's on-behalf payments to STRS are recorded in this expense category, offsetting the revenue recorded in Other State Revenue.

**Books & Supplies.** Costs fluctuate depending on program needs and available funding. The overall swing in this expense category is due to changing appropriation levels for state-funded programs and varying contributions from school PTAs.

**Services & Other Operating Expenditures.** While we have included an inflationary increase on "fixed cost" items (utilities, insurances, legal fees, etc.) in the budget year, we show a decrease in spending in the budget year due to a projected reduction in repair and contracted services.

**Capital Outlay.** Fluctuations in spending are primarily the result of state and local funding allocations for school and classroom libraries and for technology.

**Other Expenses and Outgo.** We record debt service on two capital leases in this category.

**Transfers Out to Other Funds.** The district has made several transfers to other funds over the last few years—to our Special Reserve Fund and to our capital funds. Transfers were made to provide a special reserve for economic uncertainties, to set aside funds for future retiree health benefits, and to replenish exhausted capital funds.

	2013-14 Actuals	2014-15 Actuals	% Change	2015-16 Est. Actuals	% Change	2016-17 Budget	% Change	2017-18 Budget	% Change	Average % Change
<b>ENROLLMENT</b>	<b>4,543</b>	<b>4,670</b>	2.8%	<b>4,636</b>	-0.7%	<b>4,522</b>	-2.5%	<b>4,538</b>	0.4%	<b>0.0%</b>
<b>REVENUES</b>										
LCFF/Revenue Limit Sources	31,459,840	31,430,553	0%	35,838,582	14%	37,676,965	5%	39,616,948	5%	6%
Federal Revenue	934,871	1,003,227	7%	1,024,458	2%	1,112,713	9%	1,107,494	0%	5%
Other State Revenue	2,952,235	1,494,816	-49%	5,864,691	292%	3,805,615	-35%	2,960,512	-22%	0%
Other Local Revenue	17,484,905	18,166,643	4%	17,332,712	-5%	15,378,221	-11%	15,266,894	-1%	-3%
GO Bonds/Transfers In From Other Funds										
<b>TOTAL OPERATING REVENUE</b>	<b>52,831,850</b>	<b>52,095,239</b>	-1%	<b>60,060,443</b>	15%	<b>57,973,514</b>	-3%	<b>58,951,848</b>	2%	<b>3%</b>
<b>EXPENDITURES</b>										
Certificated Salaries	23,132,798	24,731,255	7%	24,846,783	0%	26,301,100	6%	26,364,575	0%	3%
Classified Salaries	7,235,259	8,138,710	12%	8,307,382	2%	8,890,628	7%	9,179,301	3%	7%
Employee Benefits	9,930,036	11,211,089	13%	13,444,409	20%	14,270,148	6%	15,142,407	6%	13%
Books & Supplies	2,628,155	3,410,006	30%	2,486,192	-27%	2,330,305	-6%	1,610,589	-31%	-10%
Services & Other Operating Expenditures	6,741,926	6,104,249	-9%	6,557,215	7%	7,564,628	15%	6,237,472	-18%	-2%
Capital Outlay	111,541	382,917	243%	403,518	5%	393,479	-2%	236,570	-40%	28%
Other Expenses and Outgo	372,639	381,415	2%	398,217	4%	350,884	-12%	350,884	0%	-1%
Transfers Out To Other Funds	3,656,938	3,027,578	-17%	1,557,405	-57%	432,010	-72%	201,277	-53%	-1%
<b>TOTAL OPERATING EXPENDITURES</b>	<b>53,809,291</b>	<b>57,387,219</b>	7%	<b>58,001,121</b>	1%	<b>60,533,182</b>	4%	<b>59,323,075</b>	-2%	<b>3%</b>
<b>Revenues over (under) Expenditures</b>	<b>(977,441)</b>	<b>(5,291,980)</b>		<b>2,059,322</b>		<b>(2,559,668)</b>		<b>(371,227)</b>		
<b>Beginning Fund Balance</b>	<b>8,151,002</b>	<b>7,126,587</b>	-13%	<b>1,834,607</b>	-74%	<b>3,893,929</b>	112%	<b>1,334,260</b>	-66%	
<b>Ending Fund Balance</b>	<b>7,173,563</b>	<b>1,834,607</b>	-74%	<b>3,893,929</b>	112%	<b>1,334,260</b>	-66%	<b>963,033</b>	-28%	

2014/15 includes an adjustment to Beginning Fund Balance

## MULTI-YEAR FINANCIAL FORECAST

The following section contains a five-year forecast of revenues and expenses in the General Fund. The assumptions underlying these multi-year projections are detailed below. The projections are shown on the following page.

Our revenue projections reflect continued but modest growth in the state and local economies. We expect normal growth in property values, which in turn increases property tax revenues year after year. We are projecting tax growth at 6.5% in the budget year and 5% in succeeding years. Current year tax revenues already are 6.5% over the prior year—with collections for the year not completed.

We purposely built up our reserves to withstand a downturn in the economy and now are experiencing a drawdown of these reserves. We have set our sights on dropping to no lower than an 8–10% level, our reserves target under board policy. We will be keeping a close eye on property valuations and tax collections over the next several years.

### REVENUES

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**Housing Turnover.** Housing turnover has remained steady over the last two years. Housing turnover affects our forecasts in two ways—increased student population, which impacts both revenues and expenditures, and increased assessed valuations (AV), which drives up property tax collections.

**Enrollment.** Enrollment projections are based off our demographer’s “medium” forecast, discussed in depth later in this section. We foresee a short term decline followed by a leveling off of enrollment over the next five years.

**Property Taxes.** We project a 6.5% growth in property tax collections for 2017–18 and 5% annual property tax growth every year thereafter.

**Inflation.** We are assuming modest cost-of-living increases starting with the budget year.

**Parcel Tax.** The forecast includes the reinstatement of our second parcel tax of \$193 originally enacted in 2011–12 for six years—and reauthorized in November 2016 to continue for an additional eight years.

**Rental Income.** Rental and lease income is forecasted at \$900,000 in 2017–18, increasing annually by the local CPI increase.

### EXPENDITURES

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**Enrollment.** Due to enrollment decline we project reducing the number of teaching positions over the six year horizon.

**Employee Compensation.** Our forecast includes salary increases due to professional growth and longevity adjustments for eligible employees. These equate to a 1.7% increase in total annual compensation. There are no across-the-board salary increases built into the forecast. The state has mandated increased contributions to the state retirement systems, thus significantly increasing our costs. Contribution rates are expected to step up annually through 2020–21. We have projected an annual 7.5% increase in health benefit costs.



**Charter School.** We project an increase in charter school enrollment up to 863 students, all of whom are assumed to be in-district students. The projection is based on projection data from the charter school.

**Other.** All other educational and other programs are expected to remain at 2017–18 levels, with the exception of special education. Our forecast includes 5% annual inflation on the cost of goods and contracted services.

	2016-17	2017-18	2018-19	2019-20	2020-21	2021-22	2022-23
% Change in Prop Tax Collections	6.50%	6.50%	5.00%	5.00%	5.00%	5.00%	5.00%
Enrollment	4,522	4,538	4,501	4,453	4,428	4,453	4,424
In-district students @ charter school	782	837	863	863	863	863	863
Total Enrollment, LASD + BCS	5,304	5,375	5,364	5,316	5,291	5,316	5,287
Transfer of Prop Tax to BCS	5,741,912	6,196,129	6,533,040	6,701,615	6,883,336	7,069,891	7,261,408
Cost-of-Living Adjustment (COLA)	0.00%	1.48%	2.40%	2.53%	2.66%	2.66%	2.66%
Foundation Funding, base	2,945,000	2,945,000	2,945,000	2,945,000	2,945,000	2,945,000	2,945,000
Foundation Funding, one-time	505,000	505,000	505,000	505,000	505,000	505,000	505,000
Parcel Tax	790	790	790	790	790	790	790
Class Size, K-3	23	23	23	23	23	23	23
Class Size, 4-6	25	25	25	25	25	25	25
Class Size, 7-8	25	25	25	25	25	25	25
Teachers, FTE	251	249	247	246	246	246	245
Raises (across-the-board)	5.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
Cost of Step/Column Movement	512,521	509,248	505,975	504,338	504,338	504,338	502,701
Step/Col (converted to % salary inc.)	1.7%	1.7%	1.7%	1.7%	1.7%	1.7%	1.7%
Health Benefit rate increases	2.3%	7.5%	7.5%	7.5%	7.5%	7.5%	7.5%
Health Benefits (converted to % salary inc.)	0.4%	1.4%	1.5%	1.5%	1.6%	1.7%	1.8%
STRS rate increases	1.9%	1.9%	1.9%	1.9%	1.0%	0.0%	0.0%
Total Comp (as % of salary)	9.0%	4.9%	5.0%	5.0%	4.2%	3.4%	3.5%
LCCF/Revenue Limit	35,731,419	35,423,996	35,971,279	36,517,603	37,294,685	38,504,626	39,297,967
Basic Aid Benefit	1,945,546	4,192,953	5,458,182	7,017,395	8,452,814	9,579,127	11,230,954
Federal Sources	1,112,713	1,107,494	1,134,074	1,162,766	1,193,695	1,225,448	1,258,045
Other State Sources	3,805,615	2,960,512	2,754,529	2,754,498	2,753,276	2,755,581	2,765,378
Other Local Sources	15,378,221	15,266,894	15,252,234	15,298,252	15,347,697	15,398,522	15,450,718
<b>Total Revenues</b>	<b>57,973,514</b>	<b>58,951,848</b>	<b>60,570,297</b>	<b>62,750,513</b>	<b>65,042,167</b>	<b>67,463,304</b>	<b>70,003,061</b>
Certificated Salaries	26,301,100	26,364,575	26,518,593	26,739,733	27,039,373	27,350,539	27,578,118
Classified Salaries	8,890,628	9,179,301	9,290,766	9,402,987	9,516,008	9,629,323	9,742,940
Employee Benefits	13,210,678	14,124,188	15,701,301	16,984,796	18,157,546	18,927,209	19,642,876
Retiree Benefits	1,059,470	1,018,219	1,061,493	1,106,607	1,153,638	1,202,667	1,253,781
Books & Supplies	2,330,305	1,610,590	1,634,259	1,653,375	1,678,860	1,715,318	1,741,352
Contract Services	7,564,628	6,237,472	6,355,464	6,480,462	6,614,172	6,751,830	6,893,244
Capital Outlay	393,479	236,570	244,073	251,194	258,867	266,748	274,843
Other	350,884	350,884	350,884	350,884	350,884	350,884	350,884
Transfers Out	432,010	201,277	270,438	255,782	221,852	174,821	125,792
<b>Total Expenses</b>	<b>60,533,182</b>	<b>59,323,076</b>	<b>61,427,271</b>	<b>63,225,819</b>	<b>64,991,200</b>	<b>66,369,339</b>	<b>67,603,829</b>
<b>Net Change</b>	<b>(2,559,668)</b>	<b>(371,228)</b>	<b>(856,974)</b>	<b>(475,306)</b>	<b>50,967</b>	<b>1,093,964</b>	<b>2,399,232</b>
Unaudited Beginning Balance	3,893,928	1,334,260	963,032	106,058	(369,248)	(318,281)	775,684
Ending Balance	1,334,260	963,032	106,058	(369,248)	(318,281)	775,684	3,174,916
Encumbrances	5,000	5,000	5,000	5,000	5,000	5,000	5,000
OPEB Obligation	201,277	270,438	255,782	221,852	174,821	125,792	74,678
General Fund Reserves	1,127,983	687,594	(154,723)	(596,100)	(498,102)	644,892	3,095,237
Reserves, Special Reserve Fund	2,585,452	2,600,452	2,670,665	2,748,114	2,825,061	2,904,163	2,985,479
<b>Total Reserves</b>	<b>3,713,435</b>	<b>3,288,047</b>	<b>2,515,941</b>	<b>2,152,014</b>	<b>2,326,959</b>	<b>3,549,055</b>	<b>6,080,716</b>
<b>% of Expense</b>	<b>6.13%</b>	<b>5.54%</b>	<b>4.10%</b>	<b>3.40%</b>	<b>3.58%</b>	<b>5.35%</b>	<b>8.99%</b>

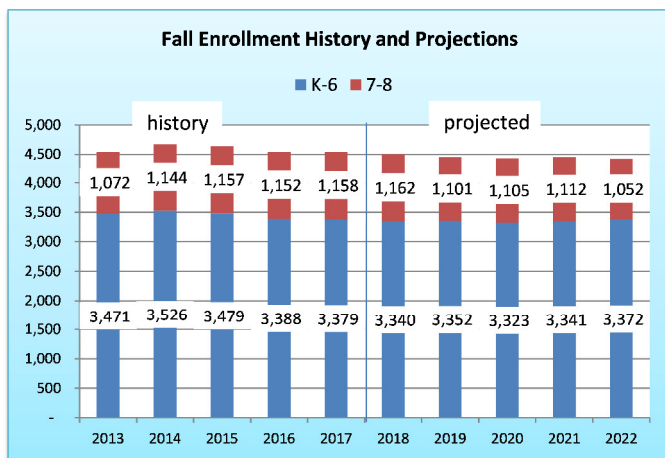
Note: 2017-18 total expenditures are off \$1 due to rounding error.

On the preceding pages we have discussed both budget and future year projections and the assumptions behind the projections. On the following pages we discuss in detail some of the key issues impacting district finances, as well as review other significant information about the district.

### ENROLLMENT PROJECTIONS

Over the last ten years the district steadily grew, from 4,245 students in fall 2008 to 4,538 projected for this coming fall. The average annual rate of growth over this period was 1%. However, in recent years enrollment is actually declining but is expected to level off in the next few years. To be eligible for kindergarten a child must turn five years old on or before September 1. For the budget year the state requires the district to offer a transitional kindergarten for children who turn five between September 1 and December 1. This 3 month additional window increases student enrollment and increases the pressure on student housing. The state is considering moving toward requiring transitional kindergarten for all four year olds—which could generate another 400 students in our district.

In 1998 the district commissioned Lapkoff & Gobalet Demographic Research, Inc. (a demographic consulting firm) to do a study of the district’s enrollment history and make projections for the future. They have updated their study annually since then. Current enrollment projections are shown on the accompanying chart, are done



by the district, and incorporate methodology from the most current demographer report.

The demographer produced three forecasts—a “low,” “medium,” and a “high” forecast. The district is relying on the “medium” forecast (slightly modified) as its projection for our budget, as it most closely reflects our recent experience.

**Methodology.** The enrollment forecasts were produced using the standard demographic method for forecasting populations, the “cohort survival” technique. This method advances the current

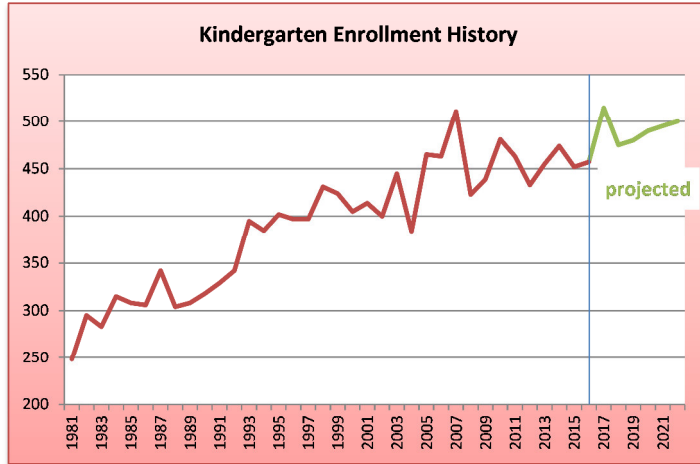
student body one grade for each year of the forecast period. One year’s kindergarten students become the next year’s first graders; first graders become second graders; and so on. Three assumptions that guide the forecast are (1) grade progressions, (2) kindergarten forecasts, and (3) inter-district transfers. Each of these assumptions is discussed below.

**Grade Progressions.** As cohorts of students progress to the next grade, numbers are adjusted based on historical grade progressions, which are measures of how past cohorts grew or shrank from one school year to the next. Migration into and out of the district accounts for most changes in cohort size, though repeating and skipping grades and private-to-public and public-to-private school transfers also affect grade progressions. Under the medium forecast we assume the most recent history of grade progressions will continue.

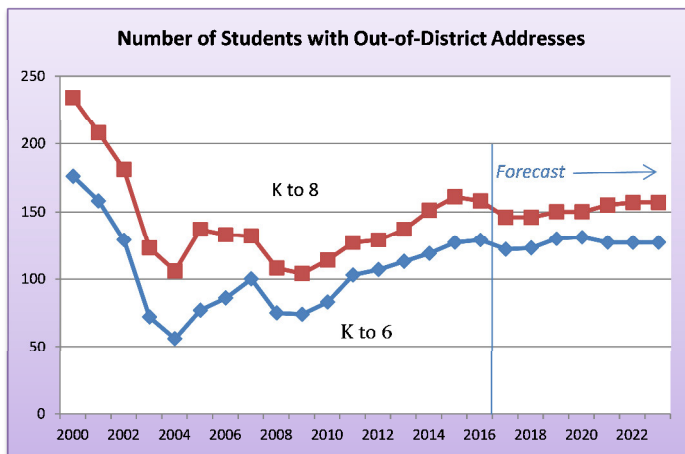
Construction of new housing usually results in higher-than-normal grade progressions. However the district’s modest housing growth has not produced all the new students. It is likely that much of the positive grade progressions result from housing turnover in established neighborhoods.

**Kindergarten Enrollment.** Kindergarten forecasts typically are based on births to district residents five years earlier and on the historical relationship between those births and subsequent kindergarten enrollments. However our experience is different—we consistently see very high kindergarten to birth ratios and project

forward using those ratios. Kindergarten enrollments have grown steadily over the last 35 years and are expected to continue on an upward trend in the near future.



**Inter-district Transfer Students.** Because the number of inter-district transfer students (IDTs) is controlled by district policy, it does not reflect the district’s demographic trends. With the district in “community funded” status, where its revenue is no longer dependent on student enrollment, we continue to limit the number of inter-district transfers. The forecast assumes a total of around 150 district-wide inter-district transfers each year. Most of these students are assumed to be children of district employees and children from the Palo Alto School District portion of Los Altos Hills.

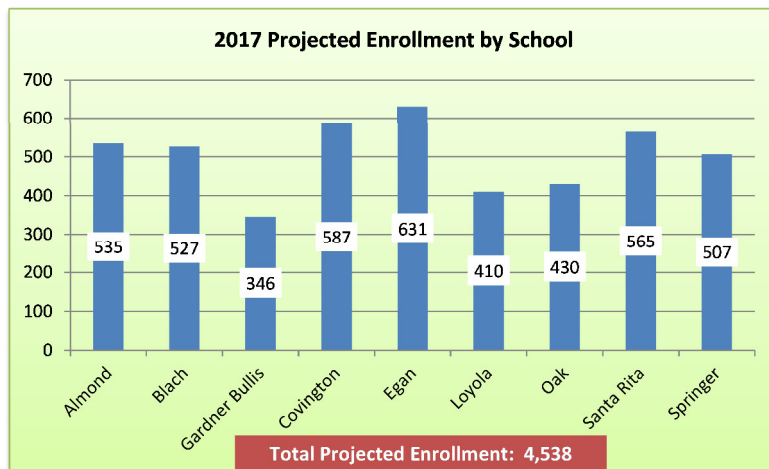


**Charter School Impact.** The charter school competes with the district for students living in the area. As charter school enrollments grow, growth in in-district enrollments is moderated.

## Los Altos School District 2017–18 Budget

**Projections by Grade Level and by School (for budget year only).** The following table shows recent history of enrollment and projected enrollments by grade level. We project 4,538 students in Fall 2017 and have included a breakdown by school in the chart below. We do not project future year enrollments by school, only by grade level.

Fall Enrollment by Grade: History and Projections										
	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022
Kindergarten	455	474	452	457	515	475	480	490	495	500
Grade 1	448	469	426	420	413	475	427	432	437	443
Grade 2	471	474	494	452	445	438	504	452	458	464
Grade 3	511	496	488	510	465	458	451	519	466	472
Grade 4	529	541	518	479	525	479	472	465	534	480
Grade 5	526	549	555	534	488	536	489	481	474	545
Grade 6	531	523	546	536	528	479	530	484	476	469
Grade 7	548	586	570	567	580	570	519	575	525	517
Grade 8	524	558	587	585	578	592	581	530	587	536
<b>K-6</b>	<b>3,471</b>	<b>3,526</b>	<b>3,479</b>	<b>3,388</b>	<b>3,379</b>	<b>3,340</b>	<b>3,352</b>	<b>3,323</b>	<b>3,341</b>	<b>3,372</b>
<b>7-8</b>	<b>1,072</b>	<b>1,144</b>	<b>1,157</b>	<b>1,152</b>	<b>1,158</b>	<b>1,162</b>	<b>1,101</b>	<b>1,105</b>	<b>1,112</b>	<b>1,052</b>
<b>Total</b>	<b>4,543</b>	<b>4,670</b>	<b>4,636</b>	<b>4,540</b>	<b>4,538</b>	<b>4,501</b>	<b>4,453</b>	<b>4,428</b>	<b>4,452</b>	<b>4,424</b>



## CLASSROOM TEACHERS

The cost of classroom teachers is the single largest component of our expenditure plan, for obvious reasons. 49% of our budget goes toward teacher salaries and benefits. We have 164 elementary school teachers, 60 intermediate school teachers, and 23 specialists serving students of various ages. In addition we have 12 staff members who provide non-instructional direct services to students—counselors, psychologists, and two district nurses. We hire teachers based on staffing ratios. Our staffing ratios are 23:1 for K–3, 25:1 for Grades 4–6, and 25:1 for Grades 7–8. Special education classrooms have significantly lower student–teacher ratios, averaging under ten students per class. Our specialists (e.g., bilingual, music, and physical education teachers) are hired based on school-wide or district-wide needs. Often these teachers have more students in their classes than the average classroom.

The average teacher salary for 2017–18 is \$86,653. The average age of our teaching staff is 43 years. 77% of our teachers have taught in the district for six or more years. 98% of our teachers have credentials enabling them to teach in classes where English is a second language for students. In comparing teacher salaries, we rank in the middle among all elementary school districts in our county.

### TEACHING STAFF DEMOGRAPHICS

Ave Age	43	
Ave Years Teaching in District	9	
Ave Total Years Teaching	13	
<u>Teaching Experience</u>		
1st Yr	16 teachers	
2nd Yr	8 teachers	
3-5 Yrs	36 teachers	
6 + Yrs	201 teachers	
Male	32	
Female	229	
	261	
<u>Ethnicity</u>		
White	218	(84%)
All Other	43	(16%)
	261	
<u>Highest Education Level Attained</u>		
Masters or greater	165	
Teachers with CLAD Credentials	255	

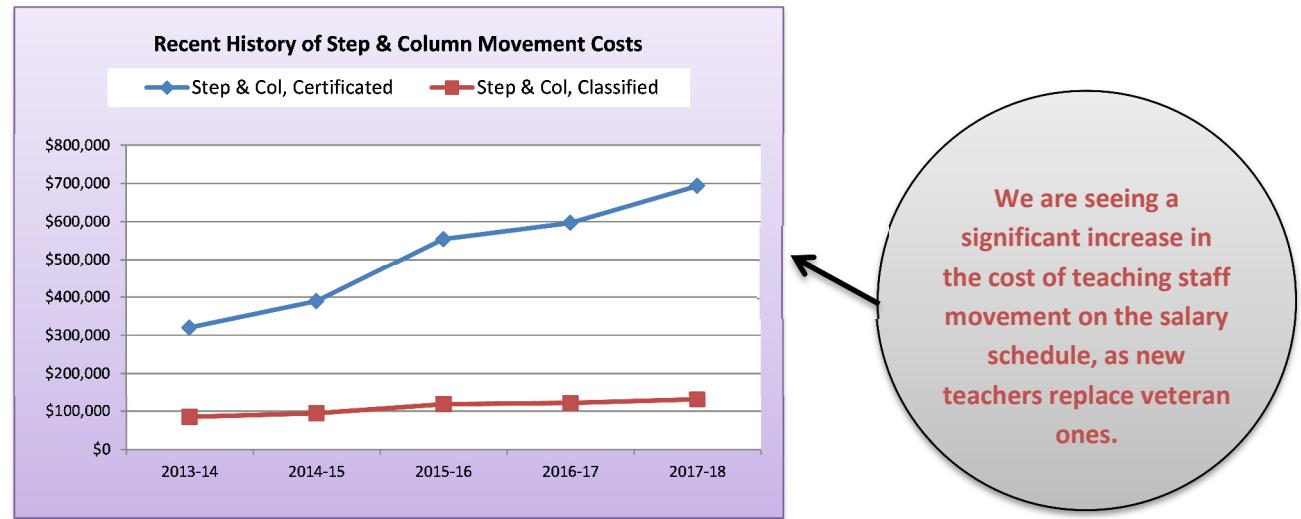
*Data is from 2016–17.*

	Beginning Teacher Salary	Average Salary	Salary at 10 Years	Highest Teacher Salary
Los Altos School District	\$50,801	\$81,124	\$78,456	\$98,309
Rank in County (Out of 19 Elementary Districts)	13	7	12	11
Ave Elementary District, County	\$52,357	\$79,310	\$79,584	\$99,161
Ave All Districts, State	\$44,761	\$77,179	\$66,645	\$88,529
<i>All data is from 2015-16.</i>				

## STEP & COLUMN MOVEMENT

Teacher salaries are determined by placement on a salary schedule. The schedule is a matrix of cells representing both teaching experience and educational credits. After recently completing negotiations for the current year and agreeing to provide a 5% salary increase, the entry level salary is now \$54,035, while the highest salary on the schedule is \$103,044. As teachers move across the salary schedule, either because of years

of service or professional growth or both, their salaries increase. This movement is called step and column movement. The cost of step and column movement for teachers for 2017–18 is estimated at \$694,000, which is a 2.3% increase in total compensation. We use our recent years’ experience to forecast the cost of step and column movement in future years.



STAFF TURNOVER

We have averaged five teacher retirees per year in recent years. Our future forecasts assume this trend will continue. We have greater turnover than five teachers per year, however, as many teachers leave for reasons other than retirement (such as relocation, child-rearing, or career changes). Our total turnover in recent years has been as high as 25 teachers per year, a turnover rate in the range of 10%–15%. Typically we save \$30,000 for every retirement, the difference between the salary of the retiring teacher and the salary of the new hire. It is difficult to predict the cost differential between new hires and teachers leaving for reasons other than retirement. For that reason we do not factor a cost savings for this turnover in our future forecasts.

LABOR RELATIONS

The district employs 259 FTE certificated employees and 147 FTE classified employees. We also employ 31 management and confidential employees. California law requires collective bargaining between the district and its certificated and classified labor groups. The only requirement relating to management and confidential employees is the requirement to “meet and confer” regarding compensation and related issues.

We enjoy a relatively harmonious relationship with our employee bargaining groups. Collective bargaining is almost always done in a collaborative manner, using interest-based bargaining techniques. The two labor groups are the Los Altos Teachers Association (LATA) for our certificated staff and California School Employees Association (CSEA) Chapter 103 for our classified staff. LATA is a local chapter of the California Teachers Association and Chapter 103 is our local chapter of the state CSEA organization. We have had no work stoppages or other actions by employee groups in recent years.

## EMPLOYEE BENEFITS

The district provides certain statutorily required benefits to its employees, paying an amount that is figured as a percentage of salary. These benefits are retirement funding (State Teachers Retirement System, STRS, for certificated employees and Public Employees Retirement System, PERS, for classified employees), social security contributions, unemployment insurance, and worker's compensation benefits. Except for unemployment and workers compensation insurance, benefits are provided only for employees who work at least half-time. All employees, no matter how much they work, receive unemployment and workers compensation benefits.

The 2017–18 rates for these benefits add up to 17.3% of payroll for certificated employees and 24.6% of payroll for classified (non-certificated) employees. As noted earlier STRS and PERS rates increase annually through 2020–21. Rates for other statutory benefits are projected to be approximately the same as in the current year.

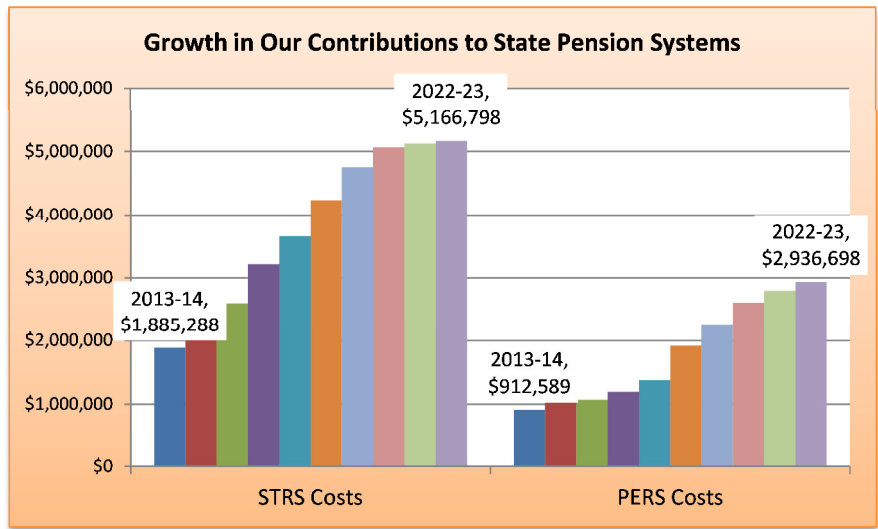
	Certificated	Classified	Total
<b>State Retirement Programs (STRS, PERS)</b>	5,167,995	1,358,076	6,526,071
<b>Social Security</b>	68,671	538,884	607,555
<b>Medicare</b>	380,348	131,788	512,136
<b>Unemployment Insurance</b>	13,605	5,361	18,966
<b>Workers Compensation Insurance</b>	362,963	126,186	489,149
<b>Subtotal, Statutory Benefits</b>	5,993,582	2,160,295	8,153,877
<b>Health &amp; Welfare</b>			
<b>Medical Insurance</b>			
Active Employees	3,497,803	1,618,191	5,115,994
Retired Employees	774,071	201,900	975,971
<b>Subtotal, Medical</b>	4,271,874	1,820,091	6,091,965
<b>Dental Insurance</b>			
Active Employees	394,668	167,719	562,387
Retired Employees	29,730	12,518	42,248
<b>Subtotal, Dental</b>	424,398	180,237	604,635
<b>Life Insurance</b>	11,301	7,142	18,443
<b>Disability Insurance</b>	82,379	67,141	149,520
<b>Total, Health &amp; Welfare</b>	4,789,952	2,074,611	6,864,563
<b>Other (TSA)</b>		7,516	7,516
<b>Other (Medical Opt-Out)</b>	116,451		116,451
<b>Grand Total</b>	<b>10,899,985</b>	<b>4,242,422</b>	<b>15,142,407</b>

26% of Total  
Budget

The district also provides health and welfare benefits to employees who work at least half-time. These benefits include medical and dental insurance, life insurance, and disability insurance. They are projected to cost \$6.9 million in total for 2017–18. The cost of retiree health benefits (approximately \$1.0 million) is included in that total. The budget year cost of health and welfare benefits is expected to be 7.5% higher than in the current year due to premium increases that take effect mid-year (January 2018).

The district purchases medical benefits through Cal PERS, a consortium of many public agencies in California. Cal PERS covers more than 1.4 million lives and is one of the single largest buyers of medical insurance in the country. Representing so many lives gives Cal PERS significant bargaining power with insurance companies. We joined Cal PERS twelve years ago, after participating for years in a smaller consortium—a local employee-employer trust. Moving into Cal PERS resulted in a savings to the district of over \$1 million.

We purchase dental insurance for our employees from Delta Dental and life and disability insurance from Unum Provident Insurance Company. The cost of these benefits is small compared to the cost of medical insurance.



## RETIREE BENEFITS

The district provides retiree healthcare benefits to district employees. Retiree medical benefits are available to all employees, with dental and spousal coverage dependent on hire date and employee classification. Benefit coverage requires attainment of age 55 with ten years of service in the district. Retiree contributions are required for employees hired after certain dates in 1988 and 1989, depending on employee classification. A benefits consulting firm prepared an actuarial valuation of the district’s liability for retiree benefits. The total present value of all projected benefits is \$22.1 million. The district’s unfunded liability is \$18.1 million, roughly 82% of the total.

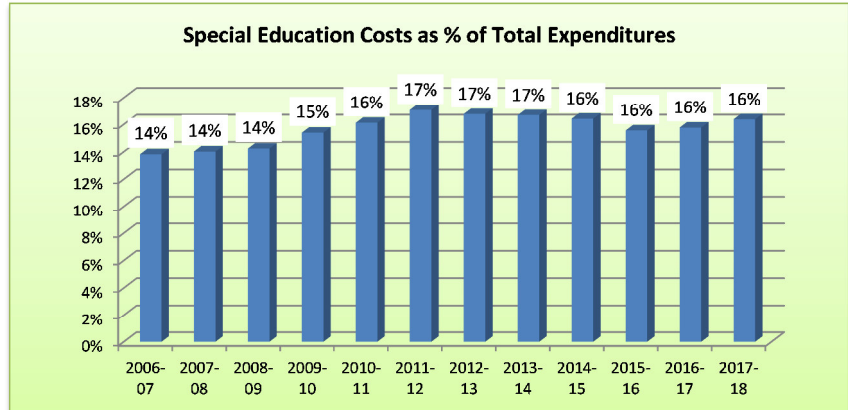
## SPECIAL EDUCATION

As required by federal and state law we provide services to students with special educational needs. Federal law requires public schools to provide appropriate services for these children as early as age three and up until age twenty-one. We have some preschool programs that serve children who have not yet entered our school system. State and federal law requires that an individual education plan (IEP) be developed for each special education student. This plan is developed by our teachers and administrators in consultation with the student’s parents. 9% of our students are eligible for and receive some kind of special education service.



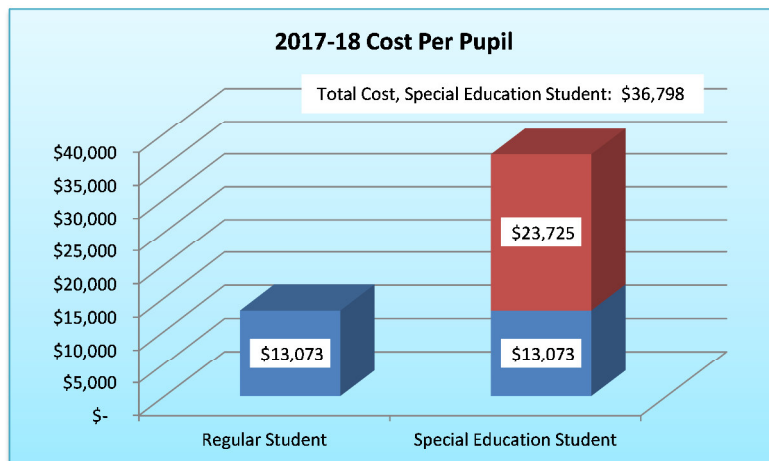
Because the cost of providing services to these students is a significant portion of our total spending, our special education administrators try to find the most efficient way to deliver services. For the budget year we expect to spend \$9.7 million, 16% of our total expenditures. We get funding from the state and federal government that covers 35% of this total. The district contributes \$6.3 million or 65% of the total cost of our special education program.

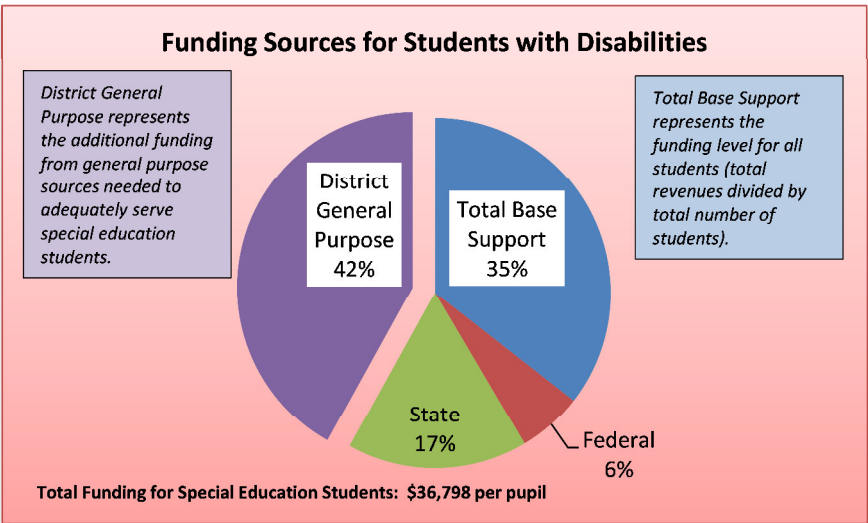
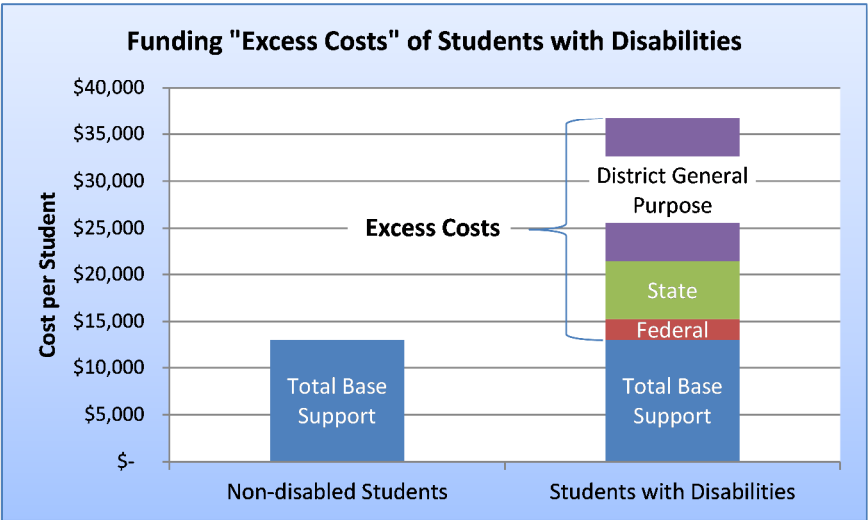
Until recently special education costs were rising faster than other areas of the budget. In the last three years that trend has been reversed. Special education costs rose by 22% from five years ago while total spending increased by 25%. The number of students receiving special education services remains fairly constant—around 9% – 11% of the total student



population—while the cost of certain programs (services to autistic children in particular) has risen dramatically. Caseloads of autism continue growing year after year. Typically these students require specialized one-to-one services, costing an average of \$50,000 or more per student per year.

Special education students cost more to educate than students not receiving these additional services. In total, we are spending \$13,073 per student in 2017–18. This figure is determined simply by dividing the total expenditures budgeted (\$59,323,075) by the total number of students (4,538). This average cost of all students is shown on the accompanying charts (on the next page) as “Total Base Support.” The cost of special education services alone is \$23,725 per special education student. Thus the total cost of educating our special education students averages \$36,798 per pupil, the sum of the average per-pupil cost plus the average per-pupil cost of special education services.





State funding for special education flows through our Special Education Local Plan Area (SELPA), a consortium of four districts in this geographic area of our county. The four districts in our SELPA are Palo Alto Unified School District, Mountain View-Whisman School District, Mountain View-Los Altos High School District, and us. The districts work together to consolidate programs where appropriate in serving students from the entire SELPA in the most cost efficient manner. We get reimbursed from the other districts for serving their students in this program. Our county office of education supports our SELPA and other SELPAs in the county with some financial and management services.

Our special education programs are located at every school in the district. Special Day Classes (SDC), which require a full-time teacher for every classroom, are located at six sites. These classes serve students from throughout the district. Our SDC classes this coming year will be located at the Covington, Loyola, Santa Rita, and Springer sites for preschool and elementary age students and at Blach and Egan for junior high age students. More specialized services are provided outside the district—at SELPA classes in other districts, at county classes, and at non-public schools and agencies.

## STAFFING ALLOCATIONS

Staffing at our schools is determined based on specific staffing ratios, which are included in the district's Budget Development Guidelines booklet. While the district usually follows the staffing ratios guidelines, occasionally the Superintendent determines the need for staffing beyond the number indicated by the ratios. An example of this is the hiring of an additional teacher at an elementary school in order to avoid having a combination class.

Staffing at the district level is determined annually according to the needs of the district. Prior year staffing acts as a baseline, to which staffing FTE is either added or subtracted. The district has endeavored over the years to maintain as small a district level staff as possible, preferring to allocate resources directly to the school sites. The teacher to administrator ratio is well below the guidelines developed by the California Department of Education. These guidelines allow for .09 certificated administrators for every teacher. With 247 FTE teachers employed for 2017–18, the district is allowed up to 22 administrators. The district is employing 13.8 FTE administrators, just over one-half of the allowable number. The staffing allocation table below is similar to the current year allocations.

Authorized Staffing Allocations	Elementary Schools	Intermediate Schools
Principal	1 per school	1 per school
Secretary	1 per school	1 per school
Clerk	.5 FTE per school (small school) .625 FTE per school (medium school) .75 FTE per school (large school or school with specialized programs)	
Counselor/Psychologist	1.0 per school	.8 FTE per school
Custodians	1 per school (Day) .5 FTE per school (Night)	1 per school (Day) 1 per school (Night)
Teacher-in-charge		.333 FTE per small school .500 FTE per large school
Classroom Teachers	22:1 (K-3) 26:1 (4-6)	26:1
Resource Specialists (Special Education)	1 per school	1 per school
Library Aides	10 hours per week + 0.5 hours per class (average 25 hrs/week)	25 hours per week + 1 after school hour daily
Noon Duty	1 hour per day (Classified)	1 hour per day (Certificated)

As enrollment has grown steadily over the last ten years, we have added teaching staff (teachers and instructional assistants) accordingly. Staffing adjustments have been made to reflect economic conditions as well, with a decline in staff when funding levels have been reduced. The accompanying tables show the staffing ratio guidelines adopted by the district, a history of staffing over the last few years, and a ten year history of student–teacher ratios.

History of District Staffing (Full-Time Equivalents)					
	2013-14	2014-15	2015-16	2016-17	2017-18
Superintendent	1.00	1.00	1.00	1.00	1.00
Assistant Superintendent	2.00	2.00	2.00	2.00	2.00
Director	1.00	1.00	1.00	1.60	1.80
Program Coordinator	1.60	1.60	0.60	1.00	1.00
Principal	9.00	9.00	9.07	9.00	9.00
Teacher, Classroom	218.86	231.15	225.81	224.58	220.25
Teacher, Support	0.70	2.00	1.00	1.00	1.00
Teacher, Special Education	22.60	22.60	22.60	22.60	22.28
Teacher, Bilingual	1.00	2.00	2.17	3.50	3.50
Program Specialist (Spec Ed)	1.00	1.00	1.00	1.58	1.58
Guidance/Counseling	0.80	0.80	0.80	1.20	1.20
Psychologist	9.80	9.20	10.00	10.00	10.00
Nurse	2.00	2.00	2.50	2.00	2.00
Behavior Specialists	2.00	2.00	2.00	3.60	3.60
Instructional Assistant	81.53	89.76	89.83	89.50	90.31
Computer Networking	2.00	2.00	2.00	3.00	3.00
Art Docent Coordinator	0.70	0.70	0.70	0.70	0.70
Secretary/Clerical/Office	31.66	37.70	35.89	34.31	40.28
Custodian	14.00	15.00	15.00	15.00	15.00
Warehouseman	1.00	1.00	1.00	1.00	1.00
Maintenance	5.00	5.00	5.00	5.00	5.00
Grounds	1.50	2.00	2.00	2.00	2.00
<b>Total</b>	<b>410.75</b>	<b>440.51</b>	<b>432.97</b>	<b>435.17</b>	<b>437.50</b>

	2008-09	2009-10	2010-11	2011-12	2012-13
Student Enrollment:	4,245	4,287	4,384	4,477	4,495
Number of Teachers (FTE):	232	224	224	223	230
<b>Student-Teacher Ratio:</b>	<b>18.33</b>	<b>19.12</b>	<b>19.58</b>	<b>20.10</b>	<b>19.53</b>
	2013-14	2014-15	2015-16	2016-17	2017-18
Student Enrollment:	4,543	4,670	4,636	4,522	4,538
Number of Teachers (FTE):	243	258	252	252	247
<b>Student-Teacher Ratio:</b>	<b>18.68</b>	<b>18.12</b>	<b>18.43</b>	<b>17.97</b>	<b>18.37</b>

## PROPERTY TAXES/ASSESSED VALUATIONS

Prior to the passage of Proposition 13 in 1978, there was a direct relationship between the assessed value (AV) of property and the market value of property. Assessed value was adjusted regularly based either on the increasing or, in rare cases, the decreasing market value of the property. Under Proposition 13, the County Assessor can increase the base year value only by a maximum of 2% each year for inflation. Therefore, as housing prices have increased in California since 1978, the increases in assessed value have been capped at the base year as adjusted by the small inflationary increase. Houses are reassessed at market value only when ownership changes hands. Thus one finds all over the state situations in which the owners of identical houses next door to each other pay radically different levels of property tax. This also means that the assessed values carried on the roll show minimal relationship in many cases to the actual market value of the property. The County Assessor maintains a database of assessed values. There is no database of the market value of properties.

Also with Proposition 13, property tax rates were fixed at 1% of the assessed value of the property. Only certain special tax overrides (requiring a two-thirds majority vote) are permitted to increase that tax rate. A taxpayer's bill thus has a base rate of 1% of the assessed value of his/her property.

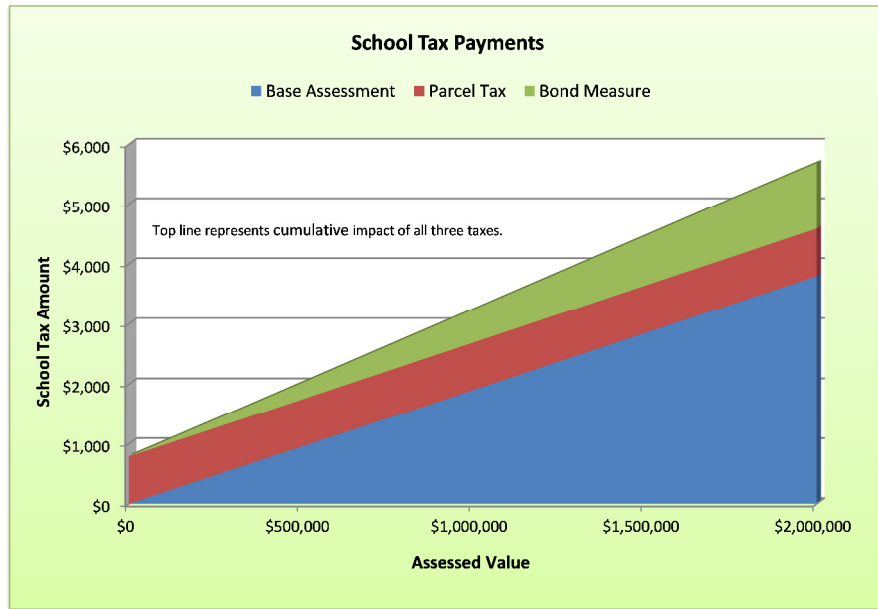
There are 41 tax rate areas within the school district, especially high because the district boundaries cross several city jurisdictions. Because the majority of our students reside within Los Altos, we will assume a City of Los Altos resident is our typical taxpayer. Approximately 19 cents of that taxpayer's dollar goes to our district.

**Parcel Tax.** In 1989 voters in the district passed a parcel tax measure (Measure A) to support our educational program. A parcel tax is a fixed dollar assessment per parcel for all parcels of property within the district boundaries. The 1989 tax assessment was \$168 per parcel. In 1997 voters approved an increase in the parcel tax to \$264. In November 2002 voters approved another increase, making the current tax \$597 per parcel. This tax generates \$7.5 million annually for the district. A taxpayer in our district thus is paying a portion of the 1% of AV that is collected for our schools, plus a fixed annual amount of \$597 (no matter the value of the property).

Taxpayers are now paying an additional \$223 per parcel for a second parcel tax—which was authorized by voters in November 2016 and lasts eight years. *Approximately \$30 of that tax is earmarked for Bullis Charter School, with the balance allocated to our district.*

**General Obligation Bonds.** In response to the need to reopen a closed school (because of increased enrollment) and to renovate and modernize our schools, voters approved a \$94.7 million general obligation bond

measure in 1998. The tax impact of this measure averages \$55 per \$100,000 of AV and is not to exceed \$60 per \$100,000 AV. Debt service on the bonds issued to finance the reconstruction continues through 2023. *Voters approved a new bond measure in November 2014 and plans are underway to determine how best to spend bond proceeds.*



## TAX BURDEN

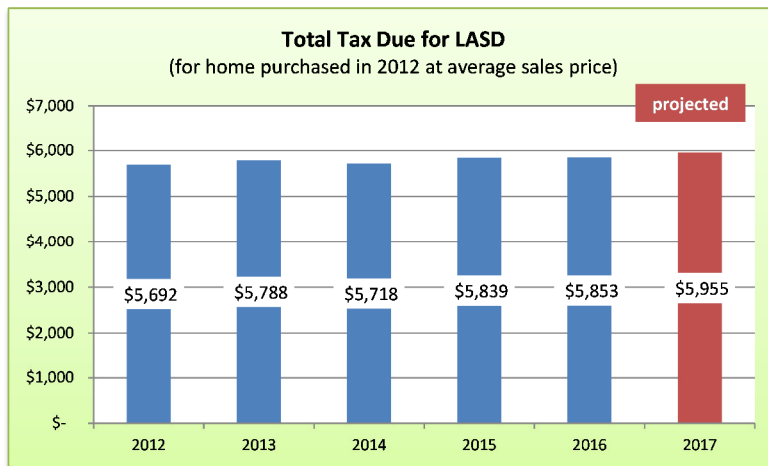
The impact on the typical taxpayer at present is the sum of these three components – the normal share (19%) of the 1% of AV earmarked for our schools, \$790 in parcel taxes, and a % of AV calculated to pay off the bonded indebtedness from the general obligation bond measure. This impact is shown on the accompanying table and charts.

The table below shows the tax burden on an “average” homeowner in Los Altos. The data assumes that the homeowner bought his house in 2012 for \$1,978,352 (the average price of a home in that year). The increase/decrease in market value reflects the increase/decrease in the average price of a home. As discussed earlier, the assessed value equals the market value at the time a property is sold but can increase no more than 2% per year until it is sold again. Property tax rates are fixed at 1% of AV and the district receives approximately 19% of the property taxes collected (thus the average tax rate shown). On top of the regular property tax, homeowners in our district are assessed no more than \$60 per \$100,000 of AV for our general obligation bonds and a flat \$790 per parcel. The table also shows what is perceived as a tax inequity—the difference in tax between what this homeowner would pay and what someone buying an identical house in 2016 would pay.

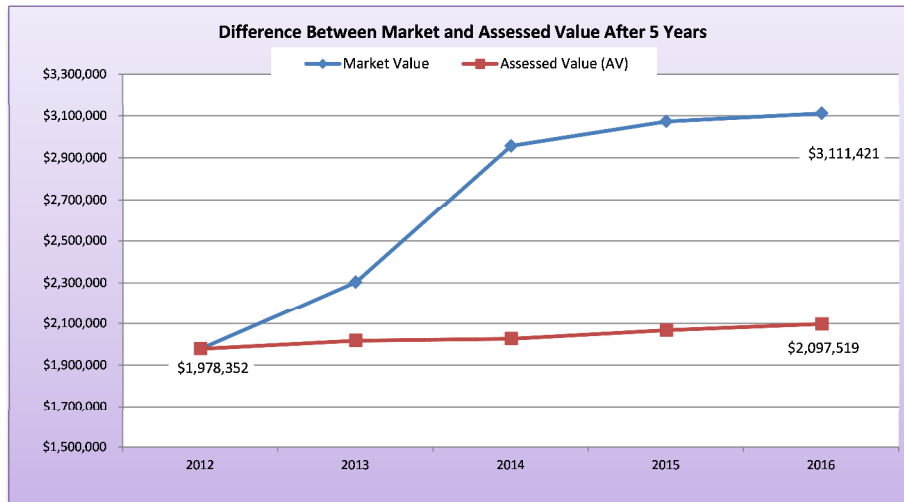
## Los Altos School District 2017–18 Budget

	2012	2013	2014	2015	2016
Market Value	\$ 1,978,352	\$ 2,303,000	\$ 2,957,037	\$ 3,073,477	\$ 3,111,421
Assessed Value (AV)	\$ 1,978,352	\$ 2,017,919	\$ 2,027,000	\$ 2,067,540	\$ 2,097,519
% Change in AV	2.00%	2.00%	0.45%	2.00%	1.45%
Property Tax Rate	0.1883%	0.1898%	0.1897%	0.1918%	0.1929%
Tax Due for LASD	\$ 3,725	\$ 3,830	\$ 3,845	\$ 3,966	\$ 4,046
LASD Bond Tax Rate	0.0595%	0.0579%	0.0534%	0.0524%	0.0485%
Tax Due for LASD	\$ 1,177	\$ 1,168	\$ 1,082	\$ 1,083	\$ 1,017
LASD Parcel Tax	\$ 790	\$ 790	\$ 790	\$ 790	\$ 790
<b>Total Tax Due for LASD</b>	<b>\$ 5,692</b>	<b>\$ 5,788</b>	<b>\$ 5,718</b>	<b>\$ 5,839</b>	<b>\$ 5,853</b>
% Change in Tax Due	13.92%	1.69%	-1.22%	2.12%	0.25%
<b>Tax, if property sold in 2016</b>					<b>\$ 8,301</b>

The chart below extracts from the table above to show the tax impact on the homeowner who might have purchased a home at the average sales price in 2012. It includes the actual taxes due to the district for five years as well as the projected tax level for the upcoming year.



The accompanying chart illustrates the difference between market value and assessed value for the same home during a five year period.



## ASSESSED VALUATIONS

The recent history of assessed valuation (AV) in the district is shown in the accompanying table, along with three years of projected values. The table also shows that school tax collections, on average, cost taxpayers around 19 cents per \$100 AV. Housing turnover has been mainly responsible for the recent growth or decline in the district's AV. Changes in AV affect general fund revenues and how much debt we can issue. Assessed valuations are determined each year in July by the county assessor. *As noted earlier, there is no direct relationship between assessed values and market values, except at the time property is sold.*

Voters gave approval for \$94.7 million of bonds to finance our construction program and we now have issued all \$94.7 million worth of bonds. Our total AV in 2016–17 was \$20.8 billion. Our legal debt limit is \$259.5 million, against which we have \$61.4 million outstanding for a balance of \$198.1 million (our debt capacity).

Assessed Valuations						Tax Collections		
Fiscal Year	Local Secured	Utilities	Unsecured	Total	% Change	Prop Tax Collections	Tax Revenue per \$100 AV	% Change
2007/08	12,484,240,341	0	122,857,196	12,607,097,537	7.50%	24,404,229	0.1936	9.35%
2008/09	13,473,828,710	0	153,257,150	13,627,085,860	8.09%	26,318,414	0.1931	7.84%
2009/10	14,014,242,300	0	162,883,614	14,177,125,914	4.04%	26,875,522	0.1896	2.12%
2010/11	13,864,148,510	0	151,532,903	14,015,681,413	-1.14%	26,340,708	0.1879	-1.99%
2011/12	14,329,396,773	0	136,879,767	14,466,276,540	3.21%	27,234,353	0.1883	3.39%
2012/13	15,076,574,802	0	129,074,735	15,205,649,537	5.11%	28,854,897	0.1898	5.95%
2013/14	16,496,455,947	0	145,005,237	16,641,461,184	9.44%	31,564,315	0.1897	9.39%
2014/15	17,653,473,179	0	162,809,230	17,816,282,409	7.06%	34,178,091	0.1918	8.28%
2015/16	19,217,494,204	0	175,234,379	19,392,728,583	8.85%	37,338,774	0.1925	9.25%
2016/17	20,633,198,666	0	128,384,160	20,761,582,826	7.06%	39,834,372	0.1919	6.68%
2017/18	21,974,356,579	0	136,729,130	22,111,085,710	6.50%	42,423,606	0.1919	6.50%
2018/19	23,073,074,408	0	143,565,587	23,216,639,995	5.00%	44,544,786	0.1919	5.00%
2019/20	24,226,728,129	0	150,743,866	24,377,471,995	5.00%	46,772,026	0.1919	5.00%

*Note: 2016-17 tax collection total is an estimated amount. Data for FY2017/18 and future years is projected.*

## LONG TERM FINANCIAL COMMITMENTS

The district has several commitments that require funding in future years as well as the budget year. These commitments are itemized below.

### OPERATING LEASES

**Photocopy and Other Office Machines.** The district leases several photocopiers and a postage machine. Lease payments on the various machines are shown below.

Office Equipment	Number	Annual Costs	Expiration Dates
Photocopy Machines	37	\$129,974	June 2015 - April 2022
Postage Machines	1	\$4,548	June 2017
<b>Total Cost for Leases</b>		<b>\$135,820</b>	

**Portable Buildings.** In July 2007 the district purchased twenty-five portable buildings, most of which were being leased at the time of the purchase. We continue to lease a number of portable classrooms and other buildings, the number growing as the need for additional student housing grows. The following table summarizes the cost of these leases.

School	# of Leased Portables	Cost	Fund
Almond	8	\$ 51,377	Capital Facilities Fund
Gardner Bullis	12	\$ 77,196	Capital Facilities Fund
		\$ 36,300	Building Fund
Covington/DO	7	\$ 54,948	Capital Facilities Fund
		\$ 9,402	Building Fund
Egan	7	\$ 65,011	Capital Facilities Fund
Loyola	8	\$ 61,099	Capital Facilities Fund
Oak	8	\$ 69,663	Capital Facilities Fund
Santa Rita	11	\$ 82,838	Capital Facilities Fund
Springer	6	\$ 46,570	Capital Facilities Fund
Stepping Stones	4	\$ 92,436	General Fund
BCS	58	\$ 181,740	Building Fund
		\$ 393,129	Capital Facilities Fund
<b>Total</b>	<b>129</b>	<b>\$ 1,221,709</b>	

### LONG TERM DEBT

**General Obligation Bonds.** To finance our construction program we issued three series of bonds starting in February 1999. In June 2006 we refinanced most of our outstanding debt and in January 2013 we refinanced part of the debt on the 2006 bonds. Our outstanding debt as of June 30, 2017 is \$61.4 million, which is 24% of our legal debt limit of \$259.5 million. The debt service on our outstanding debt amounts to \$71 million and will be paid off by June 30, 2024. The accompanying table shows the amortization schedule for the two types of refunding bonds we issued in 2006—current interest bonds (CIBs) and capital appreciation bonds (CABs). The CABs have since been paid off, thus the only outstanding bonds are CIBs.



Bond Amortization Schedule 2006 General Obligation Refunding Bonds									
Current Interest Bonds (CIBs)				Capital Appreciation Bonds (CABs)			Combined		
Fiscal Year	Principal	Interest	Total	Compounded		Total	Principal	Interest	Grand Total
				Principal	Interest				
2018	\$4,560,000	\$1,689,875	\$6,249,875	\$0	\$0	\$0	\$4,560,000	\$1,689,875	\$6,249,875
2019	5,040,000	1,453,500	6,493,500				5,040,000	1,453,500	6,493,500
2020	5,555,000	1,188,625	6,743,625				5,555,000	1,188,625	6,743,625
2021	6,105,000	897,125	7,002,125				6,105,000	897,125	7,002,125
2022	6,700,000	577,000	7,277,000				6,700,000	577,000	7,277,000
2023	7,335,000	226,125	7,561,125				7,335,000	226,125	7,561,125
2024	855,000	21,375	876,375				855,000	21,375	876,375
<b>Total</b>	<b>\$36,150,000</b>	<b>\$6,053,625</b>	<b>\$42,203,625</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$36,150,000</b>	<b>\$6,053,625</b>	<b>\$42,203,625</b>

The table below shows the amortization schedule for the 2013 refunding bonds.

Bond Amortization Schedule 2013 General Obligation Refunding Bonds			
Fiscal Year	Principal	Interest	Total
2018	\$3,310,000	\$971,000	\$4,281,000
2019	3,590,000	867,500	4,457,500
2020	3,895,000	716,275	4,611,275
2021	4,290,000	511,650	4,801,650
2022	4,710,000	310,200	5,020,200
2023	5,115,000	113,700	5,228,700
2024	380,000	5,700	385,700
<b>Total</b>	<b>\$25,290,000</b>	<b>\$3,496,025</b>	<b>\$28,786,025</b>

**Capital Leases.** In July 2007 we financed the purchase of twenty-five portable classrooms and garnered funds to help with the completion of the Gardner Bullis School reconstruction. We borrowed \$2.165 million at an interest rate of 4.5 %. A year later we financed improvements at the Gardner Bullis School through an additional borrowing of \$2.025 million. Debt service payments on both leases cost \$332,803 annually through 2027 and then decline in the final two years (2028 and 2029). In the following table we summarize our debt service both on the capital leases and the general obligation bonds.

Debt Service				Debt Service			Combined Debt Service		
Capital Leases				General Obligation Bonds			Capital Leases & General Obligation Bonds		
FY	Principal	Interest	Total	Principal	Interest	Total	Principal	Interest	Total
2018	\$ 200,761	\$ 132,042	\$ 332,803	\$ 7,870,000	\$ 2,660,875	\$ 10,530,875	\$ 8,070,761	\$ 2,792,917	\$ 10,863,678
2019	210,451	122,352	332,803	8,630,000	2,321,000	10,951,000	8,840,451	2,443,352	11,283,803
2020	220,609	112,194	332,803	9,450,000	1,904,900	11,354,900	9,670,609	2,017,094	11,687,703
2021	231,257	101,546	332,803	10,395,000	1,408,775	11,803,775	10,626,257	1,510,321	12,136,578
2022	242,419	90,383	332,803	11,410,000	887,200	12,297,200	11,652,419	977,583	12,630,003
2023	254,120	78,682	332,803	12,450,000	339,825	12,789,825	12,704,120	418,507	13,122,628
2024	266,386	66,416	332,803	1,235,000	27,075	1,262,075	1,501,386	93,491	1,594,878
2025	279,244	53,558	332,803				279,244	53,558	332,803
2026	292,723	40,080	332,803				292,723	40,080	332,803
2027	306,852	25,951	332,803				306,852	25,951	332,803
2028	234,578	11,139	245,717				234,578	11,139	245,717
2029	77,456	1,859	79,316				77,456	1,859	79,316
<b>Total</b>	<b>\$ 2,816,856</b>	<b>\$ 836,202</b>	<b>\$ 3,653,058</b>	<b>\$ 61,440,000</b>	<b>\$ 9,549,650</b>	<b>\$ 70,989,650</b>	<b>\$ 64,256,856</b>	<b>\$ 10,385,852</b>	<b>\$ 74,642,708</b>

**Compensated Absences.** As of June 30, 2017 the district anticipates having \$376,513 worth of unused vacation leave on its books. It is anticipated that some of that will be used up during the summer months.

### RETIREE MEDICAL BENEFITS

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The district has an unfunded liability for retiree medical benefits. In 2017–18 the estimated cost of providing retiree medical benefits is \$1.0 million. An actuarial study of the district's liability was completed in July 2015. The study indicates that the district's unfunded liability is \$18.1 million. The figure is based on a number of assumptions, including estimated medical plan rate increases. As the assumptions change, so will the outstanding liability.

### DISTRICT INSTRUCTIONAL PROGRAM

The nine schools making up the Los Altos School District have adopted and implemented a program that emphasizes reading, writing, and mathematics for all students. TK–6 children work within self-contained classrooms—each taught by one teacher and supported by specialist staff as appropriate. The upper elementary grades often departmentalize for subject-specific teaching, though this is not universal. Seventh and eighth graders work through a rich departmentalized program of core subjects, health guidance, and self-selected electives. Instructors at all grade levels use a myriad of teaching techniques and specialized materials to meet the needs of all children. Reading for meaning, guided reading, literacy centers, and computer-assisted instruction are four examples of techniques used to help insure that each child has access to the district's core curriculum.

All students have access to the same state adopted curriculum. The District Curriculum Council, a body of board-selected administrators, teachers, and parents/community leaders, considers potential curriculum adoptions. Materials must be adaptable to varied learning styles and student levels. Comprehensive language arts and math standards are accompanied by state standards of evaluation at each grade level.

Board policy regarding student placement (promotion/retention) is reflective of state standards. All staff members assess their students using state standards.

*The Fountas & Pinnell Benchmark Assessment System provides teachers with precise tools and texts to observe and quantify specific reading behaviors, and then interpret and use that data to plan meaningful instruction.*

**Language Arts/Reading.** Reading, writing, listening, and speaking are at the core of the English Language Arts curriculum. With the state adopted Houghton Mifflin Medallions program for grades K–5, all students are guaranteed access to core materials at their learning level. Leveled reading that is associated with content standards in reading, social studies and science are provided through their lessons. Teachers use the Fountas and Pinnell Reading Benchmark Assessment System to identify the instructional and independent reading levels of all students and document student progress through one-on-one assessments. In addition, a common iReady computer-adaptive diagnostic assessment in reading is given to all students to measure growth in reading skills.

Grades 6, 7 and 8 use the Holt Literature series, along with a variety of strategies including the workshop model and Socratic seminars. Focus is placed on reading comprehension and literary response and analysis. Writing strategies focus on clear, coherent and focused writing skills per the adopted Common Core State Standards. Students continue to work on evaluation and revision in essays and major writing assignments.

During 2016–17 the district went through a formal adoption process and selected Lucy Calkins Units of Study in Reading and Writing as the core curriculum for English Language Arts K–8.

**Mathematics.** Math instruction includes the Common Core State Standards as well as mathematical practices. With the state adopted Scott Foresman EnVision Math curriculum for grades K–5, all students are guaranteed access to core materials at their learning level. Qualified students complete an accelerated math course in grade 6, learning both sixth and seventh grade standards. Math in Focus is the primary adopted curriculum for 6<sup>th</sup> grade students and was officially adopted this past year to be used in the grade level math courses for 6–8 grade students. Most junior high school students complete algebra as they exit the eighth grade; however, we do offer Geometry and Common Core 8 classes. Differentiated math instruction strikes a balance between skill development and mastery of major math concepts. Using in-service learning opportunities, teachers learn how to move children from basic procedural to application levels of learning. Strands from the standards are supported with manipulative materials and math tools, including Khan Academy, FrontRow, and MARS tasks.

A variety of instructional strategies are supported through professional learning. Teachers have the opportunity to attend the Silicon Valley Math Initiative Summer Academy, focusing on high quality performance tasks, math talks, and high levels of learning for all in math. Each year we send a team of 8–15 teachers to this terrific local experience.

**History/Social Science.** The History/Social Studies program centers on skill attainment and social participation. Civic values, rights, and responsibilities—through the use of Project Cornerstone, a conflict resolution program—are covered in all grade levels. Multicultural events are also scheduled at each school. In addition, each K–6 school maintains a geography strand. Primary grade units are supported with a wide array of literature, and training is provided for each teacher as he/she enters a specific grade level. Instructional media, guided reading, and cooperative learning are materials/strategies used to insure equal access for all students. Many students participate in the National Geography Bee. Grades 4–8 complete the traditional State sequence: California History (grade 4), American History to 1800 (grade 5), Ancient Civilizations (grade 6), Rome to Renaissance (grade 7), U.S. History to World War I (grade 8).

**Science.** As part of a hands-on-Science Program, the district has implemented three science units (life, physical, earth) for use at each grade level, K–6. In grades K–5 teachers implement science lessons through the FOSS hands-on science program. The 6–8 grade teachers have designed new, NGSS aligned units. All teachers are invited to receive in-service training on the science kits, leadership training, summer institute training, and case

### Standards Based Teaching and Learning

Standards-based teaching and learning in LASD is defined as an ongoing teaching and learning cycle that ensures all students master essential academic standards and important learning behaviors. In this continuous process of teaching and learning, student achievement is frequently measured through a variety of formats and assessment practices, and students are provided multiple opportunities to learn until they reach mastery. Regardless of content area, course, grade level, or revisions in standards, this teaching and learning cycle remains constant.

Being standards-based means that every teacher, in every classroom, every day, consistently teaches with activities, lessons, and units specifically designed to ensure every child learns the knowledge and skills that lead to mastery of the essential standards. Teams of teachers and administrators have worked this year to identify essential standards—our guaranteed course curriculum.

We provide a balanced instructional approach, ensuring that students have multiple opportunities for acquiring knowledge and skills, for making meaning of these skills, as well as opportunities for transferring or applying what they've learned. All three components are critical to a deep student learning experience.

In its simplest terms, a standards-based teaching and learning cycle continually answers four critical questions:

1. What do students need to know and be able to do?
2. How will we know they've learned it?
3. What will we do when they haven't learned it yet?
4. What will we do when they already know it?

study work. All schools are currently in the process of transitioning to the new Next Generation Science Standards (NGSS), with focus on the science and engineering practices. Technology is infused into numerous lessons and lab settings. All schools use pair learning, group learning, computer assisted instruction, and cooperative learning to help each child succeed in science. Guided reading is also used to help children read for specific information. All elementary schools hold yearly STEM Expos. Teacher-made tests, observation scales, and science notebooks are used for student/program evaluation.

**Computer Science.** LASD's cSTEM program for 6th grade brings Science, Technology, Engineering and Math (STEM) subjects through the 3 C's—Creativity, Collaboration and Computer Science. Students learn to demonstrate their creativity through technology by creating original video games that combine art and design with computer programming. Students are introduced to the fundamental concepts of computer science and then apply these concepts to projects in science and math. They learn the critical digital age skill of computational thinking through computer programming. A computer science elective is offered at both junior high schools. This class allows students an opportunity to get deeper into computer science, including programming with Python.

**Health Education.** Using multiple assessments (including parts of the California Healthy Kids Assessment), substance/tobacco use assessments, written summaries from school counselors, data from the Community Health Awareness Council, and studies conducted by the Los Altos Police Department, the district's Consolidated Programs Committee has adopted goals and designed a comprehensive health program covering alcohol, tobacco, and drug prevention while developing student confidence and refusal skills. Standards-aligned and research based prevention instruction is integrated within all grades.

For grades 7–8, specific health activities rest within an integrated physical education program. Specific units within the physical education/health program for all seventh and eighth graders include: understanding self and others; nutrition; family life; alcohol, tobacco, and other drugs; communication skills; and career education.

Each school's Student Study Team handles identification, referral, and implementation of programs or activities for "at risk" children. Tutorials, homework clubs, summer academies, and individual/small group counseling are examples of interventions provided.

**Physical Education.** Funded by the Los Altos Educational Foundation (LAEF), trained physical education specialists work with all TK–6 grade children two days per week. Classroom teachers provide other physical education lessons to meet the required 200 minutes every ten days. The Los Altos Junior Olympics, held each April, is a district tradition in track and field. Seventh and eighth graders have five periods of physical education/health per week throughout the entire school year. In addition, both Blach and Egan offer after-school intramural sports competitions with other schools in volleyball, cross country, wrestling, softball, basketball, soccer, and track and field. The K–8 program emphasizes motor skills, lead-up skills and games, group and team sports, sportsmanship, and cooperation.

**Music.** Primary grade music consists of singing, rhythm activities, and voice practice led by the classroom teacher or music specialists. Fourth graders receive one vocal and/or recorder lesson per week, while fifth graders complete one vocal lesson and one instrumental (small group and either band or orchestra) lessons each week. Sixth graders participate in a one-hour music block of Band, Orchestra, or General Music. Seventh and eighth graders may elect to take vocal music (half or whole year), theater, band or orchestra.

**Art.** The district art program directs attention to aesthetic perception, creative expression, art heritage and aesthetic valuing. All children learn how to use art elements, art principles, and color schemes effectively. Classroom teachers teach "art for art's sake" and integrate art lessons into various disciplines. Seventh and

eighth graders may choose to take art as one of their semester electives. The Art Docent program also supports each classroom teacher with both hands-on and art appreciation lessons that align with grade level curriculum. A sampling of the Art Docent volunteer lessons include: Owl Masks (Kindergarten), Mexican Folk Art (grade 2), Printmaking (grade 3), and Creatures of the Tidal Zone (grade 6).

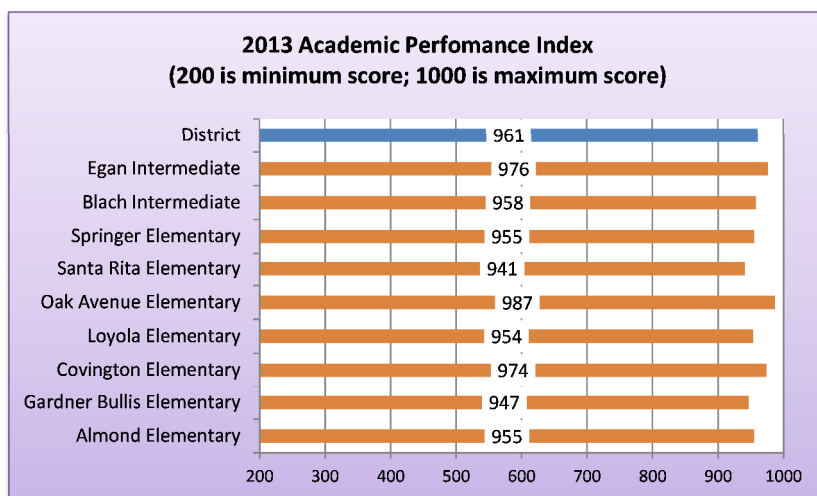
## STUDENT ACHIEVEMENT

This past year was just the second year we have received student data reports on the California Assessment of Student Performance and Progress (CAASPP), the new computer-based tests for English language arts/literacy and mathematics that replaced the former paper-based tests for these subjects. These new exams are part of California's comprehensive plan for supporting high-quality learning at every school. They are based on California's new, more challenging academic standards, which are designed to help all students graduate ready for college and to pursue a career. These tests include a wider variety of questions than the multiple-choice tests they replaced, requiring students to explain how they solve problems, think critically, and write analytically. These skills take time and effort to master, but our students will need them to succeed in the long run. Like the new learning goals they were designed to measure, the new tests are too different from the old exams to make any comparisons between old scores and new.

### API

In October 2013 the State Department of Education released its final report of the Academic Performance Index (API), which ranks all public schools in California—the final year of API ranking. Not only does the district as a whole do well on these rankings, it is important to note that each school performs similarly well. The district 2013 API ranked as the third highest in the state.

*The state is currently rethinking how it will calculate an Academic Performance Index.*

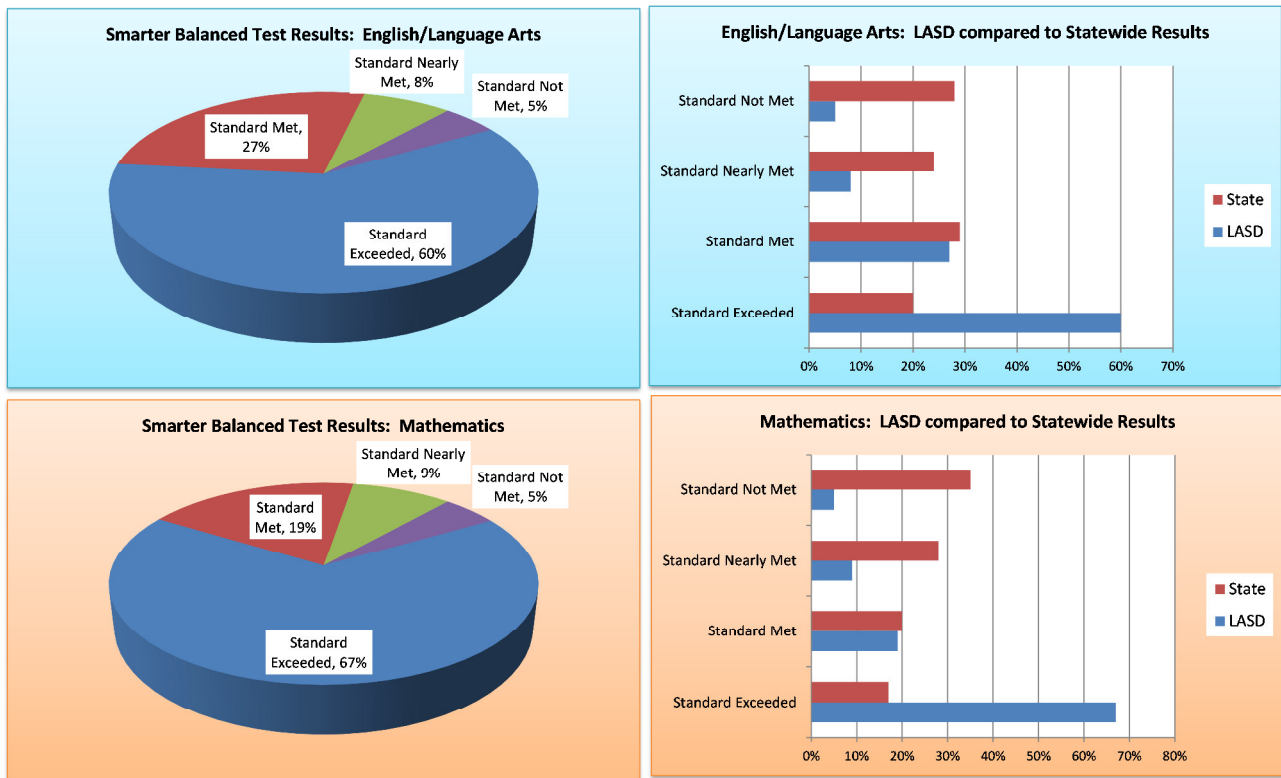


CAASPP TEST

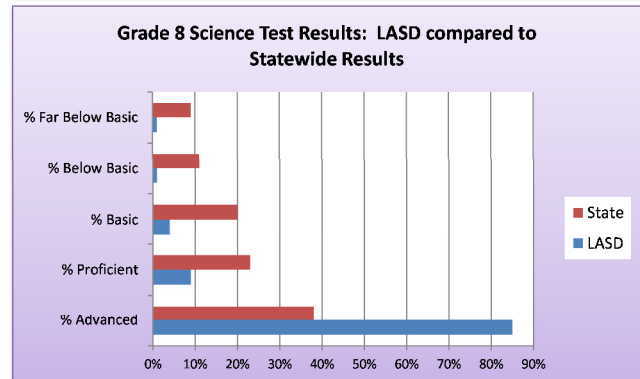
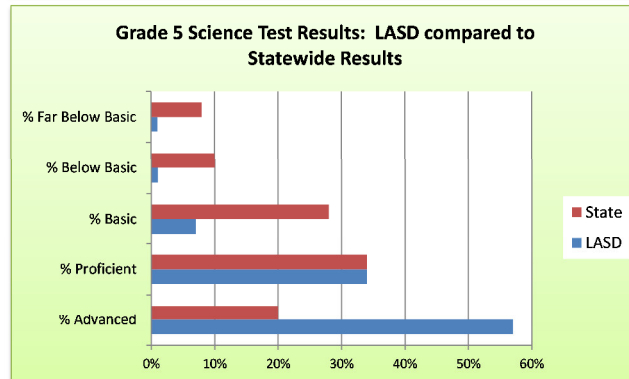
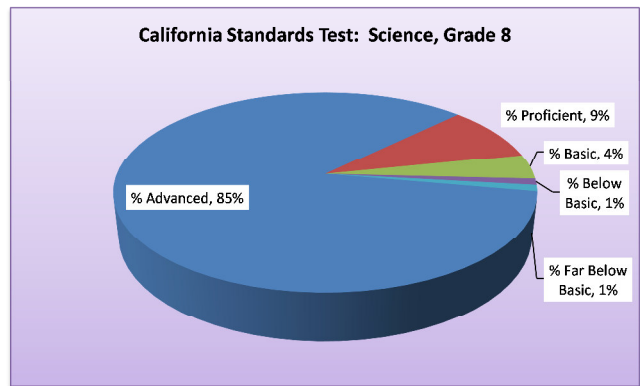
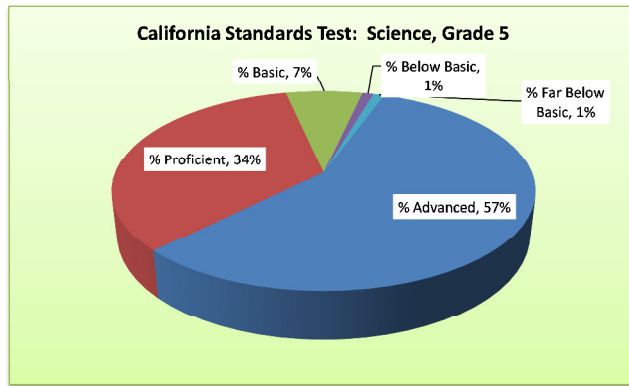
In spring 2016 our students in grades 3 through 8 took part in the statewide standardized testing program for CAASPP. The assessments that comprise the CAASPP administration include computer-based and paper-pencil assessments. The computer-based assessments are the Smarter Balanced English language arts/literacy (ELA) and mathematics tests. The paper-pencil assessments include the science assessment—the California Standards Tests (CSTs) for Science, the California Modified Assessment (CMA) for Science, or California Alternate Performance Assessment (CAPA) for Science

These tests include questions that address the Common Core State Standards in the areas of English/Language Arts and Mathematics. The science test is based on the older California content standards (5<sup>th</sup> and 8<sup>th</sup> grades only).

Our students’ baseline test results from 2016 were notably higher than both county and state averages. The charts below show our overall district test results within English/Language Arts and Mathematics and how our students fared compared to students statewide.



The following test results display the overall percentage of students scoring at the advanced or proficient level on the science CST and how our students performed compared to statewide results.



## DROPOUTS

The district has had no student dropouts in the last three years.

## SURVEY RESULTS

Over the last several years the district has partnered with the YMCA of Silicon Valley in bringing to our schools an initiative called **Project Cornerstone**. Project Cornerstone works with school staffs to develop programs and strategies aimed at ensuring that schools are safe, caring places for children—with a clear emphasis on anti-bullying activities and strategies. Project Cornerstone surveyed parents and students at all our schools during the past school year, with the following results noted below.

School Climate and Parent Engagement Survey: Parent Responses	92% are making stronger efforts to support youth in the community
	99% are making intentional efforts to build positive relationships with other children at their child's school
	100% are more involved in their school community

School Climate and Parent Engagement Survey: Student Responses	92% say there is at least 1 caring adult at their school site
	92% feel accepted and respected at school
	80% say Project Cornerstone programs have encouraged them to be better students



PROGRESS TOWARD DISTRICT GOALS

In recent years our goals have been concentrated in the following five areas—academics, facilities, personnel, finance, and communication.

ACADEMICS

A specific focus in the academic area—“the effectiveness of the academic program for individuals and specific groups of students”—has been in the forefront for several years. We have been concerned about not letting any children “fall through the cracks.” In addition we have focused on improving specific curriculum areas and instructional practices as well as integrating technology into instruction. The following are specific ways we have accomplished our objectives toward meeting these goals.

2014-15	2015-16	2016-17
<ul style="list-style-type: none"><li>•We reconfigured the advanced math program to provide geometry instruction at the junior highs.</li><li>•We continued working with LAEF and private benefactors to identify ways to provide financial support for key academic initiatives.</li><li>•We continued offering our iLearn program to teachers not previously involved in the training to enable them to improve classroom instructional practices.</li><li>•We continued and expanded the STEM program at each of our elementary schools.</li></ul>	<ul style="list-style-type: none"><li>•We began a computer science elective at the junior high schools in effort to extend our computer science opportunities for students.</li><li>•We completed an achievement audit that provided recommendations for closing the achievement gap.</li><li>•We identified essential standards for grade level courses, providing a consistent curriculum regardless of teacher or school.</li></ul>	<ul style="list-style-type: none"><li>•We conducted a pilot program at two schools focused on providing a significant increase in teacher collaboration time.</li><li>•We began implementing new strategies to reach our underachieving learners.</li><li>•We revamped our summer school program to provide additional instructional time for our "at risk" students and lengthened the summer school day to include student-centered activities.</li></ul>



## FACILITIES

Due to enrollment growth and a need to modernize our facilities, this has been a goal area in recent years.

2014-15	2015-16	2016-17
<ul style="list-style-type: none"> <li>• We succeeded in getting voter approval for a \$150 million bond measure.</li> <li>• We appointed and engaged a Facilities Master Plan Committee to review options for housing enrollment growth and to make recommendations for improvements to existing campuses.</li> <li>• We began implementation of our bond program, including forming a legally required Citizens Oversight Committee.</li> <li>• We hired a real estate broker to help our continuing efforts to identify and acquire another school site.</li> </ul>	<ul style="list-style-type: none"> <li>• Our Citizens Oversight Committee met quarterly to review our bond program and expenditures on interim facilities for charter school enrollment growth.</li> <li>• We continued working with a real estate broker on efforts to identify and acquire another school site.</li> <li>• We began communicating with the cities within our district regarding the need for additional school facilities, especially in the light of increasing housing stock.</li> </ul>	<ul style="list-style-type: none"> <li>• Our Citizens Oversight Committee met quarterly to review our bond program and expenditures on interim facilities for charter school enrollment growth.</li> <li>• We formed a Construction Review Committee to assist the district in managing its bond program, and the committee held its first two meetings.</li> <li>• We continued working with real estate brokers and others on efforts to acquire an additional school site.</li> <li>• Our Citizens Finance Committee began analyzing district capital needs, including the increasing cost of facility upkeep.</li> </ul>

PERSONNEL

Our goal the last several years has been to retain and improve our excellent teaching staff, in light of a tightening job market and a high cost of living.

2014-15	2015-16	2016-17
<ul style="list-style-type: none"><li>•We provided additional in-service training for our teachers.</li><li>•We continued using academic coaches as support for our teaching staff.</li><li>•We provided career advancement opportunities for teachers (moving into administrative or leadership roles).</li></ul>	<ul style="list-style-type: none"><li>•We provided a 3% across-the-board salary increase for all staff.</li><li>•We continued providing a battery of professional development opportunities for our teaching staff.</li><li>•We created a new position—Director of Student and Staff Services—and hired one of our principals to fill that position.</li></ul>	<ul style="list-style-type: none"><li>•We provided a 5% across-the-board salary increase for all staff.</li><li>•We continued providing a battery of professional development opportunities for our teaching staff.</li><li>•Our new Director of Student and Staff Services was instrumental in improving our hiring practices and outcomes.</li></ul>

## FINANCE

In the area of finance we continued with the goal of developing a multi-year plan to ensure long-term district solvency.

2014-15	2015-16	2016-17
<ul style="list-style-type: none"> <li>•With the Citizens Advisory Committee for Finance we completed work on a 20 year financial outlook and presented results to the school board.</li> <li>•We published flyers and other communiques to the community that focused on the challenges facing the district.</li> <li>•With passage of the bond measure, we are able to reduce the encroachment on the General Fund for capital expenditures.</li> </ul>	<ul style="list-style-type: none"> <li>•We began communication outreach to the community providing information about the need to maintain current parcel taxes.</li> <li>•Our Citizens Advisory Committee for Finance presented its findings and recommendations to the board, focusing on key potential hazards.</li> <li>•We completed a study showing the nexus between housing stock and enrollment growth in order to show the need for increased developer impact fees.</li> </ul>	<ul style="list-style-type: none"> <li>•We increased communications regarding district finances in preparation for a parcel tax renewal election in November, which was successful.</li> <li>•Our Citizens Advisory Committee for Finance presented its findings and recommendations to the board, again focusing on key potential hazards.</li> </ul>

COMMUNICATION

In an effort to improve our communication with parents and the community at large, we added a goal in this area in 2002–03 and have continued with a goal in this area since then. We have felt that this is a very important area since we have grown increasingly dependent on the local community for financial support.

2014-15	2015-16	2016-17
<ul style="list-style-type: none"><li>•We continued reviewing budget plans, as part of the new Local Control and Accountability Plan requirements, with parent advisory groups and the community as a whole.</li><li>•We purchased a learning management system to improve communication of student progress to parents and provide more assessment consistency across the district.</li><li>•We enhanced both school and district websites to make them more contemporary and user-friendly.</li><li>•We increased communiques to parents and the broader community, informing them about key issues facing the district.</li></ul>	<ul style="list-style-type: none"><li>•We provided additional translation services, including sending communiques to parents in Spanish and Mandarin in addition to English.</li><li>•We gathered input from parents and community members in the preparation and review of our Local Control and Accountability Plan (LCAP).</li><li>•We continued providing communiques to parents and the broader community, informing them about key issues facing the district.</li></ul>	<ul style="list-style-type: none"><li>•We gathered input from parents and community members in the preparation and review of our Local Control and Accountability Plan (LCAP).</li><li>•We continued providing communiques to parents and the broader community, informing them about key issues facing the district.</li></ul>

## GLOSSARY

**AB 602.** 1998 legislation that changed the way the state funds special education programs. Under the old Master Plan funding model dollars were allocated on the basis of units of instruction (such as a special day class). The new model allocates funds based on a district's total ADA (average daily attendance). The intent of the new model is to provide greater funding equity and to simplify the funding process.

**Allocation.** Division or distribution of funds in accordance with a predetermined plan.

**Appropriations.** Funds set aside or budgeted by the state or local school districts for a specific time period and specific purposes.

**Assessed Valuation.** Value placed on personal and real property by a government unit (County Assessor) for purposes of taxation.

**Assessment.** The process of setting the value of property by the county assessor for property tax purposes.

**Average Daily Attendance (ADA).** The student days of actual attendance divided by the number of days school was in session. ADA is usually lower than enrollment. A school district's revenue limit income is based on its ADA. Because ADA was redefined in 1998–99 to exclude excused absences, base revenue limits were adjusted upwards. ADA approximates 98% of the district's enrollment in Los Altos School District.

**Basic Aid.** The minimum state aid grant of \$120 per K-12 pupil guaranteed by the State Constitution. This dollar amount is part of a school district's revenue limit. Basic aid school districts are those whose property tax collections equal or exceed their revenue limit. Up until 2003–04 those districts, which are few in number, received the \$120 per pupil funding from the state plus got to keep their entire property tax collections. Starting in 2003–04 the \$120 in state aid is no longer provided to basic aid districts.

**Bonded Indebtedness.** A district's obligation incurred by the sale of bonds to acquire school facilities.

**Capital Outlay.** Expenditure for new schools, for the major remodeling of school buildings or grounds, or for additional equipment.

**Categorical Aid.** Money from the state or federal government granted to qualifying school districts for children with special needs (e.g., Special Education Master Plan), for special programs (e.g., School Improvement Program), or for special purposes (e.g., transportation). Expenditure of categorical aid is restricted to its particular purpose. The funds are granted to districts in addition to their revenue limits.

**Categorical Programs.** Funds from the state or federal government granted to qualifying school districts for children with special needs, such as disabilities; for special programs; or for special purposes. Categorical aid is restricted to its particular purpose.

**CBEDS (California Basic Educational Data System).** A collection of data taken each October for enrollment, graduates, dropouts, vocational education, alternative education, adult education, course enrollment, classified and certificated staff, and teacher shortage and demand. *This data collection system has been replaced by a more robust one—CALPADS (California Longitudinal Pupil Achievement Data System).*

**Certificated Employees.** School district employees who are required to possess a state credential in order to do their jobs. All regularly employed teachers and principals are certificated employees.

**Classified Employees.** School district employees not required to possess a state credential in order to do their jobs. Examples include instructional aides; secretaries, clerks, and maintenance and custodial workers.

**Class Size Reduction.** A state program begun in 1996–97 that provides incentive funding to school districts to lower class sizes in the primary grades to twenty or fewer students. The federal government also provides funding, on a much smaller scale, to help reduce class sizes.

**COLA.** COLA is an acronym for Cost of Living Adjustment, which refers to the annual increase in the cost of living as measured by an index (for school purposes, California uses the implicit price deflator for the cost of government goods and services). The Local Control Funding Formula (LCFF) target involves adjusting each district's per pupil allocation by a COLA.

**Collective Bargaining.** As required by state law, school districts must follow a prescribed process in negotiating with its employee groups for salaries and benefits, working conditions, and like issues.

**Consumer Price Index (CPI).** A measure of change in the cost of living compiled by the United States Bureau of Labor Statistics. Consumer price indexes are calculated regularly for the United States, California, some regions within California, and selected cities.

**Debt Service.** Expenditures for the retirement of debt and for interest on debt.

**Deferred Maintenance.** Major repairs of buildings and equipment that have been postponed by school districts, usually due to a shortage of funds.

**Developer Fees.** A charge per square foot on residential and commercial construction. Developer fees are levied by school districts, with the maximum amount set by law and adjusted for inflation every two years. Proceeds are used for building or renovating schools and for portable classroom. Proposition 1A sets limits on developer fees.

**Economic Impact Aid (EIA).** State categorical funds for districts to support compensatory services for educationally disadvantaged students (measured by AFDC) and student who need to learn English (Limited English Proficient). *No longer applies under the new state funding scheme.*

**Education Code.** The body of law that regulates education in California. Additional regulations affecting education are contained in the California Administrative Code, Title 5 and 8, the Government Code, and general statutes.

**Encroachment.** The use of unrestricted monies to support restricted program expenditures.

**Enrollment.** A count of students appearing on the class lists of every California school and district on a given day each October. Enrollment is usually larger than the ADA.

**Free and Reduced Priced Meals.** State and federal funding to provide free or low-cost meals for students from low-income families.

**Full Time Equivalent (FTE).** A term describing the percentage of day an employee works compared to a full day. 1.0 FTE is equal to a full day.

**Fund.** A fiscal and accounting entity with a self-balancing set of accounts. These accounts record cash and other financial resources, together with all related liabilities and residual balances. These accounts are segregated for

the purpose of carrying on specific activities or attaining certain objectives in accordance with special regulations, restrictions, or limitations.

**Fund Balance.** The difference between assets and liabilities. The fund equity of governmental and trust funds.

**Gann Appropriations Limit.** A ceiling on each year's appropriations of tax dollars by governmental entities, including school districts. Using the base year (1978–79), subsequent years' limits are adjusted for the change in California Consumer Price Index or in per capita personal income, whichever is smaller, and for the change in population (ADA for school districts). Voters may elect to increase the limit for a four-year period.

**General Fund.** Accounting term used by the state and school districts to differentiate general revenues and expenditures from those placed in separate budget funds for specific uses.

**General Obligation Bonds.** A borrowing instrument wherein a school district borrows money by issuing bonds and the taxpayers of the district obligate themselves to repay the debt. Bond proceeds can only be used for facility construction or capital improvements.

**Instructional Materials (K–8 and 9–12).** State funds for classroom materials, such as textbooks.

**Limited English Proficient (LEP).** Students who do not have the clearly developed English language skills (i.e., comprehension, speaking, reading, and writing) necessary to succeed in the school's regular instructional programs. "LEP" includes non-English and limited-English proficient students. Instructional strategies for these students must comply with Proposition 227, passed in June 1998.

**Local Control and Accountability Plan (LCAP).** A key accountability requirement of the state's Local Control Funding Formula (LCFF), the LCAP is a three-year plan, which every district must create and update annually with input from the community. The LCAP is intended to explain how the district will use state funds to improve educational outcomes for all students based on eight state priorities, with special attention to high-needs students who received additional money.

**Local Control Funding Formula (LCFF).** Signed into law on July 1, 2013, the Local Control Funding Formula, also known as LCFF, overhauls California's school finance system, replacing "revenue limits" and most "categorical funds" with a per-pupil base grant plus additional money for high-needs (low-income, English learner, and foster youth) students.

**Mandated Costs.** School district expenses that occur because of federal or state laws, decisions of state or federal courts, federal or state administrative regulations, or initiative measures.

**Parcel Tax.** A fixed tax amount assessed on each parcel in the district regardless of size or value. Exemptions are granted for certain parcels (those for which a property tax is not normally assessed—e.g., churches; parcels unable to be developed, usually because of size; or annually upon application to senior citizens who reside on the parcel). The LASD assessed tax is currently \$790 per parcel and generates over \$10 million for the district.

**Peer Assistance and Review Program (PAR).** A state-funded program that enables teachers to provide assistance and mentoring to their peers.

**Personal Property.** All property except real property (see Real Property).

**Public Employees Retirement System (PERS).** A retirement fund to which classified employees, their district, and the state must contribute according to California law.

**PL94-142.** A federal law that requires a free and appropriate education to handicapped children, ages 3–21. (See also “Special Education”.)

**Proposition 13.** A June 1978 initiative amendment to the California Constitution. Tax rates on secured property are restricted to no more than one percent of “full cash value.” Proposition 13 also defined assessed value and required a two-thirds vote to change existing or levy new taxes.

**Pupil Teacher Ratio and Average Class Size.** The total student enrollment divided by the full-time equivalent teachers. The average class size is the number of students in classes divided by the number of classes. Since some teachers have special assignments outside regular classrooms or work part-time, the average class size is always larger than the pupil-teacher ratio.

**Real Property.** Property consisting of land, buildings, minerals, timber, landscaping and all improvements thereto.

**Reserves.** Funds set aside in a school district budget to provide for estimated future expenditures or losses, for working capital, or for other purposes.

**Restricted Funds.** Monies whose use is restricted by legal requirements or by the donor.

**Revenue Limit.** The specified amount of money a school district can collect annually for its general education program from local taxes and state aid. Revenue limits were established by SB 90 (1972). Categorical aid is granted in addition to the revenue limit. *No longer applies under the new state funding scheme.*

**Secured Roll.** Assessed value of real property, such as land, buildings, secured personal property, or anything permanently attached to land, as determined by the County Assessor.

**Standardized Account Code Structure (SACS).** As a result of legislation in 2000 all California school districts were required to convert to a new account code structure. The new structure enables the state to electronically capture consistent data from district to district. Additionally the new structure allows California data reporting to the federal government to be consistent with other states. Our district, along with other districts in our county, converted to the new account code structure as of July 1, 2001.

**Special Education Master Plan.** California categorical program for the education of all handicapped children as enacted in SB 1870 (Rodda Act, 1980).

**Special Education.** Programs to identify and meet the education needs of exceptional children, such as those with learning or physical handicaps. Federal law 94-142 requires these children, ages 3–21 years, be provided a free and appropriate education.

**State Teachers Retirement System (STRS).** A retirement fund to which all certificated employees, school districts, and the state must contribute according to California law.

**Tax and Revenue Anticipation Notes (TRAN).** Notes issued in anticipation of collection of taxes or revenues, usually retirable only from those tax and revenue collections. School districts typically issue notes (i.e., borrow cash) to cover cash flow deficits in months prior to the collection of property taxes (usually November/December).

**Tax Rate.** The amount of tax stated in terms of a unit of the tax base.

**Tax Roll.** The list showing the amount of taxes levied against each taxpayer or property.



**Teeter Plan.** First enacted 1949 it provides California counties with an optional alternative method for allocating delinquent property tax revenues. Using the accrual method of accounting under the Teeter Plan, counties allocate property tax revenues based on the total amount of property taxes billed, but not yet collected. The Teeter Plan allows counties to finance property tax receipts for local agencies by borrowing money to advance cash to each taxing jurisdiction in an amount equal to the current year's delinquent property taxes. In exchange, the counties receive the penalties and interest on the delinquent taxes when collected. For counties not under the Teeter Plan, interest and penalty are allocated to all agencies based on their pro rata share of the delinquent property tax. However, the county retains the penalty on delinquent property taxes if the delinquency is cleared up within the same fiscal year.

**Title I, Title VI.** Federal funds from the Elementary and Secondary Education Act as amended by Improving America's Students Act. Title I is for educationally disadvantaged children; Title VI is for innovative education program strategies. These programs were formerly called Chapter 1 and Chapter 2.

**Types of Districts.** An elementary district is generally kindergarten through 8th grade, high school is generally grades 9 through 12, and unified is generally kindergarten through 12th grade.

**Unrestricted Funds.** Monies whose use is not restricted by legal requirement or by the donor.

**Unsecured Roll.** Assessed value of personal property other than secured property (e.g., personal property or improvements on leased land).

# FACTS AT A GLANCE

	2013-14	2014-15	2015-16	2016-17	2017-18
Fall Enrollment (CBEDS)	4,543	4,670	4,636	4,522	4,538
Average Daily Attendance (ADA)	4,464	4,565	4,533	4,379	4,451
Total General Fund Revenue	\$52,831,850	\$52,095,239	\$60,060,443	\$57,973,514	\$58,951,848
Total General Fund Expenditures	\$53,809,291	\$57,387,219	\$58,001,121	\$60,533,182	\$59,323,076
General Fund Revenue per Student	\$11,629	\$11,155	\$12,955	\$12,820	\$12,991
General Fund Expenditures per Student	\$11,844	\$12,288	\$12,511	\$13,386	\$13,073
LCFF Target per Student (weighted average)	\$7,642	\$7,703	\$7,819	\$8,035	\$7,897
LCFF Funded per Student (weighted average)	\$5,488	\$6,154	\$7,033	\$7,609	\$7,547
Assessed Valuation (AV)	\$16,641,461,184	\$17,816,282,409	\$19,392,728,583	\$20,761,582,826	\$22,111,085,710
Property Tax Collections (gross)	\$31,564,315	\$34,178,091	\$37,402,066	\$39,834,372	\$42,423,606
Property Tax Growth	9.39%	8.28%	9.43%	6.50%	6.50%
Property Tax, \$ per ADA	\$7,071	\$7,487	\$8,251	\$9,096	\$9,531
Property Tax Collections (net) <sup>1</sup>	\$28,679,508	\$29,815,018	\$32,457,657	\$34,092,460	\$36,227,478
Net Property Tax, \$ per ADA	\$6,425	\$6,531	\$7,160	\$7,785	\$8,139
Amount in Excess of LCFF (state guarantee) <sup>2</sup>	\$5,728,769	\$3,183,216	\$1,468,936	\$1,945,546	\$4,192,953
Teacher Salary Schedule Improvement	4%	3%	3%	5%	pending
Total Teacher Salaries	\$19,168,610	\$20,769,674	\$20,992,710	\$21,521,750	\$21,405,879
Average Teacher Salary	\$78,509	\$79,783	\$81,767	\$85,513	\$86,653
Average Teacher Benefits Package	\$21,670	\$22,752	\$25,191	\$27,157	\$29,868
Number of Teachers (FTE)	244	258	252	252	247
Number of Other Certificated Staff (FTE)	24	24	26	29	29
Number of Classified Staff (FTE)	143	158	155	155	162
Number of Elementary Schools (K-6)	7	7	7	7	7
Number of Intermediate Schools (Gr. 7-8)	2	2	2	2	2
Average Class Size (composite)	25	25	25	25	25
Average Class Size, grades K-3	22	22	23	23	23
Average Class Size, grades 4-6	26	26	26	25	25
Average Class Size, grades 7-8	26	25	26	25	25
Ratio, Administrators to Teachers (state standard - 9% maximum)	5.2%	4.6%	4.5%	5.1%	5.6%
% Spent on Direct Classroom Instruction (state standard - 60% minimum)	61%	62%	63%	62%	64%
District API (scores range from 200 to 1,000)	961	no longer applicable	no longer applicable	no longer applicable	no longer applicable

<sup>1</sup> Net property taxes are gross taxes less amount transferred to the charter school.

<sup>2</sup> Under LCFF excess taxes includes state-funded add-ons.