



Annual Budget

2016–2017

Adopted June 13, 2016



Los Altos School District

Los Altos School District

Los Altos, California 94024

www.losaltos.k12.ca.us



ADOPTED JUNE 13, 2016

2016–2017 Budget



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Los Altos School District 2016–17 Budget

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INTRODUCTORY SECTION



Revolutionizing Learning for ALL Students

LOS ALTOS SCHOOL DISTRICT (2016–17)

Board of Trustees

Mr. Pablo Luther
President
Term expires 2016

Mrs. Tamara Logan
Member
Term expires 2018

Mr. Sangeeth Peruri
Vice-President
Term expires 2018

Mr. Steve Taglio
Member
Term expires 2016

Mr. Vladimir Ivanovic
Clerk
Term expires 2018

District Administration

Mr. Jeffrey Baier
Superintendent

Mr. Randall Kenyon
Assistant Superintendent, Business Services

Mrs. Sandra McGonagle
Assistant Superintendent, Curriculum & Instruction

Mrs. Jennifer Keicher
Director of Special Education

Ms. Erin Green
Director of Student & Staff Services

School Administration

Elementary Schools:

Almond School Principal: Mrs. Erica Benadom

Oak School Principal: Mrs. Amy Romem

Covington School Principal: Mr. Wade Spenader

Santa Rita School Principal: Mr. Gregory Land

Gardner Bullis School Principal: Ms. Nadia Oskolkoff

Springer School Principal: Ms. Lynn Boskie

Loyola School Principal: Mrs. Kimberly Attell

Intermediate Schools:

Blach School Principal: Mrs. Bhavna Narula

Egan School Principal: Mr. Keith Rocha

EXECUTIVE SUMMARY

As we enter 2016–17 we face two significant issues—an expiring parcel tax that must be renewed to provide long-term stability and the need to identify and acquire a 10th school site to address a growing enrollment. We also are keenly aware that after several years of economic recovery from the “Great Recession,” a downturn in the economy surely will hit sometime in the near future. Thus we are cautious about the financial “state of the district.”

The six-year \$193 parcel tax expires at the end of the 2016–17 fiscal year and, if not renewed, leaves a \$2.5 million void in our General Fund revenues. Other financial concerns include mandated increases in contributions to employee retirement systems and continuing increases in health insurance costs.

Prior to the passage of a \$150 million bond measure in November 2014 we had very little funding specifically designed to address capital needs. This put a strain on our General Fund as we needed monies to address new facilities, increasing repair costs, and replacing obsolete equipment. Acquiring a 10th school site is the first priority for use of the bond proceeds. If we are unable to find and acquire such a site, we will be forced to address the enrollment growth issue using existing district land. Either way, it is unclear how much of the \$150 million will be used to address enrollment growth and thereby leaves in question how we can deal with other capital needs.

On the positive side, we have seen continued growth in local property values, continued community support for district initiatives, and stability in our program. Growth in property values is fueled by housing turnover, one of the key drivers of our finances. The stellar reputation of our schools provides an incentive for new families to move here.

The recently adopted funding scheme for schools provides for more local decision-making on how funds are to be spent and provides more funding for districts with higher concentrations of certain at-risk

students. The state provides a minimum funding guarantee. Our tax collections exceed the guarantee under the formula, thus creating a dependence on local property tax revenues. Tax growth in 2015–16 exceeds 9% and we expect growth of at least 8% in the budget year. Growth at this level brings in \$3 million new monies, for a total of \$40.3 million in property tax revenue. The continuation of our parcel taxes and local educational foundation funding augments our revenues by another \$13.3 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.

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 the state is giving districts more local control over spending decisions but expecting improved results in student achievement, particularly for high needs students.

Our district is noted for the outstanding academic performance of its students. Year after year we have ranked 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.

With this as background we present our budget for 2016–17. 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 6% less in the budget year than in the current year, primarily due to the loss of one-time monies. Capital spending is expected to be less than the current year as a result of fewer projects.

Los Altos School District 2016–17 Budget

Expenditures: Budget Year Compared to Current Year				
	2015-16		2016-17	% Change
General Fund	\$	57,633,090	\$ 56,825,135	-1.4%
Special Revenue Funds				
Deferred Maintenance	\$	330,000	\$ 400,400	21.3%
Special Reserve	\$	-	\$ -	
Sub-total, Special Revenue Funds	\$	330,000	\$ 400,400	21.3%
Capital Project Funds				
Building	\$	5,006,204	\$ 2,095,755	-58.1%
Capital Facilities	\$	1,324,235	\$ 1,080,648	-18.4%
Sub-total, Capital Project Funds	\$	6,330,439	\$ 3,176,403	-49.8%
Total, All Governmental Funds	\$	64,293,529	\$ 60,401,938	-6.1%
Note: Expenditures totals include Interfund Transfers Out				

Projected revenues for the budget year are greater than projected expenditures but less than the revenues we are receiving in the current year by almost 6%. General Fund revenues are \$1.5 million greater than in the current year. We again plan to transfer \$300,000 from the General Fund to the Deferred Maintenance Fund in 2016–17 and need to transfer monies out of our General Fund into both the Building and Capital Facilities Funds to cover expected expenses (although significantly less than in 2015–16). Revenues in our Building Fund in the budget year come from ongoing lease revenue from the Eastbrook School site and proceeds from a recently passed bond measure.

Revenue Sources: Budget Year Compared to Current Year					
	2015-16		2016-17		% Change
General Fund	\$	57,974,729	\$	58,072,850	0.2%
Special Revenue Funds					
Deferred Maintenance	\$	301,174	\$	301,174	0.0%
Special Reserve	\$	248,405	\$	104,010	0.0%
Sub-total, Special Revenue Funds	\$	549,579	\$	405,184	-26.3%
Capital Project Funds					
Building	\$	5,924,571	\$	2,295,840	-61.2%
Capital Facilities	\$	1,255,092	\$	1,155,092	-8.0%
Sub-total, Capital Project Funds	\$	7,179,663	\$	3,450,932	-51.9%
Total, All Governmental Funds	\$	65,703,970	\$	61,928,966	-5.7%
Note: Revenue Sources totals include Interfund Transfers In					

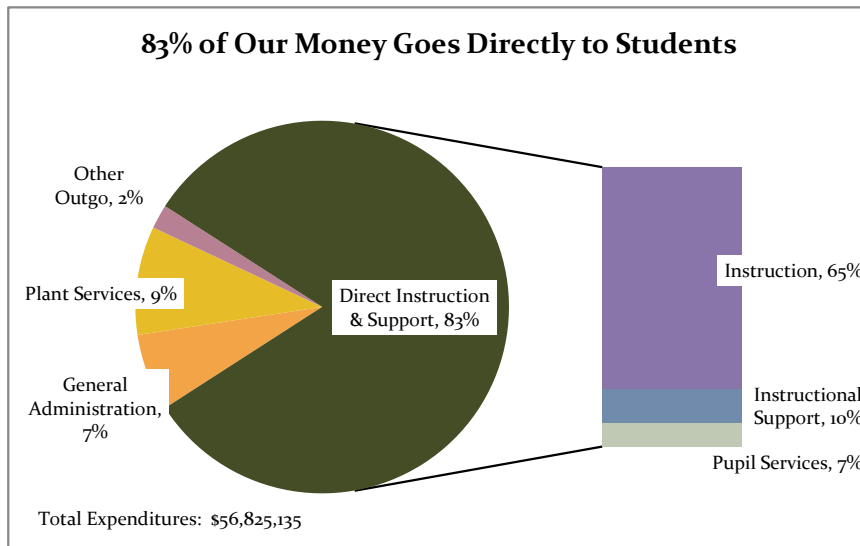
GENERAL FUND EXPENDITURES

Our General Fund spending plan is based on carrying the current program forward. The projected enrollment is 4,659, which is 23 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. \$40.4 million of our total spending (71%) is identified as unrestricted. The balance, \$16.4 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. 83% of our spending goes directly to children.



In 2016–17 we anticipate spending \$56,825,135 or \$12,197 per student. 84% of our spending pays employee salaries and benefits. The greatest proportion of this (37%) goes to pay classroom teacher salaries. The average teacher costs the district \$111,100, \$83,100 in salary and \$28,000 in benefits. Our General Fund spending plan for 2016–17 is shown in the accompanying table.

General Fund	2016-17 Expenditures		\$ per Student (4,659 students)	% of Total
Teacher Salaries	\$	21,050,932	\$ 4,518	37%
Other Salaries	\$	12,430,494	\$ 2,668	22%
Employee Health Benefits	\$	6,977,911	\$ 1,498	12%
Other Employee Benefits	\$	7,575,035	\$ 1,626	13%
Books & Supplies	\$	1,437,468	\$ 309	3%
Utilities, Repairs, Other Services	\$	6,218,821	\$ 1,335	11%
Capital Outlay, Other Outgo	\$	1,134,475	\$ 244	2%
Total	\$	56,825,135	\$ 12,197	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 (also referred to as “basic aid” districts). Because of several years of accelerated tax growth, we continue in this status for the budget year and the foreseeable future.

For the budget year our state general purpose funding calculation totals \$33.8 million. We project \$36.3 million in net property tax revenues plus other adjustments, which gives us \$2.5 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 the amount of net property tax proceeds to produce our total property tax revenues. Thus property tax proceeds, in total, equal \$36.5 million and translate into \$7,824 per student or 63% of all general fund revenues. The state provides some special purpose funding—only 8% of our total revenues. We expect to garner approximately \$859,000 from the California Lottery, 1.5% of our total funding.

TOP 5 REVENUE SOURCES

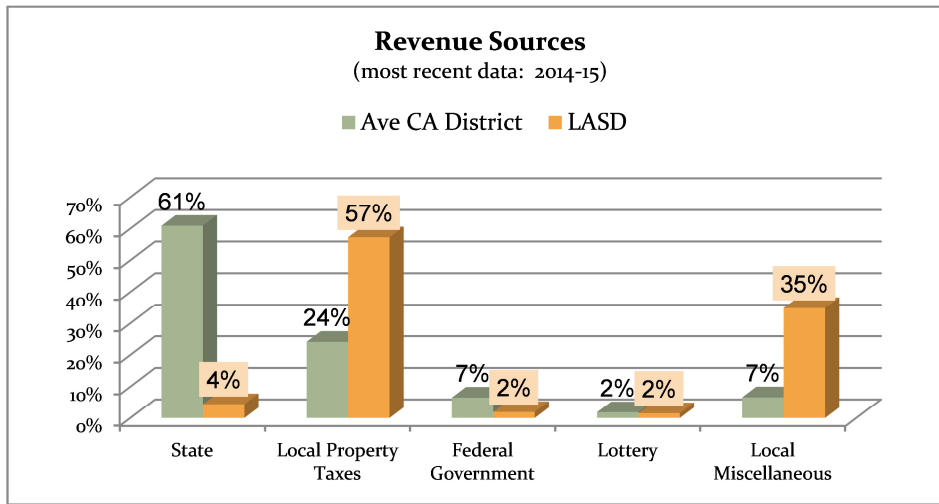
Property Taxes	\$34,701,643
Parcel Tax	10,018,701
Special Education Funding	2,825,641
Los Altos Educational Foundation	3,300,000
Lottery	858,841
Total	\$51,704,827
(% of Total Revenue)	89%

Notes:

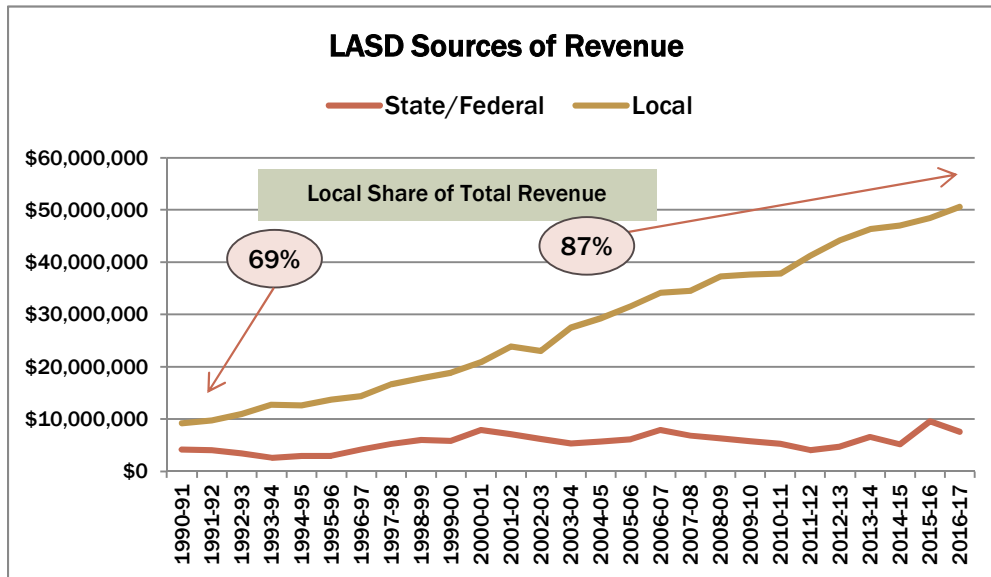
1. Property Tax total represents gross collected for LASD less transfer of tax dollars to charter school.
2. Special Education funding represents the guarantee from the state, which includes federal funding, county taxes transferred to the district, and the balance in state aid.

General Fund	2016-17 Revenues		\$ per Student (4,659 students)	% of Total
Property Taxes ¹	\$	36,451,837	\$ 7,824	63%
State Aid	\$	4,654,844	\$ 999	8%
Lottery	\$	858,841	\$ 184	1%
Federal	\$	1,001,935	\$ 215	2%
Parcel Tax	\$	10,018,701	\$ 2,150	17%
Education Foundation (LAEF)	\$	3,300,000	\$ 708	6%
Other Local	\$	1,786,692	\$ 383	3%
Total	\$	58,072,850	\$ 12,465	100%
¹ Includes \$1,750,194 of County Taxes transferred to the district.				

Only 2% of total funding comes from the federal government. The balance of funding (26%) is local in nature. Our two parcel taxes generate \$10 million in revenue. The community-supported Los Altos Educational Foundation (LAEF) is contributing \$3.3 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's new school funding scheme is the first overhaul of school funding since the early 1970's. Enacted by AB97 in spring 2013 the scheme is called the **Local Control Funding Formula (LCFF)** and replaces the 1972 enacted Revenue Limit scheme. In announcing the new scheme which took effect July 1, 2013, Governor Jerry Brown focused on the two key aspects of the scheme—local control and additional funding for districts that serve high needs students. High needs students are defined as those who are low income, English learners, and foster youth.

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

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

ISSUES & CHALLENGES

We are closing the 2015–16 year and entering the 2016–17 year as the local economy continues on a strong recovery path from a prolonged slump tied to the “Great Recession.” That breeds a sense of optimism as we look to the future. The new funding scheme has little or no impact on us (as a community funded district). Our financial future is tied to what happens locally, in particular the growth rate in property values.

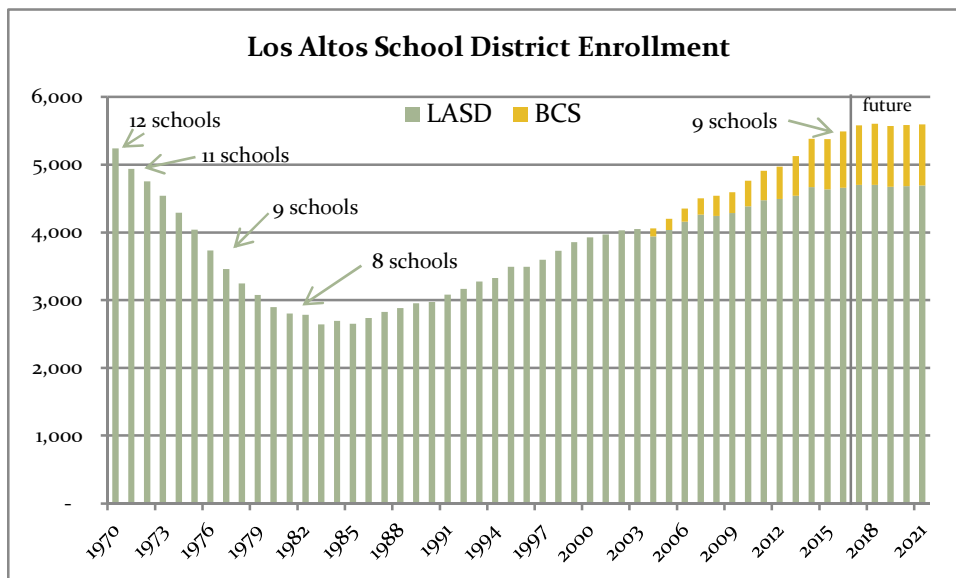
Other challenges we face include the following:

- Enrollment growth and needing to find appropriate facilities, including finding a long-term location for the charter school. [See below.]
- 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 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 4,659 students in its nine schools. Enrollment has been increasing at an average of 1% 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 48% Caucasian, 32% Asian, 7% Hispanic, and less than 1% Black. The remaining 12% represents families with multi-ethnic backgrounds and those who did not respond to the survey.

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

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

The State Department of Education consistently ranked our district in the top 1% in the state, based on our test scores. All of our schools are California Distinguished Schools and five schools (Gardner Bullis, when it was Bullis-Purissima, Oak, Santa Rita, Blach, and Egan) applied for and were chosen as national Blue Ribbon Schools.

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 2016–17.

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

Key Dates in Budget Development

January	Governor proposes State Budget
February – April	District prepares draft budget
May	Governor revises budget proposals
June	District adopts final budget

BOARD GOALS FOR 2016–17

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.

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).

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.

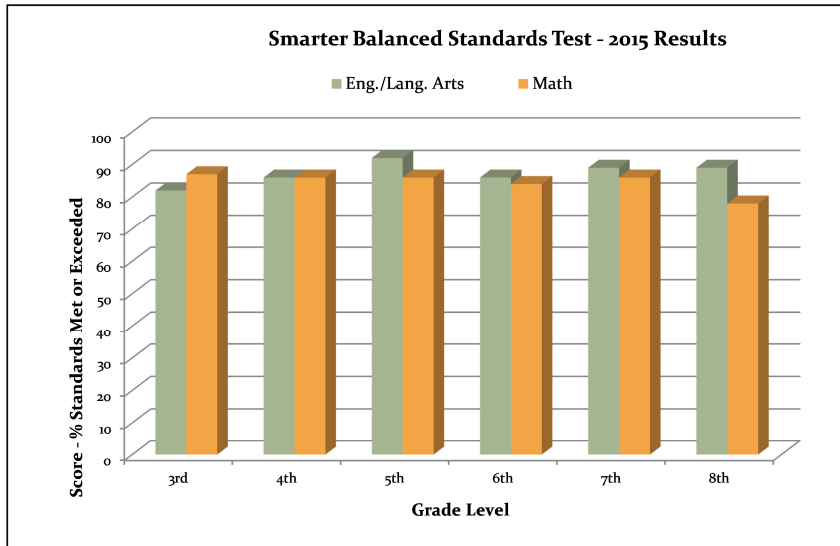
The district complies with all state standards regarding the curricular areas. State approved textbooks are used at all grade levels. We comply with state requirements for longer day and longer year funding—i.e., the number of minutes of instruction in the student year meets or exceeds state standards.

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 became obsolete. In spring 2015 students were given the first set of “smarter balanced” tests under the new assessment system and the state will once again track student performance and rank districts using a revised API.*

STUDENT ACHIEVEMENT

With the transition to Common Core standards, California is in the process of adopting a newer statewide testing program and achievement measures. The first battery of test results was reported from Spring 2015 and show how students performed against certain standards in English/Language Arts and Mathematics. Test results for our students are shown in the chart below.

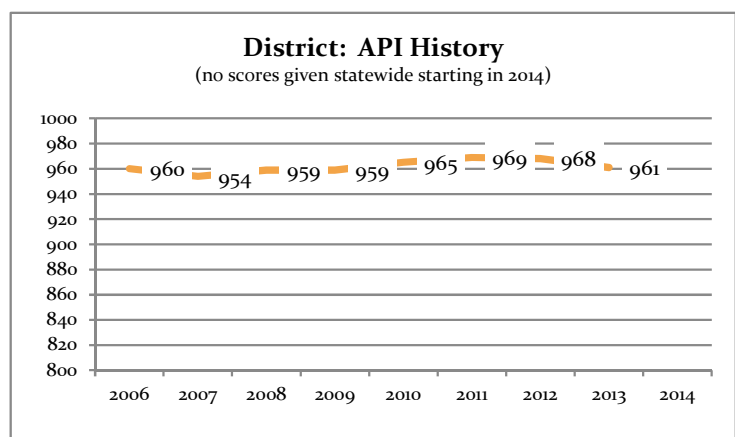


These test results are similar to results under the previous STAR testing program, which is described below. We include this information as it shows a history of high performance by our students.

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

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

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



RELATIONSHIP BETWEEN ACHIEVEMENT AND EXPENDITURES

As a result of the significant amount of community support for our schools, our students benefit in a number of ways. Students enjoy relatively small class sizes when compared to most schools in the state. Our students perform exceedingly well on standardized tests (as indicated above) in part as a result of the smaller classes, but also due to our cadre of excellent teachers and our efforts toward individualized instruction. We can measure the result of community support by looking at spending per student compared to the state average, seeing how much of our spending comes from local sources, and how we pay our teachers (in order to attract and retain the best and the brightest). The spending differential is particularly acute when looking at unrestricted spending per student—a measure of how much local control a district has over its budget. *Comparison data below is from Ed-Data website (www.ed-data.k12.ca.us) for most recent year of available data (2014–15), except test results which are from Spring 2015—the most recent year of state test data.*

	LASD	State
Outputs		
Pupil/Teacher Ratio	18.9	21.7
Results from State Testing Program		
% Meeting/Exceeding Standards		
English/Language Arts	88%	44%
Mathematics	84%	33%
% Scoring Advanced/Proficient		
Science, Grade 5	92%	55%
Science, Grade 8	93%	64%
Inputs		
Expenditures per ADA	\$ 11,896	\$ 9,653
Expenditures per ADA (unrestricted)	\$ 8,342	\$ 6,317
Local Revenue Sources (% of Total)	35%	7%
AVE Teacher Salary	\$ 78,615	\$ 74,090
Highest Teacher Salary	\$ 95,446	\$ 85,254

CONSTRUCTION PROGRAM

We have completed phase one of our construction program. Since 2000 we have spent over \$120 million to renovate and modernize all of our campuses. Construction on the Gardner Bullis campus, the last of our schools to be modernized, was completed in 2008. The funds for phase one came from a voter approved bond measure. We still have phase two of the program in our plans and with passage of a \$150 million bond in November 2014 we now have funds available. However we have another significant draw on bond funds—the need to acquire an additional site on which to build a new school to deal with enrollment growth. Phase two entails replacing portable classrooms with permanent ones and replacing some of the non-classroom buildings at certain sites (libraries, multi-purpose buildings, and school offices). We are in the process of searching for an appropriate new site and in the planning stages of deciding how much of phase two we can complete.

ALLOCATION OF HUMAN RESOURCES—STAFFING

District staffing is determined annually according to the needs of the district. Prior year staffing acts as a baseline, to which staffing FTE (full-time equivalents) is either added or subtracted. The district has endeavored over the years to maintain as small a district level staff as possible, preferring to allocate resources directly to the school sites. Teacher staffing is determined by established class size ratios. We are staffing K–3 at 23 students per teacher, grades 4–6 at 26 students per teacher, and junior high at 26 per class.

Total district staffing for 2016–17 is projected at 432 full-time equivalents (FTE), which is 1 less FTE than the current year.

RATIOS

Staffing. Our budget calls for 221 regular teachers in the coming year. In addition, we have 24 special education teachers and 4 bilingual teachers. Our classroom instructional staffing, as mentioned above, is based on a projected staffing ratio of 23:1 (K–3), 26:1 (Grades 4–6), and 26:1 (Grades 7–8). The state has a mandatory ratio of administrators to teachers. Having only 12.8 FTE administrators in the district, we fall well below the state cap on administrators that allows us up to 22.4.

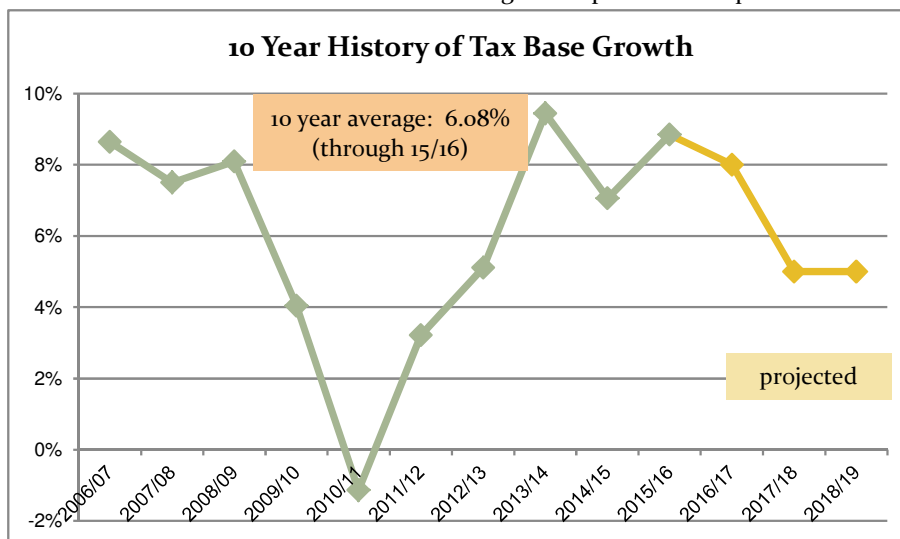
% Spending on Classroom Instruction. The state also requires that elementary districts spend 60% or more of their funds on classroom instruction. Each year we file a report with the state showing what proportion of our spending goes to the classroom. The most recent report filed shows the district spending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

Required Reserves Level. California schools are required to have a general operating reserve of at least 3%. Our reserves are made up of unappropriated and unrestricted monies in our general fund, plus funds set aside in a special reserve fund. For 2016–17 we project reserves in the amount of \$5.8 million, which equates to 10.3%.

TAXES

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

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

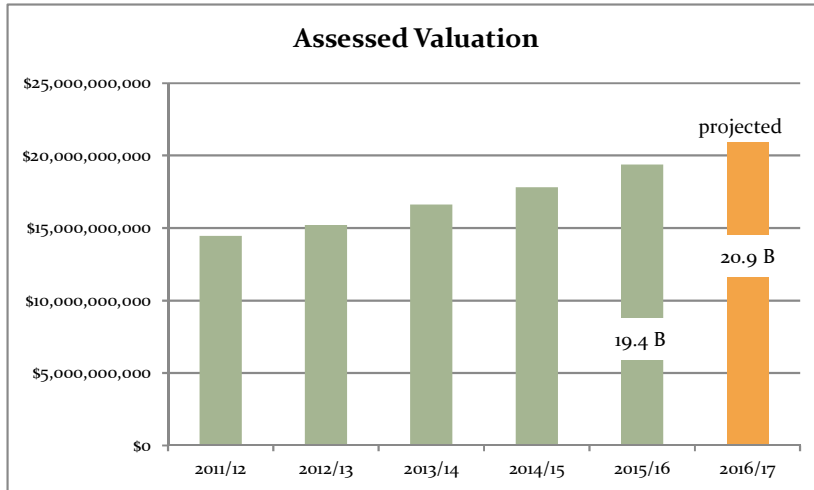


For the typical taxpayer in our district approximately 19% of his/her tax bill goes to Los Altos School District. Since state law caps the property tax rate at 1% of assessed value (AV), this translates into an average tax for our schools of \$190 per \$100,000 of AV. On top of that, district taxpayers now pay a flat \$790 per parcel of property (our parcel tax) and pay another \$60 per \$100,000 of AV to pay off the district's bonded indebtedness.

Los Altos School District 2016–17 Budget

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 helped fuel our move into community funded status. With the decline in the economy we witnessed a significant decline in AV growth in 2009–10 and 2010–11 but with the economic rebound we are projecting 8% growth for 2016–17 and 5% growth in succeeding years. Property tax growth does not match exactly the growth in AV, as properties get reassessed during the course of the year due to sales and owner-requested reassessments.

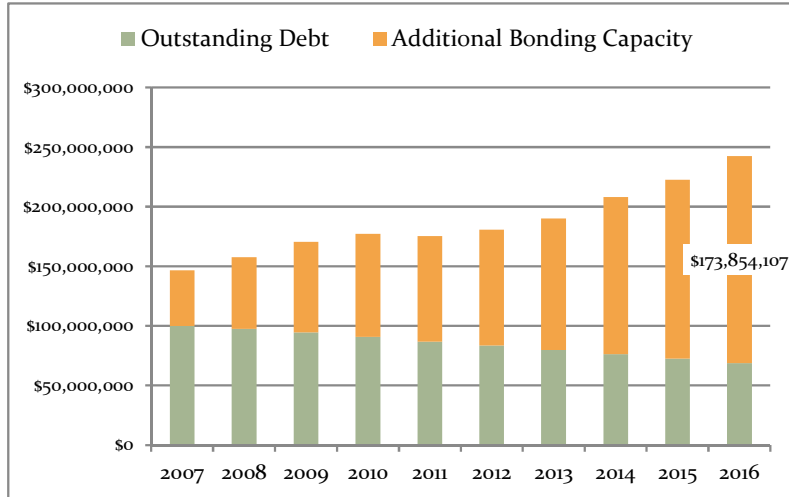


CHANGES IN DEBT

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

General Obligation Bonds Annual Debt Service Schedule				
Period Ending June 30	Principal	Interest	Debt Service	Debt Service Remaining
2017	7,115,000	2,983,550	10,098,550	70,989,650
2018	7,870,000	2,660,875	10,530,875	60,458,775
2019	8,630,000	2,321,000	10,951,000	49,507,775
2020	9,450,000	1,904,900	11,354,900	38,152,875
2021	10,395,000	1,408,775	11,803,775	26,349,100
2022	11,410,000	887,200	12,297,200	14,051,900
2023	12,450,000	339,825	12,789,825	1,262,075
2024	1,235,000	27,075	1,262,075	0
Total	68,555,000	12,533,200	81,088,200	

State law limits debt to 1.25% of our total AV. Our current debt limit is \$242.4 million. With \$68.5 million in outstanding debt, we have the capacity to issue \$173.9 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.

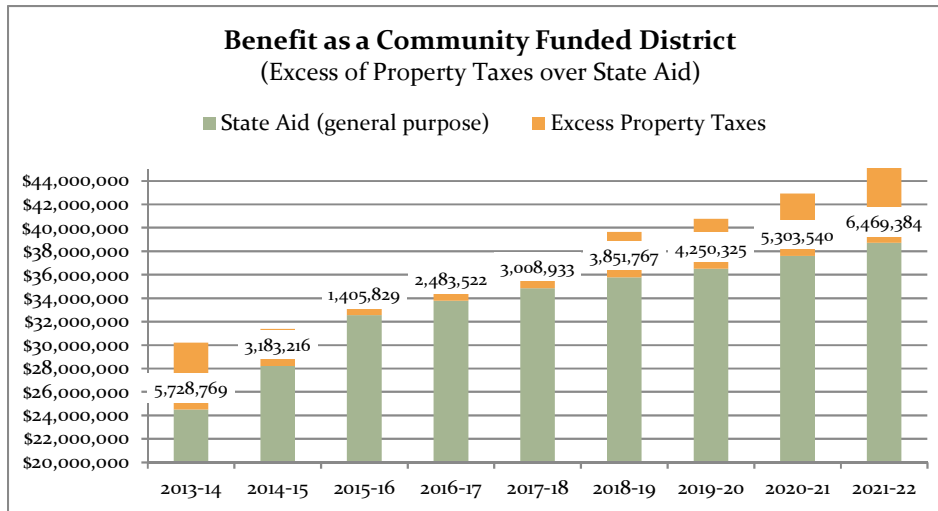
Previously the revenue limit was supplemented by separate categorical funding for specific programs or needs. Now almost all categorical funding has been subsumed into the base LCFF funding amount. Districts no longer have to follow very prescriptive state regulations on how the categorical funds are 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.*

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

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

Property Taxes. The monies used to fund the state guarantee come from a combination of local property tax collections and state aid. Local property tax revenues are subtracted from the total calculated amount to determine the amount of state aid needed. Typically the amount of local property taxes collected is less than the total guarantee amount. For the average district, approximately 30% of the total comes from property taxes and the state contributes the remaining 70%. In some districts, though, the amount of local property tax collected is actually larger than the total guarantee. These districts get to keep the entire property tax collections and are referred to as

“community funded” districts. Our projected property tax collections for 2016–17 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 8% growth in property tax collections as a result of an increase in housing turnover. For the six year planning horizon we forecast growth at 5% per year—slightly lower than the historical average. Assessed valuations, on which property taxes are based, will be set in July for the upcoming year.

The sidebar shows a simplified version of the calculation of the budget year funding guarantee for our district. Since our property tax collections exceed the calculated guarantee we get no state aid from LCFF. We receive \$200 per student in Proposition 30 funding annually through 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 \$1,750,000 in 2016–17) are also accounted for within this revenue category.

The State Funding Guarantee and Property Taxes

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

2016–17 State Funding Calculation (under LCFF)

\$ per Pupil (weighted average)	\$7,406
No. of Students (ADA)	4,562
LCFF total (\$ per pupil x ADA)	\$33,785,546

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	\$40,325,876
Less, Transfer to Charter	<\$5,624,233>
Property Taxes, net	\$34,701,643
+ Basic Aid “fair share”	\$654,207
+ Prop 30 Funding	\$913,200
Total (to compare to LCFF total)	\$36,269,050

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

LCFF Sources for 2016–17 are shown below.

Reconciliation for Revenue Accounting

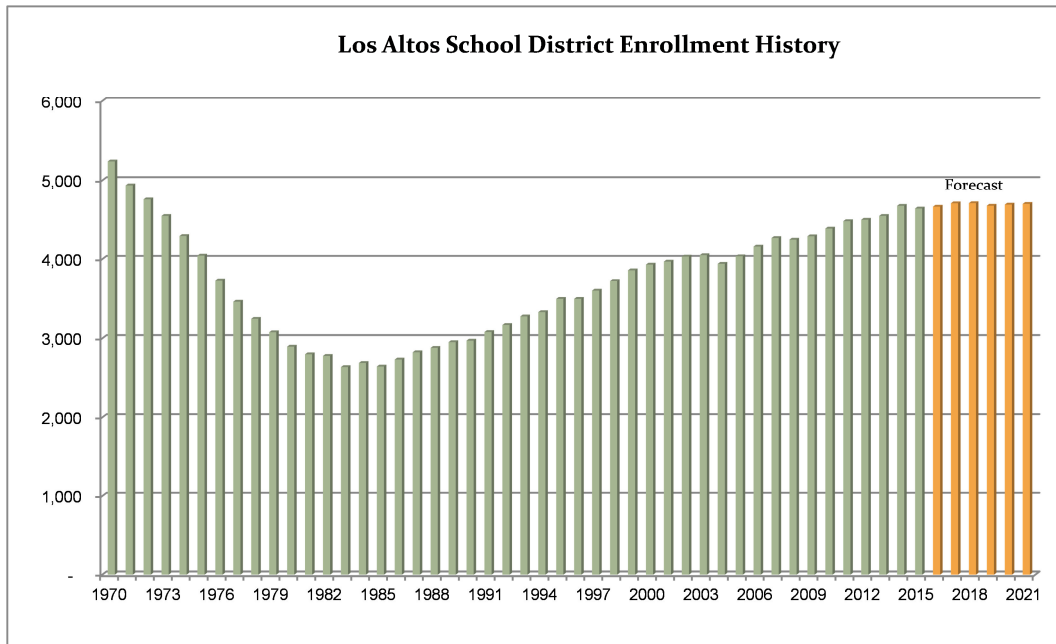
State Aid	\$0
Property Taxes, gross	\$40,325,876
Transfer to Charter	<\$5,624,233>
Proposition 30 Funding	\$913,200
Other LCFF Sources	\$2,120,083
Total LCFF/Revenue Limit Sources	\$37,734,926

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.

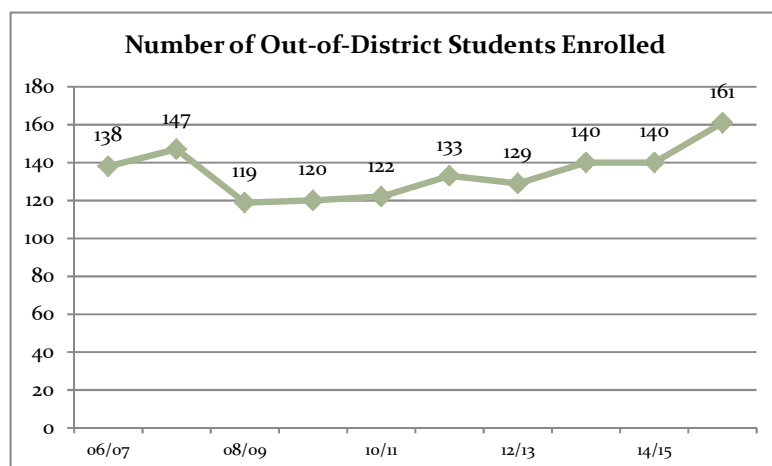
The enrollment forecasts are produced using the standard demographic method for forecasting populations, the “cohort survival” technique. This method advances the current student body one grade for each year of the forecast period. One year’s kindergarten students become the next year’s first graders; 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									
	06/07	07/08	08/09	09/10	10/11	11/12	12/13	13/14	14/15	15/16
Allen Bill, Non-employees	34	36	34	24	16	22	25	27	27	38
Allen Bill, Employees	17	23	27	34	45	44	47	51	51	62
Other	87	88	58	62	61	67	57	62	62	61
Total	138	147	119	120	122	133	129	140	140	161

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 previous rate. Based on \$597 per parcel for

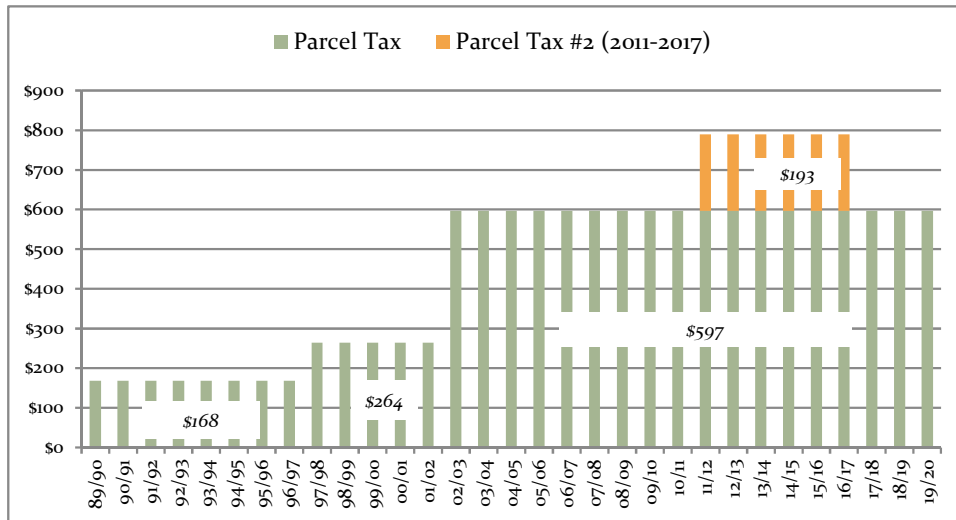
Community support is critical to our success. Our two parcel taxes provide 17% of our total revenue. Our educational foundation contributes another 6% of total revenue.

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

A second tax was approved by voters in May 2011. This tax, set at \$193 per parcel, 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 was designed to fill a revenue gap caused by the recent recession and to help the district maintain current programs through a long economic recovery.

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)

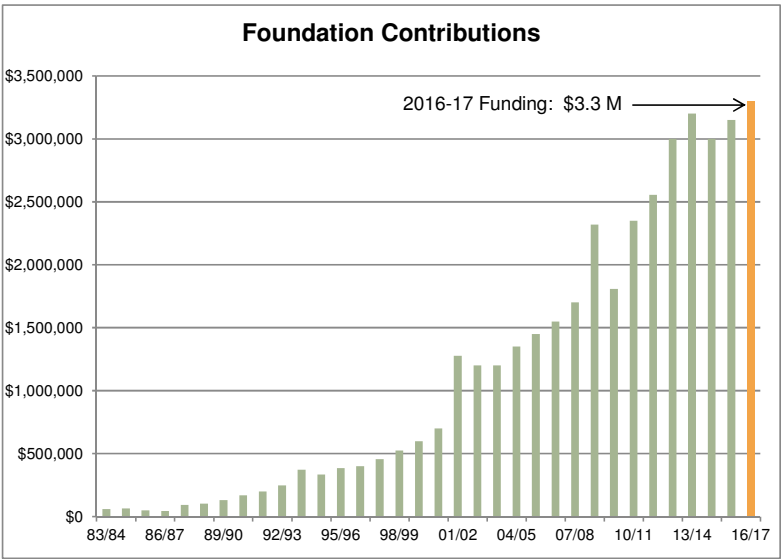
Our community provides support for enrichment programs and to help keep class sizes low through a local foundation (see accompanying sidebar).

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 \$3.3 million in the budget year (6% of the district’s total operating revenue).

LAEF is a non-profit corporation independent of the school district. Parent representatives from each school sit on the foundation board. Currently there are 29 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 \$3.3 million in grant funding to the district in 2016-17. 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.	
2016-17 LAEF Funding	
Elementary:	
K-3 Class Size Reduction/Literacy Program	\$600,000
Physical Education Specialists	\$580,000
Music Specialists	\$325,000
Library Specialists	\$230,000
Art Docents Program	\$50,000
Junior High:	
Math Class Size Reduction	\$90,000
English Class Size Reduction	\$90,000
Science Class Size Reduction	\$90,000
Social Studies Class Size Reduction	\$90,000
Elective Program	\$125,000
Library Specialists	\$70,000
Instructional Support Teacher	\$85,000
Subtotal:	\$2,430,000
Innovation Grant:	\$870,000
(cSTEM Teacher, STEM Program Manager, STEM Teachers)	
Grand Total:	\$3,300,000



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 2016–17 is budgeted at \$140 per pupil for unrestricted lottery revenues, which equates to an annual amount of \$664,000. Lottery revenues make up 1.5% of the district's total income. An additional \$195,000 (\$41 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. 72% of our teachers have been in the district for six or more years.

A total of 249 FTE teachers are budgeted for 2016–17. Of this total, 192 are regular classroom teachers and 57 are specialists (e.g. music, physical education, STEM, special education, and bilingual teachers). Based on a projected enrollment of 4,659 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 \$83,134. The district pays employee benefits for teachers at an average of \$27,933 per teacher. The average cost of a teacher is \$111,067, the combined total of salary and benefits.

Salary increases for longevity and professional growth are estimated at \$518,000 and are included in the budget. The total salary and benefits cost for teachers is approximately \$27.7 million. This amount represents 49% of the total budget.

EMPLOYEE BENEFITS

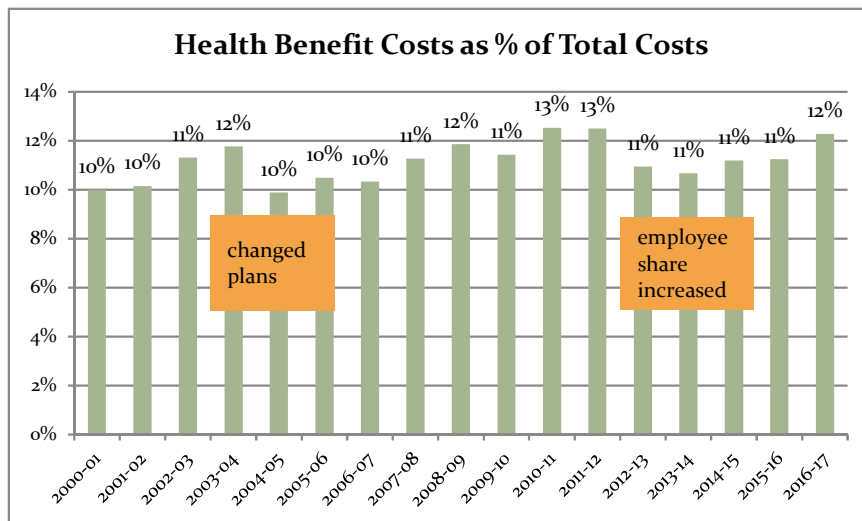
The district is required by law to provide certain benefits to its employees. These statutory benefits include retirement funding (State Teachers Retirement System, STRS, for certificated employees and Public Employees Retirement System, PERS, for classified employees), social security and Medicare contributions, unemployment insurance, and worker's compensation benefits. The total budgeted for statutory benefits for all employees for next year is \$7.5 million, which is 13% of our total expenditures. STRS and PERS rates continue increasing per state

mandated contribution increases. Rates for other statutory benefits will remain approximately the same as in the current year.

In addition to these statutorily required benefits, the district provides health and welfare benefits for its employees. These benefits include medical and dental insurance, life insurance, and disability insurance. They cost over \$7 million in total. A portion of that cost is for retired employees—\$1.1 million. The 2016–17 cost of health and welfare benefits is expected to increase 7.5% as a result of anticipated premium rate increases (starting in January 2017 when our plans renew). The average per person cost of our health and welfare benefits package is projected to be \$13,800 for the budget year, 98% of which pays for medical and dental insurance.

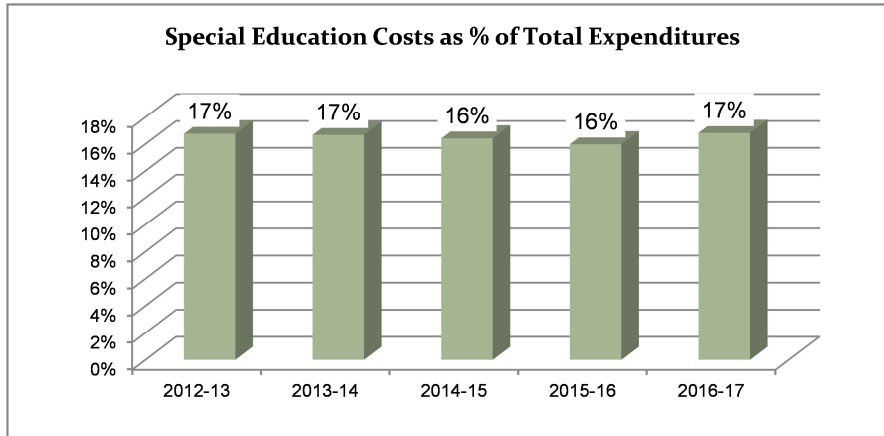
To deal with an unfunded liability for future benefits, the state enacted increases in contribution rates for the State Teachers Retirement System. Rates ramp up from 8.25% in 2013–14 to 19.1% over seven years—causing a significant negative impact on district budgets.

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



SPECIAL EDUCATION

We are committed to educating students with special educational needs, as required by state and federal law. These students are served in a variety of ways—from limited pullout programs to separate special classrooms. Other agencies and non-public schools serve students whose educational needs cannot be met by district programs. The placement and appropriate services provided these students are determined by the student’s individual education plan. We are spending approximately \$9.5 million in the budget 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 \$6.1 million or 64% 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	2012-13	2013-14	2014-15	2015-16	2016-17
State/Federal Revenue	\$ 3,479,954	\$ 3,359,424	\$ 3,794,480	\$ 3,777,550	\$ 3,404,854
District Contribution	\$ 4,423,437	\$ 5,006,090	\$ 5,130,945	\$ 5,185,179	\$ 6,060,515
District Share of Total Revenue	56%	60%	57%	58%	64%
Expenditures	\$ 7,903,391	\$ 8,365,513	\$ 8,925,426	\$ 8,962,729	\$ 9,465,369

GENERAL FUND BUDGET ASSUMPTIONS

The following are the revenue and expenditure assumptions for our 2016–17 General Fund Budget.

REVENUES

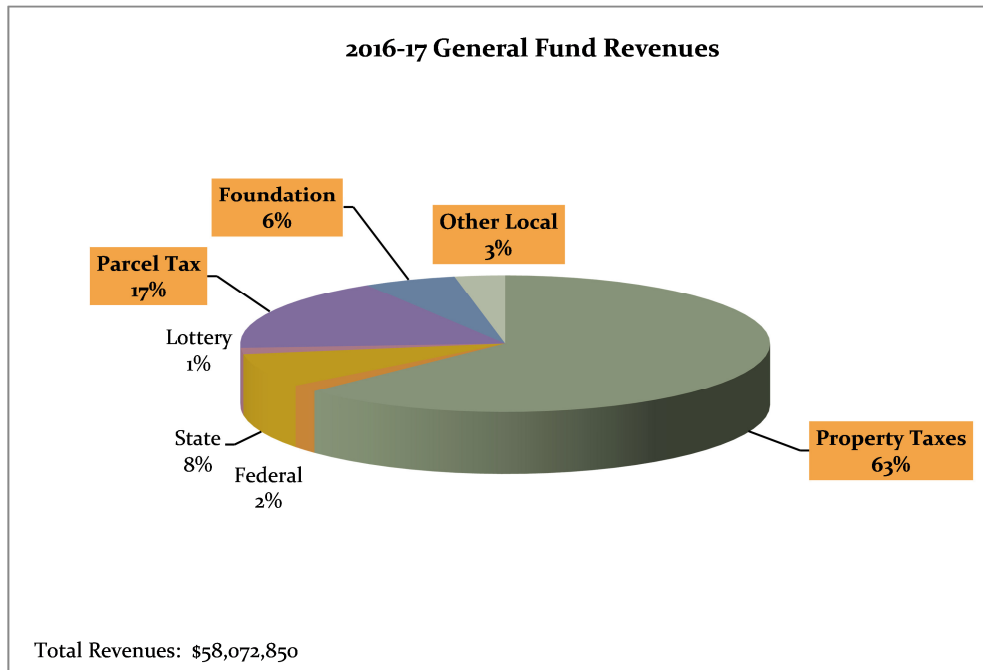
LCFF Sources/Property Taxes. LCFF Sources include property tax collections, state funding, and miscellaneous county tax revenues. The state funding calculation is based on enrollment growth of 0.5% and a formula that results in an increased per student funding level when compared to the prior year. Property taxes are projected to grow 8% over the current year and exceed the calculated state guarantee by \$2.5 million.

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

Other State Revenue. State revenues in this category will decline from \$5.8 million down to \$3.8 million, due to the loss of one-time funding. Lottery funding is expected to be slightly higher than in the current year, funded at \$181 per pupil.

Other Local Revenue. Other local revenues are expected to remain approximately the same as in the current year. Parcel tax and LAEF funding continue to provide a significant portion (23%) of our total income. LAEF funding for the upcoming year is \$3.3 million.

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 1 less classroom teacher in 2016-17. Step and column movement on the salary schedule for eligible teachers is expected to cost \$518,000, offset somewhat by cheaper, less experienced teachers replacing teachers who retire.

Classified Salaries. The budget year reflects an increased cost of \$122,000 for step and column movement. Staffing levels are roughly the same as in the current year. For both certificated and classified employees there are no across-the-board salary increases in our projections.

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

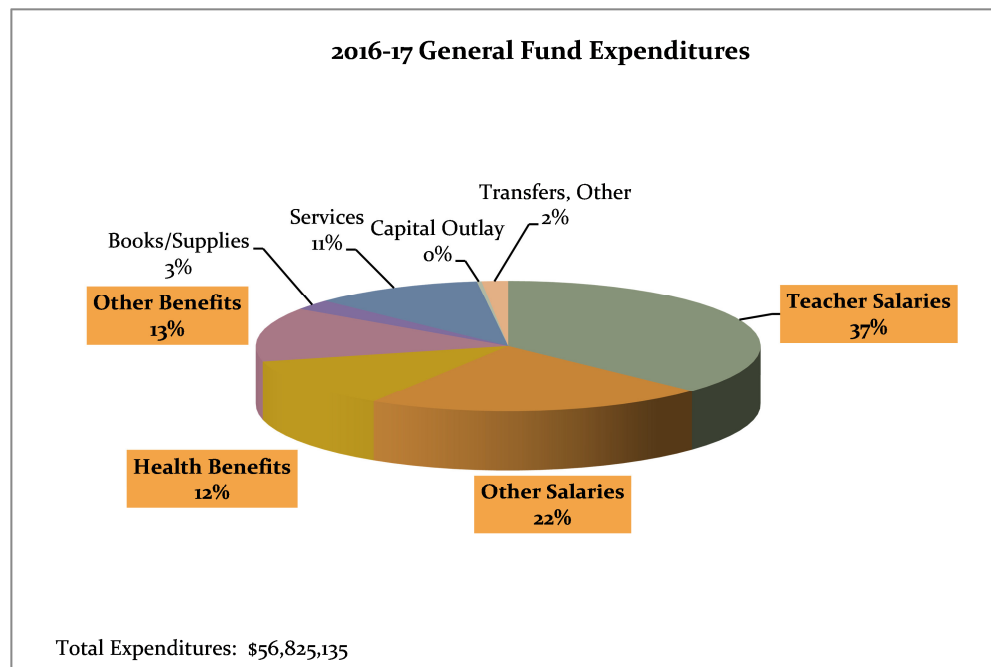
Books & Supplies. The cost of supplies and materials generally increase over time due to inflation and growth in student enrollment. However, estimated costs for the budget year reflect a 26% reduction from the current year due to less discretionary revenues available at school sites.

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

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

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

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



FUND BALANCE

Beginning Balance. The actual beginning balance for the budget year will not be known until August, after the district books for 2015–16 are closed. At this time it is projected to be \$2.2 million. This amount represents an increase in fund balance of \$340,000.

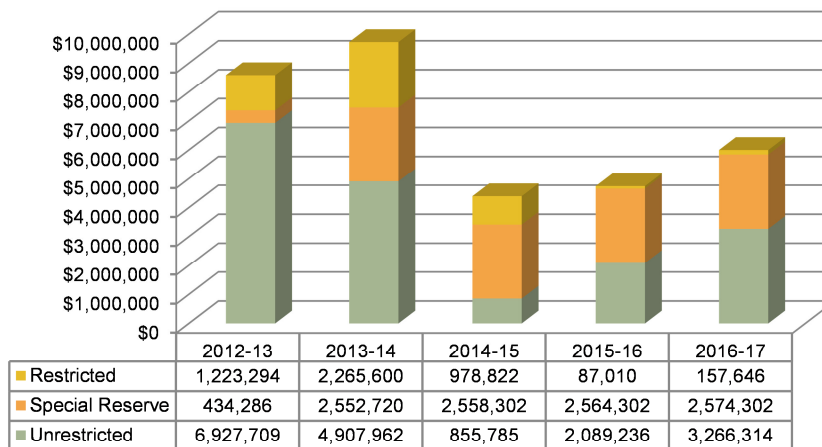
Ending Balance. The projected ending balance for 2016–17 is \$3,424,000, representing a fund balance increase of \$1.2 million.

Restrictions on Ending Balance. Of the total ending balance, \$158,000 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 (\$153,000). The unrestricted (unassigned) ending balance is projected to be \$3,266,000.

Reserve. The state requires districts our size to maintain a 3% reserve. The district meets that requirement. Based on projected 2016–17 expenditures that reserve requirement is \$1,705,000. 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 10.3%. 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. 2016–17 revenues and expenses for all funds are displayed on the pages that follow.

Special Revenue Funds

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

The **Special Reserve Fund** was created by the district from parcel tax funds earmarked for improving the district's reserves. The money in this fund is for reserves only and cannot be spent. These monies are added to the General Fund reserves to make up the required 3% reserve level for the district. We moved \$2.5 million of General Fund monies into this fund in 2013–14 in creating a 5% special reserve for economic uncertainties (a "rainy day" fund). During 2010–11 we moved \$1.2 million from the General Fund to the Special Reserve Fund to set aside monies for payment of future retiree health benefits. This amount represented the obligation under GASB 45 accumulated to date. Additional monies are being set aside each year in the General Fund and will be transferred into this fund at year end. The current balance in the Special Reserve Fund is approximately \$5.3 million, which with interest earnings and an additional transfer from the General Fund projects to \$5.5 million for 2016–17.

Capital Project Funds

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

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

ALL FUNDS SUMMARY

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

	General Fund	Special Revenue Funds	Capital Project Funds	Total All Governmental Funds
REVENUES				
LCFF/Revenue Limit Sources	37,734,926	300,174	-	38,035,100
Federal Revenue	1,001,935	-	-	1,001,935
Other State Revenue	3,829,665	-	-	3,829,665
Other Local Revenue	15,506,324	23,000	2,950,932	18,480,256
TOTAL REVENUES	58,072,850	323,174	2,950,932	61,346,956
EXPENDITURES				
Certificated Salaries	25,173,343	-	-	25,173,343
Classified Salaries	8,308,083	-	-	8,308,083
Employee Benefits	14,552,945	-	-	14,552,945
Books & Supplies	1,437,468	-	62,702	1,500,170
Services & Other Operating Expenditures	6,218,821	400,400	1,510,627	8,129,848
Capital Outlay	169,824	-	1,603,074	1,772,898
Other Outgo	382,642	-	-	382,642
TOTAL EXPENDITURES	56,243,125	400,400	3,176,403	59,819,928
Excess (Deficiency) of Revenues Over Expenditures	1,829,725	(77,226)	(225,471)	1,527,027
OTHER FINANCING SOURCES/USES				
Interfund Transfers In	-	82,010	500,000	582,010
Interfund Transfers Out	(582,010)	-	-	(582,010)
TOTAL OTHER FINANCING SOURCES/USES	(582,010)	82,010	500,000	-
NET INCREASE/(DECREASE) IN FUND BALANCE	1,247,715	4,784	274,529	1,527,027
BEGINNING FUND BALANCES	2,176,246	5,549,885	1,314,020	9,040,151
ENDING FUND BALANCES	3,423,961	5,554,669	1,588,548	10,567,178

GENERAL FUND REVENUES, 2 YEAR COMPARISON

GENERAL FUND REVENUES	2015-16 Est. Actuals	2016-17 Budget	Changes From Prior Year
LCFF/Revenue Limit Sources			
State Aid	1,595,745	1,583,263	(12,482)
Property Taxes	39,168,806	42,076,070	2,907,264
Transfer to Deferred Maintenance Fund	(300,174)	(300,174)	
Transfer to Charter School	(4,944,208)	(5,624,233)	(680,025)
Total, LCFF/Revenue Limit Sources	35,520,169	37,734,926	2,214,757
Federal Revenue			
Special Education (PL94-142)	777,659	775,816	(1,843)
Special Education (Preschool, Other)	94,031	94,031	-
Other	135,422	132,088	(3,334)
Total, Federal Revenue	1,007,112	1,001,935	(5,177)
Other State Revenue			
Mandated Cost Reimbursements	2,545,865	1,099,738	(1,446,127)
Lottery	921,696	858,841	(62,855)
Special Education Mental Health	311,097	241,330	(69,767)
STRS On-Behalf Payments	1,625,038	1,625,038	-
Educator Effectiveness Grant	412,347	-	(412,347)
Other	4,718	4,718	-
Total, Other State Revenue	5,820,760	3,829,665	(1,991,095)
Other Local Revenue			
Parcel Tax	10,018,701	10,018,701	-
Workers Comp/Safety Credit Reimbursements	10,156	6,736	(3,420)
Rents and Leases	421,120	427,722	6,602
Interest Earnings	36,000	36,000	-
Los Altos Educational Foundation	3,150,000	3,300,000	150,000
Fees/Donations	451,784	451,784	-
PTA Support	9,272	9,318	46
Special Education (via SELPA)	613,802	400,931	(212,871)
Transfers from Palo Alto USD	280,000	280,000	-
Pro Rata Share, Bullis Charter School	206,000	212,180	6,180
Premium, revenue anticipation notes	156,500	156,500	
Other	273,352	206,452	(66,900)
Total, Other Local Revenue	15,626,687	15,506,324	(120,363)
TOTAL OPERATING REVENUE	57,974,729	58,072,850	98,121

GENERAL FUND EXPENDITURES, 2 YEAR COMPARISON

GENERAL FUND EXPENDITURES	2015-16 Est. Actuals	2016-17 Budget	Changes From Prior Year
Certificated Salaries			
Teachers	20,992,710	21,050,932	58,221
Administrators	1,950,947	2,050,883	99,936
Other	1,985,480	2,071,528	86,048
Total, Certificated Salaries	24,929,137	25,173,343	244,205
Classified Salaries			
Instructional Aides	3,071,792	3,145,579	73,787
Classified Support	2,140,095	2,164,437	24,342
Supervisors/Administration	1,128,088	1,140,780	12,692
Clerical & Technical Support	1,533,820	1,556,546	22,726
Other	296,523	300,741	4,218
Total, Classified Salaries	8,170,318	8,308,083	137,765
Employee Benefits			
Certificated Retirement (STRS)	4,191,640	4,670,618	478,978
Classified Retirement (PERS)	1,083,232	1,258,155	174,923
Social Security/Medicare	990,604	1,002,686	12,083
Health Insurance	5,462,050	5,869,810	407,760
Unemployment Insurance	17,562	17,801	239
Workers Compensation Insurance	509,527	516,484	6,957
Retiree Health Insurance	1,021,492	1,108,101	86,608
Other	117,416	109,291	(8,125)
Total, Employee Benefits	13,393,523	14,552,945	1,159,422
Books & Supplies			
Textbooks	486,938	375,544	(111,394)
Materials & Supplies	1,204,224	865,467	(338,758)
Non-capitalized Equipment	145,623	96,457	(49,166)
Food Supplies	100,000	100,000	-
Total, Books & Supplies	1,936,785	1,437,468	(499,318)
Services & Other Operating Expenditures			
Meetings, Workshops, Dues	594,095	137,083	(457,011)
Insurance	178,616	195,000	16,384
Utilities	1,120,016	1,170,168	50,152
Rentals and Repairs	1,609,456	1,255,567	(353,889)
Other Services	3,344,651	3,240,431	(104,220)
Communications	220,572	220,572	-
Total, Services & Other Oper. Exp.	7,067,405	6,218,821	(848,584)
Capital Outlay			
Site and Building Improvements	35,886	10,000	(25,886)
Library Books & Media	54,300	54,136	(164)
Equipment	105,688	105,688	-
Total, Capital Outlay	195,874	169,824	(26,050)
Transfers & Other Outgo			
Tuition, Charter Schools	49,839	49,839	-
Debt Service	332,803	332,803	-
Transfers to Other Funds	1,557,405	582,010	(975,395)
Total, Transfers & Other Outgo	1,940,047	964,652	(975,395)
TOTAL OPERATING EXPENDITURES	57,633,090	56,825,135	(807,954)
Revenues over (under) Expenditures	341,639	1,247,715	906,075
Beginning Fund Balance	1,834,607	2,176,246	341,639
Ending Fund Balance	2,176,246	3,423,961	1,247,715

SPECIAL PURPOSE FUNDS

Special Revenue Funds:	Deferred Maintenance 2016-17 Budget	Special Reserve 2016-17 Budget	Total
REVENUES			
LCFF/Revenue Limit Sources	300,174		300,174
Federal Revenue			
Other State Revenue			
Other Local Revenue	1,000	22,000	23,000
Sale/Lease of Properties			
GO Bonds/Transfers In From Other Funds		82,010	82,010
TOTAL OPERATING REVENUE	301,174	104,010	405,184
EXPENDITURES			
Certificated Salaries			
Classified Salaries			
Employee Benefits			
Books & Supplies			
Services & Other Operating Expenditures	400,400		400,400
Capital Outlay			
Other Expenses and Outgo			
Transfers Out To Other Funds			
TOTAL OPERATING EXPENDITURES	400,400		400,400
Revenues over (under) Expenditures	(99,226)	104,010	4,784
Beginning Fund Balance	201,946	5,347,939	5,549,885
Ending Fund Balance	102,720	5,451,949	5,554,669

Capital Project Funds:	Building 2016-17 Budget	Capital Facilities 2016-17 Budget	Total
REVENUES			
LCFF/Revenue Limit Sources			
Federal Revenue			
Other State Revenue			
Other Local Revenue	500	655,092	655,592
Sale/Lease of Properties	295,340		295,340
GO Bonds/Transfers In From Other Funds	2,000,000	500,000	2,500,000
TOTAL OPERATING REVENUE	2,295,840	1,155,092	3,450,932
EXPENDITURES			
Certificated Salaries			
Classified Salaries			
Employee Benefits			
Books & Supplies		62,702	62,702
Services & Other Operating Expenditures	498,965	1,011,662	1,510,627
Capital Outlay	1,596,790	6,284	1,603,074
Other Expenses and Outgo			
Transfers Out To Other Funds			
TOTAL OPERATING EXPENDITURES	2,095,755	1,080,648	3,176,403
Revenues over (under) Expenditures	200,085	74,444	274,529
Beginning Fund Balance	1,284,887	29,133	1,314,020
Ending Fund Balance	1,484,972	103,577	1,588,548

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 2012–13 through the forecast for 2019–20 the fund balances as a total decline significantly. Individually the fund balances vacillate over time. A 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 and the state imposed rate increases for employee pensions. The Special Reserve Fund has grown as a result of transfers from the General Fund to provide funds for future retiree health benefits and to provide a “rainy day” fund (reserve for economic uncertainties). Our capital funds have very low balances and have been supported in the last three years by transfers from the General Fund. We continue to have many capital needs, which hopefully can be addressed by using proceeds from the recently approved bond measure.

All Governmental Funds	2012-13 Actuals	2013-14 Actuals	2014-15 Actuals	2015-16 Est. Actuals	2016-17 Budget	2017-18 Forecast	2018-19 Forecast	2019-20 Forecast
TOTAL OPERATING REVENUES	52,427,517	57,926,851	58,033,346	65,703,970	61,928,966	58,200,259	60,121,728	61,381,349
TOTAL OPERATING EXPENDITURES	51,336,159	57,083,131	63,211,144	64,293,529	60,401,938	59,841,672	61,583,426	63,266,356
Revenues over (under) Expenditures	1,091,359	843,719	(5,177,798)	1,410,442	1,527,027	(1,641,413)	(1,461,698)	(1,885,007)
Beginning Fund Balance	10,919,405	12,010,764	12,807,507	7,629,709	9,040,151	10,567,178	8,925,765	7,464,067
Ending Fund Balance	12,010,764	12,854,483	7,629,709	9,040,151	10,567,178	8,925,765	7,464,067	5,579,060
2014/15 includes an adjustment to Beginning Fund Balance								

General Fund	2012-13 Actuals	2013-14 Actuals	2014-15 Actuals	2015-16 Est. Actuals	2016-17 Budget	2017-18 Forecast	2018-19 Forecast	2019-20 Forecast
TOTAL OPERATING REVENUES	48,831,350	52,831,850	52,095,239	57,974,729	58,072,850	56,606,756	58,524,063	59,788,418
TOTAL OPERATING EXPENDITURES	48,809,448	53,809,291	57,387,219	57,633,090	56,825,135	58,367,708	60,109,462	61,792,392
Revenues over (under) Expenditures	21,902	(977,441)	(5,291,980)	341,639	1,247,715	(1,760,952)	(1,585,399)	(2,003,974)
Beginning Fund Balance	8,129,101	8,151,002	7,126,587	1,834,607	2,176,246	3,423,961	1,663,009	77,610
Ending Fund Balance	8,151,002	7,173,563	1,834,607	2,176,246	3,423,961	1,663,009	77,610	(1,926,364)
2014/15 includes an adjustment to Beginning Fund Balance								

Deferred Maintenance Fund	2012-13 Actuals	2013-14 Actuals	2014-15 Actuals	2015-16 Est. Actuals	2016-17 Budget	2017-18 Forecast	2018-19 Forecast	2019-20 Forecast
TOTAL OPERATING REVENUES	297,498	301,635	301,465	301,174	301,174	310,179	319,455	329,008
TOTAL OPERATING EXPENDITURES	225,573	439,947	422,213	330,000	400,400	325,000	325,000	325,000
Revenues over (under) Expenditures	71,925	(138,313)	(120,748)	(28,826)	(99,226)	(14,821)	(5,545)	4,008
Beginning Fund Balance	417,908	489,833	351,520	230,772	201,946	102,720	87,899	82,354
Ending Fund Balance	489,833	351,520	230,772	201,946	102,720	87,899	82,354	86,362

Special Reserve Fund	2012-13 Actuals	2013-14 Actuals	2014-15 Actuals	2015-16 Est. Actuals	2016-17 Budget	2017-18 Forecast	2018-19 Forecast	2019-20 Forecast
TOTAL OPERATING REVENUES	443,887	2,723,211	274,530	248,405	104,010	302,575	290,315	268,470
TOTAL OPERATING EXPENDITURES	0	0	0	0	0	0	0	0
Revenues over (under) Expenditures	443,887	2,723,211	274,530	248,405	104,010	302,575	290,315	268,470
Beginning Fund Balance	1,657,906	2,101,793	4,825,004	5,099,534	5,347,939	5,451,949	5,754,524	6,044,838
Ending Fund Balance	2,101,793	4,825,004	5,099,534	5,347,939	5,451,949	5,754,524	6,044,838	6,313,308

Building Fund	2012-13 Actuals	2013-14 Actuals	2014-15 Actuals	2015-16 Est. Actuals	2016-17 Budget	2017-18 Forecast	2018-19 Forecast	2019-20 Forecast
TOTAL OPERATING REVENUES	579,308	964,072	2,869,250	5,924,571	2,295,840	324,104	329,542	335,261
TOTAL OPERATING EXPENDITURES	522,271	668,530	2,906,128	5,006,204	2,005,755	498,965	498,965	498,965
Revenues over (under) Expenditures	57,037	295,542	(36,878)	918,367	200,085	(174,861)	(169,423)	(163,704)
Beginning Fund Balance	50,819	107,856	403,398	366,520	1,284,887	1,484,972	1,310,110	1,140,687
Ending Fund Balance	107,856	403,398	366,520	1,284,887	1,484,972	1,310,110	1,140,687	976,983

Capital Facilities Fund	2012-13 Actuals	2013-14 Actuals	2014-15 Actuals	2015-16 Est. Actuals	2016-17 Budget	2017-18 Forecast	2018-19 Forecast	2019-20 Forecast
TOTAL OPERATING REVENUES	2,275,475	1,106,083	2,492,861	1,255,092	1,155,092	656,645	658,354	660,192
TOTAL OPERATING EXPENDITURES	1,778,867	2,165,363	2,495,583	1,324,235	1,080,648	650,000	650,000	650,000
Revenues over (under) Expenditures	496,608	(1,059,281)	(2,722)	(69,143)	74,444	6,645	8,354	10,192
Beginning Fund Balance	663,672	1,160,279	100,999	98,277	29,133	103,577	110,222	118,576
Ending Fund Balance	1,160,279	100,999	98,277	29,133	103,577	110,222	118,576	128,768

AWARDS AND RECOGNITION

The Association of School Business Officials (ASBO) awarded its Meritorious Budget Award to Los Altos School District for its 2015–16 Annual Budget. The award certificate is shown on the following page. This was the sixteenth 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 twelve years has received certificates of excellence for financial reporting from both ASBO and the Government Finance Officers Association (GFOA).



ASSOCIATION OF
SCHOOL BUSINESS OFFICIALS
INTERNATIONAL

This Meritorious Budget Award is presented to

LOS ALTOS SCHOOL DISTRICT

For excellence in the preparation and issuance of its budget
for the Fiscal Year 2015-2016.

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



A handwritten signature in black ink, appearing to read 'M. Pepera', written over a horizontal line.

Mark C. Pepera, MBA, RSBO, SFO
President

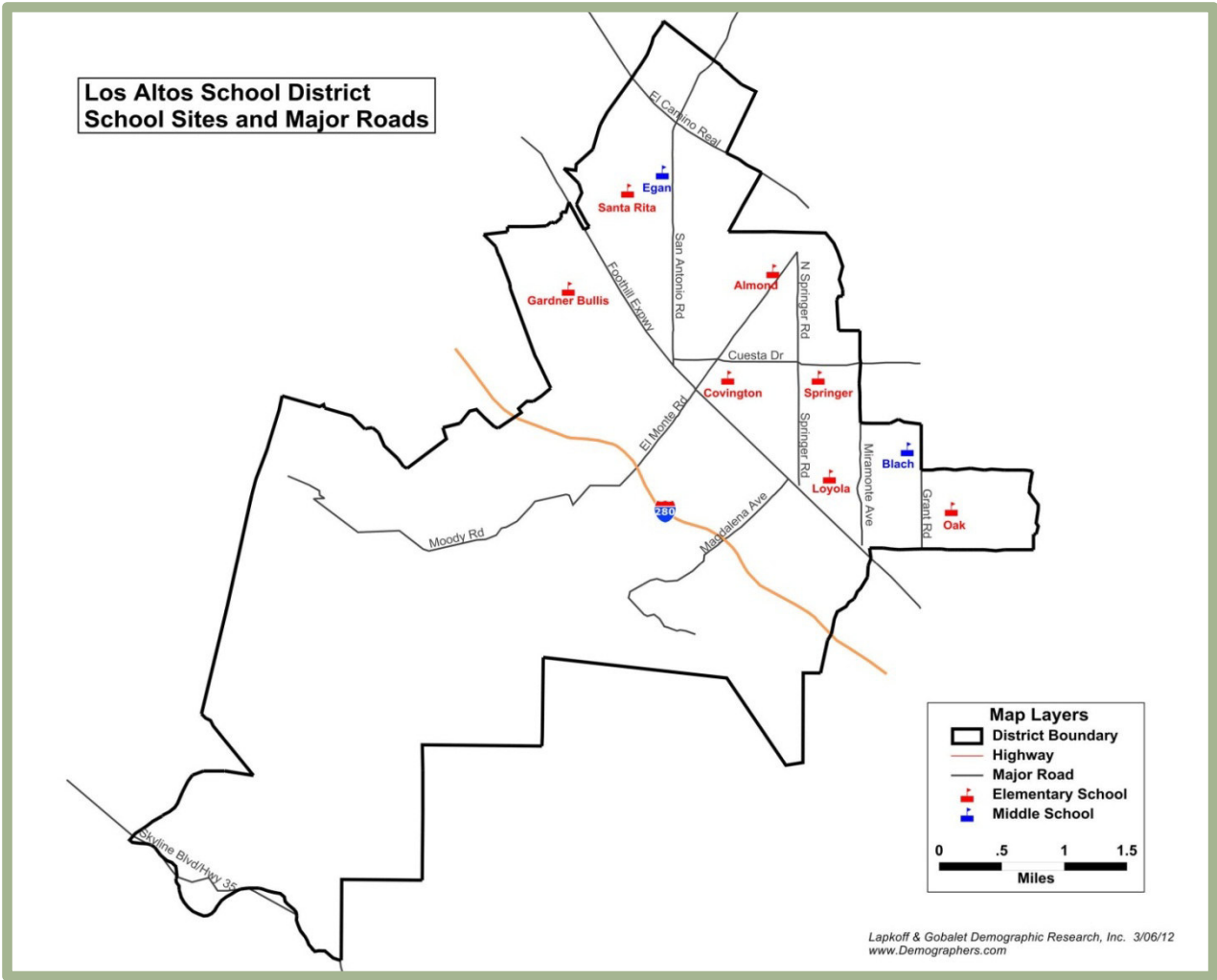
A handwritten signature in black ink, appearing to read 'John D. Musso', written over a horizontal line.

John D. Musso, CAE, RSBA
Executive Director

ORGANIZATIONAL SECTION



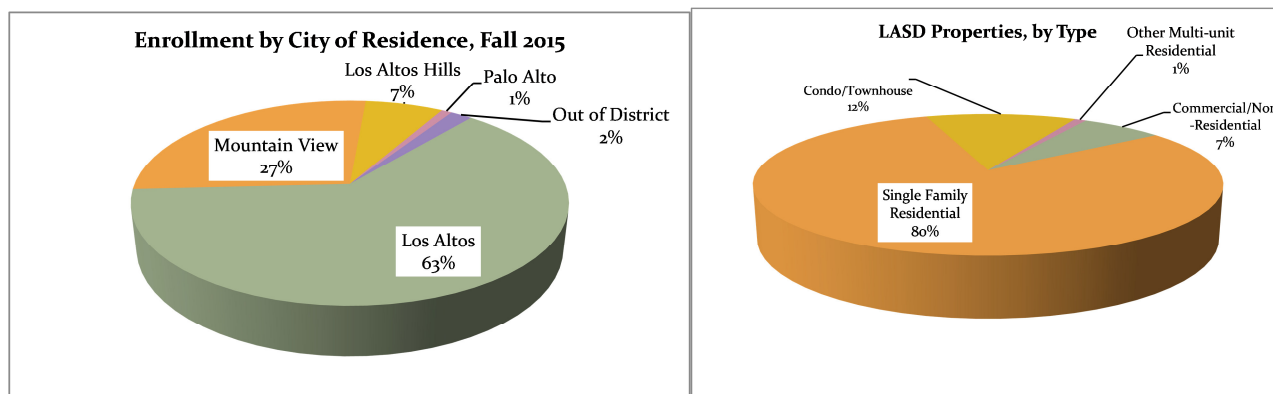
Empowering our Teachers to Challenge Students to Actively Discover Curriculum



Board of Trustees		
Mr. Pablo Luther	President	Term expires December 2016
Mr. Sangeeth Peruri	Vice-President	Term expires December 2018
Mr. Vladimir Ivanovic	Clerk	Term expires December 2018
Mr. Steve Taglio	Member	Term expires December 2016
Mrs. Tamara Logan	Member	Term expires December 2018
Board members are elected for four year terms. Officers rotate based on experience and election results. Newly elected board members typically start as regular members before moving into an officer position. The board appoints the district superintendent.		

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—80% of the properties are single family residences and another 12% 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 260% of the state average (\$160,136 as compared to \$61,489)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 36 and 80% of adults have at least a Bachelor's Degree as compared to 31% statewide. The average sales price of homes within our district in 2015 was just under \$3.1 million.

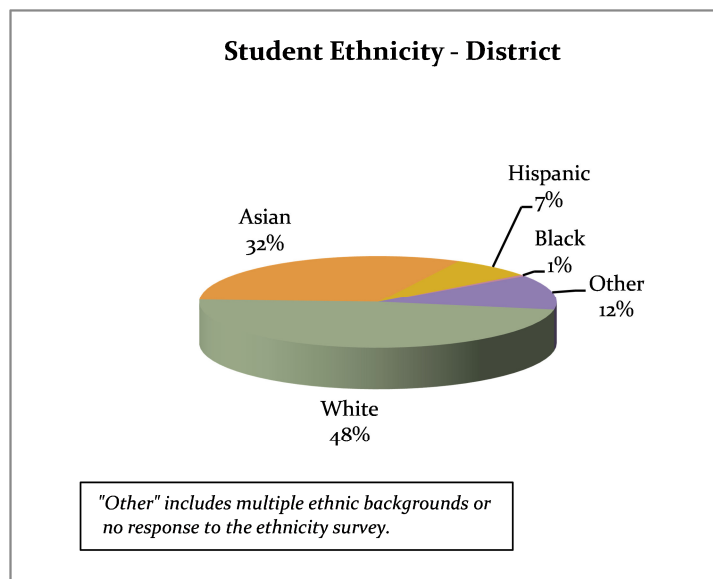
STUDENT DEMOGRAPHICS

Enrollment. We expect 4,659 students in the fall of 2016 compared to 4,636 students one year earlier. A recent history of fall enrollments by school is shown in the table below. Over the last ten years enrollment has grown an average of 1% per year. The district's enrollment is expected to continue growing through the foreseeable future.

¹ Source: U. S. Census Bureau's American Community Survey (2010–2014)

Fall Enrollment History										
	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016*
Almond	586	554	538	531	526	540	510	545	536	548
Blach	462	475	449	476	476	471	512	525	512	518
Gardner Bullis	94	202	246	291	298	321	318	337	352	357
Covington	542	488	455	455	498	500	512	553	559	575
Egan	531	539	534	537	556	520	560	619	645	653
Loyola	535	538	571	590	588	573	542	526	505	461
Oak	450	445	450	446	463	487	506	459	444	434
Santa Rita	575	514	523	542	537	566	561	568	561	573
Springer	490	490	521	516	535	517	522	538	522	540
Total	4,265	4,245	4,287	4,384	4,477	4,495	4,543	4,670	4,636	4,659
* Fall 2016 is projected enrollment.										

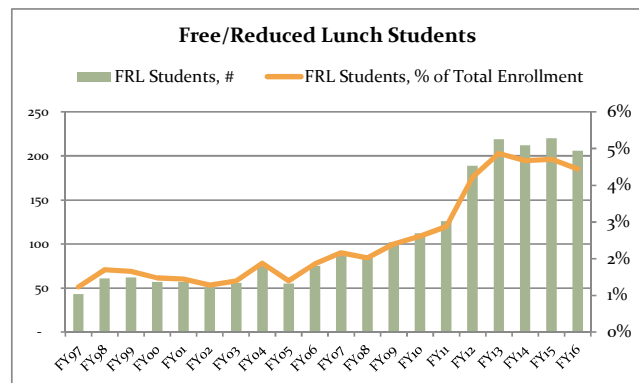
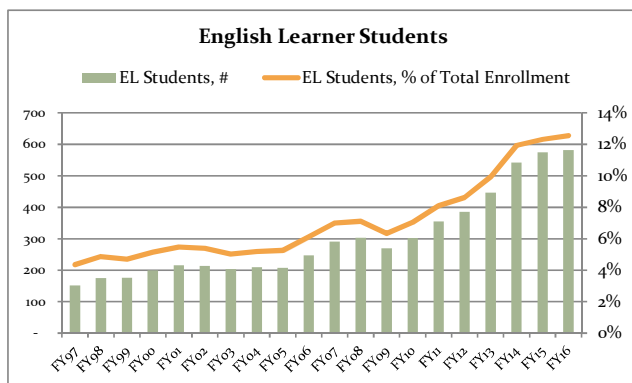
Ethnicity. Each year California school districts request ethnicity information from families of students. Based on the most recent data collected (Fall 2015), our ethnicity mix is 48% Caucasian, 32% Asian, 7% Hispanic, less than 1% Black, and 12% other. The “other” category includes students with multi-ethnic backgrounds as well as families that did not respond to the survey.



Special Services. A portion of our students receives special services, depending on their needs. 9% of our students receive special education services, from minimal services such as speech therapy to intensive services for severely handicapped children. Of the 404 students identified as having special needs less than half (171) receive only speech therapy. We serve 582 students (13%) for whom English is a second language. There are 35 different primary languages among our students. The generally high socio-economic status of our students makes us eligible for only a small amount of federal aid for disadvantaged children (Title I). 4% 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	2011-12		2012-13		2013-14		2014-15		2015-16	
	Count	% of Total	Count	% of Total	Count	% of Total	Count	% of Total	Count	% of Total
Total Enrollment	4,477		4,495		4,543		4,670		4,636	
Students receiving Spec Ed services	440	10%	450	10%	445	10%	407	9%	404	9%
-students receiving only speech therapy	178		177		172		161		171	
Students eligible for free & reduced meals	189	4%	219	5%	212	5%	220	5%	206	4%
English as a Second Language students	386	9%	447	10%	542	12%	575	12%	582	13%



BOARD GOALS FOR 2016-17

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. 2016–17 is the third and final year of these goals.

Our Vision. Our Educational Blueprint has led us to embark on a journey to

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

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 2016–17 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.
- Ensure a guaranteed and viable curriculum and assessment system is in place to support student learning.

Fiscal Impact: \$439,405. We expect to spend \$66,200 on student assessment tools, \$73,205 on intervention strategies training and implementation for English Language Learners, \$100,000 for remedial Summer School programs, and \$200,000 for curriculum-related materials.

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: \$207,472. We anticipate spending \$1,800 on substitute teachers, \$155,672 on new teacher mentoring, and expect to spend \$50,000 on professional development over the summer and in the fall.

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: \$1,165,000. We expect to spend \$995,000 on our STEM program including some program expansion, \$155,000 on expanding our cSTEM program offerings, \$10,000 on a Teacher Teaching Teachers professional development model, and \$5,000 on a badging system for teachers that recognizes advancement or achievement.

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: \$17,000. We anticipate spending \$5,000 for community newsletters and other communiques, \$2,000 for translation services, and \$10,000 for consulting services.

FINANCE

Goal: Maintain financial stability

- Continue developing and reviewing 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.

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 of the ten schools supported by Los Altos School District

- Adopt an updated Facilities Master Plan.
- Begin implementation of the master plan using proceeds from the voter authorized November 2014 \$150 million bond measure.

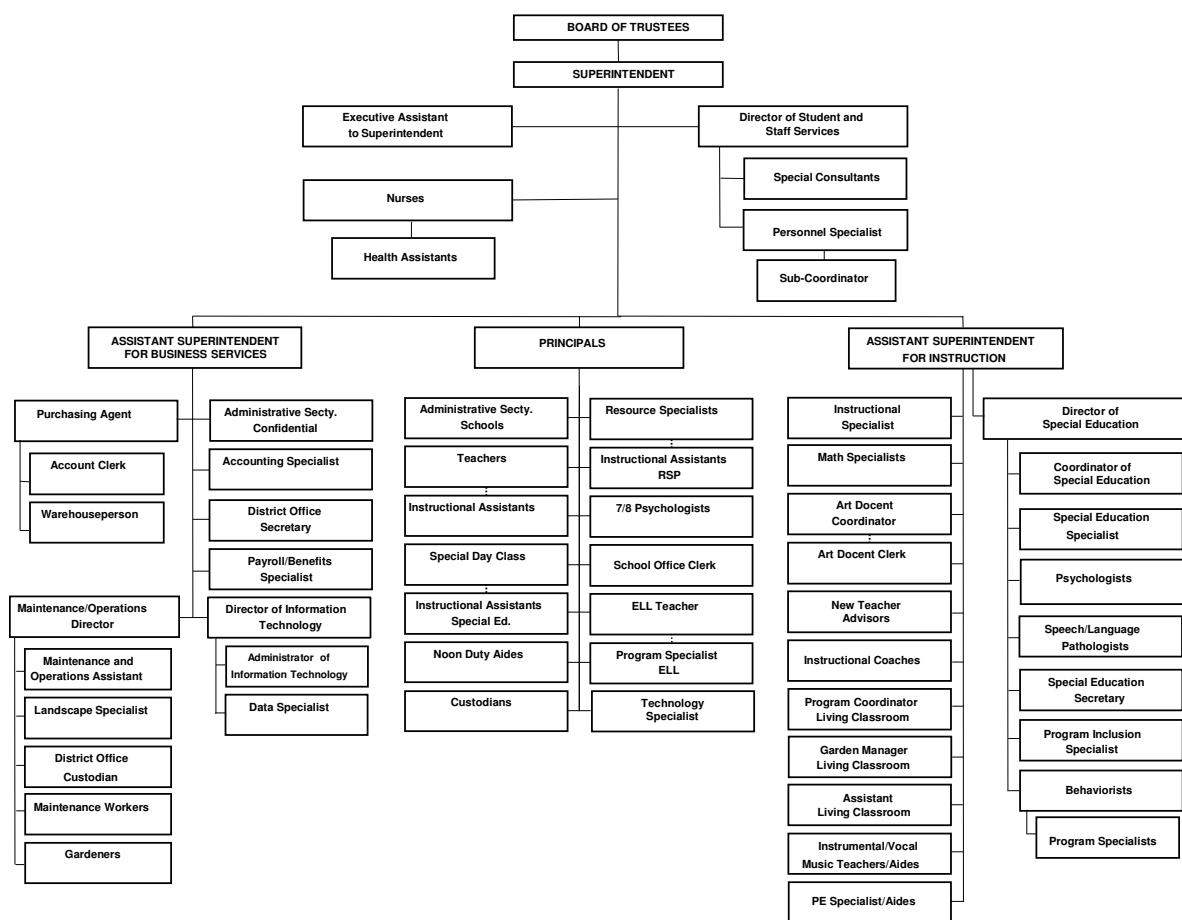
Fiscal Impact: \$60,000. We anticipate spending \$60,000 for architectural and consulting services in updating our Master Plan. Until plans are finalized it is too early to determine how much in bond proceeds will be spent in the budget year.

KEY FACTORS AND ISSUES FACING THE DISTRICT

In developing our 2016–17 budget we have taken into account some key factors that affect our finances. First and foremost is our projection of property tax revenues, as they comprise 60% of our total revenue. As a result of a continuing strong local economy we expect 8% growth in property taxes for the budget year, above the most recent 10 year historical average of 6%. Offsetting the influx of new revenues are increased costs for salaries as a result of movement on the salary schedule, rising health insurance costs, and state mandated increases in employer contributions to the state teachers’ retirement system.

As we look beyond the budget year we have some key issues to address. In addition to the expiration of a \$193 parcel tax at the end of the 2016–17 year, we expect a downturn in the economy sometime within the next several years. The parcel tax brings in \$2.5 million annually (4.5% of our total revenues) and assists in enabling us to maintain small class and school sizes. The school board is considering seeking renewal of the tax, likely on the November 2016 ballot. We need to maintain a healthy reserve in the short term to protect us from program reductions in the event of revenue shortfalls during a recession. Other issues include the need to add facilities to address continued enrollment growth, the need to address other capital needs (including repairs and equipment replacement), and the continuing need to attract and retain high quality teachers in an area with a high cost of living. Our recently approved general obligation bond measure for \$150 million will help us address some of the capital issues.

LOS ALTOS SCHOOL DISTRICT ORGANIZATIONAL CHART (2016–17)



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.

Los Altos School District 2016–17 Budget

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 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/Bond 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.

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

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

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
Note: Capital projects budget timeline shown in orange.	

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.

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

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

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

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

All Program Managers shall:

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

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

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

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

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

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

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

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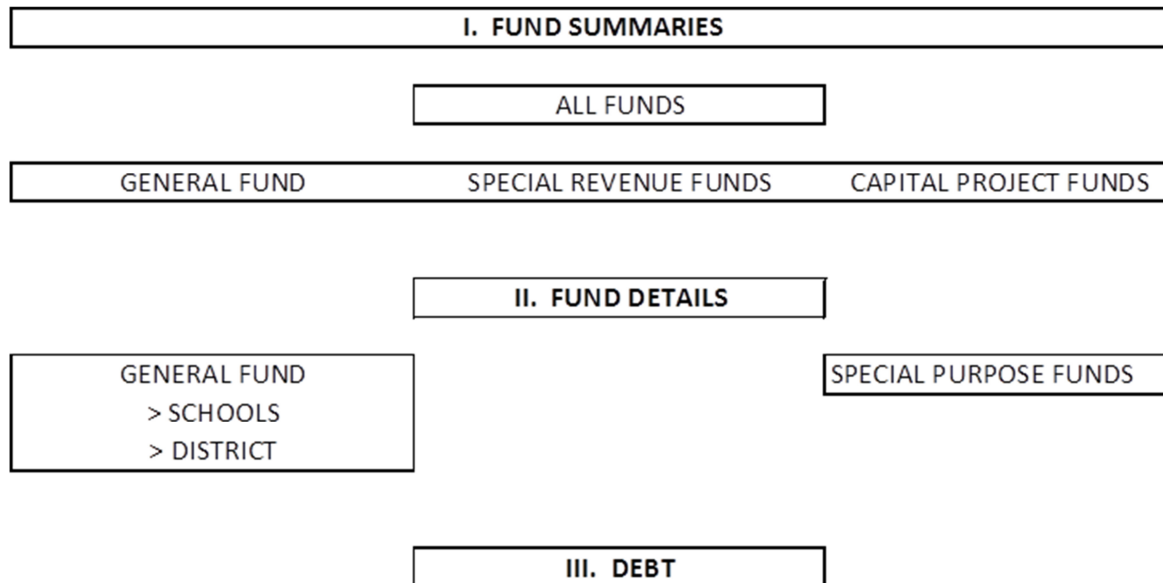
FINANCIAL SECTION



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 General Fund show a depletion of resources by 2019–20, primarily due to the sunset of a six year parcel tax that generates \$2.5 million. That tax sunsets on June 30, 2017 but plans are already underway to bring to the voters a measure that would extend the tax. Obviously this concerns us greatly. In part the drawdown is due to spending operating funds on capital needs, which we hope to discontinue now that we have a \$150 million bond authorization. Additionally we believe our revenue estimates for the out years are very conservative, especially our property tax growth projections. Should additional revenues not materialize we have the flexibility to increase class sizes and make other program alterations to bring our finances back in line.

ALL FUNDS

All Governmental Funds	2012-13 Actuals	2013-14 Actuals	2014-15 Actuals	2015-16 Est. Actuals	2016-17 Budget	2017-18 Forecast	2018-19 Forecast	2019-20 Forecast
REVENUES								
LCFF/Revenue Limit Sources	28,210,728	31,459,840	31,730,727	35,820,343	38,035,100	39,664,383	41,485,357	42,656,160
Federal Revenue	1,051,413	934,871	1,003,227	1,007,112	1,001,935	1,023,276	1,050,393	1,078,964
Other State Revenue	1,648,022	2,952,235	1,494,816	5,820,760	3,829,665	2,863,812	2,875,209	2,880,899
Other Local Revenue	19,659,801	18,730,607	20,579,597	16,354,379	16,184,916	13,883,648	13,947,652	14,005,042
Sale/Lease of Properties	187,320	192,360	197,400	263,971	295,340	303,314	311,200	319,292
GO Bonds/Transfers In From Other Funds	1,670,233	3,656,938	3,027,578	6,437,405	2,582,010	461,826	451,917	440,993
TOTAL OPERATING REVENUE	52,427,517	57,926,851	58,033,346	65,703,970	61,928,966	58,200,259	60,121,728	61,381,349
EXPENDITURES								
Certificated Salaries	20,883,829	23,132,798	24,731,255	24,929,137	25,173,343	25,541,873	25,839,545	26,061,693
Classified Salaries	6,811,312	7,235,259	8,138,710	8,170,318	8,308,083	8,414,315	8,522,624	8,631,455
Employee Benefits	9,476,020	9,930,036	11,211,089	13,393,523	14,552,945	15,887,601	17,076,089	18,289,652
Books & Supplies	2,717,520	2,749,958	3,624,127	2,013,822	1,500,170	1,468,629	1,495,153	1,515,800
Services & Other Operating Expenditures	7,949,263	8,572,337	8,526,380	9,103,277	8,129,848	7,819,433	7,954,110	8,087,027
Capital Outlay	1,495,179	1,433,167	3,570,590	4,743,404	1,772,898	174,533	179,801	185,103
Other Expenses and Outgo	332,803	372,639	381,415	382,642	382,642	382,642	382,642	382,642
Transfers Out To Other Funds	1,670,233	3,656,938	3,027,578	1,557,405	582,010	152,646	133,462	112,984
TOTAL OPERATING EXPENDITURES	51,336,159	57,083,131	63,211,144	64,293,529	60,401,938	59,841,672	61,583,426	63,266,356
Revenues over (under) Expenditures	1,091,359	843,719	(5,177,798)	1,410,442	1,527,027	(1,641,413)	(1,461,698)	(1,885,007)
Beginning Fund Balance	10,919,405	12,010,764	12,807,507	7,629,709	9,040,151	10,567,178	8,925,764	7,464,065
Ending Fund Balance	12,010,764	12,854,483	7,629,709	9,040,151	10,567,178	8,925,765	7,464,066	5,579,058

2014/15 includes an adjustment to Beginning Fund Balance

GENERAL FUND

General Fund	2012-13 Actuals	2013-14 Actuals	2014-15 Actuals	2015-16 Est. Actuals	2016-17 Budget	2017-18 Forecast	2018-19 Forecast	2019-20 Forecast
REVENUES								
LCFF/Revenue Limit Sources	28,210,728	31,459,840	31,430,553	35,520,169	37,734,926	39,664,383	41,485,357	42,656,160
Federal Revenue	1,051,413	934,871	1,003,227	1,007,112	1,001,935	1,023,276	1,050,393	1,078,964
Other State Revenue	1,648,022	2,952,235	1,494,816	5,820,760	3,829,665	2,863,812	2,875,209	2,880,899
Other Local Revenue	17,921,186	17,484,905	18,166,643	15,626,687	15,506,324	13,055,285	13,113,104	13,172,395
Sale/Lease of Properties								
GO Bonds/Transfers In From Other Funds								
TOTAL OPERATING REVENUE	48,831,350	52,831,850	52,095,239	57,974,729	58,072,850	56,606,756	58,524,063	59,788,418
EXPENDITURES								
Certificated Salaries	20,883,829	23,132,798	24,731,255	24,929,137	25,173,343	25,541,873	25,839,545	26,061,693
Classified Salaries	6,811,312	7,235,259	8,138,710	8,170,318	8,308,083	8,414,315	8,522,624	8,631,455
Employee Benefits	9,476,020	9,930,036	11,211,089	13,393,523	14,552,945	15,887,601	17,076,089	18,289,652
Books & Supplies	2,633,136	2,628,155	3,410,006	1,936,785	1,437,468	1,468,629	1,495,153	1,515,800
Services & Other Operating Expenditures	6,652,561	6,741,926	6,104,249	7,067,405	6,218,821	6,345,468	6,480,145	6,613,062
Capital Outlay	349,555	111,541	382,917	195,874	169,824	174,533	179,801	185,103
Other Expenses and Outgo	332,803	372,639	381,415	382,642	382,642	382,642	382,642	382,642
Transfers Out To Other Funds	1,670,233	3,656,938	3,027,578	1,557,405	582,010	152,646	133,462	112,984
TOTAL OPERATING EXPENDITURES	48,809,448	53,809,291	57,387,219	57,633,090	56,825,135	58,367,708	60,109,462	61,792,392
Revenues over (under) Expenditures	21,902	(977,441)	(5,291,980)	341,639	1,247,715	(1,760,952)	(1,585,399)	(2,003,974)
Beginning Fund Balance	8,129,101	8,151,002	7,126,587	1,834,607	2,176,246	3,423,961	1,663,009	77,610
Ending Fund Balance	8,151,002	7,173,563	1,834,607	2,176,246	3,423,961	1,663,009	77,610	(1,926,364)

2014/15 includes an adjustment to Beginning Fund Balance

Los Altos School District 2016-17 Budget

SPECIAL REVENUE FUNDS

	2012-13 Actuals	2013-14 Actuals	2014-15 Actuals	2015-16 Est. Actuals	2016-17 Budget	2017-18 Forecast	2018-19 Forecast	2019-20 Forecast
Deferred Maintenance Fund								
REVENUES								
LCFF/Revenue Limit Sources			300,174	300,174	300,174			
Federal Revenue								
Other State Revenue								
Other Local Revenue	2,196	1,461	1,291	1,000	1,000	1,000	1,000	1,000
Sale/Lease of Properties								
GO Bonds/Transfers In From Other Funds	295,302	300,174				309,179	318,455	328,008
TOTAL OPERATING REVENUE	297,498	301,635	301,465	301,174	301,174	310,179	319,455	329,008
EXPENDITURES								
Certificated Salaries								
Classified Salaries								
Employee Benefits								
Books & Supplies								
Services & Other Operating Expenditures	102,408	276,077	417,753	325,000	400,400	325,000	325,000	325,000
Capital Outlay	123,166	163,871	4,460	5,000				
Other Expenses and Outgo								
Transfers Out To Other Funds								
TOTAL OPERATING EXPENDITURES	225,573	439,947	422,213	330,000	400,400	325,000	325,000	325,000
Revenues over (under) Expenditures	71,925	(138,313)	(120,748)	(28,826)	(99,226)	(14,821)	(5,545)	4,008
Beginning Fund Balance	417,908	489,833	351,520	230,772	201,946	102,720	87,899	82,354
Ending Fund Balance	489,833	351,520	230,772	201,946	102,720	87,899	82,354	86,362

	2012-13 Actuals	2013-14 Actuals	2014-15 Actuals	2015-16 Est. Actuals	2016-17 Budget	2017-18 Forecast	2018-19 Forecast	2019-20 Forecast
Special Reserve Fund								
REVENUES								
LCFF/Revenue Limit Sources								
Federal Revenue								
Other State Revenue								
Other Local Revenue	10,636	12,647	16,158	16,000	22,000	149,929	156,853	155,486
Sale/Lease of Properties								
GO Bonds/Transfers In From Other Funds	433,251	2,710,564	258,372	232,405	82,010	152,646	133,462	112,984
TOTAL OPERATING REVENUE	443,887	2,723,211	274,530	248,405	104,010	302,575	290,315	268,470
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	443,887	2,723,211	274,530	248,405	104,010	302,575	290,315	268,470
Beginning Fund Balance	1,657,906	2,101,793	4,825,004	5,099,534	5,347,939	5,451,949	5,754,524	6,044,838
Ending Fund Balance	2,101,793	4,825,004	5,099,534	5,347,939	5,451,949	5,754,524	6,044,838	6,313,308

CAPITAL PROJECT FUNDS

Building Fund	2012-13 Actuals	2013-14 Actuals	2014-15 Actuals	2015-16 Est. Actuals	2016-17 Budget	2017-18 Forecast	2018-19 Forecast	2019-20 Forecast
REVENUES								
LCFF/Revenue Limit Sources								
Federal Revenue								
Other State Revenue								
Other Local Revenue	308	625,512	1,802,644	5,600	500	20,790	18,342	15,970
Sale/Lease of Properties	187,320	192,360	197,400	263,971	295,340	303,314	311,200	319,292
GO Bonds/Transfers In From Other Funds	391,680	146,200	869,206	5,655,000	2,000,000			
TOTAL OPERATING REVENUE	579,308	964,072	2,869,250	5,924,571	2,295,840	324,104	329,542	335,261
EXPENDITURES								
Certificated Salaries								
Classified Salaries								
Employee Benefits								
Books & Supplies	13,969		97,684	1,000				
Services & Other Operating Expenditures	319,546	579,371	893,132	688,958	498,965	498,965	498,965	498,965
Capital Outlay	188,755	89,159	1,915,312	4,316,246	1,596,790			
Other Expenses and Outgo								
Transfers Out To Other Funds								
TOTAL OPERATING EXPENDITURES	522,271	668,530	2,906,128	5,006,204	2,095,755	498,965	498,965	498,965
Revenues over (under) Expenditures	57,037	295,542	(36,878)	918,367	200,085	(174,861)	(169,423)	(163,704)
Beginning Fund Balance	50,819	107,856	403,398	366,520	1,284,887	1,484,972	1,310,110	1,140,687
Ending Fund Balance	107,856	403,398	366,520	1,284,887	1,484,972	1,310,110	1,140,687	976,983

Capital Facilities Fund	2012-13 Actuals	2013-14 Actuals	2014-15 Actuals	2015-16 Est. Actuals	2016-17 Budget	2017-18 Forecast	2018-19 Forecast	2019-20 Forecast
REVENUES								
LCFF/Revenue Limit Sources								
Federal Revenue								
Other State Revenue								
Other Local Revenue	1,725,475	606,083	592,861	705,092	655,092	656,645	658,354	660,192
Sale/Lease of Properties								
GO Bonds/Transfers In From Other Funds	550,000	500,000	1,900,000	550,000	500,000			
TOTAL OPERATING REVENUE	2,275,475	1,106,083	2,492,861	1,255,092	1,155,092	656,645	658,354	660,192
EXPENDITURES								
Certificated Salaries								
Classified Salaries								
Employee Benefits								
Books & Supplies	70,415	121,803	116,437	76,037	62,702			
Services & Other Operating Expenditures	874,749	974,964	1,111,246	1,021,914	1,011,662	650,000	650,000	650,000
Capital Outlay	833,703	1,068,596	1,267,901	226,284	6,284			
Other Expenses and Outgo								
Transfers Out To Other Funds								
TOTAL OPERATING EXPENDITURES	1,778,867	2,165,363	2,495,583	1,324,235	1,080,648	650,000	650,000	650,000
Revenues over (under) Expenditures	496,608	(1,059,281)	(2,722)	(69,143)	74,444	6,645	8,354	10,192
Beginning Fund Balance	663,672	1,160,279	100,999	98,277	29,133	103,577	110,222	118,576
Ending Fund Balance	1,160,279	100,999	98,277	29,133	103,577	110,222	118,576	128,768

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	\$ 36,955,965	\$ -	\$ -	\$ -	\$ 36,955,965
Instruction Related Services	\$ 5,697,630	\$ -	\$ -	\$ -	\$ 5,697,630
Pupil Services	\$ 3,831,266	\$ -	\$ -	\$ -	\$ 3,831,266
General Administration	\$ 3,800,258	\$ -	\$ -	\$ -	\$ 3,800,258
Plant Services	\$ 5,358,031	\$ 400,400	\$ 2,095,755	\$ 1,080,648	\$ 8,934,834
Other Outgo	\$ 1,181,985	\$ -	\$ -	\$ -	\$ 1,181,985
	\$ 56,825,135	\$ 400,400	\$ 2,095,755	\$ 1,080,648	\$ 60,401,938

GENERAL OPERATING EXPENDITURES, BY FUNCTION

Our operating budget for 2016–17 totals just over \$56.8 million. With a projected enrollment of 4,659 students and an average class size (including special program classes) of 25 students, we are spending about \$251,000 per classroom. The table below shows how that investment is used in each classroom.

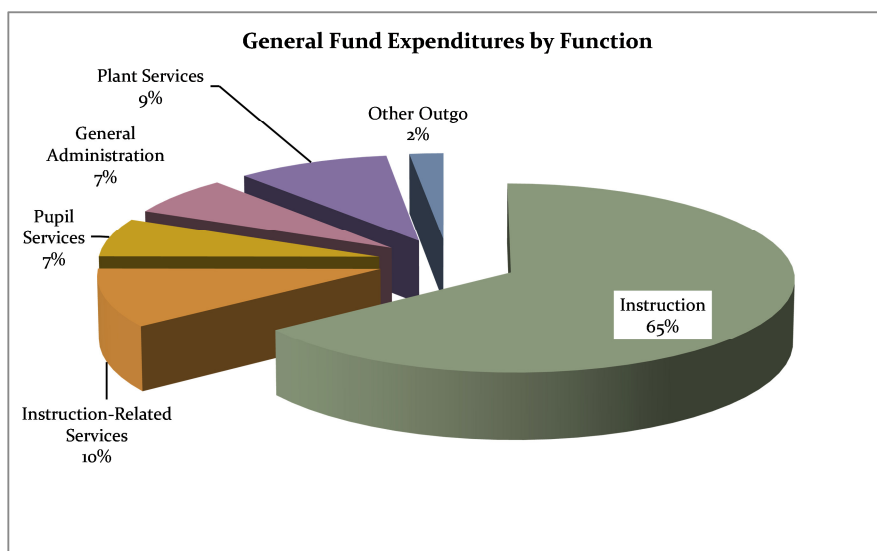
Instruction. 65% (\$163,318 per classroom) of our total spending goes for regular and special education classroom teachers and teacher aides. The average teacher costs \$111,067. In addition to that cost, this category includes the cost of teacher aides, substitutes, textbooks, and classroom equipment and supplies.

Instruction-Related Services. \$25,179 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. 7% of our money goes for direct non-instructional services to students. The cost of counselors, psychologists, health and speech services, and pupil transportation are included here.

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

Plant Services. 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, interest on our Tax Revenue and Anticipation Notes (TRANs), and transfers to other funds comprises the final 2% of our spending.

2016-17 General Fund Expenditures By Function					
	Cost	% of Total	Cost per Classroom	Cost per Student	
Instruction	\$ 36,955,965	65%	\$ 163,318	\$	7,932
Instruction-Related Services	\$ 5,697,630	10%	\$ 25,179	\$	1,223
Pupil Services	\$ 3,831,266	7%	\$ 16,931	\$	822
General Administration	\$ 3,800,258	7%	\$ 16,794	\$	816
Plant Services	\$ 5,358,031	9%	\$ 23,679	\$	1,150
Other Outgo	\$ 1,181,985	2%	\$ 5,224	\$	254
total	\$ 56,825,135	100%	\$ 251,125	\$	12,197
Based on 226 classrooms and 4,659 students.					

REVENUE AND EXPENDITURE TRENDS

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

REVENUES

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

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

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

Other Local. We receive significantly more local revenue than most districts in California, due to community support through PTAs, our education foundation, and our parcel tax. A parcel tax that generates \$2.5 million expires at the conclusion of 2016–17. 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 7.5% per year. Per recent changes in state law, contributions to employee retirement plans increase significantly every year starting in 2014–15.

Los Altos School District 2016-17 Budget

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

General Fund	2012-13 Actuals	2013-14 Actuals	2014-15 Actuals	2015-16 Est. Actuals	2016-17 Budget	2017-18 Forecast	2018-19 Forecast	2019-20 Forecast
REVENUES								
LCFF/Revenue Limit Sources	57.8%	59.5%	60.3%	61.3%	65.0%	70.1%	70.9%	71.3%
Federal Revenue	2.2%	1.8%	1.9%	1.7%	1.7%	1.8%	1.8%	1.8%
Other State Revenue	3.4%	5.6%	2.9%	10.0%	6.6%	5.1%	4.9%	4.8%
Other Local Revenue	36.7%	33.1%	34.9%	27.0%	26.7%	23.1%	22.4%	22.0%
TOTAL OPERATING REVENUE	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%
EXPENSES								
Certificated Salaries	42.8%	43.0%	43.1%	43.3%	44.3%	43.8%	43.0%	42.2%
Classified Salaries	14.0%	13.4%	14.2%	14.2%	14.6%	14.4%	14.2%	14.0%
Employee Benefits	19.4%	18.5%	19.5%	23.2%	25.6%	27.2%	28.4%	29.6%
Books & Supplies	5.4%	4.9%	5.9%	3.4%	2.5%	2.5%	2.5%	2.5%
Services & Other Operating Expenditures	13.6%	12.5%	10.6%	12.3%	10.9%	10.9%	10.8%	10.7%
Capital Outlay	0.7%	0.2%	0.7%	0.3%	0.3%	0.3%	0.3%	0.3%
Other Expenses and Outgo	0.7%	0.7%	0.7%	0.7%	0.7%	0.7%	0.6%	0.6%
Transfers Out To Other Funds	3.4%	6.8%	5.3%	2.7%	1.0%	0.3%	0.2%	0.2%
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	2016-17 Expenditures
School Programs	
Elementary	
Almond	3,776,860
Gardner Bullis	2,671,461
Covington	4,493,029
Loyola	3,851,270
Oak	3,096,426
Santa Rita	4,727,344
Springer	4,109,686
Intermediate	
Blach	4,073,921
Egan	4,590,846
Total, School Programs	35,390,843
District Programs	19,809,255
Grand Total	55,200,098
<i>Excludes 1,625,037 (Offset to state on-behalf contribution to STRS)</i>	

ELEMENTARY SCHOOLS (GRADES K THROUGH 6)

Our district is characterized by small neighborhood schools. The projected average school size is 498 students, ranging from a low of 357 (Gardner Bullis) to a high of 575 (Covington).

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

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

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

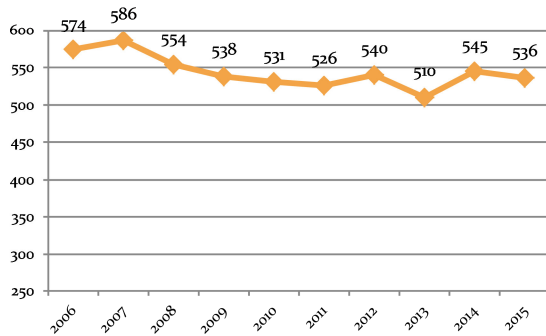
School	Enrollment by Grade										Total
	TK/K	1	2	3	4	5	6	7	8	SDC	
Almond Elementary	82	49	77	83	78	94	85				548
Gardner Bullis Elementary	37	46	52	52	52	58	60				357
Covington Elementary	61	90	65	102	75	91	72			19	575
Loyola Elementary	39	47	72	49	74	68	98			14	461
Oak Elementary	42	50	66	68	66	63	79				434
Santa Rita Elementary	91	77	66	77	93	75	81			13	573
Springer Elementary	99	60	53	77	70	85	80			16	540
Blach Intermediate								267	233	18	518
Egan Intermediate								310	341	2	653
TOTAL	451	419	451	508	508	534	555	577	574	82	4,659
SDC = Special Day Class students (multi-grade)											

ALMOND SCHOOL

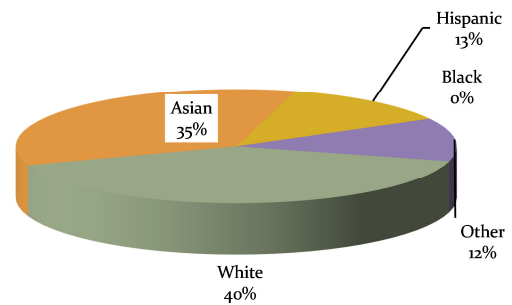
Almond School is located on the north side of the district. Students attending Almond feed into Egan Intermediate School and then into Los Altos High School (in Mountain View-Los Altos High School District). Demographic and performance data for the school are shown below. Budget information starts on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

Almond School	
550 Almond Avenue, Los Altos www.almondschool.org	Site Acreage: 9.94
Principal: Erica Benadom	Teachers - Regular: 22.0 FTE (Full Time Equivalents)
Grades Served: K-6	Teachers - Other: 3.0 FTE
Enrollment: 548	Discretionary Allocation: \$55 per student
Awards: California Distinguished School	Building Square Footage: 42,987

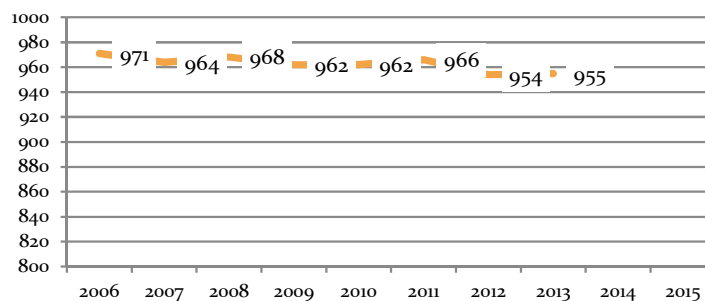
October Enrollment History: Almond



**Student Ethnicity
Almond School**



Almond School: API History
(no scores given statewide starting in 2014)



Los Altos School District 2016-17 Budget ALMOND SCHOOL

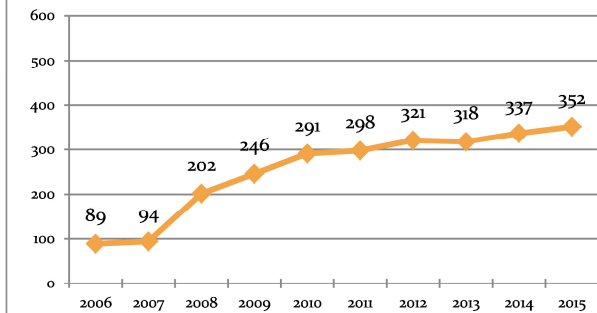
	Actuals 2012-13	Actuals 2013-14	Actuals 2014-15	Est. Actuals 2015-16	Adopted 2016-17	Budget FTE 2016-17
<u>1000 - Instruction</u>						
1 - Certificated Salaries	1,724,120	1,752,299	1,896,696	1,952,771	1,997,115	24.000
2 - Classified Salaries	47,793	30,923	61,745	54,014	58,058	1.976
3 - Benefits	516,194	522,776	616,229	625,122	710,488	
4 - Supplies	116,676	175,937	183,605	61,930	22,748	
5 - Services	14,152	24,702	39,613	39,000	14,000	
6 - Capital	29,850		25,918	1,000	1,000	
1000 - Instruction	2,448,787	2,506,636	2,823,804	2,733,837	2,803,409	25.976
<u>1120 - Special Ed.: Resources Specialist</u>						
1 - Certificated Salaries	79,331	82,003	83,931	91,475	63,252	1.000
2 - Classified Salaries	61,244	62,879	64,349	65,464	66,501	1.695
3 - Benefits	41,799	42,765	46,453	52,354	46,650	
1120 - Special Ed.: Resources Specialist	182,375	187,646	194,733	209,293	176,403	2.694
<u>1130 - Special Ed.: Supplemental Aids & Services</u>						
2 - Classified Salaries	35,176	61,281	38,095	56,911	58,636	1.563
3 - Benefits	20,902	36,979	18,540	21,747	23,752	
1130 - Special Ed.: Supplemental Aids & Services	56,078	98,260	56,635	78,658	82,388	1.563
<u>2420 - Instructional Library, Media, & Technology</u>						
2 - Classified Salaries	55,741	62,441	66,422	69,293	70,239	1.375
3 - Benefits	23,778	18,324	13,687	14,200	15,226	
6 - Capital	1,080			2,172	2,192	
2420 - Instructional Library, Media, & Technology	80,600	80,766	80,110	85,665	87,657	1.375
<u>2700 - School Administration</u>						
1 - Certificated Salaries	127,298	124,312	132,203	138,663	146,072	1.000
2 - Classified Salaries	63,549	68,054	71,223	72,854	74,002	1.500
3 - Benefits	63,267	73,015	77,974	85,576	95,297	
4 - Supplies	2,086			543	548	
5 - Services	1,650	2,750	2,750	2,750	2,750	
2700 - School Administration	257,849	268,131	284,150	300,386	318,669	2.500
<u>3120 - Psychological Services</u>						
1 - Certificated Salaries		74,181	94,684	88,273	94,334	1.000
3 - Benefits		24,382	31,518	32,571	36,286	
3120 - Psychological Services		98,563	126,202	120,844	130,620	1.000
<u>3900 - Other Pupil Services</u>						
2 - Classified Salaries	13,371	12,924	30,112	27,535	30,811	1.125
3 - Benefits	4,919	4,611	8,431	8,841	9,842	
3900 - Other Pupil Services	18,290	17,535	38,543	36,376	40,653	1.125
<u>8200 - Operations</u>						
2 - Classified Salaries	75,422	74,978	68,831	72,072	75,401	1.500
3 - Benefits	43,461	43,580	42,332	47,450	52,580	
4 - Supplies	6,503	5,430	6,665	5,430	5,480	
5 - Services	2,022	3,043	3,101	3,600	3,600	
8200 - Operations	127,409	127,031	120,929	128,552	137,061	1.500
<u>8500 - Facilities Acquisition & Construction</u>						
4 - Supplies				9,432		
6 - Capital	2,425					
8500 - Facilities Acquisition & Construction	2,425			9,432		
Grand Total	3,173,812	3,384,568	3,725,106	3,703,043	3,776,860	37.733

GARDNER BULLIS SCHOOL

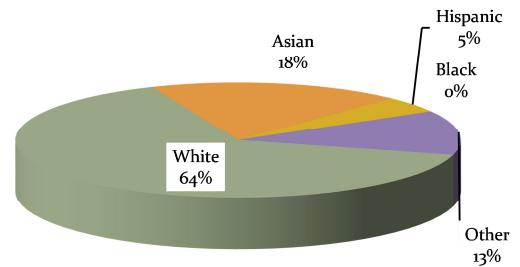
Gardner Bullis School (formerly Bullis-Purissima) is located on the north side of the district. Students attending Gardner Bullis feed into Egan Intermediate School and then into Los Altos High School (in Mountain View-Los Altos High School District). Demographic and performance data for the school are 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: Nadia Oskolkoff	Teachers - Regular: 14.0 FTE (Full Time Equivalents)
Grades Served: K-6	Teachers - Other: 2.0 FTE
Enrollment: 357	Discretionary Allocation: \$55 per student
Awards: California Distinguished School; National Blue Ribbon School	Building Square Footage: 31,948

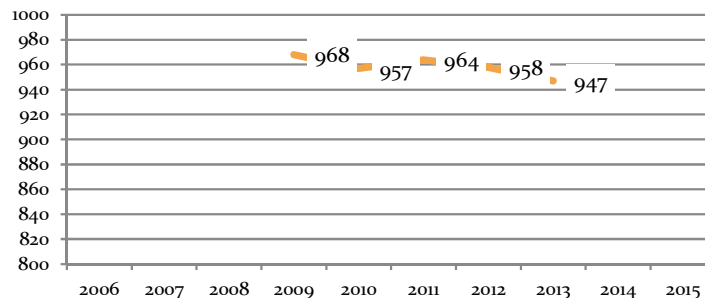
**October Enrollment History:
Gardner Bullis**



**Student Ethnicity
Gardner Bullis School**



Gardner Bullis School: API History
(no scores given statewide starting in 2014)



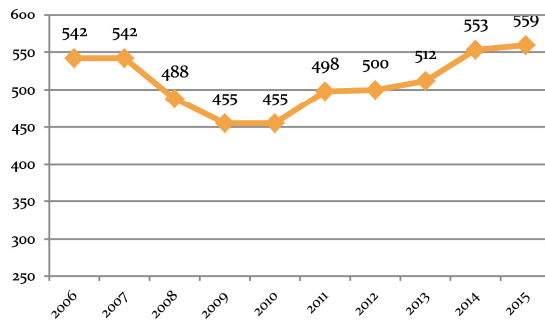
	Actuals 2012-13	Actuals 2013-14	Actuals 2014-15	Est. Actuals 2015-16	Adopted 2016-17	Budget FTE 2016-17
1000 - Instruction						
1 - Certificated Salaries	1,032,790	1,197,221	1,242,564	1,272,163	1,248,359	15.000
2 - Classified Salaries	28,917	32,191	57,214	46,528	47,227	1.388
3 - Benefits	285,073	326,439	366,161	375,100	426,341	
4 - Supplies	163,502	214,945	343,097	51,742	15,834	
5 - Services	18,648	62,466	28,046	17,550	10,300	
6 - Capital		25,121	9,510	1,000	1,000	
1000 - Instruction	1,528,930	1,858,383	2,046,592	1,764,083	1,749,061	16.388
1110 - Special Ed.: Separate Classes						
2 - Classified Salaries		238	2,881			
3 - Benefits		22	704			
1110 - Special Ed.: Separate Classes		259	3,585			
1120 - Special Ed.: Resources Specialist						
1 - Certificated Salaries	58,708	64,253	69,495	52,728	54,256	1.000
2 - Classified Salaries	71,046	76,245	56,923	84,785	89,630	2.291
3 - Benefits	71,047	70,857	60,163	72,118	83,590	
1120 - Special Ed.: Resources Specialist	200,801	211,355	186,581	209,631	227,476	3.291
1130 - Special Ed.: Supplemental Aids & Services						
2 - Classified Salaries	13,885	2,189	39,511	31,100	28,153	0.719
3 - Benefits	8,452	1,569	18,705	32,770	25,390	
1130 - Special Ed.: Supplemental Aids & Services	22,338	3,759	58,216	63,870	53,543	0.719
2420 - Instructional Library, Media, & Technology						
2 - Classified Salaries	41,441	55,877	59,500	62,166	65,044	1.282
3 - Benefits	10,890	13,377	15,621	16,465	18,498	
6 - Capital	11,443			2,326	1,428	
2420 - Instructional Library, Media, & Technology	63,773	69,253	75,121	80,957	84,970	1.282
2700 - School Administration						
1 - Certificated Salaries	127,182	127,744	121,223	125,972	131,882	1.000
2 - Classified Salaries	64,803	67,291	69,545	69,462	70,190	1.500
3 - Benefits	66,184	64,550	64,158	65,689	65,604	
4 - Supplies	1,671					
5 - Services	1,425	2,750	2,750	2,750	2,750	
2700 - School Administration	261,266	262,336	257,676	263,873	270,426	2.500
3120 - Psychological Services						
1 - Certificated Salaries		94,071	102,959	109,467	110,951	1.000
3 - Benefits		24,665	20,929	25,443	28,208	
3120 - Psychological Services		118,736	123,888	134,910	139,159	1.000
3900 - Other Pupil Services						
2 - Classified Salaries	14,238	12,065	18,855	15,646	15,881	0.575
3 - Benefits	3,845	3,124	5,162	4,849	5,315	
3900 - Other Pupil Services	18,082	15,189	24,017	20,495	21,196	0.575
8200 - Operations						
2 - Classified Salaries	74,670	64,383	78,587	79,120	80,419	1.438
3 - Benefits	37,060	27,884	34,092	33,319	35,641	
4 - Supplies	3,361	3,856	4,660	7,010	5,970	
5 - Services	(816)	2,786	1,324	3,600	3,600	
8200 - Operations	114,274	98,910	118,663	123,049	125,630	1.438
8500 - Facilities Acquisition & Construction						
5 - Services		40,105				
6 - Capital	362		116,000			
8500 - Facilities Acquisition & Construction	362	40,105	116,000			
Grand Total	2,209,828	2,678,284	3,010,340	2,660,868	2,671,461	27.192

COVINGTON SCHOOL

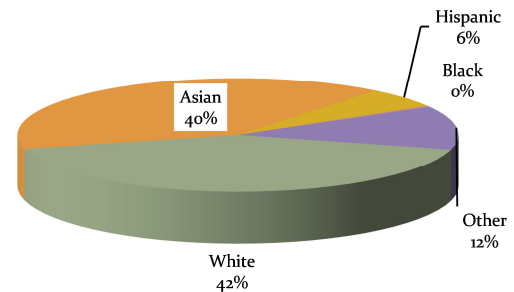
Covington School is located in the center of the district. Students attending Covington feed into either Blach or Egan Intermediate School and then into Los Altos or Mountain View High Schools (in Mountain View-Los Altos High School District). Demographic and performance data for the school are shown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

Covington School	
205 Covington Road, Los Altos www.covingtonschool.org	Site Acreage: 15.43
Principal: Wade Spenader	Teachers - Regular: 23.0 FTE (Full Time Equivalents)
Grades Served: K-6	Teachers - Other: 7.1 FTE
Enrollment: 575	Discretionary Allocation: \$55 per student
Awards: California Distinguished School	Building Square Footage: 51,704

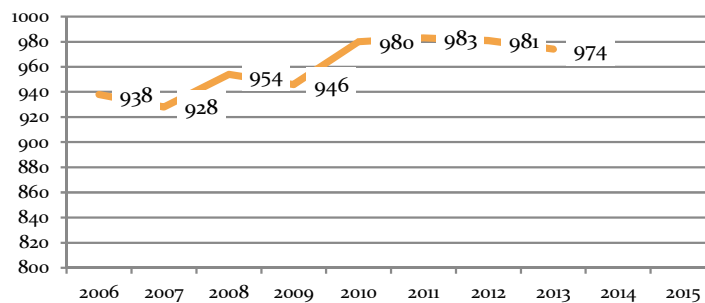
October Enrollment History: Covington



**Student Ethnicity
Covington School**



Covington School: API History
(no scores given statewide starting in 2014)



Los Altos School District 2016-17 Budget COVINGTON SCHOOL

	Actuals 2012-13	Actuals 2013-14	Actuals 2014-15	Est. Actuals 2015-16	Adopted 2016-17	Budget FTE 2016-17
<u>1000 - Instruction</u>						
1 - Certificated Salaries	1,551,756	1,794,616	1,850,534	1,944,586	1,973,958	24.500
2 - Classified Salaries	53,766	17,956	52,517	61,970	62,876	2.125
3 - Benefits	484,118	535,169	561,240	631,035	644,587	
4 - Supplies	61,831	83,745	151,203	91,343	24,233	
5 - Services	19,924	21,688	28,815	26,300	16,800	
6 - Capital			7,786	1,000	1,000	
1000 - Instruction	2,171,396	2,453,173	2,652,094	2,756,234	2,723,454	26.625
<u>1110 - Special Ed.: Separate Classes</u>						
1 - Certificated Salaries	302,105	323,753	309,469	336,492	332,484	4.600
2 - Classified Salaries	281,714	262,738	254,138	284,534	289,730	6.781
3 - Benefits	227,531	220,865	208,736	237,373	274,816	
4 - Supplies	1,525	227	152	648	648	
5 - Services			39	200	200	
1110 - Special Ed.: Separate Classes	812,875	807,583	772,534	859,247	897,878	11.381
<u>1120 - Special Ed.: Resources Specialist</u>						
1 - Certificated Salaries	69,892	85,422	66,648	75,037	77,993	1.000
2 - Classified Salaries	54,669	48,920	51,492	29,132	29,527	0.750
3 - Benefits	35,478	43,285	44,965	43,558	47,763	
1120 - Special Ed.: Resources Specialist	160,040	177,627	163,105	147,727	155,283	1.750
<u>1130 - Special Ed.: Supplemental Aids & Services</u>						
2 - Classified Salaries	25,933	85,533	3,345	34,139	36,333	0.781
3 - Benefits	19,352	26,725	3,029	25,689	27,936	
1130 - Special Ed.: Supplemental Aids & Services	45,285	112,258	6,375	59,828	64,269	0.781
<u>2420 - Instructional Library, Media, & Technology</u>						
2 - Classified Salaries	51,415	61,110	67,576	68,277	69,204	1.388
3 - Benefits	21,312	24,455	20,495	17,211	19,438	
6 - Capital				2,428	2,300	
2420 - Instructional Library, Media, & Technology	72,727	85,565	88,071	87,916	90,942	1.388
<u>2700 - School Administration</u>						
1 - Certificated Salaries	127,298	141,466	224,298	164,488	119,029	1.000
2 - Classified Salaries	70,768	74,571	77,679	76,618	77,268	1.625
3 - Benefits	53,172	65,524	90,241	87,860	77,967	
4 - Supplies				607	575	
5 - Services	1,650	2,750	4,750	3,025	3,025	
2700 - School Administration	252,888	284,310	396,968	332,598	277,864	2.625
<u>3120 - Psychological Services</u>						
1 - Certificated Salaries		74,152	80,651	86,773	92,834	1.000
3 - Benefits		17,648	20,046	22,237	25,313	
3120 - Psychological Services		91,800	100,697	109,010	118,147	1.000
<u>3900 - Other Pupil Services</u>						
2 - Classified Salaries	8,198	9,710	19,215	22,263	21,804	0.800
3 - Benefits	820	885	4,926	6,528	7,005	
3900 - Other Pupil Services	9,017	10,595	24,141	28,791	28,809	0.800
<u>7210 - General Administration Cost Transfers</u>						
7 - Other Outgo				2,339	2,189	
7210 - General Administration Cost Transfers				2,339	2,189	
<u>8200 - Operations</u>						
2 - Classified Salaries	70,893	69,963	71,592	72,934	74,006	1.333
3 - Benefits	44,500	43,629	45,164	47,422	50,838	
4 - Supplies	11,313	9,735	10,123	6,070	5,750	
5 - Services	2,998	4,327	2,230	3,600	3,600	
8200 - Operations	129,704	127,655	129,109	130,026	134,194	1.333

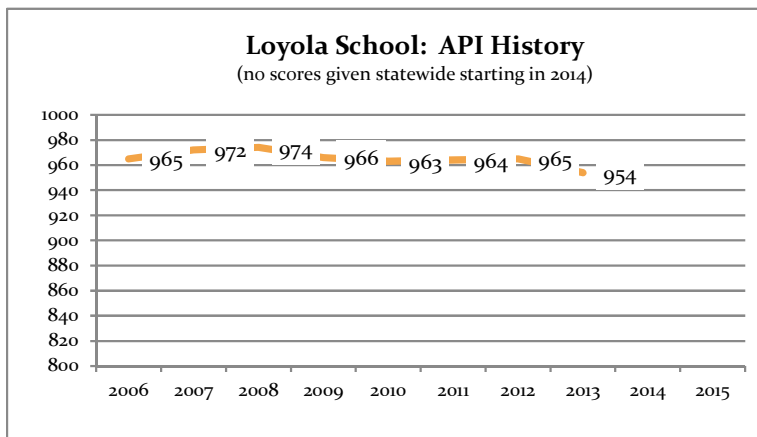
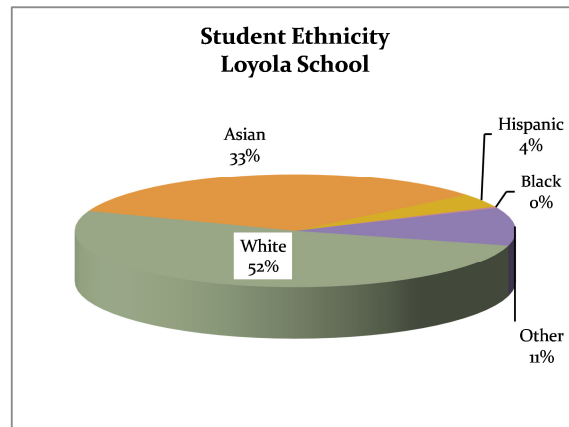
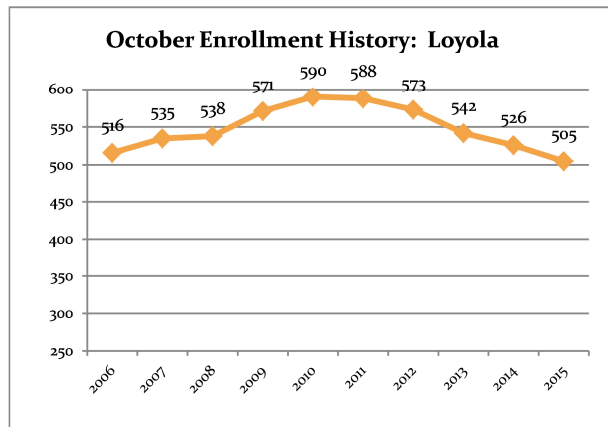
COVINGTON SCHOOL Los Altos School District 2016-17 Budget

	Actuals 2012-13	Actuals 2013-14	Actuals 2014-15	Est. Actuals 2015-16	Adopted 2016-17	Budget FTE 2016-17
Grand Total	3,653,931	4,150,567	4,333,092	4,513,716	4,493,029	47.683

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: 19.0 FTE (Full Time Equivalents)
Grades Served: K-6	Teachers - Other: 4.0 FTE
Enrollment: 461	Discretionary Allocation: \$55 per student
Awards: California Distinguished School	Building Square Footage: 42,371



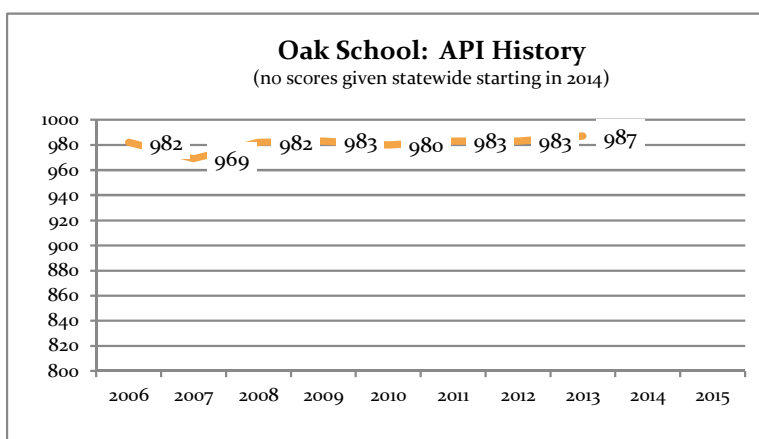
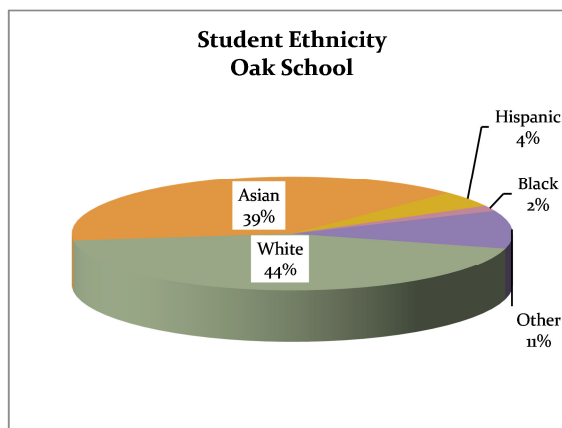
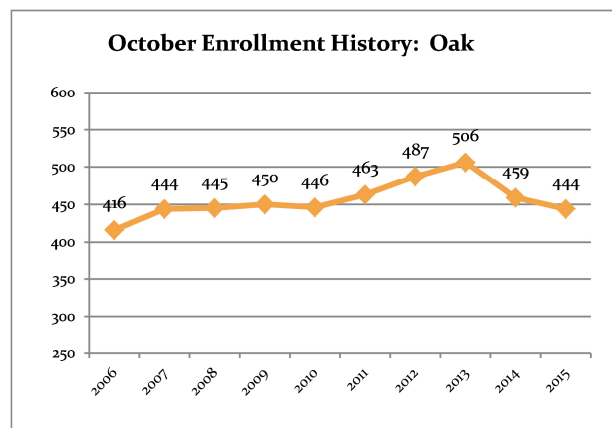
LOYOLA SCHOOL Los Altos School District 2016-17 Budget

	Actuals 2012-13	Actuals 2013-14	Actuals 2014-15	Est. Actuals 2015-16	Adopted 2016-17	Budget FTE 2016-17
<u>1000 - Instruction</u>						
1 - Certificated Salaries	1,744,004	1,761,490	1,868,774	1,784,213	1,724,930	20.000
2 - Classified Salaries	41,199	53,679	79,531	86,750	88,292	2.540
3 - Benefits	453,293	477,406	533,893	548,859	569,250	
4 - Supplies	178,456	130,202	138,869	54,502	19,833	
5 - Services	18,246	19,378	34,122	28,050	13,900	
6 - Capital			59,444	1,000	1,000	
1000 - Instruction	2,435,198	2,442,155	2,714,633	2,503,374	2,417,205	22.540
<u>1110 - Special Ed.: Separate Classes</u>						
1 - Certificated Salaries	143,403	152,935	160,323	166,256	172,671	2.000
2 - Classified Salaries	193,057	151,308	152,386	106,312	109,704	3.075
3 - Benefits	143,069	109,925	112,492	117,630	132,953	
1110 - Special Ed.: Separate Classes	479,529	414,168	425,201	390,198	415,328	5.075
<u>1120 - Special Ed.: Resources Specialist</u>						
1 - Certificated Salaries	91,716	94,754	96,946	50,125	50,861	1.000
2 - Classified Salaries	25,991	26,582	27,206	55,233	55,991	1.438
3 - Benefits	48,839	51,306	53,615	45,195	50,952	
1120 - Special Ed.: Resources Specialist	166,546	172,642	177,766	150,553	157,804	2.438
<u>1130 - Special Ed.: Supplemental Aids & Services</u>						
2 - Classified Salaries	32,788	53,010	42,725	67,032	68,112	1.563
3 - Benefits	19,064	28,540	28,956	40,299	43,314	
1130 - Special Ed.: Supplemental Aids & Services	51,852	81,550	71,681	107,331	111,426	1.563
<u>2420 - Instructional Library, Media, & Technology</u>						
2 - Classified Salaries	57,110	62,504	67,201	69,762	70,837	1.449
3 - Benefits	18,623	21,598	23,452	24,059	26,121	
6 - Capital				2,020	1,844	
2420 - Instructional Library, Media, & Technology	75,734	84,102	90,653	95,841	98,802	1.449
<u>2700 - School Administration</u>						
1 - Certificated Salaries	127,298	138,560	141,817	144,210	146,072	1.000
2 - Classified Salaries	73,418	76,065	79,204	74,809	76,803	1.625
3 - Benefits	87,501	91,159	92,983	91,685	89,096	
4 - Supplies	1,671			505	461	
5 - Services	1,650	2,750	2,750	2,750	2,750	
2700 - School Administration	291,538	308,534	316,753	313,959	315,182	2.625
<u>3120 - Psychological Services</u>						
1 - Certificated Salaries		97,442	120,911	110,967	112,451	1.000
3 - Benefits		25,983	37,081	37,410	42,923	
3120 - Psychological Services		123,425	157,992	148,377	155,374	1.000
<u>3900 - Other Pupil Services</u>						
2 - Classified Salaries	15,683	15,682	23,735	23,897	25,250	0.925
3 - Benefits	2,623	2,389	5,455	3,891	4,483	
3900 - Other Pupil Services	18,306	18,070	29,190	27,788	29,733	0.925
<u>8200 - Operations</u>						
2 - Classified Salaries	73,371	69,858	76,173	81,599	83,045	1.500
3 - Benefits	46,072	43,086	46,041	54,027	59,161	
4 - Supplies	5,790	5,863	6,358	5,050	4,610	
5 - Services	2,646	4,101	5,264	3,600	3,600	
8200 - Operations	127,879	122,908	133,836	144,276	150,416	1.500
Grand Total	3,646,581	3,767,556	4,117,705	3,881,697	3,851,270	39.114

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: 18.0 FTE (Full Time Equivalents)
Grades Served: K-6	Teachers - Other: 2.0 FTE
Enrollment: 434	Discretionary Allocation: \$55 per student
Awards: California Distinguished School; National Blue Ribbon School	Building Square Footage: 39,984

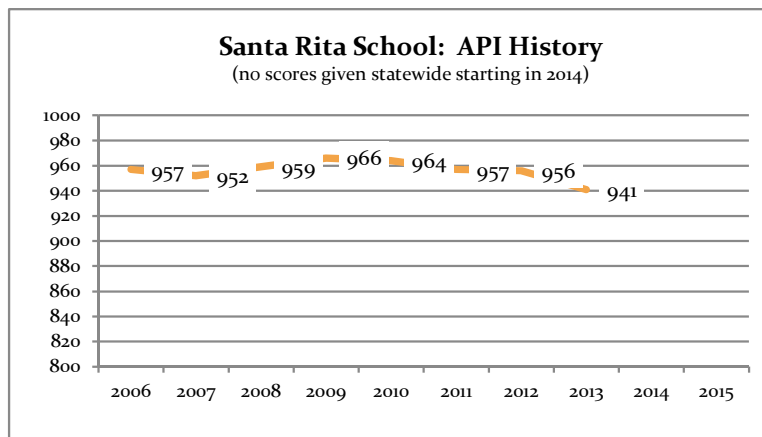
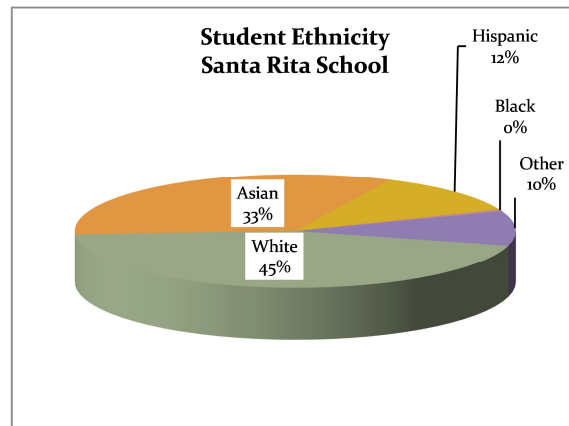
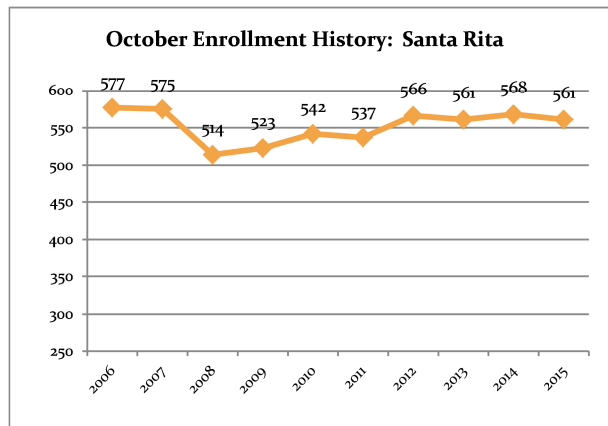


	Actuals 2012-13	Actuals 2013-14	Actuals 2014-15	Est. Actuals 2015-16	Adopted 2016-17	Budget FTE 2016-17
<u>1000 - Instruction</u>						
1 - Certificated Salaries	1,476,426	1,641,581	1,723,602	1,574,910	1,524,459	19.000
2 - Classified Salaries	36,630	30,093	72,342	57,560	57,368	1.688
3 - Benefits	456,704	468,722	553,699	531,200	552,254	
4 - Supplies	64,077	123,098	119,420	39,426	30,748	
5 - Services	15,986	35,908	15,738	12,992	12,992	
6 - Capital	43,451			1,000	1,000	
1000 - Instruction	2,093,274	2,299,402	2,484,802	2,217,088	2,178,821	20.688
<u>1110 - Special Ed.: Separate Classes</u>						
2 - Classified Salaries				19,435	19,699	0.500
3 - Benefits				4,786	5,251	
1110 - Special Ed.: Separate Classes				24,221	24,950	0.500
<u>1120 - Special Ed.: Resources Specialist</u>						
1 - Certificated Salaries	91,716	94,754	96,946	98,501	99,809	1.000
2 - Classified Salaries	62,175	62,235	58,737	42,024	42,754	1.088
3 - Benefits	59,335	59,781	70,208	75,173	82,431	
1120 - Special Ed.: Resources Specialist	213,225	216,770	225,891	215,698	224,994	2.088
<u>1130 - Special Ed.: Supplemental Aids & Services</u>						
2 - Classified Salaries				16,906	17,137	0.438
3 - Benefits				1,744	1,767	
1130 - Special Ed.: Supplemental Aids & Services				18,650	18,904	0.438
<u>2420 - Instructional Library, Media, & Technology</u>						
2 - Classified Salaries	50,745	61,897	64,746	66,097	67,403	1.350
3 - Benefits	13,322	14,832	15,874	16,292	17,988	
6 - Capital				1,780	1,736	
2420 - Instructional Library, Media, & Technology	64,067	76,729	80,620	84,169	87,127	1.350
<u>2700 - School Administration</u>						
1 - Certificated Salaries	117,165	125,101	136,117	138,663	146,072	1.000
2 - Classified Salaries	75,868	71,802	74,654	76,162	77,177	1.500
3 - Benefits	61,474	64,046	67,956	75,213	83,392	
4 - Supplies				445	434	
5 - Services	1,650	2,750	3,750	2,750	2,750	
2700 - School Administration	256,157	263,699	282,476	293,233	309,825	2.500
<u>3120 - Psychological Services</u>						
1 - Certificated Salaries		67,600	74,390	72,258	78,122	1.000
3 - Benefits		16,896	20,852	18,560	22,961	
3120 - Psychological Services		84,496	95,242	90,818	101,083	1.000
<u>3900 - Other Pupil Services</u>						
2 - Classified Salaries	13,305	9,161	20,389	26,174	26,580	0.775
3 - Benefits	2,791	1,204	4,353	6,534	7,377	
3900 - Other Pupil Services	16,096	10,365	24,742	32,708	33,957	0.775
<u>8200 - Operations</u>						
2 - Classified Salaries	76,909	89,622	72,989	71,712	75,041	1.500
3 - Benefits	43,266	38,747	30,496	30,555	33,784	
4 - Supplies		51	4,270	4,450	4,340	
5 - Services	2,113	3,630	2,192	3,600	3,600	
8200 - Operations	122,288	132,051	109,947	110,317	116,765	1.500
<u>8500 - Facilities Acquisition & Construction</u>						
6 - Capital	1,951					
8500 - Facilities Acquisition & Construction	1,951					
Grand Total	2,767,058	3,083,513	3,303,720	3,086,902	3,096,426	30.838

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 Grades Served: K-6 Enrollment: 573 Awards: California Distinguished School; National Blue Ribbon School	Teachers - Regular: 22.0 FTE (Full Time Equivalents) Teachers - Other: 6.0 FTE Discretionary Allocation: \$55 per student Building Square Footage: 40,458



SANTA RITA SCHOOL Los Altos School District 2016-17 Budget

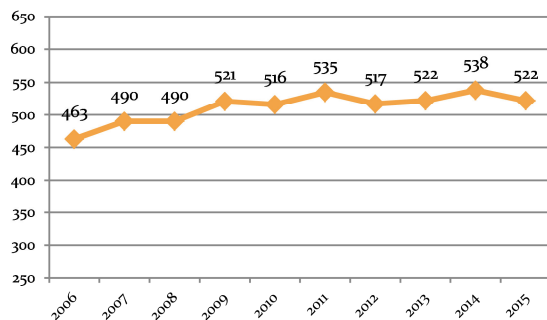
	Actuals 2012-13	Actuals 2013-14	Actuals 2014-15	Est. Actuals 2015-16	Adopted 2016-17	Budget FTE 2016-17
<u>1000 - Instruction</u>						
1 - Certificated Salaries	1,743,608	1,782,811	1,944,669	2,119,500	2,073,097	24.000
2 - Classified Salaries	26,602	32,994	86,089	89,643	90,906	3.013
3 - Benefits	547,014	559,609	620,079	770,061	815,934	
4 - Supplies	115,066	106,100	165,524	35,056	23,067	
5 - Services	19,566	19,931	19,084	19,000	17,600	
6 - Capital			50,769	1,000	1,000	
1000 - Instruction	2,451,855	2,501,444	2,886,215	3,034,260	3,021,604	27.013
<u>1110 - Special Ed.: Separate Classes</u>						
1 - Certificated Salaries	116,147	132,909	140,470	122,656	209,722	3.000
2 - Classified Salaries	231,673	262,340	275,544	308,111	322,225	5.907
3 - Benefits	142,654	153,972	173,529	170,373	223,350	
5 - Services	3,024					
1110 - Special Ed.: Separate Classes	493,497	549,221	589,543	601,140	755,297	8.907
<u>1120 - Special Ed.: Resources Specialist</u>						
1 - Certificated Salaries	91,716	94,754	60,019	73,537	76,493	1.000
2 - Classified Salaries	53,977	54,624	46,127	57,289	58,275	1.500
3 - Benefits	55,176	57,038	38,512	41,892	46,027	
1120 - Special Ed.: Resources Specialist	200,869	206,416	144,658	172,718	180,795	2.500
<u>1130 - Special Ed.: Supplemental Aids & Services</u>						
2 - Classified Salaries	30,349	58,666	57,273	30,422	30,830	0.775
3 - Benefits	20,929	38,493	41,455	21,292	23,341	
1130 - Special Ed.: Supplemental Aids & Services	51,278	97,159	98,727	51,714	54,171	0.775
<u>2420 - Instructional Library, Media, & Technology</u>						
2 - Classified Salaries	58,572	66,598	72,084	73,311	74,302	1.413
3 - Benefits	20,339	21,430	23,262	24,355	26,668	
6 - Capital	200			2,332	2,292	
2420 - Instructional Library, Media, & Technology	79,111	88,028	95,345	99,998	103,262	1.413
<u>2700 - School Administration</u>						
1 - Certificated Salaries	103,998	138,398	141,817	144,210	146,072	1.000
2 - Classified Salaries	58,559	68,313	71,474	77,015	80,586	1.625
3 - Benefits	60,798	63,520	56,710	50,262	56,404	
4 - Supplies	4,126		55	583	573	
5 - Services	1,650	2,750	2,750	2,750	2,750	
2700 - School Administration	229,131	272,980	272,806	274,820	286,385	2.625
<u>3120 - Psychological Services</u>						
1 - Certificated Salaries		84,468	110,719	112,467	113,951	1.000
3 - Benefits		23,041	31,950	32,309	35,517	
3120 - Psychological Services		107,509	142,669	144,776	149,468	1.000
<u>3900 - Other Pupil Services</u>						
2 - Classified Salaries	10,324	12,172	26,455	26,712	27,443	1.000
3 - Benefits	1,743	1,502	7,522	8,910	9,756	
3900 - Other Pupil Services	12,067	13,674	33,977	35,622	37,199	1.000
<u>8200 - Operations</u>						
2 - Classified Salaries	77,106	79,779	81,611	82,919	84,125	1.500
3 - Benefits	40,233	40,468	41,901	42,514	45,708	
4 - Supplies	5,534	5,969	5,508	5,830	5,730	
5 - Services	2,066	3,040	1,960	3,600	3,600	
8200 - Operations	124,939	129,256	130,981	134,863	139,163	1.500
Grand Total	3,642,748	3,965,689	4,394,921	4,549,911	4,727,344	46.732

SPRINGER SCHOOL

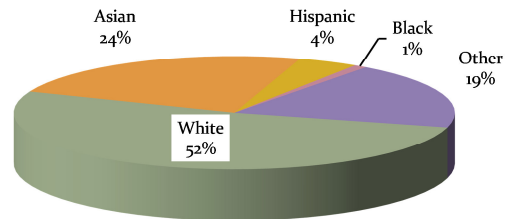
Springer School is located on the south side of the district. Students attending Springer feed into Blach Intermediate School and then into Mountain View High School (in Mountain View-Los Altos High School District). Demographic and performance data for the school are shown below. Budget information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

Springer School	
1120 Rose Avenue, Mountain View www.springerschool.net	Site Acreage: 10.0
Principal: Lynn Boskie	Teachers - Regular: 22.0 FTE (Full Time Equivalents)
Grades Served: K-6	Teachers - Other: 4.0 FTE
Enrollment: 540	Discretionary Allocation: \$55 per student
Awards: California Distinguished School	Building Square Footage: 39,683

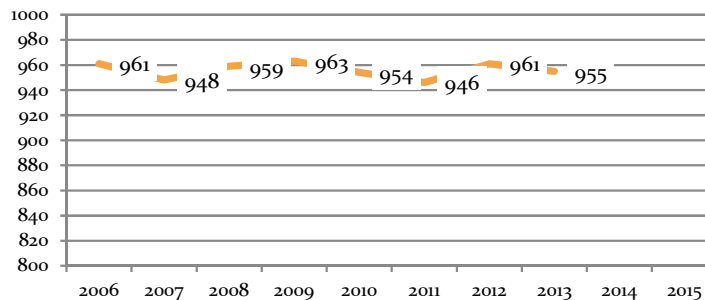
October Enrollment History: Springer



Student Ethnicity Springer School



Springer School: API History
(no scores given statewide starting in 2014)



SPRINGER SCHOOL Los Altos School District 2016-17 Budget

	Actuals 2012-13	Actuals 2013-14	Actuals 2014-15	Est. Actuals 2015-16	Adopted 2016-17	Budget FTE 2016-17
<u>1000 - Instruction</u>						
1 - Certificated Salaries	1,618,042	1,799,551	1,862,196	1,937,195	1,949,031	23.000
2 - Classified Salaries	42,519	46,502	86,705	87,449	88,631	2.675
3 - Benefits	449,952	469,265	510,287	554,734	610,729	
4 - Supplies	164,227	176,353	178,369	46,148	23,166	
5 - Services	23,540	22,740	24,271	18,350	14,690	
6 - Capital			8,522	1,000	1,000	
1000 - Instruction	2,298,280	2,514,411	2,670,349	2,644,876	2,687,247	25.675
<u>1110 - Special Ed.: Separate Classes</u>						
1 - Certificated Salaries	159,467	186,927	193,892	152,544	157,876	2.000
2 - Classified Salaries	123,399	148,822	146,833	138,044	141,926	3.719
3 - Benefits	73,531	114,577	98,792	112,256	124,063	
1110 - Special Ed.: Separate Classes	356,397	450,326	439,517	402,844	423,865	5.719
<u>1120 - Special Ed.: Resources Specialist</u>						
1 - Certificated Salaries	91,716	47,910	49,351	98,501	99,809	1.000
2 - Classified Salaries	67,411	69,852	68,132	70,184	72,105	1.863
3 - Benefits	55,784	54,039	57,922	63,041	70,069	
1120 - Special Ed.: Resources Specialist	214,911	171,801	175,405	231,726	241,983	2.863
<u>1130 - Special Ed.: Supplemental Aids & Services</u>						
2 - Classified Salaries	26,962	29,526	39,150	30,726	31,143	0.791
3 - Benefits	8,306	8,265	10,783	8,808	9,543	
1130 - Special Ed.: Supplemental Aids & Services	35,267	37,792	49,933	39,534	40,686	0.791
<u>2420 - Instructional Library, Media, & Technology</u>						
2 - Classified Salaries	55,581	65,601	69,954	70,776	71,925	1.413
3 - Benefits	14,376	17,114	18,532	18,838	20,585	
6 - Capital		272	200	200	2,160	
2420 - Instructional Library, Media, & Technology	69,957	82,987	88,686	89,814	94,670	1.413
<u>2700 - School Administration</u>						
1 - Certificated Salaries	111,765	125,101	132,203	138,663	146,072	1.000
2 - Classified Salaries	72,025	70,820	74,991	75,911	77,738	1.625
3 - Benefits	69,117	66,995	65,679	67,617	75,995	
4 - Supplies	2,130		104	70	540	
5 - Services	1,650	2,750	2,750	2,750	2,750	
2700 - School Administration	256,688	265,665	275,728	285,011	303,095	2.625
<u>3120 - Psychological Services</u>						
1 - Certificated Salaries		105,246	107,719	109,467	110,951	1.000
3 - Benefits		21,794	23,167	25,443	28,208	
3120 - Psychological Services		127,040	130,886	134,910	139,159	1.000
<u>3900 - Other Pupil Services</u>						
2 - Classified Salaries	10,798	11,414	21,426	22,486	23,070	0.844
3 - Benefits	4,013	4,004	9,299	12,558	13,803	
3900 - Other Pupil Services	14,811	15,419	30,724	35,044	36,873	0.844
<u>8200 - Operations</u>						
2 - Classified Salaries	73,866	79,179	81,011	82,199	83,405	1.500
3 - Benefits	41,483	44,096	45,656	46,285	49,703	
4 - Supplies	6,434	6,076	7,506	5,900	5,400	
5 - Services	2,332	3,117	2,820	3,600	3,600	
8200 - Operations	124,115	132,469	136,992	137,984	142,108	1.500
Grand Total	3,370,426	3,797,910	3,998,220	4,001,743	4,109,686	42.430

INTERMEDIATE SCHOOLS (GRADES 7 AND 8)

We run two intermediate schools (Blach and Egan)—one on each side of town. Egan has more students (653 as compared to 518 at Blach), but both schools are relatively small for schools serving these grade levels. Having such small schools provides a nurturing, almost personalized experience for the intermediate school student. This atmosphere is critically important, the district believes, at a time in students' lives when they are "in the middle," in transition from the elementary school to the high school.

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

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

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

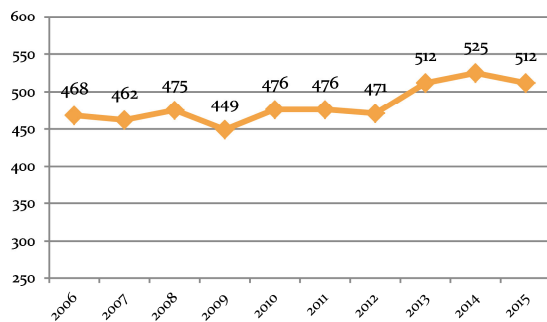
School	Enrollment by Grade										Total
	TK/K	1	2	3	4	5	6	7	8	SDC	
Almond Elementary	82	49	77	83	78	94	85				548
Gardner Bullis Elementary	37	46	52	52	52	58	60				357
Covington Elementary	61	90	65	102	75	91	72			19	575
Loyola Elementary	39	47	72	49	74	68	98			14	461
Oak Elementary	42	50	66	68	66	63	79				434
Santa Rita Elementary	91	77	66	77	93	75	81			13	573
Springer Elementary	99	60	53	77	70	85	80			16	540
Blach Intermediate								267	233	18	518
Egan Intermediate								310	341	2	653
TOTAL	451	419	451	508	508	534	555	577	574	82	4,659
<i>SDC = Special Day Class students (multi-grade)</i>											

BLACH SCHOOL

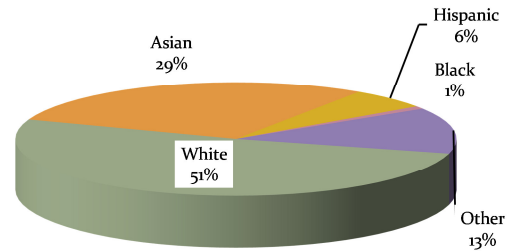
Blach School is located on the south side of the district. Students attending Blach feed into Mountain View High School (in Mountain View-Los Altos High School District). Demographic and performance data for the school are shown below. Budget information starts on the following page.

Blach School	
1120 Covington Road, Los Altos www.blachschool.org	Site Acreage: 17.71
Principal: Bhavna Narula	Teachers - Regular: 23.4 FTE (Full Time Equivalents)
Grades Served: 7-8	Teachers - Other: 3.0 FTE
Enrollment: 518	Discretionary Allocation: \$60 per student
Awards: California Distinguished School; National Blue Ribbon School	Building Square Footage: 64,784

October Enrollment History: Blach

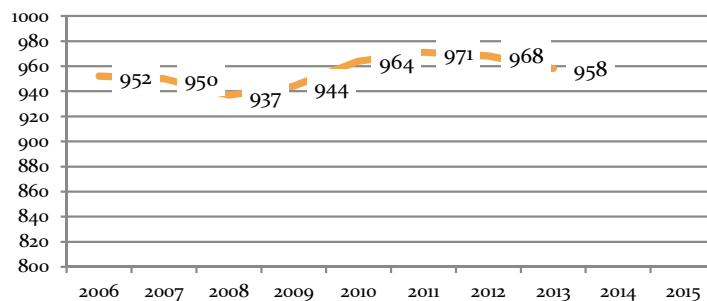


**Student Ethnicity
Blach School**



Blach School: API History

(no scores given statewide starting in 2014)



Los Altos School District 2016-17 Budget **BLACH SCHOOL**

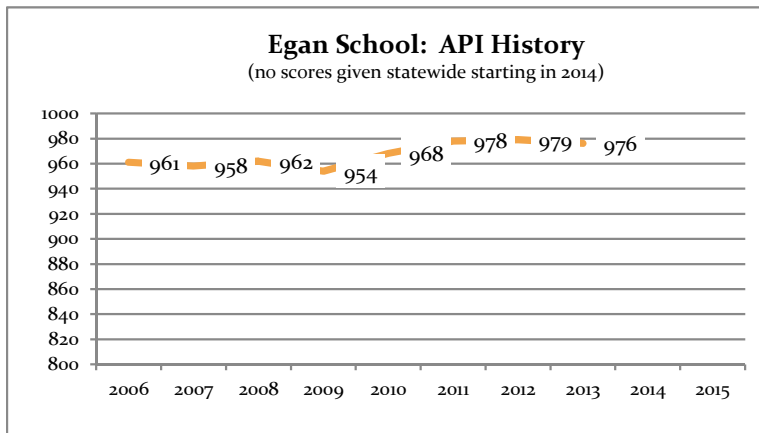
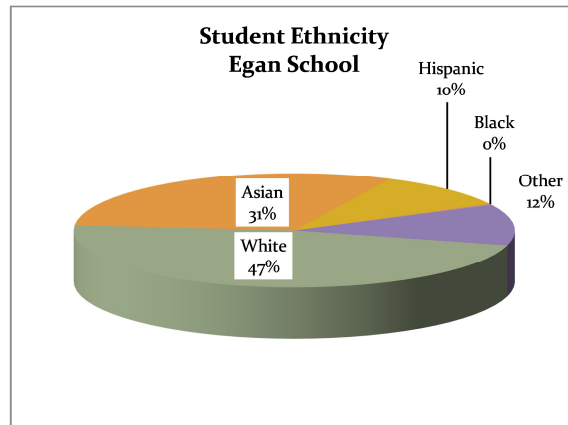
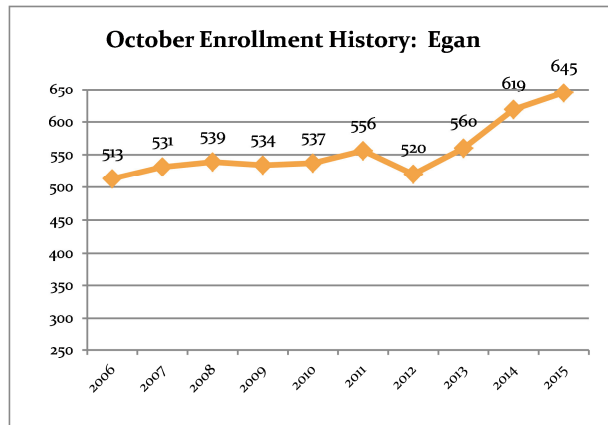
	Actuals 2012-13	Actuals 2013-14	Actuals 2014-15	Est. Actuals 2015-16	Adopted 2016-17	Budget FTE 2016-17
<u>1000 - Instruction</u>						
1 - Certificated Salaries	1,759,141	1,889,362	1,986,669	1,980,561	2,027,950	23.417
2 - Classified Salaries		686	500	4,738	5,032	0.113
3 - Benefits	478,877	478,821	520,673	589,101	675,490	
4 - Supplies	129,723	156,951	148,163	63,030	24,971	
5 - Services	23,953	16,913	22,301	26,331	19,800	
6 - Capital	6,736			2,370	2,370	
1000 - Instruction	2,398,430	2,542,733	2,678,305	2,666,130	2,755,613	23.530
<u>1110 - Special Ed.: Separate Classes</u>						
1 - Certificated Salaries	125,058	123,035	138,040	108,927	96,772	1.600
2 - Classified Salaries	83,537	90,895	62,684	65,269	66,319	1.688
3 - Benefits	82,172	79,861	76,550	82,935	90,241	
1110 - Special Ed.: Separate Classes	290,767	293,791	277,274	257,131	253,332	3.287
<u>1120 - Special Ed.: Resources Specialist</u>						
1 - Certificated Salaries	167,716	120,846	125,842	128,242	131,592	1.400
2 - Classified Salaries	160,626	113,499	107,190	89,194	90,411	2.313
3 - Benefits	124,969	86,339	88,383	88,951	99,961	
1120 - Special Ed.: Resources Specialist	453,311	320,684	321,416	306,387	321,964	3.713
<u>1130 - Special Ed.: Supplemental Aids & Services</u>						
2 - Classified Salaries	38,969	89,410	55,261	1,253	1,253	
3 - Benefits	23,435	43,492	25,181	81	81	
1130 - Special Ed.: Supplemental Aids & Services	62,403	132,902	80,442	1,334	1,334	
<u>2420 - Instructional Library, Media, & Technology</u>						
2 - Classified Salaries	62,147	67,325	72,084	73,833	75,393	1.525
3 - Benefits	28,127	30,960	32,904	34,457	37,227	
4 - Supplies		3,718				
6 - Capital		71	627	2,092	2,072	
2420 - Instructional Library, Media, & Technology	90,274	102,074	105,615	110,382	114,692	1.525
<u>2700 - School Administration</u>						
1 - Certificated Salaries	113,018	130,802	134,140	137,904	144,153	1.000
2 - Classified Salaries	66,573	69,715	72,125	73,129	74,229	1.500
3 - Benefits	62,786	66,170	69,519	73,977	81,284	
4 - Supplies			300	523	518	
5 - Services	1,650	2,750	2,750	2,839	2,750	
2700 - School Administration	244,027	269,437	278,834	288,372	302,934	2.500
<u>3110 - Guidance & Counseling Services</u>						
1 - Certificated Salaries	44,975	49,101	50,283	51,089	51,773	0.400
3 - Benefits	12,300	13,080	13,787	15,452	17,301	
3110 - Guidance & Counseling Services	57,275	62,181	64,069	66,541	69,074	0.400
<u>3120 - Psychological Services</u>						
1 - Certificated Salaries	44,975	49,101	50,283	51,089	51,773	0.400
3 - Benefits	12,300	13,080	13,787	15,452	17,301	
3120 - Psychological Services	57,275	62,181	64,069	66,541	69,074	0.400
<u>3900 - Other Pupil Services</u>						
1 - Certificated Salaries	8,175	11,100	10,388	6,500	6,500	
2 - Classified Salaries	2,428	2,525	2,582	2,622	2,657	0.094
3 - Benefits	2,653	2,975	3,033	3,591	3,862	
3900 - Other Pupil Services	13,256	16,600	16,003	12,713	13,019	0.094
<u>8200 - Operations</u>						
2 - Classified Salaries	65,794	69,173	72,983	97,456	101,693	2.000
3 - Benefits	38,610	41,537	47,988	56,841	61,376	
4 - Supplies	7,717		5,401	6,276	6,216	
5 - Services	(412)	3,197	2,295	3,600	3,600	
8200 - Operations	111,709	113,908	128,668	164,173	172,885	2.000

	Actuals 2012-13	Actuals 2013-14	Actuals 2014-15	Est. Actuals 2015-16	Adopted 2016-17	Budget FTE 2016-17
<u>8500 - Facilities Acquisition & Construction</u>						
6 - Capital	7,145					
8500 - Facilities Acquisition & Construction	7,145					
Grand Total	3,785,874	3,916,491	4,014,696	3,939,704	4,073,921	37.449

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: Keith Rocha	Teachers - Regular: 28.9 FTE (Full Time Equivalents)
Grades Served: 7-8	Teachers - Other: 3.5 FTE
Enrollment: 653	Discretionary Allocation: \$60 per student
Awards: California Distinguished School; National Blue Ribbon School	Building Square Footage: 69,088



	Actuals 2012-13	Actuals 2013-14	Actuals 2014-15	Est. Actuals 2015-16	Adopted 2016-17	Budget FTE 2016-17
<u>1000 - Instruction</u>						
1 - Certificated Salaries	1,968,533	2,043,020	2,254,469	2,484,157	2,518,254	30.415
2 - Classified Salaries	33,040	34,210	5,745			
3 - Benefits	509,340	503,160	592,295	731,888	826,691	
4 - Supplies	188,037	185,100	278,917	72,344	29,643	
5 - Services	17,723	24,302	20,266	23,867	15,725	
6 - Capital				1,500	1,500	
1000 - Instruction	2,716,674	2,789,792	3,151,690	3,313,757	3,391,813	30.415
<u>1110 - Special Ed.: Separate Classes</u>						
1 - Certificated Salaries		56,211	58,860	78,388	100,392	1.000
2 - Classified Salaries		73,295	123,294	138,242	135,061	2.425
3 - Benefits		54,294	79,205	89,394	93,867	
1110 - Special Ed.: Separate Classes		183,800	261,359	306,024	329,320	3.425
<u>1120 - Special Ed.: Resources Specialist</u>						
1 - Certificated Salaries	74,403	81,855	85,452	42,485	59,307	1.000
2 - Classified Salaries	42,127	58,475	59,570	32,270	32,875	0.813
3 - Benefits	39,881	56,804	61,562	35,444	37,337	
1120 - Special Ed.: Resources Specialist	156,410	197,134	206,585	110,199	129,519	1.813
<u>1130 - Special Ed.: Supplemental Aids & Services</u>						
2 - Classified Salaries	2,833					
3 - Benefits	3,858					
1130 - Special Ed.: Supplemental Aids & Services	6,691					
<u>2420 - Instructional Library, Media, & Technology</u>						
2 - Classified Salaries	63,520	71,015	73,888	75,252	76,851	1.603
3 - Benefits	23,213	25,047	25,450	25,441	27,739	
4 - Supplies	28	75	105			
6 - Capital	2,207	2,300	2,750	3,450	2,612	
2420 - Instructional Library, Media, & Technology	88,967	98,437	102,194	104,143	107,202	1.603
<u>2700 - School Administration</u>						
1 - Certificated Salaries	137,360	149,157	148,569	131,972	138,164	1.000
2 - Classified Salaries	75,617	82,680	94,375	85,331	88,924	2.125
3 - Benefits	75,496	81,078	89,088	83,586	98,566	
4 - Supplies				2,024	2,677	
5 - Services	1,650	2,750	2,750	2,750	2,750	
2700 - School Administration	290,122	315,665	334,782	305,663	331,081	3.125
<u>3110 - Guidance & Counseling Services</u>						
1 - Certificated Salaries	21,283	49,150	34,165	36,645	39,095	0.400
3 - Benefits	7,501	11,320	9,496	10,271	11,714	
3110 - Guidance & Counseling Services	28,783	60,471	43,660	46,916	50,809	0.400
<u>3120 - Psychological Services</u>						
1 - Certificated Salaries	21,283	32,403	34,165	36,645	39,095	0.400
3 - Benefits	7,501	10,832	9,496	10,271	11,714	
3120 - Psychological Services	28,783	43,235	43,660	46,916	50,809	0.400
<u>3900 - Other Pupil Services</u>						
1 - Certificated Salaries	27,527	28,996	34,375	23,500	23,500	
2 - Classified Salaries			125			
3 - Benefits	3,659	3,556	4,157	4,700	5,135	
3900 - Other Pupil Services	31,185	32,552	38,657	28,200	28,635	
<u>8200 - Operations</u>						
2 - Classified Salaries	58,381	79,064	81,426	103,936	105,619	2.000
3 - Benefits	32,945	34,255	36,506	50,944	54,603	
4 - Supplies	8,210	9,172	9,511	7,560	7,836	
5 - Services	1,704	2,850	2,071	3,600	3,600	
8200 - Operations	101,240	125,340	129,514	166,040	171,658	2.000

Los Altos School District 2016-17 Budget EGAN SCHOOL

	Actuals 2012-13	Actuals 2013-14	Actuals 2014-15	Est. Actuals 2015-16	Adopted 2016-17	Budget FTE 2016-17
Grand Total	3,448,857	3,846,426	4,312,101	4,427,858	4,590,846	43.180

GENERAL FUND EXPENDITURES

DISTRICT PROGRAMS

District programs support our school programs in a variety of ways, from direct instruction by teaching staff not assigned to a specific site to general administrative support. For the budget year a little over one-third (36%) of our expenditures (\$19,809,255 out of \$55,200,098) 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	2016-17 Expenditures
School Programs	
Elementary	
Almond	3,776,860
Gardner Bullis	2,671,461
Covington	4,493,029
Loyola	3,851,270
Oak	3,096,426
Santa Rita	4,727,344
Springer	4,109,686
Intermediate	
Blach	4,073,921
Egan	4,590,846
Total, School Programs	35,390,843
District Programs	19,809,255
Grand Total	55,200,098
<i>Excludes 1,625,037 (Offset to state on-behalf contribution to STRS)</i>	

Instruction (1000)

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

Special Education Cost Centers (1100)

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

Instructional Supervision (2100)

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

Library (2400)

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

Los Altos School District 2016–17 Budget

School Administration (2700)

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

Guidance & Counseling (3110)

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

Psychological Services (3120)

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

Health Services (3140)

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

Speech Services (3150)

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

Pupil Testing (3160)

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

Pupil Transportation (3600)

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

Food Services (3700)

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

Other Pupil Services (3900)

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

General Administration (7100 through 7200)

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

Fiscal Services (7300)

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

Personnel (7400)

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

Central Support (7500)

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

Other General Administration (7600)

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

Data Processing (7700)

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

Plant Services (8000)

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

Other Outgo (9000)

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

	Actuals 2012-13	Actuals 2013-14	Actuals 2014-15	Est. Actuals 2015-16	Adopted 2016-17	Budget FTE 2016-17
<u>1000 - Instruction</u>						
1 - Certificated Salaries	1,613,973	2,007,397	2,368,916	2,236,875	2,197,604	16.227
2 - Classified Salaries	67,092	23,448	25,513	25,314	25,396	0.200
3 - Benefits	858,483	903,985	991,573	1,009,466	1,095,094	
4 - Supplies	742,349	633,758	808,264	663,617	493,755	
5 - Services	55,509	143,808	228,822	557,734	97,517	
6 - Capital				5,968	5,968	
1000 - Instruction	3,337,406	3,712,397	4,423,087	4,498,974	3,915,334	16.427
<u>1110 - Special Ed.: Separate Classes</u>						
1 - Certificated Salaries	21,195	37,350	34,703	31,850	31,850	
2 - Classified Salaries	40,297	75,477	84,128	51,805	51,805	
3 - Benefits	9,077	22,757	22,677	15,788	15,788	
4 - Supplies	6,388	4,107	2,520	5,180	5,180	
1110 - Special Ed.: Separate Classes	76,957	139,691	144,027	104,623	104,623	
<u>1120 - Special Ed.: Resources Specialist</u>						
1 - Certificated Salaries				408	408	
3 - Benefits	2,096	1,404	7,494			
4 - Supplies	8,014	1,824	2,557	1,489	1,489	
1120 - Special Ed.: Resources Specialist	10,110	3,228	10,050	1,897	1,897	
<u>1130 - Special Ed.: Supplemental Aids & Services</u>						
2 - Classified Salaries			17			
3 - Benefits			4			
4 - Supplies	5,251	8,227	24,818	17,807	17,807	
5 - Services	311,473	307,711	303,209	507,870	507,870	
6 - Capital		5,495		11,500	11,500	
1130 - Special Ed.: Supplemental Aids & Services	316,724	321,433	328,048	537,177	537,177	
<u>1180 - Special Ed.: Nonpublic Agencies/Schools</u>						
5 - Services	1,140,080	974,078	1,058,313	935,050	986,248	
1180 - Special Ed.: Nonpublic Agencies/Schools	1,140,080	974,078	1,058,313	935,050	986,248	
<u>1190 - Special Ed.: Other Specialized Instruction</u>						
2 - Classified Salaries	402,582	447,183	754,854	652,880	676,528	14.182
3 - Benefits	157,718	181,054	297,364	275,855	312,993	
1190 - Special Ed.: Other Specialized Instruction	560,299	628,237	1,052,218	928,735	989,521	14.182
<u>2100 - Supervision of Instruction</u>						
1 - Certificated Salaries	211,970	330,364	378,755	327,441	277,261	2.000
2 - Classified Salaries	401,653	371,022	461,939	504,226	534,638	7.330
3 - Benefits	160,788	172,980	215,420	244,275	265,289	
4 - Supplies	14,502	34,116	45,731	33,637	33,550	
5 - Services	71,508	39,298	90,409	97,020	93,620	
6 - Capital				1,000	1,000	
2100 - Supervision of Instruction	860,421	947,780	1,192,253	1,207,599	1,205,358	9.330
<u>2110 - Instructional Supervision</u>						
1 - Certificated Salaries	244,891	262,641	232,707	212,682	271,907	2.000
2 - Classified Salaries	85,293	92,713	94,776	97,070	98,424	1.000
3 - Benefits	129,946	120,764	123,976	136,456	168,505	
4 - Supplies	18,230	8,406	84,329	4,412	4,412	
5 - Services	32,920	34,520	33,862	58,406	56,750	
2110 - Instructional Supervision	511,280	519,044	569,650	509,026	599,998	3.000
<u>2120 - Instructional Research</u>						
4 - Supplies		103	561	950	950	
5 - Services			50	50	50	
2120 - Instructional Research		103	611	1,000	1,000	
<u>2130 - Curriculum Development</u>						
1 - Certificated Salaries	227	200	200	128	128	

DISTRICT

Los Altos School District 2016-17 Budget

	Actuals 2012-13	Actuals 2013-14	Actuals 2014-15	Est. Actuals 2015-16	Adopted 2016-17	Budget FTE 2016-17
5 - Services	2,122					
2130 - Curriculum Development	2,349	200	200	128	128	
<u>2140 - Instructional Staff Development</u>						
2 - Classified Salaries	873					
3 - Benefits	170					
5 - Services			1,500			
2140 - Instructional Staff Development	1,043		1,500			
<u>2420 - Instructional Library, Media, & Technology</u>						
2 - Classified Salaries	18,712	13,795	4,671	5,103	5,103	
3 - Benefits	8,423	10,369	11,644	11,987	12,042	
4 - Supplies	5,215	375	57	1,000	1,000	
5 - Services	2,578		1,345	2,000	2,000	
6 - Capital	54,302	24,565	24,049	35,500	35,500	
2420 - Instructional Library, Media, & Technology	89,230	49,104	41,765	55,590	55,645	
<u>2700 - School Administration</u>						
1 - Certificated Salaries	7,103	7,044	6,840	7,100	7,100	
2 - Classified Salaries	30,830	22,528	24,544	33,000	15,500	
3 - Benefits	112,499	83,068	106,265	102,145	93,189	
5 - Services		7,850	1,777	10,000	10,000	
2700 - School Administration	150,431	120,489	139,425	152,245	125,789	
<u>3110 - Guidance & Counseling Services</u>						
5 - Services	45,000	46,125	47,509	48,934	48,934	
3110 - Guidance & Counseling Services	45,000	46,125	47,509	48,934	48,934	
<u>3120 - Psychological Services</u>						
1 - Certificated Salaries	412,005	116,788	80,595	130,463	137,960	1.400
3 - Benefits	133,586	51,131	44,578	43,543	48,755	
4 - Supplies	6,623	7,421		2,000	2,000	
5 - Services		26		375	375	
3120 - Psychological Services	552,215	175,365	125,173	176,381	189,090	1.400
<u>3140 - Health Services</u>						
1 - Certificated Salaries	155,324	166,813	193,525	235,389	246,984	2.500
2 - Classified Salaries	80,165	90,613	115,841	96,934	100,352	2.000
3 - Benefits	82,317	95,772	113,333	108,450	124,438	
4 - Supplies	6,893	8,949	8,922	11,000	11,000	
5 - Services	14,545	14,510	15,572	18,652	18,652	
3140 - Health Services	339,245	376,656	447,194	470,425	501,426	4.500
<u>3150 - Speech Pathology & Audiology Services</u>						
1 - Certificated Salaries	440,267	472,151	529,204	553,854	569,646	6.200
3 - Benefits	126,969	131,495	150,898	170,628	189,770	
4 - Supplies	9,798	12,442	2,907	500	500	
3150 - Speech Pathology & Audiology Services	577,033	616,088	683,010	724,982	759,916	6.200
<u>3160 - Pupil Testing</u>						
2 - Classified Salaries	4,861	9,038	16,610	11,973	11,973	
3 - Benefits	828	880	2,260	1,552	1,552	
4 - Supplies	6,827	4,195	2,093	4,000	4,000	
3160 - Pupil Testing	12,516	14,113	20,963	17,525	17,525	
<u>3600 - Pupil Transportation</u>						
5 - Services	315,975	265,069	215,363	271,000	271,000	
3600 - Pupil Transportation	315,975	265,069	215,363	271,000	271,000	
<u>3700 - Food Services</u>						
4 - Supplies	55,541	77,609	97,373	105,600	105,600	
5 - Services	154		1,813	2,000	2,000	
3700 - Food Services	55,695	77,609	99,186	107,600	107,600	

	Actuals 2012-13	Actuals 2013-14	Actuals 2014-15	Est. Actuals 2015-16	Adopted 2016-17	Budget FTE 2016-17
<u>3900 - Other Pupil Services</u>						
1 - Certificated Salaries	42,873	68,895	72,895	50,000	65,000	0.744
2 - Classified Salaries	11,911	16,925	24,902	20,294	20,341	
3 - Benefits	66,634	65,605	326,681	175,014	229,275	
4 - Supplies			7,830	2,944	2,944	
5 - Services	28,849	40,754	48,168	53,000	53,000	
3900 - Other Pupil Services	150,266	192,179	480,477	301,252	370,560	0.744
<u>7110 - Board</u>						
2 - Classified Salaries	1,140	1,080	1,200	2,500	2,500	
3 - Benefits	114	98	111	266	266	
4 - Supplies	11,727	3,849	39,925	5,000	5,000	
5 - Services	1,773,435	1,511,578	491,352	434,223	499,223	
6 - Capital				1,500	1,500	
7110 - Board	1,786,416	1,516,606	532,589	443,489	508,489	
<u>7150 - Superintendent</u>						
1 - Certificated Salaries	191,889	238,733	248,983	237,493	237,493	1.000
2 - Classified Salaries	102,184	106,639	108,826	114,148	115,502	1.000
3 - Benefits	131,924	102,635	116,461	128,177	137,065	
4 - Supplies	28,680	43,719	72,446	20,000	20,000	
5 - Services	139,167	29,988	34,372	50,620	50,620	
6 - Capital				2,200	2,200	
7150 - Superintendent	593,844	521,713	581,089	552,638	562,880	2.000
<u>7180 - Public Information</u>						
4 - Supplies	16,436	9,452	7,606	12,180	12,180	
5 - Services	22,799	52,237	26,458	91,091	91,091	
7180 - Public Information	39,235	61,689	34,064	103,271	103,271	
<u>7191 - External Financial Audit</u>						
5 - Services	16,000	16,000	16,000	30,000	30,000	
7191 - External Financial Audit	16,000	16,000	16,000	30,000	30,000	
<u>7200 - Other General Administration</u>						
3 - Benefits				8,678	8,966	
5 - Services	3,987	3,827	5,238	4,300	4,300	
7200 - Other General Administration	3,987	3,827	5,238	12,978	13,266	
<u>7210 - General Administration Cost Transfers</u>						
7 - Other Outgo				(2,339)	(2,189)	
7210 - General Administration Cost Transfers				(2,339)	(2,189)	
<u>7300 - Fiscal Services</u>						
2 - Classified Salaries	636,372	647,729	701,295	696,329	698,074	6.000
3 - Benefits	248,399	258,751	277,935	294,482	323,313	
4 - Supplies	19,392	10,328	16,873	19,270	16,830	
5 - Services	92,730	117,736	115,834	164,277	119,277	
6 - Capital			13,086	3,500	3,500	
7300 - Fiscal Services	996,894	1,034,543	1,125,023	1,177,857	1,160,994	6.000
<u>7400 - Personnel or Human Resources Services</u>						
1 - Certificated Salaries		2,500		22,620	120,642	0.800
2 - Classified Salaries	120,764	131,030	152,967	155,262	157,775	2.000
3 - Benefits	60,860	61,029	68,932	82,566	112,927	
4 - Supplies	1,392	3,793	3,929	2,000	2,000	
5 - Services	20,239	54,234	24,517	22,600	22,600	
6 - Capital			489	1,000	1,000	
7400 - Personnel or Human Resources Services	203,255	252,586	250,835	286,048	416,944	2.800
<u>7410 - Staff Development (non-instructional)</u>						
5 - Services			1,032			
7410 - Staff Development (non-instructional)			1,032			

DISTRICT

Los Altos School District 2016-17 Budget

	Actuals 2012-13	Actuals 2013-14	Actuals 2014-15	Est. Actuals 2015-16	Adopted 2016-17	Budget FTE 2016-17
<u>7540 - Warehousing and Distribution</u>						
2 - Classified Salaries	58,386	61,743	60,828	62,921	64,068	1.000
3 - Benefits	47,480	48,058	44,603	48,281	52,521	
4 - Supplies	2,845	999	2,955	1,500	500	
5 - Services	256	398	605	2,500	2,500	
6 - Capital		19,956		1,000	1,000	
7540 - Warehousing and Distribution	108,967	131,154	108,990	116,202	120,589	1.000
<u>7550 - Printing, Publishing and Duplicating</u>						
3 - Benefits	4,255	3,919	4,177	4,411	4,561	
7550 - Printing, Publishing and Duplicating	4,255	3,919	4,177	4,411	4,561	
<u>7600 - All Other General Administration</u>						
5 - Services	149,574	93,765	65,289	112,271	148,326	
7600 - All Other General Administration	149,574	93,765	65,289	112,271	148,326	
<u>7700 - Data Processing Services</u>						
2 - Classified Salaries	220,271	245,053	270,381	278,414	286,357	3.000
3 - Benefits	77,036	81,448	87,911	94,806	104,863	
4 - Supplies	141,792	39,594	59,502	88,461	88,461	
5 - Services	137,651	152,696	160,793	173,539	181,539	
6 - Capital		15,840		42,000	42,000	
7700 - Data Processing Services	576,749	534,630	578,587	677,220	703,220	3.000
<u>8110 - Maintenance</u>						
2 - Classified Salaries	330,052	312,455	372,653	395,514	388,216	5.000
3 - Benefits	178,076	162,387	186,507	184,066	197,885	
4 - Supplies	171,302	201,033	238,830	217,229	206,229	
5 - Services	569,681	985,657	975,750	1,014,271	814,271	
6 - Capital	10,553	16,620	54,664	12,000	12,000	
8110 - Maintenance	1,259,665	1,678,152	1,828,404	1,823,080	1,618,601	5.000
<u>8200 - Operations</u>						
2 - Classified Salaries	315,659	359,663	380,710	402,628	388,446	3.729
3 - Benefits	164,144	181,837	199,084	197,630	212,129	
4 - Supplies	104,245	111,250	112,094	120,532	120,532	
5 - Services	1,319,910	1,339,646	1,697,491	1,628,605	1,578,757	
6 - Capital	152,942	1,302		12,650	12,650	
8200 - Operations	2,056,899	1,993,699	2,389,380	2,362,045	2,312,514	3.729
<u>8300 - Security</u>						
4 - Supplies				9,000	9,000	
5 - Services	23,383	24,539	40,632	25,100	25,100	
6 - Capital				500	500	
8300 - Security	23,383	24,539	40,632	34,600	34,600	
<u>8500 - Facilities Acquisition & Construction</u>						
5 - Services				130,000		
6 - Capital	24,908		9,104	35,886	10,000	
8500 - Facilities Acquisition & Construction	24,908		9,104	165,886	10,000	
<u>8700 - Facilities Rents and Leases</u>						
5 - Services	41,333	38,154	38,154	135,430	92,436	
8700 - Facilities Rents and Leases	41,333	38,154	38,154	135,430	92,436	
<u>9100 - Debt Service</u>						
5 - Services	117,660	104,745	79,717	217,333	217,333	
7 - Other Outgo	332,803	332,803	332,803	332,803	332,803	
9100 - Debt Service	450,463	437,548	412,520	550,136	550,136	
<u>9200 - Transfer Between Agencies</u>						
7 - Other Outgo		39,836	48,612	49,839	49,839	

Los Altos School District 2016-17 Budget

DISTRICT

	Actuals 2012-13	Actuals 2013-14	Actuals 2014-15	Est. Actuals 2015-16	Adopted 2016-17	Budget FTE 2016-17
9200 - Transfer Between Agencies		39,836	48,612	49,839	49,839	
<u>9300 - Interfund Transfers</u>						
7 - Other Outgo	341,502	3,656,938	3,027,578	1,557,405	582,010	
9300 - Interfund Transfers	341,502	3,656,938	3,027,578	1,557,405	582,010	
Grand Total	17,781,602	21,218,287	22,177,318	21,242,609	19,809,255	79.312

CAPITAL IMPROVEMENT PLAN

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

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

In order to deal with rising repair cost as well as deal with continuing enrollment growth, the district passed a \$150 million bond measure in November 2014. This measure is intended to fund the acquisition of a new school site and the building of a new school, in addition to completing Phase 2 of the original modernization program. Phase 2 involves replacing portable buildings with permanent ones and reconstructing libraries, multi-purpose buildings, and administration buildings on some of our campuses.

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

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

	2001-02	2002-03	2003-04	2004-05	2005-06 through 2006-07	2007-08	2008-09 through 2015-16	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
* The first 3 projects were completed over a two-year period, from 2000-01 through 2001-02.								
Phase 2 Modernization & Site Acquisition (\$150 million bond measure in place)								<i>in planning stage</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 2016–17 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 2016 summer.

- Field improvements at Blach, Egan, Gardner Bullis, and Loyola Schools (Deferred Maintenance Fund; \$85,000);
- Paving repairs of play areas at various schools (Deferred Maintenance Fund; \$68,400)
- New flooring and other interior repairs at various sites (Deferred Maintenance Fund; \$179,500)
- Drainage repairs at Blach and Gardner Bullis Schools (Deferred Maintenance Fund; \$17,500)
- Roofing repairs at Egan School (Deferred Maintenance Fund; \$50,000)

IMPACTS ON GENERAL FUND OPERATING BUDGETS

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

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

Roofing repairs prolong the useful life of buildings and prevent water damage to building interiors.

Drainage repairs eliminate standing water which damages paved and grassy areas, thus saving potential repair or replacement costs.

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 2016–17 and future years. Because it is difficult to quantify the savings achieved, our future forecasts do not recognize these savings.

CAPITAL EXPENDITURES—SUMMARY

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

Capital Projects						
	2016/17	2017/18	2018/19	Funding Source		
Sites						
Field Renovations	\$ 85,000	\$ 45,000	\$ 45,000	Deferred Maintenance Fund		
Paving Repairs	\$ 68,400	\$ 75,000	\$ 75,000	Deferred Maintenance Fund		
Grounds Repairs	\$ 17,500	\$ 55,000	\$ 55,000	Deferred Maintenance Fund		
Buildings						
Roofing/Exterior Repairs	\$ 50,000	\$ 50,000	\$ 50,000	Deferred Maintenance Fund		
Flooring/Interior Repairs	\$ 179,500	\$ 100,000	\$ 100,000	Deferred Maintenance Fund		
Total	\$ 400,400	\$ 325,000	\$ 325,000			

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 2016-17 Budget

	Actuals 2012-13	Actuals 2013-14	Actuals 2014-15	Est. Actuals 2015-16	Adopted 2016-17	Budget FTE 2016-17
<u>Income</u>						
<u>0000 - Undesignated</u>						
8 - Revenue	2,196	1,461	1,291	1,000	1,000	
0000 - Undesignated	2,196	1,461	1,291	1,000	1,000	
<u>9300 - Interfund Transfers</u>						
8 - Revenue	295,302	300,174	300,174	300,174	300,174	
9300 - Interfund Transfers	295,302	300,174	300,174	300,174	300,174	
Income	297,498	301,635	301,465	301,174	301,174	
<u>Expense</u>						
<u>8110 - Maintenance</u>						
5 - Services	102,408	276,077	417,753	325,000	400,400	
8110 - Maintenance	102,408	276,077	417,753	325,000	400,400	
<u>8500 - Facilities Acquisition & Construction</u>						
6 - Capital	123,166	163,871	4,460	5,000		
8500 - Facilities Acquisition & Construction	123,166	163,871	4,460	5,000		
Expense	225,573	439,947	422,213	330,000	400,400	

SPECIAL RESERVE FUND

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

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

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

SPECIAL RESERVE FUND

Los Altos School District 2016-17 Budget

	Actuals 2012-13	Actuals 2013-14	Actuals 2014-15	Est. Actuals 2015-16	Adopted 2016-17	Budget FTE 2016-17
<u>Income</u>						
<u>0000 - Undesignated</u>						
8 - Revenue	10,636	12,647	16,158	16,000	22,000	
0000 - Undesignated	10,636	12,647	16,158	16,000	22,000	
<u>9300 - Interfund Transfers</u>						
8 - Revenue	433,251	2,710,564	258,372	232,405	82,010	
9300 - Interfund Transfers	433,251	2,710,564	258,372	232,405	82,010	
Income	443,887	2,723,211	274,530	248,405	104,010	

BUILDING FUND

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

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

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

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

BUILDING FUND

Los Altos School District 2016-17 Budget

	Actuals 2012-13	Actuals 2013-14	Actuals 2014-15	Est. Actuals 2015-16	Adopted 2016-17	Budget FTE 2016-17
<u>Income</u>						
<u>0000 - Undesignated</u>						
8 - Revenue	187,628	817,872	2,000,044	5,149,571	2,295,840	
0000 - Undesignated	187,628	817,872	2,000,044	5,149,571	2,295,840	
<u>9300 - Interfund Transfers</u>						
8 - Revenue	391,680	146,200	869,206	775,000		
9300 - Interfund Transfers	391,680	146,200	869,206	775,000		
Income	579,308	964,072	2,869,250	5,924,571	2,295,840	
<u>Expense</u>						
<u>8500 - Facilities Acquisition & Construction</u>						
4 - Supplies	13,969		97,684	1,000		
5 - Services	67,228	362,512	472,245	434,973	271,523	
6 - Capital	188,755	89,159	1,915,312	4,316,246	1,596,790	
8500 - Facilities Acquisition & Construction	269,953	451,672	2,485,241	4,752,219	1,868,313	
<u>8700 - Facilities Rents and Leases</u>						
5 - Services	252,318	216,858	420,887	253,985	227,442	
8700 - Facilities Rents and Leases	252,318	216,858	420,887	253,985	227,442	
Expense	522,271	668,530	2,906,128	5,006,204	2,095,755	

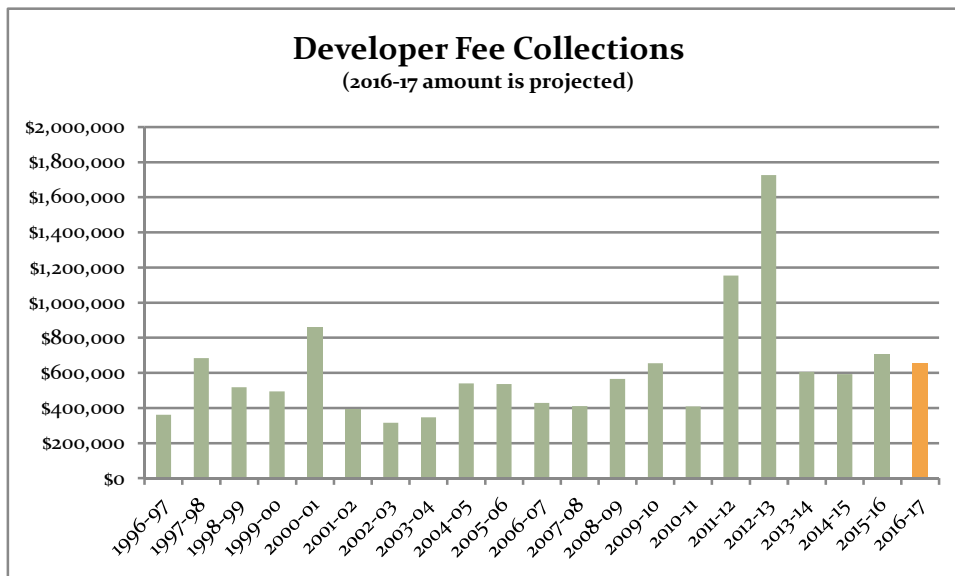
CAPITAL FACILITIES FUND

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

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

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

A recent history of developer fees collected is shown below. In 2011-12 and 2012-13 a couple major new residential projects generated a significant increase in fees. 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 2016-17 Budget

	Actuals 2012-13	Actuals 2013-14	Actuals 2014-15	Est. Actuals 2015-16	Adopted 2016-17	Budget FTE 2016-17
<u>Income</u>						
<u>0000 - Undesignated</u>						
8 - Revenue	1,725,475	606,083	592,861	705,092	655,092	
0000 - Undesignated	1,725,475	606,083	592,861	705,092	655,092	
<u>9300 - Interfund Transfers</u>						
8 - Revenue	550,000	500,000	1,900,000	550,000	500,000	
9300 - Interfund Transfers	550,000	500,000	1,900,000	550,000	500,000	
Income	2,275,475	1,106,083	2,492,861	1,255,092	1,155,092	
<u>Expense</u>						
<u>8500 - Facilities Acquisition & Construction</u>						
4 - Supplies	70,415	121,803	116,437	76,037	62,702	
5 - Services	260,477	181,090	265,957	92,192	91,000	
6 - Capital	833,703	1,068,596	1,267,901	226,284	6,284	
8500 - Facilities Acquisition & Construction	1,164,595	1,371,490	1,650,295	394,513	159,986	
<u>8700 - Facilities Rents and Leases</u>						
5 - Services	614,272	793,874	845,289	929,722	920,662	
8700 - Facilities Rents and Leases	614,272	793,874	845,289	929,722	920,662	
Expense	1,778,867	2,165,363	2,495,583	1,324,235	1,080,648	

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 \$242.4 million. After issuing our second and third series of bonds and doing refinancings in 2006 and in 2013 our total outstanding debt currently is \$68.5 million, \$173.9 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.

	2006-07	2007-08	2008-09	2009-10	2010-11
AV	\$11,727,024,593	\$12,607,089,540	\$13,627,085,860	\$14,176,996,881	\$14,015,681,413
Debt Limit (1.25% of AV)	\$146,587,807	\$157,588,619	\$170,338,573	\$177,212,461	\$175,196,018
Outstanding Debt	\$99,819,000	\$97,344,000	\$94,359,000	\$90,819,000	\$86,664,000
Debt Capacity	\$46,768,807	\$60,244,619	\$75,979,573	\$86,393,461	\$88,532,018
	2011-12	2012-13	2013-14	2014-15	2015-16
AV	\$14,465,689,790	\$15,205,649,537	\$16,641,461,184	\$17,816,282,409	\$19,392,728,583
Debt Limit (1.25% of AV)	\$180,821,122	\$190,070,619	\$208,018,265	\$222,703,530	\$242,409,107
Outstanding Debt	\$83,603,480	\$79,715,560	\$76,158,560	\$72,518,760	\$68,555,000
Debt Capacity	\$97,217,642	\$110,355,059	\$131,859,705	\$150,184,770	\$173,854,107
District issued \$40 million of debt in February 1999. District issued \$46.7 million of debt in May 2001. District issued \$8 million of debt in October 2003. In June 2006 District refunded outstanding debt. In January 2013 District refunded outstanding debt.					

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

General Obligation Bonded Debt					
Issue Date	Series	Amount of Original Issue	Original Final Maturity	Amount Counting Toward Authorization	Amount Outstanding June 30, 2015 ^(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) ^(c)	92,215,000	8/1/2023	0	43,265,000
22-Jun-06	2006 GO Refunding Bonds (CABs) ^{(a)(b)}	8,854,000	8/1/2015	0	0
12-Feb-13	2013 GO Refunding Bonds ^(c)	25,455,000	8/1/2023	0	25,290,000
		221,223,049		94,699,049	68,555,000
<p>(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.</p> <p>(b) Amount outstanding for capital appreciation represents original denominational amount.</p> <p>(c) The 2013 GO Refunding Bonds refunded a portion of the District's outstanding 2006 GO Refunding Bonds (CIBs) on an advanced basis.</p>					

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

Principal Outstanding as of June 30 (after debt service payments)				
Fiscal Year	2006 GO Refunding Bonds (CIBs)	2006 GO Refunding Bonds (CABs)	2013 GO Refunding Bonds	Combined
2016	\$43,265,000	\$0	\$25,290,000	\$68,555,000
2017	\$36,150,000	\$0	\$25,290,000	\$61,440,000
2018	\$31,590,000	\$0	\$21,980,000	\$53,570,000
2019	\$26,550,000	\$0	\$18,390,000	\$44,940,000
2020	\$20,995,000	\$0	\$14,495,000	\$35,490,000
2021	\$14,890,000	\$0	\$10,205,000	\$25,095,000
2022	\$8,190,000	\$0	\$5,495,000	\$13,685,000
2023	\$855,000	\$0	\$380,000	\$1,235,000
2024	\$0	\$0	\$0	\$0

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INFORMATIONAL SECTION



Preparing Students to Become Creative Problem-Solvers and Collaborative Learners

BUDGET CHANGES AND ASSUMPTIONS

The 2015–16 estimated actuals form the baseline for determining the 2016–17 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.

2016–17 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 8% since 2012–13 primarily as a result of property tax growth and recovery from the recession. Additionally, the transfer of property tax dollars to the charter school has impacted our revenues due to continual growth in charter school enrollments.

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.

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

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

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

KEY 2016–17 BUDGET ASSUMPTIONS

Revenue Assumptions

- ♦ 0.5% enrollment growth (23 students)
- ♦ 8% property tax growth
- ♦ A reduction in one-time state funding
- ♦ Lottery projected at \$181 per ADA
- ♦ Parcel tax at \$790 per parcel nets \$10 million
- ♦ LAEF funding of \$3.3 million
- ♦ No change in interest earnings

Expenditure Assumptions

- ♦ \$720,000 for professional growth & longevity
- ♦ 3 fewer teachers resulting in slightly higher class sizes
- ♦ No across-the-board salary increases
- ♦ Health benefit rates projected to increase 7.5% in January 2016
- ♦ 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

2016–17 EXPENDITURES AND CHANGES FROM PRIOR YEARS

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

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

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

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

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

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

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

	2012-13 Actuals	2013-14 Actuals	% Change	2014-15 Actuals	% Change	2015-16 Est. Actuals	% Change	2016-17 Budget	% Change	Average % Change
ENROLLMENT	4,495	4,543	1.1%	4,670	2.8%	4,636	-0.7%	4,659	0.5%	0.9%
REVENUES										
LCFF/Revenue Limit Sources	28,210,728	31,459,840	12%	31,430,553	0%	35,520,169	13%	37,734,926	6%	8%
Federal Revenue	1,051,413	934,871	-11%	1,003,227	7%	1,007,112	0%	1,001,935	-1%	-1%
Other State Revenue	1,648,022	2,952,235	79%	1,494,816	-49%	5,820,760	289%	3,829,665	-34%	33%
Other Local Revenue	17,921,186	17,484,905	-2%	18,166,643	4%	15,626,687	-14%	15,506,324	-1%	-3%
GO Bonds/Transfers In From Other Funds										
TOTAL OPERATING REVENUE	48,831,350	52,831,850	8%	52,095,239	-1%	57,974,729	11%	58,072,850	0%	5%
EXPENDITURES										
Certificated Salaries	20,883,829	23,132,798	11%	24,731,255	7%	24,929,137	1%	25,173,343	1%	5%
Classified Salaries	6,811,312	7,235,259	6%	8,138,710	12%	8,170,318	0%	8,308,083	2%	5%
Employee Benefits	9,476,020	9,930,036	5%	11,211,089	13%	13,393,523	19%	14,552,945	9%	13%
Books & Supplies	2,633,136	2,628,155	0%	3,410,006	30%	1,936,785	-43%	1,437,468	-26%	-11%
Services & Other Operating Expenditures	6,652,561	6,741,926	1%	6,104,249	-9%	7,067,405	16%	6,218,821	-12%	-2%
Capital Outlay	349,555	111,541	-68%	382,917	243%	195,874	-49%	169,824	-13%	-13%
Other Expenses and Outgo	332,803	372,639	12%	381,415	2%	382,642	0%	382,642	0%	4%
Transfers Out To Other Funds	1,670,233	3,656,938		3,027,578		1,557,405		582,010		
TOTAL OPERATING EXPENDITURES	48,809,448	53,809,291	10%	57,387,219	7%	57,633,090	0%	56,825,135	-1%	4%
Revenues over (under) Expenditures	21,902	(977,441)		(5,291,980)		341,639		1,247,715		
Beginning Fund Balance	8,129,101	8,151,002	0%	7,126,587	-13%	1,834,607	-74%	2,176,246	19%	
Ending Fund Balance	8,151,002	7,173,563	-12%	1,834,607	-74%	2,176,246	19%	3,423,961	57%	

2014/15 includes an adjustment to Beginning Fund Balance

MULTI-YEAR FINANCIAL FORECAST

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

Our revenue projections reflect continued growth in the state and local economies. We expect normal growth in property values, which in turn increases property tax revenues year after year. We are projecting tax growth at 8% in the budget year and 5% in succeeding years. Current year tax revenues already are 9.3% over the prior year—with collections for the year not completed.

We purposely built up our reserves to withstand a downturn in the economy and now 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. However, a big 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 three years. Housing turnover affects our forecasts in two ways—increased student population, which impacts both revenues and expenditures, and increased assessed valuations (AV), which drives up property tax collections.

Enrollment. Enrollment projections are based off our demographer’s “medium-high” forecast, discussed in depth later in this section. We foresee modest enrollment growth over the next five years.

Property Taxes. We project a 8% growth in property tax collections for 2016–17 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 and lease income is forecasted at \$870,000 in 2016–17, increasing annually by the local CPI increase.

EXPENDITURES

Enrollment. Due to modest enrollment growth we project roughly the same number of teaching positions over the six year horizon.

Employee Compensation. Our forecast includes salary increases due to professional growth and longevity adjustments for eligible employees. These equate to a 1.6% increase in total annual compensation. There are no across-the-board salary increases built into the forecast. The state has mandated increased contributions to the state retirement systems, thus significantly increasing our costs. Contribution rates are expected to step up annually through 2020–21. We have projected an annual 7.5% increase in health benefit costs.

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

Other. All other educational and other programs are expected to remain at 2016-17 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 2016-17. Our forecast includes 5% annual inflation on the cost of goods and contracted services.

	2015-16	2016-17	2017-18	2018-19	2019-20	2020-21	2021-22
% Change in Prop Tax Collections	9.25%	8.00%	5.00%	5.00%	5.00%	5.00%	5.00%
Enrollment	4,636	4,659	4,702	4,703	4,671	4,685	4,694
In-district students @ charter school	703	791	837	863	863	863	863
<i>Total Enrollment, LASD + BCS</i>	<i>5,339</i>	<i>5,450</i>	<i>5,539</i>	<i>5,566</i>	<i>5,534</i>	<i>5,548</i>	<i>5,557</i>
Transfer of Prop Tax to BCS	4,944,208	5,624,233	6,054,965	6,398,041	6,574,521	6,755,802	6,942,014
Cost-of-Living Adjustment (COLA)	1.02%	0.47%	2.13%	2.65%	2.72%	2.72%	2.72%
Foundation Funding, base	2,650,000	2,795,000	2,795,000	2,795,000	2,795,000	2,795,000	2,795,000
Foundation Funding, one-time	500,000	505,000					
Parcel Tax	790	790	597	597	597	597	597
Class Size, K-3	23	23	23	23	23	23	23
Class Size, 4-6	26	26	26	26	26	26	26
Class Size, 7-8	26	26	26	26	26	26	26
Teachers, FTE	252	249	250	250	249	250	250
Raises (across-the-board)	3.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
Cost of Step/Column Movement	489,941	493,029	494,611	494,611	493,029	494,611	494,611
Step/Col (converted to % salary inc.)	1.6%	1.6%	1.6%	1.6%	1.6%	1.6%	1.6%
Health Benefit rate increases	10.0%	7.5%	7.5%	7.5%	7.5%	7.5%	7.5%
Health Benefits (converted to % salary in	1.8%	1.4%	1.5%	1.5%	1.6%	1.7%	1.8%
STRS rate increases	1.9%	1.9%	1.9%	1.9%	1.9%	1.9%	0.0%
Total Comp (as % of salary)	8.3%	4.9%	5.0%	5.0%	5.1%	5.2%	3.5%
LCFF/Revenue Limit	34,114,340	35,251,404	36,655,450	37,633,590	38,405,835	39,552,732	40,699,966
Basic Aid Benefit	1,405,829	2,483,522	3,008,933	3,851,767	4,250,325	5,303,540	6,469,384
Federal Sources	1,007,112	1,001,935	1,023,276	1,050,393	1,078,964	1,108,312	1,138,458
Other State Sources	5,820,761	3,829,665	2,863,812	2,875,209	2,880,899	2,882,034	2,889,884
Other Local Sources	15,626,687	15,506,324	13,055,285	13,113,104	13,172,395	13,233,288	13,295,791
Total Revenues	57,974,729	58,072,850	56,606,756	58,524,063	59,788,417	62,079,907	64,493,482
Certificated Salaries	24,929,137	25,173,343	25,541,873	25,839,545	26,061,693	26,432,364	26,734,163
Classified Salaries	8,170,318	8,308,083	8,414,315	8,522,624	8,631,455	8,740,565	8,849,962
Employee Benefits	12,372,031	13,444,844	14,732,406	15,871,799	17,034,179	18,153,079	18,797,070
Retiree Benefits	1,021,492	1,108,101	1,155,195	1,204,291	1,255,473	1,308,831	1,364,456
Books & Supplies	1,936,786	1,437,468	1,468,629	1,495,153	1,515,800	1,545,107	1,574,302
Contract Services	7,067,405	6,218,821	6,345,468	6,480,145	6,613,062	6,749,466	6,889,311
Capital Outlay	195,874	169,824	174,533	179,801	185,103	190,543	196,122
Other	382,642	382,642	382,642	382,642	382,642	382,642	382,642
Transfers Out	1,557,405	582,010	152,646	133,462	112,984	72,986	19,628
Total Expenses	57,633,090	56,825,136	58,367,707	60,109,461	61,792,392	63,575,582	64,807,656
Net Change	341,639	1,247,714	(1,760,951)	(1,585,398)	(2,003,975)	(1,495,675)	(314,174)
Unaudited Beginning Balance	1,834,607	2,176,245	3,423,960	1,663,009	77,610	(1,926,364)	(3,422,040)
Ending Balance	2,176,245	3,423,960	1,663,009	77,610	(1,926,364)	(3,422,040)	(3,736,213)
Encumbrances	5,000	5,000	5,000	5,000	5,000	5,000	5,000
OPEB Obligation	82,010	152,646	133,462	112,984	72,986	19,628	(35,997)
General Fund Reserves	2,089,235	3,266,313	1,524,547	(40,374)	(2,004,350)	(3,446,668)	(3,705,216)
Reserves, Special Reserve Fund	2,564,302	2,574,302	2,645,095	2,719,158	2,792,575	2,867,975	2,945,410
Total Reserves	4,653,538	5,840,615	4,169,642	2,678,784	788,225	(578,693)	(759,806)
% of Expense	8.07%	10.28%	7.14%	4.46%	1.28%	-0.91%	-1.17%
Required Reserves (3% of Expense)	1,728,993	1,704,754	1,751,031	1,803,284	1,853,772	1,907,267	1,944,230
Over/(Under) Requirement	2,924,545	4,135,861	2,418,611	875,500	(1,065,547)	(2,485,961)	(2,704,036)

Note: 2016-17 total expenditures are off \$1 due to rounding error.

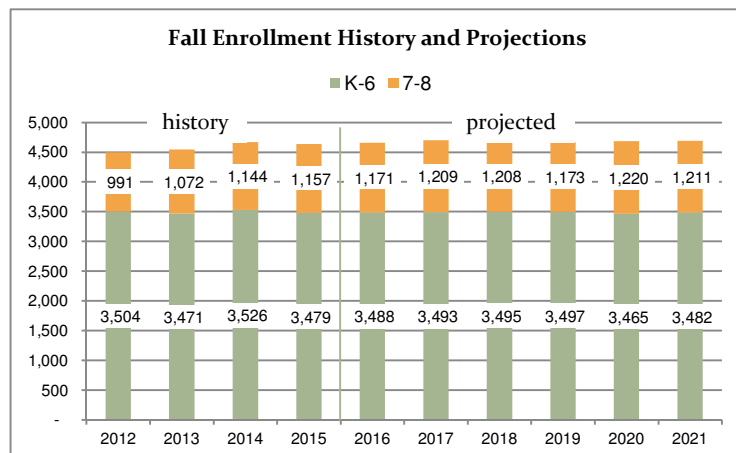
On the preceding pages we have discussed both budget and future year projections and the assumptions behind the projections. On the following pages we discuss in detail some of the key issues impacting district finances, as well as review other significant information about the district.

ENROLLMENT PROJECTIONS

Over the last ten years the district has been steadily growing, from 4,265 students in fall 2007 to 4,659 projected for this coming fall. The average annual rate of growth has been 1%. 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 until this year. Current enrollment projections are shown on the accompanying chart, are done by the district, and incorporate methodology from previous demographer reports.

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.

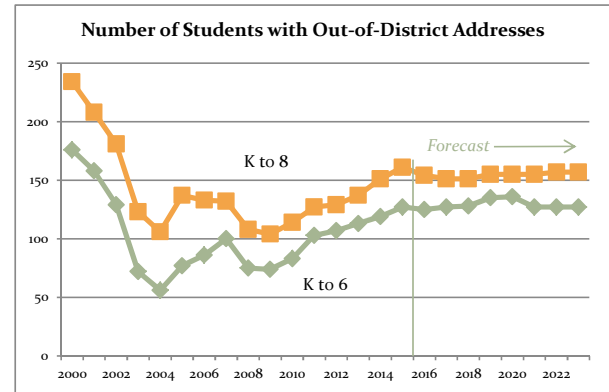
Construction of new housing usually results in higher-than-normal grade progressions. However the district’s modest housing growth has not produced all the new students. It is likely that most of the positive grade progressions result from housing turnover in established neighborhoods.

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,

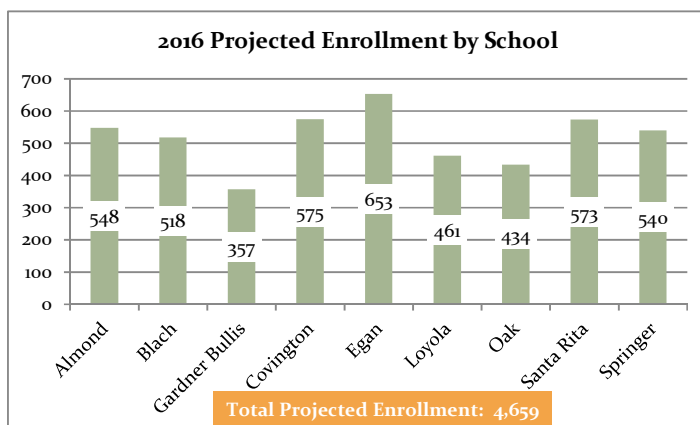
where its revenue is no longer dependent on student enrollment, we continue to limit the number of inter-district transfers. The forecast assumes a total of around 150 district-wide inter-district transfers each year. These students are assumed to be children of district employees and children from the 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 4,659 students in Fall 2016 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										
	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021
Kindergarten	433	455	474	452	455	480	490	505	505	515
Grade 1	486	448	469	426	427	437	433	443	454	454
Grade 2	510	471	474	494	459	453	462	458	469	481
Grade 3	514	511	496	488	517	492	471	481	477	488
Grade 4	504	529	541	518	514	547	511	490	500	496
Grade 5	533	526	549	555	548	543	573	535	513	524
Grade 6	524	531	523	546	568	541	555	585	547	524
Grade 7	501	548	586	570	583	624	575	590	622	581
Grade 8	490	524	558	587	588	585	633	583	598	630
K-6	3,504	3,471	3,526	3,479	3,488	3,493	3,495	3,497	3,465	3,482
7-8	991	1,072	1,144	1,157	1,171	1,209	1,208	1,173	1,220	1,211
Total	4,495	4,543	4,670	4,636	4,659	4,702	4,703	4,670	4,685	4,693



CL ASSROOM TEACHERS

The cost of classroom teachers is the single largest component of our expenditure plan, for obvious reasons. 49% of our budget goes toward teacher salaries and benefits. We have 168 elementary school teachers, 59 intermediate school teachers, and 22 specialists serving students of various ages. In addition we have 13 staff members who provide non-instructional direct services to students—counselors, psychologists, and three district nurses. We hire teachers based on staffing ratios. Our staffing ratios are 23:1 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 2016–17 is \$83,134. The average age of our teaching staff is 44 years. 72% 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

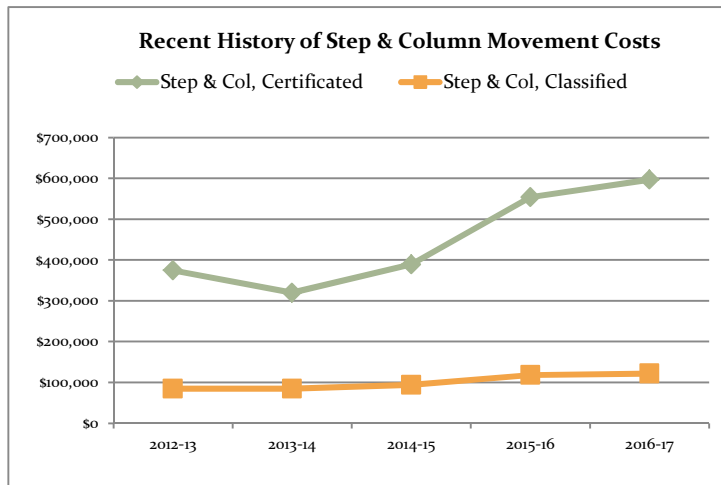
Ave Age	44
Ave Years Teaching in District	9
Ave Total Years Teaching	14
<u>Teaching Experience</u>	
1st Yr	11 teachers
2nd Yr	9 teachers
3-5 Yrs	53 teachers
6 + Yrs	184 teachers
Male	30
Female	227
	257
<u>Ethnicity</u>	
White	221 (86%)
All Other	36 (14%)
	257
<u>Highest Education Level Attained</u>	
Masters or greater	143
Teachers with CLAD Credentials	250

Data is from 2014–15.

	Beginning Teacher Salary	Average Salary	Salary at 10 Years	Highest Teacher Salary
Los Altos School District	\$49,321	\$78,615	\$76,171	\$95,446
Rank in County (Out of 19 Elementary Districts reporting)	12	6	10	11
Ave Elementary District, County	\$50,302	\$76,026	\$76,453	\$95,702
Ave All Districts, State	\$43,106	\$74,090	\$66,099	\$85,254
<i>All data is from 2014–15.</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 \$50,801, while the highest salary on the schedule is \$98,309. 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 2016–17 is estimated at \$597,000, 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 141 FTE classified employees. We also employ 29 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 2016–17 rates for these benefits add up to 15.6% of payroll for certificated employees and 23.2% of payroll for classified (non-certificated) employees. As noted earlier STRS and PERS rates increase annually through 2020–21. Rates for other statutory benefits are projected to be approximately the same as in the current year.

	Certificated	Classified	Total
State Retirement Programs (STRS, PERS)	4,692,742	1,236,031	5,928,773
Social Security	55,419	469,052	524,471
Medicare	360,507	117,708	478,215
Unemployment Insurance	12,943	4,858	17,801
Workers Compensation Insurance	389,745	126,739	516,484
Subtotal, Statutory Benefits	5,511,356	1,954,388	7,465,744
Health & Welfare			
Medical Insurance			
Active Employees	3,347,020	1,799,010	5,146,030
Retired Employees	854,632	208,093	1,062,725
Subtotal, Medical	4,201,652	2,007,103	6,208,755
Dental Insurance			
Active Employees	383,039	184,967	568,006
Retired Employees	31,294	14,082	45,376
Subtotal, Dental	414,333	199,049	613,382
Life Insurance	11,642	8,201	19,843
Disability Insurance	70,013	65,917	135,930
Total, Health & Welfare	4,697,640	2,280,270	6,977,910
Other (TSA)		7,516	7,516
Other (Medical Opt-Out)	101,775		101,775
Grand Total	10,310,771	4,242,174	14,552,945

25.6% 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 \$5.9 million in total for 2016–17. In addition, the district is paying approximately \$1.1 million for retiree health benefits. The budget year cost of health and welfare benefits is expected to be 7.5% higher than in the current year due to premium increases that take effect mid-year (January 2017).

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 eleven years ago, after participating for years in a smaller consortium—a local employee-employer trust. Moving into Cal PERS resulted in a savings to the district of over \$1 million.

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

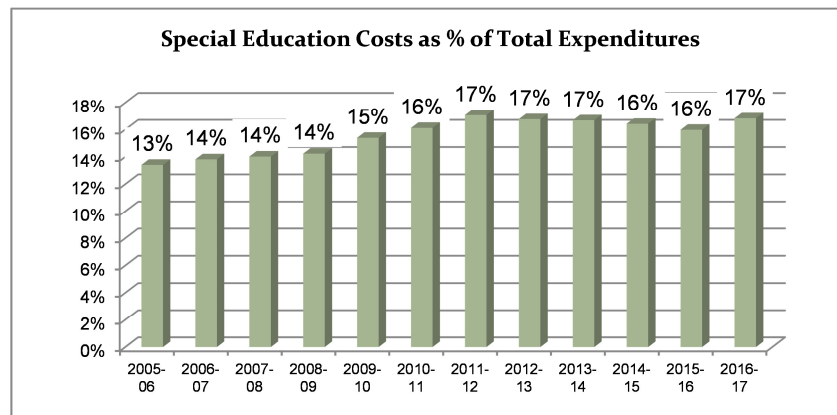
RETIREE BENEFITS

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

SPECIAL EDUCATION

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

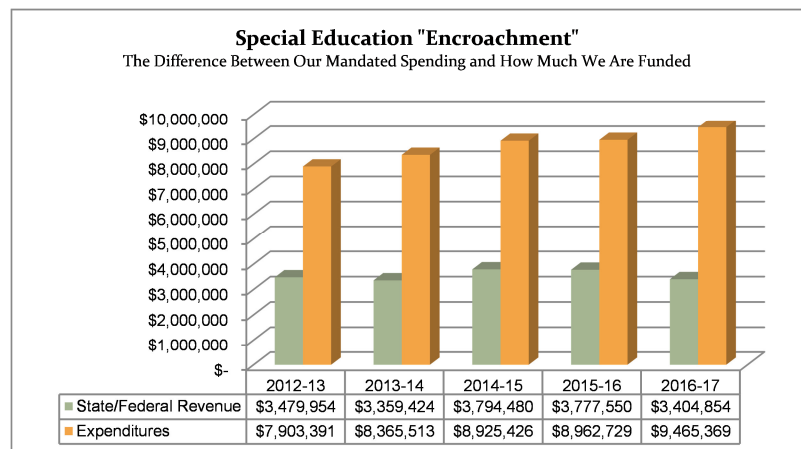
Because the cost of providing services to these students is a significant portion of our total spending, our special education administrators try to find the most efficient way to deliver services. For the budget year we expect to spend \$9.5 million, 17% of our total expenditures. We get funding from the state and federal government that covers 36% of this total. The district contributes \$6.1 million or 64% of the total cost of our special education program. A recent history of costs and outside funding sources is shown in the accompanying table.



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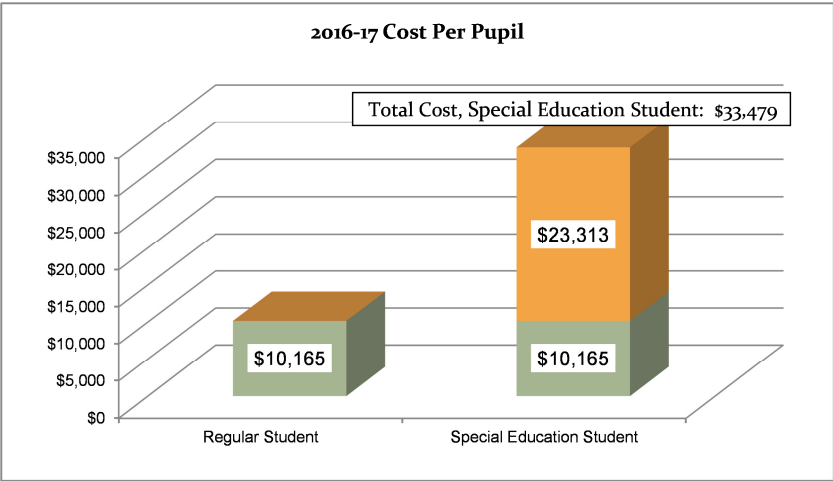
Special education costs are rising only slightly faster than other areas of the budget—increasing by 20% from five years ago while total spending has increased by 16%. The number of students receiving special education services remains fairly constant—around 9% – 11% of the total student population—while 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 \$12,197 per student in 2016–17. This figure is determined simply by dividing the total expenditures budgeted (\$56,825,135) by the total number of students (4,659). The average cost of regular education, defined as being non-special education costs, is \$10,165 per pupil. The cost of special education



Los Altos School District 2016-17 Budget

services alone is \$23,313 per special education student. Thus the total cost of educating our special education students averages \$33,479 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 249 FTE teachers employed for 2016-17, the district is allowed up to 22 administrators. The district is employing 12.8 FTE administrators, just over one-half of the allowable number. The staffing allocation table below is similar to the current year allocations.

Authorized Staffing Allocations	Elementary Schools	Intermediate Schools
Principal	1 per school	1 per school
Secretary	1 per school	1 per school
Clerk	.4 FTE per school (small school) .5 FTE per school (medium school) .7 FTE per school (large school or school with specialized programs)	
Counselor/Psychologist	1.0 per school	.8 FTE per school
Custodians	1 per school (Day) .5 FTE per school (Night)	1 per school (Day) 1 per school (Night)
Teacher-in-charge		.333 FTE per small school .500 FTE per large school
Classroom Teachers	22:1 (K-3) 26:1 (4-6)	26:1
Resource Specialists (Special Education)	1 per school	1 per school
Library Aides	10 hours per week + 0.5 hours per class (average 25 hrs/week)	25 hours per week + 1 after school hour daily
Noon Duty	1 hour per day (Classified)	1 hour per day (Certificated)

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

History of District Staffing (Full-Time Equivalents)					
	2012-13	2013-14	2014-15	2015-16	2016-17
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	1.80
Program Coordinator	1.00	1.60	1.60	0.60	1.00
Principal	9.00	9.00	9.00	9.07	9.00
Teacher, Classroom	206.05	218.86	231.15	225.81	221.41
Teacher, Support	0.32	0.70	2.00	1.00	1.00
Teacher, Special Education	22.80	22.60	22.60	22.60	23.60
Teacher, Bilingual	1.00	1.00	2.00	2.17	3.35
Program Specialist (Spec Ed)	0.80	1.00	1.00	1.00	1.00
Guidance/Counseling	0.80	0.80	0.80	0.80	1.20
Psychologist	6.20	9.80	9.20	10.00	10.00
Nurse	2.00	2.00	2.00	2.50	2.50
Behavior Specialists	3.00	2.00	2.00	2.00	2.00
Instructional Assistant	82.81	81.53	89.76	89.83	89.50
Computer Networking	2.00	2.00	2.00	2.00	2.00
Art Docent Coordinator	0.70	0.70	0.70	0.70	0.70
Secretary/Clerical/Office	29.33	31.66	37.70	35.89	35.60
Custodian	14.00	14.00	15.00	15.00	15.00
Warehouseman	1.00	1.00	1.00	1.00	1.00
Maintenance	4.50	5.00	5.00	5.00	5.00
Grounds	1.50	1.50	2.00	2.00	2.00
Total	392.81	410.75	440.51	432.97	431.66

	2007-08	2008-09	2009-10	2010-11	2011-12
Student Enrollment:	4,265	4,245	4,287	4,384	4,477
Number of Teachers (FTE):	229	232	224	224	223
Student-Teacher Ratio:	18.62	18.33	19.12	19.58	20.10
	2012-13	2013-14	2014-15	2015-16	2016-17
Student Enrollment:	4,495	4,543	4,670	4,636	4,659
Number of Teachers (FTE):	230	243	258	252	249
Student-Teacher Ratio:	19.53	18.68	18.12	18.43	18.68

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.

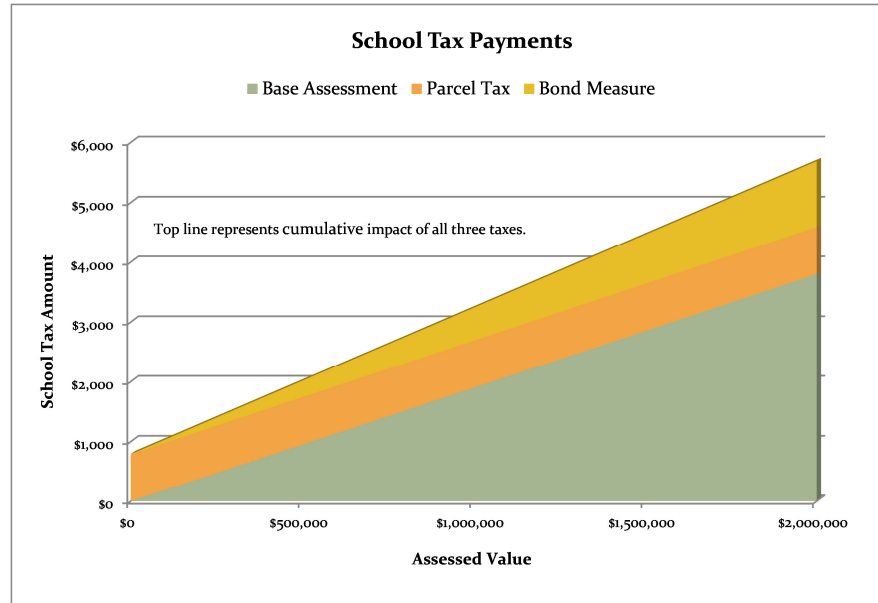
Parcel Tax. In 1989 voters in the district passed a parcel tax measure (Measure A) to support our educational program. A parcel tax is a fixed dollar assessment per parcel for all parcels of property within the district boundaries. The 1989 tax assessment was \$168 per parcel. In 1997 voters approved 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. *Voters approved a new bond measure in November 2014 and plans are underway to determine how best to spend bond proceeds.*

TAX BURDEN

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

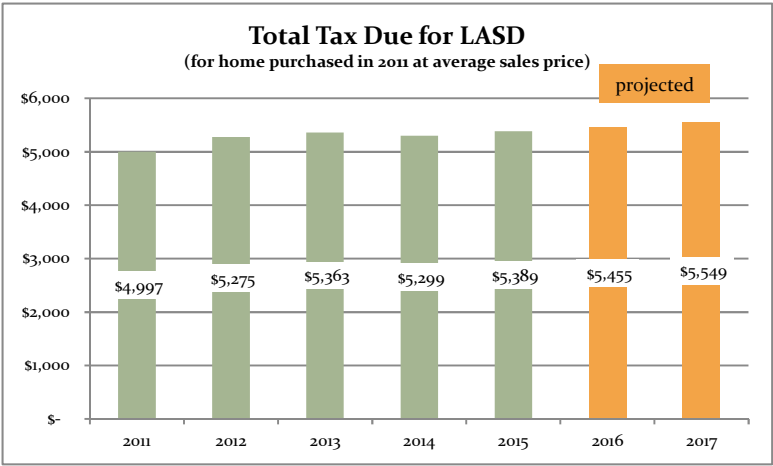
The table below shows the tax burden on an “average” homeowner in Los Altos. The data assumes that the homeowner bought his house in 2011 for \$1,774,604 (the average price of a home in that year). The increase/decrease in market value reflects the increase/decrease in the average price of a home. As discussed earlier, the assessed value equals the market value at the time a property is sold but can increase no more than 2% per year until it is sold again. Property tax rates are fixed at 1% of AV and the district



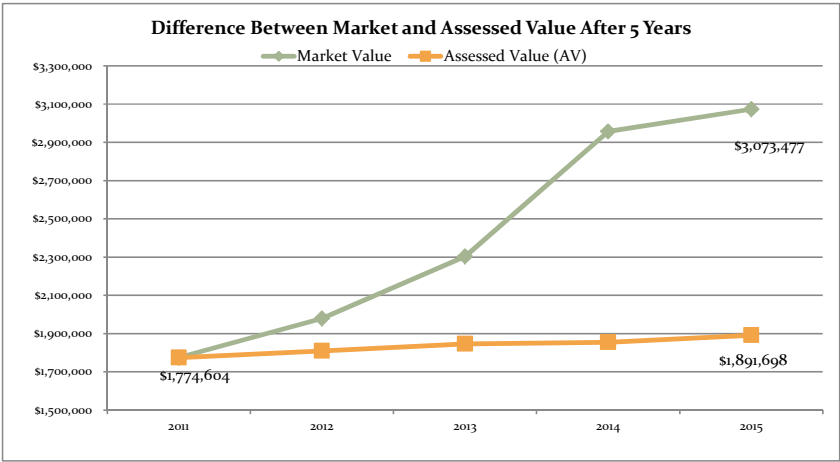
receives approximately 19% of the property taxes collected (thus the average tax rate shown). On top of the regular property tax, homeowners in our district are assessed no more than \$60 per \$100,000 of AV for our general obligation bonds and a flat \$790 per parcel. The table also shows what is perceived as a tax inequity—the difference in tax between what this homeowner would pay and what someone buying an identical house in 2015 would pay.

	2011	2012	2013	2014	2015
Market Value	\$ 1,774,604	\$ 1,978,352	\$ 2,303,000	\$ 2,957,037	\$ 3,073,477
Assessed Value (AV)	\$ 1,774,604	\$ 1,810,096	\$ 1,846,298	\$ 1,854,606	\$ 1,891,698
% Change in AV	2.00%	2.00%	2.00%	0.45%	2.00%
Property Tax Rate	0.1879%	0.1883%	0.1898%	0.1897%	0.1897%
Tax Due for LASD	\$ 3,335	\$ 3,408	\$ 3,504	\$ 3,518	\$ 3,589
LASD Bond Tax Rate	0.0600%	0.0595%	0.0579%	0.0534%	0.0534%
Tax Due for LASD	\$ 1,065	\$ 1,077	\$ 1,069	\$ 990	\$ 1,010
LASD Parcel Tax	\$ 597	\$ 790	\$ 790	\$ 790	\$ 790
Total Tax Due for LASD	\$ 4,997	\$ 5,275	\$ 5,363	\$ 5,299	\$ 5,389
% Change in Tax Due	3.01%	5.57%	1.67%	-1.21%	1.70%
Tax, if property sold in 2015					\$ 8,262

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 2011. 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 2015–16 was \$19.4 billion. Our legal debt limit is \$242.4 million, against which we have \$68.5 million outstanding for a balance of \$173.9 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
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	16,496,455,947	0	145,005,237	16,641,461,184	9.44%	31,564,315	0.1897	9.39%
2014/15	17,653,473,179	0	162,809,230	17,816,282,409	7.06%	34,178,091	0.1918	8.28%
2015/16	19,217,494,204	0	175,234,379	19,392,728,583	8.85%	37,338,774	0.1925	9.25%
2016/17	20,754,893,740	0	189,253,129	20,944,146,870	8.00%	40,325,876	0.1925	8.00%
2017/18	21,792,638,427	0	198,715,786	21,991,354,213	5.00%	42,342,170	0.1925	5.00%
2018/19	22,882,270,349	0	208,651,575	23,090,921,924	5.00%	44,459,278	0.1925	5.00%
Note: 2015-16 tax collection total is an estimated amount. Data for FY2016/17 and future years is projected.								

LONG TERM FINANCIAL COMMITMENTS

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

OPERATING LEASES

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

Office Equipment	Number	Annual Costs	Expiration Dates
Photocopy Machines	37	\$127,258	June 2013 - April 2020
Postage Machines	1	\$4,548	June 2017
Total Cost for Leases		\$133,104	

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	12	\$ 77,196	Capital Facilities Fund
		\$ 36,300	Building Fund
Covington/DO	7	\$ 54,948	Capital Facilities Fund
		\$ 9,402	Building Fund
Egan	6	\$ 58,303	Capital Facilities Fund
Loyola	10	\$ 73,869	Capital Facilities Fund
Oak	8	\$ 69,663	Capital Facilities Fund
Santa Rita	12	\$ 89,223	Capital Facilities Fund
Springer	6	\$ 46,570	Capital Facilities Fund
Stepping Stones	4	\$ 92,436	General Fund
BCS	58	\$ 181,740	Building Fund
		\$ 393,129	Capital Facilities Fund
Total	132	\$ 1,240,541	

LONG TERM DEBT

General Obligation Bonds. To finance our construction program we issued three series of bonds starting in February 1999. In June 2006 we refinanced most of our outstanding debt and in January 2013 we refinanced part of the debt on the 2006 bonds. Our outstanding debt as of June 30, 2016 is \$68.5 million, which is 28% of our legal debt limit of \$242.4 million. The debt service on our outstanding debt amounts to \$81.1 million and will be paid off by June 30, 2024. The accompanying table shows the amortization schedule for the two types of refunding bonds we issued in 2006—current interest bonds (CIBs) and capital appreciation bonds (CABs). The CABs have since been paid off, thus the only outstanding bonds are CIBs.

Bond Amortization Schedule 2006 General Obligation Refunding Bonds									
Current Interest Bonds (CIBs)				Capital Appreciation Bonds (CABs)			Combined		
Fiscal Year	Principal	Interest	Total	Compounded			Principal	Interest	Grand Total
				Principal	Interest	Total			
2017	\$7,115,000	\$1,962,900	\$9,077,900	\$0	\$0	\$0	\$7,115,000	\$1,962,900	\$9,077,900
2018	\$4,560,000	\$1,689,875	\$6,249,875				\$4,560,000	\$1,689,875	\$6,249,875
2019	\$5,040,000	\$1,453,500	\$6,493,500				\$5,040,000	\$1,453,500	\$6,493,500
2020	\$5,555,000	\$1,188,625	\$6,743,625				\$5,555,000	\$1,188,625	\$6,743,625
2021	\$6,105,000	\$897,125	\$7,002,125				\$6,105,000	\$897,125	\$7,002,125
2022	\$6,700,000	\$577,000	\$7,277,000				\$6,700,000	\$577,000	\$7,277,000
2023	\$7,335,000	\$226,125	\$7,561,125				\$7,335,000	\$226,125	\$7,561,125
2024	\$855,000	\$21,375	\$876,375				\$855,000	\$21,375	\$876,375
Total	\$43,265,000	\$8,016,525	\$51,281,525	\$0	\$0	\$0	\$43,265,000	\$8,016,525	\$51,281,525

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

Bond Amortization Schedule 2013 General Obligation Refunding Bonds			
Fiscal Year	Principal	Interest	Total
2017	\$0	\$1,020,650	\$1,020,650
2018	\$3,310,000	\$971,000	\$4,281,000
2019	\$3,590,000	\$867,500	\$4,457,500
2020	\$3,895,000	\$716,275	\$4,611,275
2021	\$4,290,000	\$511,650	\$4,801,650
2022	\$4,710,000	\$310,200	\$5,020,200
2023	\$5,115,000	\$113,700	\$5,228,700
2024	\$380,000	\$5,700	\$385,700
Total	\$25,290,000	\$4,516,675	\$29,806,675

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

Debt Service				Debt Service			Combined Debt Service		
Capital Leases				General Obligation Bonds			Capital Leases & General Obligation Bonds		
FY	Principal	Interest	Total	Principal	Interest	Total	Principal	Interest	Total
2017	191,516	141,286	332,803	\$7,115,000	\$2,983,550	\$10,098,550	7,306,516	3,124,836	10,431,353
2018	200,761	132,042	332,803	\$7,870,000	\$2,660,875	\$10,530,875	8,070,761	2,792,917	10,863,678
2019	210,451	122,352	332,803	\$8,630,000	\$2,321,000	\$10,951,000	8,840,451	2,443,352	11,283,803
2020	220,609	112,194	332,803	\$9,450,000	\$1,904,900	\$11,354,900	9,670,609	2,017,094	11,687,703
2021	231,257	101,546	332,803	\$10,395,000	\$1,408,775	\$11,803,775	10,626,257	1,510,321	12,136,578
2022	242,419	90,383	332,803	\$11,410,000	\$887,200	\$12,297,200	11,652,419	977,583	12,630,003
2023	254,120	78,682	332,803	\$12,450,000	\$339,825	\$12,789,825	12,704,120	418,507	13,122,628
2024	266,386	66,416	332,803	\$1,235,000	\$27,075	\$1,262,075	1,501,386	93,491	1,594,878
2025	279,244	53,558	332,803				279,244	53,558	332,803
2026	292,723	40,080	332,803				292,723	40,080	332,803
2027	306,852	25,951	332,803				306,852	25,951	332,803
2028	234,578	11,139	245,717				234,578	11,139	245,717
2029	77,456	1,859	79,316				77,456	1,859	79,316
	3,008,373	977,488	3,985,861	68,555,000	12,533,200	81,088,200	71,563,373	13,510,688	85,074,061

Compensated Absences. As of June 30, 2016 the district anticipates having \$383,057 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 2016–17 the estimated cost of providing retiree medical benefits is \$1.1 million. An actuarial study of the district's liability was completed in July 2015. The study indicates that the district's unfunded liability is \$18.1 million. The figure is based on a number of assumptions, including estimated medical plan rate increases. As the assumptions change, so will the outstanding liability.

DISTRICT INSTRUCTIONAL PROGRAM

The nine schools making up the Los Altos School District have adopted and implemented a program that emphasizes reading, writing, and mathematics for all students. While most TK–6 children work within self-contained classrooms—each taught by one teacher and supported by English Language Learner (ELL) personnel and special education teachers – we have a growing number of teachers who are flexibly regrouping students across a grade level at specific times during the school day to meet individual learning needs. Seventh and eighth graders work through a rich departmentalized program of core subjects, health guidance, and self-selected electives. Instructors at all grade levels use a myriad of teaching techniques and specialized materials to meet the needs of all children. Reading for meaning, guided reading, literacy centers, and computer-assisted instruction are four examples of techniques used to help insure that each child has access to the district's core curriculum.

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

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

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

Language Arts/Reading. Reading, writing, listening, and speaking are at the core of the English Language Arts curriculum.

With the state adopted Houghton Mifflin Medallions program for grades K-5, all students are guaranteed access to core materials at their learning level. Leveled reading that is associated with content standards in reading, social studies and science are provided through their lessons. Teachers use the Fountas and Pinnell Reading Benchmark Assessment System to identify the instructional and independent reading levels of all students and document student progress through one-on-one assessments.

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

Mathematics. Math instruction includes the Common Core State Standards as well as mathematical practices. With the state adopted Scott Foresman EnVision Math program for grades K-5, all students are guaranteed access to core materials at their learning level. Qualified students complete an accelerated math course in grade 6, learning both sixth and seventh grade standards. Most junior high school students complete algebra as they exit the eighth grade; however, we do offer Geometry and Common Core 8 classes. Differentiated math instruction strikes a balance between skill development and mastery of major math concepts. Using in-service learning opportunities, teachers

learn how to move children from basic procedural to application levels of learning. Strands from the standards are supported with manipulative materials and math tools, including Khan Academy, FrontRow, and MARS tasks.

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

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

Science. As part of a hands-on-Science Program, the district has implemented three science units (life, physical, earth) for use at each grade level, K–6. In grades K–5 teachers implement science lessons through the FOSS hands-on science program. In grade 6 students make use of the Prentice Hall science program that continues through the 8th grade. All teachers are invited to receive in-service training on the science kits, leadership training, summer institute training, and case study work. All schools are currently in the process of matching their programs to the new Next Generation 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. All elementary schools hold yearly STEM Expos. Teacher-made tests, observation scales, and science portfolios are used for student/program evaluation.

Computer Science. LASD's cSTEM program for 6th grade brings Science, Technology, Engineering and Math (STEM) subjects through the 3 C's—Creativity, Collaboration and Computer Science. Students learn to demonstrate their creativity through technology by creating original video games that combine art and design with computer programming. Students are introduced to the fundamental concepts of computer science and then apply these concepts to projects in science and math. They learn the critical digital age skill of computational thinking through

Standards Based Teaching and Learning

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

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

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

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

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

computer programming. A computer science elective is offered at both junior high schools. This class allows students an opportunity to get deeper into computer science, including programming with Python.

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

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

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

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

Music. Primary grade music consists of singing, rhythm activities, and voice practice led by the classroom teacher or music specialists. Fourth graders receive one vocal and/or recorder lesson per week, while fifth 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: Owl Masks (Kindergarten), Mexican Folk Art (grade 2), Printmaking (grade 3), and Creatures of the Tidal Zone (grade 6).

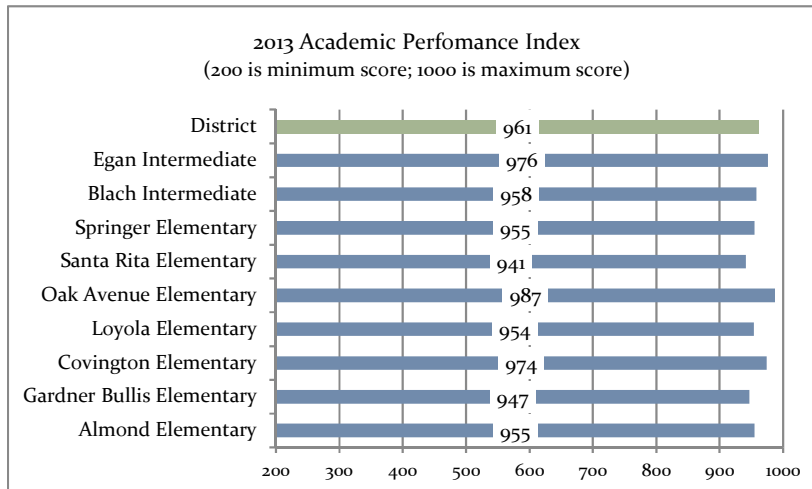
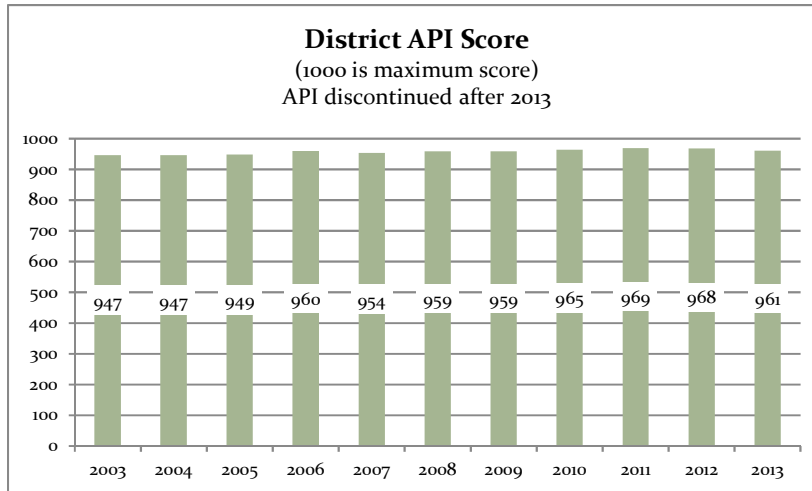
STUDENT ACHIEVEMENT

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

API

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

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

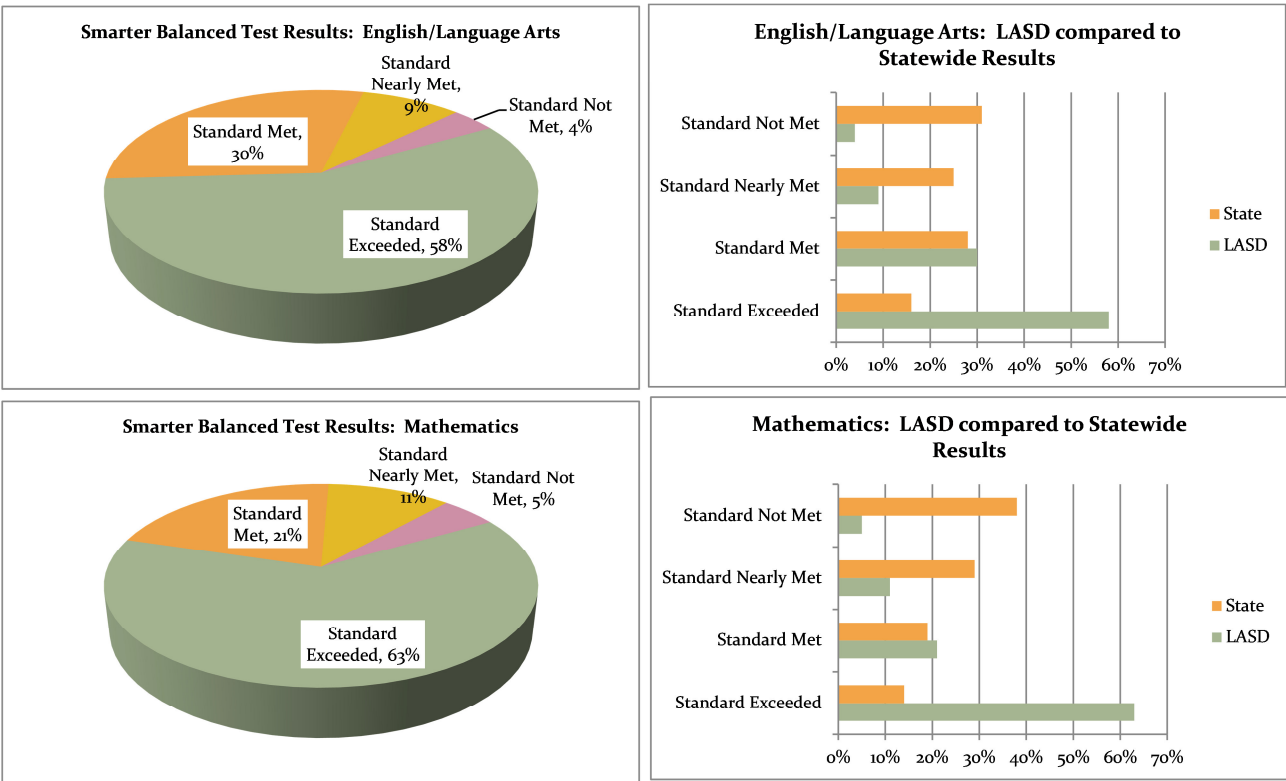


CAASPP TEST

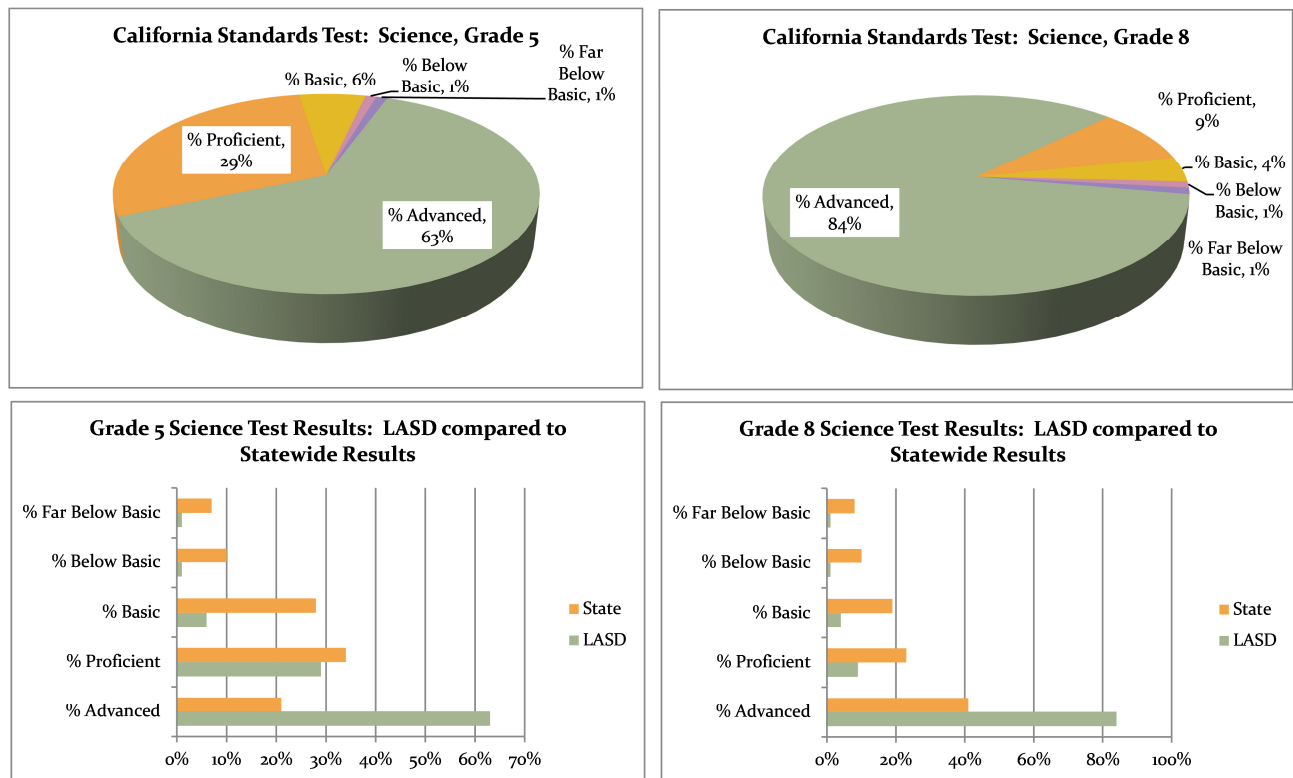
In spring 2015 our students in grades 3 through 8 took part in the statewide standardized testing program for CAASPP. The assessments that comprise the CAASPP administration include computer-based and paper-pencil assessments. The computer-based assessments are the Smarter Balanced English language arts/literacy (ELA) and mathematics tests. The paper-pencil assessments include the science assessment—the California Standards Tests (CSTs) for Science, the California Modified Assessment (CMA) for Science, or California Alternate Performance Assessment (CAPA) for Science

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

Our students' baseline test results from 2015 were notably higher than both county and state averages. The charts below show our overall district test results within English/Language Arts and Mathematics and how our students fared compared to students statewide.



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



DROPOUTS

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

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.

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.
- We added a full-time special STEM teacher to each elementary school.

- The board approved additional levels of mathematics instruction allowing access to geometry instruction at the junior high school level.

2014-15

- We reconfigured the advanced math program to provide geometry instruction at the junior highs.
- We continued working with LAEF and private benefactors to identify ways to provide financial support for key academic initiatives.
- We continued offering our iLearn program to teachers not previously involved in the training to enable them to improve classroom instructional practices.
- We continued and expanded the STEM program at each of our elementary schools.

2015-16

- We began a computer science elective at the junior high schools in effort to extend our computer science opportunities for students.
- We completed an achievement audit that provided recommendations for closing the achievement gap.
- We identified essential standards for grade level courses, providing a consistent curriculum regardless of teacher or school.
- We offered Responsive Classroom trainings to interested teachers, focusing on connecting academics and social emotional skills.

FACILITIES

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.

2014-15

- We succeeded in getting voter approval for a \$150 million bond measure.
- We appointed and engaged a Facilities Master Plan Committee to review options for housing enrollment growth and to make recommendations for improvements to existing campuses.
- We began implementation of our bond program, including forming a legally required Citizens Oversight Committee.
- We hired a real estate broker to help our continuing efforts to identify and acquire another school site.

2015-16

- Our Citizens Oversight Committee met quarterly to review our bond program and expenditures on interim facilities for charter school enrollment growth.
- We continued working with a real estate broker on efforts to identify and acquire another school site.
- We began communicating with the cities within our district regarding the need for additional school facilities, especially in the light of increasing housing stock.

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.

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.

2014-15

- We provided additional in-service training for our teachers.
- We continued using academic coaches as support for our teaching staff.
- We provided career advancement opportunities for teachers (moving into administrative or leadership roles).

2015-16

- We provided a 3% across-the-board salary increase for all staff.
- We continued providing a battery of professional development opportunities for our teaching staff.
- We created a new position—Director of Student and Staff Services—and hired one of our principals to fill that position.

FINANCE

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

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.

2014-15

- With the Citizens Advisory Committee for Finance we completed work on a 20 year financial outlook and presented results to the school board.
- We published flyers and other communiques to the community that focused on the challenges facing the district.
- With passage of the bond measure, we are able to reduce the encroachment on the General Fund for capital expenditures.

2015-16

- We began communication outreach to the community providing information about the need to maintain current parcel taxes.
- Our Citizens Advisory Committee for Finance presented its findings and recommendations to the board, focusing on key potential hazards.
- We completed a study showing the nexus between housing stock and enrollment growth in order to show the need for increased developer impact fees.

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.

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.
- We began webcasting all school board meetings.

2014-15

- We continued reviewing budget plans, as part of the new Local Control and Accountability Plan requirements, with parent advisory groups and the community as a whole.
- We purchased a learning management system to improve communication of student progress to parents and provide more assessment consistency across the district.
- We enhanced both school and district websites to make them more contemporary and user-friendly.
- We increased communiques to parents and the broader community, informing them about key issues facing the district.

2015-16

- We provided additional translation services, including sending communiques to parents in Spanish and Mandarin in addition to English.
- We gathered input from parents and community members in the preparation and review of our Local Control and Accountability Plan (LCAP).
- We continued providing communiques to parents and the broader community, informing them about key issues facing the district.

GLOSSARY

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

Fund. A fiscal and accounting entity with a self-balancing set of accounts. These accounts record cash and other financial resources, together with all related liabilities and residual balances. These accounts are segregated for the purpose of carrying on specific activities or attaining certain objectives in accordance with special regulations, restrictions, or limitations.

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

	2012-13	2013-14	2014-15	2015-16	2016-17
Fall Enrollment (CBEDS)	4,495	4,543	4,670	4,636	4,659
Average Daily Attendance (ADA)	4,402	4,464	4,565	4,533	4,562
General Fund Revenue per Student	\$10,863	\$11,629	\$11,155	\$12,505	\$12,465
General Fund Expenditures per Student	\$10,859	\$11,844	\$12,288	\$12,432	\$12,197
Revenue Limit per Student (Statutory)	\$6,423	n/a	n/a	n/a	n/a
Revenue Limit per Student (Funded)	\$4,992	n/a	n/a	n/a	n/a
State Average Revenue Limit per Student	\$6,449	n/a	n/a	n/a	n/a
Revenue Limit Funding Deficit	22.27 ⁰ %	n/a	n/a	n/a	n/a
LCFF Target per Student (weighted average)	n/a	\$7,642	\$7,703	\$7,819	\$7,814
LCFF Funded per Student (weighted average)	n/a	\$5,488	\$6,154	\$7,033	\$7,406
Property Tax Collections (gross)	\$28,854,897	\$31,564,315	\$34,178,091	\$37,338,774	\$40,325,876
Property Tax Growth	5.95%	9.39%	8.28%	9.25%	8.00%
Property Tax, \$ per ADA	\$6,556	\$7,071	\$7,487	\$8,237	\$8,840
Property Tax Collections (net) ¹	\$26,418,241	\$28,679,508	\$29,815,018	\$32,394,566	\$34,701,643
Net Property Tax, \$ per ADA	\$6,002	\$6,425	\$6,531	\$7,146	\$7,607
Amount in Excess of LCFF/Revenue Limit ²	\$4,191,557	\$5,728,769	\$3,183,216	\$1,405,829	\$2,483,522
Total General Fund Revenue	\$48,831,350	\$52,831,850	\$52,095,239	\$57,974,729	\$58,072,850
Total General Fund Expenditures	\$48,809,449	\$53,809,291	\$57,387,219	\$57,633,090	\$56,825,135
Teacher Salary Schedule Improvement	1.75%	4%	3%	3%	pending
Total Teacher Salaries	\$17,538,145	\$19,168,610	\$20,769,674	\$20,992,710	\$21,050,932
Average Teacher Salary	\$74,853	\$78,509	\$79,783	\$81,767	\$83,134
Average Teacher Benefits Package	\$21,212	\$21,670	\$22,752	\$25,191	\$27,933
Number of Teachers (FTE)	230	244	258	252	249
Number of Other Certificated Staff (FTE)	22	24	24	26	27
Number of Classified Staff (FTE)	141	143	158	155	155
Number of Elementary Schools (K-6)	7	7	7	7	7
Number of Intermediate Schools (Gr. 7-8)	2	2	2	2	2
Average Class Size (composite)	25	25	25	25	25
Average Class Size, grades K-3	23	22	22	23	23
Average Class Size, grades 4-6	27	26	26	26	26
Average Class Size, grades 7-8	26	26	25	26	26
Ratio, Administrators to Teachers (state standard - 9% maximum)	5.2%	5.2%	4.6%	4.5%	5.1%
% Spent on Direct Classroom Instruction (state standard - 60% minimum)	61%	61%	62%	63%	64%
District API (scores range from 200 to 1,000)	968	961	no longer applicable	no longer applicable	no longer applicable

¹ Net property taxes are gross taxes less amount transferred to the charter school.

² Under LCFF excess taxes includes state-funded add-ons.

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