

Annual Budget 2014–2015



Los Altos School District

Los Altos, California 94024

www.losaltos.k12.ca.us

Adopted June 23, 2014

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2014–2015 Budget



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Los Altos School District 2014–15 Budget

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INTRODUCTORY SECTION



Revolutionizing Learning for ALL Students

LOS ALTOS SCHOOL DISTRICT (2014–15)

Board of Trustees

Mrs. Tamara Logan
President
Term expires 2014

Mr. Mark Goines
Member
Term expires 2014

Mr. Steve Taglio
Vice-President
Term expires 2016

Mr. Doug Smith
Member
Term expires 2014

Mr. Pablo Luther
Clerk
Term expires 2016

District Administration

Mr. Jeffrey Baier
Superintendent

Mr. Randall Kenyon
Assistant Superintendent, Business Services

Dr. Edsel Clark
Assistant Superintendent, Curriculum & Instruction

Mrs. Ruth Cantwell
Director of Special Education

School Administration

Elementary Schools:

Almond School Principal: Mrs. Erica Benadom

Covington School Principal: Ms. Erin Green

Gardner Bullis School Principal: Mrs. Katie Kinnaman

Loyola School Principal: Mrs. Kimberly Attell

Oak School Principal: Mrs. Amy Romem

Santa Rita School Principal: Mr. Gregory Land

Springer School Principal: Mr. Wade Spenader

Intermediate Schools:

Blach School Principal: Mrs. Sandra McGonagle

Egan School Principal: Mrs. Brenda Dyckman

EXECUTIVE SUMMARY

As we enter 2014–15 we feel optimistic about the state of our finances. Over the last two years we have witnessed a steady recovery in the economy, witnessed increasing growth in property values in our community, built reserves in order to maintain stability of our programs, and continued to receive significant community support. Nevertheless there are challenges ahead.

As the state recovers economically more dollars have flowed into public education. But we are at the precipice of change—a time when the state has totally revamped its funding system for schools for the first time in over 40 years and, at the same time, departed from its decades-old system of measuring student achievement and embraced the new national Common Core State Standards. With Common Core standards our students are expected to engage in deeper learning experiences and develop critical thinking skills—something we have challenged our students to do for several years already. Under the new funding scheme (Local Control Funding Formula) the state is giving districts more local control over spending decisions but expecting improved results in student achievement, particularly for high needs students.

While the state plans to provide significant increases in funding year after year—as long as the economy continues its recovery—the impact on our district is negligible. We remain dependent on property tax revenue as our main source of funding—because our tax collections far exceed the state funding guarantee under the new formula. Tax growth in 2013–14 exceeds 9% and we expect growth of at least 7.5% in the budget year. Growth at this level brings in \$2.4 million new monies (for a total of \$33.9 million in property tax revenue). The continuation of our parcel taxes and local educational foundation funding augments our revenues by another \$13 million—providing funds to maintain small schools and class sizes and many enrichment programs. We truly are a “community funded” district—one dependent on local revenue sources rather than the state for the bulk of its revenues.

Even though we see a positive financial picture we have a number of challenges looming ahead. We continue grappling with rising health insurance costs. The cost of on-going litigation with the charter school over facilities issues is a drain on district resources. We have depleted most of our capital funds at a time when continuing enrollment growth creates a demand for more classrooms and possibly the need for an additional school site. We have no funds set aside for major capital improvements and for the completion of Phase 2 of our modernization program. The school board is considering a possible general obligation bond measure to raise funds for our capital needs as early as November 2014.

We see another potential hazard in the unfunded liability facing each of the state’s two retirement systems for public employees—the State Teachers Retirement System (STRS) and the Public Employees Retirement System (PERS). There are several proposals being put forth to address this issue. One proposal has the employer contribution rate to STRS more than doubling over the next seven years, which if enacted would create a significant burden on districts throughout the state.

Our district is noted for the outstanding academic performance of its students. Year after year we rank among the top 1% of districts in California. We continue, however, to develop new academic initiatives to broaden and strengthen the education we provide our students. We have received national attention for several initiatives, including a program that blends individualized online instruction with classroom instruction in math.

With this as background we present our budget for 2014–15. 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 4% 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 lower revenue expectations.

Los Altos School District 2014–15 Budget

Expenditures: Budget Year Compared to Current Year				
	2013-14	2014-15	% Change	
General Fund	\$ 54,212,302	\$ 52,068,086	-4.0%	
Special Revenue Funds				
Deferred Maintenance	\$ 446,000	\$ 370,000	-17.0%	
Special Reserve	\$ -	\$ -		
Sub-total, Special Revenue Funds	\$ 446,000	\$ 370,000	-17.0%	
Capital Project Funds				
Building	\$ 423,200	\$ 264,156	-37.6%	
Capital Facilities	\$ 2,084,058	\$ 1,197,641	-42.5%	
Sub-total, Capital Project Funds	\$ 2,507,258	\$ 1,461,797	-41.7%	
Total, All Governmental Funds	\$ 57,165,560	\$ 53,899,883	-5.7%	

Projected revenues for the budget year are \$1 million lower than projected expenditures and less than the revenues we are receiving in the current year. General Fund revenues are \$230,000 greater than in the current year. We again plan to transfer \$300,000 from the General Fund to the Deferred Maintenance Fund in 2014–15 and need to transfer monies out of our General Fund into both the Building and Capital Facilities Funds to cover expected expenses. No additional revenues in our Building Fund are expected in the budget year except for ongoing lease revenue from the Eastbrook School site.

Revenue Sources: Budget Year Compared to Current Year				
	2013-14	2014-15	% Change	
General Fund	\$ 50,676,922	\$ 50,908,303	0.5%	
Special Revenue Funds				
Deferred Maintenance	\$ 302,174	\$ 302,174	0.0%	
Special Reserve	\$ 2,723,564	\$ 288,372	0.0%	
Sub-total, Special Revenue Funds	\$ 3,025,738	\$ 590,546	-80.5%	
Capital Project Funds				
Building	\$ 338,860	\$ 264,530	-21.9%	
Capital Facilities	\$ 985,285	\$ 1,176,000	19.4%	
Sub-total, Capital Project Funds	\$ 1,324,145	\$ 1,440,530	8.8%	
Total, All Governmental Funds	\$ 55,026,805	\$ 52,939,379	-3.8%	

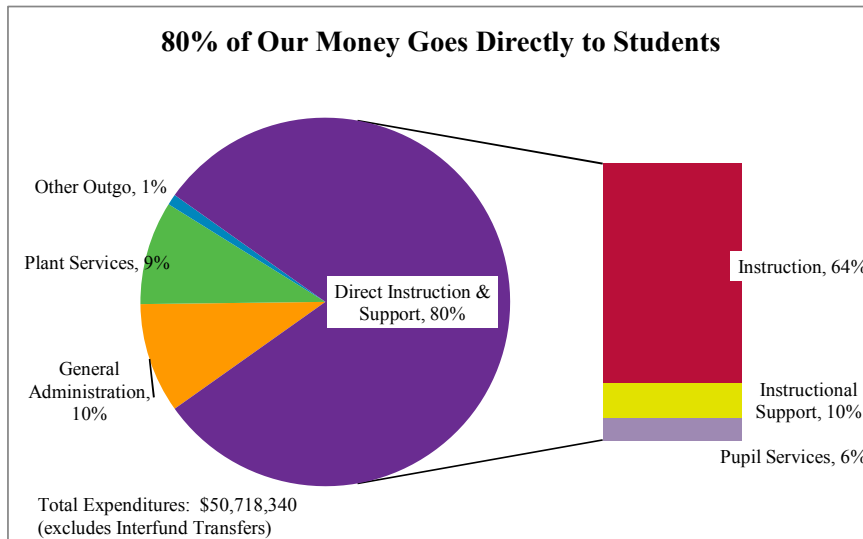
GENERAL FUND EXPENDITURES

Our General Fund spending plan is based on carrying the current program forward. The projected enrollment is 4,632, which is 89 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. \$37.3 million of our total spending (74%) is identified as unrestricted. The balance, \$13.4 million, is being spent on programs with spending restrictions in place.

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. 80% of our spending goes directly to children.



In 2014–15 we anticipate spending \$52,068,086 or \$11,241 per student. 79% of our spending pays employee salaries and benefits. The greatest proportion of this (38%) goes to pay classroom teacher salaries. The average teacher costs the district \$100,700, \$78,100 in salary and \$22,600 in benefits. Our General Fund spending plan for 2014–15 is shown in the accompanying table.

General Fund	2014-15 Expenditures		\$ per Student (4,632 students)	% of Total
Teacher Salaries	\$	19,600,344	\$ 4,232	38%
Other Salaries	\$	11,000,964	\$ 2,375	21%
Employee Health Benefits	\$	6,455,129	\$ 1,394	12%
Other Employee Benefits	\$	4,348,754	\$ 939	8%
Books & Supplies	\$	1,586,442	\$ 342	3%
Utilities, Repairs, Other Services	\$	7,172,168	\$ 1,548	14%
Capital Outlay, Other Outgo	\$	1,904,286	\$ 411	4%
Total	\$	52,068,086	\$ 11,241	100%

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 (formerly 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.

For the budget year our state general purpose

TOP 5 REVENUE SOURCES

Property Taxes	\$30,362,656
Parcel Tax	9,950,000
Special Education Funding	3,307,834
Los Altos Educational Foundation	3,000,000
Lottery	727,183
Total	\$47,347,673
(% of Total Revenue)	93%

Notes:

1. Property Tax total represents gross collected for LASD less transfer of tax dollars to charter school.
2. Special Education funding represents the guarantee from the state, which includes federal funding, county taxes transferred to the district, and the balance in state aid.

Los Altos School District 2014–15 Budget

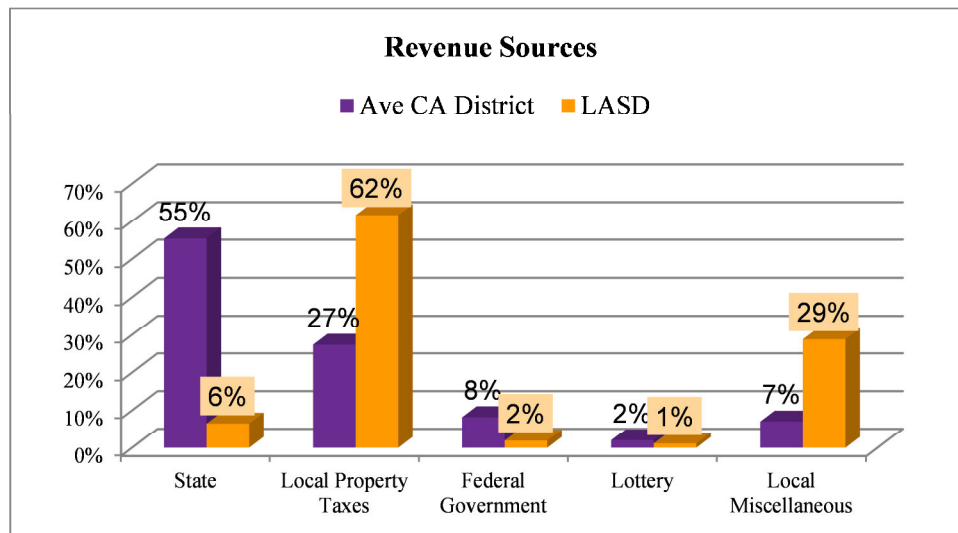
funding calculation totals \$27.3 million. We project \$30.4 million in net property tax revenues, which gives us \$3.1 million of revenue in excess of our state guarantee. A transfer to county property taxes to be used as special education funding is added to this total to produce our total property tax revenues. Thus property tax proceeds, in total, equal \$31.4 million and translate into \$6,773 per student or 62% of all general fund revenues. The state provides some special purpose funding—only 6% of our total revenues. We expect to garner approximately \$727,000 from the California Lottery, 1.4% of our total funding.

General Fund	2014-15 Revenues		\$ per Student (4,632 students)	% of Total
Property Taxes ¹	\$	31,374,272	\$ 6,773	62%
State Aid	\$	3,164,625	\$ 683	6%
Lottery	\$	727,183	\$ 157	1%
Federal	\$	973,664	\$ 210	2%
Parcel Tax	\$	9,950,000	\$ 2,148	20%
Education Foundation (LAEF)	\$	3,000,000	\$ 648	6%
Other Local	\$	1,718,559	\$ 371	3%
Total	\$	50,908,303	\$ 10,991	100%

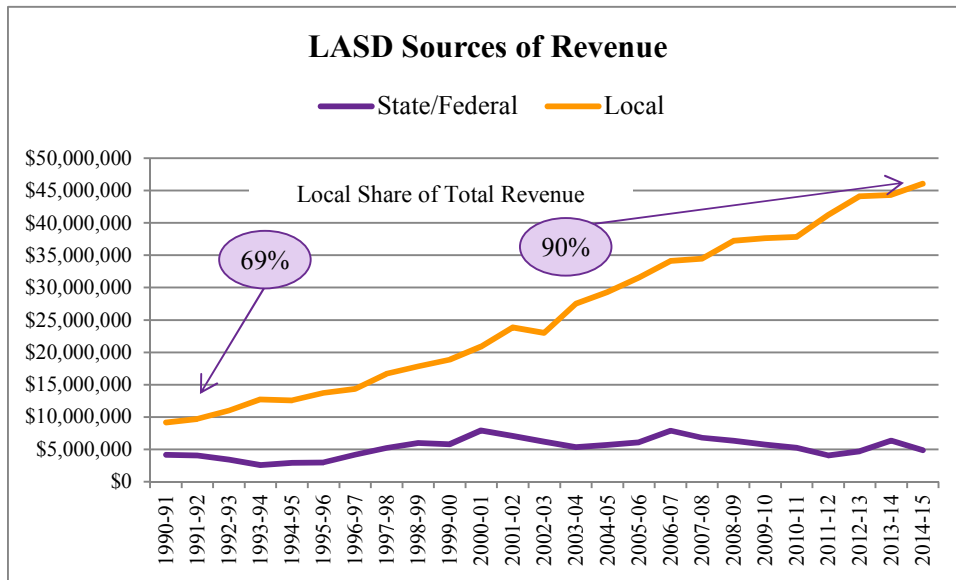
¹ Includes \$1,011,616 of County Taxes transferred to the district.

Only 2% of total funding comes from the federal government. The balance of funding (29%) is local in nature. Our two parcel taxes generate \$10 million in revenue. The community-supported Los Altos Educational Foundation (LAEF) is contributing \$3 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 New School Funding Scheme

California has a new school funding scheme, the first overhaul of school funding since the early 1970's. Enacted by AB97 in spring 2013 the new 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. *"I'm signing a bill that is truly revolutionary. We are bringing government closer to the people, to the classroom where real decisions are made and directing the money where the need and the challenge is greatest. This is a good day for California, it's a good day for school kids, and it's a good day for our future"*—Gov. Jerry Brown, July 1, 2013.

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 will take up to seven 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. The state is in the process of developing evaluation guidelines (rubrics) and along with county offices of education will provide support and assistance to districts that do not demonstrate sufficient improvement.

ISSUES & CHALLENGES

We are closing the 2013–14 year and entering the 2014–15 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 Governor’s 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.

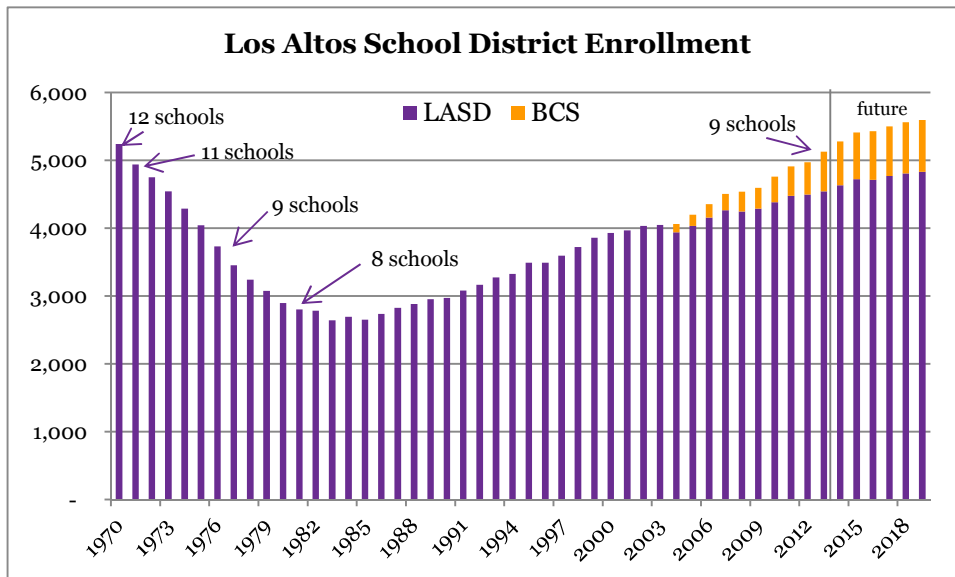
Other challenges we face include the following:

- Enrollment growth and needing to find appropriate facilities, including finding a long-term location for the charter school. [See below.]
- Possibly securing voter approval for a general obligation bond to complete our modernization program as well as fund the purchase of an additional school site or two.
- We have insufficient funds set aside for capital needs, including equipment replacement.
- Securing on-going funding and additional staffing to implement identified academic initiatives.
- State pension systems have an unfunded liability, with school districts and employees potentially subject to significant contribution increases in coming years.
- 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.
- The expiration of the six-year parcel tax on June 30, 2017, which would leave a \$2.5 million revenue hole.

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.



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 4,632 students in its nine schools. Enrollment has been increasing at an average of 1.6% a year for the last ten years. Enrollment is expected to continue growing through the foreseeable future. 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 50% Caucasian, 30% Asian, 7% Hispanic, and 1% Black. The remaining 12% represents families with multi-ethnic backgrounds and those who did not respond to the survey.

Achievement. Our students consistently score within the top 2% of all children tested in California. Results over the last sixteen years of testing (1998–2013 Standardized Testing and Reporting (STAR) tests) consistently show 80% or more Los Altos students scoring at an advanced or proficient level.

The State Department of Education consistently ranks our district in the top 1% in the state, based on our test scores. All of our schools are California Distinguished Schools and three schools (Gardner Bullis, when it was Bullis-Purissima, Oak, and Santa Rita) applied for and were chosen as national Blue Ribbon Schools. Our two junior highs (Blach and Egan Schools) recently were nominated to be Blue Ribbon Schools and are preparing their applications.

We are one of the highest performing school districts in California. Our test results rank us at or near the top among all districts year after year.

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 2014–15.

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.

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).

BOARD GOALS FOR 2014–15

Academic: Meet the individual needs of all students.

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

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

Communication: Engage staff, parents and community members as learning partners.

Finance: Maintain financial stability.

Facilities: Develop a 5-Year facilities and resource plan to address the needs of the ten schools supported by Los Altos School District.

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

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

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 has become obsolete. STAR Tests, except for Science tests, have been suspended starting in 2014. During spring 2014 the state conducted field tests of a new computer-based assessment system that aligns with Common Core standards and that requires students to analyze and solve problems.*

The Academic Performance Index (API), based primarily on STAR test results, also has been suspended starting in 2014. Once standardized tests under Common Core are implemented in 2015 the state will once again begin tracking student performance and ranking districts using a revised API.

STUDENT ACHIEVEMENT

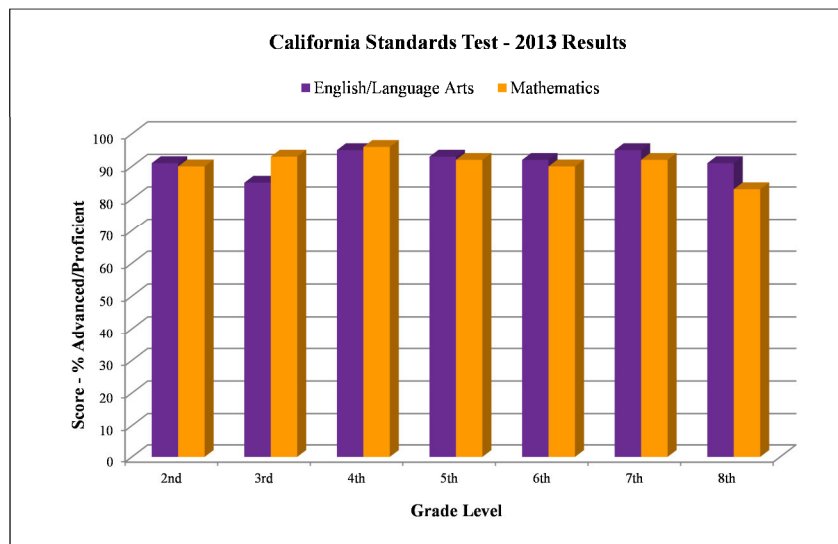
Our students perform exceptionally well on standardized tests given every spring to public school students in California. The performance rankings of schools in California done by the State Department of Education reflect these results.

STAR. Each spring, through 2013, all students in grades 2–11 in California’s public schools have participated in the Standardized Testing and Reporting (STAR) testing program. The tests cover reading, mathematics, language, and spelling. Results from spring 2013 show our students testing at a very high level. Except for the Science test, the state is abandoning 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 ranks all the public schools in California. This ranking is largely based on test results from the previous spring. Each school receives an index number between 200 and 1,000, with a score of 800 being considered the “target”

Los Altos School District 2014–15 Budget

score. Up through 2012 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 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.



2013 Academic Performance Index	
School	API Score
Almond Elementary	955
Gardner Bullis Elementary	947
Covington Elementary	974
Loyola Elementary	954
Oak Avenue Elementary	987
Santa Rita Elementary	941
Springer Elementary	955
Blach Intermediate	958
Egan Intermediate	976
District	961

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) for most recent year of available data (2011–12).*

	LASD	State
Outputs		
Pupil/Teacher Ratio	22.2	23
Results from State Testing Program		
% Scoring Advanced/Proficient		
English/Language Arts	92%	55%
Mathematics	91%	50%
Science	93%	59%
History/Social Science	89%	49%
Inputs		
Expenditures per ADA	\$ 10,687	\$ 8,823
Expenditures per ADA (unrestricted)	\$ 7,872	\$ 5,950
Local Revenue Sources (% of Total)	29%	7%
AVE Teacher Salary	\$ 73,497	\$ 68,603
Highest Teacher Salary	\$ 86,628	\$ 76,510

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, needing voter approval for additional funding. 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 have yet to decide when to hold another general obligation bond election to raise funds for this phase.

ALLOCATION OF HUMAN RESOURCES—STAFFING

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 22 students per teacher, grades 4–6 at 26 students per teacher, and junior high at 26 per class.

Total district staffing for 2014–15 is projected at 427 full-time equivalents (FTE). This is 16 more FTE than the current year due to enrollment growth and *additional staffing for a new transitional kindergarten program and for extending the regular kindergarten day.*

RATIOS

Staffing. Our budget calls for 225 regular teachers in the coming year. In addition, we have 23 special education teachers and 1.5 bilingual teachers. Our classroom instructional staffing, as mentioned above, is based on a projected staffing ratio of 22:1 (K–3), 26:1 (Grades 4–6), and 26:1 (Grades 7–8). The state has a mandatory ratio of administrators to teachers. Having only 12.6 FTE administrators in the district, we fall well below the state cap on administrators that allows us up to 22.4.

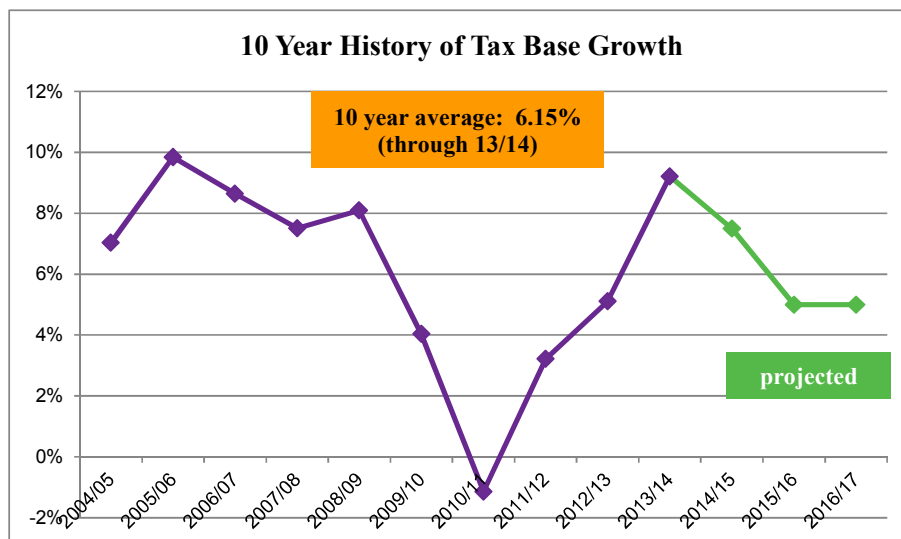
% Spending on Classroom Instruction. The state also requires that elementary districts spend 60% or more of their funds on classroom instruction. Each year we file a report with the state showing what proportion of our spending goes to the classroom. The most recent report filed shows the district spending 62%, 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 2014–15 we project reserves in the amount of \$5.8 million, which equates to 11.1%.

TAXES

Until a few years ago 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 \$790 per parcel of property (our parcel tax) and pay another \$58 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.

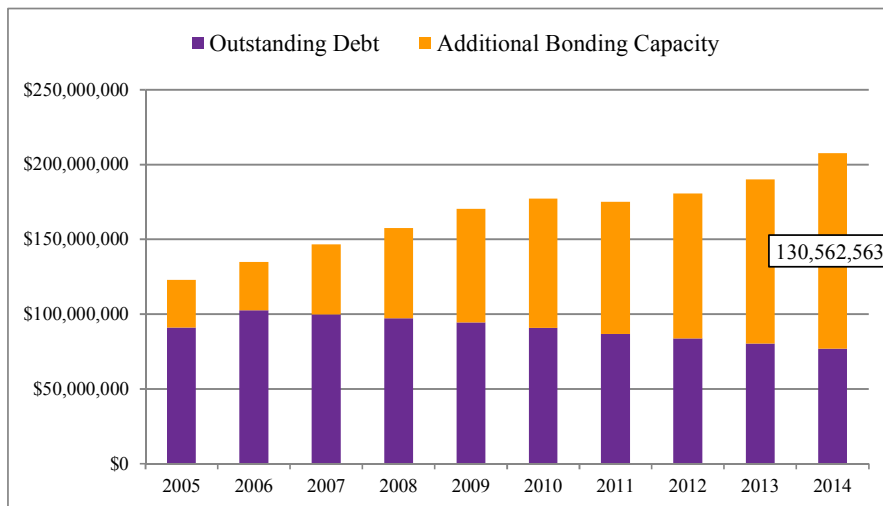
In recent years the growth in AV (our tax base) has averaged a little over 6% per year, which fueled our move into community funded status. With the decline in the economy we witnessed a significant decline in AV growth in 2009–10 and 2010–11 but with the economic rebound we are projecting 7.5% growth for 2014–15 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. 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
2014	3,639,800	6,053,875	9,693,675	93,179,575
2015	3,963,760	6,108,290	10,072,050	83,107,525
2016	7,115,000	3,264,900	10,379,900	72,727,625
2017	7,860,000	2,912,000	10,772,000	61,955,625
2018	8,680,000	2,504,750	11,184,750	50,770,875
2019	9,570,000	2,048,500	11,618,500	39,152,375
2020	10,525,000	1,546,125	12,071,125	27,081,250
2021	11,545,000	994,375	12,539,375	14,541,875
2022	12,635,000	389,875	13,024,875	1,517,000
2023	1,480,000	37,000	1,517,000	0
Total	77,013,560	25,859,690	102,873,250	

State law limits debt to 1.25% of our total AV. Our current debt limit is \$207.6 million. With \$77 million in outstanding debt, we have the capacity to issue \$130.6 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.



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.

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.**

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.*

2014-15 State Funding Calculation (under LCFF)

\$ per Pupil (weighted average)	\$5,993
No. of Students (ADA)	4,553
LCFF total (\$ per pupil x ADA)	\$27,286,432

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	\$33,912,975
Less, Transfer to Charter	<\$3,550,319>
Property Taxes, net	\$30,362,656
State Aid	\$0
<i>(LCFF total less net property taxes; if negative, no state aid)</i>	

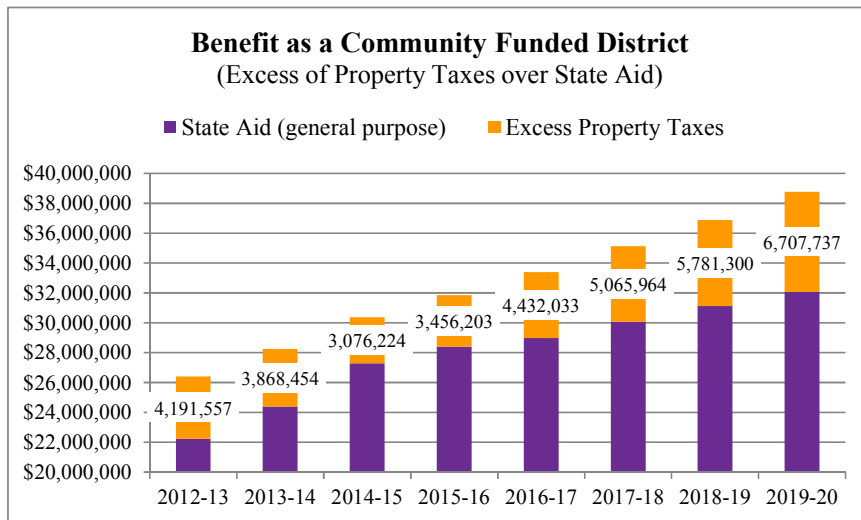
LCFF/Revenue Limit Sources for 2014–15 are shown below.

Reconciliation for Revenue Accounting

State Aid	\$0
Property Taxes, gross	\$33,912,975
Transfer to Charter	<\$3,550,319>
Proposition 30 Funding	\$902,600
Other LCFF/Revenue Limit Sources	\$1,682,105
Total LCFF/Revenue Limit Sources	\$32,947,361

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, less than 40% of the total comes from property taxes and the state contributes over 60%. 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 2014–15 continue to exceed our calculated state guarantee, thus providing a significant benefit as a community funded district.



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 10%—a wide swing. For the budget year we project 7.5% 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 funding guarantee for 2014–15 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 2018–19. 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 \$1,012,000 in 2014–15) are also accounted for within this revenue category.

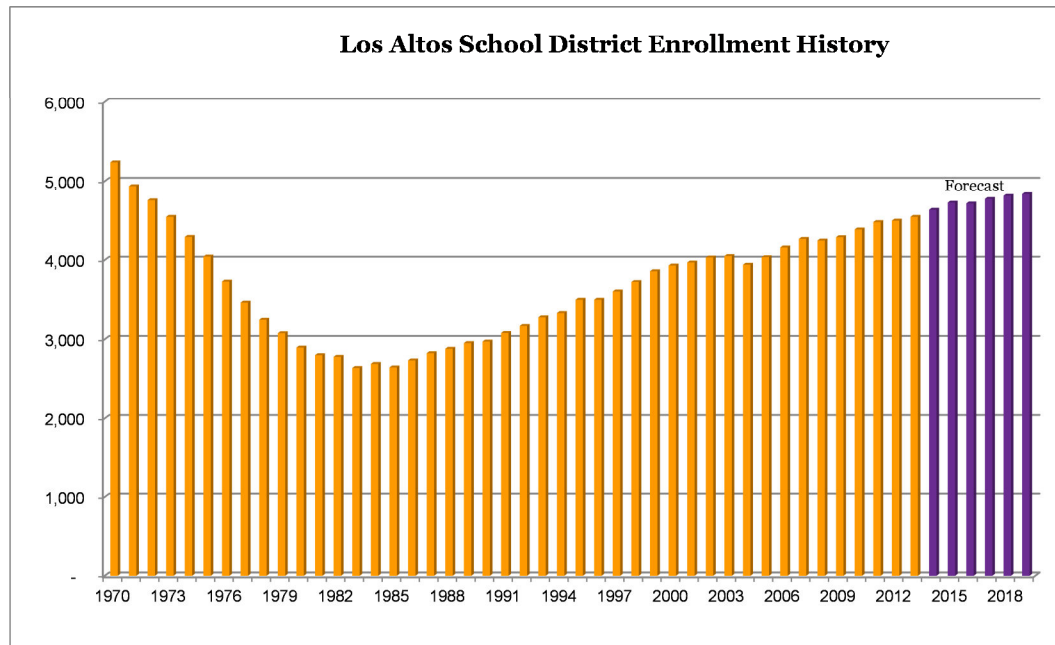
Rather than every district having a different per student funding level (the old revenue limit model), under LCFF all districts have the same base funding level. However, incremental funding is provided for students who are low income, English Language learners, or foster youth. Thus a district with a high proportion of these students would receive more on a per student basis than a district with a lower proportion.

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.

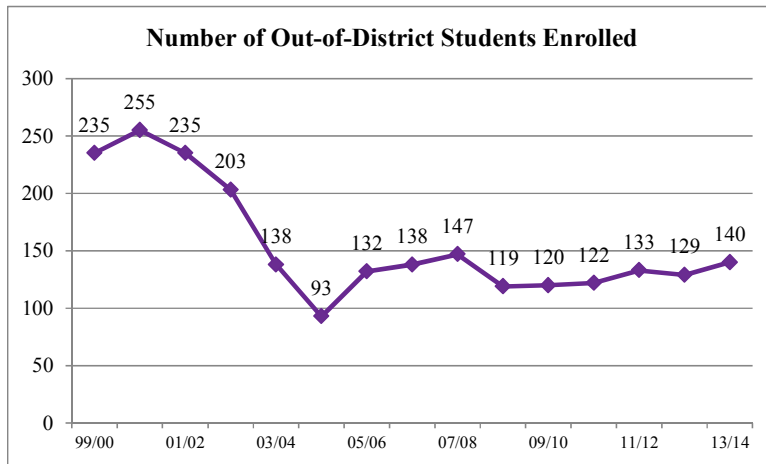
The enrollment forecasts are produced using the standard demographic method for forecasting populations, the “cohort survival” technique. This method advances the current student body one grade for each year of the forecast period. One year’s kindergarten students become the next year’s first graders;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

The forecasts show continued growth through the foreseeable future. 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									
	04/05	05/06	06/07	07/08	08/09	09/10	10/11	11/12	12/13	13/14
Allen Bill, Non-employees	32	25	34	36	34	24	16	22	25	27
Allen Bill, Employees	21	20	17	23	27	34	45	44	47	51
Other	40	87	87	88	58	62	61	67	57	62
Total	93	132	138	147	119	120	122	133	129	140

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 per parcel, a \$333 increase over the

Community support is critical to our success. Our two parcel taxes provide 20% of our total revenue. Our educational foundation contributes another 6% of total revenue.

previous rate. Based on \$597 per parcel for 12,500 parcels, the tax raises approximately \$7.5 million annually and never sunsets. This is 15% 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, brings the total tax to \$790 per parcel. The two taxes in combination generate \$10 million for the district. The new tax, unlike the original one, has a finite lifespan—it sunsets after six years. It will terminate in June 2017. The tax is designed to fill a revenue gap caused

by the recent recession and to help the district maintain current programs through what is expected to be a long economic recovery.

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

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 \$3.2 million in 2013–14 (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 27 board members operating in a voluntary capacity. The foundation has three paid staff members— a full-time executive director and two part-time staff.

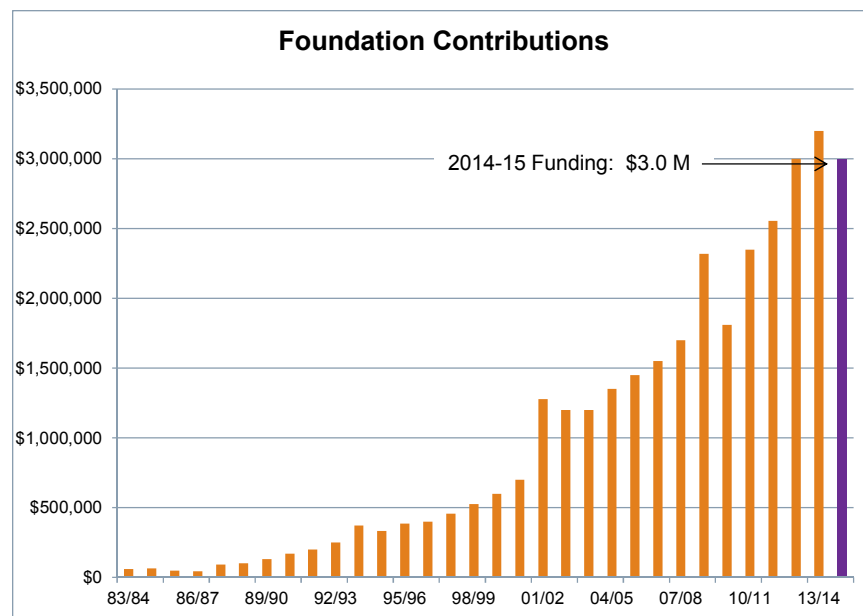
The foundation board works closely with the district in determining which programs to fund.

Los Altos Educational Foundation (LAEF)

LAEF will provide \$3 million in grant funding to the district in 2014–15. LAEF funds enable the district to maintain enrichment programs and to keep class sizes low. For the budget year the Foundation is providing additional funding in support of innovative academic programs. *LAEF expects to provide a minimum funding level going forward of \$2.5 million per year.*

2014–15 LAEF Funding

Elementary:	
K–3 Class Size Reduction/Literacy Program	\$600,000
Physical Education Specialists	\$430,000
Music Specialists	\$315,000
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
Subtotal:	\$2,180,000
Innovation Grant:	\$820,000
(cSTEM Teacher, Tech Integration Coach, STEM Coach, STEM Teachers)	
Grand Total:	\$3,000,000



CLASS SIZE REDUCTION

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

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 2014–15 is budgeted at \$126 per pupil for unrestricted lottery revenues, which equates to an annual amount of \$590,000. Lottery revenues make up 1.5% of the district's total income. An additional \$170,000 (\$30 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

We have an experienced and highly qualified corps of teachers. The average age of our teaching staff is 44 years. Over half have at least a Master's Degree. 73% of our teachers have been in the district for six or more years.

A total of 249 FTE teachers are budgeted for 2014–15. Of this total, 195 are regular classroom teachers and 54 are specialists (e.g. music, physical education, STEM, special education, and bilingual teachers). Based on a projected enrollment of 4,632 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 \$78,064. The district pays employee benefits for teachers at an average of \$22,646 per teacher. The average cost of a teacher is \$100,710, the combined total of salary and benefits.

Salary increases for longevity and professional growth are estimated at \$390,000 and are included in the budget. The total salary and benefits cost for teachers is approximately \$25.2 million. This amount represents 48% of the total budget.

EMPLOYEE BENEFITS

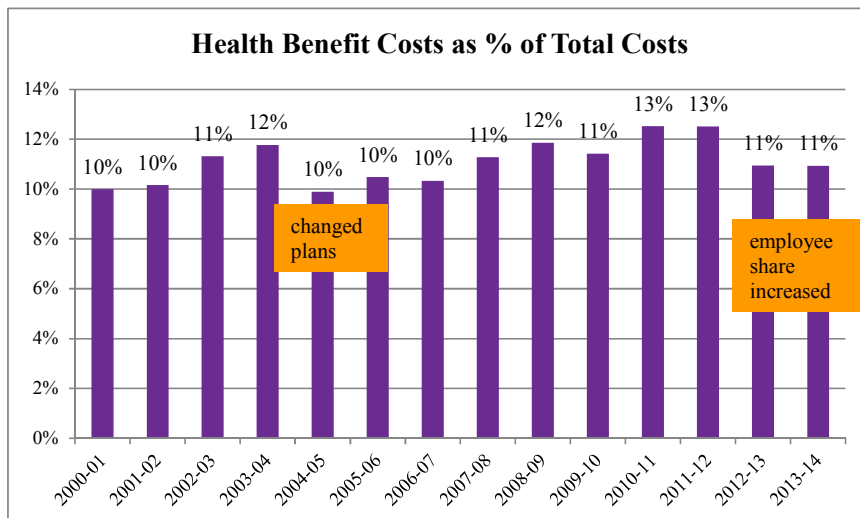
The district is required by law to provide certain benefits to its employees. These statutory benefits include retirement funding (State Teachers Retirement System, STRS, for certificated employees and Public Employees Retirement System, PERS, for classified employees), social security and Medicare contributions, unemployment insurance, and worker's compensation benefits. The total budgeted for statutory benefits for all employees for next year is \$4.2 million, which is 8% of our total expenditures. Rates for all statutory benefits will remain approximately the same as in the current year. STRS rates may increase depending on the outcome of state budget deliberations.

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 \$6.5 million in total. A portion of that cost is for retired employees—\$1,018,000. The 2014–15 cost of health and welfare benefits is expected to increase 10% as a result of anticipated premium rate increases (starting in January 2015 when our plans renew). The average per person cost of our health and welfare benefits package is projected to be \$13,500 for the budget year, 98% of which pays for medical and dental insurance.

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 eight 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.

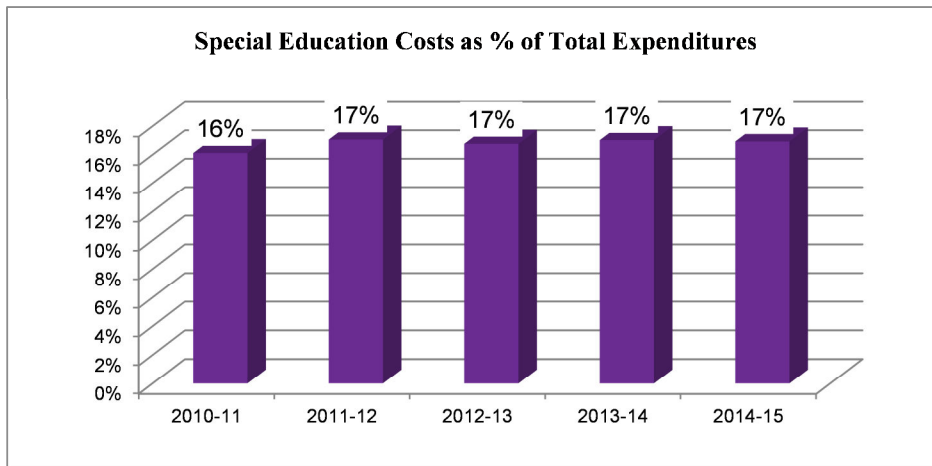
Teachers are paying, on average, 16% of the premium costs. Management staff is paying 25%, confidential employees are paying 20%, while classified employees are paying 10%. More cost containment measures are needed, however, to stem the growing cost of health care for our employees.

To deal with an unfunded liability for future benefits, the state may enact increases in contribution rates for the State Teachers Retirement System. A proposal from the Governor to immediately address this problem ramps up the rates from 8.25% to 19.1% over the next seven years—causing a significant negative impact on district budgets.



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 almost \$8.6 million a year on special education, 17% 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 \$5.3 million or 61% 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	2010-11	2011-12	2012-13	2013-14	2014-15
State/Federal Revenue	\$ 3,212,125	\$ 3,549,684	\$ 3,479,954	\$ 3,310,088	\$ 3,307,834
District Contribution	\$ 3,897,351	\$ 3,769,491	\$ 4,423,437	\$ 5,296,981	\$ 5,281,039
District Share of Total Revenue	55%	52%	56%	62%	61%
Expenditures	\$ 7,109,476	\$ 7,319,175	\$ 7,903,391	\$ 8,607,069	\$ 8,588,873

GENERAL FUND BUDGET ASSUMPTIONS

The following are the revenue and expenditure assumptions for our 2014–15 General Fund Budget.

REVENUES

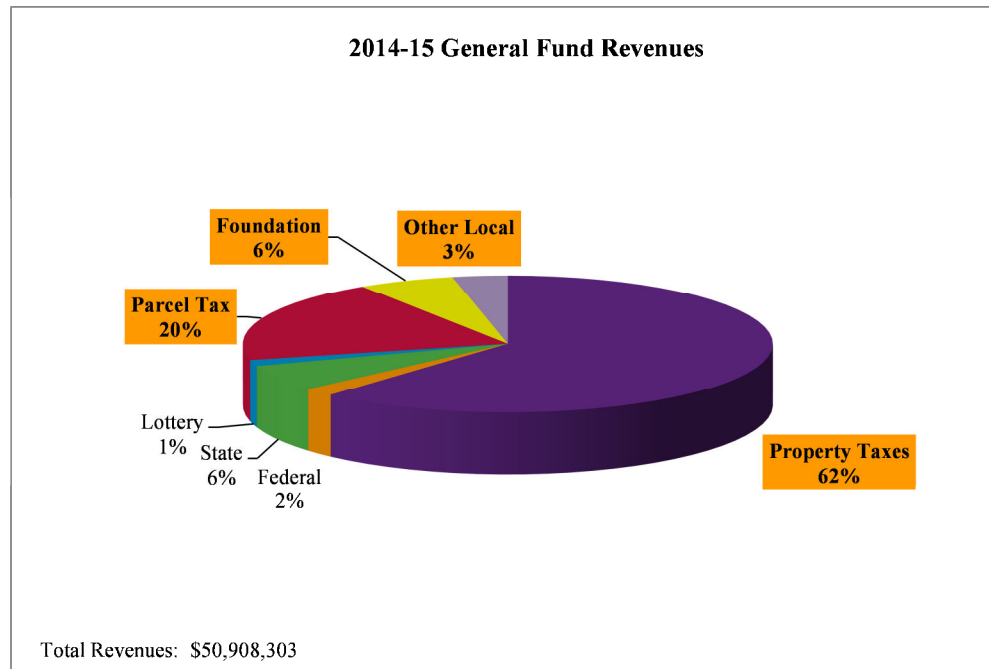
LCFF/Revenue Limit Sources/Property Taxes. LCFF/Revenue Limit Sources include property tax collections, state funding, and miscellaneous county tax revenues. The state funding calculation (now LCFF, formerly revenue limit) is based on enrollment growth of 2% and a new formula that results in an increased per student funding level when compared to the prior year. Property taxes are projected to grow 7.5% over the current year and exceed the calculated state guarantee by \$3.1 million.

Federal Revenue. Budget estimates reflect carrying the same programs forward from the current year with a small increase in special education funding.

Other State Revenue. State revenues in this category will decline from \$2.7 million down to \$1.1 million. The decline is due to the loss of one-time Common Core revenues and an accounting change that moves class size reduction funding out of this category and into the LCFF/Revenue Limit Sources category. Lottery funding is expected to be slightly lower than in the current year, funded at \$156 per pupil.

Other Local Revenue. Other local revenues are expected to decline slightly from the current year. Parcel tax and LAEF funding continue to provide 26% of our total income. LAEF funding for the upcoming year is \$3 million. PTA support is projected to decline by \$200,000 compared to the current year, as the district reinstates its obligation to provide textbook funding to the schools—previously borne by PTAs during the recession.

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



EXPENDITURES

Certificated Salaries. Our budget projection for certificated salaries shows a 1% increase over the current year. We are budgeting for 5 more classroom teachers in 2014–15. Step and column movement on the salary schedule for eligible teachers is expected to cost \$390,000, offset somewhat by cheaper, less experienced teachers replacing teachers who retire. The loss of one-time 2013–14 funding from LAEF and for Common Core implementation reduces funds available for certificated staff in the budget year.

Classified Salaries. The budget year reflects an increased cost of \$94,000 for step and column movement. Staffing levels are roughly the same as in the current year, except for additional aides needed for extended kindergarten and transitional kindergarten programs. 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 10%. All statutory benefit rates are expected to remain approximately the same as in the current year, pending budget deliberations over rates for the teachers' retirement system (STRS).

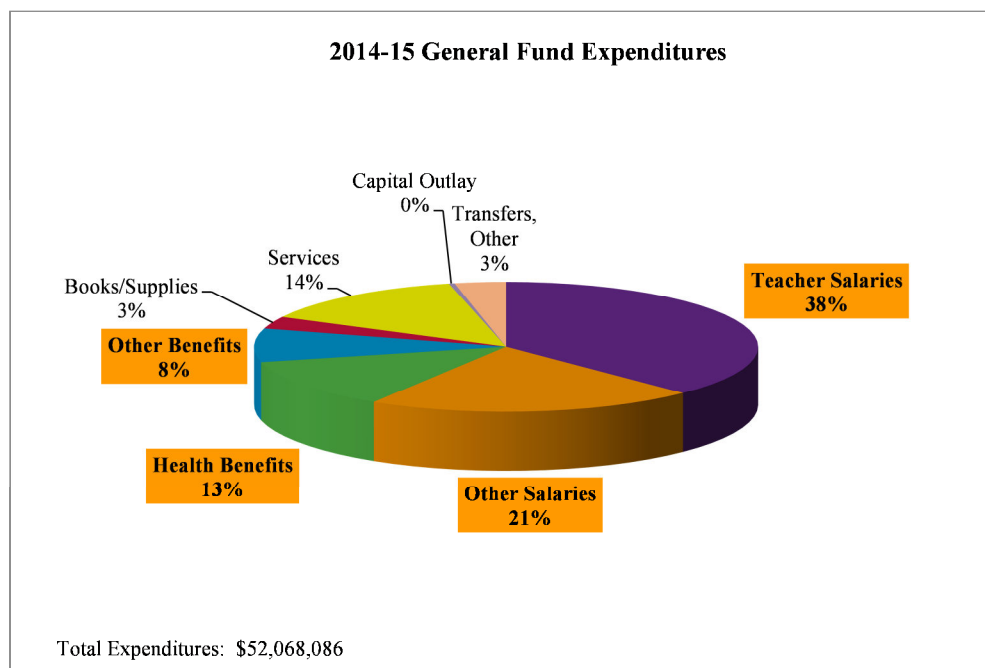
Books & Supplies. The cost of supplies and materials generally increase over time due to inflation and growth in student enrollment. However, estimated costs for the budget year reflect a 25% reduction from the current year due to less discretionary revenues available at school sites.

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 Common Core funding going away.

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 Deferred Maintenance Fund and other capital funds, 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 2014–15 will not be known until August, after the district books for 2013–14 are closed. At this time it is projected to be \$4.6 million. This amount represents a decrease in fund balance of \$3.5 million, in large part due to the transfer of \$2.5 million out of the General Fund into a Special Reserve Fund.

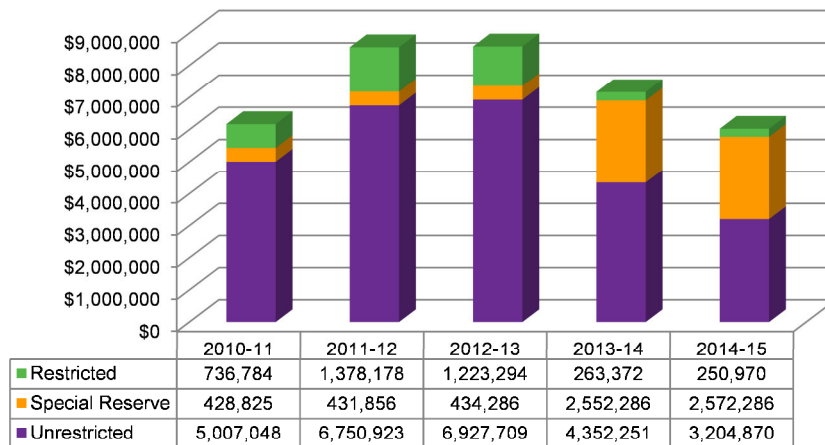
Ending Balance. The projected ending balance for 2014–15 is \$3.5 million, representing a planned for fund balance decrease of \$1.1 million.

Restrictions on Ending Balance. Of the total ending balance, \$250,000 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 (\$245,000). The unrestricted (unassigned) ending balance is projected to be \$3.2 million.

Reserve. The state requires districts our size to maintain a 3% reserve. The district meets that requirement. Based on projected 2014–15 expenditures that reserve requirement is \$1,562,000. 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 almost \$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 \$5.8 million, or a reserve of 11.1%. 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 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.

General Fund Ending Balance & Reserves



BUDGET SUMMARIES

SPECIAL PURPOSE FUNDS

In addition to the general operating fund, the district has four special purpose funds. 2014–15 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 \$4.8 million, which with interest earnings and an additional transfer from the General Fund projects to \$5.1 million for 2014–15.

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 remain as the only source of monies for this fund.

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 \$2.24 per square foot for residential and \$0.36 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
REVENUES				
LCFF/Revenue Limit Sources	32,947,361	-	-	32,947,361
Federal Revenue	973,664	-	-	973,664
Other State Revenue	1,110,500	-	-	1,110,500
Other Local Revenue	15,876,778	32,000	649,330	16,558,108
TOTAL REVENUES	50,908,303	32,000	649,330	51,589,633
EXPENDITURES				
Certificated Salaries	23,314,237	-	-	23,314,237
Classified Salaries	7,287,071	-	-	7,287,071
Employee Benefits	10,803,882	-	-	10,803,882
Books & Supplies	1,586,442	-	1,000	1,587,442
Services & Other Operating Expenditures	7,172,168	245,000	952,797	8,369,965
Capital Outlay	191,814	125,000	508,000	824,814
Other Outgo	362,727	-	-	362,727
TOTAL EXPENDITURES	50,718,340	370,000	1,461,797	52,550,137
Excess (Deficiency) of Revenues Over Expenditures	189,963	(338,000)	(812,467)	(960,504)
OTHER FINANCING SOURCES/USES				
Interfund Transfers In	-	558,546	791,200	1,349,746
Interfund Transfers Out	(1,349,746)	-	-	(1,349,746)
TOTAL OTHER FINANCING SOURCES/USES	(1,349,746)	558,546	791,200	-
NET INCREASE/(DECREASE) IN FUND BALANCE	(1,159,783)	220,546	(21,267)	(960,504)
BEGINNING FUND BALANCES	4,615,623	5,171,364	85,023	9,872,010
ENDING FUND BALANCES	3,455,840	5,391,910	63,756	8,911,505

Los Altos School District 2014–15 Budget

GENERAL FUND REVENUES, 2 YEAR COMPARISON

GENERAL FUND REVENUES	2013-14 Est. Actuals	2014-15 Budget	Changes From Prior Year
LCFF/Revenue Limit Sources			
State Aid	1,590,437	1,573,089	(17,348)
Property Taxes	32,675,482	34,924,591	2,249,109
Transfer to Charter School	(3,290,142)	(3,550,319)	(260,177)
Total, LCFF/Revenue Limit Sources	30,975,777	32,947,361	1,971,584
Federal Revenue			
Special Education (PL94-142)	699,079	741,658	42,579
Special Education (Preschool, Other)	117,527	117,527	-
Other	114,559	114,479	(80)
Total, Federal Revenue	931,165	973,664	42,499
Other State Revenue			
Common Core Implementation	905,337	-	(905,337)
Class Size Reduction	690,045	-	(690,045)
Mandated Cost Reimbursements	127,809	127,809	-
Lottery	760,496	727,183	(33,313)
Special Education Mental Health	228,814	228,814	-
School Community Violence Prevention	7,385	7,385	-
Professional Development Block Grant	19,309	19,309	-
Other	3,022	-	(3,022)
Total, Other State Revenue	2,742,217	1,110,500	(1,631,717)
Other Local Revenue			
Parcel Tax	9,950,000	9,950,000	-
Workers Comp/Safety Credit Reimbursements	6,674	500	(6,174)
Rents and Leases	381,810	393,268	11,458
Interest Earnings	71,000	61,000	(10,000)
Los Altos Educational Foundation	3,200,000	3,000,000	(200,000)
Fees/Donations	432,697	432,697	-
PTA Support	213,054	9,264	(203,790)
Special Education (via SELPA)	1,077,152	1,208,219	131,067
Other	695,377	821,830	126,453
Total, Other Local Revenue	16,027,764	15,876,778	(150,986)
TOTAL OPERATING REVENUE	50,676,922	50,908,303	231,380

GENERAL FUND EXPENDITURES, 2 YEAR COMPARISON

GENERAL FUND EXPENDITURES	2013-14 Est. Actuals	2014-15 Budget	Changes From Prior Year
Certificated Salaries			
Teachers	19,510,387	19,600,344	89,957
Administrators	1,878,658	1,904,156	25,498
Other	1,786,017	1,809,737	23,720
Total, Certificated Salaries	23,175,062	23,314,237	139,175
Classified Salaries			
Instructional Aides	2,719,307	2,797,896	78,589
Classified Support	1,875,113	1,900,969	25,856
Supervisors/Administration	959,322	960,033	711
Clerical & Technical Support	1,349,625	1,404,218	54,593
Other	215,753	223,955	8,202
Total, Classified Salaries	7,119,120	7,287,071	167,951
Employee Benefits			
Certificated Retirement (STRS)	1,867,056	1,884,461	17,405
Classified Retirement (PERS)	879,656	926,264	46,608
Social Security/Medicare	877,984	896,477	18,494
Health Insurance	4,917,084	5,436,873	519,789
Unemployment Insurance	18,015	18,089	74
Workers Compensation Insurance	418,538	505,912	87,375
Retiree Health Insurance	1,007,235	1,018,256	11,020
Other	120,259	117,550	(2,709)
Total, Employee Benefits	10,105,827	10,803,882	698,055
Books & Supplies			
Textbooks	374,556	310,843	(63,713)
Books & Reference Materials	10,138	-	(10,138)
Materials & Supplies	1,312,887	1,049,091	(263,796)
Non-capitalized Equipment	354,725	126,508	(228,217)
Food Supplies	73,608	100,000	26,392
Total, Books & Supplies	2,125,913	1,586,442	(539,472)
Services & Other Operating Expenditures			
Meetings, Workshops, Dues	270,906	159,253	(111,652)
Insurance	174,154	217,400	43,246
Utilities	979,707	1,025,779	46,072
Rentals and Repairs	950,555	922,765	(27,790)
Other Services	4,841,405	4,626,974	(214,431)
Communications	219,997	219,997	-
Total, Services & Other Oper. Exp.	7,436,723	7,172,168	(264,555)
Capital Outlay			
Site and Building Improvements	4,500	13,000	8,500
Library Books & Media	50,720	51,028	308
Equipment	168,786	127,786	(41,000)
Total, Capital Outlay	224,006	191,814	(32,192)
Transfers & Other Outgo			
Tuition, State Special Schools	35,160	29,924	(5,236)
Debt Service	332,803	332,803	(0)
Transfers to Other Funds	3,656,938	1,349,746	(2,307,192)
Total, Transfers & Other Outgo	4,024,901	1,712,473	(2,312,428)
TOTAL OPERATING EXPENDITURES	54,211,552	52,068,086	(2,143,466)
Revenues over (under) Expenditures	(3,534,630)	(1,159,783)	2,374,847
Beginning Fund Balance	8,151,002	4,616,373	(3,534,630)
Ending Fund Balance	4,616,373	3,456,589	(1,159,783)

SPECIAL PURPOSE FUNDS

Special Revenue Funds:	Deferred Maintenance 2014-15 Budget	Special Reserve 2014-15 Budget	Total
REVENUES			
LCFF/Revenue Limit Sources			
Federal Revenue			
Other State Revenue			
Other Local Revenue	2,000	30,000	32,000
Sale/Lease of Properties			
GO Bonds/Transfers In From Other Funds	300,174	258,372	558,546
TOTAL OPERATING REVENUE	302,174	288,372	590,546
EXPENDITURES			
Certificated Salaries			
Classified Salaries			
Employee Benefits			
Books & Supplies			
Services & Other Operating Expenditures	245,000		245,000
Capital Outlay	125,000		125,000
Other Expenses and Outgo			
Transfers Out To Other Funds			
TOTAL OPERATING EXPENDITURES	370,000		370,000
Revenues over (under) Expenditures	(67,826)	288,372	220,546
Beginning Fund Balance	346,007	4,825,357	5,171,364
Ending Fund Balance	278,181	5,113,729	5,391,910

Capital Project Funds:	Building 2014-15 Budget	Capital Facilities 2014-15 Budget	Total
REVENUES			
LCFF/Revenue Limit Sources			
Federal Revenue			
Other State Revenue			
Other Local Revenue	300	451,000	451,300
Sale/Lease of Properties	198,030		198,030
GO Bonds/Transfers In From Other Funds	66,200	725,000	791,200
TOTAL OPERATING REVENUE	264,530	1,176,000	1,440,530
EXPENDITURES			
Certificated Salaries			
Classified Salaries			
Employee Benefits			
Books & Supplies	1,000		1,000
Services & Other Operating Expenditures	263,156	689,641	952,797
Capital Outlay		508,000	508,000
Other Expenses and Outgo			
Transfers Out To Other Funds			
TOTAL OPERATING EXPENDITURES	264,156	1,197,641	1,461,797
Revenues over (under) Expenditures	374	(21,641)	(21,267)
Beginning Fund Balance	23,516	61,506	85,023
Ending Fund Balance	23,890	39,865	63,756

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 2010–11 through the forecast for 2017–18 the fund balances as a total do not change significantly. Individually the fund balances vacillate over time. 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 major concern with the General Fund is the loss of \$2.5 million in parcel tax revenues once the \$193 tax sunsets on June 30, 2017. 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 and the school board is considering a possible bond measure as early as November 2014.

All Governmental Funds	2010-11 Actuals	2011-12 Actuals	2012-13 Actuals	2013-14 Est. Actuals	2014-15 Budget	2015-16 Forecast	2016-17 Forecast	2017-18 Forecast
TOTAL OPERATING REVENUES	45,726,596	47,157,014	52,427,517	55,026,805	52,939,379	53,552,230	55,226,726	54,635,624
TOTAL OPERATING EXPENDITURES	45,603,704	44,584,839	51,336,159	57,165,560	53,899,883	53,693,882	54,882,793	56,358,353
Revenues over (under) Expenditures	122,892	2,572,175	1,091,359	(2,138,754)	(960,504)	(141,652)	343,933	(1,722,729)
Beginning Fund Balance	8,224,338	8,347,230	10,919,405	12,010,764	9,872,010	8,911,505	8,769,853	9,113,786
Ending Fund Balance	8,347,230	10,919,405	12,010,764	9,872,010	8,911,505	8,769,853	9,113,786	7,391,057

General Fund	2010-11 Actuals	2011-12 Actuals	2012-13 Actuals	2013-14 Est. Actuals	2014-15 Budget	2015-16 Forecast	2016-17 Forecast	2017-18 Forecast
TOTAL OPERATING REVENUES	43,097,481	45,279,527	48,831,350	50,676,922	50,908,303	52,164,356	53,861,065	53,301,555
TOTAL OPERATING EXPENDITURES	44,107,947	42,894,259	48,809,448	54,212,302	52,068,086	52,371,085	53,559,996	55,035,557
Revenues over (under) Expenditures	(1,010,466)	2,385,269	21,902	(3,535,380)	(1,159,783)	(206,730)	301,069	(1,734,002)
Beginning Fund Balance	6,754,298	5,743,832	8,129,101	8,151,002	4,615,623	3,455,840	3,249,110	3,550,179
Ending Fund Balance	5,743,832	8,129,101	8,151,002	4,615,623	3,455,840	3,249,110	3,550,179	1,816,177

Deferred Maintenance Fund	2010-11 Actuals	2011-12 Actuals	2012-13 Actuals	2013-14 Est. Actuals	2014-15 Budget	2015-16 Forecast	2016-17 Forecast	2017-18 Forecast
TOTAL OPERATING REVENUES	149,928	297,741	297,498	302,174	302,174	308,478	315,527	323,365
TOTAL OPERATING EXPENDITURES	196,191	122,326	225,573	446,000	370,000	370,000	370,000	370,000
Revenues over (under) Expenditures	(46,263)	175,414	71,925	(143,826)	(67,826)	(61,522)	(54,473)	(46,635)
Beginning Fund Balance	288,757	242,494	417,908	489,833	346,007	278,181	216,659	162,186
Ending Fund Balance	242,494	417,908	489,833	346,007	278,181	216,659	162,186	115,550

Special Reserve Fund	2010-11 Actuals	2011-12 Actuals	2012-13 Actuals	2013-14 Est. Actuals	2014-15 Budget	2015-16 Forecast	2016-17 Forecast	2017-18 Forecast
TOTAL OPERATING REVENUES	1,220,822	11,634	443,887	2,723,564	288,372	424,951	394,151	355,853
TOTAL OPERATING EXPENDITURES	0	0	0	0	0	0	0	0
Revenues over (under) Expenditures	1,220,822	11,634	443,887	2,723,564	288,372	424,951	394,151	355,853
Beginning Fund Balance	425,450	1,646,272	1,657,906	2,101,793	4,825,357	5,113,729	5,538,679	5,932,830
Ending Fund Balance	1,646,272	1,657,906	2,101,793	4,825,357	5,113,729	5,538,679	5,932,830	6,288,682

Building Fund	2010-11 Actuals	2011-12 Actuals	2012-13 Actuals	2013-14 Est. Actuals	2014-15 Budget	2015-16 Forecast	2016-17 Forecast	2017-18 Forecast
TOTAL OPERATING REVENUES	698,823	414,347	579,308	338,860	264,530	202,907	207,122	211,916
TOTAL OPERATING EXPENDITURES	962,332	794,788	522,271	423,200	264,156	263,156	263,156	263,156
Revenues over (under) Expenditures	(263,509)	(380,440)	57,037	(84,340)	374	(60,249)	(56,034)	(51,240)
Beginning Fund Balance	694,768	431,259	50,819	107,856	23,516	23,890	(36,358)	(92,392)
Ending Fund Balance	431,259	50,819	107,856	23,516	23,890	(36,358)	(92,392)	(143,632)

Capital Facilities Fund	2010-11 Actuals	2011-12 Actuals	2012-13 Actuals	2013-14 Est. Actuals	2014-15 Budget	2015-16 Forecast	2016-17 Forecast	2017-18 Forecast
TOTAL OPERATING REVENUES	559,542	1,153,765	2,275,475	985,285	1,176,000	451,538	448,862	442,935
TOTAL OPERATING EXPENDITURES	337,234	773,466	1,778,867	2,084,058	1,197,641	689,641	689,641	689,641
Revenues over (under) Expenditures	222,308	380,299	496,608	(1,098,773)	(21,641)	(238,103)	(240,779)	(246,706)
Beginning Fund Balance	61,065	283,373	663,672	1,160,279	61,506	39,865	(198,237)	(439,016)
Ending Fund Balance	283,373	663,672	1,160,279	61,506	39,865	(198,237)	(439,016)	(685,722)

AWARDS AND RECOGNITION

The Association of School Business Officials (ASBO) awarded its Meritorious Budget Award to Los Altos School District for its 2013–14 Annual Budget. The award certificate is shown on the following page. This was the fourteenth 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 ten 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 school entity's budget
for the Fiscal Year 2013-2014.*

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



A handwritten signature in black ink, reading "Terrie S. Simmons", written over a horizontal line.

Terrie S. Simmons, RSBA, CSBO
President

A handwritten signature in black ink, reading "John D. Musso", written over a horizontal line.

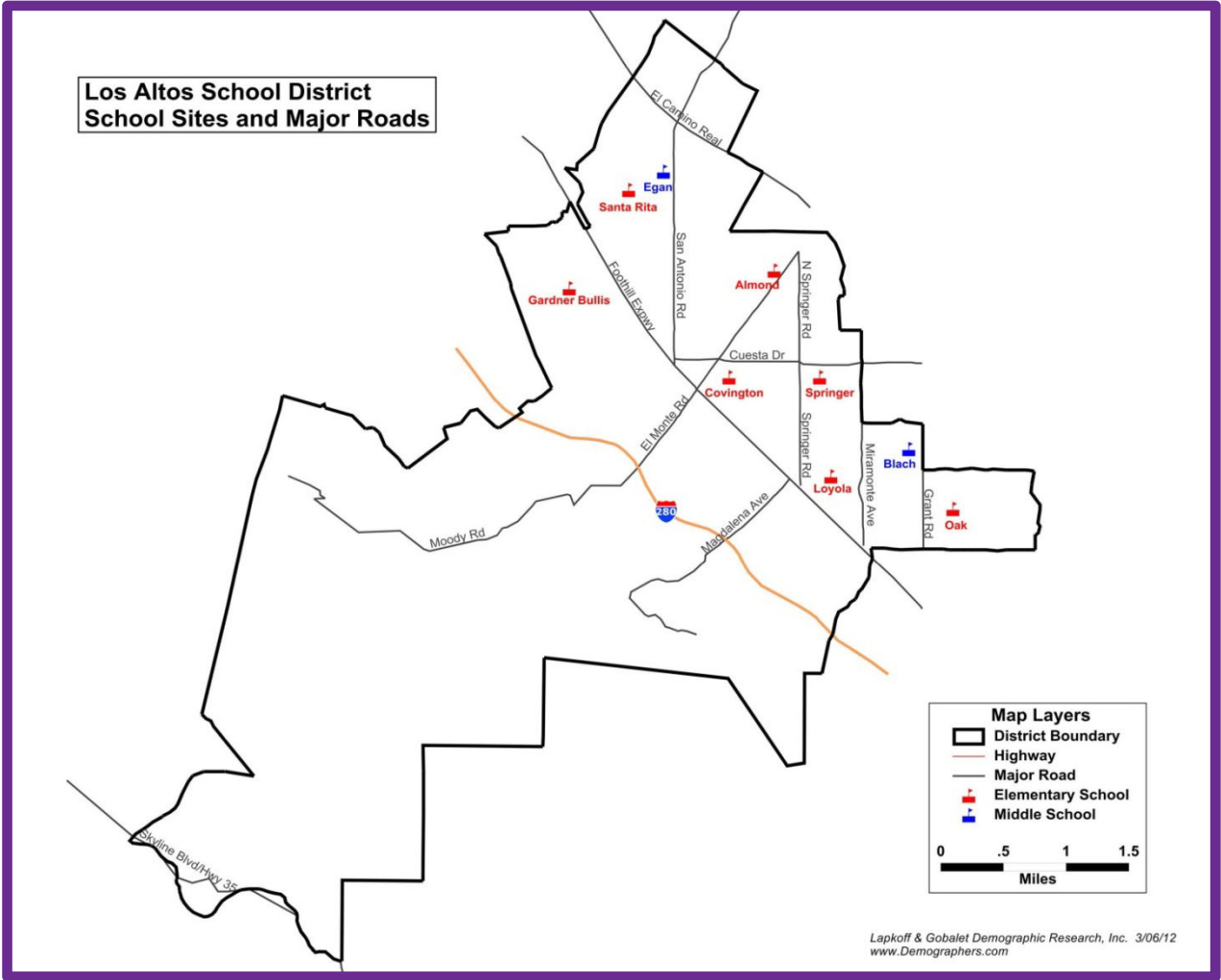
John D. Musso, CAE, RSBA
Executive Director

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ORGANIZATIONAL SECTION

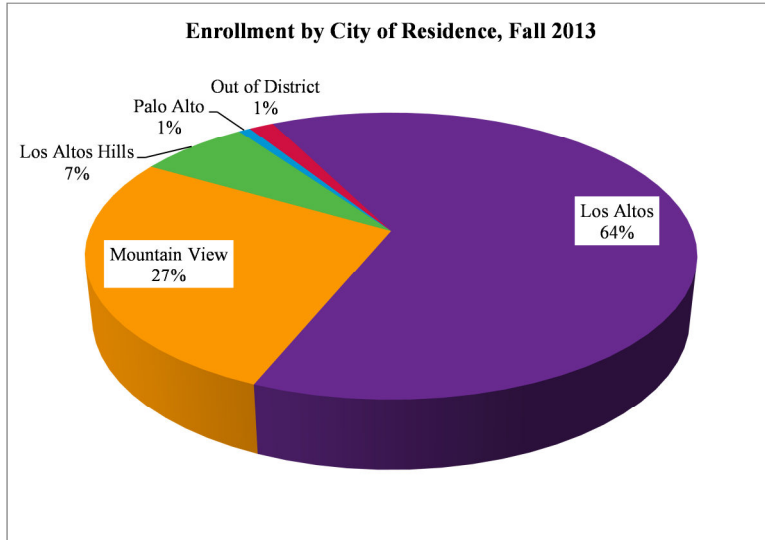


Empowering our Teachers to Challenge Students to Actively Discover Curriculum



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—84% of the properties are single family residences and another 8% 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.

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 240% of the state average (\$142,635 as compared to \$59,368)¹. 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 35 and 77% of adults have at least a Bachelor’s Degree as compared to 30% statewide. The average sales price of homes within our district in 2013 was just over \$2.3 million.

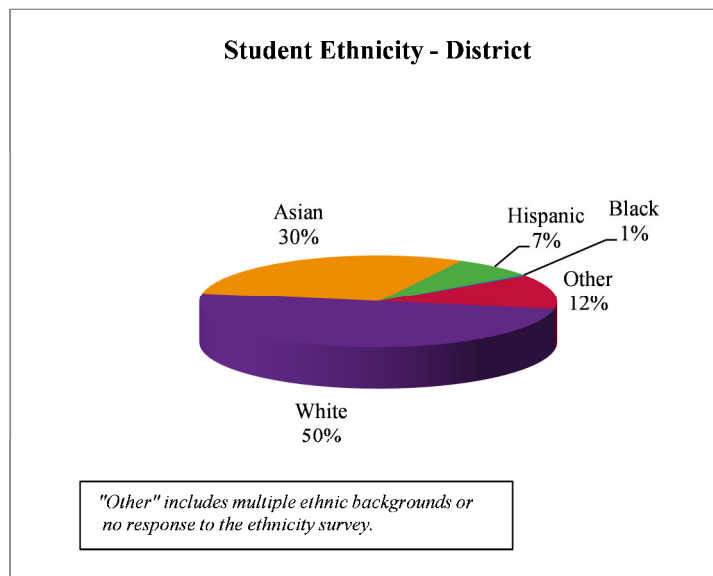
STUDENT DEMOGRAPHICS

Enrollment. We expect 4,632 students in the fall of 2014 compared to 4,543 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 1.6% per year. The district’s enrollment is expected to continue growing through the foreseeable future.

¹ Source: U. S. Census Bureau’s American Community Survey (2010–2012)

Fall Enrollment History										
	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014*
Almond	571	574	586	554	538	531	526	540	510	500
Blach	446	468	462	475	449	476	476	471	512	523
Gardner Bullis	93	89	94	202	246	291	298	321	318	349
Covington	488	542	542	488	455	455	498	500	512	551
Egan	510	513	531	539	534	537	556	520	560	614
Loyola	527	516	535	538	571	590	588	573	542	536
Oak	404	416	450	445	450	446	463	487	506	477
Santa Rita	552	577	575	514	523	542	537	566	561	555
Springer	445	463	490	490	521	516	535	517	522	527
Total	4,036	4,158	4,265	4,245	4,287	4,384	4,477	4,495	4,543	4,632
* Fall 2014 is projected enrollment.										

Ethnicity. Each year California school districts request ethnicity information from families of students. Based on the most recent data collected (Fall 2013), our ethnicity mix is 50% Caucasian, 30% Asian, 7% Hispanic, 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. 10% of our students receive special education services, from minimal services such as speech therapy to intensive services for severely handicapped children. Of the 445 students identified as having special needs less than half (172) receive only speech therapy. We serve 542 students (12%) 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 I). 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	2009-10		2010-11		2011-12		2012-13		2013-14	
	Count	% of Total	Count	% of Total	Count	% of Total	Count	% of Total	Count	% of Total
Total Enrollment	4,287		4,384		4,477		4,495		4,543	
Students receiving Spec Ed services	410	10%	435	10%	440	10%	450	10%	445	10%
-students receiving only speech therapy	179		176		178		177		172	
Students eligible for free & reduced meals	112	3%	126	3%	189	4%	219	5%	212	5%
English as a Second Language students	302	7%	355	8%	386	9%	447	10%	542	12%

BOARD GOALS FOR 2014-15

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. 2014–15 will be year one 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.

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.

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 2014–15 are as follows. After each goal is a short list of objectives or action plans to help achieve the goals.

ACADEMIC (CURRICULUM AND INSTRUCTION)

Goal: Meet the individual learning needs of all students

- Ensure meaningful formative feedback is included as a constant in student/teacher interactions.
- Develop a communication process that allows teachers, students and parents to utilize actionable feedback about each child’s learning.
- Regularly incorporate small group instruction as a method for meeting individual student needs.
- Design learning opportunities that allow for student choice and passion.

Fiscal Impact: \$35,000. We expect to spend \$20,000 on teacher training and \$15,000 annually on a student performance database.

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

- Create a structure and process to facilitate teacher to teacher observations.
- Provide opportunities for teachers to create & strengthen professional learning networks.

Fiscal Impact: \$75,000. We anticipate spending \$25,000 on substitute teachers and expect to spend \$50,000 on professional development over the summer.

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

- Create relationships with new and existing partner organizations to support the LASD educational program and create new opportunities for students in LASD.

- Create a robust network of early innovators within LASD that supports change, shares best practices, and moves into uncharted areas of reinvention.
- Identify initiatives for longer-term implementation.
- Document and evaluate innovative strategies within LASD. If warranted, create a plan to scale such innovations.

Fiscal Impact: None. We expect all work to be done in-house with existing staff.

COMMUNICATION AND COMMUNITY

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

- Engage staff, parents and community members in their areas of interest/expertise to support our students in learning.
- Inform all stakeholders in the community about Los Altos School District’s progress.
- Consider all stakeholders as learners, and provide appropriate learning opportunities.

Fiscal Impact: \$25,000. We anticipate spending \$25,000 for community newsletters and other communiques.

FINANCE

Goal: Maintain financial stability

- Develop a 10 - 20 year financial outlook and “hazard plan.”
- Continue the 6 Year Financial Model with the goal of identifying near term opportunities and hazards.
- Identify “draws” on district funds and develop a plan to fund the needs, both short and long term (the “balancing act”).

Fiscal Impact: None. We expect all work to be done in-house with existing staff.

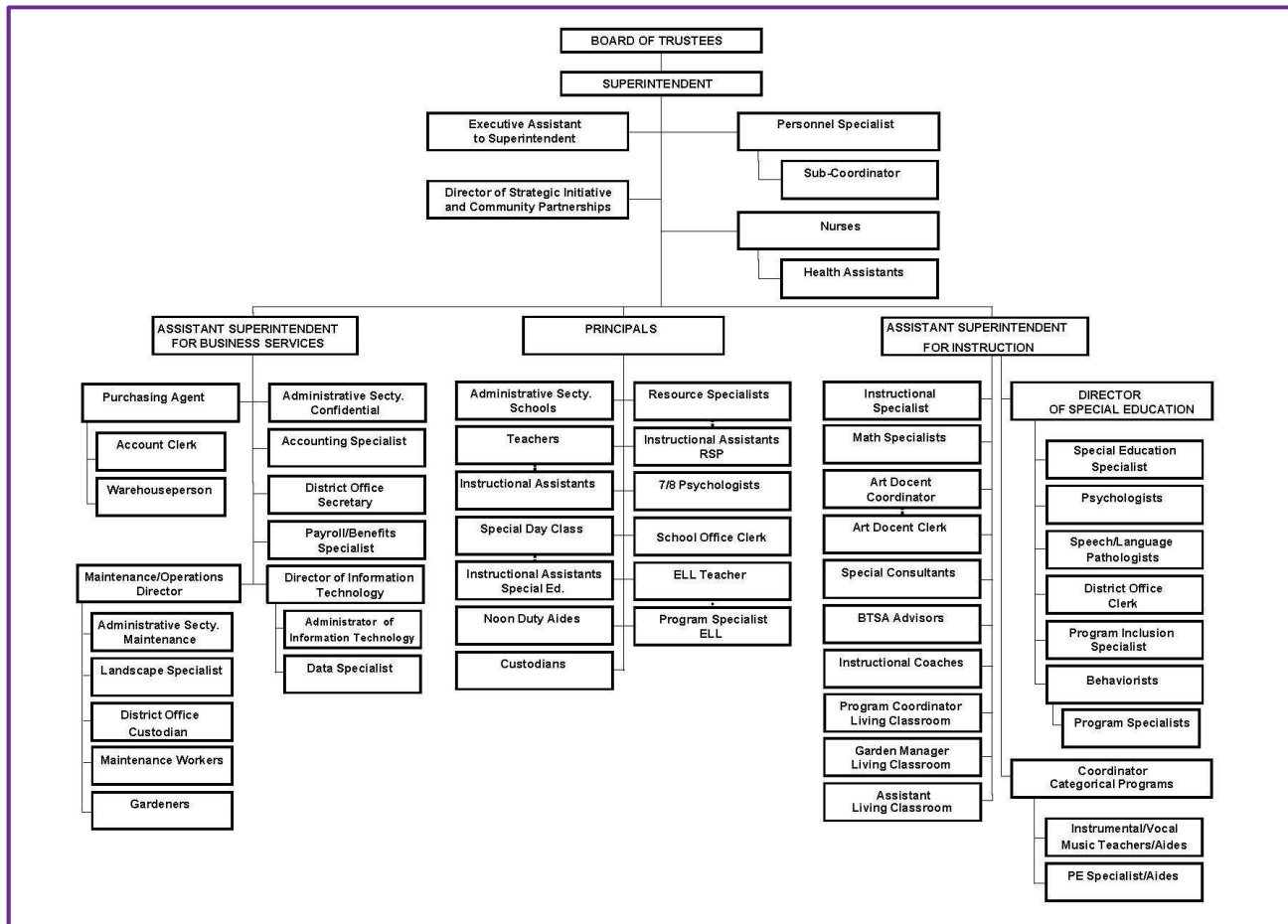
FACILITIES

Goal: Develop a 5-year facilities and resource plan to address the needs to the ten schools supported by Los Altos School District

- Consider placing a bond measure before the voters to address student enrollment growth.
- Adopt an updated Facilities Master Plan.
- Complete an Asset Reserve Analysis.

Fiscal Impact: \$195,000. We anticipate \$45,000 for consulting services to help identify capital needs and costs, as much as \$60,000 for architectural and consulting services in updating our Master Plan, another \$30,000 for a polling consultant, and as much as \$60,000 in election costs.

LOS ALTOS SCHOOL DISTRICT ORGANIZATIONAL CHART (2014–15)



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

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

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

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

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

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

Los Altos School District 2014–15 Budget

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

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.

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

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

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.

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.

This year, with the imposition of a new funding scheme, districts have been required to prepare a 3-year budget plan (the **Local Control and Accountability Plan—LCAP**) that ties district programs and their budgets to state provided funding levels. The new 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).

Districts in California now 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.

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

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 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.

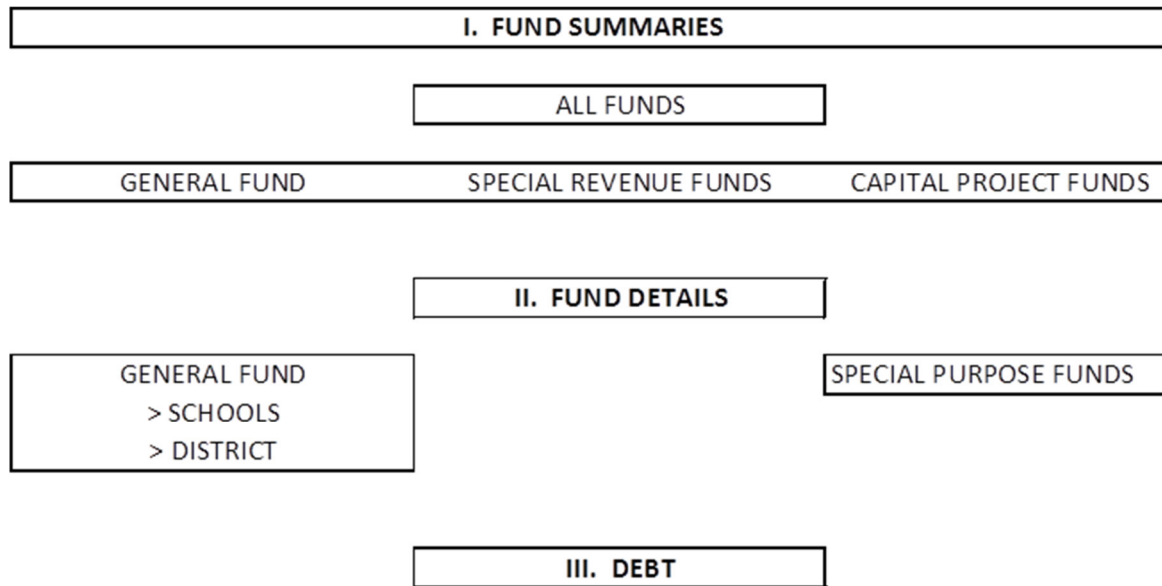
FINANCIAL SECTION



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 object.



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.

Projections for our Capital Project Funds show a depletion of resources as early as 2015–16. Obviously this concerns us greatly. While we have made conservative revenue assumptions for our Capital Facilities Fund, it is entirely possible that we could garner greater income. There are several housing and commercial developments in the pipeline that could generate significant developer fee revenue. Additional revenues are not expected, however, for our Building Fund. Since we have some unfinished modernization work, our board may decide to seek voter approval for another bond measure within the next few years. Should that happen, we would be able to replenish our Building Fund.

ALL FUNDS

All Governmental Funds	2010-11 Actuals	2011-12 Actuals	2012-13 Actuals	2013-14 Est. Actuals	2014-15 Budget	2015-16 Forecast	2016-17 Forecast	2017-18 Forecast
REVENUES								
LCFF/Revenue Limit Sources	25,458,478	26,170,118	28,210,728	30,975,777	32,947,361	34,466,233	36,049,911	37,814,000
Federal Revenue	1,783,741	1,005,829	1,051,413	931,165	973,664	994,111	1,016,975	1,042,400
Other State Revenue	2,582,968	1,638,884	1,648,022	2,742,217	1,110,500	1,267,393	1,290,976	1,299,552
Other Local Revenue	14,160,467	17,633,593	19,659,801	16,528,349	16,360,078	16,069,460	16,152,930	13,808,713
Sale/Lease of Properties	179,480	182,560	187,320	192,360	198,030	202,585	207,649	213,256
GO Bonds/Transfers In From Other Funds	1,561,462	526,030	1,670,233	3,656,938	1,349,746	552,448	508,285	457,703
TOTAL OPERATING REVENUE	45,726,596	47,157,014	52,427,517	55,026,805	52,939,379	53,552,230	55,226,726	54,635,624
EXPENDITURES								
Certificated Salaries	19,854,449	19,793,946	20,883,829	23,175,062	23,314,237	23,427,356	23,717,392	24,145,435
Classified Salaries	6,678,388	6,407,793	6,811,312	7,119,120	7,287,071	7,390,001	7,493,954	7,598,991
Employee Benefits	9,302,308	9,412,924	9,476,020	10,105,827	10,803,882	11,492,498	12,135,064	12,894,594
Books & Supplies	1,692,834	1,834,093	2,717,520	2,221,710	1,587,442	1,633,625	1,662,256	1,709,922
Services & Other Operating Expenditures	5,638,192	5,827,738	7,949,263	9,021,748	8,369,965	8,513,119	8,675,110	8,854,441
Capital Outlay	539,928	449,513	1,495,179	1,497,192	824,814	322,109	328,006	334,541
Other Expenses and Outgo	336,143	332,803	332,803	367,963	362,727	362,726	362,726	362,726
Transfers Out To Other Funds	1,561,462	526,030	1,670,233	3,656,938	1,349,746	552,448	508,285	457,703
TOTAL OPERATING EXPENDITURES	45,603,704	44,584,839	51,336,159	57,165,560	53,899,883	53,693,882	54,882,793	56,358,353
Revenues over (under) Expenditures	122,892	2,572,175	1,091,359	(2,138,754)	(960,504)	(141,652)	343,933	(1,722,729)
Beginning Fund Balance	8,224,338	8,347,230	10,919,405	12,010,764	9,872,010	8,911,505	8,769,852	9,113,785
Ending Fund Balance	8,347,230	10,919,405	12,010,764	9,872,010	8,911,505	8,769,853	9,113,785	7,391,056

GENERAL FUND

General Fund	2010-11 Actuals	2011-12 Actuals	2012-13 Actuals	2013-14 Est. Actuals	2014-15 Budget	2015-16 Forecast	2016-17 Forecast	2017-18 Forecast
REVENUES								
LCFF/Revenue Limit Sources	25,458,478	26,170,118	28,210,728	30,975,777	32,947,361	34,466,233	36,049,911	37,814,000
Federal Revenue	1,783,741	1,005,829	1,051,413	931,165	973,664	994,111	1,016,975	1,042,400
Other State Revenue	2,115,088	1,638,884	1,648,022	2,742,217	1,110,500	1,267,393	1,290,976	1,299,552
Other Local Revenue	13,740,174	16,464,696	17,921,186	16,027,764	15,876,778	15,436,619	15,503,203	13,145,603
Sale/Lease of Properties								
GO Bonds/Transfers In From Other Funds								
TOTAL OPERATING REVENUE	43,097,481	45,279,527	48,831,350	50,676,922	50,908,303	52,164,356	53,861,065	53,301,555
EXPENDITURES								
Certificated Salaries	19,854,449	19,793,946	20,883,829	23,175,062	23,314,237	23,427,356	23,717,392	24,145,435
Classified Salaries	6,622,268	6,351,681	6,811,312	7,119,120	7,287,071	7,390,001	7,493,954	7,598,991
Employee Benefits	9,269,958	9,379,352	9,476,020	10,105,827	10,803,882	11,492,498	12,135,064	12,894,594
Books & Supplies	1,626,460	1,745,635	2,633,136	2,126,663	1,586,442	1,633,625	1,662,256	1,709,922
Services & Other Operating Expenditures	4,820,861	4,839,063	6,652,561	7,436,723	7,172,168	7,315,322	7,477,313	7,656,644
Capital Outlay	213,346	155,749	349,555	224,006	191,814	197,109	203,006	209,541
Other Expenses and Outgo	336,143	332,803	332,803	367,963	362,727	362,726	362,726	362,726
Transfers Out To Other Funds	1,364,462	296,030	1,670,233	3,656,938	1,349,746	552,448	508,285	457,703
TOTAL OPERATING EXPENDITURES	44,107,947	42,894,259	48,809,448	54,212,302	52,068,086	52,371,085	53,559,996	55,035,557
Revenues over (under) Expenditures	(1,010,466)	2,385,269	21,902	(3,535,380)	(1,159,783)	(206,730)	301,069	(1,734,002)
Beginning Fund Balance	6,754,298	5,743,832	8,129,101	8,151,002	4,615,623	3,455,840	3,249,110	3,550,179
Ending Fund Balance	5,743,832	8,129,101	8,151,002	4,615,623	3,455,840	3,249,110	3,550,179	1,816,177

SPECIAL REVENUE FUNDS

Deferred Maintenance Fund	2010-11 Actuals	2011-12 Actuals	2012-13 Actuals	2013-14 Est. Actuals	2014-15 Budget	2015-16 Forecast	2016-17 Forecast	2017-18 Forecast
REVENUES								
LCFF/Revenue Limit Sources								
Federal Revenue								
Other State Revenue								
Other Local Revenue	1,396	1,711	2,196	2,000	2,000	2,000	2,000	2,000
Sale/Lease of Properties								
GO Bonds/Transfers In From Other Funds	148,532	296,030	295,302	300,174	300,174	306,478	313,527	321,365
TOTAL OPERATING REVENUE	149,928	297,741	297,498	302,174	302,174	308,478	315,527	323,365
EXPENDITURES								
Certificated Salaries								
Classified Salaries	56,120	56,112						
Employee Benefits	32,350	33,572						
Books & Supplies								
Services & Other Operating Expenditures	38,541	(13,793)	102,408	325,000	245,000	245,000	245,000	245,000
Capital Outlay	69,180	46,436	123,166	121,000	125,000	125,000	125,000	125,000
Other Expenses and Outgo								
Transfers Out To Other Funds								
TOTAL OPERATING EXPENDITURES	196,191	122,326	225,573	446,000	370,000	370,000	370,000	370,000
Revenues over (under) Expenditures	(46,263)	175,414	71,925	(143,826)	(67,826)	(61,522)	(54,473)	(46,635)
Beginning Fund Balance	288,757	242,494	417,908	489,833	346,007	278,181	216,659	162,186
Ending Fund Balance	242,494	417,908	489,833	346,007	278,181	216,659	162,186	115,550

Special Reserve Fund	2010-11 Actuals	2011-12 Actuals	2012-13 Actuals	2013-14 Est. Actuals	2014-15 Budget	2015-16 Forecast	2016-17 Forecast	2017-18 Forecast
REVENUES								
LCFF/Revenue Limit Sources								
Federal Revenue								
Other State Revenue								
Other Local Revenue	4,892	11,634	10,636	13,000	30,000	178,981	199,392	219,515
Sale/Lease of Properties								
GO Bonds/Transfers In From Other Funds	1,215,930		433,251	2,710,564	258,372	245,970	194,758	136,338
TOTAL OPERATING REVENUE	1,220,822	11,634	443,887	2,723,564	288,372	424,951	394,151	355,853
EXPENDITURES								
Certificated Salaries								
Classified Salaries								
Employee Benefits								
Books & Supplies								
Services & Other Operating Expenditures								
Capital Outlay								
Other Expenses and Outgo								
Transfers Out To Other Funds								
TOTAL OPERATING EXPENDITURES	0	0	0	0	0	0	0	0
Revenues over (under) Expenditures	1,220,822	11,634	443,887	2,723,564	288,372	424,951	394,151	355,853
Beginning Fund Balance	425,450	1,646,272	1,657,906	2,101,793	4,825,357	5,113,729	5,538,679	5,932,830
Ending Fund Balance	1,646,272	1,657,906	2,101,793	4,825,357	5,113,729	5,538,679	5,932,830	6,288,682

CAPITAL PROJECT FUNDS

Building Fund	2010-11 Actuals	2011-12 Actuals	2012-13 Actuals	2013-14 Est. Actuals	2014-15 Budget	2015-16 Forecast	2016-17 Forecast	2017-18 Forecast
REVENUES								
LCFF/Revenue Limit Sources								
Federal Revenue								
Other State Revenue	467,880							
Other Local Revenue	4,463	1,787	308	300	300	323	(527)	(1,340)
Sale/Lease of Properties	179,480	182,560	187,320	192,360	198,030	202,585	207,649	213,256
GO Bonds/Transfers In From Other Funds	47,000	230,000	391,680	146,200	66,200			
TOTAL OPERATING REVENUE	698,823	414,347	579,308	338,860	264,530	202,907	207,122	211,916
EXPENDITURES								
Certificated Salaries								
Classified Salaries								
Employee Benefits								
Books & Supplies	23,936	23,900	13,969	1,000	1,000			
Services & Other Operating Expenditures	645,078	447,707	319,546	331,906	263,156	263,156	263,156	263,156
Capital Outlay	96,318	93,180	188,755	90,294				
Other Expenses and Outgo								
Transfers Out To Other Funds	197,000	230,000						
TOTAL OPERATING EXPENDITURES	962,332	794,788	522,271	423,200	264,156	263,156	263,156	263,156
Revenues over (under) Expenditures	(263,509)	(380,440)	57,037	(84,340)	374	(60,249)	(56,034)	(51,240)
Beginning Fund Balance	694,768	431,259	50,819	107,856	23,516	23,890	(36,358)	(92,392)
Ending Fund Balance	431,259	50,819	107,856	23,516	23,890	(36,358)	(92,392)	(143,632)

Capital Facilities Fund	2010-11 Actuals	2011-12 Actuals	2012-13 Actuals	2013-14 Est. Actuals	2014-15 Budget	2015-16 Forecast	2016-17 Forecast	2017-18 Forecast
REVENUES								
LCFF/Revenue Limit Sources								
Federal Revenue								
Other State Revenue								
Other Local Revenue	409,542	1,153,765	1,725,475	485,285	451,000	451,538	448,862	442,935
Sale/Lease of Properties								
GO Bonds/Transfers In From Other Funds	150,000		550,000	500,000	725,000			
TOTAL OPERATING REVENUE	559,542	1,153,765	2,275,475	985,285	1,176,000	451,538	448,862	442,935
EXPENDITURES								
Certificated Salaries								
Classified Salaries								
Employee Benefits								
Books & Supplies	42,438	64,557	70,415	94,047				
Services & Other Operating Expenditures	133,712	554,761	874,749	928,119	689,641	689,641	689,641	689,641
Capital Outlay	161,084	154,148	833,703	1,061,892	508,000			
Other Expenses and Outgo								
Transfers Out To Other Funds								
TOTAL OPERATING EXPENDITURES	337,234	773,466	1,778,867	2,084,058	1,197,641	689,641	689,641	689,641
Revenues over (under) Expenditures	222,308	380,299	496,608	(1,098,773)	(21,641)	(238,103)	(240,779)	(246,706)
Beginning Fund Balance	61,065	283,373	663,672	1,160,279	61,506	39,865	(198,237)	(439,016)
Ending Fund Balance	283,373	663,672	1,160,279	61,506	39,865	(198,237)	(439,016)	(685,722)

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	\$ 32,444,674	\$ -	\$ -	\$ -	\$ 32,444,674
Instruction Related Services	\$ 5,002,664	\$ -	\$ -	\$ -	\$ 5,002,664
Pupil Services	\$ 3,276,362	\$ -	\$ -	\$ -	\$ 3,276,362
General Administration	\$ 4,909,080	\$ -	\$ -	\$ -	\$ 4,909,080
Plant Services	\$ 4,598,042	\$ 370,000	\$ 264,156	\$ 1,197,641	\$ 6,429,839
Other Outgo	\$ 487,519	\$ -	\$ -	\$ -	\$ 487,519
	\$ 50,718,340	\$ 370,000	\$ 264,156	\$ 1,197,641	\$ 52,550,137

Note: Interfund transfers are not included in the General Fund total.

GENERAL OPERATING EXPENDITURES, BY FUNCTION

Our operating budget for 2014–15 totals just under \$52.1 million. With a projected enrollment of 4,632 students and an average class size (including special program classes) of 25 students, we are spending about \$225,000 per classroom. The table below shows how that investment is used in each classroom.

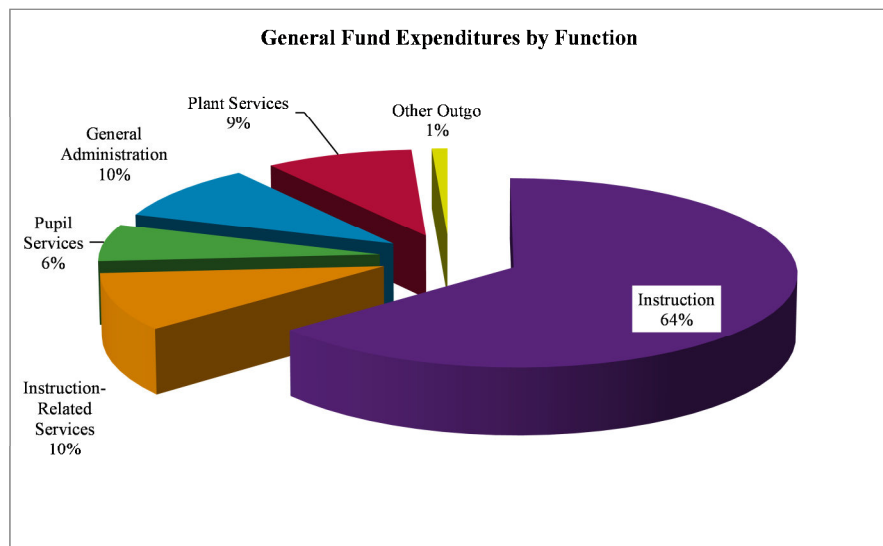
Instruction. 64% (\$143,985 per classroom) of our total spending goes for regular and special education classroom teachers and teacher aides. The average teacher costs \$100,710. In addition to that cost, this category includes the cost of teacher aides, substitutes, textbooks, and classroom equipment and supplies.

Instruction-Related Services. \$22,201 per classroom or 10% 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. 10% 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. 9% 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 and interest on our Tax Revenue and Anticipation Notes (TRANS) comprises the final 1% of our spending.

2013-14 General Fund Expenditures By Function					
	Cost	% of Total	Cost per Classroom	Cost per Student	
Instruction	\$ 32,444,674	64%	\$ 143,985	\$ 7,004	
Instruction-Related Services	\$ 5,002,664	10%	\$ 22,201	\$ 1,080	
Pupil Services	\$ 3,276,362	6%	\$ 14,540	\$ 707	
General Administration	\$ 4,909,080	10%	\$ 21,786	\$ 1,060	
Plant Services	\$ 4,598,042	9%	\$ 20,405	\$ 993	
Other Outgo	\$ 487,519	1%	\$ 2,164	\$ 105	
total	\$ 50,718,340	100%	\$ 225,081	\$ 10,950	
<i>Based on 225 classrooms and 4,632 students.</i>					
<i>Note: Interfund transfers are not included in the General Fund total.</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 and a small amount for school lunches. 2010–11 funding included one-time ARRA monies.

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. As a community funded district our funding cuts from the state (which began in 2008–09) are reflected in this category.

Other Local. We receive significantly more local revenue than most districts in California, due to community support through PTAs, our education foundation, and our parcel tax. Growth in this category reflects a second parcel tax passed in 2011–12. 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 increases are projected at 10% per year.

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

Los Altos School District 2014–15 Budget

available resources. An uptick in legal expenses related to charter school litigation affects the Services and Other Operating Expenditures category starting in 2012–13. Transfers to other funds include monies deposited into a Special Reserve Fund reflecting our liability for future retiree health benefit payments and monies needed to replenish our capital funds.

General Fund	2010-11 Actuals	2011-12 Actuals	2012-13 Actuals	2013-14 Est. Actuals	2014-15 Budget	2015-16 Forecast	2016-17 Forecast	2017-18 Forecast
REVENUES								
LCFF/Revenue Limit Sources	59.1%	57.8%	57.8%	61.1%	64.7%	66.1%	66.9%	70.9%
Federal Revenue	4.1%	2.2%	2.2%	1.8%	1.9%	1.9%	1.9%	2.0%
Other State Revenue	4.9%	3.6%	3.4%	5.4%	2.2%	2.4%	2.4%	2.4%
Other Local Revenue	31.9%	36.4%	36.7%	31.6%	31.2%	29.6%	28.8%	24.7%
TOTAL OPERATING REVENUE	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%
EXPENSES								
Certificated Salaries	45.0%	46.1%	42.8%	42.7%	44.8%	44.7%	44.3%	43.9%
Classified Salaries	15.0%	14.8%	14.0%	13.1%	14.0%	14.1%	14.0%	13.8%
Employee Benefits	21.0%	21.9%	19.4%	18.6%	20.7%	21.9%	22.7%	23.4%
Books & Supplies	3.7%	4.1%	5.4%	3.9%	3.0%	3.1%	3.1%	3.1%
Services & Other Operating Expenditures	10.9%	11.3%	13.6%	13.7%	13.8%	14.0%	14.0%	13.9%
Capital Outlay	0.5%	0.4%	0.7%	0.4%	0.4%	0.4%	0.4%	0.4%
Other Expenses and Outgo	0.8%	0.8%	0.7%	0.7%	0.7%	0.7%	0.7%	0.7%
Transfers Out To Other Funds	3.1%	0.7%	3.4%	6.7%	2.6%	1.1%	0.9%	0.8%
TOTAL OPERATING EXPENDITURES	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%

EXPENDITURES BY OBJECT

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	2014-15 Expenditures
School Programs	
Elementary	
Almond	3,441,783
Gardner Bullis	2,530,450
Covington	4,313,857
Loyola	3,702,154
Oak	3,093,823
Santa Rita	4,043,058
Springer	3,685,862
Intermediate	
Blach	3,857,045
Egan	3,802,244
Total, School Programs	32,470,276
District Programs	19,597,810
Grand Total	52,068,086

ELEMENTARY SCHOOLS (GRADES K THROUGH 6)

Our district is characterized by small neighborhood schools. The projected average school size is 499 students, ranging from a low of 349 (Gardner Bullis) to a high of 555 (Santa Rita).

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.

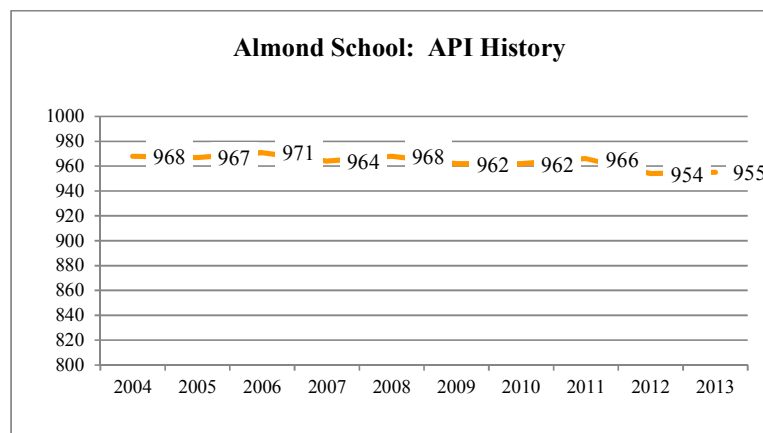
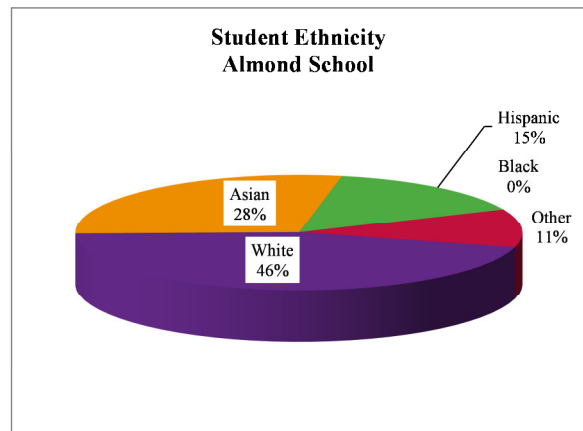
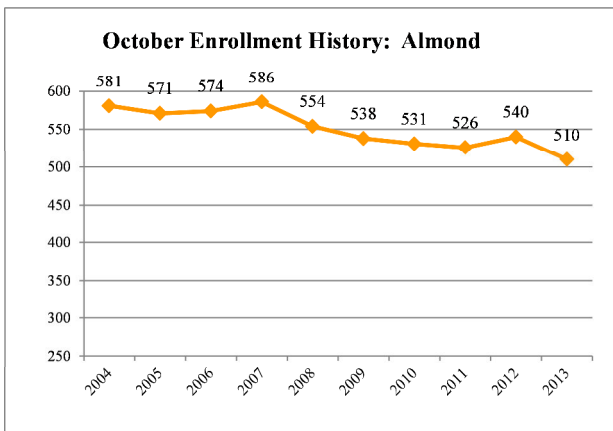
All the district's elementary schools have received recognition as California Distinguished Schools. Gardner Bullis School (when it was Bullis-Purissima), Oak School, and Santa Rita School additionally have been recognized as National Blue Ribbon schools.

School	Enrollment by Grade										Total
	K	1	2	3	4	5	6	7	8	SDC	
Almond Elementary	71	58	66	85	71	70	79				500
Gardner Bullis Elementary	54	47	54	51	49	50	44				349
Covington Elementary	73	89	69	76	72	79	79			14	551
Loyola Elementary	68	45	70	64	93	98	86			12	536
Oak Elementary	68	59	64	65	69	77	75				477
Santa Rita Elementary	68	72	75	67	93	83	87			10	555
Springer Elementary	65	71	66	76	79	77	77			16	527
Blach Intermediate								258	247	18	523
Egan Intermediate								315	292	7	614
TOTAL	467	441	464	484	526	534	527	573	539	77	4,632
<i>SDC = Special Day Class students (multi-grade)</i>											

ALMOND SCHOOL

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. Budget information starts on the following page.

Almond School	
550 Almond Avenue, Los Altos www.almondschool.org	Site Acreage: 9.94
Principal: Erica Benadom	Teachers - Regular: 23.0 FTE (Full Time Equivalents)
Grades Served: K-6	Teachers - Other: 2.0 FTE
Enrollment: 500	Discretionary Allocation: \$55 per student
Awards: California Distinguished School	Building Square Footage: 42,987



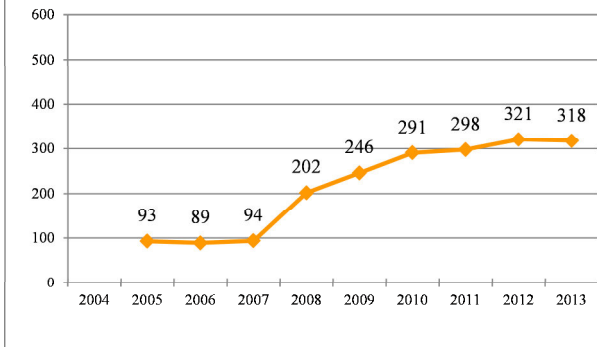
	Actuals 2010-11	Actuals 2011-12	Actuals 2012-13	Est. Actuals 2013-14	Adopted 2014-15	Budget FTE 2014-15
<u>1000 - Instruction</u>						
1 - Certificated Salaries	1,670,546	1,638,703	1,724,120	1,743,136	1,826,050	24.000
2 - Classified Salaries	94,494	22,450	47,793	30,814	55,343	2.251
3 - Benefits	552,055	524,824	516,194	510,073	584,452	
4 - Supplies	80,765	117,845	116,676	31,451	66,750	
5 - Services	13,296	12,838	14,152	18,220	14,000	
6 - Capital			29,850	1,000	1,000	
1000 - Instruction	2,411,156	2,316,659	2,448,787	2,334,694	2,547,595	26.251
<u>1120 - Special Ed.: Resources Specialist</u>						
1 - Certificated Salaries	70,667	73,811	79,331	81,486	81,486	1.000
2 - Classified Salaries	51,328	58,010	61,244	62,360	59,823	1.695
3 - Benefits	25,631	37,592	41,799	42,318	43,171	
1120 - Special Ed.: Resources Specialist	147,627	169,413	182,375	186,164	184,480	2.694
<u>1130 - Special Ed.: Supplemental Aids & Services</u>						
2 - Classified Salaries	30,427	8,585	35,176	66,295	55,015	1.563
3 - Benefits	12,610	2,844	20,902	40,549	40,271	
1130 - Special Ed.: Supplemental Aids & Services	43,037	11,429	56,078	106,844	95,286	1.563
<u>2420 - Instructional Library, Media, & Technology</u>						
2 - Classified Salaries	23,457	46,221	55,741	59,051	60,736	1.250
3 - Benefits	13,074	21,184	23,778	18,694	16,667	
6 - Capital			1,080	2,084	2,000	
2420 - Instructional Library, Media, & Technology	36,531	67,405	80,600	79,829	79,403	1.250
<u>2700 - School Administration</u>						
1 - Certificated Salaries	125,462	139,540	127,298	124,312	128,352	1.000
2 - Classified Salaries	65,779	69,354	63,549	65,344	71,987	1.500
3 - Benefits	63,781	65,194	63,267	71,569	77,397	
4 - Supplies		55	2,086	521	500	
5 - Services	1,800	1,800	1,650	1,650	1,650	
2700 - School Administration	256,823	275,944	257,849	263,396	279,886	2.500
<u>3120 - Psychological Services</u>						
1 - Certificated Salaries				73,723	78,346	1.000
3 - Benefits				24,417	26,669	
3120 - Psychological Services				98,140	105,015	1.000
<u>3900 - Other Pupil Services</u>						
2 - Classified Salaries	9,106	12,248	13,371	12,067	17,532	0.750
3 - Benefits	2,215	4,522	4,919	5,404	10,245	
3900 - Other Pupil Services	11,322	16,770	18,290	17,471	27,777	0.750
<u>8200 - Operations</u>						
2 - Classified Salaries	70,777	73,368	75,422	78,809	68,861	1.500
3 - Benefits	39,712	41,685	43,461	45,016	44,880	
4 - Supplies	4,532	3,790	6,503	5,210	5,000	
5 - Services	1,759	2,069	2,022	3,600	3,600	
8200 - Operations	116,780	120,911	127,409	132,635	122,341	1.500
<u>8500 - Facilities Acquisition & Construction</u>						
6 - Capital			2,425			
8500 - Facilities Acquisition & Construction			2,425			
Grand Total	3,023,276	2,978,531	3,173,812	3,219,173	3,441,783	37.508

GARDNER BULLIS SCHOOL

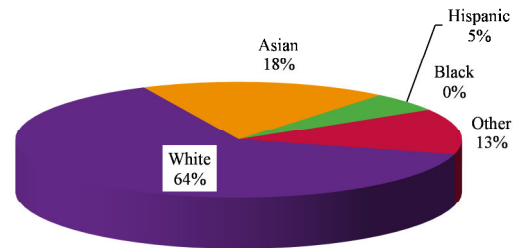
Gardner Bullis School (formerly Bullis-Purissima) is located on the north side of the district. Students attending Gardner Bullis feed into Egan Intermediate School and then into Los Altos High School (in Mountain View-Los Altos High School District). Demographic and performance data for the school are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

Gardner Bullis School	
25890 Fremont Road, Los Altos Hills www.gardnerbullis.org	Site Acreage: 9.97
Principal: Katie Kinnaman	Teachers - Regular: 15.0 FTE (Full Time Equivalents)
Grades Served: K-6	Teachers - Other: 2.0 FTE
Enrollment: 349	Discretionary Allocation: \$55 per student
Awards: California Distinguished School; National Blue Ribbon School	Building Square Footage: 31,468

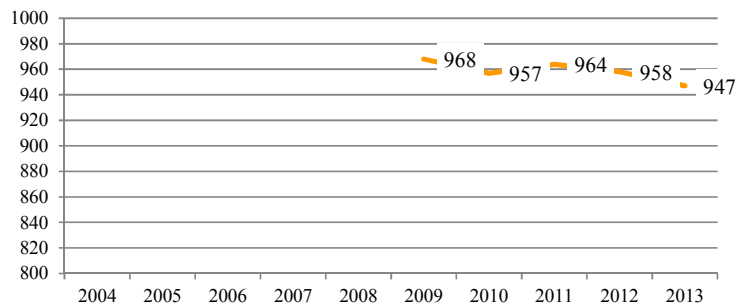
**October Enrollment History:
Gardner Bullis**



**Student Ethnicity
Gardner Bullis School**



Gardner Bullis School: API History



Los Altos School District 2014-15 Budget GARDNER BULLIS SCHOOL

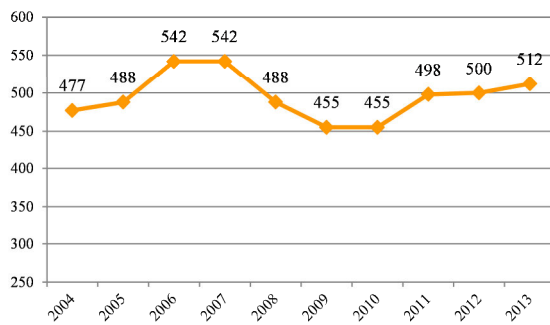
	Actuals 2010-11	Actuals 2011-12	Actuals 2012-13	Est. Actuals 2013-14	Adopted 2014-15	Budget FTE 2014-15
<u>1000 - Instruction</u>						
1 - Certificated Salaries	776,437	947,109	1,032,790	1,186,622	1,251,040	16.000
2 - Classified Salaries	55,083	21,062	28,917	30,886	43,876	1.625
3 - Benefits	255,215	274,581	285,073	329,963	380,258	
4 - Supplies	20,376	76,880	163,502	48,300	16,309	
5 - Services	10,138	12,668	18,648	46,800	10,300	
6 - Capital	55,215	79,132		26,121	26,121	
1000 - Instruction	1,172,465	1,411,431	1,528,930	1,668,692	1,727,904	17.625
<u>1110 - Special Ed.: Separate Classes</u>						
1 - Certificated Salaries	55,093					
2 - Classified Salaries	79,962					
3 - Benefits	44,932	3,292				
1110 - Special Ed.: Separate Classes	179,987	3,292				
<u>1120 - Special Ed.: Resources Specialist</u>						
1 - Certificated Salaries	69,882	53,260	58,708	63,857	67,515	1.000
2 - Classified Salaries	54,123	32,130	71,046	75,720	73,146	2.104
3 - Benefits	56,789	36,077	71,047	74,084	72,357	
1120 - Special Ed.: Resources Specialist	180,795	121,467	200,801	213,661	213,018	3.104
<u>1130 - Special Ed.: Supplemental Aids & Services</u>						
2 - Classified Salaries	20,252	24,335	13,885	4,314	10,154	0.291
3 - Benefits	9,226	19,569	8,452	2,762	7,895	
1130 - Special Ed.: Supplemental Aids & Services	29,478	43,904	22,338	7,076	18,049	0.291
<u>2420 - Instructional Library, Media, & Technology</u>						
2 - Classified Salaries	22,606	30,984	41,441	54,701	58,226	1.280
3 - Benefits	13,149	12,362	10,890	13,150	14,339	
6 - Capital			11,443	1,296	1,396	
2420 - Instructional Library, Media, & Technology	35,755	43,346	63,773	69,147	73,961	1.280
<u>2700 - School Administration</u>						
1 - Certificated Salaries	126,872	127,298	127,182	104,119	108,158	1.000
2 - Classified Salaries	57,262	57,884	64,803	62,142	67,895	1.375
3 - Benefits	61,477	71,738	66,184	62,528	61,435	
4 - Supplies			1,671			
5 - Services	1,800	1,800	1,425	1,650	1,650	
2700 - School Administration	247,412	258,720	261,266	230,439	239,138	2.375
<u>3120 - Psychological Services</u>						
1 - Certificated Salaries				94,213	86,091	1.000
3 - Benefits				23,994	23,837	
3120 - Psychological Services				118,207	109,928	1.000
<u>3900 - Other Pupil Services</u>						
2 - Classified Salaries	10,768	10,315	14,238	11,006	16,400	0.700
3 - Benefits	3,263	2,977	3,845	3,364	8,020	
3900 - Other Pupil Services	14,032	13,292	18,082	14,370	24,420	0.700
<u>8200 - Operations</u>						
2 - Classified Salaries	70,992	75,142	74,670	69,930	75,696	1.438
3 - Benefits	32,505	43,295	37,060	41,814	38,846	
4 - Supplies	1,899	3,819	3,361	5,640	5,890	
5 - Services	2,448	2,683	(816)	3,600	3,600	
8200 - Operations	107,844	124,940	114,274	120,984	124,032	1.438
<u>8500 - Facilities Acquisition & Construction</u>						
5 - Services				37,635		
6 - Capital			362			
8500 - Facilities Acquisition & Construction			362	37,635		
Grand Total	1,967,767	2,020,392	2,209,828	2,480,211	2,530,450	27.813

COVINGTON SCHOOL

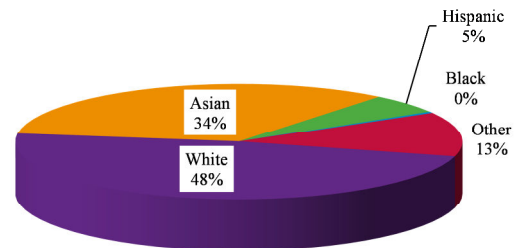
Covington School is located in the center of the district. Students attending Covington feed into either Blach or Egan Intermediate School and then into Los Altos or Mountain View High Schools (in Mountain View-Los Altos High School District). Demographic and performance data for the school are shown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

Covington School	
205 Covington Road, Los Altos www.covingtonschool.org	Site Acreage: 15.43
Principal: Erin Green	Teachers - Regular: 23.0 FTE (Full Time Equivalents)
Grades Served: K-6	Teachers - Other: 6.6 FTE
Enrollment: 551	Discretionary Allocation: \$55 per student
Awards: California Distinguished School	Building Square Footage: 51,704

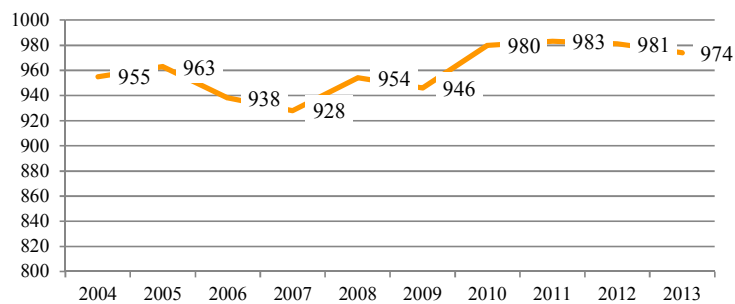
October Enrollment History: Covington



**Student Ethnicity
Covington School**



Covington School: API History



	Actuals 2010-11	Actuals 2011-12	Actuals 2012-13	Est. Actuals 2013-14	Adopted 2014-15	Budget FTE 2014-15
<u>1000 - Instruction</u>						
1 - Certificated Salaries	1,392,002	1,415,093	1,551,756	1,776,579	1,815,679	24.000
2 - Classified Salaries	88,155	28,089	53,766	18,119	39,787	1.750
3 - Benefits	515,449	483,027	484,118	534,945	595,627	
4 - Supplies	106,485	108,439	61,831	48,788	46,540	
5 - Services	14,488	19,328	19,924	16,800	16,800	
6 - Capital				1,000	1,000	
1000 - Instruction	2,116,580	2,053,976	2,171,396	2,396,231	2,515,433	25.750
<u>1110 - Special Ed.: Separate Classes</u>						
1 - Certificated Salaries	172,733	238,058	302,105	356,963	357,577	4.600
2 - Classified Salaries	278,645	321,570	281,714	261,221	254,858	6.706
3 - Benefits	199,336	227,624	227,531	219,981	226,552	
4 - Supplies	121	1,720	1,525	500	500	
5 - Services	9,108					
1110 - Special Ed.: Separate Classes	659,943	788,972	812,875	838,665	839,487	11.306
<u>1120 - Special Ed.: Resources Specialist</u>						
1 - Certificated Salaries	85,687	67,172	69,892	84,205	87,338	1.000
2 - Classified Salaries	49,248	45,458	54,669	50,274	49,017	1.438
3 - Benefits	12,558	28,652	35,478	45,370	47,951	
1120 - Special Ed.: Resources Specialist	147,493	141,282	160,040	179,849	184,306	2.438
<u>1130 - Special Ed.: Supplemental Aids & Services</u>						
2 - Classified Salaries	20	115,855	25,933	82,991	103,351	2.709
3 - Benefits	5,163	39,354	19,352	25,744	41,453	
1130 - Special Ed.: Supplemental Aids & Services	5,183	155,209	45,285	108,735	144,804	2.709
<u>2420 - Instructional Library, Media, & Technology</u>						
2 - Classified Salaries	25,413	42,375	51,415	58,998	63,547	1.388
3 - Benefits	13,016	12,809	21,312	24,785	27,466	
6 - Capital				2,080	2,204	
2420 - Instructional Library, Media, & Technology	38,429	55,183	72,727	85,863	93,217	1.388
<u>2700 - School Administration</u>						
1 - Certificated Salaries	125,462	127,298	127,298	137,686	137,686	1.000
2 - Classified Salaries	63,116	65,055	70,768	69,526	74,141	1.625
3 - Benefits	49,934	49,755	53,172	65,530	72,107	
4 - Supplies				520	551	
5 - Services	1,800	1,800	1,650	1,650	1,650	
2700 - School Administration	240,312	243,907	252,888	274,912	286,135	2.625
<u>3120 - Psychological Services</u>						
1 - Certificated Salaries				73,723	78,346	1.000
3 - Benefits				19,389	20,914	
3120 - Psychological Services				93,112	99,260	1.000
<u>3150 - Speech Pathology & Audiology Services</u>						
1 - Certificated Salaries		20,000				
3150 - Speech Pathology & Audiology Services		20,000				
<u>3900 - Other Pupil Services</u>						
2 - Classified Salaries	9,412	11,017	8,198	9,909	15,054	0.650
3 - Benefits	907	1,162	820	807	5,628	
3900 - Other Pupil Services	10,319	12,178	9,017	10,716	20,682	0.650
<u>7210 - General Administration Cost Transfers</u>						
7 - Other Outgo				3,386	3,420	
7210 - General Administration Cost Transfers				3,386	3,420	
<u>8200 - Operations</u>						
2 - Classified Salaries	62,027	67,630	70,893	69,494	69,494	1.333

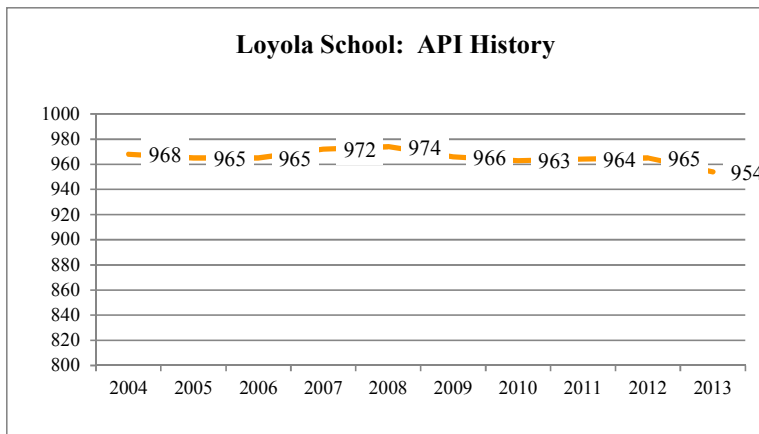
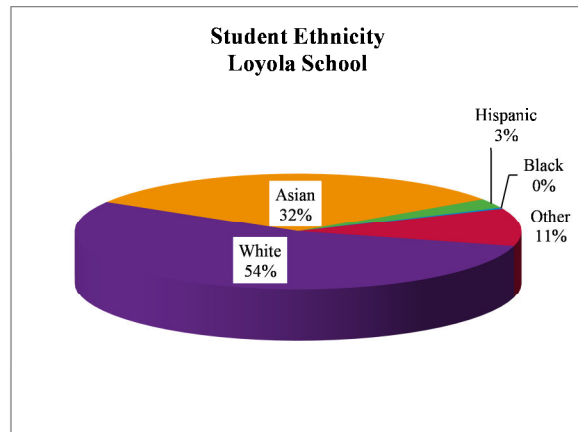
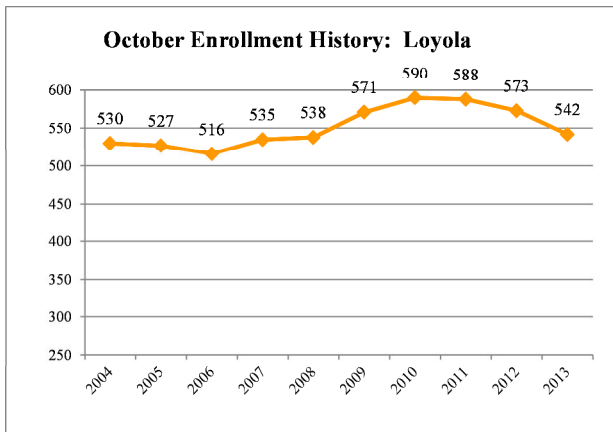
COVINGTON SCHOOL Los Altos School District 2014-15 Budget

	Actuals 2010-11	Actuals 2011-12	Actuals 2012-13	Est. Actuals 2013-14	Adopted 2014-15	Budget FTE 2014-15
3 - Benefits	33,930	42,285	44,500	45,300	48,509	
4 - Supplies	5,958	10,478	11,313	5,200	5,510	
5 - Services	2,075	3,252	2,998	3,600	3,600	
8200 - Operations	103,990	123,644	129,704	123,594	127,113	1.333
Grand Total	3,322,248	3,594,353	3,653,931	4,115,062	4,313,857	49.199

LOYOLA SCHOOL

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. Budget information starts on the following page.

Loyola School	
770 Berry Avenue, Los Altos www.loyolaschool.org	Site Acreage: 10.0
Principal: Kimberly Attell	Teachers - Regular: 21.0 FTE (Full Time Equivalents)
Grades Served: K-6	Teachers - Other: 4.0 FTE
Enrollment: 536	Discretionary Allocation: \$55 per student
Awards: California Distinguished School	Building Square Footage: 42,371



LOYOLA SCHOOL

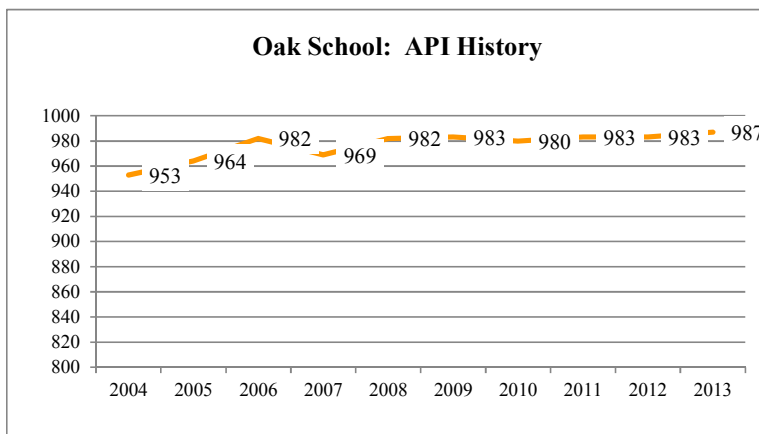
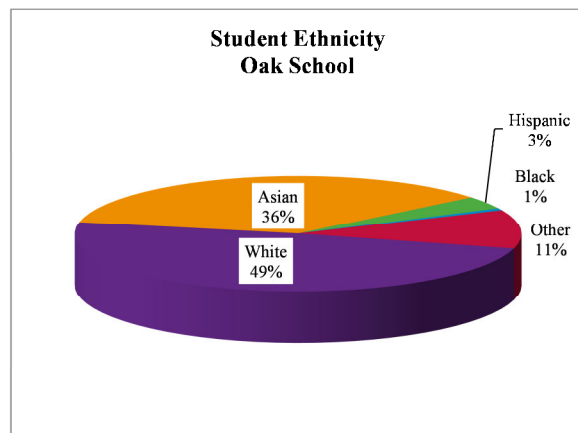
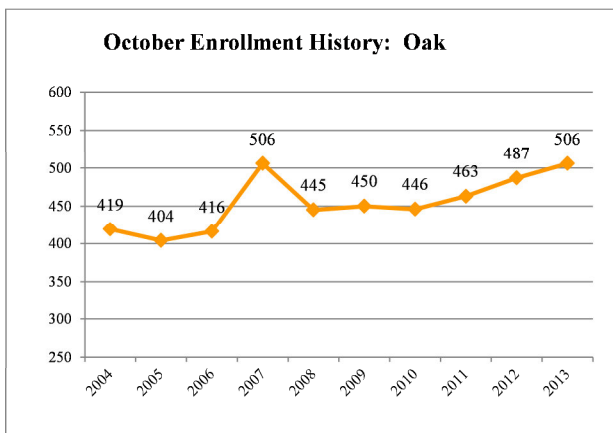
Los Altos School District 2014-15 Budget

	Actuals 2010-11	Actuals 2011-12	Actuals 2012-13	Est. Actuals 2013-14	Adopted 2014-15	Budget FTE 2014-15
<u>1000 - Instruction</u>						
1 - Certificated Salaries	1,752,764	1,658,841	1,744,004	1,762,297	1,727,234	22.000
2 - Classified Salaries	70,468	24,592	41,199	52,805	64,404	2.200
3 - Benefits	464,208	425,160	453,293	483,187	498,420	
4 - Supplies	99,425	141,494	178,456	43,089	45,940	
5 - Services	17,906	18,523	18,246	15,199	13,900	
6 - Capital	34,311			1,000	1,000	
1000 - Instruction	2,439,082	2,268,610	2,435,198	2,357,577	2,350,898	24.200
<u>1110 - Special Ed.: Separate Classes</u>						
1 - Certificated Salaries	131,668	132,945	143,403	151,572	155,168	2.000
2 - Classified Salaries	139,994	133,603	193,057	150,957	146,078	4.138
3 - Benefits	100,270	110,050	143,069	105,030	104,651	
1110 - Special Ed.: Separate Classes	371,932	376,598	479,529	407,559	405,897	6.138
<u>1120 - Special Ed.: Resources Specialist</u>						
1 - Certificated Salaries	87,437	88,128	91,716	94,166	94,166	1.000
2 - Classified Salaries	62,741	29,988	25,991	26,414	25,389	0.719
3 - Benefits	53,208	49,751	48,839	52,104	55,657	
1120 - Special Ed.: Resources Specialist	203,386	167,867	166,546	172,684	175,212	1.719
<u>1130 - Special Ed.: Supplemental Aids & Services</u>						
2 - Classified Salaries	135,395	94,722	32,788	53,172	61,209	1.563
3 - Benefits	51,385	50,290	19,064	30,140	34,132	
1130 - Special Ed.: Supplemental Aids & Services	186,780	145,012	51,852	83,312	95,341	1.563
<u>2420 - Instructional Library, Media, & Technology</u>						
2 - Classified Salaries	27,875	52,344	57,110	60,939	63,442	1.444
3 - Benefits	2,686	10,404	18,623	20,812	22,497	
6 - Capital				2,196	2,144	
2420 - Instructional Library, Media, & Technology	30,561	62,748	75,734	83,947	88,083	1.444
<u>2700 - School Administration</u>						
1 - Certificated Salaries	125,462	127,298	127,298	137,686	137,686	1.000
2 - Classified Salaries	69,836	70,259	73,418	69,791	75,883	1.625
3 - Benefits	81,877	85,323	87,501	89,712	96,194	
4 - Supplies	248		1,671	2,049	2,036	
5 - Services	1,800	1,800	1,650	1,650	1,650	
2700 - School Administration	279,223	284,680	291,538	300,888	313,449	2.625
<u>3120 - Psychological Services</u>						
1 - Certificated Salaries				96,837	101,460	1.000
3 - Benefits				25,991	28,283	
3120 - Psychological Services				122,828	129,743	1.000
<u>3900 - Other Pupil Services</u>						
2 - Classified Salaries	12,610	15,234	15,683	14,729	25,138	1.075
3 - Benefits	1,724	2,624	2,623	2,305	11,944	
3900 - Other Pupil Services	14,334	17,858	18,306	17,034	37,082	1.075
<u>8200 - Operations</u>						
2 - Classified Salaries	68,334	56,730	73,371	79,961	68,621	1.500
3 - Benefits	43,454	40,678	46,072	50,237	28,868	
4 - Supplies	4,783	5,138	5,790	5,490	5,360	
5 - Services	2,224	2,694	2,646	3,600	3,600	
8200 - Operations	118,796	105,239	127,879	139,288	106,449	1.500
Grand Total	3,644,094	3,428,612	3,646,581	3,685,117	3,702,154	41.263

OAK SCHOOL

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. Budget information starts on the following page.

Oak School	
1501 Oak Avenue, Los Altos www.oakschool.org	Site Acreage: 10.0
Principal: Amy Romem	Teachers - Regular: 21.0 FTE (Full Time Equivalents)
Grades Served: K-6	Teachers - Other: 2.0 FTE
Enrollment: 477	Discretionary Allocation: \$55 per student
Awards: California Distinguished School; National Blue Ribbon School	Building Square Footage: 39,984



OAK SCHOOL

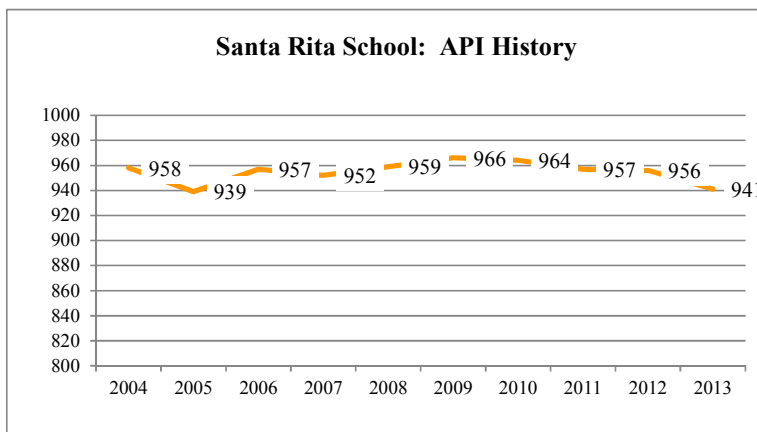
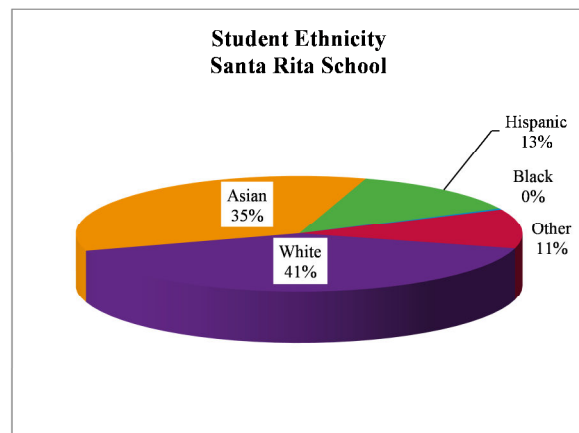
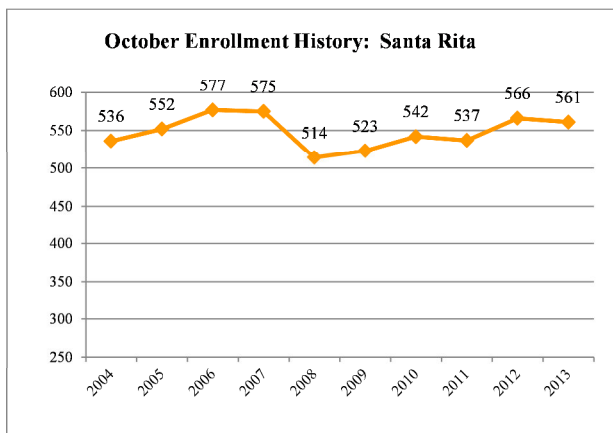
Los Altos School District 2014-15 Budget

	Actuals 2010-11	Actuals 2011-12	Actuals 2012-13	Est. Actuals 2013-14	Adopted 2014-15	Budget FTE 2014-15
<u>1000 - Instruction</u>						
1 - Certificated Salaries	1,417,138	1,398,366	1,476,426	1,641,483	1,641,238	22.000
2 - Classified Salaries	56,504	17,085	36,630	33,609	50,467	1.914
3 - Benefits	441,427	464,528	456,704	461,049	529,039	
4 - Supplies	65,246	91,597	64,077	25,139	43,580	
5 - Services	15,905	16,799	15,986	12,992	12,992	
6 - Capital	5,989		43,451	1,000	1,000	
1000 - Instruction	2,002,208	1,988,375	2,093,274	2,175,272	2,278,316	23.914
<u>1120 - Special Ed.: Resources Specialist</u>						
1 - Certificated Salaries	87,187	88,128	91,716	94,166	94,166	1.000
2 - Classified Salaries	26,639	41,702	62,175	63,844	61,115	1.538
3 - Benefits	39,351	48,227	59,335	61,687	64,414	
1120 - Special Ed.: Resources Specialist	153,177	178,057	213,225	219,697	219,695	2.538
<u>1130 - Special Ed.: Supplemental Aids & Services</u>						
2 - Classified Salaries	39,118	14,018				
3 - Benefits	17,768	7,884				
1130 - Special Ed.: Supplemental Aids & Services	56,887	21,903				
<u>2420 - Instructional Library, Media, & Technology</u>						
2 - Classified Salaries	21,133	31,151	50,745	25,589	61,383	1.350
3 - Benefits	4,613	8,018	13,322	6,216	15,154	
6 - Capital				1,912	1,908	
2420 - Instructional Library, Media, & Technology	25,746	39,169	64,067	33,717	78,445	1.350
<u>2700 - School Administration</u>						
1 - Certificated Salaries	102,498	138,068	117,165	124,312	128,352	1.000
2 - Classified Salaries	64,287	66,809	75,868	67,464	71,557	1.500
3 - Benefits	48,210	56,076	61,474	69,036	74,493	
4 - Supplies				478	477	
5 - Services	1,800	1,800	1,650	1,650	1,650	
2700 - School Administration	216,795	262,753	256,157	262,940	276,529	2.500
<u>3120 - Psychological Services</u>						
1 - Certificated Salaries				67,600	72,223	1.000
3 - Benefits				18,685	20,197	
3120 - Psychological Services				86,285	92,420	1.000
<u>3900 - Other Pupil Services</u>						
2 - Classified Salaries	12,536	13,081	13,305	8,535	15,923	0.688
3 - Benefits	1,208	1,379	2,791	779	5,817	
3900 - Other Pupil Services	13,744	14,460	16,096	9,314	21,740	0.688
<u>8200 - Operations</u>						
2 - Classified Salaries	73,879	74,681	76,909	79,049	79,049	1.500
3 - Benefits	39,874	42,681	43,266	37,535	39,259	
4 - Supplies	3,991	3,017		4,780	4,770	
5 - Services	1,828	2,067	2,113	3,600	3,600	
8200 - Operations	119,573	122,445	122,288	124,964	126,678	1.500
<u>8500 - Facilities Acquisition & Construction</u>						
6 - Capital	17,385		1,951			
8500 - Facilities Acquisition & Construction	17,385		1,951			
Grand Total	2,605,514	2,627,162	2,767,058	2,912,189	3,093,823	33.489

SANTA RITA SCHOOL

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. Budget information starts on the following page.

Santa Rita School	
700 Los Altos Avenue, Los Altos www.santaritaschool.org	Site Acreage: 11.32
Principal: Greg Land	Teachers - Regular: 22.0 FTE (Full Time Equivalents)
Grades Served: K-6	Teachers - Other: 4.0 FTE
Enrollment: 555	Discretionary Allocation: \$55 per student
Awards: California Distinguished School; National Blue Ribbon School	Building Square Footage: 40,458



SANTA RITA SCHOOL Los Altos School District 2014-15 Budget

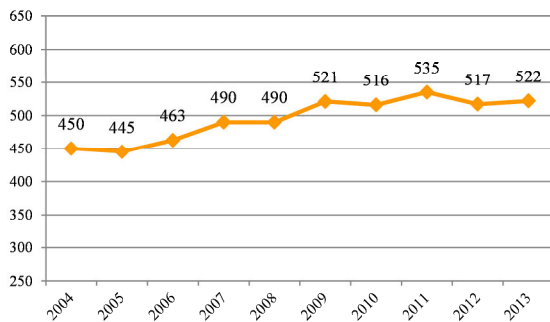
	Actuals 2010-11	Actuals 2011-12	Actuals 2012-13	Est. Actuals 2013-14	Adopted 2014-15	Budget FTE 2014-15
<u>1000 - Instruction</u>						
1 - Certificated Salaries	1,768,993	1,728,302	1,743,608	1,774,187	1,790,587	23.000
2 - Classified Salaries	55,901	6,798	26,602	37,006	63,730	2.650
3 - Benefits	560,246	553,357	547,014	563,231	612,888	
4 - Supplies	58,056	53,782	115,066	45,858	68,950	
5 - Services	15,203	20,771	19,566	21,229	17,600	
6 - Capital		29,612		11,000	1,000	
1000 - Instruction	2,458,399	2,392,621	2,451,855	2,452,512	2,554,755	25.650
<u>1110 - Special Ed.: Separate Classes</u>						
1 - Certificated Salaries	64,476	103,861	116,147	130,491	136,423	2.000
2 - Classified Salaries	73,762	214,588	231,673	251,029	258,222	5.125
3 - Benefits	53,361	131,929	142,654	148,913	160,292	
5 - Services			3,024			
1110 - Special Ed.: Separate Classes	191,600	450,378	493,497	530,433	554,937	7.125
<u>1120 - Special Ed.: Resources Specialist</u>						
1 - Certificated Salaries	87,487	88,128	91,716	94,166	94,166	1.000
2 - Classified Salaries	49,609	60,423	53,977	55,128	52,850	1.501
3 - Benefits	53,836	65,059	55,176	57,599	60,206	
1120 - Special Ed.: Resources Specialist	190,932	213,610	200,869	206,893	207,222	2.500
<u>1130 - Special Ed.: Supplemental Aids & Services</u>						
2 - Classified Salaries	94,309	71,100	30,349	55,507	53,079	1.494
3 - Benefits	41,924	38,002	20,929	40,883	42,354	
1130 - Special Ed.: Supplemental Aids & Services	136,233	109,102	51,278	96,390	95,433	1.494
<u>2420 - Instructional Library, Media, & Technology</u>						
2 - Classified Salaries	22,631	48,620	58,572	65,527	68,364	1.413
3 - Benefits	8,446	16,646	20,339	21,715	23,143	
6 - Capital	700		200	2,280	2,220	
2420 - Instructional Library, Media, & Technology	31,777	65,266	79,111	89,522	93,727	1.413
<u>2700 - School Administration</u>						
1 - Certificated Salaries	98,670	103,998	103,998	137,686	137,686	1.000
2 - Classified Salaries	62,359	64,959	58,559	64,969	70,795	1.625
3 - Benefits	61,625	64,535	60,798	60,116	65,723	
4 - Supplies			4,126	570	555	
5 - Services	1,800	1,800	1,650	1,650	1,650	
2700 - School Administration	224,455	235,292	229,131	264,991	276,409	2.625
<u>3120 - Psychological Services</u>						
1 - Certificated Salaries				84,468	89,091	1.000
3 - Benefits				25,653	27,932	
3120 - Psychological Services				110,121	117,023	1.000
<u>3900 - Other Pupil Services</u>						
2 - Classified Salaries	13,232	11,963	10,324	11,539	11,039	0.475
3 - Benefits	1,277	1,284	1,743	1,094	1,021	
3900 - Other Pupil Services	14,509	13,247	12,067	12,633	12,060	0.475
<u>7700 - Data Processing Services</u>						
3 - Benefits		208				
7700 - Data Processing Services		208				
<u>8200 - Operations</u>						
2 - Classified Salaries	75,031	75,713	77,106	79,289	79,289	1.500
3 - Benefits	41,299	42,937	40,233	40,559	43,053	
4 - Supplies	4,393	4,633	5,534	5,700	5,550	
5 - Services	1,632	2,067	2,066	3,600	3,600	
8200 - Operations	122,356	125,349	124,939	129,148	131,492	1.500
Grand Total	3,370,259	3,605,074	3,642,748	3,892,643	4,043,058	43.782

SPRINGER SCHOOL

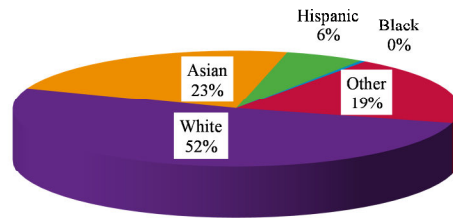
Springer School is located on the south side of the district. Students attending Springer feed into Blach Intermediate School and then into Mountain View High School (in Mountain View-Los Altos High School District). Demographic and performance data for the school are shown below. Budget information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

Springer School	
1120 Rose Avenue, Mountain View <i>www.springerschool.net</i>	Site Acreage: 10.0
Principal: Wade Spenader	Teachers - Regular: 22.0 FTE (Full Time Equivalents)
Grades Served: K-6	Teachers - Other: 4.0 FTE
Enrollment: 527	Discretionary Allocation: \$55 per student
Awards: California Distinguished School	Building Square Footage: 39,683

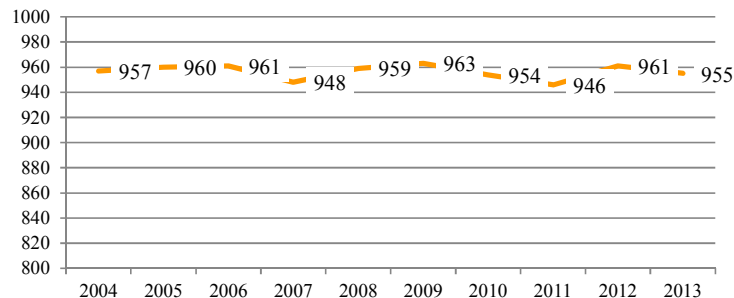
October Enrollment History: Springer



**Student Ethnicity
Springer School**



Springer School: API History



SPRINGER SCHOOL

Los Altos School District 2014-15 Budget

	Actuals 2010-11	Actuals 2011-12	Actuals 2012-13	Est. Actuals 2013-14	Adopted 2014-15	Budget FTE 2014-15
<u>1000 - Instruction</u>						
1 - Certificated Salaries	1,616,212	1,641,254	1,618,042	1,786,311	1,807,466	23.000
2 - Classified Salaries	73,925	28,788	42,519	46,012	69,647	2.563
3 - Benefits	500,155	486,522	449,952	445,205	495,045	
4 - Supplies	73,818	118,326	164,227	33,460	67,830	
5 - Services	20,230	18,810	23,540	16,674	14,690	
6 - Capital	18,668	34,950		1,000	1,000	
1000 - Instruction	2,303,009	2,328,649	2,298,280	2,328,662	2,455,678	25.563
<u>1110 - Special Ed.: Separate Classes</u>						
1 - Certificated Salaries	148,195	150,671	159,467	185,767	188,332	2.000
2 - Classified Salaries	208,226	134,318	123,399	147,930	142,481	3.869
3 - Benefits	133,416	107,556	73,531	102,438	99,007	
1110 - Special Ed.: Separate Classes	489,837	392,545	356,397	436,135	429,820	5.869
<u>1120 - Special Ed.: Resources Specialist</u>						
1 - Certificated Salaries	87,187	88,128	91,716	56,287		1.000
2 - Classified Salaries	47,565	64,996	67,411	69,419	66,391	1.863
3 - Benefits	56,337	55,858	55,784	60,770	49,539	
1120 - Special Ed.: Resources Specialist	191,089	208,982	214,911	186,476	115,930	2.863
<u>1130 - Special Ed.: Supplemental Aids & Services</u>						
2 - Classified Salaries	115,958	29,546	26,962	29,220	28,092	0.791
3 - Benefits	50,739	13,586	8,306	8,297	8,205	
1130 - Special Ed.: Supplemental Aids & Services	166,697	43,132	35,267	37,517	36,297	0.791
<u>2420 - Instructional Library, Media, & Technology</u>						
2 - Classified Salaries	23,675	42,392	55,581	63,421	66,400	1.413
3 - Benefits	14,198	9,001	14,376	16,699	17,820	
6 - Capital		270		2,104	2,108	
2420 - Instructional Library, Media, & Technology	37,873	51,663	69,957	82,224	86,328	1.413
<u>2700 - School Administration</u>						
1 - Certificated Salaries	102,498	107,881	111,765	124,312	128,352	1.000
2 - Classified Salaries	66,572	67,616	72,025	65,761	72,617	1.625
3 - Benefits	65,428	71,044	69,117	61,704	69,153	
4 - Supplies			2,130	2,026	2,027	
5 - Services	1,800	1,800	1,650	1,650	1,650	
2700 - School Administration	236,297	248,341	256,688	255,453	273,799	2.625
<u>3120 - Psychological Services</u>						
1 - Certificated Salaries				104,582	104,582	1.000
3 - Benefits				21,741	22,876	
3120 - Psychological Services				126,323	127,458	1.000
<u>3900 - Other Pupil Services</u>						
2 - Classified Salaries	8,219	8,497	10,798	10,724	16,054	0.688
3 - Benefits	3,117	2,507	4,013	4,748	9,822	
3900 - Other Pupil Services	11,336	11,004	14,811	15,472	25,876	0.688
<u>7700 - Data Processing Services</u>						
3 - Benefits		36				
7700 - Data Processing Services		36				
<u>8200 - Operations</u>						
2 - Classified Salaries	59,913	72,490	73,866	78,689	78,689	1.500
3 - Benefits	33,051	40,805	41,483	44,224	47,117	
4 - Supplies	6,051	5,183	6,434	5,260	5,270	
5 - Services	1,847	2,399	2,332	3,600	3,600	
8200 - Operations	100,862	120,877	124,115	131,773	134,676	1.500
Grand Total	3,537,001	3,405,229	3,370,426	3,600,035	3,685,862	42.311

INTERMEDIATE SCHOOLS (GRADES 7 AND 8)

We run two intermediate schools (Blach and Egan)—one on each side of town. Egan has more students (614 as compared to 523 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 recently were nominated to be national Blue Ribbon Schools. The two schools are in the process of preparing their applications for the Blue Ribbon designation.

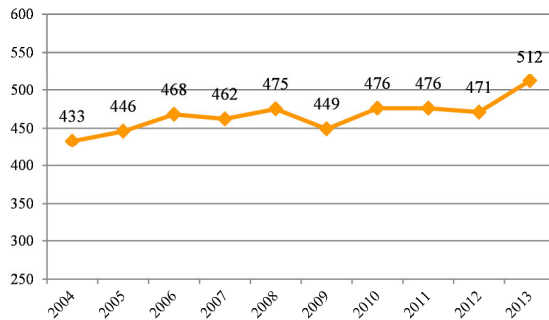
School	Enrollment by Grade										Total
	K	1	2	3	4	5	6	7	8	SDC	
Almond Elementary	71	58	66	85	71	70	79				500
Gardner Bullis Elementary	54	47	54	51	49	50	44				349
Covington Elementary	73	89	69	76	72	79	79			14	551
Loyola Elementary	68	45	70	64	93	98	86			12	536
Oak Elementary	68	59	64	65	69	77	75				477
Santa Rita Elementary	68	72	75	67	93	83	87			10	555
Springer Elementary	65	71	66	76	79	77	77			16	527
Blach Intermediate								258	247	18	523
Egan Intermediate								315	292	7	614
TOTAL	467	441	464	484	526	534	527	573	539	77	4,632
<i>SDC = Special Day Class students (multi-grade)</i>											

BLACH SCHOOL

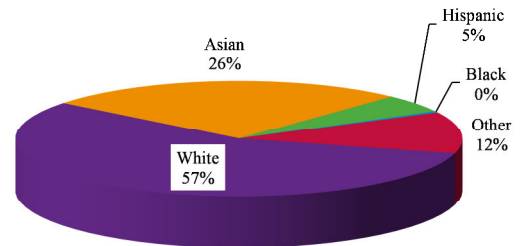
Blach School is located on the south side of the district. Students attending Blach feed into Mountain View High School (in Mountain View-Los Altos High School District). Demographic and performance data for the school are shown below. Budget information starts on the following page.

Blach School	
1120 Covington Road, Los Altos www.blachschool.org	Site Acreage: 17.71
Principal: Sandra McGonagle	Teachers - Regular: 20.9 FTE (Full Time Equivalents)
Grades Served: 7-8	Teachers - Other: 5.0 FTE
Enrollment: 523	Discretionary Allocation: \$60 per student
Awards: California Distinguished School	Building Square Footage: 64,784

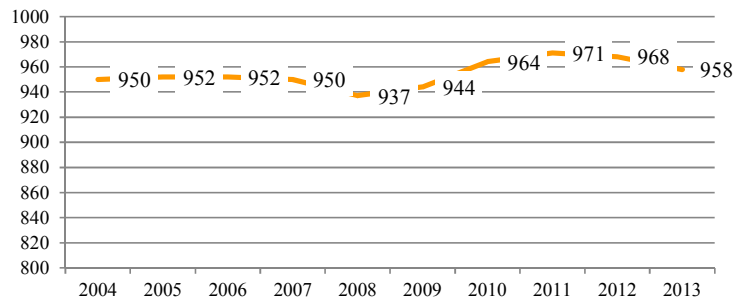
October Enrollment History: Blach



**Student Ethnicity
Blach School**



Blach School: API History



	Actuals 2010-11	Actuals 2011-12	Actuals 2012-13	Est. Actuals 2013-14	Adopted 2014-15	Budget FTE 2014-15
<u>1000 - Instruction</u>						
1 - Certificated Salaries	1,640,662	1,673,012	1,759,141	1,866,956	1,915,406	22.917
2 - Classified Salaries	1,215	1,195		2,100	100	
3 - Benefits	455,849	468,095	478,877	472,312	513,945	
4 - Supplies	109,254	93,505	129,723	57,321	25,414	
5 - Services	22,173	17,594	23,953	34,854	19,800	
6 - Capital			6,736	2,370	2,370	
1000 - Instruction	2,229,152	2,253,402	2,398,430	2,435,913	2,477,035	22.917
<u>1110 - Special Ed.: Separate Classes</u>						
1 - Certificated Salaries	87,187	115,578	125,058	130,836	132,993	1.600
2 - Classified Salaries	109,322	83,660	83,537	90,410	86,446	2.439
3 - Benefits	67,830	71,341	82,172	82,997	87,312	
1110 - Special Ed.: Separate Classes	264,339	270,579	290,767	304,243	306,751	4.039
<u>1120 - Special Ed.: Resources Specialist</u>						
1 - Certificated Salaries	105,884	122,307	167,716	119,771	121,209	1.400
2 - Classified Salaries	134,171	139,799	160,626	103,419	86,650	2.500
3 - Benefits	96,957	108,263	124,969	79,780	78,644	
1120 - Special Ed.: Resources Specialist	337,012	370,369	453,311	302,970	286,503	3.900
<u>1130 - Special Ed.: Supplemental Aids & Services</u>						
2 - Classified Salaries	28	28,264	38,969	87,698	83,856	1.688
3 - Benefits	7,413	12,895	23,435	48,077	50,089	
1130 - Special Ed.: Supplemental Aids & Services	7,440	41,159	62,403	135,775	133,945	1.688
<u>2420 - Instructional Library, Media, & Technology</u>						
2 - Classified Salaries	34,321	51,703	62,147	66,887	67,856	1.525
3 - Benefits	16,137	24,968	28,127	31,941	32,123	
6 - Capital				5,056	2,092	
2420 - Instructional Library, Media, & Technology	50,458	76,670	90,274	103,884	102,071	1.525
<u>2700 - School Administration</u>						
1 - Certificated Salaries	132,025	133,360	113,018	126,002	130,233	1.000
2 - Classified Salaries	63,481	63,954	66,573	65,260	69,882	1.500
3 - Benefits	63,228	65,298	62,786	64,697	69,766	
4 - Supplies				514	523	
5 - Services	1,800	1,800	1,650	1,650	1,650	
2700 - School Administration	260,533	264,412	244,027	258,123	272,054	2.500
<u>3110 - Guidance & Counseling Services</u>						
1 - Certificated Salaries	53,682	43,365	44,975	48,836	48,836	0.400
3 - Benefits	14,998	12,590	12,300	13,142	13,746	
3110 - Guidance & Counseling Services	68,680	55,956	57,275	61,978	62,582	0.400
<u>3120 - Psychological Services</u>						
1 - Certificated Salaries	53,682	43,365	44,975	48,836	48,836	0.400
3 - Benefits	14,998	12,590	12,300	13,142	13,746	
3120 - Psychological Services	68,680	55,956	57,275	61,978	62,582	0.400
<u>3900 - Other Pupil Services</u>						
1 - Certificated Salaries	6,338	8,600	8,175	6,500	6,500	
2 - Classified Salaries	2,336	2,347	2,428	2,377	2,276	0.094
3 - Benefits	2,304	2,703	2,653	5,225	5,393	
3900 - Other Pupil Services	10,978	13,650	13,256	14,102	14,169	0.094
<u>7700 - Data Processing Services</u>						
2 - Classified Salaries	31,992					
3 - Benefits	13,022	1,035				
7700 - Data Processing Services	45,014	1,035				
<u>8200 - Operations</u>						

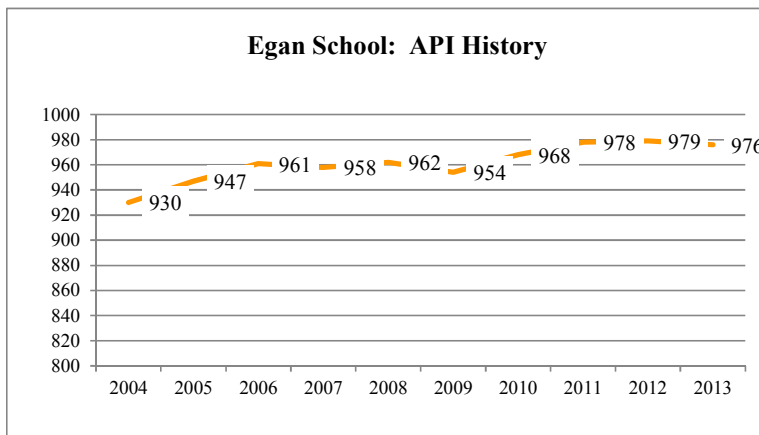
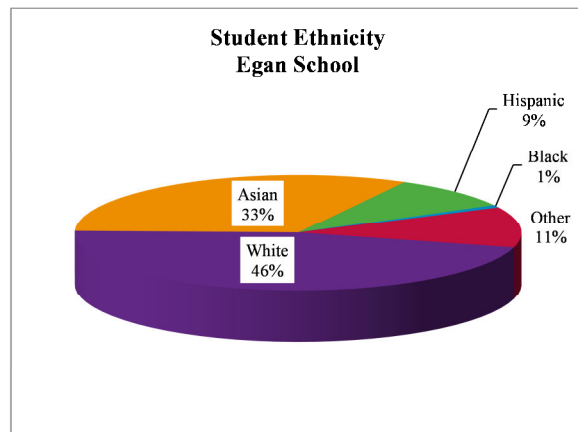
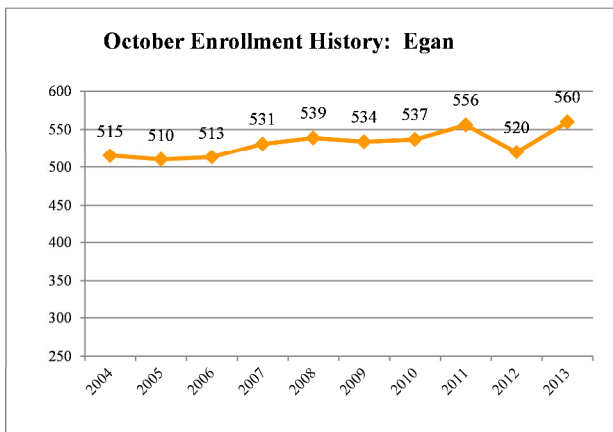
BLACH SCHOOL**Los Altos School District 2014-15 Budget**

	Actuals 2010-11	Actuals 2011-12	Actuals 2012-13	Est. Actuals 2013-14	Adopted 2014-15	Budget FTE 2014-15
2 - Classified Salaries	98,189	76,152	65,794	68,741	91,043	2.000
3 - Benefits	53,692	42,958	38,610	29,739	38,434	
4 - Supplies	2,898	3,774	7,717	6,168	6,276	
5 - Services	1,605	2,228	(412)	3,600	3,600	
8200 - Operations	156,385	125,113	111,709	108,248	139,353	2.000
<u>8500 - Facilities Acquisition & Construction</u>						
6 - Capital			7,145			
8500 - Facilities Acquisition & Construction			7,145			
Grand Total	3,498,672	3,528,300	3,785,874	3,787,214	3,857,045	39.462

EGAN SCHOOL

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. Budget information starts on the following page.

Egan School	
100 West Portola Avenue, Los Altos www.eganschool.org	Site Acreage: 18.83
Principal: Brenda Dyckman	Teachers - Regular: 23.3 FTE (Full Time Equivalents)
Grades Served: 7-8	Teachers - Other: 4.5 FTE
Enrollment: 614	Discretionary Allocation: \$60 per student
Awards: California Distinguished School	Building Square Footage: 68,128



	Actuals 2010-11	Actuals 2011-12	Actuals 2012-13	Est. Actuals 2013-14	Adopted 2014-15	Budget FTE 2014-15
<u>1000 - Instruction</u>						
1 - Certificated Salaries	1,947,198	1,883,694	1,968,533	2,078,267	2,072,494	25.817
2 - Classified Salaries	23,407	29,494	33,040	31,352	30,127	0.688
3 - Benefits	513,922	505,948	509,340	548,040	564,673	
4 - Supplies	121,515	113,556	188,037	82,943	26,902	
5 - Services	22,044	18,384	17,723	18,731	15,725	
6 - Capital	8,778			6,500	1,500	
1000 - Instruction	2,636,865	2,551,076	2,716,674	2,765,832	2,711,421	26.505
<u>1110 - Special Ed.: Separate Classes</u>						
1 - Certificated Salaries				55,607	55,675	1.000
2 - Classified Salaries				72,681	69,442	1.594
3 - Benefits				59,770	62,560	
1110 - Special Ed.: Separate Classes				188,058	187,677	2.594
<u>1120 - Special Ed.: Resources Specialist</u>						
1 - Certificated Salaries	58,486	65,747	74,403	81,339	82,963	1.000
2 - Classified Salaries	55,796	27,898	42,127	58,355	57,389	1.625
3 - Benefits	38,718	33,062	39,881	53,744	62,107	
1120 - Special Ed.: Resources Specialist	153,000	126,707	156,410	193,438	202,459	2.625
<u>1130 - Special Ed.: Supplemental Aids & Services</u>						
2 - Classified Salaries		2,566	2,833			
3 - Benefits		1,470	3,858			
1130 - Special Ed.: Supplemental Aids & Services		4,036	6,691			
<u>2420 - Instructional Library, Media, & Technology</u>						
2 - Classified Salaries	25,768	48,867	63,520	68,342	69,764	1.605
3 - Benefits	7,588	18,664	23,213	18,466	17,988	
4 - Supplies			28			
6 - Capital	1,697	2,219	2,207	2,212	2,456	
2420 - Instructional Library, Media, & Technology	35,053	69,750	88,967	89,020	90,208	1.605
<u>2700 - School Administration</u>						
1 - Certificated Salaries	131,525	137,360	137,360	144,242	144,242	1.000
2 - Classified Salaries	72,029	73,396	75,617	75,827	81,834	1.750
3 - Benefits	70,701	74,745	75,496	79,553	84,928	
4 - Supplies				553	614	
5 - Services	1,800	1,800	1,650	1,650	1,650	
2700 - School Administration	276,055	287,301	290,122	301,825	313,268	2.750
<u>3110 - Guidance & Counseling Services</u>						
1 - Certificated Salaries	52,932	42,784	21,283	41,184	43,033	0.400
3 - Benefits	10,617	9,401	7,501	11,860	13,616	
3110 - Guidance & Counseling Services	63,549	52,185	28,783	53,044	56,649	0.400
<u>3120 - Psychological Services</u>						
1 - Certificated Salaries	52,932	42,784	21,283	41,184	43,033	0.400
3 - Benefits	10,617	9,401	7,501	11,860	13,616	
3120 - Psychological Services	63,549	52,185	28,783	53,044	56,649	0.400
<u>3900 - Other Pupil Services</u>						
1 - Certificated Salaries	23,400	29,069	27,527	23,500	23,500	
2 - Classified Salaries	3,436					
3 - Benefits	3,059	4,168	3,659	2,103	2,204	
3900 - Other Pupil Services	29,895	33,237	31,185	25,603	25,704	
<u>7700 - Data Processing Services</u>						
2 - Classified Salaries	31,992					
3 - Benefits	13,025	1,035				
7700 - Data Processing Services	45,017	1,035				
<u>8200 - Operations</u>						

	Actuals 2010-11	Actuals 2011-12	Actuals 2012-13	Est. Actuals 2013-14	Adopted 2014-15	Budget FTE 2014-15
2 - Classified Salaries	98,429	76,522	58,381	79,039	99,205	2.000
3 - Benefits	59,238	47,474	32,945	34,407	48,036	
4 - Supplies	5,363	6,976	8,210	6,636	7,368	
5 - Services	944	1,952	1,704	3,600	3,600	
8200 - Operations	163,974	132,924	101,240	123,682	158,209	2.000
Grand Total	3,466,957	3,310,435	3,448,857	3,793,545	3,802,244	38.878

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 (38%) of our expenditures (\$19,597,810 out of \$52,068,086) 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	2014-15 Expenditures
School Programs	
Elementary	
Almond	3,441,783
Gardner Bullis	2,530,450
Covington	4,313,857
Loyola	3,702,154
Oak	3,093,823
Santa Rita	4,043,058
Springer	3,685,862
Intermediate	
Blach	3,857,045
Egan	3,802,244
Total, School Programs	32,470,276
District Programs	19,597,810
Grand Total	52,068,086

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 one psychologist 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 standardized tests.

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.

	Actuals 2010-11	Actuals 2011-12	Actuals 2012-13	Est. Actuals 2013-14	Adopted 2014-15	Budget FTE 2014-15
<u>1000 - Instruction</u>						
1 - Certificated Salaries	1,429,413	1,305,478	1,613,973	2,080,916	1,971,019	17.760
2 - Classified Salaries	195,013	108,668	67,092	60,172	13,458	0.100
3 - Benefits	896,969	853,046	858,483	934,271	966,235	
4 - Supplies	237,144	394,066	742,349	1,000,602	416,418	
5 - Services	154,726	164,977	55,509	386,189	108,751	
6 - Capital	15,172			5,968	5,968	
1000 - Instruction	2,928,437	2,826,236	3,337,406	4,468,119	3,481,849	17.860
<u>1110 - Special Ed.: Separate Classes</u>						
1 - Certificated Salaries	49,251	63,350	21,195	31,850	31,850	
2 - Classified Salaries	66,616	98,323	40,297	51,805	51,805	
3 - Benefits	22,211	32,258	9,077	15,788	15,788	
4 - Supplies	16,137	1,054	6,388	6,485	4,580	
5 - Services	21,252	11,700				
1110 - Special Ed.: Separate Classes	175,467	206,684	76,957	105,928	104,023	
<u>1120 - Special Ed.: Resources Specialist</u>						
1 - Certificated Salaries	37,759	67,109		408	408	
3 - Benefits	12,790	20,535	2,096			
4 - Supplies	1,279	1,934	8,014	8,489	1,489	
1120 - Special Ed.: Resources Specialist	51,829	89,578	10,110	8,897	1,897	
<u>1130 - Special Ed.: Supplemental Aids & Services</u>						
2 - Classified Salaries				928	928	
3 - Benefits	522			753	753	
4 - Supplies	6,935	3,907	5,251	11,500	11,500	
5 - Services	280,191	175,561	311,473	292,130	292,130	
6 - Capital	10,219	9,002		12,877	12,877	
1130 - Special Ed.: Supplemental Aids & Services	297,867	188,470	316,724	318,188	318,188	
<u>1180 - Special Ed.: Nonpublic Agencies/Schools</u>						
5 - Services	800,163	927,189	1,140,080	1,203,208	1,183,947	
1180 - Special Ed.: Nonpublic Agencies/Schools	800,163	927,189	1,140,080	1,203,208	1,183,947	
<u>1190 - Special Ed.: Other Specialized Instruction</u>						
2 - Classified Salaries	211,302	279,847	402,582	436,211	431,041	9.844
3 - Benefits	88,774	118,416	157,718	178,247	172,145	
1190 - Special Ed.: Other Specialized Instruction	300,076	398,263	560,299	614,458	603,186	9.844
<u>2100 - Supervision of Instruction</u>						
1 - Certificated Salaries	222,554	130,000	211,970	330,728	342,042	2.600
2 - Classified Salaries	322,545	379,466	401,653	355,449	366,299	5.875
3 - Benefits	161,373	149,214	160,788	160,891	171,565	
4 - Supplies	32,419	16,496	14,502	21,740	21,150	
5 - Services	51,098	62,608	71,508	62,547	62,547	
6 - Capital				1,500	1,500	
2100 - Supervision of Instruction	789,990	737,785	860,421	932,855	965,103	8.475
<u>2110 - Instructional Supervision</u>						
1 - Certificated Salaries	144,054	153,976	244,891	250,156	260,174	2.000
2 - Classified Salaries	76,347	78,912	85,293	91,560	91,560	1.000
3 - Benefits	117,247	114,266	129,946	121,922	124,321	
4 - Supplies	23,316	13,131	18,230	4,412	4,412	
5 - Services	3,135	1,560	32,920	34,256	34,256	
6 - Capital				1,500	1,500	
2110 - Instructional Supervision	364,100	361,844	511,280	503,806	516,223	3.000
<u>2120 - Instructional Research</u>						
4 - Supplies				1,000	1,000	
2120 - Instructional Research				1,000	1,000	
<u>2130 - Curriculum Development</u>						

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Los Altos School District 2014-15 Budget

	Actuals 2010-11	Actuals 2011-12	Actuals 2012-13	Est. Actuals 2013-14	Adopted 2014-15	Budget FTE 2014-15
1 - Certificated Salaries	400	620	227	196	196	
2 - Classified Salaries	1,382					
3 - Benefits	299					
5 - Services	285		2,122			
2130 - Curriculum Development	2,366	620	2,349	196	196	
<u>2140 - Instructional Staff Development</u>						
2 - Classified Salaries			873			
3 - Benefits			170			
4 - Supplies	1,028			2,500	2,500	
5 - Services		597		4,500	2,500	
2140 - Instructional Staff Development	1,028	597	1,043	7,000	5,000	
<u>2420 - Instructional Library, Media, & Technology</u>						
2 - Classified Salaries			18,712	16,065	17,265	0.250
3 - Benefits	3,824	4,055	8,423	12,487	14,660	
4 - Supplies			5,215	5,000	5,000	
5 - Services			2,578			
6 - Capital			54,302	32,500	32,500	
2420 - Instructional Library, Media, & Technology	3,824	4,055	89,230	66,052	69,425	0.250
<u>2700 - School Administration</u>						
1 - Certificated Salaries	16,054	14,400	7,103	14,228	4,200	
2 - Classified Salaries	15,589	22,887	30,830	25,316	25,316	
3 - Benefits	110,360	108,343	112,499	85,629	90,090	
5 - Services				10,000	10,000	
2700 - School Administration	142,003	145,630	150,431	135,173	129,606	
<u>3110 - Guidance & Counseling Services</u>						
5 - Services	22,990	17,555	45,000	46,125	47,509	
3110 - Guidance & Counseling Services	22,990	17,555	45,000	46,125	47,509	
<u>3120 - Psychological Services</u>						
1 - Certificated Salaries	382,683	386,792	412,005	134,110	130,657	1.400
3 - Benefits	86,457	90,850	133,586	37,611	40,563	
4 - Supplies			6,623	7,000	7,000	
5 - Services	1,250			375	375	
3120 - Psychological Services	470,389	477,642	552,215	179,096	178,595	1.400
<u>3140 - Health Services</u>						
1 - Certificated Salaries	81,865	115,324	155,324	174,910	178,811	2.000
2 - Classified Salaries	74,871	84,584	80,165	80,429	71,574	1.500
3 - Benefits	57,787	73,682	82,317	88,773	88,123	
4 - Supplies	5,500	7,921	6,893	11,000	11,000	
5 - Services	13,614	13,629	14,545	18,652	18,652	
6 - Capital				1,375	1,375	
3140 - Health Services	233,637	295,140	339,245	375,139	369,535	3.500
<u>3150 - Speech Pathology & Audiology Services</u>						
1 - Certificated Salaries	543,412	462,006	440,267	507,338	508,223	5.700
3 - Benefits	155,656	142,342	126,969	137,467	146,084	
4 - Supplies	1,125	674	9,798	7,500	7,500	
3150 - Speech Pathology & Audiology Services	700,193	605,022	577,033	652,305	661,807	5.700
<u>3160 - Pupil Testing</u>						
2 - Classified Salaries	4,822	4,052	4,861	8,806	8,806	
3 - Benefits	597	735	828	842	842	
4 - Supplies	2,736	2,123	6,827	4,000	4,000	
5 - Services	7,963					
3160 - Pupil Testing	16,117	6,911	12,516	13,648	13,648	
<u>3600 - Pupil Transportation</u>						
5 - Services	256,647	266,025	315,975	337,000	337,000	
3600 - Pupil Transportation	256,647	266,025	315,975	337,000	337,000	

	Actuals 2010-11	Actuals 2011-12	Actuals 2012-13	Est. Actuals 2013-14	Adopted 2014-15	Budget FTE 2014-15
<u>3700 - Food Services</u>						
4 - Supplies	110,694	5,842	55,541	73,608	100,000	
5 - Services	27	38	154			
3700 - Food Services	110,721	5,880	55,695	73,608	100,000	
<u>3900 - Other Pupil Services</u>						
1 - Certificated Salaries	36,083	50,998	42,873	65,000	65,000	
2 - Classified Salaries	10,684	15,108	11,911	17,042	15,178	0.650
3 - Benefits	96,959	128,070	66,634	209,673	203,327	
4 - Supplies				2,944	2,944	
5 - Services	19,188	19,710	28,849	53,000	53,000	
3900 - Other Pupil Services	162,913	213,886	150,266	347,659	339,449	0.650
<u>7110 - Board</u>						
2 - Classified Salaries	812	1,820	1,140	2,500	2,500	
3 - Benefits	116	192	114	266	266	
4 - Supplies	1,400	4,041	11,727	12,000	12,000	
5 - Services	435,729	653,012	1,773,435	1,847,723	1,882,723	
6 - Capital				1,500	1,500	
7110 - Board	438,056	659,065	1,786,416	1,863,989	1,898,989	
<u>7150 - Superintendent</u>						
1 - Certificated Salaries	214,922	208,678	191,889	220,662	220,662	1.000
2 - Classified Salaries	103,364	101,375	102,184	101,190	101,190	1.000
3 - Benefits	122,051	122,514	131,924	122,480	118,319	
4 - Supplies	19,187	20,272	28,680	26,500	20,000	
5 - Services	29,108	25,247	139,167	58,620	58,620	
6 - Capital				2,200	2,200	
7150 - Superintendent	488,633	478,086	593,844	531,652	520,991	2.000
<u>7180 - Public Information</u>						
4 - Supplies	3,185	3,259	16,436	12,180	12,180	
5 - Services	1,000	30,606	22,799	30,000	30,000	
7180 - Public Information	4,185	33,865	39,235	42,180	42,180	
<u>7191 - External Financial Audit</u>						
5 - Services	16,415	15,200	16,000	25,000	25,000	
7191 - External Financial Audit	16,415	15,200	16,000	25,000	25,000	
<u>7200 - Other General Administration</u>						
1 - Certificated Salaries	1,352	2,850				
3 - Benefits	46	124		8,588	9,037	
4 - Supplies				2,262		
5 - Services	853	3,080	3,987	4,300	4,300	
7200 - Other General Administration	2,252	6,054	3,987	15,150	13,337	
<u>7210 - General Administration Cost Transfers</u>						
7 - Other Outgo				(3,386)	(3,420)	
7210 - General Administration Cost Transfers				(3,386)	(3,420)	
<u>7300 - Fiscal Services</u>						
2 - Classified Salaries	596,486	598,384	636,372	661,916	646,845	6.000
3 - Benefits	261,826	284,046	248,399	265,559	278,692	
4 - Supplies	12,112	8,545	19,392	10,330	10,330	
5 - Services	65,759	94,508	92,730	159,277	159,277	
6 - Capital				9,500	9,500	
7300 - Fiscal Services	936,183	985,483	996,894	1,106,582	1,104,644	6.000
<u>7400 - Personnel or Human Resources Services</u>						
1 - Certificated Salaries				2,500		
2 - Classified Salaries	117,720	109,789	120,764	127,262	129,986	1.750
3 - Benefits	54,274	46,532	60,860	60,667	61,499	
4 - Supplies	1,769	1,654	1,392	2,000	2,000	

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Los Altos School District 2014-15 Budget

	Actuals 2010-11	Actuals 2011-12	Actuals 2012-13	Est. Actuals 2013-14	Adopted 2014-15	Budget FTE 2014-15
5 - Services	19,161	17,364	20,239	57,225	27,225	
6 - Capital		565		1,000	1,000	
7400 - Personnel or Human Resources Services	192,924	175,905	203,255	250,654	221,710	1.750
<u>7540 - Warehousing and Distribution</u>						
2 - Classified Salaries	56,698	55,632	58,386	60,276	60,276	1.000
3 - Benefits	43,808	46,156	47,480	48,197	50,832	
4 - Supplies	627	1,135	2,845	500	500	
5 - Services	2,115	253	256	2,500	2,500	
6 - Capital				21,000	1,000	
7540 - Warehousing and Distribution	103,247	103,176	108,967	132,473	115,108	1.000
<u>7550 - Printing, Publishing and Duplicating</u>						
3 - Benefits	4,392	4,556	4,255	3,919	4,125	
7550 - Printing, Publishing and Duplicating	4,392	4,556	4,255	3,919	4,125	
<u>7600 - All Other General Administration</u>						
5 - Services	193,800	174,832	149,574	215,924	254,438	
7600 - All Other General Administration	193,800	174,832	149,574	215,924	254,438	
<u>7700 - Data Processing Services</u>						
2 - Classified Salaries	168,427	170,151	220,271	251,159	254,657	3.000
3 - Benefits	61,125	62,530	77,036	83,596	87,401	
4 - Supplies	38,796	30,910	141,792	63,961	106,961	
5 - Services	118,219	139,546	137,651	165,539	245,539	
6 - Capital	13,247			17,000	14,000	
7700 - Data Processing Services	399,813	403,137	576,749	581,255	708,558	3.000
<u>8110 - Maintenance</u>						
2 - Classified Salaries	246,302	267,780	330,052	335,382	292,791	5.000
3 - Benefits	133,822	140,237	178,076	168,271	181,195	
4 - Supplies	208,613	159,492	171,302	211,229	211,229	
5 - Services	589,784	431,103	569,681	559,771	526,271	
6 - Capital	6,040		10,553	12,000	12,000	
8110 - Maintenance	1,184,561	998,612	1,259,665	1,286,653	1,223,486	5.000
<u>8200 - Operations</u>						
2 - Classified Salaries	342,684	291,144	315,659	341,166	338,390	3.729
3 - Benefits	157,112	158,202	164,144	167,432	183,931	
4 - Supplies	127,280	105,173	104,245	134,757	134,757	
5 - Services	1,286,195	1,290,300	1,319,910	1,388,433	1,434,505	
6 - Capital	25,926		152,942	26,875	26,875	
8200 - Operations	1,939,196	1,844,819	2,056,899	2,058,662	2,118,459	3.729
<u>8300 - Security</u>						
4 - Supplies				9,000	9,000	
5 - Services	39,164	19,667	23,383	25,100	25,100	
6 - Capital				500	500	
8300 - Security	39,164	19,667	23,383	34,600	34,600	
<u>8500 - Facilities Acquisition & Construction</u>						
6 - Capital			24,908	4,500	13,000	
8500 - Facilities Acquisition & Construction			24,908	4,500	13,000	
<u>8700 - Facilities Rents and Leases</u>						
5 - Services	38,154	38,154	41,333	38,154	38,154	
8700 - Facilities Rents and Leases	38,154	38,154	41,333	38,154	38,154	
<u>9100 - Debt Service</u>						
5 - Services	159,822	51,717	117,660	124,792	124,792	
7 - Other Outgo	332,803	332,803	332,803	332,803	332,803	
9100 - Debt Service	492,625	384,520	450,463	457,595	457,595	

Los Altos School District 2014-15 Budget

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	Actuals 2010-11	Actuals 2011-12	Actuals 2012-13	Est. Actuals 2013-14	Adopted 2014-15	Budget FTE 2014-15
<u>9200 - Transfer Between Agencies</u>						
7 - Other Outgo	3,340			35,160	29,924	
9200 - Transfer Between Agencies	3,340			35,160	29,924	
<u>9300 - Interfund Transfers</u>						
7 - Other Outgo	148,532	296,030	341,502	3,656,938	1,349,746	
9300 - Interfund Transfers	148,532	296,030	341,502	3,656,938	1,349,746	
Grand Total	14,456,230	14,396,171	17,781,602	22,727,113	19,597,810	73.158

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 has been to reduce annual operating costs for upkeep and repairs of buildings and grounds. With newly modernized facilities the district has significantly reduced its repair budget (by approximately \$175,000 per year) and extended the useful life of all building and grounds systems.

Phase 2 of the modernization program is not yet funded. The work involves replacing portable buildings with permanent ones and reconstructing libraries, multi-purpose buildings, and administration buildings on some of our campuses. Funding Phase 2 will require a second bond measure, which has yet to be scheduled. 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 also 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 2014-15	Total
Phase 1 Modernization								
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
sub-total	\$46,320,104	\$21,748,274	\$24,056,912	\$10,403,962	\$ -	\$13,952,815	\$ -	\$116,482,067
<i>* The first 3 projects were completed over a two-year period, from 2000-01 through 2001-02.</i>								
Phase 2 Modernization (\$60 million; est.)								<i>not yet funded</i>
Gardner Bullis field improvement (\$2 million; est.)								<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 2014–15 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 2014 summer.

- Field improvements at Blach, Egan, Gardner Bullis and Santa Rita Schools (Deferred Maintenance Fund; \$60,700);
- Paving repairs of walkways, play areas, and parking lots at various sites (Deferred Maintenance Fund; \$60,425)
- Installation of new portable classrooms and other buildings at various sites and for the Bullis Charter School (Capital Facilities Fund; \$609,708)
- New key/lock systems at multiple sites (Deferred Maintenance Fund; \$64,914)
- Roof and exterior repairs at Blach and Egan Schools (Deferred Maintenance Fund; \$33,150)
- New flooring and other interior repairs at various sites (Deferred Maintenance Fund; \$151,944)

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 repairing roofs and exterior areas prolongs the useful life of the building and reduces the need for costly repairs.

Installing new key/lock systems reduces the need for repairs and improves the security of the campuses, potentially avoiding costly theft and vandalism.

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 2014–15 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 both the Deferred Maintenance Fund and the Capital Facilities 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				
	2014/15	2015/16	2016/17	Funding Source
Sites				
Field Renovations	\$ 60,700	\$ 45,000	\$ 45,000	Deferred Maintenance Fund
Paving Repairs	\$ 60,425	\$ 50,000	\$ 50,000	Deferred Maintenance Fund
Portable Buildings	\$ 609,708	\$ 400,000	\$ 150,000	Capital Facilities Fund
Buildings				
Re-keying Campus	\$ 64,914	\$ -	\$ -	Deferred Maintenance Fund
Roof/Exterior Repairs	\$ 33,150	\$ 100,000	\$ 100,000	Deferred Maintenance Fund
Flooring/Interior Repairs	\$ 151,944	\$ 15,000	\$ 15,000	Deferred Maintenance Fund
Total	\$ 980,841	\$ 610,000	\$ 360,000	

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.

DEFERRED MAINTENANCE FUND Los Altos School District 2014-15 Budget

	Actuals 2010-11	Actuals 2011-12	Actuals 2012-13	Est. Actuals 2013-14	Adopted 2014-15	Budget FTE 2014-15
<u>8110 - Maintenance</u>						
2 - Classified Salaries	56,120	56,112				
3 - Benefits	32,349	33,572				
5 - Services	38,541	(13,793)	102,408	325,000	245,000	
8110 - Maintenance	127,011	75,890	102,408	325,000	245,000	
<u>8500 - Facilities Acquisition & Construction</u>						
6 - Capital	69,181	46,436	123,166	121,000	125,000	
8500 - Facilities Acquisition & Construction	69,181	46,436	123,166	121,000	125,000	
Grand Total	196,192	122,326	225,573	446,000	370,000	

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 represents 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.

SPECIAL RESERVE FUND**Los Altos School District 2014-15 Budget**

	Actuals 2010-11	Actuals 2011-12	Actuals 2012-13	Est. Actuals 2013-14	Adopted 2014-15	Budget FTE 2014-15
<u>0000 - Undesignated</u>						
8 - Revenue	4,893	11,634	10,636	13,000	30,000	
0000 - Undesignated	4,893	11,634	10,636	13,000	30,000	
<u>9300 - Interfund Transfers</u>						
8 - Revenue	1,215,930		433,251	2,710,564	258,372	
9300 - Interfund Transfers	1,215,930		433,251	2,710,564	258,372	
Grand Total	1,220,823	11,634	443,887	2,723,564	288,372	

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 the 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 provide monies for smaller future projects.

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.

BUILDING FUND**Los Altos School District 2014-15 Budget**

	Actuals 2010-11	Actuals 2011-12	Actuals 2012-13	Est. Actuals 2013-14	Adopted 2014-15	Budget FTE 2014-15
<u>8500 - Facilities Acquisition & Construction</u>						
4 - Supplies	23,936	23,900	13,969	1,000	1,000	
5 - Services	97,687	218,590	67,228	114,950	46,200	
6 - Capital	96,318	93,180	188,755	90,294		
8500 - Facilities Acquisition & Construction	217,941	335,671	269,953	206,244	47,200	
<u>8700 - Facilities Rents and Leases</u>						
5 - Services	547,390	229,117	252,318	216,956	216,956	
8700 - Facilities Rents and Leases	547,390	229,117	252,318	216,956	216,956	
<u>9300 - Interfund Transfers</u>						
7 - Other Outgo	197,000	230,000				
9300 - Interfund Transfers	197,000	230,000				
Grand Total	962,331	794,788	522,271	423,200	264,156	

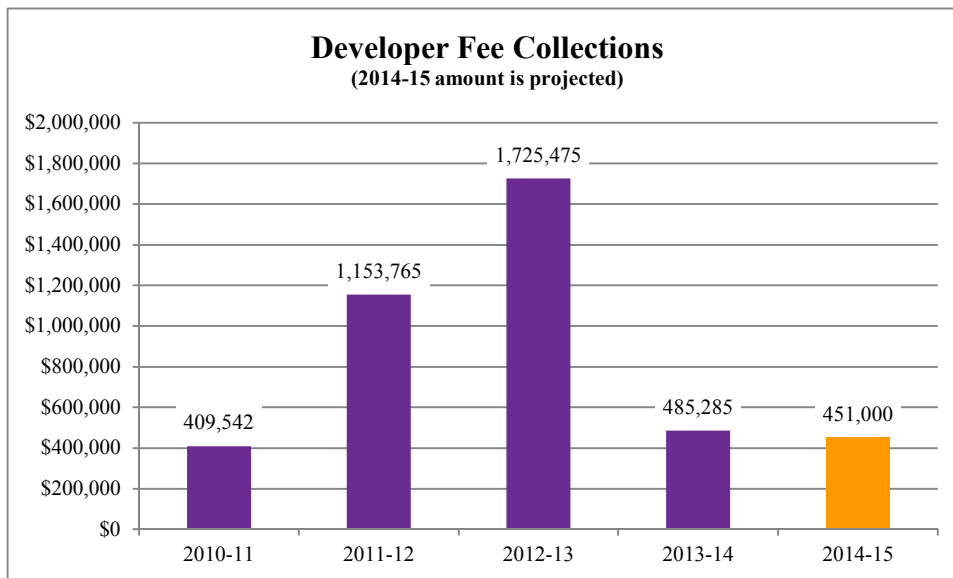
CAPITAL FACILITIES FUND

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 \$2.24 per square foot for residential and \$0.36 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. Since there are other projects in the pipeline it is possible that we would garner additional revenues in the budget year, beyond the level we show in our budget.



CAPITAL FACILITIES FUND**Los Altos School District 2014-15 Budget**

	Actuals 2010-11	Actuals 2011-12	Actuals 2012-13	Est. Actuals 2013-14	Adopted 2014-15	Budget FTE 2014-15
<u>8500 - Facilities Acquisition & Construction</u>						
4 - Supplies	42,438	64,557	70,415	94,047		
5 - Services	33,433	75,262	260,477	117,500		
6 - Capital	161,084	154,148	833,703	1,061,892	508,000	
8500 - Facilities Acquisition & Construction	236,954	293,967	1,164,595	1,273,439	508,000	
<u>8700 - Facilities Rents and Leases</u>						
5 - Services	100,279	479,499	614,272	810,619	689,641	
8700 - Facilities Rents and Leases	100,279	479,499	614,272	810,619	689,641	
Grand Total	337,234	773,466	1,778,867	2,084,058	1,197,641	

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 \$207.6 million. After issuing our second and third series of bonds and doing a refinancing in 2006 our total outstanding debt currently is \$77 million, \$130.6 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.

	2004-05	2005-06	2006-07	2007-08	2008-09
AV	9,827,090,970	10,794,004,114	11,727,024,593	12,607,097,537	13,627,085,860
Debt Limit (1.25% of AV)	122,838,637	134,925,051	146,587,807	157,588,719	170,338,573
Outstanding Debt	89,666,774	88,014,531	99,819,000	97,344,000	94,359,000
Debt Capacity	33,171,863	46,910,520	46,768,807	60,244,719	75,979,573
	2009-10	2010-11	2011-12	2012-13	2013-14
AV	14,177,125,914	14,015,681,413	14,466,276,540	15,205,649,537	16,606,089,859
Debt Limit (1.25% of AV)	177,214,074	175,196,018	180,828,457	190,070,619	207,576,123
Outstanding Debt	90,819,000	86,664,000	83,603,480	80,405,560	77,013,560
Debt Capacity	86,395,074	88,532,018	97,224,977	109,665,059	130,562,563
<i>District issued \$40 million of debt in February 1999.</i> <i>District issued \$46.7 million of debt in May 2001.</i> <i>District issued \$8 million of debt in October 2003.</i> <i>In June 2006 District refunded outstanding debt and issued new 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 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, 2014 ^(b)
10-Feb-99	Election of 1998, Series A ^(a)	\$40,000,000	8/1/2023	\$40,000,000	\$0
5-Jun-01	Election of 1998, Series B (CIBs) ^(a)	30,000,000	8/1/2019	30,000,000	0
5-Jun-01	Election of 1998, Series B (CABs) ^(a)	16,699,049	8/1/2025	16,699,049	0
7-Oct-03	Election of 1998, Series C ^(a)	8,000,000	8/1/2026	8,000,000	0
22-Jun-06	2006 GO Refunding Bonds (CIBs)	92,215,000	8/1/2023	0	74,075,000
22-Jun-06	2006 GO Refunding Bonds (CABs)	<u>8,854,000</u>	8/1/2015	<u>0</u>	<u>2,938,560</u>
		<u>\$195,768,049</u>		<u>\$94,699,049</u>	<u>\$77,013,560</u>
^(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.					
^(b) Amount outstanding for capital appreciation represents original denominational amount.					

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

Principal outstanding as of June 30 (after debt service payments)			
	2006 GO Refunding CIBs	2006 GO Refunding CABs	Combined
2014	74,075,000	2,938,560	77,013,560
2015	71,990,000	1,383,760	73,373,760
2016	69,410,000	0	69,410,000
2017	62,295,000	0	62,295,000
2018	54,435,000	0	54,435,000
2019	45,755,000	0	45,755,000
2020	36,185,000	0	36,185,000
2021	25,660,000	0	25,660,000
2022	14,115,000	0	14,115,000
2023	1,480,000	0	1,480,000
2024	0	0	0

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INFORMATIONAL SECTION



Preparing Students to Become Creative Problem-Solvers and Collaborative Learners

BUDGET CHANGES AND ASSUMPTIONS

The 2013–14 estimated actuals form the baseline for determining the 2014–15 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.

2014–15 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 7% since 2010–11 primarily as a result of property tax growth and recovery from the recession. Funding had declined in 2010–11 as a result of the economic downturn. Additionally, the transfer of property tax dollars to the charter school has 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. The district received one-time ARRA funds (Education Jobs Act) in 2010–11 to help provide financial stability during the recession.

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 the state provided \$900,000 in one-time monies for implementation of the new state Common Core standards.

Other Local Revenue. Revenues have varied depending on the amount of PTA contributions, one-time LAEF monies, and the overall impact of the economy. A second parcel tax generates an additional \$2.5 million starting in 2011–12.

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.

KEY 2014–15 BUDGET ASSUMPTIONS

Revenue Assumptions

- ♦ 2% enrollment growth (89 students)
- ♦ 7.5% property tax growth
- ♦ 5% increase in federal funding for special education
- ♦ A reduction in state funding as a result of the loss of one-time 2013–14 revenues
- ♦ Lottery projected at \$156 per ADA
- ♦ Parcel tax at \$790 per parcel nets \$10 million
- ♦ LAEF funding of \$3 million
- ♦ No change in interest earnings

Expenditure Assumptions

- ♦ \$485,000 for professional growth & longevity
- ♦ Additional certificated and classified staffing for enrollment growth, for moving from half-day to full-day kindergarten, and for implementation of two transitional kindergarten classes
- ♦ No across-the-board salary increases
- ♦ Health benefit rates projected to increase 10% in January 2015
- ♦ 5% inflation on “fixed cost” items
- ♦ Special education service contracts increased by 5%
- ♦ \$332,803 in debt service on capital leases
- ♦ Continued district funding deferred maintenance

2014–15 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. These increases were moderated for a couple years by staff reductions to deal with a decline in funding.

Employee Benefits. Costs for salary-related benefits have varied with changes in salary costs. Health benefit costs continue to rise disproportionately faster than the cost of other goods and services.

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.

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 also show a large increase in spending starting in 2012–13 on legal costs related to charter school litigation.

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 transfers to our Special Reserve Fund and to our capital funds. In 2010–11 we transferred \$1.2 million into our Special Reserve Fund, setting aside funds to meet future retiree health benefit obligations. In 2012–13 we transferred over \$500,000 to capital funds and a similar amount into the Special Reserve Fund. In 2013–14 we transferred an additional \$2.5 million into the Special Reserve Fund to comprise a reserve for economic uncertainties and approximately \$600,000 for future retiree health benefits. Additionally we transferred \$650,000 into capital funds to maintain positive cash balances. We anticipate the need to continue transferring monies into our capital funds in the budget year and perhaps beyond.

	2010-11 Actuals	2011-12 Actuals	% Change	2012-13 Actuals	% Change	2013-14 Est. Actuals	% Change	2014-15 Budget	% Change	Average % Change
ENROLLMENT	4,384	4,477	2%	4,495	0%	4,543	1%	4,632	2%	1%
REVENUES										
LCFF/Revenue Limit Sources	25,458,478	26,170,118	3%	28,210,728	8%	30,975,777	10%	32,947,361	6%	7%
Federal Revenue	1,783,741	1,005,829	-44%	1,051,413	5%	931,165	-11%	973,664	5%	-11%
Other State Revenue	2,115,088	1,638,884	-23%	1,648,022	1%	2,742,217	66%	1,110,500	-60%	-12%
Other Local Revenue	13,740,174	16,464,696	20%	17,921,186	9%	16,027,764	-11%	15,876,778	-1%	4%
GO Bonds/Transfers In From Other Funds										
TOTAL OPERATING REVENUE	43,097,481	45,279,527	5%	48,831,350	8%	50,676,922	4%	50,908,303	0%	5%
EXPENDITURES										
Certificated Salaries	19,854,449	19,793,946	0%	20,883,829	6%	23,175,062	11%	23,314,237	1%	4%
Classified Salaries	6,622,268	6,351,681	-4%	6,811,312	7%	7,119,120	5%	7,287,071	2%	3%
Employee Benefits	9,269,958	9,379,352	1%	9,476,020	1%	10,105,827	7%	10,803,882	7%	4%
Books & Supplies	1,626,460	1,745,635	7%	2,633,136	51%	2,126,663	-19%	1,586,442	-25%	-1%
Services & Other Operating Expenditures	4,820,861	4,839,063	0%	6,652,561	37%	7,436,723	12%	7,172,168	-4%	12%
Capital Outlay	213,346	155,749	-27%	349,555	124%	224,006	-36%	191,814	-14%	-3%
Other Expenses and Outgo	336,143	332,803	-1%	332,803		367,963	11%	362,727	-1%	2%
Transfers Out To Other Funds	1,364,462	296,030		1,670,233		3,656,938		1,349,746		
TOTAL OPERATING EXPENDITURES	44,107,947	42,894,259	-3%	48,809,448	14%	54,212,302	11%	52,068,086	-4%	5%
Revenues over (under) Expenditures	(1,010,466)	2,385,269		21,902		(3,535,380)		(1,159,783)		
Beginning Fund Balance	6,754,298	5,743,832	-15%	8,129,101	42%	8,151,002	0%	4,615,623	-43%	
Ending Fund Balance	5,743,832	8,129,101	42%	8,151,002	0%	4,615,623	-43%	3,455,840	-25%	

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 recovery from the recession. We expect a return to more normal growth in property values, which in turn increases property tax revenues year after year. We are projecting tax growth at 7.5% in the budget year and 5% in succeeding years. Current year tax revenues already are 9% over the prior year—with collections for the year not completed.

We purposely built up our reserves to withstand the downturn in the economy and now anticipate 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. Unless tax growth exceeds the 5% level—and there is reason to think it will since our historical average growth is over 6%—our multi-year projections show year-after-year spending more than we take in. Currently we are spending almost \$2 million on legal fees related to litigation with the charter school, which we have incorporated year after year in our forecast. Should that litigation cease or legal expenses decline, our projected spending would drop significantly.

Our biggest concern is the loss of \$2.5 million when our \$193 parcel tax expires in June 2017. Those revenues need to be replaced by either property tax growth well in excess of an average of 5% per year or by a replacement parcel tax. We will be keeping a close eye on property valuations and tax collections over the next several years.

REVENUES

Housing Turnover. Housing turnover has increased considerably in 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 on our demographer’s “medium-high” forecast, discussed in depth later in this section. We foresee continued enrollment growth over the next five years.

Property Taxes. We project a 7.5% growth in property tax collections for 2014–15 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 second parcel tax of \$193 enacted in 2011–12 for six years—terminating at the end of 2016–17.

Rental Income. Rental income is forecasted at \$390,000 in 2014–15, increasing annually by the local CPI increase.

EXPENDITURES

Enrollment. We project the need for up to nine additional teachers over the six year horizon due to projected enrollment growth. Class sizes in the forecast are expected to remain the same as in the current year.

Employee Compensation. Our forecast includes salary increases due to professional growth and longevity adjustments for eligible employees. These equate to a 1.6% increase in total annual compensation. There are no across-the-board salary increases built into the forecast. Statutory benefit rates are assumed to remain at the 2014–15 level. We have projected an annual 10% increase in health benefit costs. *Since both state retirement systems (STRS/PERS) have a significant unfunded liability it is expected that rate increases will be imposed on districts—although how soon and at what level is unknown.*

Charter School. We project an increase in charter school enrollment up to 763 students, all of whom are assumed to be in-district students. The projection is based on data from our demographer.

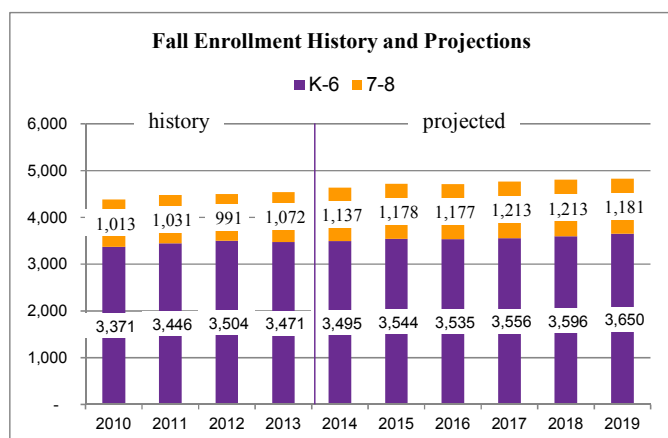
Other. All other educational and other programs are expected to remain at 2014–15 levels, with the exception of special education. We project a 5% annual increase in services to autistic students, which increases costs by an estimated \$100,000 annually starting in 2014–15. Our forecast includes 5% annual inflation on the cost of goods and contracted services.

Variables	2013-14	2014-15	2015-16	2016-17	2017-18	2018-19	2019-20
% Change in Prop Tax Collections	9.33%	7.50%	5.00%	5.00%	5.00%	5.00%	5.00%
Enrollment	4,543	4,632	4,722	4,711	4,769	4,809	4,831
In-district students @ charter school	583	645	689	719	733	753	763
Total Enrollment, LASD + BCS	5,126	5,277	5,411	5,430	5,502	5,562	5,594
Cost-of-Living Adjustment (COLA)	1.57%	0.85%	2.10%	2.30%	2.50%	2.60%	2.60%
Effective COLA (after deficit)	0.00%	0.85%	2.10%	2.30%	2.50%	2.60%	2.60%
Foundation Funding, base	2,450,000	2,500,000	2,500,000	2,500,000	2,500,000	2,500,000	2,500,000
Foundation Funding, one-time	750,000	500,000					
Parcel Tax	790	790	790	790	597	597	597
# of Schools	9	9	9	9	9	9	9
Class Size, K-3	22	22	22	22	22	22	22
Class Size, 4-6	26	26	26	26	26	26	26
Class Size, 7-8	26	26	26	26	26	26	26
Teachers, FTE	243	246	250	250	252	253	255
Raises (across-the-board)	4.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
Bonus (one-time)							
Cost of Step/Column Movement	404,749	483,684	490,010	490,010	493,173	494,754	497,917
Step/Col (converted to % salary inc.)	1.3%	1.6%	1.6%	1.6%	1.6%	1.6%	1.7%
Health Benefit rate increases	7.0%	10.0%	10.0%	10.0%	10.0%	10.0%	10.0%
Health Benefits (converted to % salary inc.)	1.0%	1.6%	1.8%	1.8%	2.0%	2.2%	2.4%
Total Comp (as % of salary)	6.4%	3.3%	3.4%	3.4%	3.7%	3.8%	4.1%
LCFF/Revenue Limit	27,107,323	29,871,137	31,010,030	31,617,878	32,748,036	33,822,619	33,863,600
Basic Aid Benefit	3,868,454	3,076,224	3,456,203	4,432,033	5,065,964	5,781,300	6,707,737
Federal Sources	931,165	973,664	994,111	1,016,975	1,042,400	1,068,460	1,095,171
Other State Sources	2,742,217	1,110,500	1,267,393	1,290,976	1,299,552	1,319,349	1,336,550
Other Local Sources	16,027,763	15,876,778	15,436,619	15,503,203	13,145,603	13,220,400	13,297,153
Total Revenues	50,676,922	50,908,303	52,164,356	53,861,065	53,301,555	55,212,128	56,300,212
Certificated Salaries	23,175,062	23,314,237	23,427,356	23,717,392	24,145,435	24,512,169	24,941,949
Classified Salaries	7,119,120	7,287,071	7,390,001	7,493,954	7,598,991	7,704,297	7,809,878
Employee Benefits	9,098,592	9,785,626	10,430,966	11,028,417	11,740,915	12,483,381	13,322,091
Retiree Benefits	1,007,235	1,018,256	1,061,532	1,106,647	1,153,679	1,202,711	1,253,826
Books & Supplies	2,126,663	1,586,442	1,633,625	1,662,256	1,709,922	1,753,819	1,794,750
Contract Services	7,436,723	7,172,168	7,315,322	7,477,313	7,656,644	7,834,097	8,016,197
Capital Outlay	224,006	191,814	197,109	203,006	209,541	216,066	222,758
Other	367,963	362,726	362,726	362,726	362,726	362,726	362,726
Transfers Out	3,656,938	1,349,746	552,448	508,285	457,703	406,753	355,446
Total Expenses	54,212,302	52,068,086	52,371,085	53,559,997	55,035,557	56,476,020	58,079,622
Net Change	(3,535,380)	(1,159,783)	(206,730)	301,069	(1,734,002)	(1,263,892)	(1,779,410)
Beginning Balance	8,151,003	4,615,623	3,455,840	3,249,110	3,550,179	1,816,177	552,286
Ending Balance	4,615,623	3,455,840	3,249,110	3,550,179	1,816,177	552,286	(1,227,124)
Encumbrances	5,000	5,000	5,000	5,000	5,000	5,000	5,000
OPEB Obligation	258,372	245,970	194,758	136,338	77,355	17,812	(37,665)
General Fund Reserves	4,352,251	3,204,870	3,049,352	3,408,841	1,733,823	529,473	(1,194,459)
Reserves, Special Reserve Fund	2,552,286	2,572,286	2,662,316	2,758,159	2,860,211	2,963,179	3,069,853
Total Reserves	6,904,537	5,777,156	5,711,668	6,167,000	4,594,034	3,492,652	1,875,394
% of Expense	12.74%	11.10%	10.91%	11.51%	8.35%	6.18%	3.23%
Required Reserves (3% of Expense)	1,626,369	1,562,043	1,571,133	1,606,800	1,651,067	1,694,281	1,742,389
Over/(Under) Requirement	5,278,168	4,215,114	4,140,536	4,560,200	2,942,967	1,798,372	133,005

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 has been steadily growing, from 4,036 students in fall 2005 to 4,632 projected for this coming fall. The average annual rate of growth has been 1.6%. 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. Current enrollment projections from the study are shown on the accompanying chart.

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

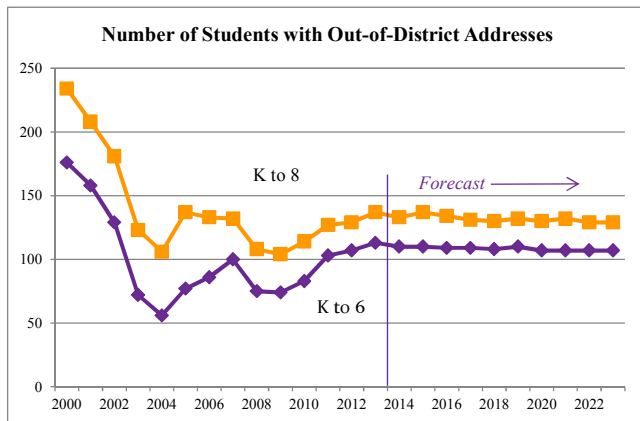
Methodology. The enrollment forecasts were produced using the standard demographic method for forecasting populations, the “cohort survival” technique. This method advances the current student body one grade for each year of the forecast period. One year’s kindergarten students become the next year’s 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-high 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 most 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.

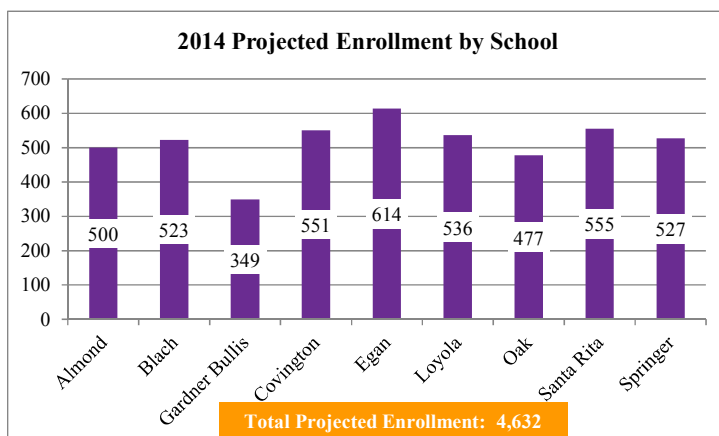
Inter-district Transfer Students. Because the number of inter-district transfer students (IDTs) is controlled by district policy, it does not reflect the district’s demographic trends. With the district in “community funded” status, where its revenue is no longer dependent on student enrollment, we continue to limit the number of inter-district transfers. The forecast assumes a total of 130 district-wide inter-district transfers each year. 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.

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 4,632 students in Fall 2014 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										
	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019
Kindergarten	481	463	433	455	472	450	450	450	450	450
Grade 1	476	497	486	448	446	506	475	483	483	483
Grade 2	483	495	510	471	468	471	526	502	510	510
Grade 3	509	495	514	511	496	486	482	546	521	529
Grade 4	484	510	504	529	534	518	501	503	570	544
Grade 5	486	505	533	526	541	558	535	523	525	595
Grade 6	452	481	524	531	538	555	566	549	537	539
Grade 7	538	494	501	548	586	580	591	610	591	578
Grade 8	475	537	490	524	551	598	586	603	622	603
K-6	3,371	3,446	3,504	3,471	3,495	3,544	3,535	3,556	3,596	3,650
7-8	1,013	1,031	991	1,072	1,137	1,178	1,177	1,213	1,213	1,181
Total	4,384	4,477	4,495	4,543	4,632	4,722	4,712	4,769	4,809	4,831



CLASSROOM TEACHERS

The cost of classroom teachers is the single largest component of our expenditure plan, for obvious reasons. 48% of our budget goes toward teacher salaries and benefits. We have 172 elementary school teachers, 54 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 22:1 for K–3, 26:1 for Grades 4–6, and 26:1 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 2014–15 is \$78,064. The average age of our teaching staff is 44 years. 73% of our teachers have taught in the district for six or more years. 97% 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.

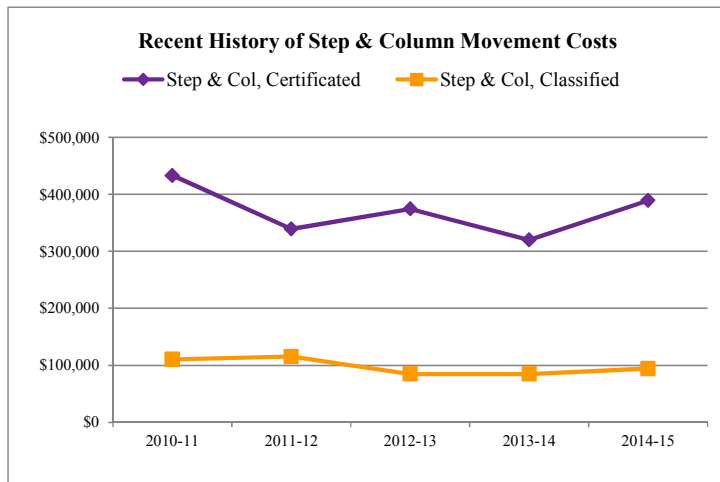
TEACHING STAFF DEMOGRAPHICS

Ave Age	44	
Ave Years Teaching in District	10	
Ave Total Years Teaching	14	
<u>Teaching Experience</u>		
1st Yr	11 teachers	
2nd Yr	10 teachers	
3–5 Yrs	43 teachers	
6 + Yrs	183 teachers	
Male	22	
Female	<u>228</u>	
	250	
<u>Ethnicity</u>		
White	214	(88%)
All Other	<u>36</u>	(12%)
	250	
<u>Highest Education Level Attained</u>		
Masters or greater	141	
Teachers with CLAD Credentials	242	

	Beginning Teacher Salary	Average Salary	Salary at 10 Years	Highest Teacher Salary
Los Altos School District	\$46,042	\$74,251	\$71,108	\$89,102
Rank in County (Out of 17 Elem Dists reporting)	11	4	9	8
Ave Elementary District, County	\$47,028	\$70,754	\$71,091	\$89,204
Ave All Districts, State	\$40,329	\$69,435	\$59,804	\$79,279
<i>All data is from 2012–13.</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. The entry level salary is \$47,884, while the highest salary on the schedule is \$92,666. 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 2014–15 is estimated at \$390,000, which is a 1.6% 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 262 FTE certificated employees and 138 FTE classified employees. We also employ 27 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 2014–15 rates for these benefits add up to 11.4% of payroll for certificated employees and 21.1% of payroll for classified (non-certificated) employees. Rates for these statutory benefits are projected to be the same as in the current year, except for a slight increase in PERS and workers compensation insurance rates.

	Certificated	Classified	Total
State Retirement Programs (STRS, PERS)	1,899,502	911,223	2,810,725
Social Security	40,694	416,091	456,785
Medicare	335,893	103,799	439,692
Unemployment Insurance	13,336	4,753	18,089
Workers Compensation Insurance	387,224	118,689	505,913
Subtotal, Statutory Benefits	2,676,649	1,554,555	4,231,204
Health & Welfare			
Medical Insurance			
Active Employees	3,215,136	1,551,874	4,767,010
Retired Employees	767,260	206,230	973,490
Subtotal, Medical	3,982,396	1,758,104	5,740,500
Dental Insurance			
Active Employees	375,663	158,331	533,994
Retired Employees	30,473	14,292	44,765
Subtotal, Dental	406,136	172,623	578,759
Life Insurance	11,072	5,924	16,996
Disability Insurance	69,575	49,298	118,873
Total, Health & Welfare	4,469,179	1,985,949	6,455,128
Other (TSA)		7,516	7,516
Other (Medical Opt-Out)	108,784	1,250	110,034
Grand Total	7,254,612	3,549,270	10,803,882

21.3% 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 \$5.4 million in total for 2014–15. In addition, the district is paying approximately \$1,018,000 for retiree health benefits. The budget year cost of health and welfare benefits is expected to be 10% higher than in the current year due to premium increases that take effect mid-year (January 2015).

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 ten 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.

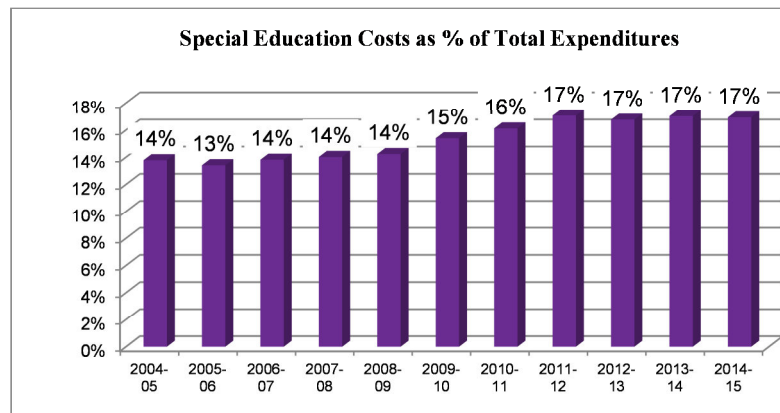
RETIREE BENEFITS

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 \$20.3 million. The district's unfunded liability is \$17 million, roughly 84% 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. 10% 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

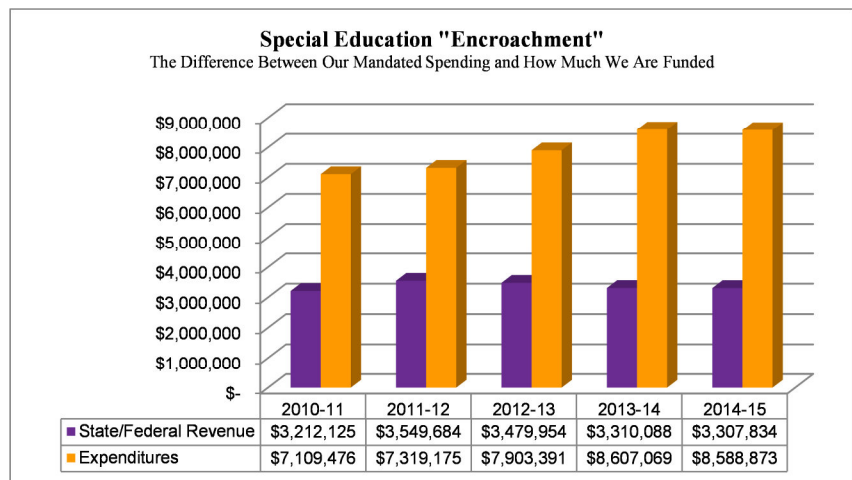


administrators try to find the most efficient way to deliver services. For the budget year we expect to spend \$8.6 million, 17% of our total expenditures. We get funding from the state and federal government that covers 39% of this total. The district contributes \$5.3 million or 61% of the total cost of our special education program. A recent history of costs and outside funding sources is shown in the accompanying table.

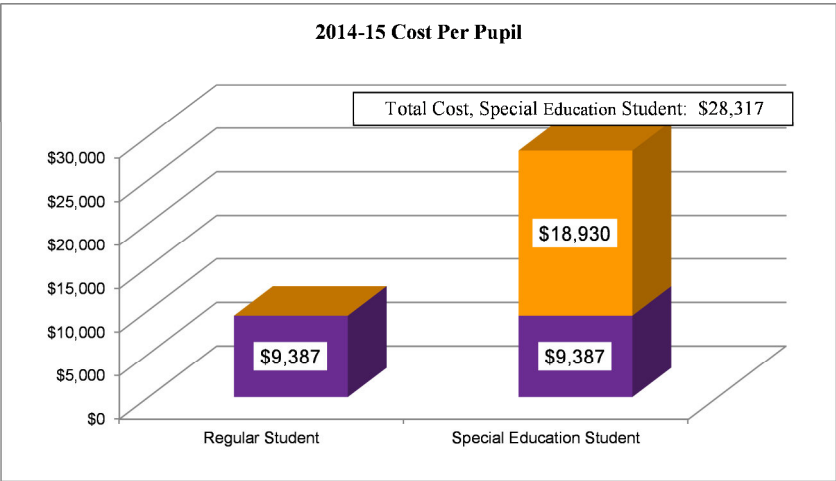
Special education costs are rising faster than other areas of the budget—

increasing by 21% from five years ago while total spending has increased by 18%. 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 \$11,241 per student in 2014–15. This figure is determined simply by dividing the total expenditures budgeted (\$52,068,086) by the total number of students (4,632). The average cost of regular education, defined as being non-special education costs, is \$9,387 per pupil. The cost of special education services alone is \$18,930 per special education student. Thus the total cost of



educating our special education students averages \$28,317 per pupil, the sum of the average per-pupil cost of regular education 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 250 FTE teachers employed for 2014–15, the district is allowed up to 22 administrators. The district is employing 12.6 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	.375 FTE per school (small school) .500 FTE per school (medium school) .625 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 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)					
	2010-11	2011-12	2012-13	2013-14	2014-15
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	1.00	1.00
Program Coordinator	0.00	0.00	1.00	1.60	1.60
Principal	9.00	9.00	9.00	9.00	9.00
Teacher, Classroom	201.13	198.78	206.05	218.86	224.99
Teacher, Support	0.82	0.32	0.32	0.70	0.70
Teacher, Special Education	20.30	22.60	22.80	22.60	22.60
Teacher, Bilingual	1.67	1.00	1.00	1.00	1.50
Program Specialist (Spec Ed)	1.00	0.00	0.80	1.00	1.00
Guidance/Counseling	1.00	0.80	0.80	0.80	0.80
Psychologist	6.20	5.40	6.20	9.80	10.00
Nurse	1.00	1.50	2.00	2.00	2.00
Behavior Specialists	2.10	2.42	3.00	2.00	2.00
Instructional Assistant	85.05	76.35	82.81	81.53	84.22
Computer Networking	2.00	2.00	2.00	2.00	2.00
Art Docent Coordinator	0.63	0.70	0.70	0.70	0.70
Secretary/Clerical/Office	27.82	27.48	29.33	31.66	36.75
Printing Technician	0.00	0.00	0.00	0.00	0.00
Custodian	15.50	14.00	14.00	14.00	15.00
Warehouseman	1.00	1.00	1.00	1.00	1.00
Maintenance	4.50	4.50	4.50	5.00	5.00
Grounds	2.00	1.50	1.50	1.50	2.00
Total	386.72	373.35	392.81	410.75	426.86

	2005-06	2006-07	2007-08	2008-09	2009-10
Student Enrollment:	4,036	4,158	4,265	4,245	4,287
Number of Teachers (FTE):	216	223	229	232	224
Student-Teacher Ratio:	18.72	18.67	18.62	18.33	19.12
	2010-11	2011-12	2012-13	2013-14	2014-15
Student Enrollment:	4,384	4,477	4,495	4,543	4,632
Number of Teachers (FTE):	224	223	230	243	250
Student-Teacher Ratio:	19.58	20.10	19.53	18.68	18.54

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.

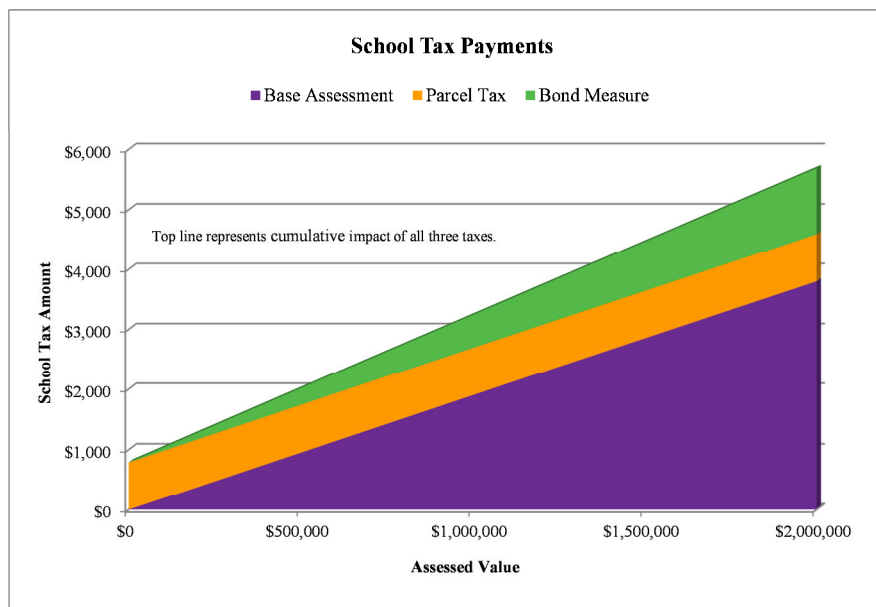
Parcel Tax. In 1989 voters in the district passed a parcel tax measure (Measure A) to support our educational program. A parcel tax is a fixed dollar assessment per parcel for all parcels of property within the district boundaries. The 1989 tax assessment was \$168 per parcel. In 1997 voters approved 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). Starting in 2011–12 taxpayers are paying an additional \$193 per parcel as a result of a recent tax election—but only for six years.

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.

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.

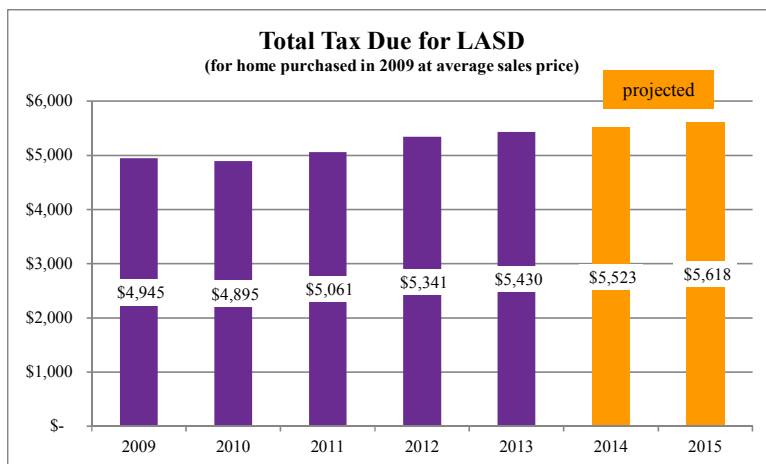
The table below shows the tax burden on an “average” homeowner in Los Altos. The data assumes that the homeowner bought his house in 2009 for \$1,769,537 (the average price of a home in that year). The increase/decrease in market value



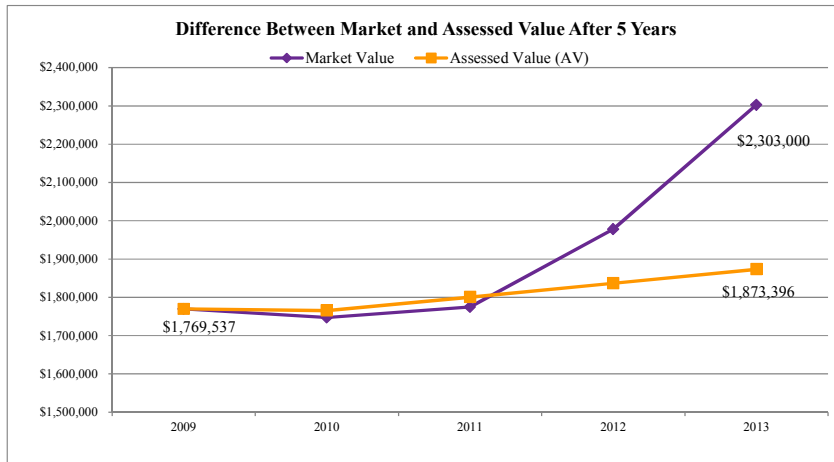
reflects the increase/decrease in the average price of a home. As discussed earlier, the assessed value equals the market value at the time a property is sold but can increase no more than 2% per year until it is sold again. [AV actually decreased in 2010 by 0.24%, the only decrease in AV in recent history.] 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 2013 would pay.

	2009	2010	2011	2012	2013
Market Value	\$ 1,769,537	\$ 1,747,273	\$ 1,774,604	\$ 1,978,352	\$ 2,303,000
Assessed Value (AV)	\$ 1,769,537	\$ 1,765,343	\$ 1,800,650	\$ 1,836,663	\$ 1,873,396
% Change in AV		-0.24%	2.00%	2.00%	2.00%
Property Tax Rate	0.1931%	0.1896%	0.1879%	0.1883%	0.1898%
Tax Due for LASD	\$ 3,418	\$ 3,347	\$ 3,384	\$ 3,458	\$ 3,556
LASD Bond Tax Rate	0.0526%	0.0539%	0.0600%	0.0595%	0.0579%
Tax Due for LASD	\$ 931	\$ 952	\$ 1,080	\$ 1,093	\$ 1,085
LASD Parcel Tax	\$ 597	\$ 597	\$ 597	\$ 790	\$ 790
Total Tax Due for LASD	\$ 4,945	\$ 4,895	\$ 5,061	\$ 5,341	\$ 5,430
% Change in Tax Due		-1.02%	3.40%	5.53%	1.67%
<i>Tax, if property sold in 2013</i>					\$ 6,495

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 2009. It includes the actual taxes due to the district for five years as well as projected tax levels for the upcoming two years.



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, while we are a basic aid district, 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 2013–14 was \$16.6 billion. Our legal debt limit is \$207.6 million, against which we have \$77 million outstanding for a balance of \$130.6 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
2004/05	9,686,675,296	112,116	140,303,558	9,827,090,970	7.03%	18,968,055	0.1930	7.42%
2005/06	10,660,794,060	104,577	133,105,477	10,794,004,114	9.84%	20,310,657	0.1882	7.08%
2006/07	11,602,754,824	85,982	124,183,787	11,727,024,593	8.64%	22,317,307	0.1903	9.88%
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	16,465,127,341	0	140,962,518	16,606,089,859	9.21%	31,547,000	0.1900	9.33%
2014/15	17,700,011,892	0	151,534,707	17,851,546,599	7.50%	33,912,975	0.1900	7.50%
2015/16	18,585,012,486	0	159,111,442	18,744,123,929	5.00%	35,608,624	0.1900	5.00%
2016/17	19,514,263,111	0	167,067,014	19,681,330,125	5.00%	37,389,055	0.1900	5.00%
Note: 2013-14 tax collection total is an estimated amount. Data for FY2014/15 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, FAX machines and a postage machine. Lease payments on the various machines are shown below.

Office Equipment	Number	Annual Costs	Expiration Dates
Photocopy Machines	26	\$110,114	June 2013 -Sep 2018
Photocopy/FAX Machines	3	\$1,298	September 2016
Postage Machines	1	\$4,548	June 2017
Total Cost for Leases		\$115,960	

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	9	\$ 57,762	Capital Facilities Fund
Gardner Bullis	14	\$ 126,012	Capital Facilities Fund
Covington/DO	7	\$ 54,948	Capital Facilities Fund
		\$ 9,402	Building Fund
Egan	5	\$ 51,595	Capital Facilities Fund
Loyola	10	\$ 73,869	Capital Facilities Fund
Oak	8	\$ 68,952	Capital Facilities Fund
Santa Rita	11	\$ 82,515	Capital Facilities Fund
Springer	6	\$ 46,570	Capital Facilities Fund
Stepping Stones	4	\$ 38,154	General Fund
BCS	43	\$ 207,456	Building Fund
		\$ 151,575	Capital Facilities Fund
Total	117	\$ 968,810	

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. Our outstanding debt as of June 30, 2014 is \$77 million, which is 37% of our legal debt limit of \$207.6 million. The debt service on our outstanding debt amounts to \$102.9 million and will be paid off by June 30, 2023. 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).

Los Altos School District 2014–15 Budget

Bond Amortization Schedule									
2006 General Obligation Refunding Bonds									
Fiscal	Current Interest Bonds (CIBs)			Capital Appreciation Bonds (CABs)			Combined		
Year	Principal	Interest	Total	Principal	Interest	Total	Principal	Interest	Grand Total
2014	2,085,000	3,608,675	5,693,675	1,554,800	2,445,200	4,000,000	3,639,800	6,053,875	9,693,675
2015	2,580,000	3,492,050	6,072,050	1,383,760	2,616,240	4,000,000	3,963,760	6,108,290	10,072,050
2016	7,115,000	3,264,900	10,379,900				7,115,000	3,264,900	10,379,900
2017	7,860,000	2,912,000	10,772,000				7,860,000	2,912,000	10,772,000
2018	8,680,000	2,504,750	11,184,750				8,680,000	2,504,750	11,184,750
2019	9,570,000	2,048,500	11,618,500				9,570,000	2,048,500	11,618,500
2020	10,525,000	1,546,125	12,071,125				10,525,000	1,546,125	12,071,125
2021	11,545,000	994,375	12,539,375				11,545,000	994,375	12,539,375
2022	12,635,000	389,875	13,024,875				12,635,000	389,875	13,024,875
2023	1,480,000	37,000	1,517,000				1,480,000	37,000	1,517,000
	74,075,000	20,798,250	94,873,250	2,938,560	5,061,440	8,000,000	77,013,560	25,859,690	102,873,250

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.

FY	Debt Service Capital Leases			Debt Service General Obligation Bonds			Combined Debt Service Capital Leases & General Obligation Bonds		
	Principal	Interest	Total	Principal	Interest	Total	Principal	Interest	Total
2014	166,261	166,542	332,803	3,639,800	6,053,875	9,693,675	3,806,061	6,220,417	10,026,478
2015	174,286	158,517	332,803	3,963,760	6,108,290	10,072,050	4,138,046	6,266,807	10,404,853
2016	182,698	150,104	332,803	7,115,000	3,264,900	10,379,900	7,297,698	3,415,004	10,712,703
2017	191,516	141,286	332,803	7,860,000	2,912,000	10,772,000	8,051,516	3,053,286	11,104,803
2018	200,761	132,042	332,803	8,680,000	2,504,750	11,184,750	8,880,761	2,636,792	11,517,553
2019	210,451	122,352	332,803	9,570,000	2,048,500	11,618,500	9,780,451	2,170,852	11,951,303
2020	220,609	112,194	332,803	10,525,000	1,546,125	12,071,125	10,745,609	1,658,319	12,403,928
2021	231,257	101,546	332,803	11,545,000	994,375	12,539,375	11,776,257	1,095,921	12,872,178
2022	242,419	90,383	332,803	12,635,000	389,875	13,024,875	12,877,419	480,258	13,357,678
2023	254,120	78,682	332,803	1,480,000	37,000	1,517,000	1,734,120	115,682	1,849,803
2024	266,386	66,416	332,803				266,386	66,416	332,803
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
	3,531,617	1,452,651	4,984,268	77,013,560	25,859,690	102,873,250	80,545,177	27,312,341	107,857,518

Compensated Absences. As of June 30, 2014 the district anticipates having \$338,915 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

The district has an unfunded liability for retiree medical benefits. In 2014–15 the estimated cost of providing retiree medical benefits is \$1,018,000. An actuarial study of the district's liability was completed in July 2013. The study indicates that the district's unfunded liability is \$17 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. Most K–6 children work within self-contained classrooms—each taught by one teacher and supported English Language Learner (ELL) personnel and special education teachers. 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.

Language Arts/Reading. Reading, writing, listening, and speaking are at the core of the Language Arts and Reading 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. Writing assessments are administered at the beginning of each school to give teachers a baseline to inform instruction. The students follow up with two more writing samples (in January and May) to continue to inform instruction and to gauge student improvement throughout the school year.

Grades 6, 7 and 8 use the Holt Literature series. Focus is placed on vocabulary, reading comprehension and literary response and analysis. Writing strategies focus on clear, coherent and focused essays per the California state standards. Students will continue to work on evaluation and revision in essays.

Mathematics. Math instruction is scheduled during one specific school hour each day at all K–6 sites. Qualified students complete pre-algebra in grade 6. Intermediate grade students complete algebra as they exit the eighth grade. Fourth through eighth graders participate in the Math Olympiad competition. Some students participate in the Johns Hopkins Talent Search. Differentiated math instruction strikes a balance between skill development and mastery of major math concepts. In-service opportunities for teachers teach how to move children from basic to advanced levels, while all district children are taught program based on state standards. Strands from the standards are supported with manipulative materials and math tools.

The district uses Khan Academy (www.khanacademy.org) as an instructional tool in mathematics to differentiate instruction for students. The Khan Academy is a non-profit organization with the mission of providing a world-class education to anyone, anywhere. It currently consists of over 1800 videos covering content in math and science. The content is presented in digestible 10-15 minute video segments especially created to view on a computer. There are also practice exercises that go along with each concept and tutorial. This program has drawn national attention and has been featured on an episode of the “60 Minutes” TV show.

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

We are continuing to use Khan Academy in math classes to provide differentiated instruction for our students. Our pilot program using Khan Academy was featured on “60 Minutes.”

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, Los Altos 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. In grade 6 students make use of the Prentice Hall science program that continues through the 8th grade. The Los Altos Educational Foundation has funded a science aide at each of the elementary schools. All teachers are invited to receive in-service training on the science kits, leadership training, summer institute training, and case study work. All schools have matched their programs to State science standards. 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. Most of the schools hold yearly science fairs. Teacher-made tests, observation scales, and science portfolios are used for student/program evaluation.

Computer Science. LASD’s cSTEM program for 6th grade will bring 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 will learn the critical digital age skill of computational thinking through computer programming.

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

STEM Teachers

(excerpted from *Los Altos Town Crier* article, Oct 9 2013)

Thanks to funding from the Los Altos Educational Foundation, the district in 2013–14 added a Science, Technology, Engineering and Mathematics (STEM) teacher for each elementary school. Content and classroom-to-classroom needs drive the program, still in its infant stages. The focus of the STEM teachers in its first year was to assist in physical science instruction, introduce computational-thinking activities and host Making/Tinkering lunch clubs.

“The idea (going forward) is to have a STEM teacher who is really helping in a co-teaching situation to provide cross-disciplinary lessons where students have to use design challenges to solve real-world problems using science, technology, engineering and math,” said Alyssa Gallagher, district director of strategic initiatives and community partnerships.

Kindergartners through second-graders use Bee-Bot robots and iPad applications as the basis for their computational thinking. Third- and fourth-graders use LEGO WeDo, a more advanced robotics tool, and scratch programming to advance toward 3D design in fifth grade and computer science in sixth grade. “It is really like learning a foreign language,” Gallagher said. “Programming is essentially learning to think in logical patterns – it is teaching students how to use language and technology to create.”

The STEM teachers have expressed excitement to be a part of the program. “It is a lot of hands-on learning,” said Grace Choi, STEM teacher at Loyola School. “It is teaching concepts through different means and materials. Parents and teachers are excited, and I feel so blessed to be on this bandwagon and enjoying the ride.”

Many students attend the weekly Making/Tinkering clubs at each campus, and it’s not uncommon to hear them telling their parents what they did during lunch as they leave school, said Amy Shelley, STEM teacher at Gardner Bullis School.

“When I see the students walking home from school, if they have been to the lab that day, they talk about what they are doing and how excited they are,” she said.

STEM Teachers (cont.)

According to Shelley, the lunch sessions are the ideal place for students to attempt challenging activities without fear of failure.

“I think kids need to be able to learn how to problem solve,” she said. “To be given a challenge and sometimes fail but find a better solution because of that failure – that is what engineering is. It is less about memorization and reading (and more about) analyzing, touching, feeling, exploring and finding the answers for themselves.”

The STEM teachers also contribute to the science curriculum by supplementing each classroom teacher’s physical science instruction. The goal is for classroom and STEM teachers to collaborate to add experiments beyond the previous offerings, said Karen Wilson, STEM coach for the school district.

The STEM enhancements meet the new Common Core State Standards and Next Generation Science Standards, recently adopted by the California Department of Education. “We want to help students begin to make cross-curricular connections,” Gallagher said. “It is not about learning an isolated programming skill; it’s about integrating it into what they are already learning.”

One example of that is seeing younger students use their Bee-Bot robots on a map, incorporating geography in their programming lessons.

Both Wilson and Gallagher stressed that the program is a work in progress, but added that they are excited to be on the cutting edge of delivering STEM to students. They have been asked to discuss the district’s STEM program at a statewide conference.

“When they sent someone to the moon, they didn’t know how they were going to get to the moon, but they said they were going to do it anyway,” Gallagher said. “That is sort of our mantra. We don’t have all the details that our STEM program entails yet, but we know that it is important for kids to have a STEM program.”

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 primary grade children one day per week and all grade 4–6 children two days per week. Classroom teachers provide other physical education lessons. The Los Altos Junior Olympics, held each April, is a culmination event 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 and sixth graders complete one vocal lesson and two instrumental (small group and either band or orchestra) lessons each week. 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: Mexican Folk Art (grade 2), Owl Masks (Kindergarten), Printmaking (grade 3), and Creatures of the Tidal Zone (grade 6).

STUDENT ACHIEVEMENT

Student achievement tests have been given every spring through 2013 to public school students in California. Our students have performed exceptionally well on these standardized tests. Our outstanding test results are reflected in the performance rankings of schools done by the California Department of Education. As noted earlier the standardized tests (except for Science) have been suspended for 2014 as the state moves into a new assessment system aligned with the new Common Core State Standards.

API

In October the State Department of Education released the 2013 report of the Academic Performance Index (API), which ranks all public schools in California. The 2013 API is based on a school's performance on the spring 2013 California Standards Tests, exams annually given to students in grades 2 through 11.

Each school in California received an index number between 200 and 1,000, with 1,000 being the highest possible score. Up through 2012, the index number in turn was 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 being the lowest. Index scores also were broken down into deciles among schools that are similar. Factors that indicate a similarity are parents' level of education and class size.

The district 2013 API ranked as the third highest in the state. We continue year after year to rank among the top five districts statewide.

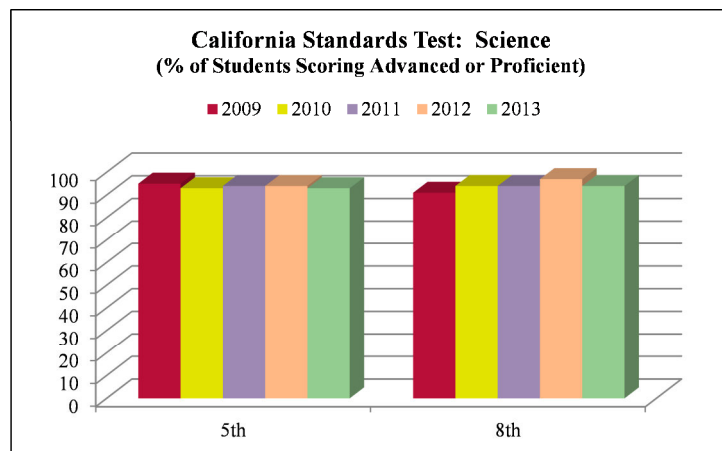
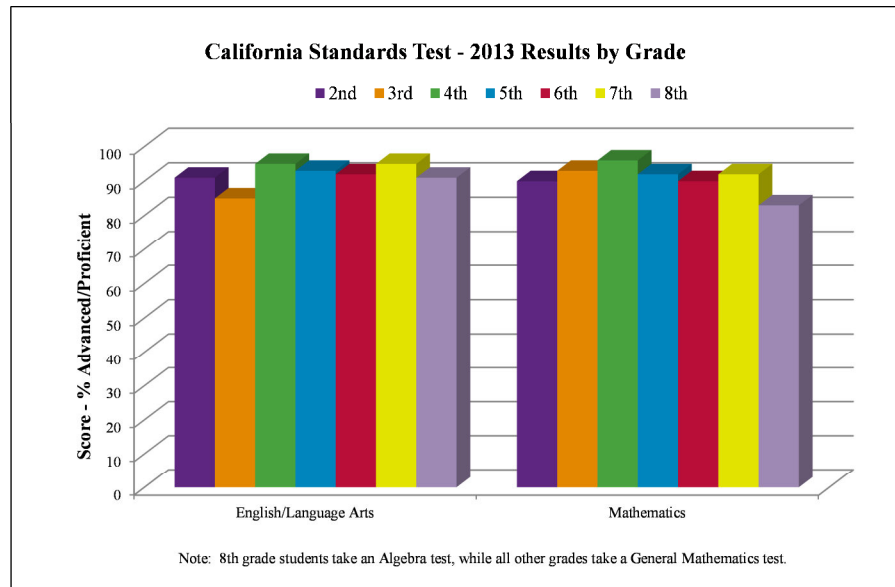
	2007			2008			2009			2010		
School Name	API Score	Statewide Ranking	Similar Schools Ranking	API Score	Statewide Ranking	Similar Schools Ranking	API Score	Statewide Ranking	Similar Schools Ranking	API Score	Statewide Ranking	Similar Schools Ranking
Almond Elementary	964	10	9	968	10	9	962	10	9	962	10	9
Gardner Bullis Elementary							968	10	9	957	10	8
Covington Elementary	928	10	5	954	10	8	946	10	7	980	10	10
Loyola Elementary	972	10	10	974	10	9	966	10	9	963	10	8
Oak Avenue Elementary	969	10	9	982	10	10	983	10	10	980	10	9
Santa Rita Elementary	952	10	9	959	10	9	966	10	10	964	10	9
Springer Elementary	948	10	8	959	10	9	963	10	9	954	10	8
Blach Intermediate	950	10	10	937	10	8	944	10	9	964	10	9
Egan Intermediate	958	10	10	962	10	10	954	10	10	968	10	10
District	954			959			959			965		
	2010			2011			2012			2013		
School Name	API Score	Statewide Ranking	Similar Schools Ranking	API Score	Statewide Ranking	Similar Schools Ranking	API Score	Statewide Ranking	Similar Schools Ranking	API Score	Statewide Ranking	Similar Schools Ranking
Almond Elementary	962	10	9	966	10	9	954	10	10	955	n/a	n/a
Gardner Bullis Elementary	957	10	8	964	10	8	958	10	8	947	n/a	n/a
Covington Elementary	980	10	10	983	10	10	981	10	10	974	n/a	n/a
Loyola Elementary	963	10	8	964	10	8	965	10	9	954	n/a	n/a
Oak Avenue Elementary	980	10	9	983	10	9	983	10	10	987	n/a	n/a
Santa Rita Elementary	964	10	9	957	10	9	956	10	9	941	n/a	n/a
Springer Elementary	954	10	8	946	10	8	961	10	4	955	n/a	n/a
Blach Intermediate	964	10	9	971	10	9	968	10	9	958	n/a	n/a
Egan Intermediate	968	10	10	978	10	10	979	10	10	976	n/a	n/a
District	965			969			968			961		

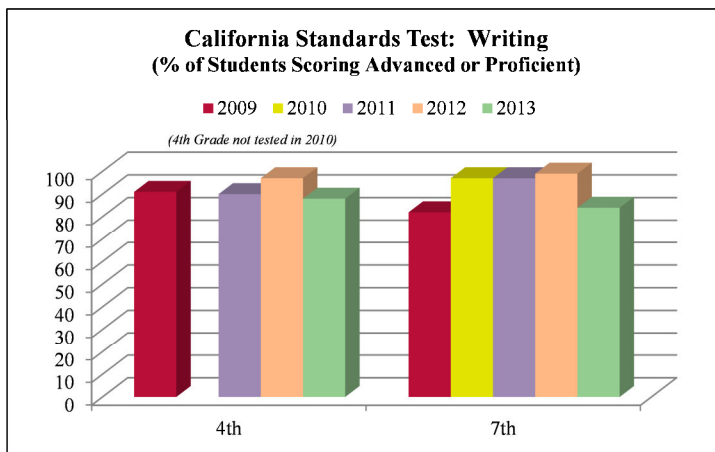
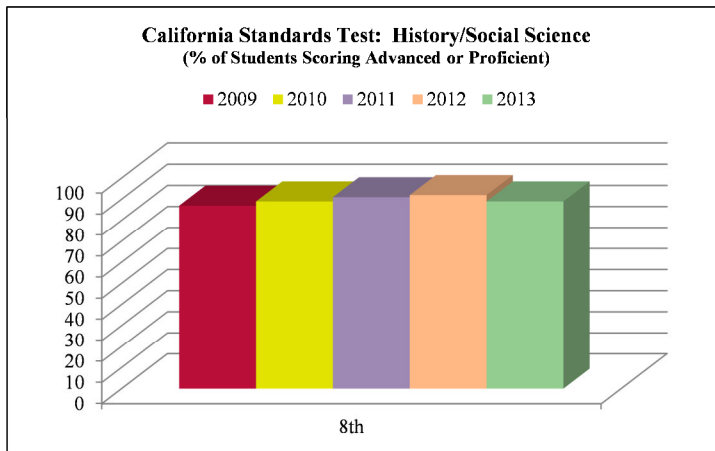
STAR TEST

In spring 2013 our students in grades 2 through 8 took part in a statewide Standardized Testing and Reporting (STAR) testing program. The California Standards Test included questions that address California's content standards adopted by the state board of education in the areas of English/Language Arts and Mathematics. Additional standards tests were given in Science (5th and 8th grades), History/Social Science (8th grade), and Writing (4th and 7th grades). Standardized tests were given statewide since 1998.

STAR Tests, except for Science tests, have been suspended starting in 2014. During spring 2014 the state conducted field tests of a new computer-based assessment system that aligns with Common Core standards and that requires students to analyze and solve problems. It will be two years before we have comparative data again on student achievement based on state standards.

Our students' test results were among the best in the entire state. The accompanying charts show our test results by grade level within each content area for the past five years. The test results display the percentage of students scoring at the advanced or proficient level.





DROPOUTS

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

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.

2011-12

- We shared RtI best practices among teachers.
- We expanded the Khan Academy pilot program to additional upper grade classes.
- We identified innovative teaching practices both within and outside of the district and shared with all teachers.
- We worked with LAEF and private benefactors to identify ways to provide financial support for key academic initiatives.

2012–13

- With grant funding we hired three teachers as coaches for instructional innovation in the areas of mathematics, science, and technology.
- We held a special 2012 summer professional development opportunity called iLearn, designed to promote out-of-the-box thinking and sharing of best practices among teachers.
- We continued developing and began implementing Systematic English Language Development (ELD) for appropriate students.

2013-14

- We held a second week-long summer professional development opportunity (iLearn) for interested teachers.
- We extended implementation of Systematic English Language Development for appropriate students to all grade levels.
- The board approved additional levels of mathematics instruction allowing access to geometry instruction at the junior high school level.

FACILITIES

2011-12

- We developed options for a long-term location for the charter school, including the option of purchasing land for a 10th school site.
- We surveyed our community regarding a possible bond measure to complete phase two modernization and to purchase a 10th site.
- We identified capital needs and related costs for the foreseeable future.

2012–13

- We engaged an Enrollment Growth Task Force to develop findings and recommendations for facilities related to changing enrollment. The Task Force completed its study and presented its report to the Superintendent and ultimately to the school board.
- We engaged the services of an ad hoc committee to identify possible additional school sites for purchase.
- We submitted an offer to the City of Sunnyvale for the purchase of a closed school site (Raynor) as a possible long term location for the charter school.

2013-14

- We commissioned a study of district facilities to identify current and future repair and replacement needs.
- We updated our district technology plan, which includes facility infrastructure improvements.
- We began revising our Facilities Master Plan, including gathering ideas from school staffs related to facility needs to reflect 21st century teaching and learning.

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.

2011-12

- We established online learning centers for our teachers.
- We revitalized the Interest Based Bargaining model for negotiations with employee groups, which has helped maintain a positive and supportive working environment.
- We continued to use teachers in leadership roles where such opportunities have been present, including assisting other teachers and serving as summer school principals.
- For the upcoming year we took steps to avoid the annual cycle of laying off and then rehiring probationary teachers, which previously had resulted in losing some quality teachers who found jobs elsewhere.

2012-13

- We successfully utilized Interest Based Bargaining (IBB) techniques in contract negotiations with our teachers association.
- We avoided the annual cycle of laying off and rehiring probationary teachers.

2013-14

- We again successfully utilized IBB techniques in contract negotiations with our teachers association.
- We continued providing professional development opportunities for teachers.
- We supported our teachers with a second year of using academic coaches.

FINANCE

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

2011-12

- We negotiated with employee groups changes to how health benefit premiums are paid, resulting in an increased share being borne by employees.
- We shared with the board a financial analysis identifying the structural gap between expenses and revenues.
- We began developing a 20 year financial forecasting model in order to identify significant trends that might affect the district's financial stability.

2012-13

- We shared with the school board an analysis of competing demands on our budget (called "The Balancing Act") and began developing plans to address the variety of needs.
- We produced and published a reformatted and updated report to the community (the Parcel Tax Report Card), which shows how parcel tax dollars are used.

2013-14

- We continued work on a 20 year financial outlook in an effort to identify potential hazards.
- We set aside 5% of our reserves in a special rainy day fund (Special Reserve Fund) to help maintain program stability during swings in the economy.
- We again produced and published a reformatted, user-friendly parcel tax report card to the community.

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.

2011–12

- The Superintendent and Assistant Superintendents continued monthly meetings with PTA presidents to discuss key issues.
- We held semi-annual Educational Blueprint meetings to review progress on goals and objectives and identify new directions as needed. The results of these meetings are shared publicly via email and at board meetings.
- We launched our new interactive district website and continue enhancing it.
- We implemented online board agenda for greater community access to board matters.

2012–13

- We continued updating and improving our new website.
- We began live broadcasts (webcasts) of our school board meetings.
- We continued our semi-annual Educational Blueprint meetings to review progress on goals and objectives.

2013–14

- We reviewed budget plans, as part of the new Local Control and Accountability Plan requirements, with parent advisory groups and the community as a whole.
- We developed a more consistent translation process to keep non-English speaking families informed of school and district events, activities, and opportunities.
- Our schools continued using various communication tools (surveys, emails, website, etc.) to keep parents informed about school activities.

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. *This term no longer applies under the new state funding scheme.*

Base Revenue Limit per ADA. The basic amount of revenue a school district may receive per pupil (ADA) to be used as the district determines. *No longer applies under the new state funding scheme.*

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 Revenue Limit formula, as defined by statute, 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. (See Gann limits.)

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.

Deficit Reduction. The appropriation of state monies to reduce the difference in revenue limit funding between what is statutorily required and what has been actually funded. The difference is the "deficit".

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.

Equalization Aid. The appropriation of state monies to increase revenue limit funding for districts with a revenue limit per student amount below the state average. The amount appropriated to each district is intended to bring the district up to the state average. *No longer applies under the new state funding scheme.*

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.

Gifted and Talented Education (GATE). State funds to participating districts for educational services to children who are identified as exceptionally able or talented. *No longer applies under the new state funding scheme.*

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.

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 what other states are doing. Our district, along with other districts in our county, converted to the new account code structure as of July 1, 2001.

School Improvement Program (SIP). State funds to qualifying schools to carry out a plan developed by a school site council for improving school environment and organization, instruction, and services. *No longer applies under the new state funding scheme.*

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.

Supplemental Grant. An appropriation of state monies to districts with relatively little categorical funding, such as many suburban districts. The amount appropriated can be used either to increase the district's revenue limit or to supplement existing categorical appropriations. *No longer applies under the new state funding scheme.*

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.

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

	2010-11	2011-12	2012-13	2013-14	2014-15
Fall Enrollment (CBEDS)	4,384	4,477	4,495	4,543	4,632
Average Daily Attendance (ADA)	4,305	4,387	4,402	4,464	4,551
General Fund Revenue per Student	\$9,831	\$10,114	\$10,863	\$11,155	\$10,991
General Fund Expenditures per Student	\$10,061	\$9,581	\$10,859	\$11,933	\$11,241
Revenue Limit per Student (Statutory)	\$6,062	\$6,220	\$6,423	n/a	n/a
Revenue Limit per Student (Funded)	\$4,969	\$4,939	\$4,992	n/a	n/a
State Average Revenue Limit per Student	\$6,110	\$6,247	\$6,449	n/a	n/a
Revenue Limit Funding Deficit	17.96%	20.60%	22.27%	n/a	n/a
LCFF Target per Student (weighted average)	n/a	n/a	n/a	\$7,569	\$7,629
LCFF Funded per Student (weighted average)	n/a	n/a	n/a	\$5,461	\$5,993
Property Tax Collections	\$26,340,708	\$27,234,353	\$28,854,897	\$31,547,000	\$33,912,975
Property Tax Growth	-1.99%	3.39%	5.95%	9.33%	7.50%
Property Tax, \$ per ADA	\$6,118	\$6,208	\$6,556	\$7,067	\$7,451
Amount in Excess of LCFF/Revenue Limit	\$2,953,076	\$2,918,546	\$4,191,557	\$3,868,454	\$3,076,224
Total General Fund Revenue	\$43,097,481	\$45,279,527	\$48,831,350	\$50,676,922	\$50,908,303
Total General Fund Expenditures	\$44,107,947	\$42,894,260	\$48,809,449	\$54,212,302	\$52,068,086
Teacher Salary Schedule Improvement	0%	0%	1.75%	4%	pending
Total Teacher Salaries	\$16,926,742	\$16,648,671	\$17,538,145	\$19,168,610	\$19,500,023
Average Teacher Salary	\$73,911	\$74,760	\$74,853	\$78,509	\$78,064
Average Teacher Benefits Package	\$22,029	\$22,016	\$21,212	\$21,670	\$22,646
Number of Teachers (FTE)	225	223	230	244	250
Number of Other Certificated Staff (FTE)	20	20	22	24	24
Number of Classified Staff (FTE)	142	131	141	143	153
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)	23	25	25	25	25
Average Class Size, grades K-3	22	23	23	22	22
Average Class Size, grades 4-6	27	27	27	26	26
Average Class Size, grades 7-8	26	26	26	26	26
Ratio, Administrators to Teachers (state standard - 9% maximum)	5.0%	4.9%	5.2%	5.2%	5.1%
% Spent on Direct Classroom Instruction (state standard - 60% minimum)	64%	64%	61%	61%	62%
District API (scores range from 200 to 1,000)	965	969	968	961	no longer applicable