

LOS ANGELES UNIFIED SCHOOL DISTRICT



BUDGET SERVICES & FINANCIAL PLANNING DIVISION



SUPERINTENDENT'S FINAL BUDGET

2012-2013

LOS ANGELES UNIFIED SCHOOL DISTRICT

SUPERINTENDENT'S 2012-13 FINAL BUDGET

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Prepared by
Budget Services and Financial Planning Division
Budget Services Branch

June 28, 2012

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JOHN E. DEASY, Ph.D.
SUPERINTENDENT OF SCHOOLS

In the face of historic budget challenges, I want to thank all of our parents, employees and community members for staying focused on helping our students become life-long learners. I especially would like to thank our school Board for their courageous leadership. They have consistently pushed to make sure our focus is on our youth. As a collective, we've moved forward with efforts to improve education, to raise standards by providing equal access to college for all students, and have sought to empower the people closest to our students to make decisions that best meet the needs of our youth. Specifically we've:

- Seen student achievement and graduation levels reach an all-time high.
- Continued to raise the number of 10th graders who pass the CAHSEE (California High School Exit Exam) on their first attempt, with 75% of our students passing the English and Math sections in 2011.
- Adopted High School A-G Curriculum graduation requirements, so all graduating high school students qualify for entry to the California University system without remedial classes
- Reached agreement with our teachers (UTLA) for the Local Schools Stabilization and Empowerment Initiative, which provides school teams with unprecedented curriculum, operational, management and budgetary control on campuses, providing the tools for academic improvement and accountability to school-level leaders

However, we have also had to address severe financial challenges. In March, I provided a framework for restoring district programs and staffing, based on our work to close a \$557 million budget deficit. This budget has been balanced based on the hard work of our team and the shared sacrifices of our employees. Here's what we've been able to do so far:

- Lobbied for the reversal of cuts to Transportation, reversing \$78.8 million in cuts
- Worked with Governor and Department of Finance for a first year "hold harmless" in instituting the Governor's Weighted Student Funding Formula which prevents \$24.9 million in 12-13 cuts
- Won arbitration with UTLA resulting in \$60 million to reduce the district deficit
- Employees have agreed to take unpaid furlough days to save valuable programs and services

After all negotiated agreements, budget balancing solutions and other changes, the District was forced to implement \$168.7 million in program reductions to finish balancing the budget.

Education funding in California is an incredibly complex and over-wrought process, but we must come together as a community if we are to overcome these challenges without sacrificing the future of our youth. Not only is it morally right to expect success from our youth, I believe it's our civic responsibility.

Cordially,

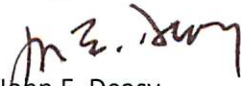

Dr. John E. Deasy
Superintendent

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INTER-OFFICE CORRESPONDENCE
Los Angeles Unified School District
Office of the Chief Financial Officer

INFORMATIVE

Date: June 22, 2012

TO: Members, Board of Education
John E. Deasy, Ph.D., Superintendent

FROM: Megan K. Reilly, Chief Financial Officer

Matt Hill, Chief Strategy Officer

SUBJECT: ADOPTION OF SUPERINTENDENT'S 2012-13 FINAL BUDGET

On June 28, 2012 the Board will be asked to approve the 2012-13 Final Budget. The budget represents a concerted effort to retain core services for our students. Through collective action, including shared sacrifices from all of our employees and union partners, we have planned a budget that maintains stability for our schools and community.

The District Was Challenged to Resolve A \$557 Deficit

In February, a \$557 million deficit was identified for the upcoming 2012-13 school year. Factors contributing to this deficit were declining enrollment (without concurrent reductions in costs), the expiration of one-time solutions such as furlough days and the federal Education Jobs funding, and higher than expected expenditures. Due to uncertainties of the Governor's budget, the District did not recognize revenues that were being targeted for potential cuts, including the elimination in 2012-13 of State funding for the Home to School Transportation program.

To address this shortfall, in February, the District adopted a preliminary fiscal stabilization plan that impacted almost all areas and programs across the District. The Board approved these proposed reductions in accordance with the Los Angeles County Office of Education (LACOE) guidelines, while simultaneously asking the Superintendent continue to work on alternative solutions for 2012-2013. Concurrently, the Board approved a tiered strategy that authorized the issuance of the necessary reduction in force notices to cover the contingencies while seeking other measures for inclusion in the 2012-2013 Final Budget.

By Second Interim, as a result of a combination of advocacy at the State level and updated financial projections, many K-12 school based programs had been restored for 2012-2013, partially or in full, totaling to \$180 million in restorations. These restorations allowed schools to maintain many general fund programs and staffing levels at current year levels (2011-12), and also included restoring cuts such as the class size increase, administrator, counselor, nurses, clerical, magnets and transportation reductions.

Advance Planning Began With The Board Actions Four Months Ago

On March 13, 2012 that Board voted to approve \$390 million in expenditure reductions, with a further restoration strategy contingent upon more alternative solutions. These reductions included programs such as Adult, Child, and elimination of programs such as School Readiness Language Development Program. Alongside with the approval was a restoration strategy that includes

resolution of the 2011-2012 furlough arbitration with UTLA and obtaining shared commitments from our labor partners in 2012-13.

An Alternative Comprehensive Plan Was Developed To Reduce Layoffs and Close The Gap

With a combination of positive news from the State, the resolution of the furlough arbitration, and shared sacrifices from our employees, the District has closed the budgetary gap and significantly reduced the number of layoffs¹.

Reconciliation of the Original \$557 million Operating Deficit	Amount (\$millions)
Recognition of the Home to School Transportation revenue in 2012-13 and the Governor’s commitment to “hold harmless” year one of the weighted student formula allocation.	\$104
Changes in expenditure/revenue estimates for 2011-12 and 2012-13 (as of 2 nd Interim and 3 rd Interim)	76.5
Resolution of UTLA Arbitration used to partially restore Adult Education Programs/ROC/P and support to Child Development Funds.	60
Shared Commitment: Employees agreed to ten furlough days (UTLA, AALA, SEIU- Local 99, Building and Trades, LASPA, LASLA, Teamsters, and district represented employees). (The number of furlough days ultimately taken will be dependent on the results and implementation of the State initiative on the November ballot.)	147
Remaining reductions (see Appendix A)	169
Total (see Appendix A)	\$557

There is Still Great Uncertainty Regarding The State Budget and Out-Years

There have been no detailed State updates since the May Revise: The legislature passed the 2012-13 Budget on June 15, 2012; however, there is still disagreement over some programs and cuts. It is unknown what final agreement will eventually be enacted and signed by the Governor. Though there is still considerable legislative activity, including trailer bills that affect education, no official details are currently available regarding changes made since the May Revise. As the State continues to address its multi-billion dollar problem in 2012-2013, the District has very little flexibility in addressing reduction late in the year. We will keep the Board updated as information becomes available.

Given the uncertainties related to State revenue (due to the trigger language included in the Governor’s May revised, assumptions of redirected tax increment revenue from the former redevelopment agencies and the possible impact of the proposed weighted student formula), we have been responsible in our planning. As we plan for 2012-13, we continue the policy to limit the reliance on deferred revenues and promises from the State until the scheduled receipt of cash the following year. We have also not relied on promises of a future Cost of Living Allowance (COLA), which the District has not received for four years.

¹ Though we are able to reduce the number of layoffs, some positions will still have been closed due to declining enrollment and ending of programs.

Consequence of the Failure of the State Ballot Initiative

If the ballot initiative fails, the estimated reductions of \$441.00 per ADA will begin in 2012-13 and continue in the succeeding years. Such a failure will also cause the recalibration of funding levels to lower levels than currently budgeted. This District would then face additional revenue cuts in the three budget years added to the deficits as displayed in the chart below:

<u>(Dollars in millions)</u>	2012-2013	2013-2014	2014-2015	Cumulative
Deficits under State Budget assumptions	\$0	(\$459)	(\$770)	(\$1,229)
Impact of an unsuccessful Governor's November Ballot	(\$255)	(\$246)	(\$237)	(\$738)
Revised Multi-year Deficit Forecast w/ Failed Governor's November Ballot	(\$255)	(\$705)	(\$1,007)	(\$1,968)

Under both scenarios the District will be challenged to continue finding alternative solutions or sustainable additional sources of revenue to stop the cycle of on-going deficits year after year.

Prudent Cash Management is Also Crucial for the Upcoming Year

Cash Concerns: The availability of cash in 2012-13 remains a serious and growing concern. The State continues to delay payments to school districts and, more recently, has relied upon the assumption that schools will be receiving redirected property cash in lieu of monies from the State in order to further reduce cash to schools. In addition, this year the State Budget is built upon the positive assumption of a successful ballot passage in November, however, the receipt of these revenues will not be until very late in year. The District's good credit rating is now more important than ever to ensure the continuous access to the markets at the lowest rates possible for borrowing to cover cash shortfalls and maintaining liquidity. Although the District has secured a temporary tax revenue anticipation note sale (\$600 million) to cover the District's initial cash shortfall expected earlier in the year, current projections show a second cash shortfall is expected for the second half of the school year that will need to be addressed. Prudent cash management, as well as, a balanced budget plan is crucial in order to meet salary and other operating priorities for the upcoming year.

If you have any questions, please contact me at extension x17888.

c: Michelle King
Jefferson Crain
David Holmquist
Jaime Aquino
Enrique Boull't
Jefferson Crain
Tony Atienza

Item	Estimated Reduction (Feb 2012) (in millions)	Revised Est. Reduction Second Interim (in millions)	Revised Reduction Final Budget (in millions)
Adult Education Programs/Regional Occupational Center Program	\$ 177.8	\$ 162.2	\$ 84.2
Afterschool Youth Services Programs	\$ 6.9	\$ 6.9	\$ 6.9
Arts Program	\$ 18.6	\$ 18.6	\$ -
Cafeteria Support	\$ 36.5	\$ 36.5	\$ 18.3 ¹
Central Office	\$ 22.2	\$ 23.6	\$ 4.5
Central Office - KLCS	\$ 2.8	\$ 1.4	\$ 1.4
Counselors - Increase Grades 6-8 counselor ratios	\$ 4.2	\$ -	\$ -
Counselors - Increase Grades 9-12 counselor ratios	\$ 3.8	\$ -	\$ -
Early Childhood Education	\$ 18.1	\$ 18.1	\$ (8.9) ²
Efficiencies	\$ 3.3	\$ 3.3	\$ 1.2
Expiring Grants	\$ 3.8	\$ 3.8	\$ 3.8
Financial Managers	\$ 2.7	\$ 2.7	\$ 2.7
Gifted Program	\$ 2.4	\$ 2.4	\$ 2.4
High School Support Services-SLC Auxiliary Lead Teachers and Activity Differential.	\$ 7.3	\$ 7.3	\$ 6.
Librarians	\$ 5.2	\$ 5.2	\$ -
Magnet Schools	\$ 1.7	\$ -	\$ -
National Board Cert - Differentials	\$ 10.	\$ 10.	\$ 10.
Nurses	\$ 4.2	\$ -	\$ -
Ongoing & Major Maintenance	\$ 16.9	\$ 16.9	\$ 16.9
Options Program	\$ 28.3	\$ 15.	\$ -
Psychologists - Z Time	\$ 0.4	\$ 0.4	\$ 0.4
Safety	\$ 4.	\$ -	\$ -
Non- T1 School Discretionary-School Funding based on student poverty levels	\$ 3.3	\$ 3.3	\$ 3.3
School Readiness Language Development Program (SRLDP)	\$ 45.4	\$ 45.4	\$ 9.2
Teacher Credentialing Block Grant	\$ 2.1	\$ 2.1	\$ 2.1
Teachers - Increase K-3 class size by 6	\$ 63.3	\$ -	\$ -
Teachers - Increase Grade 4-5 (6) class size by 3	\$ 20.4	\$ -	\$ -
Teachers - Increase Grades 6-8 class size by 1	\$ 6.4	\$ -	\$ -
Transportation	\$ 34.9	\$ 5.	\$ 5.
Total	\$ 557.	\$ 390	\$ 169

¹ Remaining 2012-13 Cafeteria support is estimated to be \$75 million after restoration.

² Reversed proposed cut to Early Childhood Education; redesign of program to maximize children served requiring an increase of \$8.9 million for a total General Fund support of \$27 million to operate 84 full day centers.



LOS ANGELES UNIFIED SCHOOL DISTRICT

Board of Education Report

Report Number:	259-11/12
Date:	June 28, 2012
Subject:	Adoption of the Superintendent's 2012-13 Final Budget
Responsible Staff:	
Name	Tony Atienza
Office/Division	Budget Services and Financial Planning Division
Telephone No.	213-241-2100

BOARD REPORT

- Action Proposed:**
- (1) The Board adopt the Superintendent's 2012-13 Final Budget, and that the Final Budget be filed as adopted with the County Superintendent of Schools on State Form SACS-2012 in the manner prescribed by law.
 - (2) The Budget Services and Financial Planning Division and the Accounting and Disbursements Division be authorized to take actions necessary to implement the provisions of this Board Report, and that the Budget Assumptions and Policies as set forth in this Board Report (Attachment A) be adopted.

Background: Education Code Section 42127 requires that the Board of Education each year hold a public hearing, adopt a budget that indicates the District can meet its financial obligations for the next fiscal year and two subsequent fiscal years, and file the budget with the Los Angeles County Office of Education (LACOE) on or before July 1.

Expected Outcomes: The outcome of this Board action is an adopted budget for the 2012-13 fiscal year that will enable the district to comply with Education Code Section 42127 which requires that the Board of Education adopt a budget and file with the County Superintendent of Schools.

Board Options and Consequences: The District will meet the requirements of Education Code Section 42127 should the Board vote to approve. Should the Board not vote to approve, the District will not meet the requirements of Education Code Section 42127. Non-compliance could result in penalties under Education Code Section 42128.



LOS ANGELES UNIFIED SCHOOL DISTRICT
Board of Education Report

Policy Implications:

Budget Impact: Adoption of a Final Budget for 2012-13.

Issues and Analysis:

Attachments:

- Informative
- Desegregation Impact Statement

Respectfully submitted,

JOHN E. DEASY, PH.D.
Superintendent of Schools

APPROVED BY:

MICHELLE KING
Senior Deputy Superintendent
School Operations

APPROVED &
PRESENTED BY:

MEGAN REILLY
Chief Financial Officer

REVIEWED BY:

DAVID HOLMQUIST
General Counsel
 Approved as to form.

MATT HILL
Chief Strategy Officer

TONY ATIENZA
Director of Budget Services and Financial
Planning (Interim)
 Approved as to budget impact statement.

BUDGET ASSUMPTIONS AND POLICIES

The Superintendent's 2012-13 Final Budget reflects the following:

2012-13 Fiscal Year:

1. 3.24% of COLA and 22.272% deficit rate on the Base Revenue Limit, or a net funded COLA of 0%
2. Release of the 2011-12 reserve for revenue uncertainty of \$243.1 million.
3. Reserve for Revenue Uncertainty of \$333 million for the funds deferred from 2012-13 to 2013-14.
4. Revenue Limit ADA of 547,710.
5. 0% COLA on the State-funded portion of Special Education's AB 602 funding; included in 2012-13 SB87 funding is \$36 million and \$7.1 million from state and federal funds, respectively.
6. 0% COLA for Tier I, II, and III categorical programs
7. An enrollment decline of 16,528 from 2011-12 for non-charter and affiliated charter schools enrollment. Independent Charter school enrollment will increase by approximately 8,465.
8. A California Consumer Price Index (CPI) of 2.3% on other operating expenditures, except utilities which was projected to increase by 7%
9. Release of 2011-12 Furlough Savings of \$60 million to restore support to Child Development fund and partial restoration of Adult Education Program.
10. Ten furlough days for UTLA, AALA, LAPSA (Unit A), SEIU Local 99 (Unit B and C), LA/OCB&CT (Unit E), LASPLA (Unit H), Teamster (Unit S) and district- represented employees.
11. Restoration of positions, specified in bargaining unit agreements with UTLA, AALA, LAPSA (Unit A), SEIU Local 99 (Unit B and C), LA/OCB&CT (Unit E), LASPLA (Unit H), Teamster (Unit S) and district- represented employees, will be implemented.
12. Implementation of remaining balancing solutions adopted by the Board on March 13, 2012.

13. A Reserve for Economic Uncertainties totaling \$65.4 million, reflecting the statutory 1% of the budgeted expenditure requirement for districts over 400,000 ADA
14. Funding for employee health and medical benefits at the per participant rate pursuant to the 2012-2014 Health and Welfare agreement
15. Funding for Other Postemployment Benefit Plans (OPEB) contribution of \$33.75 million for 2012-13 and \$47.5 million of prior year funds designated for OPEB.
16. Ongoing and major maintenance resources totaling \$77.4 million, reflecting approximately 1.28% of budgeted General Fund expenditures.
17. Inclusion of 2012-13 beginning balances in the general fund and other funds, reflecting estimated ending balance as of June 30, 2012 based on the District's Third Period Interim Financial Report.
18. Estimated 2012-13 ending balances for the general fund and other district funds, reflecting the difference between anticipated 2012-13 revenue and expenditure levels
19. Inclusion of 2012-13 bond measure funds, debt service, COPS proceed and other interfund transfers expenditures. Contribution of \$96.7 million to the Worker's Compensation fund.
20. Inclusion of total Workers' Compensation actuarially determined funded liability of \$416.1 million in 2012-13
21. Authority to transfer amounts, as necessary, to implement technical adjustments related to the 2012-13 budget.
22. Authority to implement new 2012-13 revenues and increase budgeted appropriations from them.
23. Use of Tier III categorical program funds as approved by the Board in the public hearing on June 12, 2012.
24. Discontinue the Commitment (approved in 2011-12) to use of deferred maintenance fund, to spend down prior year balances. Funds are estimated to be fully spent by June 30, 2012.
25. Commitment to continue the use of adult education fund and transfer the funds based on the furlough restoration plan as provided in the collective bargaining agreement. Funds committed are to be used for adult education program. Final amounts to be transferred will be determined during the year end closing process of each fiscal year.

26. 2012-13 does not include trigger impact in the event that the Governor's State Tax initiative fails.

2013-14 and 2014-15 Fiscal Years:

1. For 2013-14, a statutory COLA of 2.5% with a deficit rate of 22.272% for an effective COLA of 2.5% For 2013-14, a statutory COLA of 2.7% with a deficit rate of 22.272% for a net funded COLA of 2.7%
2. Reserve for revenue uncertainty of \$337 million for 2013-14 and \$340 million for 2014-15.
3. Release of prior year reserve for revenue uncertainty in 2013-14 and 2014-15.
4. Reserve for unfunded COLA of \$103.8 million for 2013-14 and \$205.5 million for 2014-15. These are reserve in the event that the out year effective COLA for both revenue limit and other State programs are zero.
5. 2.5% and 2.7% COLA on the State portion of Special Education's AB602 funding for 2013-14 and 2014-15, respectively.
6. 2.5% and 2.7% COLA for categorical programs for 2013-14 and 2014-15, respectively.
7. Projected Revenue Limit ADA of 528,303 and 509,180 for fiscal years 2013-14 and 2014-15, respectively
8. For 2013-14, an enrollment decline of 20,607 for non-charter and affiliated charter schools while independent charter school enrollment will increase by 10,203. For 2014-15, an enrollment decline of 18,601 for non-charter and affiliated charter schools while charter school enrollment will increase by 10,507.
9. CPI of 2.4% in 2013-14 and 2.6% in 2014-15 on other operating expenditures, except utilities which were projected to increase by 7% for each fiscal year
10. Restoration of positions, specified in bargaining unit agreements with UTLA, AALA, LAPSA (Unit A), SEIU Local 99 (Unit B and C), LA/OCB&CT (Unit E), LASPLA (Unit H), Teamster (Unit S) and district- represented employees, are assumed to be ongoing to 2013-14 and 2014-15.
11. Funding for employee health and medical benefits at the per participant rate pursuant to the 2012-2014 Health and Welfare agreement. Funding for 2015 at the 2014 per participant level.

12. Funding for OPEB contribution of \$50.62 million for 2013-14 and \$75.94 million for 2014-15.
13. Further balancing adjustments for 2013-14 and 2014-15 of \$452 million and \$763 million, respectively, for a cumulative two-year deficit of \$1.2 billion.
14. 2013-14 and 2014-15 deficit numbers do not include any ongoing out year trigger impact in the event that the State Tax initiative fails.

HOW EDUCATION IS FUNDED IN CALIFORNIA Summary

Prior to the 1970s, California's schools were financed largely with property tax revenues imposed by local school districts. This led to dramatic differences in school district funding. A school district with very high property values could raise more revenue per pupil with a low property tax rate, while a district with low property values could raise less with a much higher property tax rate. The state attempted to reduce these differences by providing more state aid to low-property wealth districts. Despite this effort, per pupil revenues varied considerably between districts. In fiscal year 1968-69, for example, per pupil expenditures ranged from \$577 in Baldwin Park to \$1,232 in Beverly Hills.¹

In 1978, voters approved Proposition 13. The new law limited property tax rates to 1 percent of a property's assessed value at the time of acquisition. Proposition 13 reduced property tax revenues available for local governments and school districts. To cushion the impact to school districts, the state Legislature shifted state dollars to schools.

As a result, California's schools today are largely dependent on the state budget, particularly income and sales tax revenues. Income and sales taxes are more volatile revenue sources than property taxes. When the economy sours, unemployment rises, leading to fewer purchases. This correspondingly leads to less income and goods to be taxed. As a result, fewer dollars become available for schools.

School districts are further constrained in their ability to raise taxes independently of the State. Bond issues, usually limited to building programs, require a 55% vote for passage. Proposition 13 also requires that a 2/3 vote is needed for local districts to enact parcel tax measures.

For more comprehensive information on how schools are funded in California, read:

- California Budget Project, *School Finance in California and the Proposition 98 Guarantee*
http://www.cbp.org/pdfs/2006/0604_prop98.pdf
- Legislative Analyst's Office, *The Basics of Proposition 98*
http://www.lao.ca.gov/2009/edu/prop98_primer/prop98_primer.aspx
- LAUSD Budget Realities, California Education Funding,
http://budgetrealities.lausd.net/california_education_funding

¹ California Budget Project, *School Finance in California and the Proposition 98 Guarantee* (April 2006).

DISTRICT AND COMMUNITY PROFILE

The Los Angeles Unified School District covers 710 square miles. The District encompasses most of the City of Los Angeles, all or parts of 31 other cities, and various unincorporated areas of Los Angeles County. Approximately 4.8 million people live within the District's boundaries, including 3.8 million who live within Los Angeles City limits.

District Characteristics

The Los Angeles Unified School District is the nation's second largest school district. Its student population mirrors the ethnic and financial diversity of the communities it serves.

Enrollment. The total K-12 enrollment as of October 2011 was 664,233 students, including those attending magnet, opportunity, and continuation schools and centers, charter schools, and schools for the handicapped. Total K-12 enrollment includes those attending regular District schools (581,445) and fiscally independent charter schools (82,788). When one includes individuals served through community adult schools, regional occupational centers and programs, skills centers, and early childhood education centers, the District's total enrollment is approximately 798,238.

Student Characteristics.

The District's students come from a wide variety of backgrounds. The District's student population can be summarized by ethnicity as follows: Latino (73.4%), Black, not Latino (9.5%), White, not Latino (9.1%), Asian (4.0%), Filipino (2.1%), American Indian/Alaskan Native (0.5%), and Pacific Islander (0.4%). Approximately 75.9% of LAUSD students qualify for special funding under federal poverty guidelines. (Source – LAUSD 2011-12 Consolidated Application)

According to the most recent 2011-12 survey, which does not include charter school data, some 92 languages other than English are spoken in LAUSD schools. The District has 161,484 students who are still learning to speak English proficiently. The District's English Language Learners primarily speak Spanish (93.4% of English learners), Korean (1.1%), Armenian (1.1%), Tagalog (0.9%), Cantonese (0.4%), Arabic (0.3%), Vietnamese (0.3%) and Russian (0.3%).

Structure and Number of Schools. Beginning in the 2012-13 fiscal year, the District will be divided into five Local Education Service Centers which serve elementary, middle, and senior high schools. The Local Education Service Centers will provide support to 20 primary centers, 455 elementary schools, 85 middle schools, 101 high schools, 20 multi-grade or "span" schools, and 28 magnet schools. For the 2012-13 school year, there are an additional 556 District school/center sites, which can be summarized as follows:

- 146 Magnet Centers
- 5 Other Learning Communities
- 16 Special Education Schools
- 83 Options Schools
- 84 Early Education Centers
- 24 Community Adult Schools
- 5 Regional Occupational Centers
- 13 Fiscally Independent Charter Primary Schools
- 39 Fiscally Independent Charter Elementary Schools
- 36 Fiscally Independent Charter Middle Schools
- 62 Fiscally Independent Charter High Schools
- 38 Fiscally Independent Charter Span Schools
- 4 Skills Centers
- 1 Regional Occupational Program

The District continues to build new schools, with the ultimate goal of returning each student to a traditional, single-track school calendar in his or her home community.

Student Achievement. The District's 2011 Growth API increased 20 points over the 2010 API base. Growth API scores increased by double digits for all major subgroups in LAUSD. Latino students increased by 21 points, compared to 14 points statewide. Socioeconomically Disadvantaged students and English learners also increased by 20 points, compared to 14 statewide. Students with disabilities increased by 28 points, double the statewide average of 14.

Employees. Based on employee reporting and classifications for the 2011-12 fiscal year, the District had 65,300 regular employees, including 30,239 teachers, 6,150 certificated support personnel and administrators, and 28,911 classified personnel. A "certificated" employee must hold a requisite teaching, support service, or an administrative services credential.

Community Characteristics

Economic Characteristics. Los Angeles County is one of the nation's largest counties, with the largest population of any county in the nation. The County accounts for 27% of California's total population. Los Angeles County's largest industry clusters by employment are entertainment, trade (transportation, logistics and distribution), business services, knowledge creation, and fashion.

The various elements of the Los Angeles County economy experience cyclical trends. Among the trends seen in 2012 are the following:

- Los Angeles County's population continues to increase. The Los Angeles County Economic Development Corporation (LAEDC) projects an increase of approximately 40,000, or 0.4%, in 2012.
- Total estimated 2012 nonfarm employment in Los Angeles County is expected to increase by 0.6% or 23,500 jobs, following an increase of 0.4%, or 15,600 jobs in 2011.
- LAEDC projects total personal income will increase by 2.6% in 2012 and 2013. The per capita personal income is expected to average \$44,602 in 2012, up by 4.6% over 2011.
- LAEDC forecasts the Consumer Price Index will increase by 1.5% in 2012.
- LAEDC forecasts an average unemployment rate for Los Angeles County of 11.5% for 2012, a slight decrease from 2011 average of 12.2%. The unemployment rate is expected to decline in 2013 to an average 10.9%. The largest employment gains in 2012 are predicted in health services, education, information, and leisure & hospitality sectors. Government entities are projected to reduce employment due to continuing budget problems.
- Approximately 10,380 new housing permits were issued in 2011, a 39% increase from 7,468 permits issued in 2010. LAEDC estimates that approximately 13,100 permits will be issued in 2012 and 16,250 permits will be issued in 2013.
- The value of nonresidential building permits issued during 2011 increased 16.9% from 2010. LAEDC forecasts a 12.7% gain in 2012, followed by a 13.5% gain in 2013.

- The LA County median home price for 2011 was \$307,660, a decline of -4.8% from previous years.

LOS ANGELES UNIFIED SCHOOL DISTRICT

BUDGET AND FINANCE POLICY

Summary

The Board of Education adopted the District's Budget and Finance Policy in June 2004. The Policy is intended to assist the Board of Education in making sound policy, guide the development of the District's budget, enhance the management of the District's finances, minimize the risk that the District's financial condition will create a need for Los Angeles County Office of Education (LACOE) action, and reduce potential audit concerns. The Board and Superintendent set priorities and allocate resources through the budget.

The Budget and Finance Policy was developed based on standards from the Government Finance Officers Association's (GFOA) "Recommended Budget Practices" document. The Policy is also consistent with the State Board of Education (Education Code Sections 33127, 33128), and current Governmental Accounting Standards Board (GASB) rules and standards. In any areas that LAUSD's budgeting and accounting practices were not in compliance with this policy at the time of its adoption, implementation was phased in.

In February 2009, effective for the 2010-11 financial statements, GASB issued Statement No. 54 Fund Balance Reporting and Governmental Fund Type Definitions. This new standard has left the total fund balance amount unchanged, but has changed the categories, the terminology, and how the components of the fund balance are presented and established. The fund balance policy is intended to provide guidelines and to establish procedure for reporting fund balance.

The Finance and Budget Policy is a "living document," which the District expects will evolve over time to best connect District policy, budgeting, and financing principles. The Budget and Finance Policy enumerates various broad principles for budgeting and financial operations, as follows:

Principle One: The budget should be based on the goals of the Board and Superintendent.

The Board and Superintendent have the primary responsibility for developing and articulating the District's goals. As the budget is developed and presented, these goals should be considered.

Principle Two: The budget should be based on sound financial principles.

LAUSD's budget should keep the District financially viable and able to sustain its key programs over time. The following specific financial principles are explained in detail in the full Budget and Finance Policy document:

- Balanced Operating Budget
- Appropriate Use of One-Time Revenues
- Alignment of Budget with Expected Expenditures
- Adequate Reserves
- Revenue Maximization
- Revenue Estimation
- Cost Recovery Through Fees and Charges

- Multi-Year Capital Plan and Budget
- Asset Management
- Equipment Replacement
- Prudent Debt Management
- Program Sustainability
- GASB Compliance

Principle Three: The budget should be clear and easy to understand.

The budget should be organized and presented in such a way that readers can understand:

- What the District intends to do and how it intends to do it
- The District's overall financial condition
- The historical context for LAUSD programs

Consistent with the GFOA standards, LAUSD has identified guidelines for the presentation of budgets. These standards provided guidance for development of LAUSD's budgets from four perspectives, as a:

- Policy Document
- Financial Plan
- Operations Guide
- Communications Device

Principle Four: The budget should be timely and easy to manage at the school level.

The process of managing the budget is easier for schools and offices if they have access to systems and training. The Chief Financial Officer is responsible for defining the parameters under which schools and offices may manage their budgets, as set forth by the Board of Education.

Principle Five: The budget process should inform stakeholders.

Prior to the adoption of the final budget, District staff should present the budget to stakeholders. The Board should also conduct a formal public review of the budget, prior to its adoption.

The District's Budget and Finance Policy can be found in its entirety as an Appendix to the Superintendent's 2012-13 Final Budget document.

LOS ANGELES UNIFIED SCHOOL DISTRICT

DEBT MANAGEMENT INFORMATION

Summary

Debt Management Policy. In April 2005, the Board of Education approved a Debt Management Policy that established certain guidelines for the issuance of various types of debt instruments and other long-term financial obligations. The Board is required to review the Policy annually. The Office of the Chief Financial Officer periodically recommends changes to the Policy to better serve the District's interests. The most recent Debt Management Policy, issued in September 2011, is included as an appendix to this budget document.

- The Policy requires preparation of an annual Debt Report for submission to the Board and the Superintendent. The 2010-11 Debt report was submitted to the Board on June 5, 2012.
- The District's actual performance on debt factors, targets, and ceilings are included in the Debt Report presented to the Board.
- Leases undertaken through the District's standard procurement process for all equipment with a useful life of less than six years are excluded from the Policy.

The District's Debt Report includes the following general topics:

1. General Obligation Bond debt
 - a. The District's bonded debt limitation and assessed valuation growth
 - b. Bonds outstanding and bonds authorized but unissued
 - c. Intended issuances of bonds
 - d. Tax rate performance for outstanding bonds
 - i. Proposition BB tax rates
 - ii. Measure K tax rates
 - iii. Measure R tax rates
 - iv. Measure Y tax rates
 - v. Measure Q tax rates
2. Certificates of Participation ("COPs") debt
 - a. COPs outstanding
3. The market for the District's debt
 - a. Municipal bond market
 - b. Cost of the District's fixed rate and variable rate debt
 - i. Fixed rate debt
 - ii. Variable rate debt

4. The District's credit ratings

- a. Long-term credit ratings on General Obligation bonds and Certificates of Participation
- b. Short-term credit ratings on tax and revenue anticipation notes

5. Debt ratios

- a. Use of debt ratios
- b. LAUSD's compliance with debt management policy; debt levels compared to other school districts

Debt Limit Information. Education Code §15106 mandates that “any unified school district . . . may issue bonds that . . . may not exceed 2.5 percent of the taxable property of the district as shown by the last equalized assessment of the county or counties in which the district is located.” Based on the District's 2010-11 Comprehensive Annual Financial Report (pg. 147), the District's assessed valuation, legal debt limit, and legal debt margin are computed as follows:

COMPUTATION OF LEGAL LIMIT FOR BONDED INDEBTEDNESS:

June 30, 2011 (all amounts in thousands of dollars):

Assessed valuation (net taxable)	\$ 460,684,768
Plus exempt property	3,160,783
TOTAL ASSESSED VALUATION	\$ 463,845,551
Debt limit - 2.5% of Assessed Valuation per Education Code Section 15106 (1)	11,596,139
Bonded Debt:	
General Obligation Bonds	\$ 11,810,881
Assets available for payment of principal:	
Bond Interest & Redemption Fund	<u>(724,608)</u>
Total amount of debt applicable to debt limit	<u>\$ 11,086,273</u>
REMAINING DEBT LIMIT (bonded debt) (2)	<u><u>\$ 509,866</u></u>

(1) Converted rate from 10% of 25% of full cash value (2.5%) to 2.5% of 100% of full cash value (2.5%).

(2) The computation of legal debt margin prior to fiscal year 2002-03 includes Certificates of Participation

Debt Trend. The following table summarizes historical information regarding the District's ratio of net general bonded debt and certificates of participation (COPs) to assessed value and net debt per capita:

Fiscal Year	Population Los Angeles Unified*	Total Assessed Value	Gross Debt (1)	Debt Service Monies Available	Net Debt (1)	Net Debt to Assessed Value	Net Debt Per Capita
2001-02	4,502,647	271,514,926	2,395,127	159,062	2,236,065	0.8236%	\$497
2002-03	4,660,473	287,525,935	5,191,382	211,507	4,979,875	1.7320%	\$1,069
2003-04	4,718,101	308,528,780	5,085,570	208,215	4,877,355	1.5808%	\$1,034
2004-05	4,775,778	331,925,137	5,095,029	224,306	4,870,723	1.4674%	\$1,020
2005-06	4,784,682	363,869,479	6,233,663	302,401	5,931,262	1.6301%	\$1,240
2006-07	4,825,016	402,608,837	7,058,754	383,068	6,675,686	1.6581%	\$1,384
2007-08	4,839,918	440,914,390	8,002,427	497,001	7,505,426	1.7022%	\$1,551
2008-09	4,853,617	474,789,798	8,666,230	554,524	8,111,706	1.7085%	\$1,671
2009-10	4,875,984	474,977,291	12,573,523	703,178	11,870,345	2.4991%	\$2,434
2010-11	4,564,712	463,845,551	12,305,721	806,452	11,499,269	2.4791%	\$2,519

* Estimate

(1) Includes bonded debts (General Obligation Bonds) and COPs.

Sources: 2010-11 Los Angeles County Auditor-Controller "Taxpayers' Guide."
Los Angeles County Department of Regional Research Section.

Scheduled Debt Repayment for 2012-13 by Fund. The following table indicates the amounts included in the 2012-13 Final Budget, by Fund, for the purpose of repayment of major debt. This table excludes such short-term debt as Tax and Revenue Anticipation Notes (TRANS):

Fund	Budgeted Amount (millions)
Bond Interest and Redemption Fund	\$ 898.2
Capital Services Fund	41.7
TOTAL	\$ 940.2

DESCRIPTIONS OF “FUNDS” UTILIZED BY THE DISTRICT

California State law requires school districts to organize their financial reporting by “Funds.” The California School Accounting Manual, which governs school district budgeting and accounting practices in California, defines “Fund” as “an accounting entity with a self-balancing set of accounts recording financial resources and liabilities. It is established to carry on specific activities or to attain certain objectives of an LEA (a Local Educational Agency) in accordance with special regulations, restrictions, or limitations.” (Section 101, December 1998).

LEAs such as the Los Angeles Unified School District are required to budget by Fund. The Superintendent’s Final Budget is comprised of a General Fund and 26 special funds. The uses of these funds can be summarized as follows:¹

Operating Funds.

General Fund is used to account for the basic instructional, support, and administrative operations of the District. The General Fund includes services to regular K-12 schools, the special education program, and other programs. The General Fund can support and account for both restricted and unrestricted funding sources and expenditures. Many of the restricted sources are summarized in the Restricted General fund section of this document.

Adult Education Fund is used to account separately for federal, State, and local revenues for adult education programs, as well as for expenditures in support of that program. Expenditures in the Adult Education Fund are limited to those for adult education purposes. Moneys received for programs other than adult education may not be expended for adult education purposes (Education Code §52616[b]).

Child Development Fund is used to account for federal, State, and local revenues to operate child development programs. In the Los Angeles Unified School District, the Child Development Fund covers the activities of the Early Childhood Education Centers that operate throughout the District. The Child Development Fund may be used only for expenditures for the operation of child development programs, but may be subsidized by the General Fund.

Cafeteria Fund is used to account for federal, State, and local resources to operate the District’s food service program (Education Code §38091 and §38100).

Deferred Maintenance Fund is used to account for the remaining balance of State apportionments and the District’s contributions from fiscal year prior to 2009-10 for deferred maintenance purposes (Education Code §§ 17582 through 17587). Expenditures in the Deferred Maintenance Fund are for major maintenance projects such as plumbing, heating, air conditioning, electrical, roofing, floors, and interior or exterior paint.

¹ Definitions reflect the California School Accounting Manual descriptions where available, augmented by information from the District budget and from the District’s 2006-07 Comprehensive Annual Financial Report to reflect specific District usages of individual funds.

Capital Projects Funds.

Building Funds exist primarily to account for proceeds from the sale of bonds (Education Code §15146). Expenditures are most commonly made against Object 6000 – Capital Outlay accounts. As the result of the passage of multiple bond elections, the District operates five separate Building Funds:

Building Fund accounts for proceeds from the sale of bonds prior to 1997, as well as State allowances and other resources designed for facilities expansion.

Building Fund – Proposition BB accounts for the proceeds resulting from passage of Proposition BB, a local school bond measure approved by the voters in April 1997 for construction of new schools and repair and modernization of existing schools.

Building Fund – Measure K accounts for the proceeds resulting from passage of Measure K, a local school bond measure approved by the voters in November 2002, for new school construction and repair and modernization of existing schools.

Building Fund – Measure R accounts for the proceeds resulting from passage of Measure R, a local school bond measure approved by the voters in March 2004, for new school construction and repairs to existing schools.

Building Fund – Measure Y accounts for the proceeds resulting from passage of Measure Y, a local school bond measure approved by the voters in November 2005, for school construction and modernization, with the goal of returning all schools to a traditional calendar.

County School Facilities Funds account for revenues and expenditures resulting from building projects funded primarily or in part from State bond elections or from matching funds. The District operates four separate County School Facilities Funds:

County School Facilities Fund – Proposition 1D provides funding from the Kindergarten-University Public Education Facilities Bond Act of 2006. Proposition 1D was approved by the voters in the November 2006 general election. Funds provide additional dollars for existing school facilities programs. Funds also provide new dollars for seismic mitigation of the most vulnerable school facilities, creation of career technical education facilities, reduction of severely overcrowded sites, and incentives for the construction of high-performance “green” schools.

County School Facilities Fund – Proposition 55 accounts for the matching funds received as a result of the passage of Measure R. Proposition 55 was passed by the voters in March 2004.

County School Facilities Fund – Proposition 47 accounts for apportionments received from the State School Facilities Fund. The passage of Proposition 47 in November 2002 authorized the sale of bonds for new school facility construction, modernization projects, and facility hardship grants.

County School Facilities Fund - 1A accounts for school construction and modernization funds received from proceeds resulting from the passage of Proposition 1A in 1998, as well as for local matching funds.

Capital Facilities Account Fund accounts for resources received from developer fees levied upon new residential, commercial, or industrial development projects within the District's boundaries. The dollars are used to obtain funds for the construction or acquisition of school facilities to relieve overcrowding.

State School Building Lease-Purchase Fund accounts for State apportionments received in accordance with State Education Code §17700-17780, primarily for relief of overcrowding.

Special Reserve Funds for Capital Outlay Projects provides for the accumulation of General Fund moneys for capital outlay purposes (Education Code §42840). Transfers authorized by the governing board must be utilized for capital outlay purposes. The District operates four Special Reserve Funds:

Special Reserve Fund accounts for District resources designated for capital outlay purposes such as land purchases, ground improvements, facilities construction and improvements, new acquisitions, and related expenditures.

Special Reserve Fund – FEMA – Earthquake accounts for funds received from the Federal Emergency Management Agency (FEMA) for capital outlay projects resulting from the January 17, 1994 Northridge Earthquake.

Special Reserve Fund – FEMA – Hazard Mitigation accounts for funds received from FEMA and for the 25% District matching funds for the retrofit/replacement of pendant lighting and suspended ceilings in selected buildings at schools, offices, and Early Childhood Education Centers.

Special Reserve Fund – Community Redevelopment Agency accounts for reimbursements of tax increment revenues from certain community redevelopment agencies based on agreements between the District and the agencies. The reimbursements are to be used for capital projects within the respective redevelopment areas covered in the agreements.

Debt Service Funds.

Bond Interest and Redemption Fund accounts for the payment of the principal and interest on Proposition BB, Measure K and Measure R bond issues. Revenues are derived from ad valorem taxes levied upon all property subject to tax by the District.

Tax Override Fund accounts for the accumulation of resources from ad valorem tax levies for the repayment of State School Building Aid Fund apportionment.

Capital Services Fund accounts for the accumulation of resources for the repayment of principal and interest on certificates of participation (COPs) and long-term capital lease agreements. Revenues are derived primarily from operating transfers from user funds and investment income.

Internal Service Funds.

Health and Welfare Benefits Fund pays for claims, administrative costs, insurance premiums, and related expenditures for the District's Health and Welfare Benefits program. Medical and dental claims for the self-insured portion of the Fund are administered by outside claims administrators. Premium payments to Health Maintenance Organizations for medical benefits and to outside carriers for vision services, dental services, and optional life insurance are also paid out of this Fund.

Workers' Compensation Self-Insurance Fund pays for claims, excess insurance coverage, administrative costs, and related expenditures. An outside claims administrator manages Workers' Compensation claims for the District.

Liability Self-Insurance Fund pays for claims, excess insurance coverage, administrative costs, and related expenditures, and to provide funds for insurance deductible amounts. An outside claims administrator manages liability claims for the District.

Fiduciary Funds.

Attendance Incentive Reserve Fund accounts for 50% of the salary savings from substitute teacher accounts resulting from reduced costs of absenteeism of UTLA-represented employees. The Fund rewards regular attendance of teachers in order to improve the instructional program.

Student Body Funds account for cash held by the District on behalf of student bodies at various school sites. The California School Accounting Manual does not require that Student Body Fund moneys be reported to the California Department of Education as part of the District budget. However, in accordance with The California School Accounting Manual, Student Body Fund information is included in the District's Comprehensive Annual Financial Report.

SUPERINTENDENT'S 2012-13 FINAL BUDGET
Unconsolidated Summary of Sources and Uses by Type of Fund

	2008-09 Actual Amounts	2009-10 Actual Amounts	2010-11 Actual Amounts	2011-12 3rd Interim Amounts	2012-13 Authorized Amounts	2012-13 Estimated Amounts
Operating Funds						
Sources of Funds						
Beginning Balance	\$901.0	\$916.0	\$790.7	\$923.9	\$780.9	\$780.9
Revenue	\$7,508.2	\$6,911.1	\$6,960.0	\$6,512.3	\$6,292.6	\$6,292.6
Total Sources of Funds	\$8,409.2	\$7,827.1	\$7,750.7	\$7,436.2	\$7,073.4	\$7,073.4
Uses of Funds						
Expenditure	\$7,387.6	\$7,052.3	\$6,830.8	\$6,655.3	\$6,652.9	\$6,536.5
Ending Balance	\$1,021.6	\$774.8	\$919.9	\$780.9	\$420.6	\$536.9
Total Uses of Funds	\$8,409.2	\$7,827.1	\$7,750.7	\$7,436.2	\$7,073.4	\$7,073.4
Capital Funds						
Sources of Funds						
Beginning Balance	\$1,876.8	\$1,536.4	\$4,161.2	\$3,695.0	\$2,892.1	\$2,892.1
Revenue	\$2,353.3	\$4,681.0	\$1,390.8	\$1,061.5	\$225.1	\$225.1
Total Sources of Funds	\$4,230.2	\$6,217.4	\$5,552.0	\$4,756.6	\$3,117.3	\$3,117.3
Uses of Funds						
Expenditure	\$2,764.9	\$2,056.2	\$1,886.4	\$1,864.5	\$3,104.9	\$2,409.2
Ending Balance	\$1,465.3	\$4,161.2	\$3,665.6	\$2,892.1	\$12.4	\$708.1
Total Uses of Funds	\$4,230.2	\$6,217.4	\$5,552.0	\$4,756.6	\$3,117.3	\$3,117.3
Debt Service Funds						
Sources of Funds						
Beginning Balance	\$497.1	\$554.8	\$703.5	\$806.7	\$847.2	\$847.2
Revenue	\$828.9	\$1,111.7	\$987.2	\$1,799.6	\$925.9	\$925.9
Total Sources of Funds	\$1,326.0	\$1,666.4	\$1,690.7	\$2,606.3	\$1,773.2	\$1,773.2
Uses of Funds						
Expenditure	\$771.2	\$963.0	\$883.9	\$1,759.1	\$1,712.1	\$1,294.6
Ending Balance	\$554.8	\$703.5	\$806.7	\$847.2	\$61.0	\$478.5
Total Uses of Funds	\$1,326.0	\$1,666.4	\$1,690.7	\$2,606.3	\$1,773.2	\$1,773.2
Internal Service Funds						
Sources of Funds						
Beginning Balance	\$137.9	\$40.8	\$164.8	\$250.5	\$287.3	\$287.3
Revenue	\$927.8	\$1,109.8	\$1,017.4	\$1,032.1	\$1,064.5	\$1,064.5
Total Sources of Funds	\$1,065.7	\$1,150.7	\$1,182.2	\$1,282.5	\$1,351.8	\$1,351.8
Uses of Funds						
Expenditure	\$1,024.9	\$985.9	\$931.8	\$995.2	\$1,066.0	\$1,066.0
Ending Balance	\$40.8	\$164.8	\$250.5	\$287.3	\$285.8	\$285.8
Total Uses of Funds	\$1,065.7	\$1,150.7	\$1,182.2	\$1,282.5	\$1,351.8	\$1,351.8
Fiduciary Funds						
Sources of Funds						
Beginning Balance	\$1.9	\$0.0	\$0.4	\$0.0	\$0.0	\$0.0
Revenue	\$0.4	\$0.4	\$0.2	\$0.0	\$0.2	\$0.2
Total Sources of Funds	\$2.3	\$0.4	\$0.6	\$0.0	\$0.2	\$0.2
Uses of Funds						
Expenditure	\$2.3	\$0.0	\$0.6	\$0.0	\$0.2	\$0.2
Ending Balance	\$0.0	\$0.4	\$0.0	\$0.0	\$0.0	\$0.0
Total Uses of Funds	\$2.3	\$0.4	\$0.6	\$0.0	\$0.2	\$0.2

SUPERINTENDENT'S 2012-13 FINAL BUDGET

Unconsolidated Summary of Revenues by Fund

	2008-09	2009-10	2010-11	2011-12	2012-13	2012-13
	Actual	Actual	Actual	3rd Interim	Authorized	Estimated
Amounts in \$ million	Amounts	Amounts	Amounts	Amounts	Amounts	Amounts
<i>Operating Funds</i>						
General Fund - Unrestricted (001&003/010)	\$3,210.0	\$3,401.1	\$3,481.7	\$3,217.5	\$3,278.4	\$3,316.9
General Fund - Restricted (003/010)	\$3,646.5	\$2,873.4	\$2,935.7	\$2,665.6	\$2,526.8	\$2,488.4
Adult Education Fund - Unrestricted (029/110)	\$173.4	\$170.2	\$71.6	\$134.6	\$3.0	\$3.0
Adult Education Fund - Restricted (029/110)	\$25.6	\$35.0	\$26.2	\$26.3	\$33.4	\$33.4
Child Development Fund - Unrestricted (011/120)	\$103.9	\$118.6	\$130.2	\$130.2	\$118.2	\$118.2
Child Development Fund - Restricted (011/120)	\$16.4	\$9.5	\$15.0	\$4.2	\$15.7	\$15.7
Cafeteria Fund (030/130)	\$299.0	\$301.1	\$298.9	\$334.0	\$317.0	\$317.0
Deferred Maintenance Fund (027/140)	\$33.4	\$2.1	\$0.8	\$0.0	\$0.0	\$0.0
Total Operating Funds	\$7,508.2	\$6,911.1	\$6,960.0	\$6,512.3	\$6,292.6	\$6,292.6
<i>Capital Funds</i>						
Building Fund - Measure R (043/210)	\$648.2	\$1,108.8	\$117.0	\$563.9	\$13.2	\$13.2
Building Fund - Proposition BB (045/211)	\$48.4	\$23.0	\$17.2	\$23.3	\$0.1	\$0.1
Building Fund (070/212)	\$0.4	\$0.2	\$0.3	\$0.4	\$0.4	\$0.4
Building Fund - Measure K (044/213)	\$305.4	\$372.2	\$40.6	\$26.5	\$2.1	\$2.1
Building Fund - Measure Y (042/214)	\$156.9	\$2,716.7	\$266.4	\$78.6	\$17.7	\$17.7
County Sch Facilities Fund - Prop 1A (065/350)	\$4.4	\$20.3	\$4.0	\$4.9	\$0.2	\$0.2
County Sch Facilities Fund - Prop 47 (066/351)	\$438.3	\$35.9	-\$0.2	\$6.4	\$7.5	\$7.5
County Sch Facilities Fund - Prop 55 (067/352)	\$371.4	\$146.9	\$574.7	\$54.8	\$71.1	\$71.1
County Sch Facilities Fund - Prop 1D (068/353)	\$144.6	\$126.2	\$227.4	\$25.4	\$38.8	\$38.8
Special Reserve Fund - CRA (017/400)	\$1.9	\$6.2	\$5.5	\$8.7	\$3.4	\$3.4
Special Reserve Fund (015/401)	\$208.2	\$101.0	\$103.3	\$244.4	\$34.0	\$34.0
Special Reserve Fund - FEMA (022/402)	\$0.5	\$0.0	\$0.0	\$0.0	\$6.3	\$6.3
Special Resv Fund - FEMA - Haz Mit (062/403)	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0
Capital Facilities Acct Fund (073/250)	\$28.1	\$20.2	\$33.3	\$23.8	\$30.3	\$30.3
State Sch Bldg Lease/Purch Fund (074/300)	-\$3.2	\$3.4	\$1.5	\$0.4	\$0.3	\$0.3
Total Capital Funds	\$2,353.3	\$4,681.0	\$1,390.8	\$1,061.5	\$225.1	\$225.1
<i>Debt Service Funds</i>						
Bond Interest & Redemption Fund (004/510)	\$617.7	\$987.4	\$939.7	\$1,575.4	\$883.4	\$883.4
Tax Override Fund (005/530)	\$0.4	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0
Capital Services Fund (071/560)	\$210.8	\$124.3	\$47.6	\$224.2	\$42.6	\$42.6
Total Debt Service Funds	\$828.9	\$1,111.7	\$987.2	\$1,799.6	\$925.9	\$925.9
<i>Internal Service Funds</i>						
Health & Welfare Benefits Fund (021/670)	\$890.6	\$953.2	\$951.8	\$942.8	\$943.7	\$943.7
Worker's Compensation Fund (013/671)	\$17.0	\$116.2	\$53.6	\$73.9	\$101.0	\$101.0
Liability Self-Insurance Fund (016/672)	\$20.2	\$40.4	\$12.0	\$15.3	\$19.8	\$19.8
Total Internal Service Funds	\$927.8	\$1,109.8	\$1,017.4	\$1,032.1	\$1,064.5	\$1,064.5
<i>Fiduciary Funds</i>						
Attendance Incentive Reserve Fund (046/710)	\$0.4	\$0.4	\$0.2	\$0.0	\$0.2	\$0.2
Annuity Reserve Fund (023/711)	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0
Total Fiduciary Funds	\$0.4	\$0.4	\$0.2	\$0.0	\$0.2	\$0.2
Total All Funds	\$11,618.6	\$13,814.0	\$10,355.7	\$10,405.5	\$8,508.4	\$8,508.4

SUPERINTENDENT'S 2012-13 FINAL BUDGET

Unconsolidated Summary of Expenditures by Fund

	2008-09 Actual Amounts	2009-10 Actual Amounts	2010-11 Actual Amounts	2011-12 3rd Interim Amounts	2012-13 Authorized Amounts	2012-13 Estimated Amounts
Amounts in \$ million						
<i>Operating Funds</i>						
General Fund - Unrestricted (001&003/010)	\$3,181.7	\$3,289.9	\$3,216.5	\$3,290.0	\$3,433.9	\$3,428.7
General Fund - Restricted (003/010)	\$3,481.5	\$3,087.6	\$2,964.3	\$2,738.3	\$2,720.6	\$2,609.5
Adult Education Fund - Unrestricted (029/110)	\$177.7	\$144.1	\$134.7	\$132.8	\$8.5	\$8.5
Adult Education Fund - Restricted (029/110)	\$25.6	\$24.9	\$28.5	\$29.2	\$38.3	\$38.3
Child Development Fund - Unrestricted (011/120)	\$109.4	\$121.3	\$130.1	\$130.2	\$118.3	\$118.3
Child Development Fund - Restricted (011/120)	\$16.4	\$9.9	\$15.0	\$4.2	\$15.7	\$15.7
Cafeteria Fund (030/130)	\$328.2	\$302.0	\$295.3	\$330.9	\$317.5	\$317.5
Deferred Maintenance Fund (027/140)	\$67.0	\$72.6	\$46.4	\$0.0	\$0.0	\$0.0
Total Operating Funds	\$7,387.6	\$7,052.3	\$6,830.8	\$6,655.3	\$6,652.9	\$6,536.5
<i>Capital Funds</i>						
Building Fund - Measure R (043/210)	\$624.4	\$596.2	\$255.2	\$226.2	\$1,102.9	\$827.2
Building Fund - Proposition BB (045/211)	\$117.9	\$64.3	\$28.5	\$27.0	\$16.9	\$16.9
Building Fund (070/212)	\$0.2	\$0.7	\$0.3	\$0.3	\$2.2	\$2.2
Building Fund - Measure K (044/213)	\$286.2	\$216.4	\$124.4	\$93.1	\$214.4	\$171.5
Building Fund - Measure Y (042/214)	\$373.1	\$584.2	\$725.7	\$1,009.6	\$851.7	\$681.4
County Sch Facilities Fund - Prop 1A (065/350)	\$31.5	\$13.6	\$9.9	\$5.1	\$19.0	\$19.0
County Sch Facilities Fund - Prop 47 (066/351)	\$345.2	\$79.5	\$33.9	\$7.1	\$122.9	\$98.3
County Sch Facilities Fund - Prop 55 (067/352)	\$520.4	\$201.2	\$490.0	\$150.5	\$296.7	\$237.4
County Sch Facilities Fund - Prop 1D (068/353)	\$115.7	\$68.1	\$72.1	\$128.9	\$191.4	\$153.1
Special Reserve Fund - CRA (017/400)	\$11.2	\$4.8	\$5.1	\$0.6	\$22.2	\$15.6
Special Reserve Fund (015/401)	\$214.7	\$184.4	\$83.0	\$203.3	\$192.8	\$135.0
Special Reserve Fund - FEMA (022/402)	\$0.2	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0
Special Resv Fund - FEMA - Haz Mit (062/403)	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0
Capital Facilities Acct Fund (073/250)	\$122.8	\$42.3	\$58.2	\$12.3	\$67.4	\$47.2
State Sch Bldg Lease/Purch Fund (074/300)	\$1.3	\$0.4	\$0.2	\$0.6	\$4.4	\$4.4
Total Capital Funds	\$2,764.9	\$2,056.2	\$1,886.4	\$1,864.5	\$3,104.9	\$2,409.2
<i>Debt Service Funds</i>						
Bond Interest & Redemption Fund (004/510)	\$576.2	\$845.9	\$845.9	\$1,513.5	\$1,669.9	\$1,252.4
Tax Override Fund (005/530)	\$0.3	\$0.0	\$0.0	\$0.0	\$0.3	\$0.3
Capital Services Fund (071/560)	\$194.8	\$117.0	\$38.1	\$245.6	\$42.0	\$42.0
Total Debt Service Funds	\$771.2	\$963.0	\$883.9	\$1,759.1	\$1,712.1	\$1,294.6
<i>Internal Service Funds</i>						
Health & Welfare Benefits Fund (021/670)	\$911.9	\$866.3	\$836.4	\$874.4	\$943.7	\$943.7
Worker's Compensation Fund (013/671)	\$92.4	\$78.7	\$82.9	\$105.1	\$102.6	\$102.6
Liability Self-Insurance Fund (016/672)	\$20.6	\$40.8	\$12.4	\$15.7	\$19.8	\$19.8
Total Internal Service Funds	\$1,024.9	\$985.9	\$931.8	\$995.2	\$1,066.0	\$1,066.0
<i>Fiduciary Funds</i>						
Attendance Incentive Reserve Fund (046/710)	\$1.8	\$0.0	\$0.6	\$0.0	\$0.2	\$0.2
Annuity Reserve Fund (023/711)	\$0.5	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0
Total Fiduciary Funds	\$2.3	\$0.0	\$0.6	\$0.0	\$0.2	\$0.2
Total All Funds	\$11,950.9	\$11,057.4	\$10,533.5	\$11,274.1	\$12,536.1	\$11,306.5

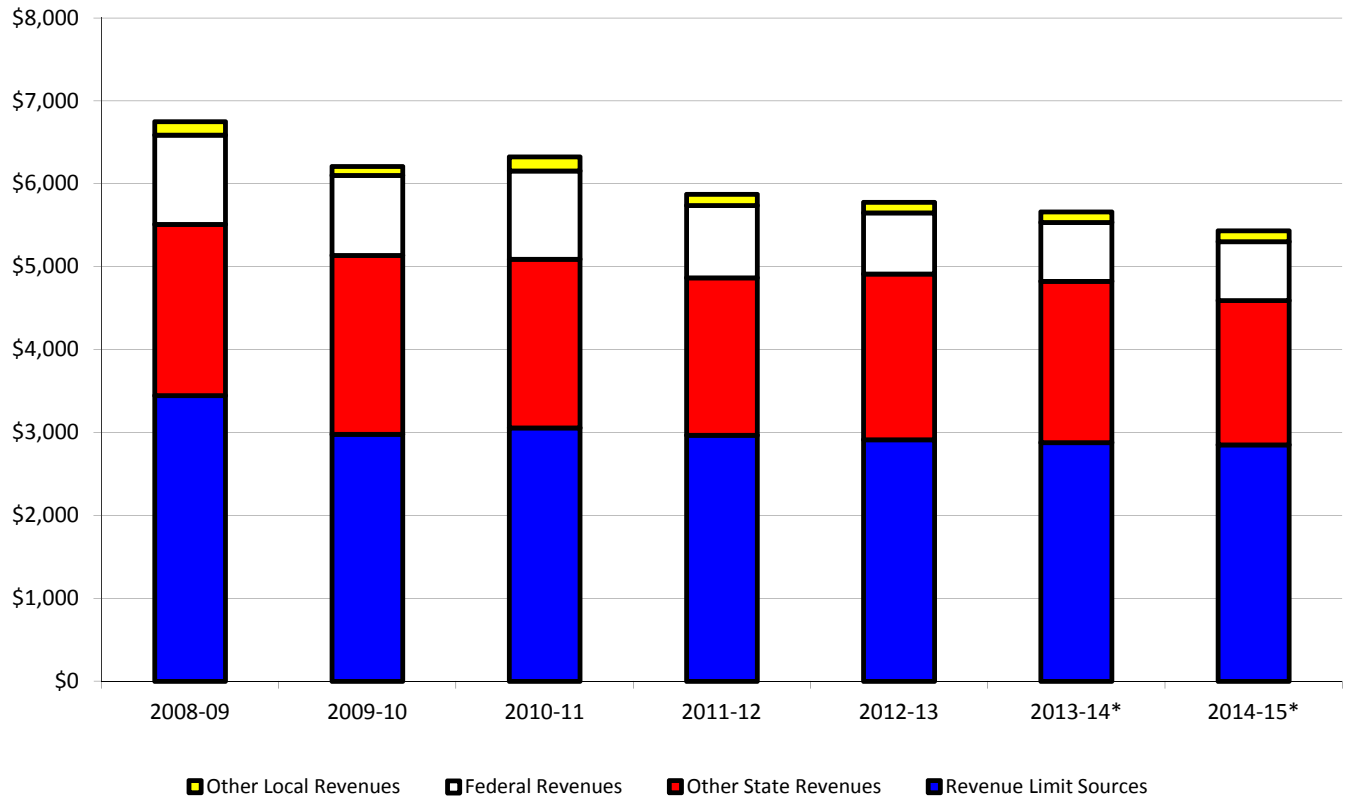
General Fund Unrestricted & Restricted Revenues

The 2012-13 General Fund is estimated at \$5.8 billion.

There are several causes for the expected revenue decline during 2012-13:

- The Governor's May Revision budget proposes to apply a 22.272% deficit factor to the base revenue limit. The base revenue limit is the revenue source that provides much of the funding for the District's basic instructional, support, and administrative functions. This has the impact of reducing the District's base revenue limit funding by \$1,509 per ADA.
- Each year, our general purpose revenue limit funding is reduced due to declining enrollment. In addition, increasing numbers of students are attending fiscally-independent charter schools, whose revenues are not reflected in District revenue estimates. While the District is able to reduce some costs, it is difficult to reduce costs proportionately to the loss in revenues. Even the declining enrollment provisions in the *California Education Code* do not shield school districts from the full impact of their enrollment declines.

**Actual and Estimated Revenues
General Fund Unrestricted & Restricted
(Excluding Other Financing Sources)**



	2008-09 Actual Amounts	2009-10 Actual Amounts	2010-11 Actual Amounts	2011-12 Estimated Amounts	2012-13 Estimated Amounts	2013-14* Estimated Amounts	2014-15* Estimated Amounts
Revenue Limit Sources**	\$3,444.9	\$2,977.2	\$3,056.4	\$2,967.4	\$2,912.1	\$2,879.4	\$2,849.5
Federal Revenues	\$1,077.1	\$964.0	\$1,066.5	\$870.0	\$733.8	\$710.1	\$708.7
Other State Revenues	\$2,064.8	\$2,159.4	\$2,031.8	\$1,900.6	\$2,002.0	\$1,943.6	\$1,743.7
Other Local Revenues	\$163.4	\$108.1	\$171.6	\$134.8	\$128.8	\$129.5	\$131.0
Subtotal	\$6,750.2	\$6,208.7	\$6,326.3	\$5,872.8	\$5,776.8	\$5,662.7	\$5,432.9
Other Financing Sources	\$106.2	\$65.9	\$91.2	\$10.4	\$28.5	\$6.2	\$6.2
Total Estimated Revenues	\$6,856.4	\$6,274.6	\$6,417.4	\$5,883.1	\$5,805.3	\$5,668.9	\$5,439.0

Note: Totals may not be exactly equal because of rounding.

*2013-14 and 2014-15 revenues assume a funded COLA for 2013-14 and 2014-15.

** Does not reflect any State trigger impact.

SUPERINTENDENT'S 2012-13 FINAL BUDGET

Unconsolidated Revenue Budget General Fund Unrestricted by Source

	2008-09	2009-10	2010-11	2011-12	2012-13
	Actual	Actual	Actual	3rd Interim	Estimated
Amounts in \$ million	Amounts	Amounts	Amounts	Amounts	Amounts
UNRESTRICTED PROGRAMS					
Federal Revenues					
Medicare Part D Subsidy	\$13.0	\$12.6	\$11.0	\$9.0	\$9.2
Medi-Cal Admin Activity	\$5.0	\$2.7	\$7.6	\$6.0	\$8.0
All Other Federal Revenues	\$3.1	\$3.3	\$3.5	\$5.0	\$3.6
Total Federal Revenues	\$21.1	\$18.5	\$22.0	\$20.0	\$20.8
State Revenues					
K-12 Revenue Limit (State Portion)	\$2,400.3	\$1,949.4	\$2,092.8	\$2,035.7	\$1,920.2
Adult Education Fund Entitlement	\$0.0	\$168.3	\$97.2	\$31.2	\$162.2
Targeted Instrucl Improv Grant (AB825)	\$0.0	\$459.0	\$460.6	\$460.4	\$460.4
Class Size Reduction (K-3)	\$195.4	\$160.2	\$155.5	\$151.2	\$149.7
California State Lottery	\$78.1	\$76.9	\$78.1	\$80.7	\$76.9
ROC/Skills Center Entitlement	\$0.0	\$60.8	\$55.7	\$55.3	\$55.5
Supplemental Hourly Program	\$0.0	\$59.2	\$57.4	\$57.4	\$57.4
School/Library Improvement Block Grant	\$0.0	\$43.6	\$43.6	\$43.6	\$43.6
Instructional Materials Block Grant, incl. Williams	\$0.0	\$35.6	\$35.5	\$35.5	\$35.5
Year-Round School Operational Grants	\$60.1	\$42.6	\$28.5	\$14.2	\$0.0
Deferred Maintenance Funding	\$0.0	\$26.0	\$26.1	\$26.0	\$26.0
Prof Dev Block Grant AB825 & Instr Buyout	\$0.0	\$23.2	\$23.2	\$23.2	\$23.2
School Counselors Grades 7 - 12	\$0.0	\$18.2	\$16.7	\$16.7	\$16.7
Class Size Reduction (9)	\$7.9	\$12.7	\$12.3	\$12.3	\$12.3
Arts & Music Block Grant	\$0.0	\$8.8	\$8.8	\$8.7	\$8.7
School Safety & Violence Prevention Program	\$0.0	\$9.9	\$7.7	\$7.7	\$7.7
CAHSEE Intensive Instructional Services	\$0.0	\$6.1	\$6.1	\$6.1	\$6.1
Mandated Cost Reimbursement	\$3.0	\$3.0	\$21.3	\$0.0	\$0.0
Staff Development - Reading / Math	\$0.0	\$6.3	\$5.4	\$5.4	\$5.4
Gifted and Talented Students	\$0.0	\$4.5	\$4.5	\$4.5	\$4.5
Pupil Retention Block Grant AB825	\$0.0	\$4.3	\$4.3	\$4.3	\$4.3
Charter Categorical Block Grant	\$3.6	\$3.6	\$3.8	\$6.1	\$13.6
Pupil Assessment	\$4.1	\$2.3	\$1.2	\$3.9	\$3.9
California Peer Assistance & Review Program	\$0.0	\$2.6	\$2.6	\$2.6	\$2.6
All Other State Revenue, inc remaining Gov Props	\$64.2	\$27.8	\$14.4	\$23.2	\$24.5
Total State Revenues	\$2,816.6	\$3,214.9	\$3,263.1	\$3,115.8	\$3,120.7
Local Revenues					
K-12 Revenue Limit (Local portion)	\$863.5	\$856.4	\$793.2	\$762.7	\$822.7
Interest	\$40.8	\$20.7	\$19.3	\$17.5	\$9.8
E-Rate Reimbursement	\$22.4	\$13.9	\$18.1	\$17.3	\$18.0
Donations	\$10.0	\$9.5	\$10.0	\$10.0	\$10.0
Charter - Fee for Service	\$9.4	\$21.9	\$12.6	\$11.3	\$8.7
All Other Local Revenue	\$48.1	\$30.9	\$52.7	\$51.0	\$46.5
Total Local Revenues	\$994.1	\$953.3	\$905.8	\$869.9	\$915.7
Other Financing Sources					
Interfund Transfers	\$39.4	\$16.4	\$28.6	\$0.0	\$11.1
Insurance Proceeds	\$1.4	\$2.1	\$2.0	\$2.4	\$17.4
Long Tem Debt Proceeds Capital Leases	\$1.2	\$0.9	\$1.0	\$1.1	\$0.0
Contributions to Restricted Programs	-\$663.8	-\$805.0	-\$740.9	-\$791.7	-\$768.9
Total Other Financing Sources	-\$621.8	-\$785.6	-\$709.2	-\$788.2	-\$740.4
Total Unrestricted Resources	\$3,210.0	\$3,401.1	\$3,481.7	\$3,217.5	\$3,316.9

SUPERINTENDENT'S 2012-13 FINAL BUDGET
Unconsolidated Revenue Budget General Fund-Restricted by Source

Amounts in \$millions	2008-09 Actual Amounts	2009-10 Actual Amounts	2010-11 Actual Amounts	2011-12	2012-13
				3rd Interim Estimate	Estimated Amounts
Sacs Resource Name					
Federal Revenues					
NCLB: Title I, Part A, Basic Grants Low-Income and Neglected	\$390.4	\$376.1	\$403.0	\$382.4	\$333.0
Special Ed: IDEA Basic Local Assistance Entitlement, Part B, Sec 611 (formerly PL 94-142)	\$111.1	\$122.9	\$120.3	\$115.9	\$116.7
Other Restricted Federal	\$19.5	\$26.2	\$28.0	\$33.1	\$80.7
NCLB: Title II, Part A, Teacher Quality	\$47.4	\$55.6	\$51.5	\$48.2	\$52.8
NCLB: Title III, Limited English Proficient (LEP) Student Program	\$12.7	\$27.2	\$33.6	\$23.2	\$25.7
NCLB: Title I, School Improvement Grant	\$0.0	\$1.7	\$36.7	\$1.8	\$22.4
NCLB: Title IV, Part B, 21st Century Community Learning Centers Program	\$20.7	\$22.5	\$19.0	\$20.2	\$17.6
Medi-Cal Billing Option	\$10.8	\$20.9	\$20.1	\$16.0	\$16.0
Special Ed: IDEA Preschool Local Entitlement, Part B, Sec 611	\$13.4	\$11.7	\$9.3	\$10.4	\$11.7
NCLB: ARRA Title I, School Improvement Grant	\$0.0	\$0.0	\$7.3	\$14.4	\$7.6
Special Ed: IDEA Mental Health P-B611	\$0.0	\$0.0	\$0.0	\$4.7	\$7.1
Special Ed: IDEA Preschool Grants, Part B, Sec 619	\$5.1	\$5.2	\$5.0	\$4.7	\$5.9
Carl D. Perkins Career and Technical Education: Secondary, Section 131	\$8.7	\$6.4	\$6.4	\$6.1	\$5.7
Other ARRA Programs	\$0.0	\$0.2	\$0.6	\$1.9	\$2.9
Workforce Investment Act (WIA) From Other Agencies (LWIB)	\$1.2	\$1.0	\$1.0	\$1.0	\$2.2
Special Ed: IDEA Early Intervention Grants	\$1.2	\$1.2	\$1.2	\$1.2	\$1.0
Special Ed: IDEA Local Assistance, Part B, Sec 611, Private School ISPs	\$0.7	\$0.8	\$1.1	\$1.1	\$0.9
Department of Rehab: Workability II, Transition Partnership	\$1.7	\$1.1	\$1.2	\$1.4	\$0.9
NCLB: Title I, Part D, Local Delinquent Programs	\$0.5	\$0.8	\$0.3	\$1.7	\$0.9
FEMA Hazard Mitigation Grant	\$0.4	\$0.0	\$0.4	\$1.3	\$0.8
NCLB: Title I, Migrant Ed Summer Program	\$0.0	\$0.0	\$0.4	\$0.5	\$0.5
Indian Education	\$0.2	\$0.2	\$0.2	\$0.2	\$0.2
NCLB: Title I, Part C, Migrant Ed (Regular and Summer Program)	\$0.9	\$0.9	\$0.6	\$0.9	\$0.2
NCLB: Title II, Part D, Enhancing Education Through Technology, Formula Grants	\$3.3	\$5.4	\$2.6	\$2.1	\$0.2
NCLB: Title II, Part B, CA Mathematics and Science Partnerships	\$0.8	\$1.4	\$1.4	\$0.9	\$0.1
Special Ed: IDEA Preschool Accountability Grants, Part B, Sec 619	\$0.3	\$0.0	\$0.2	\$0.2	\$0.0
Special Ed: IDEA Preschool Staff Development, Part B, Sec 619	\$0.1	\$0.0	\$0.0	\$0.1	\$0.0
ARRA Education Jobs Fund SB847	\$0.0	\$0.0	\$0.0	\$114.1	\$0.0
Special Ed: ARRA IDEA Part B, Sec 611, Basic Local Assistance	\$0.0	\$75.1	\$42.5	\$15.8	\$0.0
NCLB: ARRA Title I, Part A, Basic Grants Low Income and Neglected	\$0.0	\$108.7	\$202.4	\$12.6	\$0.0
NCLB: ARRA Title II, Part D, Enhancing Education Through Technology	\$0.0	\$0.0	\$3.0	\$4.7	\$0.0
NCLB: ARRA Title II, Part D, Enhancing Education Through Technology, Competitive Grants	\$0.0	\$0.0	\$0.6	\$2.4	\$0.0
Special Ed: ARRA IDEA Part B, Sec 611, Preschool Local Entitlement	\$0.0	\$7.3	\$4.5	\$0.9	\$0.0
NCLB: Title I, Part B, Reading First Program	\$19.6	\$1.5	\$3.1	\$0.7	\$0.0
Special Ed: ARRA IDEA Part B, Sec 619, Preschool Grants	\$0.0	\$0.8	\$3.5	\$0.6	\$0.0
NCLB: ARRA Title I, Part D, Local Delinquent Programs	\$0.0	\$0.2	\$0.3	\$0.3	\$0.0
NCLB: Title II, Part D, Enhancing Education Through Technology, Competitive Grants	\$1.9	\$1.9	\$0.6	\$0.3	\$0.0
NCLB: Title X McKinney-Vento Homeless Assistance Grants	\$0.1	\$0.2	\$0.1	\$0.1	\$0.0
NCLB: Title IV, Part A, Drug-Free Schools	\$6.5	\$5.0	\$1.3	\$0.1	\$0.0
Special Ed: ARRA IDEA Part B, Sec 611, Local Assistance Private School ISPs	\$0.0	\$0.0	\$1.0	\$0.0	\$0.0
CalServe: Learn & Serve America	\$0.1	\$0.1	\$0.0	\$0.0	\$0.0
NCLB: Title I, Part A, Program Improvement SAIT Corrective Action Plans	\$1.2	\$0.0	\$0.0	\$0.0	\$0.0
NCLB: Title I, Part B, Reading First, Special Education Teacher Professional Development Pilot Program	\$0.5	\$2.5	\$1.0	\$0.0	\$0.0
NCLB: Title I, Part A, Program Improvement LEA Corrective Action Resources	\$9.6	\$5.5	\$0.0	\$0.0	\$0.0
ARRA: State Fiscal Stabilization Fund	\$358.6	\$49.7	\$28.4	\$0.0	\$0.0
NCLB: Title II, Part A, Administrator Training	\$0.2	\$0.0	\$0.0	\$0.0	\$0.0
NCLB: Title V, Part A, Innovative Education Strategies (09-10)	\$1.8	\$0.6	\$0.0	\$0.0	\$0.0
Refugee Children Supplemental Assistance Program	\$0.1	\$0.0	\$0.0	\$0.0	\$0.0
Bilingual Education: Discretionary Grants, Title III	\$0.3	\$0.2	\$0.1	\$0.0	\$0.0
NCLB: Title V, Part B, Public Charter Schools Grants	\$0.1	\$0.3	\$0.1	\$0.0	\$0.0
Child Nutrition: Equipment Assistance Grants	\$0.0	\$0.0	\$0.5	\$0.0	\$0.0
Child Nutrition: School Breakfast Startup	\$0.1	\$0.2	\$0.0	\$0.0	\$0.0
Child Nutrition: Nutrition Education	\$4.6	\$0.0	-\$0.1	\$0.0	\$0.0
NCLB: ARRA Title X McKinney-Vento Homeless Assistance	\$0.0	\$0.3	\$0.4	\$0.0	\$0.0
FEMA Public Assistance Funds	\$0.3	\$0.1	\$0.0	\$0.0	\$0.0
Total Federal Revenues	\$1,056.7	\$949.5	\$1,044.5	\$848.2	\$713.7

SUPERINTENDENT'S 2012-13 FINAL BUDGET
Unconsolidated Revenue Budget General Fund-Restricted by Source

	2011-12				
	2008-09 Actual Amounts	2009-10 Actual Amounts	2010-11 Actual Amounts	2011-12 3rd Interim Estimate	2012-13 Estimated Amounts
Amounts in \$millions					
Sacs Resource Name					
State Revenues					
Special Education	\$1,218.7	\$1,205.5	\$1,149.9	\$1,162.8	\$1,197.1
Economic Impact Aid: Limited English Proficiency (LEP)	\$124.8	\$120.6	\$117.7	\$102.5	\$103.4
Quality Education Investment Act	\$144.9	\$138.0	\$129.0	\$111.0	\$82.0
After School Education and Safety (ASES)	\$72.8	\$70.6	\$72.3	\$73.7	\$78.8
Ongoing & Major Maintenance Account (RMA: Education Code Section 17070.75)	\$204.0	\$132.9	\$129.9	\$120.7	\$77.4
Transportation: Special Education (Severely Disabled/Orthopedically Impaired)	\$57.0	\$55.2	\$51.7	\$53.3	\$51.1
Transportation: Home to School	\$40.3	\$46.4	\$43.0	\$42.7	\$38.4
Special Ed: Mental Health Services	\$0.0	\$0.0	\$0.0	\$26.3	\$36.0
Other Restricted State	\$1.9	\$1.2	\$1.5	\$0.8	\$27.4
Continuation Education (Education Code sections 42244 and 48438)	\$28.4	\$26.8	\$26.3	\$26.0	\$20.9
Lottery: Instructional Materials	\$8.7	\$13.0	\$12.4	\$17.8	\$15.5
Economic Impact Aid (EIA)	\$33.6	\$19.0	\$18.4	\$26.6	\$6.6
Special Ed: Early Ed Individuals with Exceptional Needs (Infant Program)	\$0.0	\$0.0	\$3.0	\$3.0	\$3.0
Pupils with Disabilities Attending ROC/P	\$2.4	\$2.0	\$1.9	\$2.1	\$2.4
Partnership Academies Program	\$3.4	\$2.2	\$2.1	\$3.3	\$1.7
Governor's CTE Initiative: California Partnership Academies	\$0.1	\$1.6	\$1.4	\$2.0	\$1.2
Healthy Start: Planning Grants and Operational Grants	\$0.1	\$0.2	\$0.2	\$0.3	\$0.4
ROCP: Training & Certification for Community Care (Dept Develop Service)	\$0.4	\$0.3	\$0.3	\$0.3	\$0.3
California Partnership Academies: Green and Clean Academies	\$0.0	\$0.2	\$0.4	\$0.6	\$0.2
Special Ed: Low Incidence Entitlement	\$0.1	\$0.1	\$0.1	\$0.1	\$0.1
Community Day Schools	\$15.7	\$13.3	\$12.4	\$0.0	\$0.0
Cal-Safe Support Services	*	\$0.1	\$0.0	\$0.0	\$0.0
Emergency Repair Program, Williams Case		\$0.0	\$11.9	\$0.0	\$0.0
Alternative Certification Program for Intern Teacher	*	\$2.2	\$0.0	\$0.0	\$0.0
Pre-Internship Teaching Program	*	\$0.4	\$0.0	\$0.0	\$0.0
Paraprofessional Teacher Training (CTC)	*	\$0.8	\$0.0	\$0.0	\$0.0
National Board Certification Incentive Grant	*	\$1.4	\$0.0	\$0.0	\$0.0
English Language Acquisition Program, Teacher Training & Student Assistance		\$0.0	\$13.7	\$0.0	\$0.0
School Community Policing Partnership		\$0.1	\$0.0	\$0.0	\$0.0
Parent/Teacher Involvement: Nell Soto	*	\$0.5	\$0.0	\$0.0	\$0.0
ROCP: Training & Certification for Community Care	*	\$69.2	\$0.0	\$0.0	\$0.0
School Safety & Violence Prevention Program	*	\$8.3	\$0.0	\$0.0	\$0.0
Tobacco-Use Prevention Education: Elementary Grades 4-8 (09-10)		\$1.1	\$0.2	\$0.1	\$0.0
GF-California Instructional School Garden (CISG)	*	\$1.0	\$0.0	\$0.0	\$0.0
Supplemental School Counseling Grade 7-12	*	\$13.9	\$0.0	\$0.0	\$0.0
Education Technology: CTAPS, SETS, & Supplemental	*	\$0.1	\$0.0	\$0.0	\$0.0
Gifted & Talented Education (GATE)	*	\$4.4	\$0.0	\$0.0	\$0.0
Instructional Material Block Grant	*	\$12.8	\$0.0	\$0.0	\$0.0
Instructional Material: API Deciles 1&2		\$0.1	\$0.0	\$0.0	\$0.0
II/USP: SAIT Corrective Action		\$0.1	\$0.0	\$0.0	\$0.0
High Priority School Grants Program		\$14.1	\$0.0	\$0.0	\$0.0
School Improvement Grant (SIP) (04/05)		\$1.9	\$0.0	\$0.0	\$0.0
High School Priority Schools: SAIT and Corrective Action		\$3.6	\$0.0	\$0.0	\$0.0
Certificated Staff Mentoring	*	\$0.7	\$0.0	\$0.0	\$0.0
Math & Reading Professional Development	*	\$0.2	\$0.0	\$0.0	\$0.0
Reading Services for Blind Teachers	*	\$0.1	\$0.0	\$0.0	\$0.0
Supplemental Programs: Specialized Secondary	*	\$0.3	\$0.0	\$0.0	\$0.0
Professional Development Block Grant-AB825	*	\$6.6	\$0.0	\$0.0	\$0.0
Target Instructional Improvement Block Grant-AB825	*	\$454.5	\$0.0	\$0.0	\$0.0
School & Library Improvement Block Grant-AB825	*	\$28.7	\$0.0	\$0.0	\$0.0
Tobacco-Use Prevention Education: High School		\$0.5	\$0.5	\$0.8	\$0.1
Special Ed: Infant Discretionary Funds		\$0.1	\$0.0	\$0.0	\$0.1
California Health Science Capacity Building Project		\$0.0	\$0.0	\$0.0	\$0.1
Early Mental Health Initiative (EMHI) (Department of Mental Health)		\$0.4	\$0.1	\$0.2	\$0.2
Special Ed: Personnel Staff Development		\$0.1	\$0.2	\$0.3	\$0.4
School Community Violence Prevention Grant	*	\$0.5	\$0.0	\$0.0	\$0.7
Special Ed: Project Workability I LEA		\$0.7	\$0.6	\$0.7	\$0.7
CSIS: California School Information Service		\$0.0	\$0.0	\$1.8	\$3.6
Teacher Recruitment and Retention (09-10)		\$0.0	\$0.0	\$0.0	-\$4.9
Transfers to Unrestricted Programs		-\$60.1	-\$8.3	\$0.0	\$0.0
Total State Revenues	\$2,527.1	\$1,868.4	\$1,777.7	\$1,781.6	\$1,739.0

SUPERINTENDENT'S 2012-13 FINAL BUDGET
Unconsolidated Revenue Budget General Fund-Restricted by Source

Amounts in \$millions	Sacs Resource Name	2008-09	2009-10	2010-11	2011-12	2012-13
		Actual Amounts	Actual Amounts	Actual Amounts	3rd Interim Estimate	Estimated Amounts
Local Revenues						
Other Restricted Local		\$62.6	\$55.7	\$113.5	\$35.6	\$35.7
Total Local Revenues		\$62.6	\$55.7	\$113.5	\$35.6	\$35.7
Total Restricted Resources		\$3,646.4	\$2,873.5	\$2,935.7	\$2,665.5	\$2,488.4

Program Tier III Categorical, per SBX3 4, are Unrestricted starting FY 2009-10

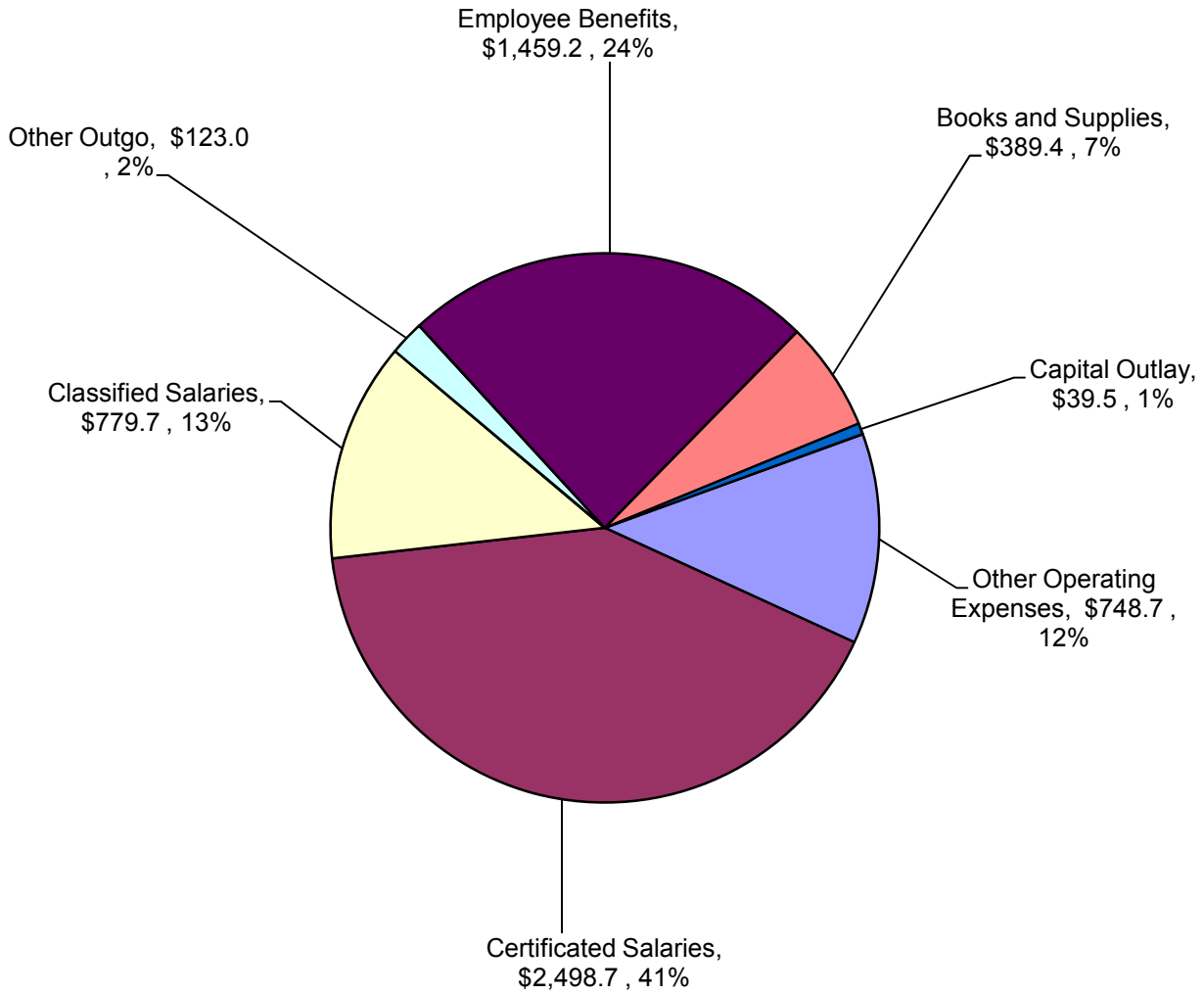
General Fund Unrestricted and Restricted Estimated Expenditures by Object

The accompanying graph shows General Fund estimated expenditures by “object of expenditure.” Objects of expenditure define what we buy with our resources.

- “Certificated Salaries” include the salaries of teachers, librarians, counselors, nurses, school, and District administrators.
- “Classified Salaries” include the salaries of instructional aides, office employees, custodians, carpenters, plumbers, bus drivers, and those non-certificated employees who manage and supervise their work.
- “Employee Benefits” include the cost of retirement plans, employee health insurance, and Workers’ Compensation Insurance.
- “Books and Supplies” includes the cost of textbooks, instructional materials, general supplies and fuel.
- “Other Operating Expense” includes the cost of contracts, utilities, rents and leases, travel expense, and instructional consultants.
- “Capital Outlay” includes the cost of facilities (land and buildings), books and media for libraries, and equipment. Most of the District’s capital outlay costs are in bond funds devoted specifically to school construction and modernization.
- “Other Outgo” includes miscellaneous items that are not usually considered part of the current expense of education.

General Fund Estimated Expenditure Budget by Major Object

(Amounts in millions and percent of total)

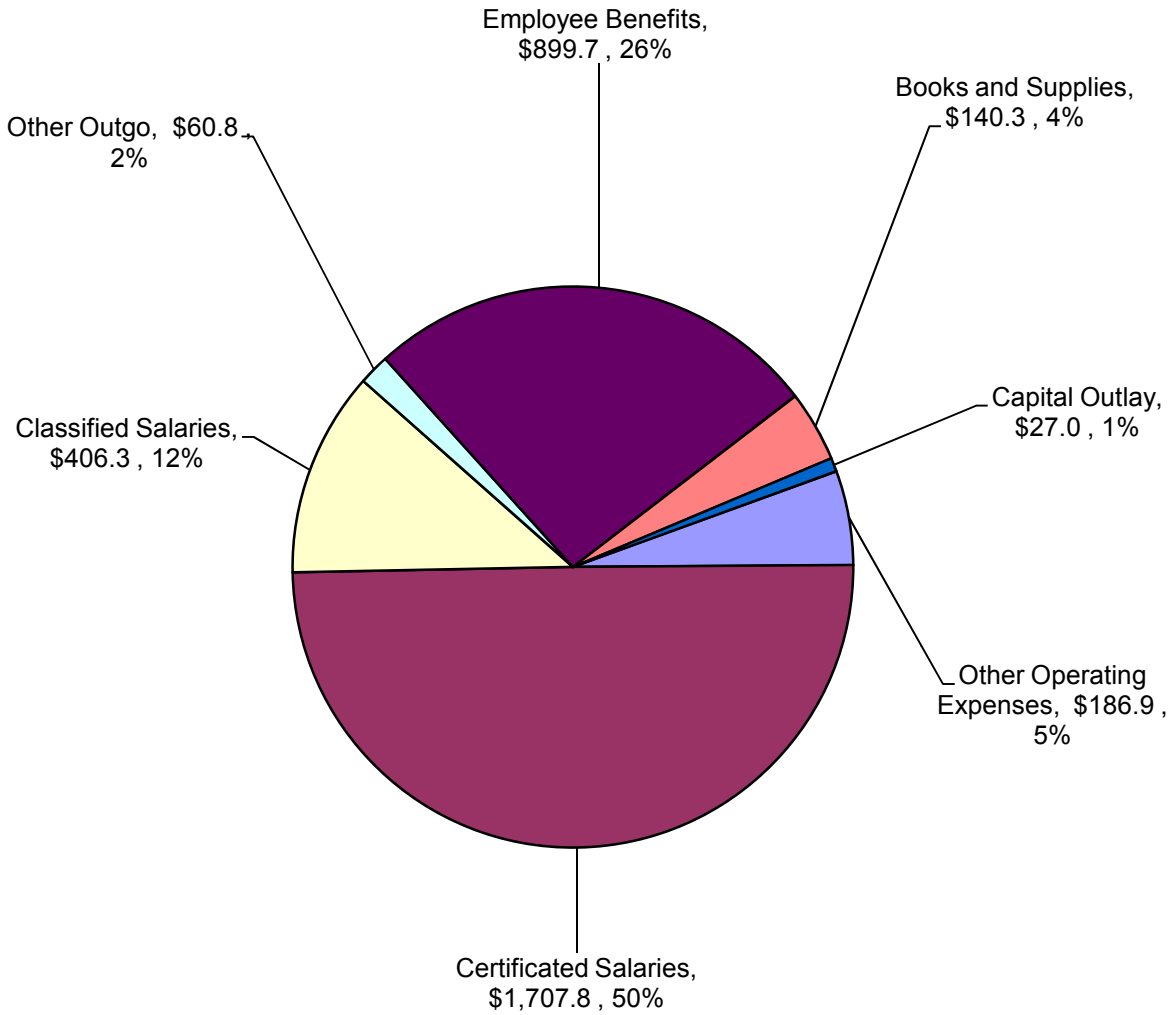


TOTAL = \$ 6,038.2

Note: Individual amounts may not add to total due to rounding.

General Fund Unrestricted Estimated Expenditure Budget by Major Object

(Amounts in millions and percent of total)

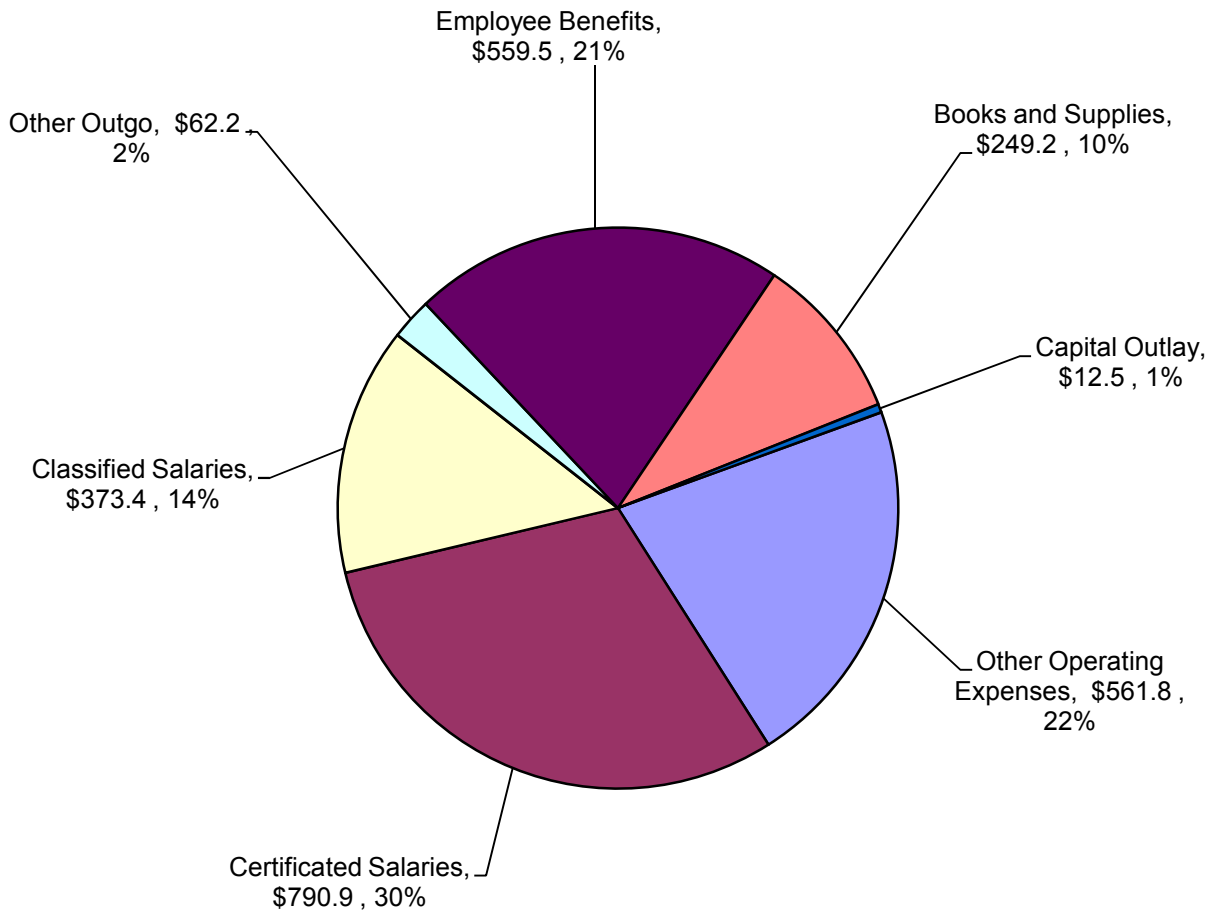


TOTAL = \$ 3,428.7

Note: Individual amounts may not add to total due to rounding.

General Fund Restricted Estimated Expenditure Budget by Major Object

(Amounts in millions and percent of total)



TOTAL = \$ 2,609.5

Note: Individual amounts may not add to total due to rounding.

General Fund Unrestricted & Restricted Multi-Year Projection

AB1200 (Chapter 1213/1991) and AB2756 (Chapter 52/2004) were enacted in response to a number of near bankruptcies, an increase in requests for state emergency loans, and a number of school districts going into financial distress. As a result, districts are required to submit a Multi-Year Projection (MYP) of the General Fund that includes the current fiscal year and two subsequent fiscal years. These are taken into account by the county as part of its fiscal solvency review process.

The projections in the MYP are calculated based on a given set of assumptions and are expected to change as various factors change. The assumptions used are listed in the Budget Assumptions and Policies pages, found in Attachment A of the Board Report.

**Multi-Year Projection
General Fund
Unrestricted/Restricted**

		2008-09	2009-10	2010-11	2011-12	2012-13	2013-14	2014-15
		Actual	Actual	Actual	Estimated	Estimated	Estimated	Estimated
		Amounts	Amounts	Amounts	Amounts	Amounts	Amounts	Amounts
Beginning Balance		\$657.2	\$750.0	\$662.9	\$899.6	\$758.4	\$525.5	\$174.2
Revenues and Other Financing Sources								
Revenue Limit Sources	8010-8099	\$3,444.9	\$2,977.2	\$3,056.4	\$2,967.4	\$2,912.1	\$2,879.4	\$2,849.5
Federal Revenues	8100-8299	\$1,077.1	\$964.0	\$1,066.5	\$870.0	\$733.8	\$710.1	\$708.7
Other State Revenues	8300-8599	\$2,064.8	\$2,159.4	\$2,031.8	\$1,900.6	\$2,002.0	\$1,943.6	\$1,743.7
Other Local Revenues	8600-8799	\$163.4	\$108.1	\$171.6	\$134.8	\$128.8	\$129.5	\$131.0
Other Financing Sources	8910-8999	\$106.2	\$65.9	\$91.2	\$10.4	\$28.5	\$6.2	\$6.2
Total Revenues		\$6,856.5	\$6,274.5	\$6,417.4	\$5,883.1	\$5,805.3	\$5,668.9	\$5,439.0
Total Sources of Funds		\$7,513.7	\$7,024.5	\$7,080.3	\$6,782.7	\$6,563.7	\$6,194.3	\$5,613.3
Expenditures and Other Financing Uses								
Certificated Salaries	1000-1999	\$3,231.9	\$2,807.9	\$2,813.1	\$2,680.0	\$2,498.7	\$2,628.0	\$2,564.2
Classified Salaries	2000-2999	\$997.8	\$908.1	\$854.2	\$825.4	\$779.7	\$787.5	\$784.4
Employee Benefits	3000-3999	\$1,284.5	\$1,407.4	\$1,338.6	\$1,374.8	\$1,459.2	\$1,456.0	\$1,485.2
Books & Supplies	4000-4999	\$296.7	\$260.1	\$353.4	\$259.9	\$389.4	\$251.3	\$252.3
Services, Other Operating Expenses	5000-5999	\$744.4	\$760.7	\$681.4	\$712.2	\$748.7	\$718.0	\$736.2
Capital Outlay	6000-6999	\$27.5	\$18.2	\$71.6	\$50.6	\$39.5	\$48.5	\$48.0
Other Outgo	7100-7299	\$0.2	\$0.6	\$0.2	\$1.1	\$1.7	\$1.7	\$1.7
Other Outgo	7400-7499	\$2.5	\$1.7	\$1.7	\$1.8	\$1.8	\$1.8	\$1.8
Direct Support/Indirect Costs	7300-7399	-\$8.6	-\$11.6	-\$9.2	-\$27.7	-\$11.9	-\$10.5	-\$9.7
Other Financing Uses	7610-7699	\$86.2	\$224.4	\$75.8	\$150.1	\$131.5	\$137.8	\$141.8
Total Expenditures		\$6,663.2	\$6,377.5	\$6,180.8	\$6,028.2	\$6,038.2	\$6,020.1	\$6,005.9
Ending Fund Balance		\$850.5	\$646.9	\$899.6	\$754.5	\$525.5	\$174.2	-\$392.6
Total Uses of Funds		\$7,513.7	\$7,024.5	\$7,080.3	\$6,782.7	\$6,563.7	\$6,194.3	\$5,613.3
Change in Fund Balance		\$193.3	-\$103.0	\$236.7	-\$145.1	-\$232.9	-\$351.2	-\$566.8
Components of Ending Balance:								
Non Spendable-Inventories/Cash/Others		\$11.5	\$10.8	\$10.4	\$10.4	\$10.4	\$10.4	\$10.4
Restricted Ending Balances		\$553.9	\$278.0	\$266.4	\$193.7	\$72.7	\$72.4	\$67.6
Assigned Ending Balances								
Other Designations/Carryovers		\$79.3	\$173.2	\$147.0	\$174.4	\$43.7	\$43.5	\$43.3
Reserve for Revenue Uncertainties		\$0.0	\$0.0	\$0.0	\$243.1	\$333.3	\$441.3	\$649.3
Unassigned Ending Balances								
Reserve for Economic Uncertainties		\$72.4	\$65.4	\$65.4	\$65.4	\$65.4	\$65.4	\$65.4
Undesignated/Unassigned Ending Balances		\$133.5	\$119.5	\$410.3	\$71.4	\$0.0	-\$458.7	-\$1,228.6
Total Ending Balance		\$850.5	\$646.9	\$899.6	\$758.4	\$525.5	\$174.2	-\$392.6

Note: Starting 2009-10, Tier III Categorical Programs are reported as unrestricted per SBX3 4.

6/22/2012

**Multi-Year Projection
General Fund
Unrestricted**

		2008-09	2009-10	2010-11	2011-12	2012-13	2013-14	2014-15
		Actual	Actual	Actual	Estimated	Estimated	Estimated	Estimated
		Amounts	Amounts	Amounts	Amounts	Amounts	Amounts	Amounts
Beginning Balance		\$266.2	\$263.4	\$366.9	\$632.2	\$563.7	\$451.9	\$100.8
Revenues and Other Financing Sources								
Revenue Limit Sources	8010-8099	\$3,263.8	\$2,805.8	\$2,886.0	\$2,798.4	\$2,742.9	\$2,705.6	\$2,674.6
Federal Revenues	8100-8299	\$21.1	\$18.5	\$22.0	\$20.0	\$20.8	\$20.9	\$20.9
Other State Revenues	8300-8599	\$416.3	\$1,262.1	\$1,169.9	\$1,080.1	\$1,200.5	\$1,223.6	\$1,098.0
Other Local Revenues	8600-8799	\$130.6	\$96.9	\$112.7	\$107.2	\$93.0	\$93.9	\$97.6
Other Financing Sources	8910-8999	-\$621.8	-\$789.9	-\$709.2	-\$788.2	-\$740.4	-\$923.8	-\$946.4
Total Revenues		\$3,210.0	\$3,393.5	\$3,481.3	\$3,217.5	\$3,316.9	\$3,120.2	\$2,944.7
Total Sources of Funds		\$3,476.2	\$3,656.9	\$3,848.2	\$3,849.7	\$3,880.6	\$3,572.0	\$3,045.5
Expenditures and Other Financing Uses								
Certificated Salaries	1000-1999	\$1,930.3	\$1,606.1	\$1,726.3	\$1,705.2	\$1,707.8	\$1,764.0	\$1,748.1
Classified Salaries	2000-2999	\$429.6	\$418.6	\$395.7	\$403.2	\$406.3	\$410.3	\$410.4
Employee Benefits	3000-3999	\$706.0	\$784.2	\$770.4	\$826.9	\$899.7	\$911.2	\$942.0
Books & Supplies	4000-4999	\$42.4	\$109.7	\$143.0	\$130.1	\$140.3	\$116.4	\$119.4
Services, Other Operating Expenses	5000-5999	\$150.3	\$207.3	\$152.2	\$178.2	\$186.9	\$195.5	\$206.4
Capital Outlay	6000-6999	\$14.2	\$9.7	\$11.6	\$21.2	\$27.0	\$5.1	\$5.3
Other Outgo	7100-7299	\$0.2	\$0.6	\$0.2	\$1.1	\$1.7	\$1.7	\$1.7
Other Outgo	7400-7499	\$2.5	\$1.7	\$1.7	\$1.8	\$1.8	\$1.8	\$1.8
Direct Support/Indirect Costs	7300-7399	-\$150.1	-\$72.4	-\$59.9	-\$127.9	-\$74.2	-\$72.6	-\$70.2
Other Financing Uses	7610-7699	\$56.1	\$224.4	\$74.9	\$150.1	\$131.5	\$137.8	\$141.8
Total Expenditures		\$3,181.7	\$3,289.9	\$3,216.0	\$3,290.0	\$3,428.7	\$3,471.2	\$3,506.7
Ending Fund Balance		\$294.6	\$366.9	\$632.2	\$559.8	\$451.9	\$100.8	-\$461.2
Total Uses of Funds		\$3,476.2	\$3,656.9	\$3,848.2	\$3,849.7	\$3,880.6	\$3,572.0	\$3,045.5
Change in Fund Balance		\$28.3	\$103.5	\$265.3	-\$72.4	-\$111.9	-\$351.0	-\$562.0
Components of Ending Balance:								
Non Spendable-Inventories/Cash/Others		\$10.3	\$9.8	\$9.4	\$9.4	\$9.4	\$9.4	\$9.4
Restricted Ending Balances			\$0.0	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0
Assigned Ending Balances								
Other Designations/Carryovers		\$78.4	\$172.2	\$147.0	\$174.4	\$43.7	\$43.5	\$43.3
Reserve for Revenue Uncertainties			\$0.0	\$0.0	\$243.1	\$333.3	\$441.3	\$649.3
Unassigned Ending Balances								
Reserve for Economic Uncertainties		\$72.4	\$65.4	\$65.4	\$65.4	\$65.4	\$65.4	\$65.4
Undesignated/Unassigned Ending Balances		\$133.5	\$119.5	\$410.3	\$71.4	\$0.0	-\$458.7	-\$1,228.6
Total Ending Balance		\$294.6	\$366.9	\$632.2	\$563.7	\$451.9	\$100.8	-\$461.2

Note: Starting 2009-10, Tier III Categorical Programs are reported as unrestricted per SBX3 4.

6/22/2012

**Multi-Year Projection
General Fund
Restricted**

		2008-09	2009-10	2010-11	2011-12	2012-13	2013-14	2014-15
		Actual	Actual	Actual	Estimated	Estimated	Estimated	Estimated
		Amounts	Amounts	Amounts	Amounts	Amounts	Amounts	Amounts
Beginning Balance		\$391.0	\$486.6	\$296.0	\$267.4	\$194.7	\$73.6	\$73.4
Revenues and Other Financing Sources								
Revenue Limit Sources	8010-8099	\$181.2	\$171.4	\$170.4	\$169.0	\$169.2	\$173.8	\$175.0
Federal Revenues	8100-8299	\$1,056.0	\$945.4	\$1,044.5	\$850.0	\$713.0	\$689.2	\$687.8
Other State Revenues	8300-8599	\$1,648.5	\$897.3	\$861.9	\$820.4	\$801.5	\$720.1	\$645.6
Other Local Revenues	8600-8799	\$32.8	\$11.1	\$59.0	\$27.6	\$35.8	\$35.6	\$33.4
Other Financing Sources	8910-8999	\$727.9	\$855.8	\$800.4	\$798.6	\$768.9	\$930.0	\$952.6
Total Revenues		\$3,646.5	\$2,881.1	\$2,936.1	\$2,665.6	\$2,488.4	\$2,548.7	\$2,494.3
Total Sources of Funds		\$4,037.5	\$3,367.6	\$3,232.1	\$2,933.0	\$2,683.1	\$2,622.3	\$2,567.7
Expenditures and Other Financing Uses								
Certificated Salaries	1000-1999	\$1,301.6	\$1,201.9	\$1,086.8	\$974.8	\$790.9	\$864.1	\$816.0
Classified Salaries	2000-2999	\$568.2	\$489.5	\$458.6	\$422.2	\$373.4	\$377.1	\$374.0
Employee Benefits	3000-3999	\$578.5	\$623.2	\$568.2	\$547.9	\$559.5	\$544.8	\$543.2
Books & Supplies	4000-4999	\$254.3	\$150.4	\$210.4	\$129.9	\$249.2	\$134.9	\$132.9
Services, Other Operating Expenses	5000-5999	\$594.1	\$553.4	\$529.2	\$534.0	\$561.8	\$522.5	\$529.8
Capital Outlay	6000-6999	\$13.2	\$8.5	\$59.9	\$29.3	\$12.5	\$43.4	\$42.7
Other Outgo	7100-7299	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0
Other Outgo	7400-7499	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0
Direct Support/Indirect Costs	7300-7399	\$141.5	\$60.8	\$50.7	\$100.2	\$62.2	\$62.0	\$60.5
Other Financing Uses	7610-7699	\$30.0	\$0.0	\$0.9	\$0.0	\$0.0	\$0.0	\$0.0
Total Expenditures		\$3,481.5	\$3,087.6	\$2,964.7	\$2,738.3	\$2,609.5	\$2,548.9	\$2,499.2
Ending Fund Balance		\$555.9	\$280.0	\$267.4	\$194.7	\$73.6	\$73.4	\$68.6
Total Uses of Funds		\$4,037.5	\$3,367.6	\$3,232.1	\$2,933.0	\$2,683.1	\$2,622.3	\$2,567.7
Change in Fund Balance		\$165.0	-\$206.5	-\$28.6	-\$72.7	-\$121.1	-\$0.2	-\$4.8
Components of Ending Balance:								
Non Spendable-Inventories/Cash/Others		\$1.2	\$1.0	\$1.0	\$1.0	\$1.0	\$1.0	\$1.0
Restricted Ending Balances		\$553.9	\$278.0	\$266.4	\$193.7	\$72.7	\$72.4	\$67.6
Assigned Ending Balances								
Other Designations/Carryovers		\$0.9	\$1.0	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0
Reserve for Revenue Uncertainties		\$0.0	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0
Unassigned Ending Balances								
Reserve for Economic Uncertainties		\$0.0	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0
Undesignated/Unassigned Ending Balances		\$0.0	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0
Total Ending Balance		\$555.9	\$280.0	\$267.4	\$194.7	\$73.6	\$73.4	\$68.6

Note: Starting 2009-10, Tier III Categorical Programs are reported as unrestricted per SBX3 4.

6/22/2012

II

FINANCIAL DETAILS

Introduction

The Financial Details Section presents District budget information that is more detailed than the summary and graphic information presented in the Fund Highlights.

This section includes tables for revenue and expenditures by fund, and General Fund details.

General Fund Unrestricted & Restricted

OPERATING FUND

SUPERINTENDENT'S 2012-13 FINAL BUDGET

General Fund (001&003/010)

Unrestricted and Restricted Programs

General Fund is the primary operating fund for the K - 12 program.

	2008-09 Actual Amounts	2009-10 Actual Amounts	2010-11 Actual Amounts	2011-12 3rd Interim Estimate	2012-13 Authorized Amounts	2012-13 Estimated Amounts
Amounts in \$millions						
Sources of Funds						
<i>Beginning Balance</i>						
Non Spendable-Inventories, Cash, Others	\$14.5	\$11.5	\$10.8	\$10.4	\$10.4	\$10.4
Restricted Beginning Balances	\$389.0	\$553.9	\$278.0	\$266.4	\$193.8	\$193.8
Assigned Beginning Balances	\$100.5	\$212.8	\$173.2	\$147.0	\$417.5	\$417.5
Unassigned Beginning Balances						
Reserve for Economic Uncertainties	\$72.4	\$72.4	\$65.4	\$65.4	\$65.4	\$65.4
Undesignated/Unassigned Beginning Balan	\$80.8	\$0.0	\$119.5	\$410.3	\$71.4	\$71.4
Restatement of Beginning Balances	\$0.0	\$0.0	\$0.0	\$5.1	\$0.0	\$0.0
Audit of Adjustments	\$0.0	-\$100.6	\$16.0	-\$1.1	\$0.0	\$0.0
<i>Total Beginning Balance</i>	\$657.2	\$750.0	\$662.9	\$903.5	\$758.4	\$758.4
<i>Revenue</i>						
Revenue Limit Revenues	\$3,444.9	\$2,977.2	\$3,056.4	\$2,967.4	\$2,912.1	\$2,912.1
Federal Revenues	\$1,077.1	\$964.0	\$1,066.5	\$870.0	\$733.8	\$733.8
State Revenues	\$2,064.8	\$2,159.4	\$2,031.8	\$1,900.6	\$2,002.0	\$2,002.0
Local Revenues	\$163.4	\$108.1	\$171.6	\$134.8	\$128.8	\$128.8
Interfund Transfers In	\$79.0	\$62.9	\$88.1	\$6.9	\$11.1	\$11.1
Other Financing Sources	\$2.6	\$3.0	\$3.0	\$3.5	\$17.4	\$17.4
Interprogram Transfers	\$24.5	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0
<i>Total Revenue</i>	\$6,856.5	\$6,274.5	\$6,417.4	\$5,883.1	\$5,805.3	\$5,805.3
<i>Total Sources of Funds</i>	\$7,513.7	\$7,024.5	\$7,080.3	\$6,786.6	\$6,563.7	\$6,563.7
Uses of Funds						
<i>Expenditure</i>						
Certificated Salaries	\$3,231.9	\$2,807.9	\$2,813.1	\$2,680.0	\$2,479.9	\$2,498.7
Classified Salaries	\$997.8	\$908.1	\$854.2	\$825.4	\$744.3	\$779.7
Employee Benefits	\$1,284.5	\$1,407.4	\$1,338.6	\$1,374.8	\$1,465.2	\$1,459.2
Books and Supplies	\$296.7	\$260.1	\$353.4	\$259.9	\$583.2	\$389.4
Other Operating Expense	\$744.4	\$760.7	\$681.4	\$712.2	\$742.6	\$748.7
Capital Outlay	\$27.5	\$18.2	\$71.6	\$50.6	\$17.7	\$39.5
Other Outgo	\$80.4	\$215.1	\$68.4	\$125.3	\$121.6	\$123.0
<i>Total Expenditure</i>	\$6,663.2	\$6,377.5	\$6,180.8	\$6,028.2	\$6,154.5	\$6,038.2
<i>Ending Balance</i>						
Non Spendable-Inventories, Cash, Others	\$11.5	\$10.8	\$10.4	\$10.4	\$10.4	\$10.4
Restricted Ending Balances	\$553.9	\$278.0	\$266.4	\$193.8	\$0.0	\$72.7
Assigned Ending Balances	\$212.8	\$173.2	\$147.0	\$417.5	\$333.3	\$377.0
Unassigned Ending Balances						
Reserve for Economic Uncertainties	\$72.4	\$65.4	\$65.4	\$65.4	\$65.4	\$65.4
Undesignated/Assigned Ending Balances	\$0.0	\$119.5	\$410.3	\$71.4	\$0.0	\$0.0
<i>Total Ending Balance</i>	\$850.5	\$646.9	\$899.6	\$758.4	\$409.1	\$525.5
<i>Total Uses of Funds</i>	\$7,513.7	\$7,024.5	\$7,080.3	\$6,786.6	\$6,563.7	\$6,563.7

OPERATING FUND

SUPERINTENDENT'S 2012-13 FINAL BUDGET

General Fund - Unrestricted Programs (001&003/010)

General Fund - Unrestricted are those funds that can be used for any general education purpose. Per SBX3 4, starting FY 2009-10, Tier III Categorical funds have been classified Unrestricted General Fund.

	2008-09 Actual Amounts	2009-10 Actual Amounts	2010-11 Actual Amounts	2011-12 3rd Interim Estimate	2012-13 Authorized Amounts	2012-13 Estimated Amounts
Amounts in \$millions						
Sources of Funds						
<i>Beginning Balance</i>						
Non Spendable-Inventories, Cash, Others	\$13.3	\$10.3	\$9.8	\$9.4	\$9.4	\$9.4
Restricted Beginning Balances	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0
Assigned Beginning Balances	\$99.7	\$211.9	\$172.2	\$147.0	\$417.5	\$417.5
Unassigned Beginning Balances						
Reserve for Economic Uncertainties	\$72.4	\$72.4	\$65.4	\$65.4	\$65.4	\$65.4
Undesignated/Unassigned Beginning Balances	\$80.8	\$0.0	\$119.5	\$410.3	\$71.4	\$71.4
Restatement of Beginning Balances	\$0.0	\$0.0	\$0.0	\$5.1	\$0.0	\$0.0
Audit of Adjustments	\$0.0	-\$38.8	\$0.0	-\$1.1	\$0.0	\$0.0
Total Beginning Balance	\$266.2	\$255.8	\$366.9	\$636.1	\$563.7	\$563.7
<i>Revenue</i>						
Revenue Limit Revenues	\$3,263.8	\$2,805.8	\$2,886.0	\$2,798.4	\$2,742.9	\$2,742.9
Federal Revenues	\$21.1	\$18.5	\$22.0	\$20.0	\$20.8	\$20.8
State Revenues	\$416.3	\$1,265.4	\$1,170.3	\$1,080.1	\$1,200.5	\$1,200.5
Local Revenues	\$130.6	\$96.9	\$112.7	\$107.2	\$93.0	\$93.0
Interfund Transfers In	\$39.4	\$16.4	\$28.6	\$0.0	\$11.1	\$11.1
Other Financing Sources	\$2.6	\$3.0	\$3.0	\$3.5	\$17.4	\$17.4
Interprogram Transfers	-\$663.8	-\$805.0	-\$740.9	-\$791.7	-\$807.4	-\$768.9
Total Revenue	\$3,210.0	\$3,401.1	\$3,481.7	\$3,217.5	\$3,278.4	\$3,316.9
Total Sources of Funds	\$3,476.2	\$3,656.9	\$3,848.6	\$3,853.7	\$3,842.1	\$3,880.5
Uses of Funds						
<i>Expenditure</i>						
Certificated Salaries	\$1,930.3	\$1,606.1	\$1,726.4	\$1,705.2	\$1,686.2	\$1,707.8
Classified Salaries	\$429.6	\$418.6	\$395.7	\$403.2	\$374.0	\$406.3
Employee Benefits	\$706.0	\$784.2	\$770.5	\$826.9	\$904.9	\$899.7
Books and Supplies	\$42.4	\$109.7	\$143.0	\$130.1	\$193.5	\$140.3
Other Operating Expense	\$150.3	\$207.3	\$152.3	\$178.2	\$208.7	\$186.9
Capital Outlay	\$14.2	\$9.7	\$11.6	\$21.2	\$7.1	\$27.0
Other Outgo	-\$91.2	\$154.2	\$16.9	\$25.2	\$59.4	\$60.8
Total Expenditure	\$3,181.7	\$3,289.9	\$3,216.5	\$3,290.0	\$3,433.9	\$3,428.7
<i>Ending Balance</i>						
Non Spendable-Inventories, Cash, Others	\$10.3	\$9.8	\$9.4	\$9.4	\$9.4	\$9.4
Restricted Ending Balances	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0
Assigned Ending Balances	\$211.9	\$172.2	\$147.0	\$417.5	\$333.3	\$377.0
Unassigned Ending Balances						
Reserve for Economic Uncertainties	\$72.4	\$65.4	\$65.4	\$65.4	\$65.4	\$65.4
Undesignated/Assigned Ending Balances	\$0.0	\$119.5	\$410.3	\$71.4	\$0.0	\$0.0
Total Ending Balance	\$294.6	\$366.9	\$632.2	\$563.7	\$408.2	\$451.8
Total Uses of Funds	\$3,476.2	\$3,656.9	\$3,848.6	\$3,853.7	\$3,842.1	\$3,880.5

OPERATING FUND

**SUPERINTENDENT'S 2012-13 FINAL BUDGET
General Fund - Restricted Programs (003/010)**

General Fund - Restricted are those funds received from external sources for a specific purpose. Per SBX3 4, starting FY 2009-10, Tier III Categorical funds have been classified Unrestricted General Fund.

	2008-09 Actual Amounts	2009-10 Actual Amounts	2010-11 Actual Amounts	2011-12 3rd Interim Estimate	2012-13 Authorized Amounts	2012-13 Estimated Amounts
Amounts in \$millions						
Sources of Funds						
<i>Beginning Balance</i>						
Non Spendable-Inventories, Cash, Others	\$1.2	\$1.2	\$1.0	\$1.0	\$1.0	\$1.0
Restricted Beginning Balances	\$389.0	\$553.9	\$278.0	\$266.4	\$193.8	\$193.8
Assigned Beginning Balances	\$0.8	\$0.9	\$1.0	\$0.0	\$0.0	\$0.0
Unassigned Beginning Balances						
Reserve for Economic Uncertainties	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0
Undesignated/Unassigned Beginning Bala	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0
Restatement of Beginning Balances	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0
Audit of Adjustments	\$0.0	-\$61.8	\$16.0	\$0.0	\$0.0	\$0.0
Total Beginning Balance	\$391.0	\$494.2	\$296.0	\$267.4	\$194.8	\$194.8
<i>Revenue</i>						
Revenue Limit Revenues	\$181.2	\$171.4	\$170.4	\$169.0	\$169.2	\$169.2
Federal Revenues	\$1,056.0	\$945.4	\$1,044.5	\$850.0	\$713.0	\$713.0
State Revenues	\$1,648.5	\$893.9	\$861.5	\$820.4	\$801.5	\$801.5
Local Revenues	\$32.8	\$11.1	\$59.0	\$27.6	\$35.8	\$35.8
Interfund Transfers In	\$39.6	\$46.5	\$59.5	\$6.9	\$0.0	\$0.0
Other Financing Sources	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0
Interprogram Transfers	\$688.3	\$805.0	\$740.9	\$791.7	\$807.4	\$768.9
Total Revenue	\$3,646.5	\$2,873.4	\$2,935.7	\$2,665.6	\$2,526.8	\$2,488.4
Total Sources of Funds	\$4,037.5	\$3,367.6	\$3,231.7	\$2,933.0	\$2,721.6	\$2,683.1
Uses of Funds						
<i>Expenditure</i>						
Certificated Salaries	\$1,301.6	\$1,201.9	\$1,086.6	\$974.8	\$793.7	\$790.9
Classified Salaries	\$568.2	\$489.5	\$458.5	\$422.2	\$370.2	\$373.4
Employee Benefits	\$578.5	\$623.2	\$568.1	\$547.9	\$560.3	\$559.5
Books and Supplies	\$254.3	\$150.4	\$210.4	\$129.9	\$389.7	\$249.2
Other Operating Expense	\$594.1	\$553.4	\$529.1	\$534.0	\$533.9	\$561.8
Capital Outlay	\$13.2	\$8.5	\$59.9	\$29.3	\$10.6	\$12.5
Other Outgo	\$171.5	\$60.8	\$51.6	\$100.2	\$62.2	\$62.2
Total Expenditure	\$3,481.5	\$3,087.6	\$2,964.3	\$2,738.3	\$2,720.6	\$2,609.5
<i>Ending Balance</i>						
Non Spendable-Inventories, Cash, Others	\$1.2	\$1.0	\$1.0	\$1.0	\$1.0	\$1.0
Restricted Ending Balances	\$553.9	\$278.0	\$266.4	\$193.8	\$0.0	\$72.7
Assigned Ending Balances	\$0.9	\$1.0	\$0.0	\$0.0	\$0.0	\$0.0
Unassigned Ending Balances						
Reserve for Economic Uncertainties	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0
Undesignated/Assigned Ending Balances	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0
Total Ending Balance	\$555.9	\$280.0	\$267.4	\$194.8	\$1.0	\$73.7
Total Uses of Funds	\$4,037.5	\$3,367.6	\$3,231.7	\$2,933.0	\$2,721.6	\$2,683.1

OPERATING FUND
SUPERINTENDENT'S 2012-13 FINAL BUDGET
General Fund - Unrestricted and Restricted Programs
Expenditures by Sub-Object

		2008-09 Actual Amounts	2009-10 Actual Amounts	2010-11 Actual Amounts	2011-12 3rd Interim Estimate	2012-13 Authorized Amounts	2012-13 Estimated Amounts
Amounts in \$millions							
<i>Certificated Salaries</i>							
1100	Salaries - Teachers	\$2,509.6	\$2,166.1	\$2,183.5	\$2,095.6	\$1,960.9	\$1,957.3
1200	Salaries - School Administrators	\$199.9	\$163.2	\$156.3	\$146.0	\$139.6	\$145.4
1300	Salaries - Supervisors	\$125.7	\$97.8	\$94.9	\$98.8	\$94.8	\$93.5
1400	Salaries - Librarians	\$13.0	\$11.4	\$9.0	\$7.3	\$2.5	\$3.4
1500	Salaries - Counselors	\$196.9	\$167.4	\$167.7	\$152.9	\$122.2	\$134.7
1600	Salaries - Nurses & Health Employee	\$65.8	\$62.1	\$60.4	\$58.6	\$57.1	\$53.8
1700	Salaries - Superintendents	\$3.0	\$2.0	\$2.3	\$2.4	\$1.8	\$1.9
1800	Salaries - Nonschool Administrators	\$16.8	\$10.6	\$6.8	\$5.2	\$3.9	\$5.1
1900	Other Certificated Employees	\$101.2	\$127.3	\$132.1	\$113.2	\$97.2	\$103.5
<i>Total Certificated Salaries</i>		\$3,231.9	\$2,807.9	\$2,813.1	\$2,680.0	\$2,479.9	\$2,498.7
<i>Classified Salaries</i>							
2100	Instructional Aides	\$244.7	\$229.5	\$217.6	\$217.7	\$206.6	\$199.4
2200	Classified Administrators	\$22.3	\$20.9	\$19.7	\$20.3	\$18.8	\$18.1
2300	Clerical and Office Employees	\$290.6	\$262.3	\$232.8	\$213.0	\$194.2	\$199.9
2400	Maintenance & Operations Employee	\$286.2	\$252.4	\$236.6	\$225.3	\$190.4	\$229.9
2500	Food Service Employees	\$0.7	\$0.6	\$1.1	\$1.3	\$0.2	\$1.0
2600	Transportation Employees	\$64.6	\$60.9	\$59.7	\$60.4	\$58.0	\$55.9
2900	Other Classified Employees	\$88.8	\$81.4	\$86.7	\$87.3	\$76.2	\$75.5
<i>Total Classified Salaries</i>		\$997.8	\$908.1	\$854.2	\$825.4	\$744.3	\$779.7
<i>Employee Benefits</i>							
3100	State Teachers Retirement System	\$258.9	\$223.6	\$226.2	\$233.7	\$201.7	\$199.5
3200	Public Employees Retirement System	\$107.6	\$105.9	\$103.0	\$97.0	\$95.7	\$94.4
3300	Social Security, Medicare, PARS	\$121.2	\$112.3	\$98.4	\$96.1	\$96.4	\$91.2
3400	Benefits - Employee Health Benefits	\$561.1	\$537.7	\$512.6	\$558.0	\$595.6	\$590.6
3500	Benefits - Unemployment Insurance	\$12.6	\$12.5	\$30.8	\$58.5	\$40.9	\$41.8
3600	Benefits - Workers Compensation	\$0.0	\$97.9	\$42.6	\$62.8	\$89.9	\$89.1
3700	Benefits - Retiree Health Benefits	\$203.6	\$289.1	\$303.5	\$251.5	\$328.7	\$336.3
3800	Benefits - PERS Recapture	\$18.1	\$14.0	\$6.8	\$4.2	\$2.9	\$3.2
3900	Benefits - General	\$1.4	\$14.5	\$14.7	\$13.0	\$13.3	\$13.3
<i>Total Employee Benefits</i>		\$1,284.5	\$1,407.4	\$1,338.6	\$1,374.8	\$1,465.2	\$1,459.2
<i>Books and Supplies</i>							
4100	Textbooks	\$45.8	\$62.8	\$96.5	\$75.7	\$15.0	\$15.8
4200	Other Books	\$1.3	\$1.4	\$13.8	\$0.8	\$0.4	\$0.5
4300	Instructional Materials	\$106.1	\$86.9	\$93.2	\$61.0	\$391.9	\$270.4
4400	Non-Capitalized Equipment	\$55.0	\$35.6	\$53.5	\$33.3	\$6.5	\$17.1
4500	General Supplies	\$78.5	\$64.2	\$86.8	\$79.5	\$158.7	\$75.6
4600	Pupil Transportation Supplies	\$9.8	\$8.9	\$9.4	\$9.3	\$10.1	\$9.3
4700	Food Services Supplies	\$0.1	\$0.3	\$0.2	\$0.4	\$0.6	\$0.6
<i>Total Books and Supplies</i>		\$296.7	\$260.1	\$353.4	\$259.9	\$583.2	\$389.4

OPERATING FUND

SUPERINTENDENT'S 2012-13 FINAL BUDGET
General Fund - Unrestricted and Restricted Programs
Expenditures by Sub-Object

	2008-09 Actual Amounts	2009-10 Actual Amounts	2010-11 Actual Amounts	2011-12 3rd Interim Estimate	2012-13 Authorized Amounts	2012-13 Estimated Amounts	
<i>Other Operating Expense</i>							
5100	Instructional Consultants	\$82.5	\$77.1	\$91.3	\$90.1	\$73.8	\$75.0
5200	Travel & Conference Expense	\$10.7	\$8.2	\$8.0	\$7.3	\$5.4	\$4.9
5300	Dues and Memberships	\$0.6	\$0.6	\$0.6	\$0.6	\$0.5	\$0.5
5400	Insurance	\$21.5	\$43.7	\$17.9	\$22.6	\$27.3	\$27.3
5500	Utilities & Housekeeping Services	\$101.5	\$98.9	\$108.3	\$105.9	\$109.7	\$110.8
5600	Rentals, Leases & Repairs	\$72.8	\$45.7	\$37.7	\$40.6	\$59.5	\$26.0
5700	Subagreements	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0
5800	Other Services & Operating Expense	\$434.7	\$467.4	\$396.7	\$420.7	\$446.7	\$478.9
5900	Telephone, Pager & Postage	\$20.2	\$19.1	\$21.0	\$24.4	\$19.8	\$25.2
<i>Total Operating Expense</i>		\$744.4	\$760.7	\$681.4	\$712.2	\$742.6	\$748.7
<i>Capital Outlay</i>							
6100	Sites & Improvement of Sites	\$1.5	\$1.0	\$2.6	\$0.7	\$0.6	\$1.3
6200	Buildings & Improvement of Buildings	\$23.5	\$9.6	\$13.4	\$16.9	\$3.8	\$28.1
6300	Books & Meida for Libraries	(\$0.0)	\$1.2	\$0.0	\$9.3	\$2.0	\$0.0
6400	Equipment	\$2.5	\$3.2	\$51.7	\$17.2	\$2.2	\$4.1
6500	Equipment Replacement	\$0.0	\$3.2	\$3.9	\$6.4	\$9.1	\$6.0
<i>Total Capital Outlay</i>		\$27.5	\$18.2	\$71.6	\$50.6	\$17.7	\$39.5
<i>Other Outgo</i>							
7100	Tuition	\$0.2	\$0.6	\$0.2	\$0.1	\$0.7	\$0.7
7200	Other Transfer Out	\$0.0	\$0.0	\$0.0	\$1.0	\$1.0	\$1.0
7300	Interprogram Support Costs	(\$8.6)	(\$11.6)	(\$9.2)	(\$27.7)	(\$11.9)	(\$11.9)
7600	InterfundTransfers	\$86.2	\$224.4	\$75.8	\$150.1	\$131.5	\$131.5
7700	Other Uses	\$2.5	\$1.7	\$1.7	\$1.8	\$0.4	\$1.8
<i>Total Other Outgo</i>		\$80.4	\$215.1	\$68.4	\$125.3	\$121.6	\$123.0
Total Expenditures		\$6,663.2	\$6,377.5	\$6,180.8	\$6,028.2	\$6,154.5	\$6,038.2

OPERATING FUND
SUPERINTENDENT'S 2012-13 FINAL BUDGET
General Fund - Unrestricted Programs
Expenditures by Sub-Object

	2008-09 Actual Amounts	2009-10 Actual Amounts	2010-11 Actual Amounts	2011-12 3rd Interim Estimate	2012-13 Authorized Amounts	2012-13 Estimated Amounts	
Amounts in \$millions							
<i>Certificated Salaries</i>							
1100	Salaries - Teachers	\$1,617.1	\$1,301.8	\$1,454.7	\$1,439.3	\$1,436.6	\$1,447.5
1200	Salaries - School Administrators	\$158.5	\$131.3	\$124.9	\$118.6	\$116.8	\$119.3
1300	Salaries - Supervisors	\$51.9	\$49.0	\$43.6	\$47.1	\$47.7	\$46.2
1400	Salaries - Librarians	\$11.3	\$9.9	\$5.3	\$5.2	\$0.5	\$1.2
1500	Salaries - Counselors	\$51.2	\$61.8	\$58.7	\$53.7	\$53.0	\$56.5
1600	Salaries - Nurses & Health Employee	\$12.9	\$20.2	\$14.6	\$15.6	\$15.6	\$14.0
1700	Salaries - Superintendents	\$2.6	\$2.0	\$2.3	\$2.4	\$1.8	\$1.9
1800	Salaries - Nonschool Administrators	\$12.9	\$7.3	\$4.5	\$3.5	\$2.3	\$3.4
1900	Other Certificated Employees	\$11.8	\$22.8	\$17.9	\$19.8	\$12.1	\$17.7
<i>Total Certificated Salaries</i>		\$1,930.3	\$1,606.1	\$1,726.4	\$1,705.2	\$1,686.2	\$1,707.8
<i>Classified Salaries</i>							
2100	Instructional Aides	\$4.0	\$2.3	\$4.2	\$5.6	\$2.1	\$6.5
2200	Classified Administrators	\$16.9	\$15.6	\$15.2	\$15.3	\$15.3	\$14.7
2300	Clerical and Office Employees	\$198.4	\$188.1	\$172.1	\$160.3	\$152.1	\$157.8
2400	Maintenance & Operations Employee	\$176.4	\$149.1	\$138.1	\$157.6	\$147.5	\$172.3
2500	Food Service Employees	\$0.3	(\$0.3)	\$0.2	\$0.3	\$0.0	\$0.3
2600	Transportation Employees	\$1.7	\$31.4	\$31.8	\$31.3	\$30.9	\$30.2
2900	Other Classified Employees	\$32.0	\$32.4	\$34.0	\$32.7	\$26.1	\$24.5
<i>Total Classified Salaries</i>		\$429.6	\$418.6	\$395.7	\$403.2	\$374.0	\$406.3
<i>Employee Benefits</i>							
3100	State Teachers Retirement System	\$158.0	\$129.6	\$141.4	\$157.0	\$139.1	\$137.5
3200	Public Employees Retirement System	\$49.8	\$56.2	\$49.0	\$54.6	\$55.6	\$57.3
3300	Social Security, Medicare, PARS	\$60.0	\$55.6	\$49.2	\$51.3	\$54.7	\$50.7
3400	Benefits - Employee Health Benefits	\$308.9	\$292.6	\$294.9	\$329.2	\$333.5	\$335.2
3500	Benefits - Unemployment Insurance	\$7.3	\$7.0	\$19.5	\$35.6	\$26.2	\$26.8
3600	Benefits - Workers Compensation	\$0.0	\$54.2	\$24.7	\$37.6	\$58.0	\$56.6
3700	Benefits - Retiree Health Benefits	\$112.0	\$168.2	\$174.9	\$148.5	\$222.1	\$220.4
3800	Benefits - PERS Recapture	\$8.5	\$6.4	\$2.1	\$0.1	\$2.4	\$1.9
3900	Benefits - General	\$1.4	\$14.5	\$14.7	\$12.9	\$13.3	\$13.3
<i>Total Employee Benefits</i>		\$706.0	\$784.2	\$770.5	\$826.9	\$904.9	\$899.7
<i>Books and Supplies</i>							
4100	Textbooks	\$7.9	\$49.8	\$79.3	\$57.9	(\$0.5)	\$0.3
4200	Other Books	\$0.6	\$0.7	\$1.5	\$0.5	\$0.4	\$0.4
4300	Instructional Materials	\$12.9	\$24.0	\$19.6	\$21.9	\$112.9	\$77.3
4400	Non-Capitalized Equipment	\$5.6	\$9.1	\$8.7	\$8.8	\$2.1	\$8.5
4500	General Supplies	\$15.2	\$22.3	\$28.7	\$36.0	\$73.0	\$48.7
4600	Pupil Transportation Supplies	\$0.2	\$3.9	\$5.3	\$5.0	\$5.7	\$5.1
4700	Food Services Supplies	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0
<i>Total Books and Supplies</i>		\$42.4	\$109.7	\$143.0	\$130.1	\$193.5	\$140.3

OPERATING FUND

SUPERINTENDENT'S 2012-13 FINAL BUDGET

General Fund - Unrestricted Programs

Expenditures by Sub-Object

	2008-09 Actual Amounts	2009-10 Actual Amounts	2010-11 Actual Amounts	2011-12 3rd Interim Estimate	2012-13 Authorized Amounts	2012-13 Estimated Amounts
<i>Other Operating Expense</i>						
5100 Instructional Consultants	\$3.2	\$7.8	\$5.3	\$5.2	\$3.2	\$4.1
5200 Travel & Conference Expense	\$2.3	\$2.4	\$2.0	\$2.5	\$3.4	\$1.6
5300 Dues and Memberships	\$0.5	\$0.5	\$0.4	\$0.5	\$0.4	\$0.5
5400 Insurance	\$21.5	\$43.7	\$17.9	\$22.6	\$27.3	\$27.3
5500 Utilities & Housekeeping Services	\$90.8	\$96.9	\$105.9	\$103.7	\$107.5	\$108.5
5600 Rentals, Leases & Repairs	\$34.3	\$32.7	\$23.0	\$27.0	\$47.2	\$18.5
5700 Subagreements	(\$107.2)	(\$113.6)	(\$88.6)	(\$87.0)	(\$87.0)	(\$87.0)
5800 Other Services & Operating Expense	\$87.2	\$119.4	\$66.9	\$80.5	\$88.4	\$89.9
5900 Telephone, Pager & Postage	\$17.8	\$17.6	\$19.4	\$23.2	\$18.4	\$23.4
<i>Total Operating Expense</i>	\$150.3	\$207.3	\$152.3	\$178.2	\$208.7	\$186.9
<i>Capital Outlay</i>						
6100 Sites & Improvement of Sites	\$0.3	\$0.8	\$0.8	\$0.6	\$0.6	\$0.7
6200 Buildings & Improvement of Buildings	\$13.7	\$5.5	\$9.6	\$10.4	\$2.1	\$25.3
6300 Books & Meida for Libraries	(\$0.0)	\$1.2	\$0.0	\$9.3	\$2.0	\$0.0
6400 Equipment	\$0.2	\$2.2	\$1.3	\$0.7	\$1.8	\$0.8
6500 Equipment Replacement	\$0.0	(\$0.0)	\$0.0	\$0.2	\$0.5	\$0.2
<i>Total Capital Outlay</i>	\$14.2	\$9.7	\$11.6	\$21.2	\$7.1	\$27.0
<i>Other Outgo</i>						
7100 Tuition	\$0.2	\$0.6	\$0.2	\$0.1	\$0.7	\$0.7
7200 Other Transfer Out	\$0.0	\$0.0	\$0.0	\$1.0	\$1.0	\$1.0
7300 Interprogram Support Costs	(\$150.1)	(\$72.4)	(\$59.9)	(\$127.9)	(\$74.2)	(\$74.2)
7600 InterfundTransfers	\$56.1	\$224.4	\$74.9	\$150.1	\$131.5	\$131.5
7700 Other Uses	\$2.5	\$1.7	\$1.7	\$1.8	\$0.4	\$1.8
<i>Total Other Outgo</i>	(\$91.2)	\$154.2	\$16.9	\$25.2	\$59.4	\$60.8
Total Expenditures	\$3,181.7	\$3,289.9	\$3,216.5	\$3,290.0	\$3,433.9	\$3,428.7

OPERATING FUND

SUPERINTENDENT'S 2012-13 FINAL BUDGET

General Fund - Restricted Programs

Expenditures by Sub-Object

		2008-09 Actual Amounts	2009-10 Actual Amounts	2010-11 Actual Amounts	2011-12 3rd Interim Estimate	2012-13 Authorized Amounts	2012-13 Estimated Amounts
Amounts in \$millions							
<i>Certificated Salaries</i>							
1100	Salaries - Teachers	\$892.5	\$864.4	\$728.8	\$656.3	\$524.3	\$509.8
1200	Salaries - School Administrators	\$41.4	\$31.9	\$31.4	\$27.4	\$22.8	\$26.0
1300	Salaries - Supervisors	\$73.8	\$48.9	\$51.3	\$51.7	\$47.1	\$47.3
1400	Salaries - Librarians	\$1.7	\$1.5	\$3.7	\$2.2	\$2.0	\$2.2
1500	Salaries - Counselors	\$145.7	\$105.6	\$109.1	\$99.1	\$69.2	\$78.2
1600	Salaries - Nurses & Health Employee	\$52.9	\$41.9	\$45.9	\$43.0	\$41.5	\$39.8
1700	Salaries - Superintendents	\$0.3	\$0.1	\$0.0	\$0.1	\$0.1	\$0.1
1800	Salaries - Nonschool Administrators	\$3.9	\$3.2	\$2.3	\$1.6	\$1.6	\$1.7
1900	Other Certificated Employees	\$89.4	\$104.5	\$114.2	\$93.4	\$85.1	\$85.8
<i>Total Certificated Salaries</i>		\$1,301.6	\$1,201.9	\$1,086.6	\$974.8	\$793.7	\$790.9
<i>Classified Salaries</i>							
2100	Instructional Aides	\$240.7	\$227.3	\$213.3	\$212.1	\$204.4	\$192.9
2200	Classified Administrators	\$5.4	\$5.3	\$4.5	\$5.0	\$3.4	\$3.4
2300	Clerical and Office Employees	\$92.2	\$74.2	\$60.6	\$52.7	\$42.1	\$42.1
2400	Maintenance & Operations Employee	\$109.8	\$103.3	\$98.5	\$67.6	\$42.9	\$57.6
2500	Food Service Employees	\$0.4	\$0.9	\$1.0	\$1.0	\$0.2	\$0.7
2600	Transportation Employees	\$62.9	\$29.5	\$27.9	\$29.1	\$27.1	\$25.7
2900	Other Classified Employees	\$56.8	\$49.1	\$52.7	\$54.6	\$50.1	\$51.0
<i>Total Classified Salaries</i>		\$568.2	\$489.5	\$458.5	\$422.2	\$370.2	\$373.4
<i>Employee Benefits</i>							
3100	State Teachers Retirement System	\$100.9	\$94.1	\$84.9	\$76.7	\$62.6	\$62.0
3200	Public Employees Retirement System	\$57.8	\$49.7	\$53.9	\$42.4	\$40.1	\$37.1
3300	Social Security, Medicare, PARS	\$61.2	\$56.6	\$49.1	\$44.8	\$41.7	\$40.5
3400	Benefits - Employee Health Benefits	\$252.2	\$245.0	\$217.7	\$228.8	\$262.2	\$255.4
3500	Benefits - Unemployment Insurance	\$5.3	\$5.5	\$11.3	\$22.9	\$14.8	\$14.9
3600	Benefits - Workers Compensation	\$0.0	\$43.7	\$17.9	\$25.1	\$31.9	\$32.5
3700	Benefits - Retiree Health Benefits	\$91.5	\$121.0	\$128.6	\$103.1	\$106.6	\$115.9
3800	Benefits - PERS Recapture	\$9.6	\$7.6	\$4.7	\$4.1	\$0.5	\$1.3
3900	Benefits - General	\$0.0	\$0.0	\$0.0	\$0.1	\$0.0	\$0.0
<i>Total Employee Benefits</i>		\$578.5	\$623.2	\$568.1	\$547.9	\$560.3	\$559.5
<i>Books and Supplies</i>							
4100	Textbooks	\$37.9	\$13.0	\$17.2	\$17.8	\$15.5	\$15.5
4200	Other Books	\$0.7	\$0.7	\$12.4	\$0.3	\$0.0	\$0.1
4300	Instructional Materials	\$93.3	\$62.9	\$73.6	\$39.2	\$279.0	\$193.2
4400	Non-Capitalized Equipment	\$49.5	\$26.5	\$44.8	\$24.5	\$4.4	\$8.6
4500	General Supplies	\$63.3	\$41.9	\$58.1	\$43.5	\$85.7	\$26.9
4600	Pupil Transportation Supplies	\$9.6	\$5.0	\$4.1	\$4.3	\$4.5	\$4.2
4700	Food Services Supplies	\$0.1	\$0.3	\$0.2	\$0.4	\$0.6	\$0.6
<i>Total Books and Supplies</i>		\$254.3	\$150.4	\$210.4	\$129.9	\$389.7	\$249.2

OPERATING FUND

SUPERINTENDENT'S 2012-13 FINAL BUDGET

General Fund - Restricted Programs

Expenditures by Sub-Object

	2008-09 Actual Amounts	2009-10 Actual Amounts	2010-11 Actual Amounts	2011-12 3rd Interim Estimate	2012-13 Authorized Amounts	2012-13 Estimated Amounts
<i>Other Operating Expense</i>						
5100 Instructional Consultants	\$79.4	\$69.3	\$86.0	\$85.0	\$70.6	\$70.8
5200 Travel & Conference Expense	\$8.4	\$5.8	\$5.9	\$4.8	\$2.0	\$3.3
5300 Dues and Memberships	\$0.1	\$0.1	\$0.1	\$0.1	\$0.1	\$0.1
5400 Insurance	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0
5500 Utilities & Housekeeping Services	\$10.7	\$2.1	\$2.4	\$2.1	\$2.2	\$2.3
5600 Rentals, Leases & Repairs	\$38.4	\$13.0	\$14.8	\$13.6	\$12.3	\$7.5
5700 Transfers of Direct Costs	\$107.2	\$113.6	\$88.6	\$87.0	\$87.0	\$87.0
5800 Other Services & Operating Expense	\$347.5	\$348.0	\$329.8	\$340.3	\$358.3	\$389.0
5900 Telephone, Pager & Postage	\$2.4	\$1.5	\$1.6	\$1.2	\$1.4	\$1.8
<i>Total Operating Expense</i>	<i>\$594.1</i>	<i>\$553.4</i>	<i>\$529.1</i>	<i>\$534.0</i>	<i>\$533.9</i>	<i>\$561.8</i>
<i>Capital Outlay</i>						
6100 Sites & Improvement of Sites	\$1.1	\$0.3	\$1.8	\$0.2	\$0.0	\$0.6
6200 Buildings & Improvement of Buildings	\$9.8	\$4.0	\$3.8	\$6.5	\$1.6	\$2.8
6300 Books & Meida for Libraries	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0
6400 Equipment	\$2.4	\$1.0	\$50.4	\$16.5	\$0.4	\$3.3
6500 Equipment Replacement	\$0.0	\$3.2	\$3.9	\$6.2	\$8.6	\$5.8
<i>Total Capital Outlay</i>	<i>\$13.2</i>	<i>\$8.5</i>	<i>\$59.9</i>	<i>\$29.3</i>	<i>\$10.6</i>	<i>\$12.5</i>
<i>Other Outgo</i>						
7200 Other Transfer Out	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0
7300 Interprogram Support Costs	\$141.5	\$60.8	\$50.7	\$100.2	\$62.2	\$62.2
7600 InterfundTransfers	\$30.0	\$0.0	\$0.9	\$0.0	\$0.0	\$0.0
<i>Total Other Outgo</i>	<i>\$171.5</i>	<i>\$60.8</i>	<i>\$51.6</i>	<i>\$100.2</i>	<i>\$62.2</i>	<i>\$62.2</i>
Total Expenditures	\$3,481.5	\$3,087.6	\$2,964.3	\$2,738.3	\$2,720.6	\$2,609.5

OPERATING FUND
SUPERINTENDENT'S 2012-13 FINAL BUDGET

Total Sources General Fund Restricted Programs

SACS RESOURCE	Beginning Balance	Carryover	New Revenue	Contribution	Total Sources
Federal Sources					
NCLB: Title I, Part A, Basic Grants Low-Income and Neglected	\$0.0	\$4.8	\$328.2	\$0.0	\$333.0
NCLB: Title I, Part D, Local Delinquent Programs	\$0.0	\$0.1	\$0.7	\$0.0	\$0.9
NCLB: Title I, Part C, Migrant Ed (Regular and Summer Program)	\$0.0	\$0.2	\$0.5	-\$0.5	\$0.2
NCLB: Title I, Migrant Ed Summer Program	\$0.0	\$0.0	\$0.0	\$0.5	\$0.5
NCLB: Title I, School Improvement Grant	\$0.0	\$2.6	\$19.8	\$0.0	\$22.4
NCLB: ARRA Title I, School Improvement Grant	\$0.0	\$7.6	\$0.0	\$0.0	\$7.6
Special Ed: IDEA Basic Local Assistance Entitlement, Part B, Sec 611 (formerly P	\$0.0	\$0.0	\$116.7	\$0.0	\$116.7
Special Ed: IDEA Local Assistance, Part B, Sec 611, Private School ISPs	\$0.0	\$0.0	\$0.0	\$0.9	\$0.9
Special Ed: IDEA Preschool Grants, Part B, Sec 619	\$0.0	\$0.9	\$5.1	\$0.0	\$5.9
Special Ed: IDEA Preschool Accountability Grants, Part B, Sec 619	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0
Special Ed: IDEA Preschool Local Entitlement, Part B, Sec 611	\$0.0	\$2.8	\$8.9	\$0.0	\$11.7
Special Ed: IDEA Mental Health Allocation Plan, Part B, Sec 611	\$0.0	\$0.0	\$7.1	\$0.0	\$7.1
Special Ed: IDEA Preschool Staff Development, Part B, Sec 619	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0
Special Ed: IDEA Early Intervention Grants	\$0.0	\$0.0	\$1.0	\$0.0	\$1.0
Department of Rehab: Workability II, Transition Partnership	\$0.0	\$0.0	\$0.9	\$0.0	\$0.9
Vocational Programs: Voc & Appl Tech Secondary II C, Sec 131 (Carl Perkins Act)	\$0.0	\$0.0	\$5.7	\$0.0	\$5.7
NCLB: Title II, Part A, Teacher Quality	\$0.0	\$12.9	\$40.0	\$0.0	\$52.8
NCLB: Title II, Part D, Enhancing Education Through Technology, Formula Grants	\$0.0	\$0.2	\$0.0	\$0.0	\$0.2
NCLB: Title II, Part B, CA Mathematics and Science Partnerships	\$0.0	\$0.1	\$0.0	\$0.0	\$0.1
NCLB: Title IV, Part B, 21st Century Community Learning Centers Program	\$0.0	\$2.8	\$14.8	\$0.0	\$17.6
NCLB: Title III, Limited English Proficient (LEP) Student Program	\$0.0	\$6.1	\$19.6	\$0.0	\$25.7
Indian Education	\$0.0	\$0.0	\$0.2	\$0.0	\$0.2
Other ARRA Programs	\$0.0	\$2.5	\$0.4	\$0.0	\$2.9
Workforce Investment Act (WIA) From Other Agencies (LWIB)	\$0.0	\$0.0	\$2.2	\$0.0	\$2.2
Medi-Cal Billing Option	\$13.2	\$0.0	\$16.0	\$0.0	\$29.2
FEMA Public Assistance Funds	\$0.1	\$0.0	\$0.0	\$0.0	\$0.1
FEMA Hazard Mitigation Grant	\$0.0	\$0.8	\$0.0	\$0.0	\$0.8
Other Restricted Federal	\$2.6	\$9.9	\$70.8	\$0.0	\$83.3
Total Federal Sources	\$15.8	\$54.3	\$658.5	\$0.9	\$729.5
State Sources					
Continuation Education (Education Code sections 42244 and 48438)	\$0.0	\$0.0	\$19.4	\$1.5	\$20.9
After School Education and Safety (ASES)	\$0.0	\$0.0	\$78.8	\$0.0	\$78.8
Healthy Start: Planning Grants and Operational Grants	\$0.0	\$0.4	\$0.1	\$0.0	\$0.4
Teacher Recruitment and Retention	\$4.9	\$0.0	\$0.0	-\$4.9	\$0.0
English Language Acquisition Program, Teacher Training & Student Assistance	\$3.8	\$0.0	\$0.0	\$0.0	\$3.8
Lottery: Instructional Materials	\$0.0	\$0.0	\$15.5	\$0.0	\$15.5
ROC/P: Training & Certification for Community Care (Dept Develop Service)	\$0.0	\$0.0	\$0.3	\$0.0	\$0.4
Pupils with Disabilities Attending ROC/P	\$0.0	\$0.0	\$2.4	\$0.0	\$2.4
Governor's CTE Initiative: California Partnership Academies	\$0.0	\$1.2	\$0.0	\$0.0	\$1.2
California Partnership Academies: Green and Clean Academies	\$0.0	\$0.2	\$0.0	\$0.0	\$0.2
Special Education	\$10.3	\$0.0	\$515.4	\$681.7	\$1,207.4
Special Ed: Early Ed Individuals with Exceptional Needs (Infant Program)	\$0.5	\$0.0	\$3.0	\$0.0	\$3.4
Special Ed: Mental Health Services	\$6.9	\$0.0	\$36.0	\$0.0	\$42.9
Special Ed: Low Incidence Entitlement	\$0.0	\$0.0	\$0.1	\$0.0	\$0.1
Economic Impact Aid (EIA)	\$0.0	\$0.0	\$6.6	\$0.0	\$6.6
Economic Impact Aid: Limited English Proficiency (LEP)	\$54.0	\$0.0	\$103.4	\$0.0	\$157.4
Partnership Academies Program	\$0.0	\$1.7	\$0.0	\$0.0	\$1.7
Transportation: Home to School	\$1.0	\$0.0	\$36.2	\$2.2	\$39.4
Transportation: Special Education (Severely Disabled/Orthopedically Impaired)	\$0.0	\$0.0	\$41.0	\$10.2	\$51.1
Quality Education Investment Act	\$50.3	\$0.0	\$82.0	\$0.0	\$132.3
Other Restricted State	\$0.5	\$0.0	\$27.4	-\$0.1	\$27.8
Ongoing & Major Maintenance Account (RMA: Education Code Section 17070.75)	\$0.0	\$0.0	\$0.0	\$77.4	\$77.4
Total State Resources	\$132.1	\$3.6	\$967.5	\$767.9	\$1,871.1
Local Sources					
Other Local	\$46.8	\$3.0	\$32.6	\$0.1	\$82.5
Total Local Resources	\$46.8	\$3.0	\$32.6	\$0.1	\$82.5
Total Restricted Program Sources	\$194.8	\$60.9	\$1,658.6	\$768.9	\$2,683.1

OPERATING FUND

SUPERINTENDENT'S 2012-13 FINAL BUDGET

General Fund - Restricted Program

Special Education (D)

This program provides a variety of services for students with special educational needs, as determined by their Individualized Education Programs (IEPs). This program is within the General Fund Restricted Programs.

Regular Program

	2008-09 Actual Amounts	2009-10 Actual Amounts	2010-11 Actual Amounts	2011-12 3rd Interim Estimate	2012-13 Authorized Amounts	2012-13 Estimated Amounts
Amounts in \$millions						
Sources of Funds						
<i>Beginning Balance</i>						
Non Spendable-Inventories, Cash, Others	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0
Restricted Beginning Balances	\$5.7	\$5.9	\$6.8	\$14.2	\$17.6	\$17.6
Assigned Beginning Balances	\$0.7	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0
Audit Adjustments	\$0.0	(\$54.3)	\$0.0	\$0.0	\$0.0	\$0.0
Total Beginning Balance	\$6.4	(\$48.3)	\$6.8	\$14.2	\$17.6	\$17.6
<i>Revenue</i>						
Revenue Limit Revenues	\$159.9	\$150.1	\$147.5	\$149.8	\$149.8	\$149.8
Federal Revenues	\$111.8	\$188.0	\$153.6	\$154.7	\$109.0	\$109.0
State Revenues	\$440.1	\$444.4	\$423.6	\$395.8	\$401.1	\$401.1
Local Revenues	\$0.6	\$0.6	\$0.2	\$0.3	\$0.4	\$0.4
SELPA Charter Schools Revenue	\$0.0	\$43.4	\$48.6	\$54.9	\$58.9	\$58.9
Contribution-Unrestricted Programs	\$675.1	\$634.7	\$582.2	\$642.7	\$721.4	\$680.7
Contribution-Fair Share	\$0.0	\$0.0	\$13.9	\$15.2	\$12.0	\$12.0
Contribution-Restricted Programs	\$25.3	\$23.3	\$22.2	\$23.6	\$19.6	\$19.6
Total Revenue	\$1,412.7	\$1,484.5	\$1,391.6	\$1,437.1	\$1,472.2	\$1,431.5
Total Sources of Funds	\$1,419.2	\$1,436.2	\$1,398.4	\$1,451.3	\$1,489.8	\$1,449.1
Uses of Funds						
<i>Expenditure</i>						
Certificated Salaries	\$461.0	\$430.8	\$425.3	\$427.1	\$442.7	\$415.9
Classified Salaries	\$262.7	\$248.5	\$234.9	\$238.3	\$232.4	\$230.3
Employee Benefits	\$271.5	\$305.9	\$299.3	\$313.7	\$332.2	\$343.0
Books and Supplies	\$8.0	\$10.1	\$29.7	\$21.2	\$36.8	\$9.4
Other Operating Expense	\$350.2	\$358.5	\$322.0	\$319.3	\$349.7	\$345.4
SELPA Charter School Expenditures	\$0.0	\$43.4	\$48.6	\$54.9	\$58.9	\$58.9
Capital Outlay	\$0.1	\$0.1	\$0.3	\$1.0	\$0.4	\$1.0
Other Outgo	\$59.7	\$32.1	\$24.2	\$58.3	\$36.6	\$36.6
Total Expenditure	\$1,413.3	\$1,429.4	\$1,384.2	\$1,433.7	\$1,489.8	\$1,440.4
<i>Ending Balance</i>						
Non Spendable-Inventories, Cash, Others	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0
Restricted Ending Balances	\$5.1	\$6.8	\$14.2	\$17.6	\$0.0	\$8.8
Assigned Ending Balances	\$0.9	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0
Total Ending Balance	\$5.9	\$6.8	\$14.2	\$17.6	\$0.0	\$8.8
Total Uses of Funds	\$1,419.2	\$1,436.2	\$1,398.4	\$1,451.3	\$1,489.8	\$1,449.1

Other Funds

OPERATING FUND

SUPERINTENDENT'S 2012-13 FINAL BUDGET
Adult Education Fund - Unrestricted Programs (029/110)

The Adult Education Fund-Unrestricted is mainly used for the operation of Community Adult Schools that serve adults and a small number of concurrently enrolled students. The Adult Regular Entitlement is part of the Tier III Categorical program list and has been considered Unrestricted since FY 2009-10 per SBX3 4.

	2008-09 Actual Amounts	2009-10 Actual Amounts	2010-11 Actual Amounts	2011-12 3rd Interim Estimate	2012-13 Authorized Amounts *	2012-13 Estimated Amounts *
Amounts in \$millions						
Sources of Funds						
<i>Beginning Balance</i>						
Non Spendable-Inventories, Cash, Others	\$0.2	\$0.2	\$0.1	\$0.1	\$0.1	\$0.1
Committed Beginning Balances	\$24.1	\$42.3	\$66.7	\$3.6	\$5.5	\$5.5
Undesignated/Unassigned Beginning Balances	\$25.8	\$3.3	\$0.0	\$0.0	\$0.0	\$0.0
Audit of Adjustments	\$0.0	-\$5.1	\$0.0	\$0.0	\$0.0	\$0.0
Total Beginning Balance	\$50.1	\$40.7	\$66.8	\$3.7	\$5.6	\$5.6
<i>Revenue</i>						
Revenue Limit Sources	\$169.9	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0
State Revenues	\$0.0	\$0.0	\$69.4	\$133.0	\$1.1	\$1.1
Local Revenues	\$3.5	\$1.9	\$2.2	\$1.6	\$1.9	\$1.9
Interfund Transfers In	\$0.0	\$168.3	\$0.0	\$0.0	\$0.0	\$0.0
Interprogram Transfers	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0
Total Revenue	\$173.4	\$170.2	\$71.6	\$134.6	\$3.0	\$3.0
Total Sources of Funds	\$223.5	\$210.9	\$138.4	\$138.3	\$8.6	\$8.6
Uses of Funds						
<i>Expenditure</i>						
Certificated Salaries	\$98.5	\$69.6	\$72.8	\$66.7	\$0.5	\$0.5
Classified Salaries	\$18.0	\$16.1	\$16.8	\$16.8	\$0.7	\$0.7
Employee Benefits	\$30.6	\$33.1	\$32.6	\$31.5	\$0.5	\$0.5
Books and Supplies	\$3.7	\$3.6	\$5.0	\$4.4	\$6.8	\$6.8
Other Operating Expense	\$4.5	\$4.0	\$4.1	\$4.2	\$0.1	\$0.1
Capital Outlay	\$1.0	\$3.7	\$0.7	\$3.4	\$0.0	\$0.0
Other Outgo	\$21.4	\$14.1	\$2.8	\$5.9	\$0.0	\$0.0
Total Expenditure	\$177.7	\$144.1	\$134.7	\$132.8	\$8.5	\$8.5
<i>Ending Balance</i>						
Non Spendable-Inventories, Cash, Others	\$0.2	\$0.1	\$0.1	\$0.1	\$0.1	\$0.1
Committed Ending Balances	\$42.3	\$66.7	\$3.6	\$5.5	\$0.0	\$0.0
Undesignated/Unassigned Ending Balances	\$3.3	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0
Total Ending Balance	\$45.8	\$66.8	\$3.7	\$5.6	\$0.1	\$0.1
Total Uses of Funds	\$223.5	\$210.9	\$138.4	\$138.3	\$8.6	\$8.6

* Restoration from furlough agreements will be implemented in July 2012.

OPERATING FUND

SUPERINTENDENT'S 2012-13 FINAL BUDGET

Adult Education Fund - Restricted Programs (029/110)

The Adult Education Fund-Restricted consists of Specially Funded Programs for Adult Education students.

	2008-09 Actual Amounts	2009-10 Actual Amounts	2010-11 Actual Amounts	2011-12 3rd Interim Estimate	2012-13 Authorized Amounts	2012-13 Estimated Amounts
Amounts in \$millions						
Sources of Funds						
<i>Beginning Balance</i>						
Restricted Beginning Balances	\$0.0	\$0.0	\$10.1	\$7.8	\$4.9	\$4.9
<i>Total Beginning Balance</i>	\$0.0	\$0.0	\$10.1	\$7.8	\$4.9	\$4.9
<i>Revenue</i>						
Federal Revenues	\$16.9	\$17.5	\$19.9	\$19.8	\$22.8	\$22.8
State Revenues	\$8.6	\$17.5	\$6.2	\$6.2	\$9.6	\$9.6
Local Revenues	\$0.0	\$0.0	\$0.2	\$0.3	\$1.0	\$1.0
Other Financing Sources	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0
<i>Total Revenue</i>	\$25.6	\$35.0	\$26.2	\$26.3	\$33.4	\$33.4
<i>Total Sources of Funds</i>	\$25.6	\$35.0	\$36.3	\$34.1	\$38.3	\$38.3
Uses of Funds						
<i>Expenditure</i>						
Certificated Salaries	\$10.9	\$8.5	\$9.9	\$12.5	\$12.4	\$12.4
Classified Salaries	\$6.7	\$5.1	\$5.1	\$4.7	\$0.6	\$0.6
Employee Benefits	\$5.1	\$5.0	\$4.9	\$5.3	\$5.4	\$5.4
Books and Supplies	\$2.0	\$5.8	\$6.3	\$5.8	\$8.7	\$8.7
Other Operating Expense	\$0.4	\$0.3	\$2.1	\$0.6	\$0.0	\$0.0
Capital Outlay	\$0.2	\$0.0	\$0.1	\$0.3	\$0.0	\$0.0
Other Outgo	\$0.2	\$0.1	\$0.1	\$0.2	\$11.1	\$11.1
<i>Total Expenditure</i>	\$25.6	\$24.9	\$28.5	\$29.2	\$38.3	\$38.3
<i>Ending Balance</i>						
Restricted Ending Balances	\$0.0	\$10.1	\$7.8	\$4.9	\$0.0	\$0.0
<i>Total Ending Balance</i>	\$0.0	\$10.1	\$7.8	\$4.9	\$0.0	\$0.0
<i>Total Uses of Funds</i>	\$25.6	\$35.0	\$36.3	\$34.1	\$38.3	\$38.3

OPERATING FUND

SUPERINTENDENT'S 2012-13 FINAL BUDGET

Child Development Fund - Unrestricted Program (011/120)

Child Development Fund provides half day and full day programs. Fees are based on each family's ability to pay.

	2008-09 Actual Amounts	2009-10 Actual Amounts	2010-11 Actual Amounts	2011-12 3rd Interim Estimate	2012-13 Authorized Amounts	2012-13 Estimated Amounts
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Amounts in \$millions

Sources of Funds

Beginning Balance

Non Spendable-Inventories, Cash, Others	\$0.1	\$0.1	\$0.0	\$0.0	\$0.0	\$0.0
Restricted Beginning Balances	\$3.9	\$0.4	\$0.0	\$0.1	\$0.1	\$0.1
Undesignated/Unassigned Beginning Balan	\$4.3	\$2.3	\$0.0	\$0.0	\$0.0	\$0.0
<i>Total Beginning Balance</i>	\$8.3	\$2.8	\$0.1	\$0.1	\$0.1	\$0.1

Revenue

Federal Revenues	\$14.9	\$33.4	\$59.6	\$35.7	\$35.1	\$35.1
State Revenues	\$86.4	\$82.2	\$59.6	\$69.1	\$51.1	\$51.1
Local Revenues	\$2.6	\$3.0	\$2.9	\$2.7	\$2.8	\$2.8
Interfund Transfers In	\$0.0	\$0.2	\$8.0	\$22.6	\$29.2	\$29.2 *
Interprogram Transfers	\$0.0	-\$0.2	\$0.0	\$0.0	\$0.0	\$0.0
<i>Total Revenue</i>	\$103.9	\$118.6	\$130.2	\$130.2	\$118.2	\$118.2
<i>Total Sources of Funds</i>	\$112.2	\$121.4	\$130.2	\$130.2	\$118.3	\$118.3

Uses of Funds

Expenditure

Certificated Salaries	\$37.8	\$41.1	\$44.1	\$40.7	\$34.5	\$34.5
Classified Salaries	\$37.9	\$39.5	\$42.7	\$41.0	\$43.4	\$43.4
Employee Benefits	\$28.1	\$34.6	\$38.4	\$38.0	\$32.5	\$32.5
Books and Supplies	\$1.9	\$1.7	\$1.8	\$1.7	\$1.7	\$1.7
Other Operating Expense	\$3.6	\$3.4	\$3.1	\$2.3	\$2.4	\$2.4
Capital Outlay	\$0.1	\$0.1	\$0.0	\$0.0	\$0.6	\$0.6
Other Outgo	\$0.0	\$0.9	\$0.0	\$6.5	\$3.1	\$3.1
<i>Total Expenditure</i>	\$109.4	\$121.3	\$130.1	\$130.2	\$118.3	\$118.3

Ending Balance

Non Spendable-Inventories, Cash, Others	\$0.1	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0
Restricted Ending Balances	\$0.4	\$0.0	\$0.1	\$0.1	\$0.0	\$0.0
Undesignated/Unassigned Ending Balances	\$2.3	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0
<i>Total Ending Balance</i>	\$2.8	\$0.1	\$0.1	\$0.1	\$0.0	\$0.0
<i>Total Uses of Funds</i>	\$112.2	\$121.4	\$130.2	\$130.2	\$118.3	\$118.3

*NOTE: Includes restoration of 84 Early Education Centers.

OPERATING FUND

SUPERINTENDENT'S 2012-13 FINAL BUDGET

Child Development Fund - Restricted Program (011/120)

Child Development Fund are Specially Funded programs for pre-school children.

	2008-09 Actual Amounts	2009-10 Actual Amounts	2010-11 Actual Amounts	2011-12 3rd Interim Estimate	2012-13 Authorized Amounts	2012-13 Estimated Amounts
Amounts in \$millions						
Sources of Funds						
<i>Beginning Balance</i>						
Restricted Beginning Balances	\$0.4	\$0.4	\$0.0	\$0.0	\$0.0	\$0.0
<i>Total Beginning Balance</i>	<i>\$0.4</i>	<i>\$0.4</i>	<i>\$0.0</i>	<i>\$0.0</i>	<i>\$0.0</i>	<i>\$0.0</i>
<i>Revenue</i>						
Federal Revenues	\$0.0	\$0.0	\$4.5	\$0.1	\$9.2	\$9.2
State Revenues	\$9.7	\$1.5	\$0.4	\$0.7	\$1.7	\$1.7
Local Revenues	\$6.7	\$8.3	\$10.1	\$3.4	\$4.8	\$4.8
Interprogram Transfers	\$0.0	\$0.2	\$0.0	\$0.0	\$0.0	\$0.0
Other Financing Sources	\$0.0	-\$0.5	\$0.0	\$0.0	\$0.0	\$0.0
Local Miscellaneous	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0
<i>Total Revenue</i>	<i>\$16.4</i>	<i>\$9.5</i>	<i>\$15.0</i>	<i>\$4.2</i>	<i>\$15.7</i>	<i>\$15.7</i>
Total Sources of Funds	\$16.8	\$9.9	\$15.0	\$4.2	\$15.7	\$15.7
Uses of Funds						
<i>Expenditure</i>						
Certificated Salaries	\$5.8	\$2.8	\$5.6	\$1.2	\$0.7	\$0.7
Classified Salaries	\$4.0	\$1.8	\$2.1	\$1.3	\$0.7	\$0.7
Employee Benefits	\$2.7	\$1.6	\$2.4	\$1.0	\$0.6	\$0.6
Books and Supplies	\$1.0	\$1.1	\$1.7	\$0.4	\$13.6	\$13.6
Other Operating Expense	\$2.2	\$2.2	\$2.4	\$0.1	\$0.0	\$0.0
Capital Outlay	\$0.0	\$0.0	\$0.3	\$0.0	\$0.0	\$0.0
Other Outgo	\$0.8	\$0.3	\$0.3	\$0.2	\$0.2	\$0.2
Total Expenditure	\$16.4	\$9.9	\$15.0	\$4.2	\$15.7	\$15.7
<i>Ending Balance</i>						
Restricted Ending Balances	\$0.4	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0
<i>Total Ending Balance</i>	<i>\$0.4</i>	<i>\$0.0</i>	<i>\$0.0</i>	<i>\$0.0</i>	<i>\$0.0</i>	<i>\$0.0</i>
Total Uses of Funds	\$16.8	\$9.9	\$15.0	\$4.2	\$15.7	\$15.7

OPERATING FUND

SUPERINTENDENT'S 2012-13 FINAL BUDGET
Cafeteria Fund (030/130)

Cafeteria Fund provides all school nutrition programs in elementary and secondary schools.

Regular Program	2008-09 Actual Amounts	2009-10 Actual Amounts	2010-11 Actual Amounts	2011-12 3rd Interim Estimate	2012-13 Authorized Amounts	2012-13 Estimated Amounts
Amounts in \$millions						
Sources of Funds						
<i>Beginning Balance</i>						
Non Spendable-Inventories, Cash, Others	\$7.1	\$6.0	\$5.2	\$4.9	\$11.9	\$11.9
Restricted Beginning Balances	\$0.0	\$0.0	\$0.0	\$3.8	\$0.0	\$0.0
Undesignated/Unassigned Beginning Balanc	\$28.2	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0
<i>Total Beginning Balance</i>	\$35.3	\$6.0	\$5.2	\$8.8	\$11.9	\$11.9
<i>Revenue</i>						
Federal Revenues	\$248.2	\$245.5	\$237.1	\$223.7	\$226.4	\$226.4
State Revenues	\$18.9	\$19.3	\$19.3	\$17.8	\$18.0	\$18.0
Local Revenues	\$15.3	\$12.3	\$9.5	\$7.2	\$9.2	\$9.2
Repayment*	\$0.0	\$0.0	\$32.9	\$83.5	\$62.3	\$62.3
Interfund Transfers In	\$16.6	\$24.0	\$0.0	\$1.8	\$1.0	\$1.0
Other Financing Sources	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0
Local Miscellaneous	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0
<i>Total Revenue</i>	\$299.0	\$301.1	\$298.9	\$334.0	\$317.0	\$317.0
Total Sources of Funds	\$334.3	\$307.2	\$304.1	\$342.8	\$328.9	\$328.9
Uses of Funds						
<i>Expenditure</i>						
Classified Salaries	\$115.9	\$96.5	\$87.9	\$88.3	\$82.1	\$82.1
Employee Benefits	\$66.2	\$71.2	\$69.8	\$79.1	\$74.9	\$74.9
Books and Supplies	\$128.5	\$117.0	\$126.1	\$142.3	\$145.0	\$145.0
Other Operating Expense	\$10.7	\$6.8	\$3.8	\$3.5	\$5.2	\$5.2
Capital Outlay	\$6.9	\$0.3	\$0.9	\$2.0	\$1.0	\$1.0
Other Outgo	\$0.0	\$10.2	\$6.8	\$15.7	\$9.4	\$9.4
Total Expenditure	\$328.2	\$302.0	\$295.3	\$330.9	\$317.5	\$317.5
<i>Ending Balance</i>						
Non Spendable-Inventories, Cash, Others	\$6.0	\$5.2	\$4.9	\$11.9	\$11.3	\$11.3
Restricted Ending Balances	\$0.0	\$0.0	\$3.8	\$0.0	\$0.0	\$0.0
<i>Total Ending Balance</i>	\$6.0	\$5.2	\$8.8	\$11.9	\$11.3	\$11.3
Total Uses of Funds	\$334.3	\$307.2	\$304.1	\$342.8	\$328.9	\$328.9

* Repayment per MOU with CDE dated March 18, 2011

OPERATING FUND

SUPERINTENDENT'S 2012-13 FINAL BUDGET

Deferred Maintenance Fund (027/140)

Deferred Maintenance Fund provides for major maintenance projects including repair of plumbing, heating, air conditioning, electrical, roofing, floors, and interior or exterior paint. Funding is half from the State and half from the District.

Regular Program	2008-09 Actual Amounts	2009-10 Actual Amounts	2010-11 Actual Amounts	2011-12 3rd Interim Estimate	2012-13 Authorized * Amounts	2012-13 Estimated * Amounts
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Amounts in \$millions

Sources of Funds

Beginning Balance

Restricted Beginning Balances	\$149.7	\$116.1	\$45.6	\$0.0	\$0.0	\$0.0
<i>Total Beginning Balance</i>	\$149.7	\$116.1	\$45.6	\$0.0	\$0.0	\$0.0

Revenue

State Revenues	\$24.5	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0
Local Revenues	\$3.4	\$1.2	\$0.4	\$0.0	\$0.0	\$0.0
Interfund Transfers In	\$30.0	\$0.9	\$0.3	\$0.0	\$0.0	\$0.0
Interprogram Transfers	-\$24.5	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0
<i>Total Revenue</i>	\$33.4	\$2.1	\$0.8	\$0.0	\$0.0	\$0.0
<i>Total Sources of Funds</i>	\$183.1	\$118.2	\$46.4	\$0.0	\$0.0	\$0.0

Uses of Funds

Expenditure

Classified Salaries	\$4.9	\$6.4	\$5.2	\$0.0	\$0.0	\$0.0
Employee Benefits	\$2.1	\$3.0	\$2.4	\$0.0	\$0.0	\$0.0
Books and Supplies	\$2.2	\$2.7	\$1.7	\$0.0	\$0.0	\$0.0
Other Operating Expense	\$55.0	\$57.0	\$15.9	\$0.0	\$0.0	\$0.0
Capital Outlay	\$2.8	\$3.5	\$2.7	\$0.0	\$0.0	\$0.0
Other Outgo	\$0.0	\$0.0	\$18.5	\$0.0	\$0.0	\$0.0
<i>Total Expenditure</i>	\$67.0	\$72.6	\$46.4	\$0.0	\$0.0	\$0.0

Ending Balance

Restricted Ending Balances	\$116.1	\$45.6	\$0.0	\$0.0	\$0.0	\$0.0
<i>Total Ending Balance</i>	\$116.1	\$45.6	\$0.0	\$0.0	\$0.0	\$0.0
<i>Total Uses of Funds</i>	\$183.1	\$118.2	\$46.4	\$0.0	\$0.0	\$0.0

*This fund is closed. Prior year ending balances are estimated to be spent by June 30, 2012.

CAPITAL FUND

SUPERINTENDENT'S 2012-13 FINAL BUDGET
Building Fund - Measure R (043/210)

Measure R was a local bond measure approved by voters in March 2004. The total value of the bond was \$ 3,350 million. This fund is used for new school construction and repairs to existing schools. Most projects also receive matching State funds.

Regular Program

	2008-09 Actual Amounts	2009-10 Actual Amounts	2010-11 Actual Amounts	2011-12 3rd Interim Estimate	2012-13 Authorized Amounts	2012-13 Estimated Amounts
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Amounts in \$millions

Sources of Funds

Beginning Balance

Non Spendable-Inventories, Cash, Others	\$0.3	\$0.3	\$0.3	\$0.3	\$0.3	\$0.3
Restricted Beginning Balances	\$327.9	\$359.0	\$880.1	\$741.9	\$1,089.7	\$1,089.7
Audit Adjustments	\$7.3	\$8.4	\$0.0	\$10.1	\$0.0	\$0.0
<i>Total Beginning Balance</i>	\$335.5	\$367.8	\$880.4	\$752.3	\$1,090.0	\$1,090.0

Revenue

Local Revenues	\$7.4	\$9.0	\$10.8	\$16.1	\$13.2	\$13.2
Interfund Transfers In	\$93.2	\$65.0	\$106.2	\$547.8	\$0.0	\$0.0
Other Financing Sources	\$547.6	\$1,034.8	\$0.0	\$0.0	\$0.0	\$0.0
<i>Total Revenue</i>	\$648.2	\$1,108.8	\$117.0	\$563.9	\$13.2	\$13.2
<i>Total Sources of Funds</i>	\$983.7	\$1,476.6	\$997.4	\$1,316.2	\$1,103.2	\$1,103.2

Uses of Funds

Expenditure

Classified Salaries	\$23.7	\$21.3	\$22.2	\$34.8	\$22.4	\$22.4
Employee Benefits	\$9.8	\$8.7	\$10.0	\$15.3	\$8.8	\$8.8
Books and Supplies	\$1.9	\$0.9	\$1.4	\$1.8	\$1.2	\$1.2
Other Operating Expense	\$21.8	\$17.0	\$24.6	\$27.3	\$1.1	\$1.1
Capital Outlay	\$562.3	\$530.6	\$187.3	\$128.8	\$1,069.4	\$793.7
Other Outgo	\$4.9	\$17.5	\$9.7	\$18.1	\$0.0	\$0.0
<i>Total Expenditure</i>	\$624.4	\$596.2	\$255.2	\$226.2	\$1,102.9	\$827.2

Ending Balance

Non Spendable-Inventories, Cash, Others	\$0.3	\$0.3	\$0.3	\$0.3	\$0.3	\$0.3
Restricted Ending Balances	\$359.0	\$880.1	\$741.9	\$1,089.7	\$0.0	\$275.7
<i>Total Ending Balance</i>	\$359.3	\$880.4	\$742.2	\$1,090.0	\$0.3	\$276.0
<i>Total Uses of Funds</i>	\$983.7	\$1,476.6	\$997.4	\$1,316.2	\$1,103.2	\$1,103.2

CAPITAL FUND

SUPERINTENDENT'S 2012-13 FINAL BUDGET
Building Fund - Proposition BB (045/211)

Prop BB was a local bond issue approved by voters in April 1997. This fund is used for construction of new schools and repair and modernization of existing schools, often with State matching funds. There is \$ 0 million of unused authority.

Regular Program

	2008-09 Actual Amounts	2009-10 Actual Amounts	2010-11 Actual Amounts	2011-12 3rd Interim Estimate	2012-13 Authorized Amounts	2012-13 Estimated Amounts
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Amounts in \$millions

Sources of Funds

Beginning Balance

Non Spendable-Inventories, Cash, Other	\$3.0	\$3.0	\$3.0	\$3.0	\$3.0	\$3.0
Restricted Beginning Balances	\$142.0	\$73.2	\$31.9	\$20.6	\$16.8	\$16.8
Audit Adjustments	\$0.8	\$0.0	\$0.0	-\$0.1	\$0.0	\$0.0
<i>Total Beginning Balance</i>	\$145.8	\$76.2	\$34.9	\$23.5	\$19.8	\$19.8

Revenue

Local Revenues	\$3.1	\$1.1	\$0.5	\$0.1	\$0.1	\$0.1
Interfund Transfers In	\$45.2	\$21.9	\$16.6	\$23.2	\$0.0	\$0.0
<i>Total Revenue</i>	\$48.4	\$23.0	\$17.2	\$23.3	\$0.1	\$0.1
Total Sources of Funds	\$194.2	\$99.2	\$52.0	\$46.8	\$19.9	\$19.9

Uses of Funds

Expenditure

Classified Salaries	\$0.3	\$0.1	\$0.0	\$0.0	\$0.0	\$0.0
Employee Benefits	\$0.1	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0
Books and Supplies	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0
Other Operating Expense	\$0.9	-\$0.9	\$0.0	\$0.2	\$0.0	\$0.0
Capital Outlay	\$37.1	\$11.2	\$3.4	\$2.9	\$16.9	\$16.9
Other Outgo	\$79.6	\$53.8	\$25.0	\$23.8	\$0.0	\$0.0
Total Expenditure	\$117.9	\$64.3	\$28.5	\$27.0	\$16.9	\$16.9

Ending Balance

Non Spendable-Inventories, Cash, Other	\$3.0	\$3.0	\$3.0	\$3.0	\$3.0	\$3.0
Restricted Ending Balances	\$73.2	\$31.9	\$20.6	\$16.8	\$0.0	\$0.0
<i>Total Ending Balance</i>	\$76.2	\$34.9	\$23.6	\$19.8	\$3.0	\$3.0
Total Uses of Funds	\$194.2	\$99.2	\$52.0	\$46.8	\$19.9	\$19.9

CAPITAL FUND

SUPERINTENDENT'S 2012-13 FINAL BUDGET
Building Fund (070/212)

The Building Fund is used to account for proceeds from the sale of bonds, state allowances, and other resources designated for facility expansion.

Regular Program	2008-09 Actual Amounts	2009-10 Actual Amounts	2010-11 Actual Amounts	2011-12 3rd Interim Estimate	2012-13 Authorized Amounts	2012-13 Estimated Amounts
Amounts in \$millions						
Sources of Funds						
<i>Beginning Balance</i>						
Restricted Beginning Balances	\$2.3	\$2.5	\$2.0	\$2.0	\$1.8	\$1.8
Audit Adjustments	\$0.0	\$0.0	\$0.0	-\$0.2	\$0.0	\$0.0
Total Beginning Balance	\$2.3	\$2.5	\$2.0	\$1.8	\$1.8	\$1.8
<i>Revenue</i>						
Local Revenues	\$0.4	\$0.2	\$0.3	\$0.4	\$0.4	\$0.4
Total Revenue	\$0.4	\$0.2	\$0.3	\$0.4	\$0.4	\$0.4
Total Sources of Funds	\$2.7	\$2.6	\$2.3	\$2.1	\$2.2	\$2.2
Uses of Funds						
<i>Expenditure</i>						
Classified Salaries	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0
Employee Benefits	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0
Books and Supplies	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0
Other Operating Expense	\$0.0	\$0.3	\$0.0	\$0.0	\$0.0	\$0.0
Capital Outlay	\$0.0	\$0.3	\$0.3	\$0.3	\$2.2	\$2.2
Other Outgo	\$0.2	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0
Total Expenditure	\$0.2	\$0.7	\$0.3	\$0.3	\$2.2	\$2.2
<i>Ending Balance</i>						
Restricted Ending Balances	\$2.5	\$2.0	\$2.0	\$1.8	\$0.0	\$0.0
Total Ending Balance	\$2.5	\$2.0	\$2.0	\$1.8	\$0.0	\$0.0
Total Uses of Funds	\$2.7	\$2.6	\$2.3	\$2.1	\$2.2	\$2.2

CAPITAL FUND

SUPERINTENDENT'S 2012-13 FINAL BUDGET
Building Fund - Measure K (044/213)

This fund is used for new school construction and repair and modernization of existing schools. Measure K was a local bond issue passed by voters in November 2002. Most projects also receive a State match. There is \$ 750 million of unused authority.

Regular Program

	2008-09 Actual Amounts	2009-10 Actual Amounts	2010-11 Actual Amounts	2011-12 3rd Interim Estimate	2012-13 Authorized Amounts	2012-13 Estimated Amounts
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Amounts in \$millions

Sources of Funds

Beginning Balance

Restricted Beginning Balances	\$161.0	\$193.3	\$353.8	\$270.0	\$212.4	\$212.4
Audit Adjustments	\$13.1	\$4.7	\$0.0	\$9.0	\$0.0	\$0.0
<i>Total Beginning Balance</i>	\$174.1	\$198.0	\$353.8	\$279.0	\$212.4	\$212.4

Revenue

Local Revenues	\$3.6	\$4.6	\$4.3	\$2.6	\$2.1	\$2.1
Interfund Transfers In	\$52.9	\$17.5	\$36.3	\$23.9	\$0.0	\$0.0
Other Financing Resources	\$248.9	\$350.0	\$0.0	\$0.0	\$0.0	\$0.0
<i>Total Revenue</i>	\$305.4	\$372.2	\$40.6	\$26.5	\$2.1	\$2.1
Total Sources of Funds	\$479.5	\$570.2	\$394.4	\$305.5	\$214.4	\$214.4

Uses of Funds

Expenditure

Classified Salaries	\$8.0	\$6.0	\$2.3	\$3.5	\$1.1	\$1.1
Employee Benefits	\$3.0	\$2.7	\$1.0	\$1.4	\$0.8	\$0.8
Books and Supplies	\$1.3	\$0.8	\$0.4	\$1.3	\$0.0	\$0.0
Other Operating Expense	\$4.8	\$2.1	\$4.9	\$3.2	\$0.0	\$0.0
Capital Outlay	\$247.6	\$203.4	\$110.6	\$68.2	\$212.5	\$169.6
Other Outgo	\$21.5	\$1.5	\$5.1	\$15.4	\$0.0	\$0.0
Total Expenditure	\$286.2	\$216.4	\$124.4	\$93.1	\$214.4	\$171.5

Ending Balance

Restricted Ending Balances	\$193.3	\$353.8	\$270.0	\$212.4	\$0.0	\$42.9
<i>Total Ending Balance</i>	\$193.3	\$353.8	\$270.0	\$212.4	\$0.0	\$42.9
Total Uses of Funds	\$479.5	\$570.2	\$394.4	\$305.5	\$214.4	\$214.4

CAPITAL FUND

SUPERINTENDENT'S 2012-13 FINAL BUDGET
Building Fund - Measure Y (042/214)

Measure Y was a local bond issue approved by voters in November 2005. The total dollar value of the bond was \$ 3,985 million. This fund is used for school construction and modernization, with a goal of returning all schools to a traditional calendar.

Regular Program	2008-09 Actual Amounts	2009-10 Actual Amounts	2010-11 Actual Amounts	2011-12 3rd Interim Estimate	2012-13 Authorized Amounts	2012-13 Estimated Amounts
Amounts in \$millions						
Sources of Funds						
<i>Beginning Balance</i>						
Non Spendable-Inventories, Cash, Othe	\$0.5	\$0.5	\$0.5	\$0.5	\$0.5	\$0.5
Restricted Beginning Balances	\$303.0	\$89.3	\$2,223.1	\$1,763.7	\$834.1	\$834.1
Audit Adjustments	\$2.5	\$1.2	\$0.0	\$1.4	\$0.0	\$0.0
<i>Total Beginning Balance</i>	\$306.0	\$91.0	\$2,223.6	\$1,765.6	\$834.6	\$834.6
<i>Revenue</i>						
Local Revenues	\$7.2	\$17.1	\$26.3	\$23.6	\$17.7	\$17.7
Interfund Transfers In	\$0.4	\$1.8	\$240.0	\$55.0	\$0.0	\$0.0
Other Financing Sources	\$149.3	\$2,697.9	\$0.0	\$0.0	\$0.0	\$0.0
Local Miscellaneous	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0
<i>Total Revenue</i>	\$156.9	\$2,716.7	\$266.4	\$78.6	\$17.7	\$17.7
Total Sources of Funds	\$462.9	\$2,807.7	\$2,489.9	\$1,844.2	\$852.2	\$852.2
Uses of Funds						
<i>Expenditure</i>						
Classified Salaries	\$16.9	\$24.2	\$17.1	\$16.2	\$54.5	\$54.5
Employee Benefits	\$7.1	\$13.3	\$8.1	\$6.7	\$18.6	\$18.6
Books and Supplies	\$1.8	\$1.6	\$1.8	\$5.4	\$0.0	\$0.0
Other Operating Expense	\$12.6	\$11.0	\$56.5	\$5.2	\$0.0	\$0.0
Capital Outlay	\$297.1	\$521.8	\$572.5	\$469.1	\$777.1	\$606.8
Other Outgo	\$37.6	\$12.3	\$69.8	\$507.1	\$1.5	\$1.5
<i>Total Expenditure</i>	\$373.1	\$584.2	\$725.7	\$1,009.6	\$851.7	\$681.4
<i>Ending Balance</i>						
Non Spendable-Inventories, Cash, Othe	\$0.5	\$0.5	\$0.5	\$0.5	\$0.5	\$0.5
Restricted Ending Balances	\$89.3	\$2,223.1	\$1,763.7	\$834.1	\$0.0	\$170.3
<i>Total Ending Balance</i>	\$89.8	\$2,223.6	\$1,764.2	\$834.6	\$0.5	\$170.8
Total Uses of Funds	\$462.9	\$2,807.7	\$2,489.9	\$1,844.2	\$852.2	\$852.2

CAPITAL FUND

SUPERINTENDENT'S 2012-13 FINAL BUDGET
County Sch Facilities Fund - Prop 1A (065/350)

Proposition 1A was a State bond issue approved by voters in 1998 in which \$ 6.7 billion was allocated for school construction and modernization. In most cases, a 50% local match is required. All of the funds have been allocated to projects.

Regular Program

	2008-09 Actual Amounts	2009-10 Actual Amounts	2010-11 Actual Amounts	2011-12 3rd Interim Estimate	2012-13 Authorized Amounts	2012-13 Estimated Amounts
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Amounts in \$millions

Sources of Funds

Beginning Balance

Restricted Beginning Balances	\$45.5	\$18.1	\$24.8	\$18.9	\$18.9	\$18.9
Audit Adjustments	-\$0.3	\$0.0	\$0.0	\$0.1	\$0.0	\$0.0
<i>Total Beginning Balance</i>	\$45.3	\$18.1	\$24.8	\$19.0	\$18.9	\$18.9

Revenue

State Revenues	\$0.0	\$0.0	\$0.5	\$0.0	\$0.0	\$0.0
Local Revenues	\$1.1	\$0.2	\$0.3	\$0.2	\$0.2	\$0.2
Interfund Transfers In	\$3.3	\$20.1	\$3.2	\$4.7	\$0.0	\$0.0
<i>Total Revenue</i>	\$4.4	\$20.3	\$4.0	\$4.9	\$0.2	\$0.2
<i>Total Sources of Funds</i>	\$49.6	\$38.5	\$28.8	\$23.9	\$19.0	\$19.0

Uses of Funds

Expenditure

Classified Salaries	\$0.1	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0
Employee Benefits	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0
Books and Supplies	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0
Other Operating Expense	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0
Capital Outlay	\$18.9	\$1.6	\$0.6	\$1.7	\$19.0	\$19.0
Other Outgo	\$12.5	\$12.0	\$9.3	\$3.4	\$0.0	\$0.0
<i>Total Expenditure</i>	\$31.5	\$13.6	\$9.9	\$5.1	\$19.0	\$19.0

Ending Balance

Restricted Ending Balances	\$18.1	\$24.8	\$18.9	\$18.9	\$0.0	\$0.0
<i>Total Ending Balance</i>	\$18.1	\$24.8	\$18.9	\$18.9	\$0.0	\$0.0
<i>Total Uses of Funds</i>	\$49.6	\$38.5	\$28.8	\$23.9	\$19.0	\$19.0

CAPITAL FUND

SUPERINTENDENT'S 2012-13 FINAL BUDGET
County Sch Facilities Fund - Prop 47 (066/351)

Proposition 47 was a State bond issue approved by voters in 2002 in which \$ 11.4 billion was allocated for K-12 school construction and modernization. In most cases, a 50% local match is required.

Regular Program

	2008-09 Actual Amounts	2009-10 Actual Amounts	2010-11 Actual Amounts	2011-12 3rd Interim Estimate	2012-13 Authorized Amounts	2012-13 Estimated Amounts
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Amounts in \$millions

Sources of Funds

Beginning Balance

Restricted Beginning Balances	\$62.0	\$163.8	\$149.8	\$115.7	\$115.4	\$115.4
Audit Adjustments	\$8.8	\$29.6	\$0.0	\$0.4	\$0.0	\$0.0
<i>Total Beginning Balance</i>	\$70.7	\$193.4	\$149.8	\$116.1	\$115.4	\$115.4

Revenue

State Revenues	\$433.8	\$31.5	-\$7.2	\$0.0	\$6.1	\$6.1
Local Revenues	\$1.6	\$2.9	\$3.3	\$3.2	\$1.4	\$1.4
Interfund Transfers In	\$2.9	\$1.5	\$3.7	\$3.2	\$0.0	\$0.0
Other Financing Resources	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0
<i>Total Revenue</i>	\$438.3	\$35.9	-\$0.2	\$6.4	\$7.5	\$7.5
Total Sources of Funds	\$509.0	\$229.4	\$149.7	\$122.5	\$122.9	\$122.9

Uses of Funds

Expenditure

Classified Salaries	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0
Employee Benefits	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0
Books and Supplies	\$0.1	\$0.0	\$0.1	\$0.0	\$0.0	\$0.0
Other Operating Expense	\$0.0	\$0.1	\$0.0	\$0.2	\$0.0	\$0.0
Capital Outlay	\$337.5	\$78.0	\$30.3	\$0.2	\$122.9	\$98.3
Other Outgo	\$7.5	\$1.4	\$3.4	\$6.6	\$0.0	\$0.0
Total Expenditure	\$345.2	\$79.5	\$33.9	\$7.1	\$122.9	\$98.3

Ending Balance

Restricted Ending Balances	\$163.8	\$149.8	\$115.7	\$115.4	\$0.0	\$24.6
<i>Total Ending Balance</i>	\$163.8	\$149.8	\$115.7	\$115.4	\$0.0	\$24.6
Total Uses of Funds	\$509.0	\$229.4	\$149.7	\$122.5	\$122.9	\$122.9

CAPITAL FUND

**SUPERINTENDENT'S 2012-13 FINAL BUDGET
County Sch Facilities Fund - Prop 55 (067/352)**

Proposition 55 was a State bond issue approved by voters in 2004 in which \$ 10.0 billion was allocated for K-12 school construction and modernization. In most cases, a 50% local match is required.

Regular Program

	2008-09 Actual Amounts	2009-10 Actual Amounts	2010-11 Actual Amounts	2011-12 3rd Interim Estimate	2012-13 Authorized Amounts	2012-13 Estimated Amounts
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Amounts in \$millions

Sources of Funds

Beginning Balance

Restricted Beginning Balances	\$398.8	\$261.0	\$233.1	\$317.8	\$225.6	\$225.6
Audit Adjustments	\$11.2	\$26.4	\$0.0	\$3.5	\$0.0	\$0.0
<i>Total Beginning Balance</i>	\$410.0	\$287.5	\$233.1	\$321.3	\$225.6	\$225.6

Revenue

Federal Revenues	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0
State Revenues	\$336.5	\$136.3	\$550.6	\$31.8	\$68.8	\$68.8
Local Revenues	\$8.7	\$4.6	\$4.9	\$4.0	\$2.3	\$2.3
Interfund Transfers In	\$26.2	\$6.0	\$19.2	\$19.1	\$0.0	\$0.0
Other Financing Sources	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0
<i>Total Revenue</i>	\$371.4	\$146.9	\$574.7	\$54.8	\$71.1	\$71.1
<i>Total Sources of Funds</i>	\$781.4	\$434.4	\$807.8	\$376.1	\$296.7	\$296.7

Uses of Funds

Expenditure

Classified Salaries	\$0.4	\$0.1	\$0.1	\$0.1	\$0.0	\$0.0
Employee Benefits	\$0.2	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0
Books and Supplies	\$0.0	\$0.0	\$0.0	\$0.4	\$0.0	\$0.0
Other Operating Expense	\$0.1	\$0.0	\$0.0	\$1.5	\$0.0	\$0.0
Capital Outlay	\$462.4	\$189.7	\$166.8	\$95.9	\$296.7	\$237.4
Other Outgo	\$57.4	\$11.4	\$323.0	\$52.5	\$0.0	\$0.0
<i>Total Expenditure</i>	\$520.4	\$201.2	\$490.0	\$150.5	\$296.7	\$237.4
<i>Ending Balance</i>						
Restricted Ending Balances	\$261.0	\$233.1	\$317.8	\$225.6	\$0.0	\$59.3
<i>Total Ending Balance</i>	\$261.0	\$233.1	\$317.8	\$225.6	\$0.0	\$59.3
<i>Total Uses of Funds</i>	\$781.4	\$434.4	\$807.8	\$376.1	\$296.7	\$296.7

CAPITAL FUND

SUPERINTENDENT'S 2012-13 FINAL BUDGET
County Sch Facilities Fund - Prop 1D (068/353)

Proposition 1D was a State bond issue approved by voters in 2006 in which \$ 7.3 billion was allocated for K-12 school construction and modernization. In most cases, a 50% local match is required.

Regular Program

	2008-09 Actual Amounts	2009-10 Actual Amounts	2010-11 Actual Amounts	2011-12 3rd Interim Estimate	2012-13 Authorized Amounts	2012-13 Estimated Amounts
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Amounts in \$millions

Sources of Funds

Beginning Balance

Restricted Beginning Balances	\$6.3	\$35.7	\$93.8	\$249.0	\$152.6	\$152.6
Audit Adjustments	\$0.5	\$0.0	\$0.0	\$7.0	\$0.0	\$0.0
<i>Total Beginning Balance</i>	\$6.9	\$35.7	\$93.8	\$256.1	\$152.6	\$152.6

Revenue

State Revenue	\$143.8	\$121.2	\$224.6	\$17.8	\$37.3	\$37.3
Local Revenues	\$0.1	\$1.3	\$1.8	\$1.7	\$1.5	\$1.5
Interfund Transfers In	\$0.6	\$3.7	\$0.9	\$6.0	\$0.0	\$0.0
Other Financing Sources	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0
<i>Total Revenue</i>	\$144.6	\$126.2	\$227.4	\$25.4	\$38.8	\$38.8
<i>Total Sources of Funds</i>	\$151.4	\$161.9	\$321.1	\$281.5	\$191.4	\$191.4

Uses of Funds

Expenditure

Classified Salaries	\$0.1	\$0.2	\$0.1	\$0.2	\$0.0	\$0.0
Employee Benefits	\$0.1	\$0.1	\$0.0	\$0.1	\$0.0	\$0.0
Books and Supplies	\$0.0	\$0.1	\$0.0	\$0.0	\$0.0	\$0.0
Other Operating Expense	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0
Capital Outlay	\$85.5	\$55.6	\$46.1	\$55.6	\$191.4	\$153.1
Other Outgo	\$30.0	\$12.2	\$25.8	\$72.9	\$0.0	\$0.0
<i>Total Expenditure</i>	\$115.7	\$68.1	\$72.1	\$128.9	\$191.4	\$153.1

Ending Balance

Restricted Ending Balances	\$35.7	\$93.8	\$249.0	\$152.6	\$0.0	\$38.3
<i>Total Ending Balance</i>	\$35.7	\$93.8	\$249.0	\$152.6	\$0.0	\$38.3
<i>Total Uses of Funds</i>	\$151.4	\$161.9	\$321.1	\$281.5	\$191.4	\$191.4

CAPITAL FUND

SUPERINTENDENT'S 2012-13 FINAL BUDGET
Special Reserve Fund - CRA (017/400)

This fund is used for school construction projects paid from Community Redevelopment Agency funds.

Regular Program	2008-09 Actual Amounts	2009-10 Actual Amounts	2010-11 Actual Amounts	2011-12 3rd Interim Estimate	2012-13 Authorized Amounts	2012-13 Estimated Amounts
Amounts in \$millions						
Sources of Funds						
<i>Beginning Balance</i>						
Restricted Beginning Balances	\$18.2	\$8.9	\$10.3	\$10.7	\$18.8	\$18.8
Undesignated/Unassigned Beginning Balanc	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0
<i>Total Beginning Balance</i>	\$18.2	\$8.9	\$10.3	\$10.7	\$18.8	\$18.8
<i>Revenue</i>						
Local Revenues	\$1.9	\$6.2	\$5.5	\$8.7	\$3.4	\$3.4
<i>Total Revenue</i>	\$1.9	\$6.2	\$5.5	\$8.7	\$3.4	\$3.4
<i>Total Sources of Funds</i>	\$20.1	\$15.1	\$15.8	\$19.4	\$22.2	\$22.2
Uses of Funds						
<i>Expenditure</i>						
Classified Salaries	\$0.1	\$0.0	\$0.0	\$0.0	\$0.1	\$0.1
Employee Benefits	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0
Books and Supplies	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0
Other Operating Expense	\$0.3	\$0.3	\$0.1	\$0.5	\$0.1	\$0.1
Capital Outlay	\$0.7	\$0.1	\$1.0	\$0.1	\$22.0	\$15.4
Other Outgo	\$10.1	\$4.3	\$4.0	\$0.0	\$0.0	\$0.0
<i>Total Expenditure</i>	\$11.2	\$4.8	\$5.1	\$0.6	\$22.2	\$15.6
<i>Ending Balance</i>						
Restricted Ending Balances	\$8.9	\$10.3	\$10.7	\$18.8	\$0.0	\$6.6
<i>Total Uses of Funds</i>	\$8.9	\$10.3	\$10.7	\$18.8	\$0.0	\$6.6
<i>Total Uses of Funds</i>	\$20.1	\$15.1	\$15.8	\$19.4	\$22.2	\$22.2

CAPITAL FUND

SUPERINTENDENT'S 2012-13 FINAL BUDGET
Special Reserve Fund (015/401)

This fund mainly provides for buildings and capital improvements to relieve overcrowded schools.

Regular Program	2008-09 Actual Amounts	2009-10 Actual Amounts	2010-11 Actual Amounts	2011-12 3rd Interim Estimate	2012-13 Authorized Amounts	2012-13 Estimated Amounts
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Amounts in \$millions

Sources of Funds

Beginning Balance

Restricted Beginning Balances	\$191.5	\$185.9	\$100.4	\$120.8	\$158.8	\$158.8
Audit Adjustments	\$0.9	(\$2.1)	\$0.0	(\$3.1)	\$0.0	\$0.0
Total Beginning Balance	\$192.4	\$183.8	\$100.4	\$117.7	\$158.8	\$158.8

Revenue

Federal Revenues	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0
State Revenues	\$31.4	-\$23.1	\$5.2	\$0.1	\$2.5	\$2.5
Local Revenues	\$30.1	\$4.3	\$11.3	\$58.8	\$31.5	\$31.5
Interfund Transfers In	\$16.1	\$3.3	\$1.0	\$8.3	\$0.0	\$0.0
Other Financing Sources	\$130.6	\$116.6	\$85.8	\$177.3	\$0.0	\$0.0
Local Miscellaneous	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0
Total Revenue	\$208.2	\$101.0	\$103.3	\$244.4	\$34.0	\$34.0
Total Sources of Funds	\$400.6	\$284.8	\$203.7	\$362.1	\$192.8	\$192.8

Uses of Funds

Expenditure

Classified Salaries	\$1.4	\$0.8	\$0.4	\$0.2	\$0.0	\$0.0
Employee Benefits	\$0.6	\$0.3	\$0.2	\$0.1	\$0.0	\$0.0
Books and Supplies	\$0.5	\$0.4	\$0.2	\$0.3	\$0.0	\$0.0
Other Operating Expense	\$9.8	\$2.6	\$2.9	\$0.5	\$0.5	\$0.5
Capital Outlay	\$31.9	\$30.2	\$12.7	\$23.8	\$192.3	\$134.5
Other Outgo	\$170.5	\$150.2	\$66.5	\$178.5	\$0.0	\$0.0
Total Expenditure	\$214.7	\$184.4	\$83.0	\$203.3	\$192.8	\$135.0

Ending Balance

Restricted Ending Balances	\$185.9	\$100.4	\$120.8	\$158.8	\$0.0	\$57.8
Total Ending Balance	\$185.9	\$100.4	\$120.8	\$158.8	\$0.0	\$57.8
Total Uses of Funds	\$400.6	\$284.8	\$203.7	\$362.1	\$192.8	\$192.8

CAPITAL FUND

SUPERINTENDENT'S 2012-13 FINAL BUDGET
Special Reserve Fund - FEMA (022/402)

This fund is for funds received from the Federal Emergency Management Agency, mainly to repair earthquake damage from the the 1994 Northridge earthquake.

Regular Program

	2008-09 Actual Amounts	2009-10 Actual Amounts	2010-11 Actual Amounts	2011-12 3rd Interim Estimate	2012-13 Authorized Amounts	2012-13 Estimated Amounts
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Amounts in \$millions

Sources of Funds

Beginning Balance

Restricted Beginning Balances	\$0.0	\$0.2	\$0.2	\$0.2	\$0.2	\$0.2
<i>Total Beginning Balance</i>	\$0.0	\$0.2	\$0.2	\$0.2	\$0.2	\$0.2

Revenue

Federal Revenues	\$0.0	\$0.0	\$0.0	\$0.0	\$5.7	\$5.7
State Revenues	\$0.0	\$0.0	\$0.0	\$0.0	\$0.6	\$0.6
Interfund Transfers In	\$0.5	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0
<i>Total Revenue</i>	\$0.5	\$0.0	\$0.0	\$0.0	\$6.3	\$6.3
<i>Total Sources of Funds</i>	\$0.5	\$0.2	\$0.2	\$0.2	\$6.5	\$6.5

Uses of Funds

Expenditure

Classified Salaries	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0
Employee Benefits	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0
Books and Supplies	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0
Other Operating Expense	\$0.2	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0
Capital Outlay	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0
Other Outgo	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0
<i>Total Expenditure</i>	\$0.2	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0

Ending Balance

Restricted Ending Balances	\$0.2	\$0.2	\$0.2	\$0.2	\$6.5	\$6.5
<i>Total Ending Balance</i>	\$0.2	\$0.2	\$0.2	\$0.2	\$6.5	\$6.5
<i>Total Uses of Funds</i>	\$0.5	\$0.2	\$0.2	\$0.2	\$6.5	\$6.5

CAPITAL FUND

**SUPERINTENDENT'S 2012-13 FINAL BUDGET
Special Resv Fund - FEMA - Haz Mit (062/403)**

This fund is used for funds received from the Federal Emergency Management Agency to reduce hazards. District matching funds are required. In the past, these funds have been used mainly to replace pendant lighting and suspended ceilings in schools.

Regular Program	2008-09	2009-10	2010-11	2011-12	2012-13	2012-13
	Actual	Actual	Actual	3rd Interim	Authorized	Estimated
	Amounts	Amounts	Amounts	Estimate	Amounts	Amounts

Amounts in \$millions

Sources of Funds

<i>Beginning Balance</i>						
Restricted Beginning Balances	\$2.0	\$2.0	\$2.0	\$2.0	\$2.0	\$2.0
Total Beginning Balance	\$2.0	\$2.0	\$2.0	\$2.0	\$2.0	\$2.0
<i>Revenue</i>						
Federal Revenues	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0
Local Revenues	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0
Total Revenue	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0
Total Sources of Funds	\$2.0	\$2.0	\$2.0	\$2.0	\$2.0	\$2.0

Uses of Funds

<i>Expenditure</i>						
Classified Salaries	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0
Employee Benefits	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0
Books and Supplies	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0
Other Operating Expense	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0
Capital Outlay	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0
Other Outgo	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0
Total Expenditure	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0
<i>Ending Balance</i>						
Restricted Ending Balances	\$2.0	\$2.0	\$2.0	\$2.0	\$2.0	\$2.0
Total Ending Balance	\$2.0	\$2.0	\$2.0	\$2.0	\$2.0	\$2.0
Total Uses of Funds	\$2.0	\$2.0	\$2.0	\$2.0	\$2.0	\$2.0

CAPITAL FUND

SUPERINTENDENT'S 2012-13 FINAL BUDGET
Capital Facilities Acct Fund (073/250)

This fund is used to account for developer fees levied on new residential, commercial or industrial projects within the District's boundaries. Revenues, which may vary widely from year to year, are used for the construction of new school facilities.

Regular Program

	2008-09 Actual Amounts	2009-10 Actual Amounts	2010-11 Actual Amounts	2011-12 3rd Interim Estimate	2012-13 Authorized Amounts	2012-13 Estimated Amounts
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Amounts in \$millions

Sources of Funds

Beginning Balance

Restricted Beginning Balances	\$163.4	\$68.3	\$49.0	\$24.1	\$37.0	\$37.0
Audit Adjustments	-\$0.3	\$2.8	\$0.0	\$1.4	\$0.0	\$0.0
<i>Total Beginning Balance</i>	\$163.0	\$71.1	\$49.0	\$25.5	\$37.0	\$37.0

Revenue

Local Revenues	\$27.8	\$19.8	\$33.1	\$23.8	\$30.3	\$30.3
Interfund Transfers In	\$0.3	\$0.3	\$0.2	\$0.0	\$0.0	\$0.0
Local Miscellaneous	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0
<i>Total Revenue</i>	\$28.1	\$20.2	\$33.3	\$23.8	\$30.3	\$30.3
<i>Total Sources of Funds</i>	\$191.1	\$91.3	\$82.3	\$49.3	\$67.4	\$67.4

Uses of Funds

Expenditure

Classified Salaries	\$0.3	\$0.3	\$0.3	\$0.2	\$0.4	\$0.4
Employee Benefits	\$0.1	\$0.1	\$0.1	\$0.1	\$0.1	\$0.1
Books and Supplies	\$0.1	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0
Other Operating Expense	\$1.0	\$0.5	\$0.5	\$0.1	\$45.3	\$25.1
Capital Outlay	\$64.7	\$29.3	\$46.5	\$2.3	\$11.9	\$11.9
Other Outgo	\$56.7	\$12.2	\$10.8	\$9.6	\$9.6	\$9.6
<i>Total Expenditure</i>	\$122.8	\$42.3	\$58.2	\$12.3	\$67.4	\$47.2

Ending Balance

Restricted Ending Balances	\$68.3	\$49.0	\$24.1	\$37.0	\$0.0	\$20.2
<i>Total Ending Balance</i>	\$68.3	\$49.0	\$24.1	\$37.0	\$0.0	\$20.2
<i>Total Uses of Funds</i>	\$191.1	\$91.3	\$82.3	\$49.3	\$67.4	\$67.4

CAPITAL FUND

SUPERINTENDENT'S 2012-13 FINAL BUDGET
State Sch Bldg Lease/Purch Fund (074/300)

This fund is used for school construction projects to relieve overcrowding.

Regular Program

	2008-09 Actual Amounts	2009-10 Actual Amounts	2010-11 Actual Amounts	2011-12 3rd Interim Estimate	2012-13 Authorized Amounts	2012-13 Estimated Amounts
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Amounts in \$millions

Sources of Funds

Beginning Balance

Restricted Beginning Balances	\$4.5	\$0.0	\$3.0	\$4.3	\$4.1	\$4.1
<i>Total Beginning Balance</i>	\$4.5	\$0.0	\$3.0	\$4.3	\$4.1	\$4.1

Revenue

State Revenues	-\$3.8	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0
Local Revenues	\$0.4	\$0.3	\$0.3	\$0.3	\$0.3	\$0.3
Interfund Transfers In	\$0.2	\$3.1	\$1.2	\$0.1	\$0.0	\$0.0
Other Financing Sources	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0
<i>Total Revenue</i>	-\$3.2	\$3.4	\$1.5	\$0.4	\$0.3	\$0.3
<i>Total Sources of Funds</i>	\$1.3	\$3.4	\$4.5	\$4.7	\$4.4	\$4.4

Uses of Funds

Expenditure

Classified Salaries	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0
Employee Benefits	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0
Books and Supplies	-\$0.1	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0
Other Operating Expense	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0
Capital Outlay	\$1.1	\$0.2	\$0.1	\$0.6	\$4.4	\$4.4
Other Outgo	\$0.3	\$0.2	\$0.1	\$0.0	\$0.0	\$0.0
<i>Total Expenditure</i>	\$1.3	\$0.4	\$0.2	\$0.6	\$4.4	\$4.4

Ending Balance

Restricted Ending Balances	\$0.0	\$3.0	\$4.3	\$4.1	\$0.0	\$0.0
<i>Total Ending Balance</i>	\$0.0	\$3.0	\$4.3	\$4.1	\$0.0	\$0.0
<i>Total Uses of Funds</i>	\$1.3	\$3.4	\$4.5	\$4.7	\$4.4	\$4.4

DEBT SERVICE FUND

**SUPERINTENDENT'S 2012-13 FINAL BUDGET
Bond Interest & Redemption Fund (004/510)**

This fund provides principal and interest payments on outstanding local bonds approved by voters. The source of revenues is local property taxes.

Regular Program	2008-09 Actual Amounts	2009-10 Actual Amounts	2010-11 Actual Amounts	2011-12 3rd Interim Estimate	2012-13 Authorized Amounts	2012-13 Estimated Amounts
Amounts in \$millions						
Sources of Funds						
<i>Beginning Balance</i>						
Restricted Beginning Balances	\$447.9	\$489.4	\$630.8	\$724.6	\$786.5	\$786.5
<i>Total Beginning Balance</i>	\$447.9	\$489.4	\$630.8	\$724.6	\$786.5	\$786.5
<i>Revenue</i>						
Federal Revenues	\$0.0	\$29.2	\$76.3	\$73.8	\$73.8	\$73.8
State Revenues	\$4.0	\$4.9	\$5.9	\$5.8	\$5.5	\$5.5
Local Revenues	\$613.7	\$710.6	\$857.5	\$851.1	\$804.2	\$804.2
Other Financing Sources	\$0.0	\$242.7	\$0.0	\$644.8	\$0.0	\$0.0
<i>Total Revenue</i>	\$617.7	\$987.4	\$939.7	\$1,575.4	\$883.4	\$883.4
Total Sources of Funds	\$1,065.6	\$1,476.7	\$1,570.5	\$2,300.0	\$1,669.9	\$1,669.9
Uses of Funds						
<i>Expenditure</i>						
Other Outgo	\$576.2	\$845.9	\$845.9	\$1,513.5	\$1,669.9	\$1,252.4
Total Expenditure	\$576.2	\$845.9	\$845.9	\$1,513.5	\$1,669.9	\$1,252.4
<i>Ending Balance</i>						
Restricted Ending Balances	\$489.4	\$630.8	\$724.6	\$786.5	\$0.0	\$417.5
<i>Total Ending Balance</i>	\$489.4	\$630.8	\$724.6	\$786.5	\$0.0	\$417.5
Total Uses of Funds	\$1,065.6	\$1,476.7	\$1,570.5	\$2,300.0	\$1,669.9	\$1,669.9

DEBT SERVICE FUND

SUPERINTENDENT'S 2012-13 FINAL BUDGET
Tax Override Fund (005/530)

This fund repays indebtedness resulting from earlier tax levies. The total debt to be repaid is \$0.59 million. The repayment schedule ended June 30, 2010.

Regular Program

	2008-09 Actual Amounts	2009-10 Actual Amounts	2010-11 Actual Amounts	2011-12 3rd Interim Estimate	2012-13 Authorized Amounts	2012-13 Estimated Amounts
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Amounts in \$millions

Sources of Funds

Beginning Balance

Restricted Beginning Balances	\$0.1	\$0.2	\$0.3	\$0.3	\$0.3	\$0.3
<i>Total Beginning Balance</i>	\$0.1	\$0.2	\$0.3	\$0.3	\$0.3	\$0.3

Revenue

State Revenues	\$0.2	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0
Local Revenues	\$0.3	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0
<i>Total Revenue</i>	\$0.4	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0
<i>Total Sources of Funds</i>	\$0.5	\$0.3	\$0.3	\$0.3	\$0.3	\$0.3

Uses of Funds

Expenditure

Other Outgo	\$0.3	\$0.0	\$0.0	\$0.0	\$0.3	\$0.3
<i>Total Expenditure</i>	\$0.3	\$0.0	\$0.0	\$0.0	\$0.3	\$0.3

Ending Balance

Restricted Ending Balances	\$0.2	\$0.3	\$0.3	\$0.3	\$0.0	\$0.0
<i>Total Ending Balance</i>	\$0.2	\$0.3	\$0.3	\$0.3	\$0.0	\$0.0
<i>Total Uses of Funds</i>	\$0.5	\$0.3	\$0.3	\$0.3	\$0.3	\$0.3

DEBT SERVICE FUND

SUPERINTENDENT'S 2012-13 FINAL BUDGET
Capital Services Fund (071/560)

This fund is used to repay Certificates of Participation (COPs). COPs are funds borrowed for capital projects where bond financing is not available. Repayment is from general purpose funds or other funds such as developer fees.

Regular Program	2008-09	2009-10	2010-11	2011-12	2012-13	2012-13
	Actual	Actual	Actual	3rd Interim	Authorized	Estimated
	Amounts	Amounts	Amounts	Estimate	Amounts	Amounts

Amounts in \$millions

Sources of Funds

Beginning Balance

Restricted Beginning Balances	\$49.1	\$65.1	\$72.4	\$81.8	\$60.4	\$60.4
<i>Total Beginning Balance</i>	<u>\$49.1</u>	<u>\$65.1</u>	<u>\$72.4</u>	<u>\$81.8</u>	<u>\$60.4</u>	<u>\$60.4</u>

Revenue

Federal Revenues	\$0.0	\$0.0	\$0.0	\$0.6	\$0.6	\$0.6
Local Revenues	\$2.3	\$1.1	\$1.2	\$1.2	\$0.3	\$0.3
Interfund Transfers In	\$208.3	\$123.1	\$46.4	\$222.3	\$41.7	\$41.7
Other Financing Sources	\$0.2	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0
<i>Total Revenue</i>	<u>\$210.8</u>	<u>\$124.3</u>	<u>\$47.6</u>	<u>\$224.2</u>	<u>\$42.6</u>	<u>\$42.6</u>
<i>Total Sources of Funds</i>	<u>\$259.9</u>	<u>\$189.4</u>	<u>\$119.9</u>	<u>\$306.0</u>	<u>\$103.0</u>	<u>\$103.0</u>

Uses of Funds

Expenditure

Other Outgo	\$194.8	\$117.0	\$38.1	\$245.6	\$42.0	\$42.0
<i>Total Expenditure</i>	<u>\$194.8</u>	<u>\$117.0</u>	<u>\$38.1</u>	<u>\$245.6</u>	<u>\$42.0</u>	<u>\$42.0</u>

Ending Balance

Restricted Ending Balances	\$65.1	\$72.4	\$81.8	\$60.4	\$61.0	\$61.0
<i>Total Ending Balance</i>	<u>\$65.1</u>	<u>\$72.4</u>	<u>\$81.8</u>	<u>\$60.4</u>	<u>\$61.0</u>	<u>\$61.0</u>
<i>Total Uses of Funds</i>	<u>\$259.9</u>	<u>\$189.4</u>	<u>\$119.9</u>	<u>\$306.0</u>	<u>\$103.0</u>	<u>\$103.0</u>

INTERNAL SERVICE FUND

SUPERINTENDENT'S 2012-13 FINAL BUDGET
Health & Welfare Benefits Fund (021/670)

This fund provides insurance or reimbursement for medical, vision, and dental care for qualified employees and retirees, plus costs of administration. Costs for such benefits have been growing faster than revenues.

Regular Program

	2008-09	2009-10	2010-11	2011-12	2012-13	2012-13
	Actual	Actual	Actual	3rd Interim	Authorized	Estimated
	Amounts	Amounts	Amounts	Estimate	Amounts	Amounts

Amounts in \$millions

Sources of Funds

Beginning Balance

Non Spendable-Inventories, Cash, Others	\$11.8	\$9.5	\$9.4	\$9.4	\$0.0	\$0.0
Restricted Beginning Balances	\$18.9	-\$0.1	\$86.8	\$202.2	\$280.0	\$280.0
Total Beginning Balance	\$30.7	\$9.4	\$96.2	\$211.6	\$280.0	\$280.0

Revenue

Local Revenues	\$877.6	\$940.5	\$940.9	\$932.5	\$934.5	\$934.5
Interfund Transfers In	\$13.0	\$12.6	\$11.0	\$10.4	\$9.2	\$9.2
Other Financing Sources	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0
Local Miscellaneous	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0
Total Revenue	\$890.6	\$953.2	\$951.8	\$942.8	\$943.7	\$943.7
Total Sources of Funds	\$921.3	\$962.5	\$1,048.0	\$1,154.4	\$1,223.7	\$1,223.7

Uses of Funds

Expenditure

Classified Salaries	\$2.0	\$1.8	\$1.6	\$2.1	\$1.9	\$1.9
Employee Benefits	\$0.9	\$0.9	\$0.8	\$1.1	\$1.0	\$1.0
Books and Supplies	\$0.3	\$0.2	\$0.2	\$0.1	\$0.0	\$0.0
Other Operating Expense	\$908.7	\$863.5	\$833.8	\$871.1	\$940.8	\$940.8
Total Expenditure	\$911.9	\$866.3	\$836.4	\$874.4	\$943.7	\$943.7

Ending Balance

Non Spendable-Inventories, Cash, Others	\$9.5	\$9.4	\$9.4	\$0.0	\$0.0	\$0.0
Restricted Ending Balances	-\$0.1	\$86.8	\$202.2	\$280.0	\$280.0	\$280.0
Total Ending Balance	\$9.4	\$96.2	\$211.6	\$280.0	\$280.0	\$280.0
Total Uses of Funds	\$921.3	\$962.5	\$1,048.0	\$1,154.4	\$1,223.7	\$1,223.7

INTERNAL SERVICE FUND

SUPERINTENDENT'S 2012-13 FINAL BUDGET
Worker's Compensation Fund (013/671)

This internal service fund makes medical and other payments to employees who were injured in the course of their employment with the District plus the necessary cost of administering the fund. Revenues come from each fund that has employees.

Regular Program	2008-09 Actual Amounts	2009-10 Actual Amounts	2010-11 Actual Amounts	2011-12 3rd Interim Estimate	2012-13 Authorized Amounts	2012-13 Estimated Amounts
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Amounts in \$millions

Sources of Funds

Beginning Balance

Non Spendable-Inventories, Cash, Othe	\$2.0	\$2.0	\$2.0	\$2.0	\$0.0	\$0.0
Restricted Beginning Balances	\$100.5	\$25.1	\$62.6	\$33.3	\$4.1	\$4.1
<i>Total Beginning Balance</i>	\$102.5	\$27.1	\$64.6	\$35.3	\$4.1	\$4.1

Revenue

Local Revenues	\$17.0	\$116.2	\$53.6	\$73.9	\$101.0	\$101.0
Other Financing Sources	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0
Local Miscellaneous	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0
<i>Total Revenue</i>	\$17.0	\$116.2	\$53.6	\$73.9	\$101.0	\$101.0
<i>Total Sources of Funds</i>	\$119.5	\$143.3	\$118.2	\$109.2	\$105.2	\$105.2

Uses of Funds

Expenditure

Classified Salaries	\$4.1	\$3.5	\$3.3	\$2.8	\$3.1	\$3.1
Employee Benefits	\$1.9	\$1.9	\$1.5	\$1.4	\$1.5	\$1.5
Books and Supplies	\$0.1	\$0.1	\$0.0	\$0.0	\$0.0	\$0.0
Other Operating Expense	\$86.4	\$73.3	\$78.2	\$100.8	\$97.9	\$97.9
<i>Total Expenditure</i>	\$92.4	\$78.7	\$82.9	\$105.1	\$102.6	\$102.6

Ending Balance

Non Spendable-Inventories, Cash, Othe	\$2.0	\$2.0	\$2.0	\$0.0	\$0.0	\$0.0
Restricted Ending Balances	\$25.1	\$62.6	\$33.3	\$4.1	\$2.6	\$2.6
<i>Total Ending Balance</i>	\$27.1	\$64.6	\$35.3	\$4.1	\$2.6	\$2.6
<i>Total Uses of Funds</i>	\$119.5	\$143.3	\$118.2	\$109.2	\$105.2	\$105.2

INTERNAL SERVICE FUND

SUPERINTENDENT'S 2012-13 FINAL BUDGET
Liability Self-Insurance Fund (016/672)

This fund provides resources for liability claims and judgements against the District, and the cost of administering them.

Regular Program

	2008-09 Actual Amounts	2009-10 Actual Amounts	2010-11 Actual Amounts	2011-12 3rd Interim Estimate	2012-13 Authorized Amounts	2012-13 Estimated Amounts
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Amounts in \$millions

Sources of Funds

Beginning Balance

Non Spendable-Inventories, Cash, Other	\$4.8	\$4.4	\$4.0	\$3.6	\$0.0	\$0.0
Restricted Beginning Balances	\$0.0	\$0.0	\$0.0	\$0.0	\$3.2	\$3.2
<i>Total Beginning Balance</i>	\$4.8	\$4.4	\$4.0	\$3.6	\$3.2	\$3.2

Revenue

Local Revenues	\$20.2	\$40.4	\$12.0	\$15.3	\$19.8	\$19.8
Interfund Transfers In	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0
Other Financing Sources	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0
Local Miscellaneous	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0
<i>Total Revenue</i>	\$20.2	\$40.4	\$12.0	\$15.3	\$19.8	\$19.8
<i>Total Sources of Funds</i>	\$25.0	\$44.8	\$16.0	\$18.9	\$23.0	\$23.0

Uses of Funds

Expenditure

Certificated Salaries	\$0.2	\$0.2	\$0.2	\$0.2	\$0.2	\$0.2
Classified Salaries	\$1.3	\$1.2	\$1.1	\$0.9	\$1.1	\$1.1
Employee Benefits	\$0.6	\$0.6	\$0.5	\$0.5	\$0.5	\$0.5
Books and Supplies	\$0.1	\$0.0	\$0.0	\$0.0	\$0.1	\$0.1
Other Operating Expense	\$18.5	\$38.9	\$10.6	\$14.2	\$17.9	\$17.9
<i>Total Expenditure</i>	\$20.6	\$40.8	\$12.4	\$15.7	\$19.8	\$19.8

Ending Balance

Non Spendable-Inventories, Cash, Other	\$4.4	\$4.0	\$3.6	\$0.0	\$0.0	\$0.0
Restricted Ending Balances	\$0.0	\$0.0	\$0.0	\$3.2	\$3.2	\$3.2
<i>Total Ending Balance</i>	\$4.4	\$4.0	\$3.6	\$3.2	\$3.2	\$3.2
<i>Total Uses of Funds</i>	\$25.0	\$44.8	\$16.0	\$18.9	\$23.0	\$23.0

FIDUCIARY FUND

**SUPERINTENDENT'S 2012-13 FINAL BUDGET
Attendance Incentive Reserve Fund (046/710)**

This funds provides rewards to UTLA-represented employees with good attendance in accordance with an agreement with UTLA.

Regular Program

	2008-09 Actual Amounts	2009-10 Actual Amounts	2010-11 Actual Amounts	2011-12 3rd Interim Estimate	2012-13 Authorized Amounts	2012-13 Estimated Amounts
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Amounts in \$millions

Sources of Funds

Beginning Balance

Restricted Beginning Balances	\$1.4	\$0.0	\$0.4	\$0.0	\$0.0	\$0.0
<i>Total Beginning Balance</i>	\$1.4	\$0.0	\$0.4	\$0.0	\$0.0	\$0.0

Revenue

Local Revenues	\$0.4	\$0.4	\$0.2	\$0.0	\$0.2	\$0.2
Local Miscellaneous	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0
<i>Total Revenue</i>	\$0.4	\$0.4	\$0.2	\$0.0	\$0.2	\$0.2
<i>Total Sources of Funds</i>	\$1.8	\$0.4	\$0.6	\$0.0	\$0.2	\$0.2

Uses of Funds

Expenditure

Other Operating Expense	\$1.8	\$0.0	\$0.6	\$0.0	\$0.2	\$0.2
<i>Total Expenditure</i>	\$1.8	\$0.0	\$0.6	\$0.0	\$0.2	\$0.2

Ending Balance

Restricted Ending Balances	\$0.0	\$0.4	\$0.0	\$0.0	\$0.0	\$0.0
<i>Total Ending Balance</i>	\$0.0	\$0.4	\$0.0	\$0.0	\$0.0	\$0.0
<i>Total Uses of Funds</i>	\$1.8	\$0.4	\$0.6	\$0.0	\$0.2	\$0.2

FIDUCIARY FUND

SUPERINTENDENT'S 2012-13 FINAL BUDGET
Annuity Reserve Fund (023/711)

This fund holds amounts deposited after the dissolution of the Teacher's retirement system in 1972. The amounts have been or will be distributed to employees.

Regular Program	2008-09	2009-10	2010-11	2011-12	2012-13	2012-13
	Actual	Actual	Actual	3rd Interim	Authorized	Estimated
	Amounts	Amounts	Amounts	Estimate	Amounts	Amounts

Amounts in \$millions

Sources of Funds

Beginning Balance

Restricted Beginning Balances	\$0.5	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0
<i>Total Beginning Balance</i>	<i>\$0.5</i>	<i>\$0.0</i>	<i>\$0.0</i>	<i>\$0.0</i>	<i>\$0.0</i>	<i>\$0.0</i>

Revenue

Local Revenues	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0
<i>Total Revenue</i>	<i>\$0.0</i>	<i>\$0.0</i>	<i>\$0.0</i>	<i>\$0.0</i>	<i>\$0.0</i>	<i>\$0.0</i>
<i>Total Sources of Funds</i>	<i>\$0.5</i>	<i>\$0.0</i>	<i>\$0.0</i>	<i>\$0.0</i>	<i>\$0.0</i>	<i>\$0.0</i>

Uses of Funds

Expenditure

Other Operating Expense	\$0.5	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0
<i>Total Expenditure</i>	<i>\$0.5</i>	<i>\$0.0</i>	<i>\$0.0</i>	<i>\$0.0</i>	<i>\$0.0</i>	<i>\$0.0</i>

Ending Balance

Restricted Beginning Balances	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0
<i>Total Ending Balance</i>	<i>\$0.0</i>	<i>\$0.0</i>	<i>\$0.0</i>	<i>\$0.0</i>	<i>\$0.0</i>	<i>\$0.0</i>
<i>Total Uses of Funds</i>	<i>\$0.5</i>	<i>\$0.0</i>	<i>\$0.0</i>	<i>\$0.0</i>	<i>\$0.0</i>	<i>\$0.0</i>

APPENDICES

INTRODUCTION

This Section provides information related to a number of areas of importance with regard to the District's budget for the 2012-13 fiscal year. Included in this Section are the following:

Appendix A – Frequently Asked Questions. This section provides questions and answers regarding the District's Final Budget.

Appendix B – Budget Principles and Processes. This section explains the District's general principles in preparing its budget, and the process for developing and amending the budget.

Appendix C – How Education is Funded in California. This section provides detail on how California funds its schools, and information on the state's K-12 education finance laws since the 1970s.

Appendix D – Average Daily Attendance (ADA). These pages provide information regarding Average Daily Attendance (ADA). The State uses ADA to allocate many funding sources to local school districts. ADA is based on actual in-seat attendance, and attendance credit. The page reflects information regarding estimated 2011-12 and 2012-13 funded ADA.

Appendix E – Revenue Limit Information. The Revenue Limit is the single largest unrestricted funding source for California school districts. These pages provide details on the basis of revenue from the Revenue Limit and the categorical programs associated with the Revenue Limit such as Supplemental Instructional Hourly Programs, Special Education, Community Day Schools, Adult Education, Regional Occupational Centers/Program, and Apprenticeship Program.

Appendix F – Revenues and Uses of Tier III Categorical Program Funds. This section provides information about the proposed use of Tier III Categorical Program Funds. In 2009, the state budget approved by the legislature allowed school districts to redirect funding in Tier III programs to any other educational purpose over a five-year period ending July 1, 2013. In 2011 the date was extended to July 1, 2015.

Appendix G - School Staff and Resources. These pages provide information on the staffing of District schools, based on existing allocation formulas. This information is provided for elementary and secondary schools, magnet schools, options schools, special education schools and programs, adult schools, regional occupational centers and programs, and other schools for which the District allocates positions and other resources. This section also includes information on the allocation of support staff, instructional materials, and other supplies to District schools.

Introduction (cont'd)

Appendix H – Enrollment Trends. This section provides information on District enrollment trends. The District uses data on live births in Los Angeles County and historical grade retention ratios, as well as economic factors and other relevant information, to project enrollment. Estimated enrollments in grades 1 through 12 for the 2012-13 through 2014-15 school years are calculated using various scenarios, generally involving weighted and true averages. The grade retention ratio uses past trends to estimate student progress to the next grade level. Enrollments in kindergarten are calculated as a percentage of live births in Los Angeles County five years earlier. Separate Enrollment charts are provided for regular District schools, fiscally independent charter schools and total districtwide enrollment.

Appendix I – Budget and Finance Policy. These pages provide the complete text of the District’s Budget and Finance Policy, as adopted by the Board of Education in June 2004.

Appendix J – District Debt Management Policy. These pages provide the complete text of the District’s Debt Management Policy, as adopted by the Board of Education.

Appendix K – Capital Budget. This page provides a hyperlink for information regarding the District’s capital facilities plan and other major capital expenditures anticipated during the next several years.

Appendix L - Notes. These pages provide information regarding a number of items throughout the budget.

Appendix M - Glossary and Abbreviations. These pages provide definitions of terms and abbreviations appearing throughout the budget document.

Los Angeles Unified School District Superintendent's 2012-13 Final Budget

Frequently Asked Questions

This document shows estimated 2012-13 revenues and expenditures for all Funds of the District, assuming that current District policies are continued. We have provided historical and projected information for the District's Funds, for the District Defined Programs within the General Fund, and by object of expenditure. The following are answers to frequently asked questions about the budget.

Which resources are in the Unrestricted General Fund, and which are not?

The Unrestricted General Fund includes most of the District's K-12 operating programs. For example, it includes:

- Funding for teachers, administrators, clerical, and custodial staff at schools. This includes funding for class size reduction in grades K-3, and estimated funding for SB 1133 (Quality Education Investment Act).
- Funding for Regional Occupational Centers and Programs that provide career-oriented courses.
- Funding for recreation-oriented after-school programs.
- Funding for the administration of the District, including general management, finance, information technology and human resources.

The Restricted General Fund includes the following resources:

- State and federal categorical funds for low-income, low-achieving, or limited-English-proficient students, including Title I (Socioeconomically Disadvantaged), Title II A (High Quality Teachers), and Title III (English learners).
- Estimated funding for SB 1133 (Quality Education Investment Act).
- Funding for the District's special education program.
- Funding for school maintenance, such as repairs.
- Funding for school breakfasts and lunches.
- State and federal funding for instructionally-oriented before- and after-school programs.
- Funding for adult education and for early childhood education programs conducted at children's centers.
- Capital funds, such as bond funds for school construction, and funds that pay principal and interest on bonded indebtedness.

Does the Final Budget include an estimate of Quality Investment and Education Act (SB 1133) revenues and expenditures?

Yes. SB 1133 provides \$500 per K-3 student, \$900 per 4-8 student, and \$1,000 per 9-12 student in some of our lowest-achieving schools. Sixteen schools failed to meet their Quality Education Investment Act (QEIA) requirements and will no longer be funded in FY 2012-13. The Final Budget includes \$132.3 million in projected SB 1133 funding, including \$50.3 million in unexpended balances carried forward from FY 2011-12.

Does the Final Budget include an estimate of the American Recovery and Reinvestment Act (ARRA) revenues and expenditures?

ARRA funding expired September 30, 2011. The Final Budget includes only carryover amounts that were not obligated by the end of the District's fiscal year.

Does the Final Budget include an estimate of student enrollment?

Yes. The Los Angeles Unified School District uses data on live births in Los Angeles County and historical grade retention ratios, as well as economic factors and other relevant information, to project enrollment. Estimated enrollments in grades 1 through 12 are calculated using a variety of scenarios, generally involving weighted and true averages. The grade retention ratio measures the percentage of students expected to progress to the next grade level from one year to the next, based on past trends. Enrollments in kindergarten are calculated as a percentage of live births in Los Angeles County five years earlier.

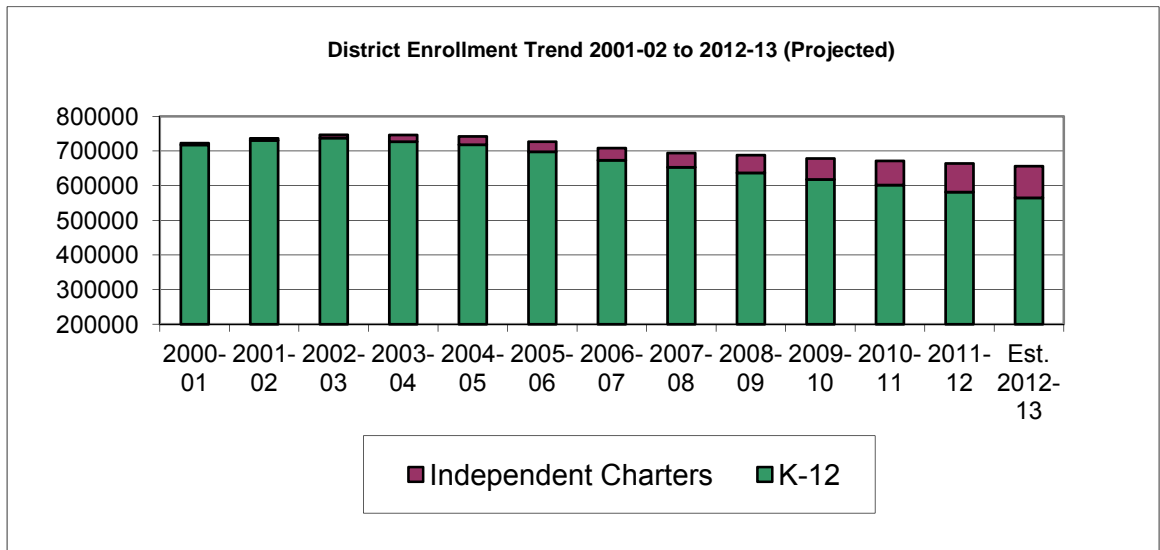
What does it mean to be a “declining enrollment” district?

Enrollment peaked in 2002-03 at 746,831, and has declined each year since. This decline is due to several factors, including reduced birth rates in Los Angeles County, and cost-of-living increases, including housing, in southern California.

Declining enrollment affects both revenue and expenditures. However, declining enrollment typically causes a more rapid decline in revenues following the first year, in which declining enrollment districts are essentially “held harmless” for the decline. In addition, the increase in percentage of students enrolled in independent charter schools contributes to the change in revenue and expenditures Districtwide.

How do charter schools impact District enrollment projections?

The fiscally-independent charter school data include both schools that have converted from non-charter to fiscally-independent charter school status (“conversion charters”) and schools that began their existence as fiscally-independent charter schools (“start-up charters”). The chart below shows the increase in the percentage of students enrolled in independent charter schools over the last decade.



What legal requirements govern the District’s budget process?

Legal requirements for school district budgeting are spelled out in the State Education Code.

- The District is required to adopt a budget each year by June 30. The Superintendent and Chief Financial Officer must certify that the budget is balanced in the current year and, based on reasonable income and expenditure assumptions, that the District will be able to balance its budget for two subsequent years. Thus, based on the best information available, we have considered the District’s likely revenues and expenditures in 2013-14 and 2014-15 when balancing the 2012-13 budget.
- Any time the District enters into a collective bargaining agreement, we are required to submit a multi-year projection confirming the District’s ability to pay for the agreement in the current year and two subsequent years.

Is the Final Budget balanced?

Yes. The Final Budget is balanced through a combination of proposals adopted by the Board of Education on February 14, 2012, use of selected Tier III categorical program flexibility, and assumption of the passage of the Governor’s November sales tax initiatives.

What happens when the State adopts its budget after the Constitutional deadline?

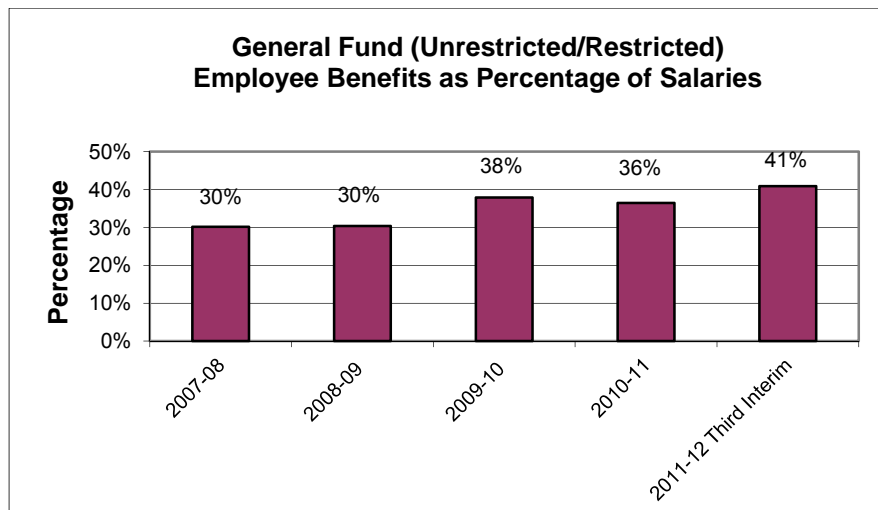
The State Constitution requires that the Legislature adopt a State Budget no later than June 15 of the preceding fiscal year, and that the Governor sign the proposed State Budget Act no later than June 30.

When the Legislature and the Governor miss their deadlines, the requirements for school district budget development do not change. The District will be required to submit its 2012-13 Final Budget to the Los Angeles County Office of Education no later than July 1, 2012 in order to meet its legal obligation, regardless of the adoption date of the State Budget.

Why was it necessary that the District implement budget reductions for 2012-13?

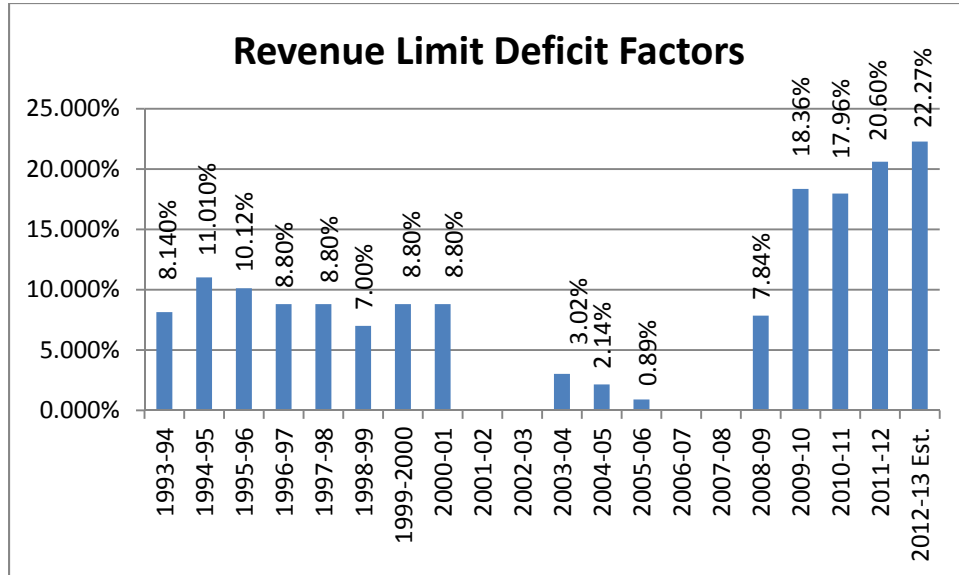
District resources are projected to decrease for various reasons, including the following:

- The May Revision included a 3.17% COLA with 21.666% deficit factor or a net funded COLA of 0%. The District is in a period of declining enrollment. While State statutes allow declining enrollment districts to claim average daily attendance (ADA) at the prior year's level, such districts tend to lose revenue faster than they realize savings, because it is difficult to adjust spending downward as enrollment declines.
- The cost of employee medical, dental and vision benefits have increased much faster than the District's unrestricted revenues.



What is a “deficit factor?”

When the state appropriation for school funding falls short, a deficit factor is applied to reduce the actual allocation of state aid to the amount appropriated.



Why does the estimated amount of required budget reductions change over time?

The District receives or develops new financial information continuously. Revenue and beginning balance estimates change at the following times:

- At the First Period Interim Financial Report in December.
- When the Governor announces his budget in January.
- At the Second Period Interim Financial Report in March.
- When the Governor publishes the “May Revise.”
- In years requiring a Third Interim Financial Report, in June, when that Report is presented.
- When the Legislature and Governor adopt the State Budget in June or later.
- At various times during the year when the State Department of Education publishes fund allocations.

Expenditure estimates change at the following times:

- At the First Period Interim Financial Report in December.
- When the Governor announces his budget in January.
- At the Second Period Interim Financial Report in March.
- When the Governor publishes the “May Revise.”
- In years requiring a Third Interim Financial Report, in June, when that Report is presented.

- During the course of the fiscal year when new revenue sources become available, and when schools or offices make budget adjustments with ongoing (“continuous”) budget implications.
- When the budget is being developed.
- When we are able to develop better cost estimates internally.

The Budget Services & Financial Planning Division attempts to keep the Superintendent and Board updated on a regular basis regarding significant changes in the District’s revenue and expenditure estimates.

How can employee benefits be reported in both the General Fund and the Health & Welfare Benefits fund? Isn’t that double counting?

The District established the Health & Welfare Benefits Fund to meet the requirements of the Governmental Accounting Standards Board. The Health & Welfare Benefits Fund receives contributions from different user funds with positions that earn medical benefits. Examples of user funds include the General Fund, Cafeteria Fund, Capital Funds and other funds with positions that earn medical benefits. User fund contributions are transferred to the Health & Welfare Benefits Fund. Expenditures in this fund represent the actual insurance premiums paid to outside providers. As a result, contributions are reported as expenditures in the user funds and reported as revenue in the Health & Welfare Benefits Fund.

Appendix B

BUDGET PRINCIPLES AND PROCESSES

A. Principles of Budgeting and Accounting

The California School Accounting Manual and the California Education Code govern budget development for California school districts, and their standards form the basis for development of the District's Adopted Final Budget. Among these standards are:

Basis for Accounting. The California School Accounting Manual mandates that districts use either the accrual basis or the modified accrual basis in accounting for revenues and expenditures. The difference between the two is as follows:

- In the Modified Accrual Basis, revenues are recognized in the period when they become available and measurable, and expenditures are recognized when a liability is incurred, regardless of when the receipt or payment of cash takes place. School districts use the modified accrual basis in accounting for governmental funds such as the General Fund and Adult Education Fund.
- In the Accrual Basis, revenues are recorded when earned, and expenditures are recorded when a liability is incurred, regardless of when the receipt or payment of cash takes place. School districts use the accrual basis in proprietary funds such as the Cafeteria and Self-Insurance Funds, and fiduciary funds such as the Annuity Reserve Fund.

Basis for Budgeting. The California School Accounting Manual also mandates the basis for school district budgeting. It requires that “generally, for California (school districts), the basis of budgeting should be the same as the basis of accounting used in the audited financial statements. Budgetary accounting must conform to the account codes in the standardized account code structure.” California school districts are required to display their budgets by fund, by object, and by function.

Budgetary accounts are “projections and show how much is estimated to be spent or received during a given period of time to carry out the local educational agency’s (LEA’s) goals.” In general, budgetary accounts have two purposes: (1) to record the estimated revenues of a fund by source and amount, and (2) to record and control the limits that are set on the expenditure levels by the appropriations. The recording of actual revenue and expenditures allows a comparison to the available amounts to be committed or expended within the limits set by law or by the governing board.

Revenue Budget. For each fund, the revenue budget anticipates all income from federal, state, and local sources, as well as the anticipated beginning balance. The total of beginning balance and income is the maximum amount a school district may legally budget to spend for any fund.

Expenditure Budget. Each fund has an expenditure budget reflecting the fund's authorized costs, and, for most funds, the anticipated expenditure level.

Budget by General Fund District Defined Program. Because the General Fund budget comprises many programs, it is divided into District Defined Programs such as Special Education, Regional Occupational Centers/Skills Centers, etc., to bring into focus programs of particular interest.

B. The budget process

Budget Preparation. The first step in preparing the budget is to determine the cost to continue the existing program. Enrollment-related costs are adjusted for projected changes. Costs not directly controllable by the District, such as utilities, retirement contributions, insurance, continuing contractual obligations, and legal costs, are adjusted to reflect estimated expenditures for the coming fiscal year.

Estimates of income are developed based on a review of federal and State statutory provisions and local revenue sources. Beginning balance amounts for the budget year are calculated utilizing a comparison of anticipated revenues and expenditures for the current year. The projected beginning balances and revenues are compared to the cost of continuing current programs to determine whether budget reductions may be necessary or whether unanticipated amounts may be available for allocation.

Board and public participation. Board meetings are scheduled for discussion of proposed budget changes. These are public meetings that can be attended in person or viewed on the District's television station at scheduled times. Members of the public may contact the District to speak on individual budget items or on the budget as a whole. A public hearing, at which any member of the public may address the Board regarding the District's proposed budget, is mandated prior to Board adoptions of the Final Budget in June.

C. Budget revision process

Budget adjustments. The Budget Services and Financial Planning Division either receives or initiates well over 20,000 requests annually to adjust or revise the adopted budget. Generally, a budget adjustment (B.A.) enables a school or office to use funds previously budgeted for a particular purpose.

Certain limitations apply to B.A.s. For example, schools or offices may not transfer funds from a restricted program into an unrestricted one (e.g., transfers from Title I into a District-funded school instructional materiel account would not be permitted).

B.A.s may be either continuous (ongoing), or limited to the remainder of the current fiscal year. They may be either "routine," requiring only normal handling by staff, or "non-routine," requiring formal approval by the Board of Education.

Categories of “non-routine” B.A.s are determined by the Board, and are currently defined as follows:

- A. All B.A.s from object of expenditure 7900(IFS) – Undistributed Reserves.
- B. All B.A.s which increase the total number of regular, non-school-based budgeted positions, except for those that are fully funded from the budgeted resources of the requesting office (“cost-neutral” budget adjustments).

In addition to the above, California Education Code §42602 authorizes Boards of Education to increase income to reflect unanticipated new revenues during the course of the fiscal year.

APPENDIX C

HOW EDUCATION IS FUNDED IN CALIFORNIA

Prior to the 1970s, California's schools were financed largely with property tax revenues imposed by local school districts. This led to dramatic differences in school district funding. A school district with very high property values could raise more revenue per pupil with a low property tax rate, while a district with low property values could raise less with a much higher property tax rate. The state attempted to reduce these differences by providing more state aid to low-property wealth districts. Despite this effort, per pupil revenues varied considerably between districts. In fiscal year 1968-69, for example, per pupil expenditures ranged from \$577 in Baldwin Park to \$1,232 in Beverly Hills.¹

In 1978, voters approved Proposition 13. The new law limited property tax rates to 1 percent of a property's assessed value at the time of acquisition. Proposition 13 reduced property tax revenues available for local governments and school districts. To cushion the impact to school districts, the state Legislature shifted state dollars to schools.

As a result, California schools today receive the large majority of their funding from the State, primarily from income and sales tax revenues. To a much lesser extent, districts also receive some local property revenues that are collected at the local level but distributed by the State. Income and sales taxes are more volatile revenue sources than property taxes. When the economy sours, unemployment rises, leading to fewer purchases. This correspondingly leads to less income and goods to be taxed. As a result, fewer dollars become available for schools.

California school districts therefore face dramatic cyclical funding variations as the economy rises and falls. Further, California's Governor and State Legislature, whose vote on the State Budget Act determines how State funds may be spent, have enormous control over the ability of local school districts to utilize funding to meet the specific needs of their students. Approximately 60% of all school district funds in California are general purpose in nature; the remaining 40% are restricted to specific purposes, such as the needs of special education students, low income students, limited English-proficient students, and specific grade levels. This greatly constrains local boards of education in their spending decisions. They are further constrained in their ability to raise taxes independently of the State. Bond issues, usually limited to building programs, require a 55% vote for passage. Parcel tax measures require a 2/3 vote.

The following provides information on legislation and court rulings that have significantly affected California's educational funding.²

Senate Bill 90 (1972) – In 1972, the Legislature established revenue limits for California public schools. The legislation placed ceilings on the amount of tax money each district could receive per pupil. This was in order to help reduce the wide differences in school funding between high and low property-wealth districts. The 1972-73 general purpose spending level became the base amount in determining each district's annual revenue limit.

Serrano v. Priest (1976) – This 1976 California Supreme Court decision declared the existing system of financing schools unconstitutional because it violated the equal protection clause of the State Constitution. The Court ruled that property tax rates and per pupil expenditures should be equalized and that, by 1980, the difference in revenue limits per pupil should be less than \$100 (the "Serrano band"). This allowable difference in revenue limits has subsequently been adjusted for inflation. In equalizing funding, districts are divided into three types: elementary, high school, and unified. They are then further divided into small and large districts to ensure that appropriate funding comparisons are made. Special purpose or "categorical" funds are excluded from this calculation.

¹ California Budget Project, *School Finance in California and the Proposition 98 Guarantee* (April 2006).

² Many of these rulings have been amended by subsequent legislation.

APPENDIX C

HOW EDUCATION IS FUNDED IN CALIFORNIA

Assembly Bill 65 (1977) – In response to the *Serrano* decision, the California State Legislature passed AB 65, creating an annual inflation adjustment based on a sliding scale in order to equalize revenue limits among districts over time. Higher inflation increases were provided to districts with low revenue limits, with lower (occasionally no) inflation adjustments for high revenue districts.

Proposition 13 (1978) – This constitutional amendment (the “Jarvis Amendment”) approved by California voters in 1978 limits property taxes to 1% of a property’s assessed value, and caps increases in assessed value at 2% annually or the percentage growth in the Consumer Price Index, whichever is less. It also mandated a 2/3 vote for approval of new taxes, such as parcel taxes.

Assembly Bill 8 (1978) – In response to Proposition 13, the Legislature established a formula for dividing property taxes among cities, counties, and school districts. This shielded schools from some of the measure’s effects. In the process, the State replaced the lost property taxes and effectively took control of school district funding.

Gann Limit (Proposition 4, 1979) – Proposition 4 created a constitutional limit on government spending at every level in the State, including school districts. No agency’s expenditures can exceed its Gann Limit, which is adjusted annually for inflation and population increase.

Senate Bill 813 (1983) – SB 813 provided additional money to school districts through equalization of revenue limits and new categorical programs, longer school day/year, and higher beginning teachers’ salaries. It also established statewide model curriculum standards.

Lottery Initiative (1984) – In November 1984, voters approved Proposition 37, a constitutional amendment establishing the California State Lottery. Provisions guarantee that a minimum of 34% of total lottery receipts be distributed to public schools, colleges, and universities. Funds are to supplement, not replace, State support for education. Lottery funds cannot be used for purchase or construction of facilities, for land, or research. Under Proposition 20, passed in March 2000, 50% of lottery funding above the 1997-98 funding level must be used for purchase of instructional materials.

Proposition 98 (1988) – This constitutional amendment guarantees a minimum funding level from State and property taxes for K-14 public schools in a complex formula based on State tax revenues. It also requires each school to prepare and publicize an annual School Accountability Report Card (SARC) that covers at least 13 required topics. A 2/3 vote of the Legislature and the Governor’s signature are required to suspend Proposition 98 for a year.

Proposition 111 (1990) – This constitutional amendment changed the inflation index for the Gann Limit calculation, effectively raising the limit. Additionally, the minimum Proposition 98 funding guarantee was changed to reflect the growth of California’s overall economy. It did so by shifting the adjustment from the growth of per capita personal income (which historically has tended to be a lower amount) to the growth in State per capita General Fund revenues plus one-half percent.

Assembly Bill 1200 (1991) – AB 1200 established a system for school district accounting practices that specifies how districts must report their revenues and expenditures. It requires that districts project their fiscal solvency two years out, and provide the State with Board-approved financial interim reports twice annually. County offices of education are made responsible for monitoring and providing technical assistance to their districts. AB 2756 (2004) adds to the responsibilities and control of county offices of education over the budget and expenditure reporting of local districts.

APPENDIX C

HOW EDUCATION IS FUNDED IN CALIFORNIA

Class Size Reduction, K-3 (SB 1777, 1996) – This legislation provided incentives for school districts to reduce K-3 classes to a pupil-teacher ratio of no more than 20 to 1, and provided additional funding to districts that met these ratios. A one-time allocation of \$25,000 per added classroom was also made available.

Senate Bill 1468 (1997) – This legislation changed the way average daily attendance (ADA) is counted, largely eliminating the concept of “excused absences” and basing ADA on students who are actually at school. To ensure that districts did not lose a large proportion of their revenue, the per-pupil revenue limit rate was adjusted by the average attendance rates of each individual school district.

Assembly Bill 1115 (1999) – Under the terms of this bill, an independent charter school is deemed a school of the chartering school district for the purposes of establishing its special education local plan (“SELPA”) status unless it designates otherwise in its charter petition. As such, independent charter schools which are members of a school district’s SELPA are entitled to an equitable share of special education services and funding.

Assembly Bill 1600 (1999) – This bill gave charter schools the option to receive funding directly from the State, rather than from their local district, in the form of a block grant.

Proposition 39 (2000) - This constitutional amendment established a 55% vote threshold for the issuance of school facilities construction bonds. In order to issue bonds under Proposition 39, the District must, among other things, use Proposition 39 bond funds only for those projects specifically listed in the ballot measure and strategic execution plans; create and maintain a citizens’ bond oversight committee; and annually ensure that performance and financial audits are conducted for Proposition 39 facilities projects. Proposition 39 also requires the District to offer reasonably equivalent District school facility space to independent charter schools.

Proposition 49 (2002) - This voter initiative, otherwise known as the "The After School Education and Safety Program Act of 2002," increased state funding for before and after school programs at elementary and middle schools. Funding is provided to the District through a competitive grant process with priority given to school sites that have at least 50 percent of its students receiving free and reduced priced lunch. A portion of state funding under Proposition 49 satisfies the revenue limit guarantee under Proposition 98.

Assembly Bill (825) - Under the terms of this bill, the District receives funding for its Integration Program and for other instructional program needs as part of a targeted instructional improvement block grant.

Senate Bill 1133 (Quality Education Investment Act of 2006) – Adopted in 2006 as a settlement of the CTA v. Schwarzenegger et al. lawsuit, the QEIA program provides targeted funding for eligible schools in API deciles 1, 2 and 3. The funding is to be used primarily for class-size reduction purposes and overall academic achievement goals.

Education Trailer Bill - Senate Bill 4 of the 2009-10 Third Extraordinary Session (SBX3 4) – For fiscal years 2008-09 through 2012-13, this bill established: (1) Categorical Program Flexibility, which grouped categorical programs into Tiers I, II, and III, and identified Tier III programs as unrestricted; (2) the public hearing requirement as a condition for receipt of Tier III funds; (3) the use of 2008-09 as the base year in calculating for most of the Tier III categorical programs and use of 2007-08 as the base year for calculating the revenue limit-related Tier III categorical programs; and (4) the use of June 30, 2008 ending balances as unrestricted funds with a few program exceptions. See the glossary for additional details on Tiers I, II, and III programs. In addition, SBX3 4 relaxed K-3 Class Size Reduction penalties for fiscal years 2008-09 through 2011-12 only.

Source: This section of the budget relies heavily on information found in the *State Funding of K-12 Education* section of the State Funding of Education website, and from *EdSource*.

APPENDIX D

AVERAGE DAILY ATTENDANCE

General Description

Average Daily Attendance (ADA) is a measure of pupil attendance that is used as the basis for providing revenue to school districts. ADA is also used to measure unit costs.

Only in-seat attendance and applicable attendance credit is counted when calculating ADA. Generally, ADA is calculated by dividing the total number of pupil days of attendance by the number of instructional days in an ADA reporting period.

For example, suppose over 3 instructional days, 30 students attended on Day 1, 29 students attended on Day 2, and 31 students attended on Day 3. The total number of pupil days of attendance would be calculated as $30 + 29 + 31 = 90$. Since there were 3 instructional days in this period, the ADA would be $90/3 = 30$.

An exception to this involves the use of fixed divisors (in place of the number of instructional days) in calculating ADA for Adult Education, Regional Occupational Centers, Regional Occupational Programs, Community Day Schools, and Extended School Year (Special Education-Special Day Classes (SDC) and Non-public School).

ADA Reporting Periods

First Period (P-1) This reporting period is from July 1 through the school month ending on or before December 31. The State uses the ADA reported in this period to estimate the amount of legally authorized revenue to school districts. The State also uses this period for progress payments to districts during the second semester.

Second Period (P-2) This reporting period is from July 1 through the school month ending on or before April 15. The State uses the ADA reported in this period to apportion most budget year revenue to school districts.

Annual Period This reporting period is from July 1 through June 30. Annual ADA is used primarily to develop unit program costs. The California State Lottery revenue and the Revenue Limit for Community Day Schools, Special Education-SDC Extended School Year, and Non-public Schools are based on annual ADA. Up to fiscal year 2007-08, revenue for Regional Occupational Centers, Regional Occupational Programs, and Community Adult Schools were based on ADA reported in this period, but not for fiscal years 2008-09 through 2014-15. The details are discussed in the following paragraphs.

SUPERINTENDENT’S 2012-13 FINAL BUDGET

ADA as the Basis of Revenue

Revenue Average Daily Attendance reflects the Average Daily Attendance (ADA) used to calculate the district’s revenue. Generally, the basis for K-12 revenue is mostly **P-2 ADA**. Adult Education Programs, Regional Occupational Centers, and Regional Occupational Programs revenue are based on **annual ADA**.

The table below best describes the various types of ADA and the reporting period that the revenue is based on.

Grade Level/Program ADA	Reporting Period of Revenue ADA
K-12	P-2
Continuation Education	P-2
Opportunity School	P-2
Home & Hospital	P-2
Special Education-SDC	P-2
Special Education-SDC – Extended School Year	Annual
Community Day School (first four hours)	Annual
Community Day School (5th and 6th hours)	Annual (see below paragraph for details)
Non-public School	Annual
Non-public School-LCI	Annual
Non-public School – Extended School Year	Annual
Non-public School-LCI – Extended School Year	Annual
Regional Occupational Center/Program	Annual (see below paragraph for details)
Adult Education	Annual (see below paragraph for details)

When a school district’s enrollment declines from one fiscal year to the next, Education Code Section 42238 allows school districts to use the greater of the current year or prior year total ADA of K-12 through Special Education-SDC Extended School Year in the table above, as part of the funded Revenue Limit ADA. Community Day School (first four hours) and all Non-public School annual ADAs are added to calculate the total funded Revenue Limit ADA. This provision does not apply to charter schools.

For fiscal years 2008-09 through 2014-15, revenue for all Adult Education Programs, Regional Occupational Centers, and Regional Occupational Programs is based on the relative proportion of the District’s 2007-08 entitlement to total 2007-08 statewide funding. The funding for fiscal years 2008-09 through 2014-15 is then estimated by taking the 2007-08 percentage and applying it to each fiscal year’s total statewide funding available. In addition, additional funding for Community Day Schools ADA (5th and 6th hours), which is composed of ADAs generated by Mandatorily and Non-mandatorily-expelled students ADA is calculated by a specific rate times the ADA; while the additional funding for the Non-mandatorily-expelled students ADA is based on the relative proportion of the 2007-08 funding over 2007-08 statewide amount, multiplied by the current fiscal year’s statewide amount. Absent any future legislation, the State will revert to using ADA as the basis of entitlement effective fiscal year 2015-16.

ADA from the **Special Education Program** includes only those generated by pupils who attend Special Day Classes in special education schools, regular schools, opportunity schools, and continuation high schools. ADA of pupils in regular education classes who receive special education services on a part-time basis is included in K-12 ADA.

Adult Education Programs are hourly programs. Pupils are considered in attendance if they attend at least once during the scheduled hour. Only those units of ADA earned that fall under the ten *mandated classes* mentioned below were included in the revenue calculation for prior fiscal years until 2007-08.

1. Parenting
2. Elementary basic education in core academic areas for pupils not possessing a diploma or equivalency and to provide remedial instruction
3. Secondary basic education in core academic areas for pupils not possessing a diploma or equivalency and to provide remedial instruction
4. English-As-A-Second Language (ESL)
5. Citizenship
6. Vocational education; short-term career technical programs with high employment potential
7. Programs for older adults
8. Adults with disabilities
9. Home economics education
10. Health and safety education

A day of attendance in adult education is three hours; 525 hours (three hours per day multiplied by 175 days) equals one adult ADA. Pupil attendance may be more or less than the three hours in a day, and the adult school may operate more or less than the 175 days a year. Therefore, adult ADA is simply total hours of attendance divided by 525. If more than 175 days were offered, it is possible for a student to earn more than one ADA.

AB 23 added Section 52617 in the Education Code to provide adjustments to allocation of apportionments to adult education's average daily attendance. School districts that exceed its units of authorized ADA in the two prior fiscal years shall receive a prorated amount of units available relative to the authorized ADA limit of the school district. If it fails to generate its units of authorized ADA in the two prior fiscal years, the authorized (cap) ADA shall be reduced by an amount equal to one-half of the lowest level of unearned ADA in either of the two prior fiscal years. AB23 is suspended for fiscal years 2008-09 through 2014-15.

For fiscal years 2008-09 through 2014-15, the entitlement for this program is not based on ADA but on the relative proportion of funding received in 2007-08 to the total 2007-08 statewide funding. The resulting percentage is then multiplied to each fiscal year's total statewide amount to get to the entitlements for 2008-09 through 2014-15. Beginning 2015-16, the State will revert to the previous methodology of calculating the entitlement.

Regional Occupational Centers/Programs (ROC/P) are hourly programs and pupils are considered in attendance if they attend at least once during the scheduled hour. Generally, there is no limit on the number of ROC/P hours that might be earned by a single pupil. If a pupil is enrolled in ROC/P as part of a work experience program, however, the hours are capped at 15 per calendar week.

A day of attendance for pupils in a regional occupational *center* and regional occupational *program* is three hours; 525 hours is equal to one ADA.

SUPERINTENDENT'S 2012-13 FINAL BUDGET

For fiscal years 2008-09 through 2014-15, the entitlement for this program is not based on ADA but on the relative proportion of funding received in 2007-08 to the total 2007-08 statewide funding. The resulting percentage is then multiplied to each fiscal year's total statewide amount to calculate the entitlements for 2008-09 through 2014-15. Beginning 2015-16, the State will revert to the previous methodology of calculating the entitlement.

As part of the ROC/P, the district offers programs for **apprentices** which are funded by the State based on the lesser of the actual hours earned or State-approved number of hours.

SUPERINTENDENT'S 2012-13 FINAL BUDGET

AVERAGE DAILY ATTENDANCE TABLE

	2011-12 Estimated Funded ADA	2012-13 Estimated Funded ADA
K-12 - Regular Program		
Non-charter Schools - K-12	515,480.46	488,199.68
Fiscally-dependent Charter Schools – K-12	13,239.11	28,942.17
Fiscally-independent Charter Schools – K-12	78,501.42	86,414.97
Total Regular Program	<u>607,220.99</u>	<u>603,556.82</u>
K-12 - Special Education Program		
Special Day Classes – Non-charter Schools	24,919.75	23,975.63
Special Day Classes – Fiscally-dependent Charter Schools	292.61	616.50
Special Day Classes – Fiscally-independent Charter Schools	409.86	428.26
All Non-public Schools - Non-charter Schools*	3,210.63	3,177.17
Special Day Classes, Extended Session – Non-charter Schools*	1,176.55	1,289.74
Special Day Classes, Extended Session – Fiscally-dependent Charter Schools*	0.00	0.00
Special Day Classes, Extended Session – Fiscally-independent Charter Schools*	11.10	12.49
Total Special Education Program	<u>30,020.50</u>	<u>29,499.79</u>
Total K-12 Funded ADA	<u>637,241.49</u>	<u>633,056.61</u>

Regional Occupational Centers/Programs**

See note below for information on funding.

Adult Education**

See note below for information on funding.

Supplemental Instructional Hourly Programs***

Core Academic Program

See note below for information on funding.

Remedial Program – Grades 7-12

See note below for information on funding.

Recommended For Retention – Grades 2-9

See note below for information on funding.

* Funded ADA is based on annual ADA

** Per 2009 SBX3 4, revenue is not based on ADA but on 2007-08 relative proportion of District entitlement to 2007-08 statewide funding, and applying the percentage to the current year's total statewide amount.

*** Per 2009 SBX3 4, revenue is not based on hours but on 2007-08 relative proportion of District entitlement to 2007-08 statewide funding, and applying the percentage to the current year's total statewide amount.

NUMBER OF SCHOOLS AND CENTERS

School Sites

The table on the following page shows the preliminary number of schools and centers budgeted for operation for the 2012-13 school year. Generally, Continuation High Schools and Magnet Centers share sites with a regular school. Most Community Adult Schools use regular secondary school facilities in late afternoon and evenings. Regional Occupational Centers are separate sites. The Regional Occupational Programs/Centers consists of a series of individual work locations identified as one school location for the purpose of attendance and expenditure reporting.

Grade Level Configuration

Elementary schools include students from kindergarten through sixth grade. Middle schools have sixth through eighth grade students, and senior high schools have ninth through twelfth grade students. Some magnet schools follow a traditional grade configuration while others include kindergarten through the twelfth grade. Span schools can include combinations of elementary and secondary grades or secondary grades only.

School Size

Individual schools vary widely in enrollment size. Elementary schools range from less than 200 to more than 1,300 pupils. Middle schools range from less than 600 to more than 2,000, and senior high schools range from less than 400 to more than 4,000. Magnet schools range from less than 400 to more than 1,700 pupils. Some Magnet Centers serve less than 100 pupils, while other magnet centers enroll 800 or more.

Most Special Education Schools and Opportunity High Schools have enrollments of between 100 and 300 pupils. Continuation High Schools generally have fewer than 200 pupils.

Enrollment ranges in this section are based on 2011-12 Norm Day enrollment.

NUMBER OF SCHOOLS AND CENTERS 2012-13

	TOTAL	MULTI-TRACK	SINGLE TRACK	
				Continuous
K-12 Separate School Campus				
Primary School Centers	18	0	18	
Elementary Schools	457	2	455	
Middle Schools	86		86	
Senior High Schools	106	1	105	
Option Schools	56		41	15
Magnet Schools	21		21	
Multi-level Schools	27		27	
Special Education Schools	17		17	
Sub Total	788	3	770	15
K-12 Magnet Centers (on regular school campuses)				
Elementary	45		45	
Middle	50		50	
Senior	50		50	
Sub Total	145	0	145	0
Other Schools				
Community Adult Schools	24	0	24	
Regional Occupational Centers/Program	6	0	6	
Skills Centers	4	0	4	
Early Education Centers	84	0	84	
Sub Total	118	0	118	0
TOTAL	1051	3	1033	15
Fiscally Independent Charter Schools				
Primary School Centers	13		13	
Elementary Schools	42		42	
Middle Schools	40		40	
Senior High Schools	59		59	
Multi-level Schools	39		39	
Total Charter Schools	193	0	193	0
GRAND TOTAL SCHOOLS AND CENTERS	1244	3	1226	15

APPENDIX E

REVENUE LIMIT INFORMATION

General Description

The revenue limit is the basic financial support for District activities. The total amount generated from the revenue limit is calculated using Average Daily Attendance (ADA) of pupils and a dollar rate per unit of ADA.

There are two sources of revenue limit income, State income and local property taxes. The State’s share of the revenue limit income is the amount in excess of the local property taxes.

Per 2009 Budget Act SBX3 4, categorical programs are classified into Tiers I, II, and III which determines whether a District has flexibility over program funds. The categorical programs *associated with the revenue limit* are in Tiers II and III. Funding for Tier III programs are designated as unrestricted.¹

The Apprenticeship Program is included in Tier II, while the Supplemental Instructional Hourly Programs, Community Day School Additional Funding (All Other CDS Pupils only), Regional Occupational Centers/Program, and Adult Education are included in Tier III. These programs use 2007-08 entitlement as the base year when estimating the entitlements for fiscal years 2008-09 through 2014-15. Other Tier II and Tier III categorical programs not listed in this paragraph use 2008-09 entitlement as the base year. Beginning 2015-16, the State will revert back to the previous method of calculating the entitlements for all categorical programs.

Revenue Limit Calculations

The revenue limit calculations are based on the Governor’s 2012-13 May Revise Budget.

K-12 Revenue Limit Per ADA

The 2012-13 budget calls for a cost of living allowance (COLA) of 3.24% and a deficit rate of 22.272%, which yields a 1.08% effective COLA. This 1.08% effective COLA is to restore the 2011-12 one-time mid-year “trigger” reductions in Home-to-School and Special Education Transportation (0.65%) and revenue limit (0.198%). In effect, the revenue limit COLA in 2012-13 is not funded.

The revenue limit rate per ADA is as follows:

2011-12 Base Revenue Limit Per ADA	\$6,505.56
2012-13 COLA	212.00
2012-13 Add-on: AB 851 (<i>Meals For Needy and Beginning Teachers Salary</i>)	57.35
2012-13 Revenue Limit Deficit	- 1,508.91
2012-13 Base Revenue Limit Per ADA	<u>\$5,266.00</u>

¹ See the Glossary for additional detail on Tiers I, II, and III programs.

SUPERINTENDENT'S 2012-13 FINAL BUDGET

Special Education	<p>The <i>base revenue limit per ADA</i> for Special Education reflects the same COLA and deficit rate as the K-12 revenue limit. In addition to the revenue limit, Special Education funding is provided through the AB602 formula using total Special Education Local Plan Area (SELPA) ADA.</p>
Meals For Needy Pupils	<p>Per AB851, beginning 2010-11, both entitlements are based on a per ADA rate received in 2007-08. The 2012-13 rate is derived by dividing the total 2007-08 entitlements for both programs by the 2007-08 revenue limit ADA, and increased or decreased by the COLAs from 2008-09 to 2012-13. This rate is then multiplied by the 2012-13 revenue limit ADA and deficit factor to calculate the 2012-13 total entitlement. See also calculation of the K-12 Revenue Limit Rate Per ADA.</p>
Beginning Teachers Salary	
Supplemental Instructional Hourly Programs	<p>SB813 provides a formula beginning in 1984-85 for funding Summer School programs based on hours of attendance rather than ADA for proficiency classes, mathematics, science, and other academic courses. Since these programs may be offered at various times during the school year in addition to the summer, they are now referred to as “Supplemental Instructional Hourly Programs.”</p> <p>The 2012-13 entitlement was estimated by taking the 2007-08 entitlement’s relative proportion to total 2007-08 statewide funding, and multiplying the percentage to the 2012-13 statewide available funding.</p> <p>Per 2009 Budget Act SBX3 4, the Supplemental Instructional Hourly Programs are part of the Tier III categorical programs. Therefore, the district has flexibility to use these funds.</p>
Community Day School Additional Funding	<p>There is no change in the calculation of the “Mandatory Expelled Pupils” portion of the additional funding, which is still based on current year annual ADA.</p> <p>The 2012-13 entitlement for “All Other CDS Pupils” was estimated by taking the 2007-08 entitlement’s relative proportion to total 2007-08 statewide funding, and multiplying the percentage to the 2012-13 statewide available funding.</p> <p>Per 2009 Budget Act SBX3 4, the Community Day School Additional Funding for “All Other CDS Pupils” is part of the Tier III categorical programs. Therefore, the district is given the flexibility as to use of funds.</p>
Apprenticeship Program	<p>This Tier II categorical program is funded at approximately \$5.04 per hour times the estimated funded hours. There is no flexibility for these program funds.</p>

SUPERINTENDENT'S 2012-13 FINAL BUDGET

**Regional Occupational
Centers/Programs/
Skills Centers**

The 2012-13 entitlement (excluding CalWORKs) was estimated by taking the 2007-08 entitlement's relative proportion to total 2007-08 statewide funding, and multiplying that percentage to the 2012-13 statewide available funding.

Per 2009 Budget Act SBX3 4, the ROC/P Program is part of the Tier III categorical programs. Therefore, the district has flexibility when using these funds.

Adult Education

The 2012-13 entitlement (excluding CalWORKs) was estimated by taking the 2007-08 entitlement's relative proportion to total 2007-08 statewide funding, and multiplying that percentage to the 2012-13 statewide available funding.

Per 2009 Budget Act SBX3 4, the Adult Education Program is part of the Tier III categorical programs. Therefore, the district has flexibility over these funds.

LOS ANGELES UNIFIED SCHOOL DISTRICT
Board of Education Report



Report Number:	258-11/12
Date:	June 12, 2012
Subject:	Proposed Use of Tier III Categorical Funds – Public Hearing
Responsible Staff:	
Name	Tony Atienza Director of Budget Services and Financial Planning (Interim)
Office/Division	Budget Services and Financial Planning Division
Telephone No.	213-241-2100

BOARD REPORT

Action Proposed: The Board adopt the recommendations for the proposed use of 2012-13 Tier III categorical funds set forth in Attachment A.

Background: Under the terms of SBX3 4 and AB4X 2, state categorical programs listed as "Tier III" may be transferred for any "educational purpose" (includes unrestricted General Fund or other categorical programs) through 2012-13. SB 70 extended this flexibility until 2014-15.

As a condition of the receipt of these categorical funds, section 42605 of the Education Code requires that the Board conduct an annual public hearing on the proposed uses of these Tier III funds, receive testimony from members of the public, discuss the proposed uses of the funds, and approve or disapprove the proposed use of the funds.

Starting 2012-13, AB189 requires that public hearing be held prior to and independent of a meeting where the Board adopts a budget, identify program that is proposed to be closed and to list these program in the agenda of the public hearing.

The proposed uses of the Tier III categorical funds are set forth in Attachment A.



LOS ANGELES UNIFIED SCHOOL DISTRICT Board of Education Report

Expected Outcomes: The District will comply with section 42605 of the Education Code and AB189 regarding receipt of Tier III categorical funding. The proposed uses of the Tier III categorical funds subsequently will be contained in the final budget of the District for the year ending June 30, 2013 and related budget documents.

Board Options and Consequences: The District will meet the requirements of Education Code Section 42605 should the Board vote to approve. Should the Board not vote to approve, the District will not meet the requirements of Education Code Section 42605. Non-compliance could put the entire Tier III entitlement at risk. This will result in a need to identify additional fiscal stabilization plan to be reflected in the final budget.

Policy Implications:

Budget Impact: The proposed uses of the Tier III categorical funds subsequently will be contained in the final budget of the District for the year ending June 30, 2012 and related budget documents.

Issues and Analysis:

Attachments:

- Informative
- Desegregation
Impact Statement



LOS ANGELES UNIFIED SCHOOL DISTRICT
Board of Education Report

Respectfully submitted,

APPROVED BY:


JOHN E. DEASY, PH.D.
Superintendent of Schools

MICHELLE KING
Senior Deputy Superintendent
School Operations

APPROVED &
PRESENTED BY:


REVIEWED BY:

for 
MEGAN REILLY
Chief Financial Officer


DAVID HOLMQUIST
General Counsel
 Approved as to form.

MATT HILL
Chief Strategy Officer




TONY ATIENZA
Director of Budget Services and Financial
Planning (Interim)
 Approved as to budget impact statement.

Notice of Public Hearing
Los Angeles Unified School District

Date: June 12, 2012

Time: 1:00 p.m.

Location: Board Room, 333 Beaudry Ave. Los Angeles CA 90017

Purpose:

A public Hearing will be held for the purpose of taking testimony from the public discussing the proposed receipt and use of the Tier III categorical funds, identifying closed programs, and approve or disapprove the proposed use of funding from the programs identified in E.C. 42605.

2012-13 REVENUES AND PROPOSED USES FOR TIER III CATEGORICAL PROGRAMS

Resource Name	Program Specific	General Education *	2012-13 Amount	Program Closed**	Description of Proposed Use of Funds
Targeted Instructional Improvement Block Grant	\$328.06	\$ 132.37	\$460.43		Classroom teachers, magnet school costs, travelling student program costs, and general education programs
Adult Education Apportionment	\$ -	\$ 163.23	\$163.23	Closed	General education program
Supplemental Hourly Programs	\$ -	\$ 57.38	\$ 57.38	Closed	General education program
ROC/P Apportionment	\$ 15.64	\$ 37.06	\$ 52.70		ROC/ROP programs and general education programs
School and Library Improvement Block Grant	\$ -	\$ 43.56	\$ 43.56	Closed	General education program
Instructional Materials Realignment, IMFRP (AB 1781)	\$ 18.46	\$ 17.05	\$ 35.51		District instructional material requirements and general education programs
Unrestricted - OSR-Def Maint Fundng	\$ -	\$ 25.98	\$ 25.98	Closed	General education program
Professional Development Block Grant	\$ -	\$ 23.21	\$ 23.21	Closed	General education program
Supplemental School Counseling Program	\$ 16.67	\$ -	\$ 16.67		District counseling programs
Charter School Categorical Block Grant	\$ 13.61	\$ -	\$ 13.61		General education programs for affiliated charter schools
Class Size Reduction, Grade Nine	\$ -	\$ 12.29	\$ 12.29	Closed	General education program
Teacher Credentialing Block Grant	\$ 1.75	\$ 9.33	\$ 11.07		Teacher credentialing and general education programs
Arts and Music Block Grant	\$ -	\$ 8.75	\$ 8.75	Closed	General education program
Community Day Schools	\$ 8.72	\$ -	\$ 8.72		Community day school expenses and general education programs
School Safety & Violence Prevention, Grades 8-12	\$ 3.65	\$ 4.01	\$ 7.65		School safety, student health, and general education programs
Community-Based English Tutoring***	\$ -	\$ 6.18	\$ 6.18	Closed	General education program
CAHSEE Intensive Instruction and Services	\$ -	\$ 6.09	\$ 6.09	Closed	General education program
Staff Development: Mathematics and Reading (AB 466)	\$ -	\$ 5.36	\$ 5.36	Closed	General education program
Gifted & Talented Education (GATE)	\$ 2.46	\$ 2.05	\$ 4.51		Gifted programs and general education
Pupil Retention Block Grant	\$ -	\$ 4.27	\$ 4.27	Closed	General education program
California Peer Assistance & Review Program for Teacher (CPARP)	\$ 2.29	\$ 0.31	\$ 2.59		District California Peer Assistance & Review program and general education programs
Certificated Staff Mentoring	\$ -	\$ 2.13	\$ 2.13	Closed	General education program
Physical Education Teacher Incentive Grants***	\$ -	\$ 1.60	\$ 1.60	Closed	General education program
Alternative Credentialing Block Grant	\$ -	\$ 1.40	\$ 1.40	Closed	General education program
FEMA Hazard Mitigation Grant	\$ 1.32	\$ -	\$ 1.32		Long-term hazard mitigation measures at school sites.
National Board Certification	\$ 1.01	\$ -	\$ 1.01		Incentive funding for California National Board Certified teachers
Paraprofessional Teacher Training (CTC)	\$ 0.75	\$ -	\$ 0.75		Paraeducator training
Cal-SAFE Child Care and Development Services	\$ 0.69	\$ -	\$ 0.69		School specific program for expectant and parenting students.
Advance Placement Grant	\$ 0.40	\$ -	\$ 0.40		Advance placement fees
Child Oral Assessments	\$ 0.35	\$ -	\$ 0.35		Oral health programs
Supplementary Programs: Specialized Secondary	\$ 0.31	\$ -	\$ 0.31		Programs provide students with advanced learning opportunities in variety of subjects.
School Community Violence Prevention Grant	\$ 0.20	\$ -	\$ 0.20		School site violence prevention program
Staff Development: Reading Services for Blind Teachers	\$ -	\$ 0.06	\$ 0.06	Closed	General education program
Chief Business Officer Training***	\$ -	\$ -	\$ -	Closed	General education program
Teacher Retention and Recruitment***	\$ -	\$ -	\$ -	Closed	Remaining balance used for NBC teacher stipends and special project related to teacher quality and staffing
TOTAL TIER III Categorical Program	\$416.34	\$ 563.64	\$979.98		

* General Education includes District norm class sizes teachers, administrators, safety officers and will be consistent with the priorities to be identified in the Superintendent's Budget for 2012-13

** Program closed refers to the funding that have been provided by Tier III state revenues. Some of these programs will contain a core component which is outside of this Tier III process. In addition, should the District receive supplemental revenues such as furlough agreements and other new revenue source, some of the closed program be restored using the alternative funding, consistent with the priorities to be identified in the Superintendent's Budget for 2012-13.

*** Residual Balance from 2011-12 for the program are being swept.

APPENDIX G

SCHOOL STAFF AND RESOURCES

Introduction

The School Staff and Resources section describes the staff and non-staff allocations made to most District schools based on Board-approved allocation rates or “norms.” Staffing ratios are provided for regular elementary schools, regular secondary schools, magnet and alternative schools, special education schools, community adult schools, regional occupational centers (ROC) and skills centers.

Personnel resources provided on a “norm” basis include positions such as teachers, principals, assistant principals, librarians, instructional aides, clerical, and other office personnel. Staffing allocations also included non-classroom support personnel as guidance, welfare, attendance, physical and mental health personnel, and maintenance and operations staff.

A separate listing is provided to show materiel and supplies allocation rates, which cover needs such as basic instructional materials, textbooks, custodial, gardening and operational supplies, and school-community advisory committee expenses.

Since 2007-2008, the District has piloted a funding model where schools receive an allocation based on revenues generated by the schools' K-12 regular students average daily attendance. These Pilot schools receive resources through a per pupil allocation instead of positions using staffing ratios. These schools must establish their school's budget within State and Federal Law, court orders and decrees, collective bargaining agreements, Personnel Commission Rules, and Human Resources Division.

APPENDIX G

SCHOOL STAFF AND RESOURCES

School Staff

Regular Elementary Schools

Staffing of elementary schools is based on established norm tables and District policies. The norm tables prescribe the numbers and types of positions for a given enrollment. For certain positions, enrollment is weighted or adjusted to reflect extraordinary need. In addition to norm tables, other District policies allocate off-norm positions to schools with identified special needs.

ELEMENTARY NORMS – 2012-13

CERTIFICATED - Based on District Norm Charts

- 1 teacher per 24 students in Kindergarten
- 1 teacher per 24 students in grades 1-3
- 1 teacher per 39 students in grades 4-6*

For special education classes, see Special Education norms.

- 1 principal per school
- 1 assistant principal for multi-track year round school with 1,000-1,809 students
- 1 assistant principal for single track school with 1,110 to 1,809 students
- 2 assistant principals for schools with 1,810 to 2,419 students
- 3 assistant principals for schools with 2,420 or more students

CLASSIFIED

- 1 school administrative assistant per school, plus:
- .5 office technician for schools with enrollments up to 300
- 1 office technicians for schools with enrollments of 301 to 749
- 2 office technicians for schools with enrollments of 750 to 1,499
- 3 office technicians for schools with enrollments of 1,500 to 2,249
- 4 office technicians for schools with enrollments of 2,250 to 2,999
- 5 office technicians for schools with enrollments of 3,000 to 3,479
- 6 office technicians for schools with enrollments of 3,480 and above

* - Designated schools involved in the court-ordered integration program received additional positions to provide an overall ratio of one teacher for every 30.5 students in grades 4-6 for Predominantly Latino, Black, Asian and other Non-Anglo schools; and 36.0 in grades 4-6 for Desegregated/Receiver schools.

APPENDIX G

SCHOOL STAFF AND RESOURCES

School Staff *(Continued)*

Regular Secondary Schools

Staffing of secondary schools is based on established norm tables and District policies. The norm tables prescribe the numbers and types of positions for a given enrollment. At the secondary level, teacher norm tables are modified to provide only five teaching periods. In addition, other District policies allocate off-norm positions to schools with identified special needs.

SECONDARY NORMS – 2012-13

CERTIFICATED – Based on District Norm Charts

- 1 teacher per 42.5 students in middle schools*
- 1 teacher per 42.5 students in senior high schools**
- 1 principal per school
- 1 assistant principal, secondary counseling services per school with enrollment of 800 to 1,354
- 1 assistant principal per school with enrollment of 1,355 to 1,749
- 2 assistant principal per school with enrollment of 1,750 to 2,088
- 3 assistant principal per school with enrollment of 2,089 to 4,233
- 4 assistant principal per school with enrollment of at least 4,234

CLASSIFIED

- 1 school administrative assistant per school, plus:
- .5 clerical position for middle schools with enrollments up to 550
plus 1 clerical position for each additional 500 students over 700
- .5 clerical position for senior high schools with enrollments of enrollments up to 550, plus 1 clerical position for each additional 500 students over 700
- # financial manager per middle school – financial manager at middle school will serve two (2) sites
- 1 senior financial manager per senior high school

* - Designated middle schools involved in court-ordered integration programs received additional positions to provide an overall ratio of one teacher for every 34.0 students in academic classes for Predominantly Latino, Black, Asian, and Other Non-Anglo schools; and 39.5 students in academic classes for Desegregated/Receiver Schools.

** Designated senior high schools involved in court-ordered integration programs received additional positions to provide an overall ratio of one teacher for every 34.0 9th and 10th grade students in academic classes for Predominantly Latino, Black, Asian, and Other Non-Anglo schools; and 39.5 9th and 10th grade students in academic classes for Desegregated/Receiver Schools.

APPENDIX G

SCHOOL STAFF AND RESOURCES

School Staff (Continued)

Magnet Schools

Several Magnet Schools provide services for both elementary and secondary students. Basic teacher allocations are determined by the magnet and alternative school norm tables for total enrollment. Other staff is based on District policy.

MAGNET NORMS – 2012-13

Magnet schools and centers identified as serving Predominantly Latino, Black, Asian, and Other Non-Anglo students:

- 1 teacher per 24.0 students in grades K-3
- 1 teacher per 30.5 students in grades 4-5
- 1 teacher per 34.0 students in grades 6-8
- 1 teacher per 34.0 students in grades 9-12

All other magnet schools and centers:

- 1 teacher per 24.0 students in grades K-3
- 1 teacher per 34.0 students in grades 4-5
- 1 teacher per 36.5 students in grades 6-8
- 1 teacher per 36.5 students in grades 9-12

Options Schools

Options schools serve students for whom placement in the regular school environment is not in the best interest of the students. Because these students require an individualized program to meet their unique academic and behavior needs, a lower pupil/teacher norm is provided.

CONTINUATION NORMS – 2012-13

- 1 teacher per 29 students per continuation school
- 1 principal per continuation school
- 1 school office manager/clerk per continuation school

OPPORTUNITY AND COMMUNITY DAY SCHOOLS NORMS – 2012-13

- 1 teacher per 21 students per opportunity and community day school
- 1 principal per opportunity and stand alone community day school
- 1 assistant principal per opportunity school and stand alone community day school - sites with enrollment greater than 500
- 1 school administrative assistant per opportunity school and stand alone community day school

INDEPENDENT STUDY NORMS – 2012-13

- 1 teacher per 30 students per independent study school
- 1 principal
- 2 assistant principals
- 1 school administrative assistant

APPENDIX G

SCHOOL STAFF AND RESOURCES

School Staff (Continued)

Special Education Programs & Special Education Schools

Special Day Programs serve pupils whose nature or severity of disability precludes participation in a general education program for a majority of the school day.

Resource Specialist Programs provide instructional services for individuals with exceptional needs in general education schools. Resource specialist students are assigned to their general education classroom for a majority of the school day and receive services from the resource specialist teacher either directly in a collaborative basis with the general education classroom teacher or a Learning Center Model.

Designated Instruction and Services are provided to special education students who require assistance in a particular area, such as language, speech, audiology, mobility, adaptive physical education, vision, counseling, etc.

SPECIAL EDUCATION NORMS – 2012-13

Special Day Programs - Class size varies depending on type of program. Special day programs have program support staff allocated based on special education program needs.

Designated Instruction and Services – Student/teacher ratios vary by type of service, except for language, speech, and hearing which may not exceed a caseload of 55 students. There are no trainees/assistants for this program.

- A. Special Education Schools
 - 1 principal per school
 - 1 asst. principal at large enrollment schools or schools serving low incidence groups
- B. Elementary Schools
 - 1 school administrative assistant, B Basis
 - 2 office technicians, B Basis
- C. Secondary or K-12 Schools
 - 1 school administrative assistant, B Basis
 - 1 senior office technician, B Basis
 - 1 office technician, B Basis

APPENDIX G

SCHOOL STAFF AND RESOURCES

School Staff (Continued)

Community Adult Schools

Community Adult Schools (CAS) are staffed based on established staffing guidelines for administrative and classified personnel. Administrative and classified personnel are allocated based on the prior 18 months of cumulative A.D.A. ending on the latest sixth school month. Subsequent realignment of staffing resources occurs every three years.

Teacher positions are allocated at each school site from the teacher hour allocation. Due to wide variances in the programs offered at each site, teacher hours are allocated based on prior year A.D.A., average school-wide class size index, as well as other subjective criteria. In addition, other District programs allocate additional positions to schools with identified special community needs.

<u>COMMUNITY ADULT SCHOOL NORMS – 2012-13</u>	
<u>CERTIFICATED</u>	
1	Principal
1	assistant principal, operations
1	assistant principal, adult counseling services
<u>CLASSIFIED</u>	
1	school administrative assistant
1	financial manager
1	school office computer coordinator
2	office technicians if A.D.A. is 1,200 or less,
1*	additional office technician for every 675 A.D.A. in excess of the first 1,200 A.D.A.

*Subject to availability of funds.

APPENDIX G

SCHOOL STAFF AND RESOURCES

School Staff (Continued)

Regional Occupational Centers (ROC)/Skills Centers (SC)

Regional Occupational Centers (ROC)/Skills Centers (SC) are staffed based on established staffing guidelines for administrative and classified personnel. Administrative and classified personnel are allocated based on the prior 18 months of cumulative A.D.A. ending on the latest sixth school month. Subsequent realignment of staffing resources occurs every three years.

Teacher positions are allocated at each school site from the teacher hour allocation. Due to wide variances in the programs offered at each site, teacher hours are allocated based on prior year A.D.A., average school-wide class size index, as well as other subjective criteria. In addition, other District programs allocate additional positions to schools with identified special community needs.

ROC/SKILLS CENTERS NORMS – 2012-13

CERTIFICATED

- 1 principal
- 1 assistant principal, operations
- 1 assistant principal, adult counseling services

CLASSIFIED

- 1 school administrative assistant
- 1 occupational center financial manager (ROC) or financial manager (SC)
- 1 school office computer coordinator
- 2 office technicians with A.D.A. of 2,400 or less for ROC
- 2 office technicians with A.D.A. of 1,200 or less for SC
- 1* additional office technician for every 675 A.D.A. in excess of the first 2,400 A.D.A. for ROC or additional office technician for every 675 A.D. A. in excess of the first 1,200 A.D.A. for SC

*Subject to availability of funds.

Regional Occupational Program

The Regional Occupational Program is staffed based on the same staffing guidelines as Community Adult Schools, Regional Occupational Centers, and Skills Centers. Additional staff may be allocated based on the needs of the secondary schools that the program serves.

Alternative Education & Work Centers

Alternative Education and Work Centers (AEWC), which are associated with Community Adult Schools, Regional Occupational Centers, or Skills Centers are located at 26 sites. AEWC provides students who left the comprehensive high schools, with additional educational opportunities leading to a high school diploma or equivalency, apprenticeship, and other career and technical education training programs. An AEWC site is under the principal of a Community Adult School, Regional Occupational Center, or Skills Center. A typical AEWC site has the following staff: 1 outreach consultant, 2-4 teachers, 3-6 teacher assistants, and 1 school safety officer.

APPENDIX G

SCHOOL STAFF AND RESOURCES

School Staff *(Continued)*

Support Personnel

SUPPORT ALLOCATIONS – 2012-13

Custodial personnel are allocated to schools based on a complex formula involving enrollment, building area, grounds, service to teachers, etc.

District-funded credentialed school nurses are allocated as follows. Schools may purchase additional nursing time from their budget based on student needs.

Enrollment	Day per week
1 – 1,800	1.0
1,801 – 3,000	1.5
3,001 and above	2.0

School Psychologists and related personnel are allocated to schools based primarily on student population size and type of school. The following allocations represent minimum requirements for general education K-12 schools.

Elementary Schools	.25 day per week
Middle Schools	.4 day per week
Senior High Schools	.5 day per week

In combination with special education and general education allocations, schools purchase additional psychological services based on need for services and the schools' ability to fund the positions from categorical funds.

Schools also purchase Pupil Services and Attendance Counselors based on both the need for child welfare and attendance services in the school population and the schools' ability to fund the positions from categorical funds.

APPENDIX G

SCHOOL STAFF AND RESOURCES

School Resources

Material and Supplies Allocation Rates

Instructional materiel, school advisory committee expense funds, and various operational supplies are also allocated to schools according to fixed formulas.

INSTRUCTIONAL MATERIEL

<u>Program</u>	<u>2011-12 Rate</u>	<u>2012-13 Rate</u>
Regular - K-6	\$ 16.00 per Enrl.	\$ 16.00 per Enrl.
7-8	20.00 per Enrl.	20.00 per Enrl.
9-12	22.00 per Enrl.	22.00 per Enrl.
Instructional Materials Block Grant	*	*
Community Adult School	20.00 per ADA	20.00 per ADA
Options Programs	739.00 per Teacher	739.00 per Teacher
Regional Occupational Centers and Skills Centers	30.00 per ADA	30.00 per ADA
Regional Occupational Program	30.00 per ADA	30.00 per ADA
Special Education – Special Day Classes –		
Special Education Schools	659.81 per Class	500.00 per Class
Regular Schools	17.85 **	17.00 **
Early Ed Centers	17.85 **	200.00 per Special Day Program

* - *Allocations are determined based on schools' need.*

** - *Per active Individualized Education Program (IEP) in Welligent*

APPENDIX G

SCHOOL STAFF AND RESOURCES

School Resources (Continued)

Material and Supplies Allocation Rates

OPERATIONAL SUPPLIES

<u>Type</u>	<u>2011-12 Rate</u>	<u>2012-13 Rate</u>
Custodial, Gardening, and Other Operational Supplies –		
Community Adult Schools	\$ 112.50 per custodial hour (separate site) +3.20 per enrolled student (all sites)	\$ 112.50 per custodial hour (separate site) +3.20 per enrolled student (all sites)
Continuation Schools	\$ 32.65 per custodial hour +7.49 per enrolled student	\$ 32.65 per custodial hour +7.49 per enrolled student
Opportunity Schools	\$ 75.50 per custodial hour +6.14 per enrolled student	\$ 75.50 per custodial hour +6.14 per enrolled student
Regular Schools	\$ 132.60 per custodial hour +3.80 per enrolled student	\$ 132.60 per custodial hour +3.80 per enrolled student
ROCs and Skills Centers	\$ 130.00 per custodial hour +3.20 per enrolled student	\$ 130.00 per custodial hour +3.20 per enrolled student
ROP	\$ 130.00 per custodial hour +3.20 per enrolled student	\$ 130.00 per custodial hour +3.20 per enrolled student
Special Education	\$ 53.95 per custodial hour +9.05 per enrolled student	\$ 53.95 per custodial hour +9.05 per enrolled student
Administrative Sites	\$ 204.00 per custodial hour	\$ 204.00 per custodial hour

OTHER

<u>Type</u>	<u>2011-12 Rate</u>	<u>2012-13 Rate</u>
School Community Advisory Council Expenses –		
Community Adult Schools	\$ 300.00 per School	\$ 300.00 per School
ROCs and Skills Centers	\$ 500.00 per School	\$ 500.00 per School
ROP	\$ 500.00 per School	\$ 500.00 per School

APPENDIX H

DISTRICT ENROLLMENT TRENDS

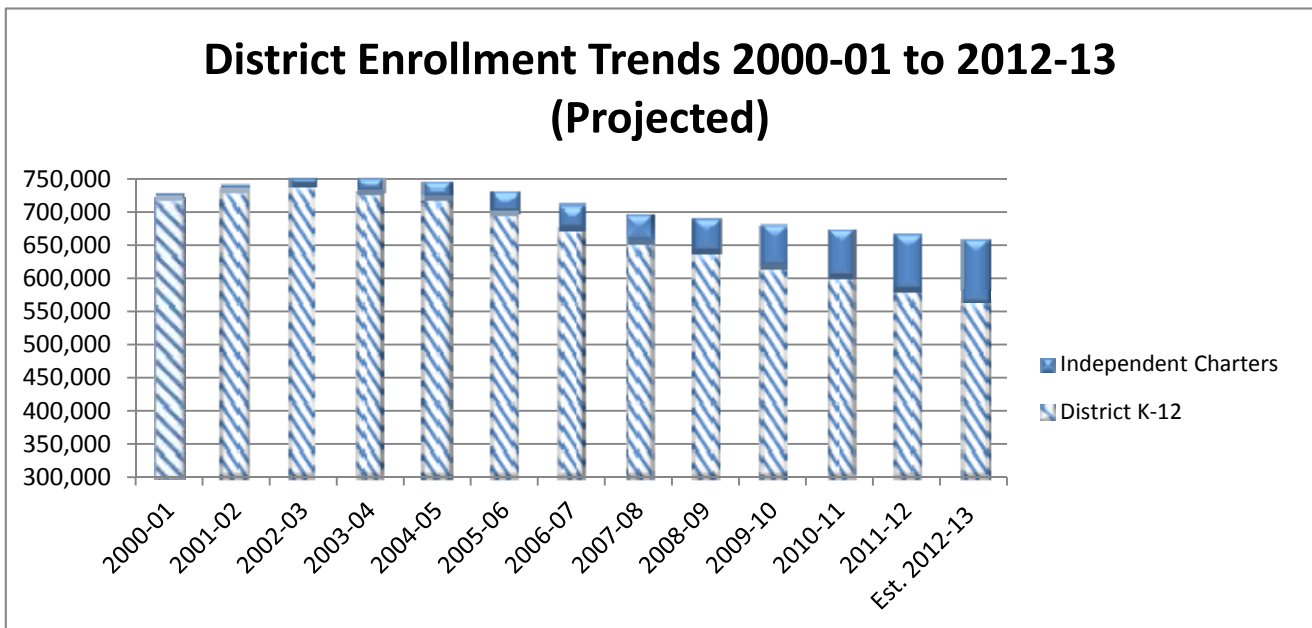
This section provides information and data related to the number of students served in the District’s schools.

Enrollment and Enrollment Projections. The Los Angeles Unified School District uses data on live births in Los Angeles County and historical grade retention ratios, as well as economic factors and other relevant information, to project enrollment. Estimated enrollments in grades 1 through 12 are calculated using a variety of scenarios, generally involving weighted and true averages. The grade retention ratio measures the percentage of students expected to progress to the next grade level from one year to the next, based on past trends. Enrollments in kindergarten are calculated as a percentage of live births in Los Angeles County five years earlier.

Enrollment peaked in 2002-03 at 746,831, and has declined each year since, due to a variety of complex factors that include the reduced birth rate in Los Angeles County and the increasing cost of living, including housing, in southern California.

Declining enrollment affects both revenue and expenditures, but typically causes a more rapid decline in revenues following the first year, in which declining enrollment districts are essentially “held harmless” for the decline. Another contributing factor to the change in revenue and expenditure Districtwide is the increase in percentage of students enrolled in independent charter schools.

In order to convey the impact of fiscally-independent charter schools on District enrollment, the enrollment projections differentiate students in fiscally-independent charter and non-charter locations. The fiscally-independent charter school data include both schools that have converted from non-charter to fiscally-independent charter school status (“conversion charters”) and schools that began their existence as fiscally-independent charter schools (“start-up charters”). The increase in the percentage of students enrolled in independent charter schools is displayed in the chart below.



ENROLLMENT PROJECTIONS

Norm Day Enrollment - Including Independent Charter Schools

	2003-04	2004-05	2005-06	2006-07	2007-08	2008-09	2009-10	2010-11	2011-12	2012-13	2013-14	2014-15
	Actual	Actual	Actual	Actual	Actual	Actual	Actual	Actual	Actual	Estimated	Estimated	Estimated
LA County - Live Births Lagged 5 Years	158,604	156,153	157,391	153,523	151,167	152,192	151,504	150,377	151,837	151,813	147,684	139,679

Graded Enrollment

Kindergarten	55,351	55,234	54,462	52,452	50,822	50,877	51,193	51,638	52,846	52,723	55,443	56,348
Grade 1	61,248	58,610	56,872	55,267	53,543	52,305	51,798	51,904	51,692	52,346	47,740	46,380
Grade 2	62,115	59,632	56,097	54,222	53,082	52,338	50,674	50,406	50,230	49,785	50,424	46,386
Grade 3	62,210	59,254	56,530	53,348	51,814	51,418	50,376	49,165	48,946	49,035	48,524	49,069
Grade 4	62,551	60,288	56,568	53,618	51,174	50,692	49,982	49,176	47,860	47,703	47,775	47,262
Grade 5	59,688	60,604	57,531	54,205	51,787	50,206	49,430	49,204	48,126	47,101	46,931	46,986
Grade 6	52,972	56,117	56,262	53,089	50,559	49,246	47,622	47,221	47,249	46,044	44,897	44,716
Grade 7	55,794	51,906	53,815	53,702	51,458	49,557	48,084	46,756	46,186	46,412	45,112	44,163
Grade 8	54,370	54,524	50,262	51,837	51,985	50,452	48,595	47,125	46,062	45,453	45,427	44,217
Grade 9	67,397	70,477	71,056	67,816	66,643	67,029	63,549	60,439	58,920	56,098	56,169	56,949
Grade 10	50,374	50,266	52,045	52,480	51,749	51,900	53,543	52,306	50,527	49,398	46,384	46,747
Grade 11	37,299	39,514	40,303	42,399	43,536	43,082	43,884	45,040	43,477	41,982	41,165	40,365
Grade 12	27,452	28,596	29,090	29,058	31,899	34,755	34,733	36,279	37,280	37,970	36,384	35,402
Total graded enrollment	708,821	705,022	690,893	673,493	660,051	653,857	643,463	636,659	629,401	622,050	612,375	604,990

K-5 enrollment	363,163	353,622	338,060	323,112	312,222	307,836	303,453	301,493	299,700	298,693	296,837	292,431
6-8 enrollment	163,136	162,547	160,339	158,628	154,002	149,255	144,301	141,102	139,497	137,909	135,436	133,096
9-12 enrollment	182,522	188,853	192,494	191,753	193,827	196,766	195,709	194,064	190,204	185,448	180,102	179,463
Total graded enrollment	708,821	705,022	690,893	673,493	660,051	653,857	643,463	636,659	629,401	622,050	612,375	604,990

Ungraded enrollment

Special day classes in regular schools	29,064	28,582	27,486	26,713	26,328	26,350	26,465	26,308	25,851	25,337	24,782	24,267
Special day classes in special ed schools	4,153	3,984	3,908	3,673	3,656	3,604	3,552	3,555	3,537	3,516	3,519	3,502
Continuation and opportunity schools	4,542	4,478	4,932	4,558	4,242	4,327	4,961	5,126	5,444	5,267	5,090	4,913
Nonpublic schools	30	24	10	24	11							
Total ungraded enrollment	37,789	37,068	36,336	34,968	34,237	34,281	34,978	34,989	34,832	34,120	33,391	32,682
								0	0	0	0	0
Total graded and ungraded enrollment	746,610	742,090	727,229	708,461	694,288	688,138	678,441	671,648	664,233	656,170	645,766	637,672

ENROLLMENT PROJECTIONS

Norm Day Enrollment - Independent Charter Schools Only

	2003-04	2004-05	2005-06	2006-07	2007-08	2008-09	2009-10	2010-11	2011-12	2012-13	2013-14	2014-15
	Actual	Actual	Actual	Actual	Actual	Actual	Actual	Actual	Actual	Estimated	Estimated	Estimated
LA County - Live Births Lagged 5 Years	158,604	156,153	157,391	153,523	151,167	152,192	151,504	150,377	151,837	151,813	147,684	139,679

Graded Enrollment

Kindergarten	1,717	2,059	2,357	2,556	2,755	3,096	3,599	4,704	5,169	5,385	5,980	6,406
Grade 1	1,610	1,836	2,125	2,382	2,662	2,907	3,341	4,174	4,823	5,309	5,965	6,562
Grade 2	1,471	1,640	1,952	2,272	2,481	2,749	3,036	3,782	4,190	4,835	5,435	5,986
Grade 3	1,440	1,580	1,890	2,101	2,376	2,648	2,828	3,427	3,831	4,422	4,953	5,462
Grade 4	1,373	1,548	1,803	2,000	2,238	2,574	2,792	3,259	3,564	3,941	4,324	4,679
Grade 5	1,482	1,755	1,844	2,164	2,452	2,738	3,141	3,552	3,930	4,297	4,682	5,059
Grade 6	1,029	1,760	2,270	2,774	3,216	4,304	4,998	5,855	7,144	8,166	9,222	10,344
Grade 7	1,001	1,197	1,781	2,234	2,825	3,426	4,354	5,276	6,515	7,459	8,494	9,567
Grade 8	823	1,054	1,180	1,697	2,087	2,705	3,273	4,193	5,430	6,306	7,317	8,358
Grade 9	2,815	3,987	4,771	5,709	6,656	7,973	9,433	9,822	11,040	11,400	12,056	12,800
Grade 10	1,845	2,377	3,436	4,034	4,937	6,709	7,824	8,441	10,151	10,974	12,024	13,218
Grade 11	1,404	1,706	2,073	2,979	3,656	5,266	6,528	7,110	8,987	9,718	10,781	12,005
Grade 12	1,166	1,125	1,387	1,800	2,505	3,770	5,122	5,892	7,519	8,566	9,714	10,988
Total graded enrollment	19,176	23,624	28,869	34,702	40,846	50,865	60,269	69,487	82,293	90,778	100,947	111,434

K-5 enrollment	9,093	10,418	11,971	13,475	14,964	16,712	18,737	22,898	25,507	28,189	31,339	34,154
6-8 enrollment	2,853	4,011	5,231	6,705	8,128	10,435	12,625	15,324	19,089	21,931	25,033	28,269
9-12 enrollment	7,230	9,195	11,667	14,522	17,754	23,718	28,907	31,265	37,697	40,658	44,575	49,011
Total graded enrollment	19,176	23,624	28,869	34,702	40,846	50,865	60,269	69,487	82,293	90,778	100,947	111,434

Ungraded enrollment

Special day classes in regular schools	301	228	268	259	227	222	374	448	495	475	509	529
Special day classes in special ed schools												
Continuation and opportunity schools												
Nonpublic schools												
Total ungraded enrollment	301	228	268	259	227	222	374	448	495	475	509	529

Total graded and ungraded enrollment	19,477	23,852	29,137	34,961	41,073	51,087	60,643	69,935	82,788	91,253	101,456	111,963
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ENROLLMENT PROJECTIONS

Norm Day Enrollment - Excluding Independent Charter Schools

	2003-04	2004-05	2005-06	2006-07	2007-08	2008-09	2009-10	2010-11	2011-12	2012-13	2013-14	2014-15
	Actual	Actual	Actual	Actual	Actual	Actual	Actual	Actual	Actual	Estimated	Estimated	Estimated
LA County - Live Births Lagged 5 Years	158,604	156,153	157,391	153,523	151,167	152,192	151,504	150,377	151,837	151,813	147,684	139,679

Graded Enrollment

Kindergarten	53,634	53,175	52,105	49,896	48,067	47,781	47,594	46,934	47,677	47,338	49,463	49,942
Grade 1	59,638	56,774	54,747	52,885	50,881	49,398	48,457	47,730	46,869	47,037	41,775	39,818
Grade 2	60,644	57,992	54,145	51,950	50,601	49,589	47,638	46,624	46,040	44,950	44,989	40,400
Grade 3	60,770	57,674	54,640	51,247	49,438	48,770	47,548	45,738	45,115	44,613	43,571	43,607
Grade 4	61,178	58,740	54,765	51,618	48,936	48,118	47,190	45,917	44,296	43,762	43,451	42,583
Grade 5	58,206	58,849	55,687	52,041	49,335	47,468	46,289	45,652	44,196	42,804	42,249	41,927
Grade 6	51,943	54,357	53,992	50,315	47,343	44,942	42,624	41,366	40,105	37,878	35,675	34,372
Grade 7	54,793	50,709	52,034	51,468	48,633	46,131	43,730	41,480	39,671	38,953	36,618	34,596
Grade 8	53,547	53,470	49,082	50,140	49,898	47,747	45,322	42,932	40,632	39,147	38,110	35,859
Grade 9	64,582	66,490	66,285	62,107	59,987	59,056	54,116	50,617	47,880	44,698	44,113	44,149
Grade 10	48,529	47,889	48,609	48,446	46,812	45,191	45,719	43,865	40,376	38,424	34,360	33,529
Grade 11	35,895	37,808	38,230	39,420	39,880	37,816	37,356	37,930	34,490	32,264	30,384	28,360
Grade 12	26,286	27,471	27,703	27,258	29,394	30,985	29,611	30,387	29,761	29,404	26,670	24,414
Total graded enrollment	689,645	681,398	662,024	638,791	619,205	602,992	583,194	567,172	547,108	531,272	511,428	493,556

K-5 enrollment	354,070	343,204	326,089	309,637	297,258	291,124	284,716	278,595	274,193	270,504	265,498	258,277
6-8 enrollment	160,283	158,536	155,108	151,923	145,874	138,820	131,676	125,778	120,408	115,978	110,403	104,827
9-12 enrollment	175,292	179,658	180,827	177,231	176,073	173,048	166,802	162,799	152,507	144,790	135,527	130,452
Total graded enrollment	689,645	681,398	662,024	638,791	619,205	602,992	583,194	567,172	547,108	531,272	511,428	493,556

Ungraded enrollment

Special day classes in regular schools	28,763	28,354	27,218	26,454	26,101	26,128	26,091	25,860	25,356	24,862	24,273	23,738
Special day classes in special ed schools	4,153	3,984	3,908	3,673	3,656	3,604	3,552	3,555	3,537	3,516	3,519	3,502
Continuation and opportunity schools	4,542	4,478	4,932	4,558	4,242	4,327	4,961	5,126	5,444	5,267	5,090	4,913
Nonpublic schools	30	24	10	24	11	0	0					
Total ungraded enrollment	37,488	36,840	36,068	34,709	34,010	34,059	34,604	34,541	34,337	33,645	32,882	32,153

Total graded and ungraded enrollment	727,133	718,238	698,092	673,500	653,215	637,051	617,798	601,713	581,445	564,917	544,310	525,709
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LAUSD BUDGET AND FINANCE POLICY

Purpose of the Budget and Finance Policy

The California School Accounting Manual, the State's financial guide for school districts, defines a budget as "a plan of financial operation consisting of an estimate of proposed income and expenditures for a given period and purpose". It is through the budget that the Board and Superintendent set priorities and allocate resources.

California school districts, including LAUSD, are bound by legal requirements, administrative regulations, and oversight protocols during the budget process. These include:

Legal Requirements for Budget

- Budgets must show a plan for all proposed expenditures of the school district and of all estimated revenues for the fiscal year (Education Code 42122).
- School districts must choose either a single or dual budget adoption schedule. Single-adoption districts must approve a "final budget" by June 30, but may continue to amend the budget throughout the fiscal year as needed. Dual-adoption districts approve a preliminary budget by June 30 and a final budget by September 8, but may continue to amend the budget throughout the fiscal year as needed.
- School districts may not spend more than authorized in the adopted Final Budget as adjusted during the fiscal year (Education Code 42600).

Administrative Regulations for Budget

- The California School Accounting Manual, published by the State Department of Education, provides detailed definitions of income and expenditure categories together with approved budget and accounting practices.
- Each year the Superintendent of Public Instruction issues budget and expenditure documents that specify the income and expenditure categories to be reflected in each school district budget.

Oversight Processes for Budget

- The Los Angeles County Office of Education (LACOE) monitors the financial health of the District with oversight and review from the Superintendent of Public Instruction (Education Code 33127, 33128, 42120 et. seq., 42637).
- Should a district's financial condition deteriorate below the State's standards, LACOE is authorized to take corrective action. This could include assuming management of that District's financial affairs (Education Code 42127.3).

The District must also comply with the Governmental Accounting Standards Board (GASB)'s accounting standards and rules. The budget process should also strive to meet the Government Finance Officers Association (GFOA)'s best practices for finance, accounting, and budgeting by government agencies.

LAUSD BUDGET AND FINANCE POLICY

Consistent with State law and regulation, the LAUSD budget is developed, adopted, refined and reviewed on a timely basis, through an annual cycle, as highlighted by the table below.

Timetable of LAUSD Budget Process

Timing	Activity
December	<ul style="list-style-type: none"> • First Interim Report released -projects current year revenues, expenditures, & balances.
January	<ul style="list-style-type: none"> • Governor proposes State Budget for next fiscal year to the Legislature • District Staff analyzes Governor's Proposed State Budget for Board • District staff presents enrollment projections to Board
March	<ul style="list-style-type: none"> • Controller presents Second Interim Report projecting current year revenues, expenditures, & balances • Budget Services & Financial Planning Division presents District's 3-year financial forecast to Board • Board discusses recommendations for Budget Issues • Regular Program funding levels presented
April	<ul style="list-style-type: none"> • Board receives input from stakeholders regarding next year's budget • Board votes on adoption of Budget Issues for next year's budget
May	<ul style="list-style-type: none"> • Governor releases May Revision of proposed State Budget • Categorical Funding levels presented • Monies allocated to multi-track year round schools
June	<ul style="list-style-type: none"> • Board adopts Final Budget for coming year
June/July/August	<ul style="list-style-type: none"> • State budget adopted • If necessary, Board holds special meetings to consider changes to Final Budget • Monies allocated to single-track schools

LAUSD BUDGET AND FINANCE POLICY

Finance and Budget Policy

To assist the Board of Education in making sound policy, guide the development of the District's budget, enhance the management of the District's finances, minimize the risk of LACOE action, and reduce potential audit concerns, the Board has adopted this Finance and Budget Policy which is based on five core principles. The budget should:

1. Reflect District policies and goals.
2. Be based on sound financial principles.
3. Be clear and easy to understand.
4. Be timely, and easy to manage at the school level.
5. Be based on a process that informs stakeholders.

This policy was developed after reviewing the document "Recommended Budget Practices" developed by the Government Finance Officers Association. The policy is also consistent with the standards and criteria established by the State Board of Education (Education Code Sections 33127, 33128), as well as current GASB rules and standards. To the extent that LAUSD's current budgeting and accounting practices are not in compliance with this policy, implementation of this policy is to be phased in.

The Finance and Budget Policy is a "living document." LAUSD expects that it will evolve over time to best connect District policy, budgeting, and financing principles.

Principle One: The budget should be based on the goals of the Board and Superintendent.

All units of government are charged with fulfilling their programmatic mission while maintaining fiscal integrity. The Board and Superintendent have the primary responsibility for developing and articulating the District's goals consistent with this charge. As the budget is developed and presented, these goals should be considered.

Principle Two: The budget should be based on sound financial principles.

LAUSD's budget should be based on financial principles that will keep the District financially viable and able to sustain its key programs over time. The following specific financial principles, based on law, expert advice and experience, are offered to this end.

- a) Balanced Operating Budget
- b) Appropriate Use of One-Time Revenues
- c) Alignment of Budget with Expected Expenditures
- d) Adequate Reserves
- e) Revenue Maximization
- f) Revenue Estimation

LAUSD BUDGET AND FINANCE POLICY

- g) Cost Recovery Through Fees and Charges
- h) Multi-Year Capital Plan and Budget
- i) Asset Management
- j) Equipment Replacement
- k) Prudent Debt Management
- l) Program Sustainability
- m) GASB Compliance

A) BALANCED OPERATING BUDGET

LAUSD should have a balanced budget because it is sound financial policy and because it is required by law. State law requires the Superintendent to annually prepare and recommend a balanced budget where operating revenues are equal to, or exceed, operating expenditures (Education Code Sections 42100, 42127.5). Any year-end operating surpluses will be used in the following year to maintain reserve levels set by policy for equipment and/or other “one-time only” General Fund expenditures. Any exception to this policy shall be clearly identified in the proposed budget, showing the magnitude of the exception and the reason for it.

LAUSD shall manage the operating budget in a manner that balances revenues and expenditures under normal operating conditions. Annual appropriations shall be made to responsibly address all identified liabilities, including pension, vacation accrual, workers’ compensation, and asset replacement needs.

The District shall strive to adopt a “pay-as-you-go” approach to balancing its current expense budget and limit debt financing to capital items.

The Office of the Chief Financial Officer shall prepare the First Period Interim Financial Report and the Second Period Interim Financial Report in accordance with the law. The Office of the Chief Financial Officer shall also make appropriate recommendations to the Board if financial adjustments are necessary.

B) APPROPRIATE USE OF ONE-TIME REVENUES

Ongoing expenditures of LAUSD should not exceed ongoing revenues. To the extent feasible, one-time revenues will be applied toward one-time expenditures. By definition, one-time revenues cannot be relied on in future budget periods. This policy on the use of one-time revenues provides guidance to minimize disruptive effects on services due to non-recurrence of these sources. The Chief Financial Officer shall be responsible for identifying one-time revenues and expenditures and for making recommendations regarding their use.

LAUSD BUDGET AND FINANCE POLICY

Any new or unanticipated unrestricted revenues recognized during the fiscal year should be applied to reduce any operating imbalance, before being used for other purposes.

C) ALIGNMENT OF BUDGET WITH EXPECTED EXPENDITURES

It is expected that actual expenditures will closely approximate the appropriation. To the extent that funding is required for expenditures that span fiscal years, appropriate financial techniques should be identified and employed.

D) ADEQUATE RESERVES

LAUSD shall strive to maintain certain reserve funds to provide financial stability and accounts to provide for replacement of depreciated equipment. These reserve funds shall be for operations or for liabilities, and shall include:

Operating Reserves: The purpose of operating reserves is to set aside monies for current year obligations. These reserves include:

- Reserve for Anticipated Balances
- Emergency Reserve
- Reserve for Economic Uncertainties
- Reserves for Revolving Cash, Stores, and Prepaid Expenditures

Liability Reserves: The purpose of the Liability Reserves is to set aside monies for legally mandated, but currently unfunded obligations of the District. Liability reserves include:

- Liability Self-Insurance Account
- Workers Compensation Fund – Unfunded Liability
- Health & Welfare Fund - Retirement Benefits for Active Employees
- Health & Welfare Fund – Retirement Benefits for Retired Employees

Other reserves may be created as necessary. When a reserve is created, the Board will be informed of the reason for it and how it will ultimately be used. Newly established reserves shall be phased-in over a period of years to be determined.

Operating Reserves:

The purpose of the operating reserves is to stabilize the District's operating budget in the face of uncertainties. Ideally the Board, Superintendent, and Chief Financial Officer shall strive to fund the combination of operating reserves identified above at a level which is 5% or more of General Fund Regular Program revenues. This level is consistent with the bond rating criteria of Fitch Ratings, Moody's Investors Service, and Standard

LAUSD BUDGET AND FINANCE POLICY

and Poor's. Funding levels of reserves shall be reviewed annually and adjusted as appropriate.

Reserve for Anticipated Balances: At the time the final budget is adopted, District staff will provide estimates of unexpended appropriation authority within the General Fund Regular Program. These estimates will be used to create an expenditure budget that more accurately reflects the District's actual expenditure expectations and expectations regarding the ending balance. The reserve for anticipated balances that is created by this process shall be in addition to other reserves noted in this section and cannot be made available for any other use unless the underlying appropriation authority is reduced. These reserves should be funded at an aggregate, major object code level of appropriation (e.g., 1000 – Certificated Salaries, 2000 – Classified Salaries, 3000 – Employee Benefits, 5000 – Services, 6000 – Capital Outlay, 7000 – Other Outgo).

Emergency Reserve: LAUSD will strive to maintain a General Fund Regular Program emergency reserve in years of good funding. The minimum funding goal of this reserve is 2% General Fund Regular Program revenues. The Emergency Reserve is available to fund one-time emergency, unanticipated expenditure requirements, or offset unanticipated revenue fluctuations occurring within a fiscal year. The Board may approve withdrawal of funds from the emergency reserve after the Chief Financial Officer finds that the General Fund's budgeted balances will be exhausted during the fiscal year. The emergency reserve will only be accessed when the result of emergency expenditures or an unexpected revenue reduction would likely result with a negative ending fund balance for the General Fund at the end of the fiscal year. Restoration of the Emergency Reserves will begin the fiscal year following their use. The Chief Financial Officer will recommend an appropriate level of funding to the Board. This planned reserve is intended to be in addition to the reserve for economic uncertainty.

Reserve For Economic Uncertainties: This General Fund Regular Program reserve is required by State law. The minimum funding of this reserve is 1% of General Fund Regular Program appropriations. The Reserve For Economic Uncertainties will be budgeted and appropriated annually to avoid the need for service level reductions in the event an economic downturn causes revenues to come in lower than budget. (For 2003-04 and 2004-05, districts have been allowed to reduce this reserve to 0.5% of the General Fund Regular Program budget.)

Reserves for Revolving Cash, Stores, and Prepaid Expenditures:

The District's current accounting practice establishes a reserve for revolving cash, stores, and prepaid expenditures. This reserve will be continued as operating reserves under the proposed policy.

LAUSD BUDGET AND FINANCE POLICY

Liability Reserves:

The purpose of the Liability Reserves is to set aside monies for legally mandated, future obligations of the District. Fully funding these reserves over time can prevent disruptive reductions to LAUSD operating programs that could occur if the liabilities were not funded in a timely fashion.

Liability Self Insurance Fund: The General Fund shall make annual contributions to the Liability Self Insurance Fund to set aside resources for potential costs not covered by the District's other insurance programs. Historically, the Liability Self Insurance Fund has covered legal liability settlements other than workers' compensation. It has not covered settlements and judgments associated with school construction (which are covered elsewhere), or major costs associated with disasters or other fiscally negative events that are not reimbursable from insurance or from the Federal or State government. Each year, the Chief Financial Officer shall recommend to the Board an appropriate level of funding for the Liability Self Insurance Fund. The Board will strive to maintain the Fund in an amount consistent with uninsured obligations.

Workers' Compensation Fund: An employee who is injured on the job may receive medical treatment and partial replacement of lost income for a short time or a period of many years, depending on the nature of the injury. The total cost of workers' compensation claims should be estimated and funded in the year the claim is incurred. This fund should equal the actuarially determined liability associated with workers compensation claims. Each year, the Chief Financial Officer shall recommend to the Board an appropriate level of funding for the Workers Compensation Fund.

Health & Welfare Fund: Retirement Benefits for Active Employees: Most active LAUSD employees have the prospect of receiving medical, dental and vision benefits after retirement. Historically, LAUSD has funded these benefits on a pay-as-you-go basis. New accounting rules require that the District estimate and fully disclose the amount these benefits are likely to cost in the future. Each year, the Chief Financial Officer shall recommend to the Board an appropriate level of funding for the Health & Welfare Fund. The Board will strive to accumulate resources over time with the ultimate goal of fully reserving the amount needed for these benefits.

Health & Welfare Fund: Retirement Benefits for Retired Employees: Most retired LAUSD employees receive District-funded medical, dental and vision benefits, coordinated with federal Medicare benefits. Historically, LAUSD has funded these benefits on a pay-as-you-go basis. New accounting rules require that we estimate and fully disclose the amount these benefits are likely to cost in the future. Each year, the Chief Financial Officer shall recommend to the Board an appropriate level of funding for the Health & Welfare Fund. The Board will strive to accumulate resources over time with the ultimate goal of fully reserving the amount needed for these benefits.

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E) SPECIAL RESERVE FUND FOR EQUIPMENT REPLACEMENT

This Fund is needed to replace aging vehicles, computers and other equipment which have reached the end of their useful lives. To this end, there should be a Special Reserve Fund for Equipment Replacement which is maintained at a rate based on accumulated depreciation determined by the Chief Financial Officer.

F) REVENUE MAXIMIZATION

LAUSD receives the majority of its funding from the State of California. To supplement these funds LAUSD shall seek additional revenue from a variety of sources including the Federal Government, Foundations, Corporations, parent and community organizations and through changes to legislation. These additional resources should be for purposes that are consistent with the District's goals and objectives and which complement the LAUSD's resources. LAUSD shall also seek the approval of granting agencies to provide flexibility in the use of scarce resources. In addition, LAUSD shall aggressively pursue reimbursement for state-mandated costs.

G) REVENUE ESTIMATION

Developing a revenue budget is complicated by the fact that there may be significant delays between the time the District develops an expectation that it will receive revenue, the time a specific commitment is made to provide the revenue, and the time the revenue is actually received. It is appropriate to include revenue in the budget before a specific funding commitment is made and the funds are actually received. However, it may be necessary to withhold the authority to spend part or all of the budgeted revenue until there is more certainty about its receipt.

The Chief Financial Officer shall strive to include in the budget all revenues that can reasonably be expected for the fiscal year. The Chief Financial Officer shall appropriate funds for expenditure based on a prudent assessment of the risks associated with each revenue source.

H) COST RECOVERY THROUGH FEES AND CHARGES

LAUSD may charge fees to recover costs of certain services, such as those provided to charter schools. LAUSD shall set fees so that they cover the entire cost of the service provided. All costs (direct and indirect) shall be considered in establishing the appropriate fee. LAUSD will set the amount of a fee at its discretion and shall cover all appropriate costs subject to any legal restrictions.

I) MULTI-YEAR CAPITAL PLAN AND BUDGET

In addition to its ongoing operating programs for instruction and support, LAUSD conducts a very sizable program to build and refurbish facilities and systems. Consistent

LAUSD BUDGET AND FINANCE POLICY

with this responsibility, LAUSD will strive to provide comprehensive planning and budgeting for its capital needs by:

- Developing, on a periodic basis, a Statement of Need for capital programs.
- Annually adopting a multi-year capital budget that identifies the projects planned, the estimated cost of each project, the expected sources of revenue for each project, and the fiscal year or years in which project funds must be committed.
- Annually presenting an analysis of the future operational impact of the capital projects.

J) ASSET MANAGEMENT

The District shall:

- Budget appropriate amounts so that physical assets are properly maintained and replaced when needed.
- Maintain inventories of assets and the condition of major assets assessed on a regular basis to develop appropriate replacement and maintenance programs.
- Prepare a maintenance plan that identifies the commitment needed to maintain the value of its assets and protect the health and safety of students and employees.
- Annually estimate and set aside resources for preventative maintenance.

K) PRUDENT DEBT MANAGEMENT

LAUSD shall adhere to the Debt Management Policy as adopted by the Board of Education.

L) PROGRAM SUSTAINABILITY

LAUSD's mission is long-term and ongoing. To meet its near and longer-term goals, the District should plan and budget resources and commitments in a way that provides a sustainable approach to its mission. To achieve this sustainability, LAUSD should strive to:

- Link multi-year programs to multi-year funding. When funding is non-continuous, the program should be identified as non-sustainable.
- Set parameters for multi-year programs and offices by identifying specific "sunset dates" for program termination as well as the ending date for personnel assignments funded in the program.
- Identify programs as either mandatory or discretionary. If mandatory, there will be disclosure of the legal source to the mandate.
- Make defined fiscal commitments rather than open-ended commitments (e.g. fund health benefits at a specific cost level rather than a specific service level).
- Identify impact on the budget of unfunded mandates and other spending pressures.

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M) GASB STANDARDS FOR FINANCIAL ACCOUNTING AND REPORTING

The Governmental Accounting Standards Board promotes rules governing financial accounting and reporting. LAUSD shall strive to comply with these rules. It will be an ongoing goal of LAUSD to strive to receive the GFOA Certificate for Excellence in Financial Reporting each year.

For example, in order to comply with the requirements of the Governmental Accounting Standards Board, the District will soon be required to disclose the amount we owe our employees for vacation or sick time they have not yet used. It is prudent to book this liability as an expense annually.

Principle Three: The budget should be clear and easy to understand.

A broad cross-section of stakeholders in the District rely on LAUSD's budget and related financial documents for crucial financial information. These stakeholders include administrators, teachers, parents, community groups and oversight bodies. LAUSD's budget should be organized and presented in such a way that both lay persons and experts can understand:

- What the District intends to do and how it intends to do it
- The District's overall financial condition
- The historical context for LAUSD programs

The budget must meet requirements under State statute including those related to structure, presentation, and form. In addition, LAUSD should strive to develop its annual budget in a manner consistent with the GFOA standards for budget presentation. These guidelines are established to provide appropriate disclosure of financial information to the public and other interested parties, while facilitating management decisions on program expenditures.

Consistent with the GFOA standards, LAUSD has identified guidelines for the presentation of budgets. These standards provided guidance for development of LAUSD's budgets from four perspectives, as a:

1. Policy Document
2. Financial Plan
3. Operations Guide
4. Communications Device

A) GUIDELINES FOR LAUSD BUDGET AS A POLICY DOCUMENT

LAUSD's budget should include an overview message that articulates priorities and issues for the budget for the new fiscal year. The message should also provide a clear statement of organization-wide financial and programmatic policies and goals that address long-term

LAUSD BUDGET AND FINANCE POLICY

concerns and issues. The budget should describe the District's short-term financial and operational policies that guide the development of the budget for the upcoming year.

B) GUIDELINES FOR LAUSD BUDGET AS A FINANCIAL PLAN

As a blueprint for the financial implications of LAUSD's annual plan, the budget should provide fiscal information such as the following:

- Present a summary of major revenues and expenditures, as well as other sources and uses, to provide an overview of total resources budgeted by the organization.
- Include summaries of revenues, other resources, and expenditures for the prior year, current year and budget year.
- Identify self-funded enterprise operations and set goals for their level of financial self-sufficiency.
- Explain the underlying assumptions for the revenue estimates and discuss significant revenue trends.
- Identify funding by:
 - Source, including Federal, State, Local, Non-Profit, or other.
 - Type, including general fund, special fund-restricted by external agency, special fund-restricted by LAUSD policy, or other.
- Estimate projected changes in fund balances and fund balances available for appropriation.
- Include or be accompanied by a budget for capital expenditures and a list of major capital projects for the budget year and describe the impact of capital spending on the current and future operating budgets.
- Include financial data on current debt obligations and the relationship between current debt levels and statutory limitations.

C) GUIDELINES FOR LAUSD BUDGET AS AN OPERATIONS GUIDE

Once adopted, the budget will become a key guide to LAUSD's operations. The budget should:

- Describe activities, services or functions carried out by organizational unit and by program. (This information need not be in the main budget document but should be accessible to all operating units of the District and any person interested in the District's finances.)
- Include an organization chart for the entire organization.
- Provide a schedule or summary tables of personnel or position counts for the prior and current budget years, including description of significant changes.

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D) GUIDELINES FOR LAUSD BUDGET AS A COMMUNICATION DEVICE

One of LAUSD's budget's most important roles is as a communications tool. The document must meet the needs of a wide and varied audience. The budget should:

Provide Context

- Provide a summary of information, including issues, trends and choices as an executive summary or "Popular Budget".
- Describe the process for preparing, reviewing, and adopting the budget for the coming fiscal year.
- Include statistical and supplemental demographic data to describe LAUSD and the community it serves.

Include Visual Aids

- Offer visually inviting graphs, charts, and formatting to enhance understanding and usability of the document.
- Include a glossary for any terminology not readily understood by a reasonably informed lay reader.
- Provide the document in electronic form on the District website.

Principle Four: The budget should be timely and easy to manage at the school level.

Budgeting is a dynamic process that includes a development period and an implementation period, each of which may require a series of adjustments. The process of managing the budget is easier for schools and offices if they have access to systems and training. The Chief Financial Officer is responsible for defining the parameters under which schools and offices can manage their budgets, as set forth by the Board of Education.

Principle Five: The budget process should inform stakeholders.

Prior to the adoption of the final budget, District staff should present the budget to stakeholders. The Board should also conduct a formal public review of the budget, prior to its adoption.

LAUSD BUDGET AND FINANCE POLICY

FUND BALANCE POLICY AND PROCEDURES

I. PURPOSE

This Fund Balance Policy establishes the policy and procedures for reporting and maintaining fund balance in the District's financial statements. The policy also authorizes and directs the Chief Financial Officer to prepare financial reports which accurately categorize fund balance as per Governmental Accounting Standards Board (GASB) Statement No. 54, Fund Balance Reporting and Government Fund Type Definitions, effective beginning the 2010-11 fiscal year.

II. GENERAL POLICY

There are five separate components of fund balance. Each component identifies the extent to which the District is bound by constraints on the specific purpose for which amounts can be spent.

- Nonspendable fund balance (*inherently nonspendable*)
- Restricted fund balance (*externally enforceable limitations on use*)
- Committed fund balance (*self-imposed limitations on use*)
- Assigned fund balance (*limitation resulting from intended use*)
- Unassigned fund balance (*residual resources for unrestricted use*)

The first two components listed above are not addressed in this policy due to the nature of their restrictions. An example of nonspendable fund balance is inventory. Restricted fund balance is either imposed by law or constrained by grantors, contributors, or laws or regulations of other governments. This policy is focused on the last three components listed above.

The District considers restricted fund balances to have been spent first when an expenditure is incurred for purposes for which both restricted and unrestricted fund balance is available. Similarly, when an expenditure is incurred for purposes for which amounts in any of the unrestricted classifications of fund balance could be used, the District considers committed amounts to be reduced first, followed by assigned amounts, and then unassigned amounts.

III. PROVISIONS

Committed Fund Balance

The Governing Board, as the District's highest level of decision-making authority, may commit fund balances for specific purposes pursuant to constraints imposed by formal actions.

Commitment of funds can be made through the adoption of the budget as long as the intent to commit the funds is specifically stated. These committed amounts cannot be used for any other purpose unless the Governing Board removes or changes the specific use through formal action. Governing Board action to commit fund balance needs to occur within the fiscal reporting period, no later than June 30. The amount which will be committed can be determined subsequently but prior to the release of the District's financial statements.

LAUSD BUDGET AND FINANCE POLICY

Pursuant to GASB 54, the District commits to maintaining the Deferred Maintenance and Adult Education funds to support programs for which the funds were originally established. Amounts transferred into or retained in the funds will be determined annually per Board adoption of the budget and approval of the year end unaudited actuals report.

Assigned Fund Balance

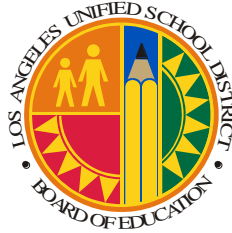
Amounts that are neither restricted nor committed may be constrained by the District's intent to be used for specific purposes. This policy hereby delegates the authority to assign amounts to the Superintendent, or designee.

Unassigned Fund Balance

These are residual positive net resources for the General Fund in excess of what can properly be classified in one of the other four categories. There are some reserves that do not meet the requirements of the aforementioned components of fund balance. For financial statement reporting purposes, these reserves are included in the unassigned fund balance. This includes:

- **Reserve For Economic Uncertainty**– The District will maintain an economic uncertainty reserve, consisting of unassigned amounts, of at least 1% of total General Fund operating expenditures in accordance with Section 15450 of the California Code of Regulations. The primary purpose of this reserve is to avoid the need for service level reductions in the event that an economic downturn causes revenues to be substantially lower than budgeted. In the event that the District must expend all or part of this reserve, the District will identify and implement a budgetary plan to replenish this reserve the following year. This reserve may be increased by legal requirement.

Los Angeles Unified School District DEBT MANAGEMENT POLICY



Prepared by:

The Office of the Chief Financial Officer

September 13, 2011

DEBT MANAGEMENT POLICY

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Appendix A LAUSD Long-Term Debt - Compliance Procedures	

The policies set forth in this Debt Management Policy (the “Policy”) have been developed to provide guidelines for the issuance of general obligation bonds, certificates of participation (“COPs”) and other forms of indebtedness by the Los Angeles Unified School District (the “District”). While the issuance of debt can be an appropriate method of financing capital projects, careful and consistent monitoring of such debt issuance is required to preserve the District’s credit strength and budget and financial flexibility. These guidelines will serve the District in determining the appropriate uses for debt financing and debt structures as well as establishing prudent debt management goals.

Background

The District enjoys some of the highest credit ratings of any major urban school district in the nation. The District’s general obligation bonds are rated Aa2 by Moody’s Investors Service and AA- by Standard & Poor’s Corporation. The District’s COPs ratings are Aa3 (Moody’s, for non-abatement leases), A1 (Moody’s, for leases subject to abatement) and A+ (Standard & Poor’s, for both lease types). These high credit ratings reduce the interest costs paid by the District on the amounts borrowed. Lower interest costs result in lower tax rates paid by the District’s taxpayers and a reduced burden on the General Fund. These debt management policies are intended to maintain the District’s high credit ratings so that access to borrowed funds is provided at the lowest possible interest rates. Additionally, these policies are intended to set forth selection criteria for certain financial consultants and attorneys which will ensure a fair and open selection process, provide opportunities for all firms (including small business enterprises) to participate in District contracts, and result in the selection of the best qualified advisors.

The District faces continuing capital infrastructure and cash requirements. In particular, the District is presently engaged in building new schools and modernizing schools with the Facilities Improvement Program to be completed over the next several years. The costs of these requirements will be met, in large part, through the issuance of various types of debt instruments and other long-term financial obligations. Under “Proposition BB”, “Measure K”, “Measure R”, “Measure Y” and “Measure Q” adopted by the voters in April 1997, November 2002, March 2004, November 2005 and November 2008, respectively, the District has already raised a combined \$20.605 billion in general obligation bond authorization for its Facilities Improvement Program and other capital and General Fund relief projects. Consequently, the District has seen an increase in its historical levels of such debt and other obligations and needs to anticipate future issuance of debt obligations as well, some of which may be repaid from the District’s General Fund.¹ With these additional debt issuances, the effects of decisions regarding type of issue, method of sale, and payment structure become ever more critical to the District’s fiscal health. To help ensure the District’s creditworthiness, an established policy of managing the District’s debt is essential. To this end, the Board of Education of the District (the “Board”) recognizes this Policy to be financially prudent and in the District’s best economic interest. In addition, the District’s practices with respect to monitoring its outstanding debt issues for compliance with all Internal Revenue Service requirements and other transaction requirements are set forth in Appendix A to this Policy.

¹ For purposes of this policy, long-term obligations such as lease payments in support of COPs will be considered “debt.”

Article I. **Purpose and Goals**

The purpose of the Policy is to provide a functional tool for debt management and capital planning, as well as to enhance the District's ability to manage its debt and lease financings in a conservative and prudent manner. In following this Policy, the District shall pursue the following goals:

- The District shall strive to fund capital improvements from referendum-approved bond issues to preserve the availability of its General Funds for District operating purposes and other purposes that cannot be funded by such bond issues.
- The District shall endeavor to attain the best possible credit rating for each debt issue (with or without credit enhancement) in order to reduce interest costs, within the context of preserving financial flexibility and meeting capital funding requirements.
- The District shall take all practical precautions and proactive measures to avoid any financial decision which will negatively impact current credit ratings on existing or future debt issues.
- The District shall remain mindful of debt limits in relation to assessed value growth within the school district and the tax burden needed to meet long-term capital requirements.
- The District shall consider market conditions and District cash flows when timing the issuance of debt.
- The District shall determine the amortization (maturity) schedule which will best fit with the overall debt structure of the District at the time the new debt is issued.
- The District shall give consideration to matching the term of the issue to the useful lives of assets whenever practicable and economic, while considering repair and replacement costs of those assets to be incurred in future years as an offset to the useful lives, and the related length of time in the payout structure.
- The District shall, when planning for the issuance of new debt, consider the impact of such new debt on overlapping debt and the financing plans of local, state and other governments which overlap with the District.
- The District shall, when issuing debt, assess financial alternatives to include new and innovative financing approaches, including whenever feasible categorical grants, revolving loans or other State/federal aid, so as to minimize the encroachment on the District's General Fund.
- The District shall, when planning for the sizing and timing of debt issuance, consider its ability to expend the funds obtained in a timely, efficient and economical manner.
- The District shall ensure that local and emerging businesses will be considered for and utilized in lead roles and for other roles in the senior tier when appropriate.

The key financial management tools and goals that are intrinsic to the Policy include:

- A. Fund Balance Policy: The District recognizes the importance of emergency reserves, including liquidity in the General Fund, that can provide a financial cushion in years of poor revenue receipts. A Reserve Fund Policy has been adopted by the Board.
- B. Capital Financing Plan: The Office of the Chief Financial Officer will prepare a 5 year Capital Financing Plan in conjunction with the capital budget. The Plan will detail the sources of financing for all facilities in the capital budget, establish funding priorities and review the impact of all borrowings on the District's long-term debt affordability ratios. The Plan will consider all potential sources of financing, including non-debt options and ensure that these financing sources are in accordance with the goals of this policy. The Office of the Chief Financial Officer will revise the Plan annually. See Articles III and IV herein.
- C. Annual Debt Report: The Chief Financial Officer will annually prepare for and submit to the Superintendent and the Board a Debt Report which reviews the outstanding debt of the District as further described under Section 4.02 herein.

Article II. **Authorization**

Section 2.01 **Authority and Purposes of the Issuance of Debt**

The laws of the State of California authorize the issuance of debt by the District, and confer upon it the power and authority to make lease payments, contract debt, borrow money, and issue bonds for public improvement projects. Under these provisions, the District may contract debt to pay for the cost of acquiring, constructing, reconstructing, rehabilitating, replacing, improving, extending, enlarging, and equipping such projects: to refund existing debt; or to provide for cash flow needs.

Section 2.02 **Types of Debt Authorized to be Issued**

- A. Short-Term: The District may issue fixed-rate and/or variable rate short-term debt which may include tax and revenue anticipation notes ("TRANS") when such instruments allow the District to meet its cash flow requirements. However, the District shall generally manage its cash position in a manner so that internally generated cash flow is sufficient to meet expenditures. The District may also issue commercial paper in the context of providing funding of shorter term acquisitions, such as equipment, or interim funding for capital costs that will ultimately be replaced with COPs. The District may also participate in an annual pooled financing of delinquent property taxes to the extent that the Chief Financial Officer determines such financing produces significant benefit to the District. The District may also issue bond anticipation notes ("BANs") to provide interim financing for bond projects that will ultimately be taken out by permanent general obligation bonds.
- B. Long-Term: Debt issues may be used to finance essential capital facilities, projects and certain equipment where it is appropriate to spread the cost of the projects over more than one budget year. In so doing, the District recognizes that future taxpayers who will

benefit from the investment will pay a share of its cost. Projects which are not appropriate for spreading costs over future years will not be financed with long-term debt. Long-term debt will, under no circumstances, be used to fund District operations. The District may issue long-term debt which may include, but is not limited to, general obligation bonds (“G. O. Bonds”). G.O. Bonds may be issued pursuant to Proposition 39 which permits bonding authorization if approved by at least 55% of voters versus the two-thirds approval requirement under other statutes. The District may also enter into long-term leases and/or COPs for public facilities, property, and equipment. In the event that lease revenue bond (“LRB”) financing costs are significantly lower than COPs financing costs, the District may consider using a lease revenue bond structure for financing public facilities, property, and equipment. The District may issue COPs or LRBs in variable rate mode so long as the requirements in Section 3.08. (A) hereof are met.

- C. Equipment Financing: Lease obligations are a routine and appropriate means of financing capital equipment. However, lease obligations also have the greatest impact on budget flexibility. Therefore, efforts will be made to fund capital equipment with pay-as-you-go financing where feasible, and only the highest priority equipment purchases will be funded with lease obligations. With the exception of leases undertaken through the District’s standard procurement process, all equipment with a useful life of less than six years shall be funded on a pay-as-you-go basis unless the following conditions are met:
- i. In connection with the proposed District budget, the Superintendent makes the finding that there is an “economic necessity” based on a significant economic downturn, earthquake or other natural disaster and there are no other viable sources of funds to fund the equipment purchase.
 - ii. The Board concurs with the Superintendent’s finding in the adoption of the budget.
 - iii. The various debt ceilings in Section 3.08 of this Policy are not exceeded.
- D. Lease Financing of Real Property: Lease financing for facilities is appropriate for facilities for which there is insufficient time to obtain voter approval or in instances where obtaining voter approval is not feasible. Such financings will be structured in accordance with Section 3.01 of the Policy. If and when voter approved debt proceeds become available subsequently, the District will use such proceeds to take out the financing where appropriate.
- E. Identified Repayment Source: The District will, when feasible, issue debt with a defined revenue source in order to preserve the use of General Fund supported debt for projects with no stream of user-fee revenues. Examples of revenue sources include voter-approved taxes that repay general obligation or special tax bonds.
- F. Use of General Obligation Bonds: Voter-approved general obligation bonds typically provide the lowest cost of borrowing and do not impact the District’s General Fund.

General obligation bond debt to the extent authorized for the District requires either two-thirds approval of the voters (in the case of traditional general obligation bonds) or 55% approval of the voters (in the case of general obligation bonds issued pursuant to Proposition 39). In recognition of the difficulty in achieving the required two-thirds voter approval or 55% voter approval, as the case may be, to issue general obligation bonds, such bonds will be generally limited to facilities and projects that provide wide public benefit and for which broad public support has been generated.

- G. Use of Revenue Bonds: Revenue bonds supported solely from fees are not included when bond rating agencies calculate debt ratios. Repayment of such bonds would rely on dedicated, pledged funds such as developer fees and/or redevelopment agency pass-throughs. Accordingly, in order to preserve General Fund debt capacity and budget flexibility, revenue bonds will be preferred to General Fund supported debt when a distinct and identifiable revenue stream can be identified to support the issuance of bonds.
- H. Use of Asset Transfer COPs: The District will restrict the use of an “asset transfer” COP financing to finance emergency capital needs for which there are no other viable financing options. Additionally, asset transfer COPs may be used if significant savings in financing costs can be generated compared to other financing alternatives.
- I. Pay-As-You-Go Financing: Except in extenuating circumstances, the District will fund routine maintenance projects in each year’s capital program with pay-as-you-go financing. Extenuating circumstances may include unusually large and non-recurring budgeted expenditures, or when depleted reserves and weak revenues would require the delay or deletion of necessary capital projects.
- J. Use of Special Financing Structures: The District may use special financing structures permitted by the federal government if they are determined to result in significantly lower financing costs versus traditional tax-exempt bonds and/or COPs.

Pursuant to State law, the District can issue either fixed-rate, variable rate or capital appreciation debt, depending on the applicable law.

Section 2.03 **State Law**

Section 18 of Article XVI of the State Constitution contains the basic “debt limitation” formula applicable to the District.

Sections 1(b)(2) and 1(b)(3) of Article XIII A of the State Constitution allow the District to issue traditional general obligation bonds and Proposition 39 bonds, respectively. The statutory authority for issuing general obligation bonds is contained in Section 15000 *et seq.* of the Education Code. Additional provisions applicable only to Proposition 39 general obligation bonds are contained in Section 15264 *et seq.* of the Education Code. An alternative procedure for issuing general obligation bonds is also available in Section 53506 *et seq.* of the Government Code.

The statutory authority for issuing TRANs is contained in Section 53850 *et seq.* of the Government Code. Authority for lease financings is found in Section 17455 *et seq.* of the Education Code and additional authority is contained in Sections 17400 *et seq.*, 17430 *et seq.* and 17450 *et seq.* of the Education Code. The District may also issue Mello-Roos bonds pursuant to Section 53311 *et seq.* of the Government Code.

Section 2.04 **Annual Review**

The Policy shall be reviewed and updated at least annually and presented to the Board for approval as necessary. The Chief Financial Officer is the designated administrator of the Policy and has overall responsibility, with the Board's approval, for decisions related to the structuring of all District debt issues. The Chief Financial Officer may delegate the day-to-day responsibility for managing the District's debt and lease financings. The Board is the obligated issuer of all District debt and awards all purchase contracts for bonds, COPs, TRANs and any other debt issuances.

Article III. **Structural Features, Legal and Credit Concerns**

Section 3.01 **Structure of Debt Issues**

A. Maturity of Debt: The duration of a debt issue shall be consistent, to the extent possible, with the economic or useful life of the improvement or asset that the issue is financing. The final maturity of the debt shall be equal to or less than the useful life of the assets being financed, and the average life of the financing shall not exceed 120% of the average life of the assets being financed. In addition, the District shall consider the overall impact of the current and future debt burden of the financing when determining the duration of the debt issue.

- i. General Obligation Bonds: The final maturity of General Obligation bonds will be limited to the shorter of the average useful life of the asset financed or 25 years when such bonds are issued pursuant to the Education Code. General Obligation bonds may be structured with a term to maturity no longer than 40 years if issued pursuant to the Government Code; however, the selected term to maturity would have to be appropriate relative to the average useful lives of the assets financed. General Obligation bond issues will generally be sized to the amount reasonably expected to be required for two year's expenditure requirements.
- ii. Lease-Purchase Obligations: The final maturity of equipment obligations will be limited to the average useful life of the equipment to be financed. The final maturity of real property obligations will be determined, in part, by the size of the financing..
- iii. Mello-Roos Obligations and Revenue Bonds: These obligations, although repaid through additional taxes levied on a discrete group of taxpayers or from pledged developer fees and/or redevelopment funds, constitute overlapping indebtedness of the District and have an impact on the overall level of debt affordability. The District will develop separate guidelines for the issuance of such obligations as the need arises.

B. Debt Service Structure: The District shall design the financing schedule and repayment of debt so as to take best advantage of market conditions, provide flexibility, and, as practical, to recapture or maximize its debt capacity for future use. Annual debt service payments will generally be amortized on a level basis per component financed; however, slower principal amortization may occur more quickly or slowly where permissible to meet debt repayment and flexibility goals.

C. Capitalized Interest: Unless required for structuring purposes, the District will avoid the use of capitalized interest in order to avoid unnecessarily increasing the bond size and interest expense. Certain types of financings such as COPs may require that interest on the debt be paid from capitalized interest until the District has use and possession of the underlying project. However, the District may pledge assets using an asset-transfer structure as collateral for the issue in order to eliminate the need for capitalized interest.

D. Call Provisions: The Chief Financial Officer and Controller, based upon analysis from the financial advisors of the economics of callable versus non-callable features, shall set forth call provisions for each issue.

Section 3.02 **Sale of Securities**

There are three methods of sale: competitive, negotiated and private placement. The preferred method of sale shall be the competitive method as it is likely to result in the lowest interest cost to the District. All three methods of sale shall be considered for all issuance of debt, however, as each method has the potential to achieve the lowest financing cost given the right conditions. Any award through negotiation shall be subject to approval by the District, generally by the Chief Financial Officer or other person designated by the Chief Financial Officer, to ensure that interest costs are in accordance with comparable market interest rates. When a competitive bidding process is deemed the most advantageous method of sale for the District, award will be based upon, among other factors, the lowest offered True Interest Cost ("TIC"). While not used as frequently as negotiated or competitive sale methods, a private placement sale would be appropriate when the financing can or must be structured for a single or limited number of purchasers or where the terms of the private placement are more beneficial to the District than either a negotiated or competitive sale.

Section 3.03 **Markets**

The District shall consider products and conditions in the capital markets in meeting the District's financing needs. When practical in its financing program, the District shall consider local and regional markets as well as retail and institutional investors.

Section 3.04 **Credit Enhancements and Derivatives**

The District may enter into credit enhancement agreements such as municipal bond insurance, surety bonds, letters of credit and lines of credit with commercial banks, municipal bond insurance companies, or other financial entities when their use is judged to lower borrowing costs, eliminate restrictive covenants, or have a net economic benefit to the financing. The credit rating of any counterparty must be at least A+ at the time of the transaction. The District shall use a competitive process to select providers of such products to the extent applicable. In order

to assure that the District purchases bond insurance cost-effectively, the Chief Financial Officer will review a bond insurance break-even analysis by maturity before selecting which maturities to insure.

The District may also undertake hedging strategies in connection with its debt issues. The Chief Financial Officer will develop an appropriate policy regarding interest rate swaps, interest rate caps and collars, rate locks and other derivatives for approval by the Board. Such policy, if approved, will be integrated into this Policy.

Section 3.05 Impact on Operating Budget and District Debt Burden

When considering any debt issuance, the potential impact of debt service and additional operating costs induced by new projects on the operating budget of the District, both short and long-term, will be evaluated. The ratio of annual debt service to General Fund expenditures is one method as is the additional debt burden of overlapping agencies and taxpayers. The cost of debt issued for major capital repairs or replacements should be judged against the potential cost of delaying such repairs.

Section 3.06 Debt Limitation

Section 15106 of the Education Code limits the District's total outstanding bonded debt (i.e., the principal portion only) to 2.5% of the assessed valuation of the taxable property of the District. Thus, Section 15106 of the Education Code limits the issuance of new debt when the District has total bonded indebtedness in excess of 2.5% of the assessed valuation in the District. TRAns and lease payment obligations in support of COPs generally do not count against this limit except as provided in Section 17422 of the Education Code.

Section 3.07 Debt Issued to Finance Operating Costs

The District cannot finance general operating costs from debt having maturities greater than thirteen months. However, the District may deem it necessary to finance cash flow requirements under certain conditions. Such cash flow borrowing must be payable from taxes, income, revenue, cash receipts and other moneys attributable to the fiscal year in which the debt is issued. General operating costs include, but may not be limited to, those items normally funded in the District's annual operating budget and having a useful life of less than one year.

Section 3.08 Debt Burden Ratios and Debt Affordability Criteria

- A. Debt Burden Ratios: As noted in Section 3.06, the District may issue "bonds" in an amount no greater than 2.5% of taxable property within the school district. The 2.5% issuance limit is known as the District's bonding capacity, with "bonds" referring to G.O. Bonds. Even though COPs do not technically constitute "debt" under California's Constitution and, thus, are excluded from the 2.5% bonding limit, the rating agencies and the investor community evaluate the District's debt position based on all of its outstanding long-term obligations whether or not such obligations are repaid from taxpayer-approved tax levies, the General Fund or developer fee sources. Therefore, the debt burden ratios described below will include both G.O. Bonds and COPs obligations as "debt" in the respective calculations. This conforms with market

convention for the general use of the term “debt” and “debt service” as applied to a broad variety of instruments in the municipal market, regardless of their precise legal status or source of repayment. “Debt” excludes short-term obligations such as tax and revenue anticipation notes.

The following debt burden ratios should be considered in developing debt issuance plans:

- Ratio of Outstanding Debt to Assessed Value. The ratio “Direct Debt” shall be calculated using both G.O. Bonds and COPs. In addition, the ratio “Overall Direct Debt” or “Overall Debt” shall be calculated by aggregating all debt issues attributable to agencies located in the District as presented in the California Municipal Statistics Overlapping Debt Statement. It is important to monitor the levels and growth of Direct Debt and Overall Debt as they portray the debt burden borne by the District’s taxpayers and serve as proxies for taxpayer capacity to take on additional debt in the future.
- Ratio of Outstanding Debt Per Capita. The formula for this computation is Outstanding Debt divided by the population residing within the District, based upon the most recent estimates as determined by the United States Bureau of the Census. Ratios shall be computed for both “Direct Debt Per Capita” and “Overall Debt Per Capita”.
- Ratio of Annual Lease Debt Service to General Funds Expenditures. The formula for this computation is annual lease debt service expenditures divided by General Funds (i.e., General and Debt Service Funds) expenditures (excluding interfund transfers) as reported in the most recent CAFR.
- Proportion of Fixed-Rate and Variable-Rate COPs Issues. The District can benefit from some variable rate exposure in its portfolio of COPs issues. However, the District shall keep its variable rate exposure, to the extent not hedged or swapped to fixed rate, at or below 20% of the total principal of outstanding COPs or \$100 million, whichever is less. “Hedges” include unrestricted cash resources as well as interest rate products such as caps and collars. Under no circumstances will the District issue variable rate debt for arbitrage purposes. If variable rate debt is used, the Chief Financial Officer will periodically, but at least annually, determine whether it is appropriate to convert the debt to bear fixed interest rates.

B. Debt Affordability: The determination of how much indebtedness the District should incur will be based on a Capital Financing Plan (the “Plan”) that is currently being developed by the Office of the Chief Financial Officer, which analyzes the long-term infrastructure needs of the District, and the impact of planned debt issuances on the long-term affordability of all outstanding debt. The Plan will be based on the District’s current five-year capital plan and will include all District financings to be repaid from the General Fund, special funds or *ad valorem* property taxes. The affordability of the incurrence of debt will be determined by calculating various debt ratios (itemized below) which would result after issuance of the debt and analyzing the trends over time.

C. Targets and Ceilings for Debt Affordability: One of the factors contributing to the District’s high credit ratings is its moderate General Fund-supported debt level relative to other large issuers and as compared to the resources available to repay the debt. The issuance of debt

to be repaid from the General Fund and other internal District resources (typically, the District's certificates of participation) must be carefully monitored to maintain a balance between debt and said resources.

The District's credit environment is also affected by the District's issuance of its general obligation bonds paid from voter approved tax levies as well as the debt issuance activities of other agencies (for example, the City of Los Angeles, the County of Los Angeles and the Los Angeles Community College District) whose jurisdictions overlap those of the District. It is important for the District to examine debt burden ratios for such debt as well, even though such debt is not paid from the District's General Fund or other internal resources. Further, the tax receipts used to repay the Districts general obligation bonds are levied and collected by the County of Los Angeles and are not controlled by the District.

Table 1 provides a listing of the debt burden factors that will be monitored by the Chief Financial Officer in the case of debt to be repaid from the General Fund or other District resources. The measured debt factors will be compared to targeted and maximum levels for those factors. The targets and ceilings are intended to guide policy. The targets and ceilings do not mean that debt issuance is automatically approved if there is room under a particular target or ceiling. On the contrary, each and every proposed debt issuance must be individually presented to and approved by the Board of Education.

Table 2 indicates the benchmark debt burden ratios to be monitored by the Chief Financial Officer that recognize the combined direct debt and overall debt of the District, as applicable. The Office of the Chief Financial Officer shall annually prepare or cause to be prepared a Debt Report providing details of the calculations of debt ratios and projections of the impact of future debt issuance on the District's direct debt. The Office of the Chief Financial Officer shall also develop appropriate appendices to the Debt Report containing relevant information on any rating agency and/or Government Finance Officer's Association debt policy guidelines with respect to debt burden ratios.

- i. Debt Ratios: The following table sets forth the debt ratios to be monitored under the Policy and their targeted levels and Policy ceilings, if applicable.

Table 1

Debt Factor	Target	Ceiling
COP Debt Service Limit (gross)	2.0% of General Funds Expenditures	2.5% of General Funds Expenditures
COP Gross Annual Debt Service Cap	\$105 Million	

Table 2

Debt Burden Ratio	Benchmark
Direct Debt to Assessed Value	Moody's Median for Aa Rated School Districts With Student Population Above 200,000
	Standard & Poor's Mean for AA Rated School Districts With Student Population Above 150,000
Overall Debt to Assessed Value	Moody's Median for Aa Rated School Districts With Student Population Above 200,000
	Standard & Poor's Mean for AA Rated School Districts With Student Population Above 150,000
Direct Debt Per Capita	Standard & Poor's Median for AA Rated School Districts With Student Population Above 150,000
	Standard & Poor's Mean for AA Rated School Districts With Student Population Above 150,000
Overall Debt Per Capita	Standard & Poor's Median for AA Rated School Districts With Student Population Above 150,000
	Standard & Poor's Mean for AA Rated School Districts With Student Population Above 150,000

“Direct Debt” includes all debt that is repaid from the General Fund or from any tax revenues deposited into special funds not supporting revenue bonds.

“Overall Debt” includes any debt that is paid from general tax revenues and special assessments by residents in the District. This includes debt issued by other agencies whose taxing boundaries overlap the District, such as the City of Los Angeles, the County of Los Angeles and the Metropolitan Water District, but excludes revenue bonds with dedicated repayment sources.

D. Monitor Impact on District Taxpayer of Voter-Approved Taxes: In addition to the analysis of the District’s debt affordability, the Plan will review the impact of debt issuance on District taxpayers. This analysis will incorporate the District’s general obligation bond tax levies

as well as tax rates imposed by overlapping jurisdictions as reported in the District's Comprehensive Annual Financial Report (CAFR). In addition, the District will monitor the performance of the actual tax levy rate per \$100,000 of assessed value for each general obligation bond authorization versus what the tax levy rate was expected to be at the time of the original bond election and include said performance in the Debt Report. The Measure K, Measure R, Measure Y and Measure Q Bonds were each authorized with a tax levy limitation of \$60 per \$100,000 of assessed value to repay bonds issued under each authorization (Measure).

Section 3.09 Use of Corporations as Lessor for COPs Issues

The District has established two special purpose corporations to assist in COPs financings as lessor: the LAUSD Financing Corporation and the LAUSD Administration Building Financing Corporation. The District shall use these corporations rather than private corporations as lessor whenever feasible. The District shall maintain proper records relating to the corporations and prepare audits as required.

Article IV. Related Issues

Section 4.01 Capital Improvement Program

Planning and management of the District's Capital Improvement Program rests primarily with the Facilities Services Division under the Superintendent's direction, subject to review by the Bond Oversight Committee and approval by the Board of Education. The Facilities Master Plan and Strategic Execution Plans provide an overall description of the District's current Facilities Improvement Program. The Facilities Services Division will, as appropriate, supplement and revise these plans in keeping with the District's current needs for the acquisition, development and/or improvement of District's real estate and facilities. The plans must include a summary of total cost of each project, schedules for the projects, the expected quarterly cash requirements, and annual appropriations, in order for the projects to be completed.

The Office of the Chief Financial Officer shall prepare an annual capital financing plan and a capital program budget as part of the annual budget for the District. The capital program budget shall identify all appropriations for the capital program, sources of funds, uses of funds, future funding requirements for project completion and an estimate of the capital program's impact on subsequent operating budgets. The District Board, upon advice from the Chief Financial Officer, may consider incurring subsequent debt to fund multiple phases of the Facilities Improvement Program.

Section 4.02 Reporting of Debt

The Comprehensive Annual Financial Report will serve as the repository for statements of indebtedness. The annual debt statement certifies the amount of (i) new debt issued, (ii) debt outstanding, (iii) debt authorized but not issued, (iv) assessed valuation and (v) outstanding debt expressed as a percentage of assessed valuation, each as of the end of the fiscal year to which the CAFR relates. The CAFR will be posted on the District's website, on the District's dissemination agent's website and on the Electronic Municipal Market Access (EMMA) website.

Section 4.03 Financial Disclosure

The District shall prepare or cause to be prepared appropriate disclosures as required by Securities and Exchange Commission Rule 15c2-12, the federal government, the State of California, rating agencies, bond insurers, underwriters, bond counsel, investors, taxpayers, and other persons or entities entitled to disclosure to ensure compliance with applicable laws and regulations and agreements to provide ongoing disclosure.

The District shall make available its annual CAFRs, budgets, and Official Statements on the official District website, the District's dissemination agent's website, and on the Electronic Municipal Market Access (EMMA) website so that interested persons have a convenient way to locate major financial reports and documents pertaining to the District's finances and debt.

Section 4.04 Review of Financing Proposals

All capital financing proposals involving a pledge of the District's credit through the sale of securities, execution of loans, or lease agreements or otherwise directly or indirectly the lending or pledging of the District's credit initially shall be referred to the Chief Financial Officer who shall determine the financial feasibility of such proposal and make recommendations accordingly to the Board.

Section 4.05 Establishing Financing Priorities

The Chief Financial Officer shall administer and coordinate the Policy and the District's debt issuance program and activities, including timing of issuance, method of sale, structuring the issue, and marketing strategies. The Chief Financial Officer shall, as appropriate, report to the Superintendent and the Board regarding the status of the current and future year programs and make specific recommendations.

Section 4.06 Rating Agency and Credit Enhancer Relations

The District shall endeavor to maintain effective relations with the rating agencies and credit enhancers. The Chief Financial Officer along with the District's financial advisors shall meet with, make presentations to, or otherwise communicate with the rating agencies, and credit enhancers on a consistent and as appropriate basis in order to keep the agencies informed concerning the District's capital plans, debt issuance program, and other appropriate financial information.

Section 4.07 Investment Community Relations

The District shall endeavor to maintain a positive relationship with the investment community. The Chief Financial Officer shall, as necessary, prepare reports and other forms of communication regarding the District's indebtedness, as well as its future financing plans. This includes information presented to the media and other public sources of information. To the extent applicable, such communications shall be posted on the District's website.

Section 4.08 Refunding and Restructuring Policy

Whenever deemed to be in the best interest of the District, the District shall consider refunding or restructuring outstanding debt when financially advantageous or beneficial for debt repayment and structuring flexibility. The Chief Financial Officer shall review a net present value analysis of any proposed refunding in order to make a determination regarding the cost-effectiveness of the proposed refunding. The target net present value savings as a percentage of the refunded aggregate principal amount shall be no less than 3% per maturity unless, at the discretion of the Chief Financial Officer, a lower percentage is more applicable, for situations including, but not limited to, maturities with only a few years until maturity or COPs being defeased or redeemed from proceeds of G.O. Bonds or other structuring considerations. The Chief Financial Officer may waive the 3% per maturity savings threshold when evaluating a fixed rate refunding of variable rate debt, as the refinancing of certain variable rate structures may provide substantial marginal benefits to the District that include, but are not limited to, elimination of interest rate risk, renewal risk, and counterparty risk.

The Chief Financial Officer shall be empowered to restructure escrow funds for the District's refunded Bonds and COPs from time to time when savings can be achieved. The Chief Financial Officer shall review a savings analysis of any proposed restructuring in order to make a determination regarding its cost-effectiveness. The target net savings shall be no less than \$1.0 million unless, at the discretion of the Chief Financial Officer, a lower amount is more appropriate given the nature of the particular escrow fund. Any savings from such restructuring shall be applied in accordance with legal and tax considerations and legal analysis at the time such savings are available.

Section 4.09 Investment of Borrowed Proceeds

The District acknowledges its on-going fiduciary responsibilities to actively manage the proceeds of debt issued for public purposes in a manner that is consistent with California law governing the investment of public funds and with the permitted securities covenants of related bond documents executed by the District. Where applicable, the District's official investment policy shall govern specific methods of investment of bond related proceeds. The District shall competitively bid the purchase of investment securities, investment contracts, float contracts, forward purchase agreements and any other investments pertaining to its tax-exempt debt issues. A registered investment advisor or the County of Los Angeles Treasurer-Tax Collector shall solicit bids for investment products. The District's underwriters, but not its financial advisors, may bid on investment products. Preservation of principal will be the primary goal of any investment strategy followed by the availability of funds, followed by return on investment.

The management of public funds shall enable the District to respond to changes in markets or changes in payment or construction schedules so as to (i) ensure liquidity and (ii) minimize risk.

Section 4.10 Federal Arbitrage Rebate Requirement

The District shall maintain or cause to be maintained an appropriate system of accounting to calculate bond investment arbitrage earnings in accordance with the Tax Reform Act of 1986, as amended or supplemented and applicable United States Treasury regulations related thereto.

Section 4.11 **Transaction Records**

The Chief Financial Officer or designee shall maintain complete records of decisions made in connection with each financing, including the selection of members of the financing team, the structuring of the financing, selection of credit enhancement products and providers, and selection of investment products. Each transaction file shall include the official transcript for the financing, the final number runs and a post-pricing summary of the debt issue. The Chief Financial Officer shall timely provide a summary of each financing to the Board.

Section 4.12 **Financing Team Members**

A. Retention of Consultants

- i. General: All financial advisors, bond counsel, disclosure counsel and underwriters will be selected from a pool to be created through a Request for Proposals (RFP) or Request for Qualifications (RFQ) process, whichever is most appropriate given the circumstances. In isolated instances, such contracts may be awarded on a sole source basis if it is clear that an RFP/RFQ process would not be feasible or in the District's interests. The District's contracting policies will apply to all contracts with finance professionals. Generally, contracts for financial advisor, underwriter, and bond counsel will be for five years with two one-year renewal options.

Members of the financing team for each specific transaction will be identified and presented to the Board as part of the financing transaction Board report or as a separate informative. If however, an urgent financing opportunity or need arises such that there is not enough time to obtain Board approval of the financing team through the regular process, the Superintendent may authorize the appointment of the team.

- ii. Underwriters: The minimum qualifications for underwriters to be considered for work on District transactions are: the firm must have a permanent office in the State of California; the firm must have completed at least ten (10) financings in the prior two years; the firm must maintain net capital of at least \$100,000 at all times; the lead investment banker must have at least three years of experience working on large, complex transactions and must be authorized to sign a bond purchase contract; the firm must hold and maintain at all times all appropriate and required Federal and State licenses and registrations; and the firm must at all times have at least one full-time professional employee with a NASD Series 53 license (Municipal Securities Principal).

Based upon evaluation of submitted statements of qualifications, underwriting firms will be assigned to one of three specific tiers: the senior manager tier (with those firms eligible to serve as senior or co-senior manager); the co-manager tier (with those firms eligible to serve as co-manager); and the emerging firms tier (with those firms eligible to serve as co-manager). In the event the par amount of a transaction is \$200 million or less, firms in the co-manager tier may compete to

serve as senior manager, in keeping with the District's procurement policy that competition is the cornerstone of the procurement process.

In the event the District issues bonds through a negotiated sale, the selection of underwriters will be based upon a mini-RFP process and will generally be for a single transaction. The mini-RFP will specify the scoring system for selection of the underwriters and will consider the following factors in decreasing order of priority:

1. Past performance, especially on transactions for the District.
2. Analysis of the financing need and proposed financing structure, recommended marketing plan and determination that the firm has sufficient net capital.
3. Proposed underwriting fees, including takedown, direct expenses, and the cost of underwriter's counsel.
4. Demonstrated commitment to, track record in, and investing in the communities served by the LAUSD.

Underwriters may be selected for multiple transactions if multiple issuances are planned for the same project. In addition, the District will include at least one firm with an office within the District's boundaries on each standard, fixed rate financing transaction.

- iii. General Financial Advisor: The District will retain a general financial advisory team to provide general advice on the District's debt management program, financial condition, budget options and bond rating agency relations. Additionally, the general financial advisor will structure the District's General Obligation bond issuances and may be used on an as-needed basis to structure bond issuances that do not fall into the other categories of District debt obligations. Any firm serving as general financial advisor must be registered at all times with both the Securities and Exchange Commission (SEC) and the Municipal Securities Rulemaking Board (MSRB) and must also hold any certifications and/or licenses required by the SEC and/or MSRB.
- iv. As-Needed Bond Counsel: The District will select a bond counsel team to be used on an as-needed basis to structure bond issuances which do not fall into the other categories of District debt obligations. Additionally, one or more of the firms will be selected to provide general legal advice on debt financing.
- v. Other District Bond Programs: Financial advisory and bond counsel teams will be selected for the District's general lease financings, TRAns, Mello-Roos, special revenue bonds and any other bond program which may be created. Depending on particular expertise and consultant availability, some firms may be used on more than one program. However, efforts will be made to establish different teams to provide a number of firms the opportunity to participate in District contracts.

B. Use of Independent Financial Advisors

- i. Use of Independent Financial Advisors: Any firm serving as financial advisor on a District transaction must be registered as a municipal advisor on financings at all times with both the Securities and Exchange Commission (SEC) and the Municipal Securities Rulemaking Board (MSRB) and must also hold any certifications and/or licenses required by the SEC and/or MSRB. In recognition of the fact that in a financing the goals of the underwriters and the issuer are inherently in conflict, the District will strive to hire financial advisors who do not participate in the underwriting or trading of bonds or other securities. Under certain circumstances, however, it may be in the District's interests to hire an investment banking firm to act as financial advisor on specific bond issues, although said firm must obey any SEC and/or MSRB rules and restrictions regarding when a broker-dealer or investment bank can serve as financial advisor and then "flip" to the role of underwriter.
- ii. Use of Investment Advisors for Investment Advice: Although, in most instances, the Office of the Chief Financial Officer will make all investment decisions relative to temporary investments pending the expenditure of bond proceeds, an investment advisor may provide investment advice on refundings and other transactions with specialized investment needs. Any firm serving as financial advisor on a District transaction must be registered at all times as an investment advisor with both the Securities and Exchange Commission (SEC) and the Municipal Securities Rulemaking Board (MSRB), as applicable, and must also hold any certifications and/or licenses required by the SEC and/or MSRB.

C. Disclosure by Financing Team Members; Ethics

All financing team members will be required to provide full and complete disclosure, under penalty of perjury, relative to any and all agreements with other financing team members and outside parties. The extent of the disclosure may vary depending on the nature of the transaction. However, in general terms, no agreements will be permitted which would compromise a firm's ability to provide independent advice which is solely in the best interests of the District, or which could reasonably be perceived as a conflict of interest. All financing team members shall abide by the Board's code of ethics.

Section 4.13 **Special Situations**

Changes in the capital markets, District programs and other unforeseen circumstances may from time to time produce situations that are not covered by the Policy. These situations may require modifications or exceptions to achieve policy goals. Management flexibility is appropriate and necessary in such situations, provided specific authorization is received from the Board.

APPENDIX A

LOS ANGELES UNIFIED SCHOOL DISTRICT

LAUSD LONG-TERM DEBT—COMPLIANCE PROCEDURES

Statement of Purpose

This Tax Compliance Policy (the “Policy”) sets forth specific policies of the Los Angeles Unified School District (the “District”) designed to monitor tax compliance by the District with respect to Tax-Advantaged Obligations,² including but not limited to post-issuance tax compliance with applicable provisions of the Internal Revenue Code of 1986, as amended (the “Code”), and regulations promulgated thereunder (the “Treasury Regulations”).

This Policy is intended to document and supplement existing practices and describe various procedures and systems implemented and to be implemented to demonstrate compliance with the requirements that must be satisfied at the time of, and subsequent to, the issuance of Tax-Advantaged Obligations. Compliance with applicable provisions of the Code and the Treasury Regulations is an on-going process and an integral component of the District’s debt management program. Accordingly, implementation of this Policy will require ongoing surveillance through, and sometimes beyond, the final maturity of the related issue of Tax-Advantaged Obligations and, likely, consultation with legal counsel beyond the initial engagement for the issuance of particular obligations.

This Policy is meant to set forth best practices and procedures and is intended to be revised over time. The Policy is meant to be the District’s initiative to document compliance with the provisions of the Federal tax law addressing Tax-Advantaged Bonds. Given the size, scope and complexity of the District’s financings and school construction and maintenance program, strict compliance with all elements of this Policy will require ongoing review and refinement of the Policy. Any failure to conform to any component of this Policy shall in no way infer that the District is not in compliance with the provisions of the Code applicable to Tax-Advantaged Obligations of the District.

Policies and Procedures Generally

The District’s General Counsel (the “General Counsel”) shall identify a staff member to be responsible for monitoring tax compliance with regard to debt offerings (the “District Tax Compliance Designee”). The General Counsel shall also be responsible for ensuring an adequate succession plan for transferring tax compliance responsibility when changes in staff occur.

² The District issues (i) bonds, certificates of participation and other obligations, the interest on which is intended to be excluded from gross income for federal income tax purposes (“Tax-Exempt Obligations”) and (ii) bonds and other obligations, which provide certain credits to bondholders in lieu of or in addition to interest payments or interest subsidy payments to issuers (*e.g.*, Build America Bonds and Qualified School Construction Bonds), that finance property that was otherwise eligible to be financed with proceeds of Tax Exempt Obligations (“Tax Credit/Subsidy Obligations,” collectively with Tax-Exempt Obligations, “Tax-Advantaged Obligations”).

The District Tax Compliance Designee should coordinate procedures for record retention and review of such records as more fully described herein and needs to gain familiarity with Internal Revenue Service (“IRS”) Forms 8038-G, 8038-B, 8038-CP, 14002, and relevant provisions of the Code and the Treasury Regulations, including but not limited to Treasury Regulations Sections 1.141-2, 1.141-3, 1.141-12, and 1.148-1 through 1.150-2.

The District Tax Compliance Designee needs to review tax compliance procedures and systems on a periodic basis, but not less than annually, and consult with the District’s General Counsel, Chief Financial Officer, Chief Facilities Officer and bond counsel as appropriate and as needed.

Electronic media will be the preferred method for storage of all records maintained by the District in connection with tax compliance. Document maintenance requirements may change over time, and the District Tax Compliance Designee shall consult with bond counsel to develop and maintain a comprehensive records retention policy so as to facilitate continuing compliance with the provisions of the Code applicable to the District’s Tax-Advantaged Obligations. The District will maintain the following categories of records with respect to each issue of its outstanding Tax-Advantaged Obligations:

- (i) Documentation relating to the authorization, sale and issuance of Tax-Advantaged Obligations;
- (ii) Documentation setting forth the dates, amounts and purposes of each expenditure of Tax-Advantaged Obligations were expended, as more fully described under “Expenditure of Proceeds” below;
- (iii) Documentation of arrangements governing the use of Property Financed with Proceeds of each issue of Tax-Advantaged Obligations, as more fully described under “Private Use and Ownership” below; and
- (iv) Documentation relating to the investment of proceeds and replacement proceeds allocable to each issue of Tax-Advantaged Obligations.

The foregoing records shall be maintained by the District under the supervision of the District Tax Compliance Designee for a period of not less than six years after the final payment of principal on such Tax-Advantaged Obligations, provided that with respect to property financed with proceeds of Tax-Advantaged Obligations, such records shall be maintained for a period of not less than six years after the final payment of principal on such Tax-Advantaged Obligations or any Tax-Advantaged Obligations issued to refund, directly or indirectly, the issue of Tax-Advantaged Obligations that financed such property.

Issuance of Obligations

With respect to each new issue of Tax-Advantaged Obligations, the District Tax Compliance Designee is to (a) obtain and store a closing binder and/or CD or other electronic copy of the relevant and customary transaction documents, (b) confirm that bond counsel or tax counsel has filed with IRS Form 8038-G or Form 8038-B for such issue, and (c) coordinate receipt and retention of relevant books and records with respect to the investment and expenditure of the

proceeds of such Tax-Advantaged Obligations. Documentation to be maintained shall include, but not be limited to:

- (i) Resolutions of the District and the County authorizing the issuance of the Bonds;
- (ii) Bond Purchase Agreement;
- (iii) Preliminary Official Statement, Official Statement and any other documentation circulated to potential investors;
- (iv) Certifications with respect to delivery of Tax-Advantaged Bonds and the receipt of the purchase price therefor;
- (v) Tax Certificate or Tax Compliance Agreement (including exhibits, such as an issue price certificate of the underwriter or, in the event of a private placement, the purchaser);
- (vi) Schedules prepared by the Financial Advisor or Underwriter setting forth the sources and uses of funds, projected expenditure of proceeds, projected investment earnings on proceeds and computation of yields, together with any verification reports issued in connection with the issue;
- (vi) With respect to guaranteed investment agreements, or yield restricted defeasance escrows, documentation evidencing compliance with three-bid rules set forth in Treasury Regulation Section 1.148-5
- (vii) Any verification reports issued with respect to the issue; and
- (viii) Information reporting forms filed with the Internal Revenue Service, and proofs of filings such forms.

Expenditure of Proceeds

The administrator of each office that is responsible for spending proceeds of the District's Tax-Advantaged Bonds will maintain records setting forth the date and amount of each disbursement of proceeds of Tax-Advantaged Obligations administered by its office, together with invoices or other proofs with respect to each disbursement, the name of the vendor or other payee, an identification of the facility or other property acquired, constructed, improved or renovated with the proceeds of such disbursement and a brief description of the actual work performed or property acquired with the proceeds of such disbursement. Within 120 days following the end of each fiscal year of the District, the administrator of each office of the District responsible for the expenditure of proceeds of the District's Tax-Advantaged Obligations shall submit a report (each, an "Annual Expenditure Report") to the District Tax Compliance Designee setting forth with respect to each disbursement of proceeds of Tax-Advantaged Obligations:

- (i) the date of such disbursement;
- (ii) the amount of such disbursement;
- (iii) the funding source (e.g., specific G.O. measure or COPs issue);
- (iv) the location code and location name;
- (v) the object of expenditure; and
- (vi) the project number and description, when available, or a brief description of the type of the expenditure.

The District Tax Compliance Designee shall monitor the receipt of, and maintain each Annual Expenditure Report and, based upon the data set forth in the Annual Expenditure Report provided by each office of the District that is responsible for the expenditure of proceeds of Tax-Advantaged Bonds, and within 6 months after the end of each fiscal year, prepare a report setting forth the date, amount and purpose of each disbursement of proceeds of each issue of Tax-Advantaged Bonds during the prior fiscal year (the "Issue Expenditure Reports"). The term "purpose" shall mean each separate school facility financed with a disbursement or a description of other property financed with such disbursement.

Private Use and Ownership

Tax-Advantaged Obligations may lose their tax status if a bond issue meets (1) the private business use test (*i.e.*, results in Private Use (defined below)) in Section 141(b)(1) of the Internal Revenue Code of 1986, as amended (the "Code") and (2) (a) the private security or payment test ("Private Security or Payments") in Section 141(b)(2) of the Code (collectively, the "Private Business Test"), or (b) the private loan financing test in Section 141(c) of the Code. The Private Business Test relates to the use of the proceeds of an issue and the test is met if more than the lesser of (1) \$15,000,000 and (2) 10 percent³ of the proceeds of an issue meet both prongs of the Private Business test.

Definition of Private Payments. For purposes of this Policy, "Private Payments" means payments derived, directly or indirectly, in respect of property used or to be used for Private Use. The District will periodically enter into arrangements that result in Private Use but will not involve any Private Payments. Except in the case of certificates of participation, which involve leases of properties that are used in a Private Use or secures obligations that financed property used in a Private Use, or loans of bond proceeds, arrangements that result in Private Use, but do not involve Private Payments, will not cause the District's general obligation bonds to become private activity bonds.⁴

³ Such ten percent limitation is reduced to five percent with respect to Private Use that is either unrelated to governmental uses of proceeds of the same issue, or disproportionate to related governmental uses of proceeds of such issue.

⁴ Private use alone may cause the Private Business Test limitations to be exceeded in the event that the obligations to that financed the privately used property is also secured by property used in a private use. For example, certificates of participation in a lease of property that is involved in a private use that finance property that is also used in a

Definition of Private Use. For purposes of this Policy, the term “Private Use” means any activity that constitutes a trade or business that is carried on by persons or entities other than state or local governmental entities (“Nongovernmental Entities”). State or local governmental entities are referred to herein as “Governmental Entities.” The United States of America is not treated as a Governmental Entity. Any activity carried on by a person other than a natural person is treated as a trade or business. Any asset financed with Tax-Advantaged Obligations not owned by a Governmental Entity will be considered to be used in a Private Use.

In most cases, Private Use will occur only if a Nongovernmental Entity has a special legal entitlement to use the bond financed property. Such a special legal entitlement includes ownership or actual or beneficial use pursuant to a lease, management, service or incentive payment contract, output contract, research agreement or similar arrangement. Private Use may also be established solely on the basis of a special economic benefit to one or more Nongovernmental Entities.

Management and Service Contracts. With respect to management and service contracts, the determination of whether a particular contract results in Private Use shall be based on the application of the Code and Treasury Regulations, including particularly Revenue Procedure 97-13, 1997-1 C.B. 632, as amended by Revenue Procedure 2001-39, 2001-2 C.B. 39, a summary of which is attached hereto as Exhibit A. Such management and service contracts include, but are not limited to, operating agreements, construction management agreements, business services agreements, technical consulting services agreements and other similar agreements. Further, for purposes of determining the nature of a Private Use, any management or service contract that is properly characterized as a lease for federal income tax purposes is treated as a lease. Consequently, any such agreements, even though referred to as a management or service contract may nevertheless be treated as a lease. In determining whether a management or service contract is properly characterized as a lease, it is necessary to consider all of the facts and circumstances, including the following factors: (i) the degree of control over the property that is exercised by a nongovernmental person; and (ii) whether a nongovernmental person bears risk of loss of the financed or refinanced property.

Short-Term Use Exception. Arrangements fitting within either of the following two exceptions will not result in Private Use.

Use Pursuant to Generally Applicable and Uniformly Applied Rates. Use pursuant to an arrangement will not result in Private Use if (A) the arrangement does not transfer ownership of the property to a nongovernmental person, (B) the term of the use under the arrangement, including all renewal options, is not longer than 100 days, and (C) compensation under the arrangement is based on generally applicable and uniformly applied rates.

Use Pursuant to Negotiated Arm’s Length Arrangements. Use pursuant to an arrangement will not result in Private Use if (A) the arrangement does not transfer ownership of the property to a nongovernmental person, (B) the term of the use under the arrangement, including all renewal options, is not longer than 50 days, and (C) the arrangement is a negotiated arm’s-length arrangement and compensation under the arrangement is at fair market value.

private business use may become taxable private activity bonds even if the District receives no payments with respect to such property.

Construction Contracts and Other Purchases of Capital Assets. A contract with a nongovernmental person to construct capital assets or to sell capital assets to the District does not generally result in Private Use unless additional services are being provided by the nongovernmental person in connection with such contract, *e.g.*, construction management or consulting services. Such services with respect to bond financed property must be analyzed for Private Use under Revenue Procedure 97-13.

Materials and Commodity Supply Contracts. A contract or purchase order for materials, commodities, inventory or other supplies from a nongovernmental person does not generally result in Private Use unless there are additional services being provided by the nongovernmental person in connection with the contracts, *e.g.*, consulting services. Such service arrangements with respect to bond financed property must be analyzed for Private Use under Revenue Procedure 97-13.

Ownership of bond financed property. If bond financed property is owned by a nongovernmental person, such ownership will be considered Private Use of the asset for purposes of the Private Use rules.

Leases of bond financed property. All leases of bond financed property to a nongovernmental person constitute Private Use of such property unless an exception for short term use is satisfied.

Nonpossessory Incidental Use. Any nonpossessory incidental use such as vending machines, bank machines and similar uses may be excluded from the Private Use rules to the extent of 2.5% of an issue of Tax-Advantaged Obligations. Such use of bond financed property shall be tracked by Tax Compliance Designee.

Joint Ventures, Partnerships or other forms of Joint Ownership. Entry into a joint venture, partnership or other form of joint ownership with a nongovernmental person generally gives rise to Private Use. Such arrangements with respect to bond financed property must be reviewed by bond counsel.

Special Priority Rights or Special Economic Benefits. A contract which conveys special priority rights or special economic benefits in bond financed property to a nongovernmental person may create Private Use. In determining whether special economic benefit gives rise to Private Use of bond financed property, it is necessary to consider all of the facts and circumstances, including one or more of the following factors: (a) whether the bond financed property is functionally related or physically proximate to property used in the trade or business of a nongovernmental person; (b) whether only a small number of nongovernmental persons receive the economic benefit; and (c) whether the cost of the bond financed property is treated as depreciable by the nongovernmental person. Such arrangements with respect to bond financed property must be reviewed by bond counsel.

Compilation and Maintenance of Logs Listing Arrangements Potentially Involving Private Trade or Business Use.

From time to time, the District enters into the following types of arrangements involving bond financed property:

- Use Agreements and Leases with Charter Schools
- After School Programs
- Summer Camps
- Civic Center Leases
- Naming Rights
- Other Leases, Licenses or Use Agreements Involving Bond Financed Property

The arrangements described above will be referred to in this Policy as “Arrangements”.

The District Tax Compliance Designee will retain copies of the Arrangements, and maintain a log listing such Arrangements, which shall note with respect to each Arrangement (i) whether such Arrangement conforms to the Short-Term Use Exception described above, and (ii) if not, the amount of payments to be received by the District and whether such payments exceed the District’s incremental costs of operating and maintaining the subject facility arising from the Private Use of the subject property.

The District Tax Compliance Designee shall also compile and maintain a separate list of each arrangement described above that will not qualify for the Short-Term Use Exception and that provides payments to the District that will exceed the District’s incremental cost of operating and maintaining the subject facility arising from the arrangement (referred to as the “Potential Private Use Contract Log”).⁵ Each item listed in the Private Use Contract Log shall set forth (i) the issue or issues of Tax Advantaged Bonds that financed property used in connection with such arrangement, (ii) the amount of proceeds of such issue allocable to such property, and (iii) the amount of payments expected with respect to such arrangement, net of the incremental costs incurred by the District to operate and maintain the facility as a result of such arrangement.

The District Tax Compliance Designee shall also compile and maintain the following logs:

- Property Disposition Log. The District Tax Compliance Designee shall compile and maintain a log listing all assets of the District purchased with proceeds of Tax Advantaged Obligations that have been sold or otherwise disposed by the District (each, a “Disposition”). The log should include with respect to each Disposition, the Issue of Tax-Advantaged Bonds that financed the acquisition, construction or renovation of such asset and the amount of proceeds of such issue that are allocable to such asset (the “Property Disposition Log”).

⁵ Arrangements involving property that was financed with proceeds of any of the District’s certificates of participation will be listed in the Potential Private Use Contract Log regardless of whether the District is to receive any payments under such Arrangements.

- **Private Loan Log.** The District Tax Compliance Designee shall compile and maintain a log listing all proceeds of each issue of Tax-Advantaged Obligations applied to make loans to third parties (the “Private Loan Log”).

The Tax Compliance Designee shall update the respective logs at least annually.

Structuring of Arrangements to Avoid Private Use or Private Payments. It is the Policy of the District that to the extent consistent with the business objectives of the District, any potential Arrangement which might result in Private Use of bond financed property shall be structured so as to avoid or minimize Private Payments.

Dispositions. No transfer, sale or other proposed disposition of bond financed property by the District shall take place without the prior review and approval by the General Counsel, after consultation with bond counsel.

Remedial Actions. In the event that the District is unable to satisfy the limitations with respect to Private Use and Private Payments with respect to any issue of Tax-Advantaged Obligations, the District Tax Compliance Designee shall consult with the General Counsel, the Chief Financial Officer and bond counsel and work with bond counsel to effect a remedial actions or take such other actions as shall be required to maintain the tax-advantaged status of such bonds. The District Tax Compliance Designee shall provide any information regarding the bond financed property to effectuate such remedial action to the General Counsel and the Chief Financial Officer. The District Tax Compliance Designee must maintain copies of the documentation with respect to the remedial action with the Potential Private Use Contract Log and attach such copies to the transcript of closing documents it maintains with respect to each affected issue of Tax-Advantaged Obligations.

Periodic Review. Although the District will monitor Private Use of assets financed with Tax-Advantaged Obligations and Private Payments relating to such use, the District Tax Compliance Designee will no less frequently than annually review and update the Potential Private Use Contract Log, the Disposition Log the Private Loan Log and the log that it maintains with respect to each issue of Tax-Advantaged Obligations. The District Tax Compliance Designee shall at least annually prepared a detailed calculation of all existing Private Use and Private Payments, if any, that occurred during the prior year (the “Private Use Calculation”) with respect to each issue of the District’s Tax-Advantaged Obligations. The Potential Private Use Contract Log, the Disposition Log and the Private Use calculations are referred to herein as the “Annual Reports.” The District Tax Compliance Designee will provide the Annual Reports, reflecting activity through the last day of each fiscal year, to the General Counsel by November 30th of the following fiscal year.

Arbitrage and Rebate

Section 148 of the Code, the regulations promulgated thereunder and the pronouncement relating thereto (the “Arbitrage Rules”) are intended to ensure that issuers, such as the District,

are issuing Tax-Advantaged Obligations for the primary purpose of financing property needed by the District to carry-out its governmental purposes, and not for the purpose of taking advantage of the difference between its tax-advantaged costs of borrowing and its ability, if any, to invest proceeds of such obligations in higher yielding obligations. Continuing compliance with the Arbitrage Rules primarily involves ensuring that proceeds of Tax-Advantaged Obligations (“Proceeds”) are invested in accordance with yield limitations set forth in the Arbitrage Rules, except to the extent an exception to such yield limitation cannot be satisfied, and rebating certain investment earnings to the United States Treasury. With respect to certain issues of Tax-Advantaged Obligations, the District will need to ensure that all proceeds and investment earnings are either expended on qualifying projects within specified periods, or portions of such issues are timely redeemed.

Specific post-issuance procedures to effect compliance with the Arbitrage Rules are addressed below. However, the procedures set forth herein are not intended to be exhaustive and further procedures may need to be identified and implemented, in consultation with the District’s staff, bond counsel, tax counsel, if any, and the District’s financial advisors and investment advisors. Since proceeds of the District’s bond issues are deposited in a Building Fund administered and invested by the Los Angeles County Treasurer and Tax Collector (the “County Treasurer”), and the County Treasurer collects and invests moneys to be used to pay debt service on the District’s Tax-Advantaged Obligations, the County Treasurer shall also be involved in the development and implementation of this Policy insofar as this Policy relates to compliance with the Arbitrage Rules.

Procedures Generally – the following policies relate to procedures and systems for monitoring post-issuance compliance generally with the Arbitrage Rules.

(i) The Chief Financial Officer has identified an appropriate staff member (currently the Treasurer of the District) responsible for monitoring the District’s post-issuance arbitrage compliance issues (the “Arbitrage Compliance Designee”). The Chief Financial officer of the District shall be responsible for ensuring an adequate succession plan for transferring post-issuance arbitrage compliance responsibility when changes in staff occur.

(ii) The Arbitrage Compliance Designee should coordinate procedures for record retention and review in accordance with the provisions of this Policy described below. In addition, the Arbitrage Compliance Designee shall ensure that adequate records are established and maintained to set forth the date, amount and nature of each expenditure of proceeds of each issue of Tax-Advantaged Obligations and investment earnings thereon (the “Proceeds”). Such records shall be consistent with and may be part of the Issue Expenditure Reports described under “Expenditure of Proceeds” above. The Arbitrage Compliance Designee shall also establish and maintain a record of each investment of Proceeds, which shall include (i) the purchase date, (ii) the purchase price, (iii) information establishing that the purchase price is the fair market value as of such date (*e.g.*, the published quoted bid by a dealer in such an investment on the date of purchase), (iv) any accrued interest paid, (v) the face amount, (vi) the coupon rate, (vii) periodicity of interest payments, (viii) disposition price, (ix) any accrued interest received, and (x) disposition date. To the extent any investment becomes allocable to Proceeds after it was

originally purchased, it shall be treated as if it were acquired at its fair market value at the time it becomes allocable to Proceeds. To the extent Proceeds are maintained by the County Treasurer, the Arbitrage Compliance Designee shall advise the County Treasurer of the requirement to maintain such records with respect to each investment of Proceeds by the County Treasurer, and obtain a copy of such records from the County Treasurer at least annually.

(iii) The Arbitrage Compliance Designee should review post-issuance arbitrage compliance procedures and systems with bond counsel or tax counsel at least annually.

The following procedures shall be implemented with respect to the issuance of each issue of Tax-Advantaged Obligations:

(i) Following the issuance of each issue of Tax Advantaged Obligations, the Arbitrage Compliance Designee shall confirm that the District Tax Compliance Designee has obtained and is maintaining each of the documents listed above under “Issuance of Obligations” including, a fully executed tax certificate with respect to such issue and any information reporting forms filed with the Internal Revenue Service with respect to each issue, together with proof of filing. A copy of such certificate and information reporting forms, together with the Timetable (as defined below), shall be provided to the County Treasurer as soon as practicable after the issue date of each issue of Tax-Advantaged Obligations.

(ii) The Arbitrage Compliance Designee should confirm that bond counsel has filed with the Internal Revenue Service (the “IRS”) the applicable information report (e.g., Form 8038-G, Form 8038 or Form 8038-B) for such issue.

(iii) The Arbitrage Compliance Designee should coordinate receipt and retention of relevant books and records with respect to the investment and expenditure of the proceeds of such Tax-Advantaged Obligations with other members of the District’s staff and staff of the County Treasurer.

(iv) A record should be maintained with respect to each issue of Tax-Advantaged Obligations containing a schedule setting forth (i) the latest date such proceeds may be invested at an unrestricted yield, (ii) the benchmarks that must be satisfied in order to meet an exception to the arbitrage rebate rules, (iii) the dates on which any arbitrage rebate computations are required to be completed and arbitrage rebate is required to be paid to the United States Treasury and (iv) any date by which proceeds are required to either be expended or applied to redeem bonds and any other dates on which all or a portion of the Proceeds of such issue are required or expected to be expended (the “Timetable”)

Arbitrage – the following procedures should be carried-out from the issue date through the final redemption date of each issue of Tax-Advantaged Obligations:.

(i) The Arbitrage Compliance Designee should coordinate the tracking of expenditures and any investment earnings with other applicable District staff, including staff of the Facilities Division. The Arbitrage Compliance Designee should obtain and review at least monthly reports of the expenditure and investment of proceeds of each issue of Tax-Advantaged

Obligations that are on deposit in the District's Building Fund. The Arbitrage Compliance Designee should maintain a procedure for the allocation of proceeds of the issue and investment earnings to expenditures, including the reimbursement of pre-issuance expenditures

(ii) The Arbitrage Compliance Designee should obtain a computation of the yield on each issue of Tax-Advantaged Obligations from the District's financial advisor, and obtain from bond counselor tax counsel a listing of all arbitrage yield restrictions attributable to Proceeds or amounts treated as proceeds of each issue. For example, with respect to each issue of qualified school construction bonds, the Arbitrage Compliance Designee should obtain from tax counsel or bond counsel the yield limitation with respect to any invested sinking fund established for such issue.

(iii) The Arbitrage Compliance Designee should monitor compliance with the applicable "temporary period" (as defined in the Code and Treasury Regulations), and expectations for the expenditure of proceeds of the issue, and advise the County Treasurer of the need to yield restrict investments with respect to proceeds that are not eligible to be invested at an unrestricted yield pursuant to a temporary period.

(iv) The Arbitrage Compliance Designee should coordinate with the County Treasurer and the bond trustee, if applicable, to ensure that investments acquired with proceeds of each issue of Tax-Advantaged Obligations are purchased at fair market value. In determining whether an investment is purchased at fair market value, any applicable Treasury Regulation safe harbor may be used. In the event Proceeds are invested in an investment contract or any other investment that is not traded on an established market, and for which fair market values are not continually published, the Arbitrage Compliance Designee or County Treasurer shall consult with bond counsel or tax counsel to ensure that fair market rules set forth in the Treasury Regulations are satisfied.

(v) The Arbitrage Compliance Designee should coordinate with the County Treasurer, the Chief Facilities Executive and the applicable bond trustee to avoid formal or informal creation of funds reasonably expected to be used to pay debt service on such issue without determining in advance whether such funds must be invested at a restricted yield.

(vi) The Arbitrage Compliance Designee should consult with bond counsel or tax counsel prior to engaging in any post-issuance credit enhancement transactions (e.g., bond insurance, letter of credit) or hedging transactions (e.g., interest rate swaps, caps).

(vii) The Arbitrage Compliance Designee should coordinate with bond counsel to identify situations in which compliance with applicable yield restrictions depends upon later investments and monitor implementation of any such restrictions.

(viii) The Arbitrage Compliance Designee should coordinate with the arbitrage rebate consultant, as described in (ix) below, to monitor compliance with six-month, 18-month or 2-year spending exceptions to the rebate requirement, as applicable.

(ix) The Arbitrage Compliance Designee should coordinate with Chief Financial Officer to ensure that the District continuously engages a firm nationally recognized in the area of arbitrage rebate compliance with respect to each issue of Tax-Advantaged Obligations to arrange, as applicable, for timely computation of arbitrage rebate or arbitrage yield reduction liability and, if rebate or a yield reduction payment is due to the IRS, for timely filing of Form 8038-T and, to arrange timely payment of such rebate liability. Such arbitrage rebate consultant shall also confirm whether any of the spending exceptions to the arbitrage rebate rules are satisfied. The Arbitrage Compliance Designee should ensure that each arbitrage rebate consultant is provided with a copy of the Timetable with respect to each issue of Tax-Advantaged Obligations and that the contract or engagement letter with such arbitrage rebate consultant provides for such arbitrage rebate consultant to work with the District to refine the Timetable and provide timely notification to the Arbitrage Compliance Designee of each deadline set forth in the Timetable. The Arbitrage Compliance Designee shall maintain with its records with respect to each issue of Tax-Advantaged Obligations copies of each report submitted by any arbitrage rebate consultant and each Form 8038-T filed by the District.

(x) The Arbitrage Compliance Designee should, in the case of any issue of refunding obligations, coordinate with the District's financial advisor, the applicable bond trustee and the applicable escrow agent to arrange for the purchase of the refunding escrow securities, should obtain a computation of the yield on such escrow securities from the Treasury's outside arbitrage rebate specialist and should monitor compliance with applicable yield restrictions. Timetables should be adjusted to reflect the termination of temporary periods, the allocation of Proceeds of the refunded bonds as transferred proceeds of the refunding bonds and other matters resulting from such refunding.

Retention of Records

Retention of Records. As described above, the District is required to prepare the Annual Reports, which summarize and analyze certain underlying documentation related to the Tax-Advantaged Obligations. In addition to the requirement to retain the Annual Report, the District will also need to retain the related underlying documentation (the "Records") described below.

Records Required to be Retained. The Records that must be retained include, but are not limited to, the following:

(i) All legal and accounting documents relating to proceeds of the Tax-Advantaged Obligations, including opinions of counsel and the tax certificate with respect to each issue of Tax-Advantaged Obligations.

(ii) Expenditure of Proceeds of Tax-Advantaged Obligations as described below.

(A) Documents evidencing the expenditure of the proceeds of the Tax-Advantaged Obligations and investment earnings thereon and the specific assets financed with such proceeds, including projected draw schedules and invoices (*e.g.*, records with respect to the bond accounts and funds);

(B) Documents setting forth all funds and accounts relating to the Tax-Advantaged Obligations;

(C) Documents pertaining to the investment of the proceeds of the Tax-Advantaged Obligations (*e.g.*, records with respect to the bond accounts and funds), including the purchase and sale of securities, guaranteed investment contracts, and swap/hedge transactions;

(D) With respect to all investments acquired in any fund or account in connection with the Tax-Advantaged Obligations, the information set forth under the heading “Arbitrage and Rebate” herein;

(iii) Documents evidencing any allocations with respect to the proceeds of the Tax-Advantaged Obligations;

(iv) Documents evidencing the use and ownership of the bond financed property, including contracts for the use of such property (*e.g.*, the Annual Reports, and the logs described herein, and documents evidencing the sale or other disposition of the bond financed property.

Required Retention Periods. The District will retain the Records and Reports until the date that is six years after the complete retirement of the related Tax-Advantaged Obligations.

Form of Records. The District will keep all records in a manner that ensures complete access thereto for the applicable above described period either in hard copy or electronic format. If the records are kept in electronic format, compliance is necessary with the requirements of Revenue Procedure 97-22, 1997-1 C.B. 652, (or subsequent guidance provided by the Internal Revenue Service), which provides guidance for maintaining books and records by using an electronic storage system that either images their hardcopy books and records or transfers their computerized books and records to an electronic storage media (*e.g.*, an electronic data compression system).

Failure to Retain Records. A failure to maintain material records required to be retained by this Section may result in the loss of the tax status of the Tax-Advantaged Obligations and could cause additional arbitrage rebate to be owed.

Reissuance

The following policies relate to compliance with rules and regulations regarding reissuance of Tax-Advantaged Obligations issued by the District:

General Counsel and the District Tax Compliance Designee are to (a) identify and consult with bond counsel regarding any post-issuance change to any terms of an issue of Tax-Advantaged Obligations, (b) request bond counsel to determine whether such potential change would cause the issue to be treated as “reissued” for federal income tax purposes, and (c) confirm with bond counsel whether any “remedial action” in connection with a “change in use”

(as such terms are defined in the Code and Treasury Regulations) must be treated as a reissuance for tax purposes.

Training

The District shall engage its bond counsel or special tax counsel to provide a seminar at least annually, which shall be attended by the District Tax Compliance Designee, the Arbitrage Compliance Designee, representatives of the Chief Financial Officer, the General Counsel and the Chief Facilities Officer and representatives of the District's arbitrage rebate compliance consultant. The County Treasurer should also be invited to participate in such seminar. Such seminar shall include a review of the District's compliance initiatives during the prior twelve-month period, discussions relating to restrictions on the use of proceeds of Tax-Advantaged Bonds, arbitrage requirements and recent developments in such areas.

Appendix K
CAPITAL BUDGET

For up-to-date information about the District's major capital programs, please visit the following District websites:

Existing and New Facilities:

[http://www.laschools.org/documents/download/about_fsd/sep/2011_SEP - FSD Consolidated.pdf](http://www.laschools.org/documents/download/about_fsd/sep/2011_SEP_-_FSD_Consolidated.pdf)

Information Technology Division:

<http://askitd.net/guiding/category/3-sep>

SUPERINTENDENT'S 2012-13 FINAL BUDGET

APPENDIX L

NOTES

NOTE 1 - SUMMARY OF INTERFUND ADJUSTMENTS ALL FUNDS

Interfund Adjustments	2008-09 Actual	2009-10 Actual	2010-11 Actual	2011-12 Third Interim	2012-13 Budget
General Fund	\$ 79,016,313	\$ 62,910,487	\$ 88,137,848	\$ 6,863,451	\$ 11,067,473
Cafeteria Fund	16,587,485	24,013,148	32,928,338	85,345,766	63,283,280
Adult Education Fund	6,871	168,283,839	-	-	-
Child Development Fund	-	165,134	7,995,492	22,568,402	29,167,941
Deferred Maintenance Fund	30,000,000	940,905	348,575	-	-
Special Reserve Fund	16,134,328	3,301,804	1,019,427	8,329,628	-
Special Reserve Fund - FEMA	469,424	-	-	-	-
Building Fund - Measure Y	383,670	1,767,635	240,039,481	54,969,718	-
Building Fund - Measure R	93,246,459	64,990,226	106,179,768	547,784,267	-
Building Fund - Measure K	52,904,396	17,526,945	36,252,172	23,911,162	-
Building Fund - Bond Proceeds	45,209,627	21,880,936	16,622,248	23,238,343	-
County School Facilities Fund	3,293,702	20,096,065	3,153,066	4,683,871	-
County School Facilities Fund - Prop 47	2,931,454	1,547,825	3,686,921	3,191,723	-
County School Facilities Fund - Prop 55	26,223,373	5,980,421	19,213,146	19,073,904	-
County School Facilities Fund - Prop 1D	616,515	3,703,755	900,964	6,018,262	-
State School Building Lease/Purchase Fund	226,285	3,107,014	1,193,228	103,506	-
Capital Facilities Fund	274,198	331,157	220,330	-	-
Capital Services Fund	208,315,396	123,131,134	46,354,772	222,305,491	41,699,422
Workers' Compensation Fund	48,904	107,692,179	47,062,299	70,284,945	96,722,600
Health & Welfare Benefits Fund	880,325,784	951,260,488	948,561,760	940,043,069	940,932,330
Liability Self-Insurance Fund	19,853,019	40,182,923	11,615,668	15,098,407	19,752,508
Total Interfund Adjustments	\$ 1,476,067,203	\$ 1,622,814,020	\$ 1,611,485,503	\$ 2,053,813,915	\$ 1,202,625,554

SUPERINTENDENT'S 2012-13 FINAL BUDGET

APPENDIX L

NOTE 2 - CAPITAL SERVICES FUND

Other Uses

The following table shows the source of funds for repayment of Certificates of Participation (COPs) and other long-term obligations, their purposes, the requirements in 2010-12, and the year in which these obligations will be fully repaid.

	<u>Beginning Date</u>	<u>Ending Date</u>	<u>2012-13 Payment</u>
2003B COPs-Capital Project	2002-03	2028-29	2,156,788
2004A COPs-Refi/Refunding	2003-04	2014-15	2,388,750
2005 COPs-QZAB-Repay/Int	2004-05	2011-12	654,407
2007A COPs-Information Technology Projects	2006-07	2016-17	8,468,181
2009A COPs-Repayment Food Project	2008-09	2018-19	786,791
2010A COPs-Refunding of 1997A & 1998A	2009-10	2016-17	9,580,775
2010B COPs-Repayment Capital Project I	2009-10	2034-35	10,130,577
2012A COPs-Repayment/Interest-Refunding 2008A and 2008B	2011-12	2030-31	4,345,476
2012B COPs-Repayment/Interest-Refunding 2001B and 2002C	2011-12	2030-31	3,453,977
			<u>\$ 41,965,722</u>

SUPERINTENDENT'S 2012-13 FINAL BUDGET

APPENDIX L

NOTE 3 – CAFETERIA FUND

	Number of Meals Served		Reimbursement Rate		2012-13 Amount
<u>Federal Revenue</u>					
National School Lunch Program					
Special Summer					
Lunch	497,111	\$	3.3800	\$	1,680,236
Breakfast	-		1.9350		-
Snack	-		0.7975		-
				\$	<u>1,680,236</u>
Special Assistance Program					
Lunch					
Free	42,598,813		2.8402		120,989,149
Reduced-price	3,335,799		2.4330		8,115,999
Full Price	7,409,925		0.2850		2,111,829
National School Breakfast (Regular)*					
Free	1,648,178		1.5372		2,533,578
Reduced-price	122,278		1.2318		150,622
Full Price	511,585		0.2749		140,635
Needy Breakfast*					
Free	29,604,502		1.8324		54,247,289
Reduced-price	2,362,511		1.5270		3,607,554
Full Price	4,304,884		0.2749		1,183,413
Snacks					
Free	11,227,021		0.7737		8,686,346
Reduced-price	8,760		0.3868		3,388
Full Price	46,430		0.0713		3,310
				\$	<u>201,773,112</u>
Child and Adult Care Food Program					
Lunch					
Free	1,521,867		2.8199	\$	4,291,513
Reduced-price	144,940		2.4127		349,696
Full Price	250,385		0.2647		66,277
Breakfast					
Free	1,387,290		1.5372		2,132,543
Reduced-price	132,123		1.2318		162,749
Full Price	228,244		0.2749		62,744
Snacks					
Free	1,346,247		0.7737		1,041,591
Reduced-price	128,214		0.3868		49,594
Full Price	221,491		0.0713		15,792
				\$	<u>8,172,499</u>
Cash In-lieu of Commodities	1,917,192		0.2225	\$	<u>426,575</u>
Donated Commodities					14,393,949
Total Federal Revenue					<u><u>\$ 226,446,371</u></u>

*Includes Breakfast In The Classroom (BIC)

SUPERINTENDENT'S 2012-13 FINAL BUDGET

NOTE 3 – CAFETERIA FUND (continued)

	Number of Meals Served	Reimbursement Rate	2012-13 Amount
<u>State Revenue</u>			
National School Lunch Program			
Lunch			
Free	42,598,813	\$ 0.2195	\$ 9,350,438
Reduced-price	3,335,799	0.2195	732,208
Breakfast (Regular)*			
Free	1,648,178	0.2195	361,775
Reduced-price	122,278	0.2195	26,840
Breakfast (Needy)*			
Free	29,604,502	0.2195	6,498,188
Reduced-price	2,362,511	0.2195	518,571
			<u>\$ 17,488,020</u>
 Child and Adult Care Food Program			
Lunch			
Free	1,521,867	0.1634	\$ 248,674
Reduced-price	144,940	0.1634	23,683
Full Price	-	0.1634	-
Breakfast			
Free	1,387,290	0.1634	226,683
Reduced-price	132,123	0.1634	21,590
Full Price	-	0.1634	-
			<u>\$ 520,630</u>
Total State Revenue			<u><u>\$ 18,008,650</u></u>

**Includes Breakfast In The Classroom (BIC)*

APPENDIX M

GLOSSARY OF BUDGET TERMS AND ABBREVIATIONS

Budget Terms

Abatement – A complete or partial cancellation of an expenditure or revenue item.

AB 825 Block Grants – In 2005, the State combined more than two dozen categorical programs into six block grants for purposes of flexibility. The six block grants are: (1) the “Protected Pair” – The Pupil Retention Block Grant and the Teacher Credentialing Block Grant; and (2) the “Flexible Four” – The Professional Development Block Grant, the School Safety Consolidated Competitive Grant, the Targeted Instructional Improvement Block Grant, and the School and Library Improvement Block Grant. The “Flexible Four” allow districts to transfer a maximum of 15% of funds from the block grant into other block grants or other State categorical programs. Districts may also transfer an amount equal to 20% of the allocation into the “Flexible Four” from other block grants. The “Protected Pair” allows transfers of up to 20% in but no transfers out.

Academic Performance Index (API) – The API measures student achievement on certain standardized tests. Several Governor’s Initiative programs use schools’ API scores and their growth over time on the Index to determine funding.

Accounts Payable – Amounts due and owed to private persons, business firms, governmental units, or others for goods received and/or services rendered. Includes amounts billed but not yet paid.

Accounts Receivable - Amounts due and owed from private persons, business firms, governmental units, or others for goods received and/or services rendered. Includes amounts billed but not received.

Accrual Basis of Accounting – An accounting method in which revenues are recorded when earned, and expenditures when a liability is incurred, regardless of when the receipt or payment of cash takes place. School districts use the accrual basis of accounting for proprietary funds such as the Cafeteria and Self-Insurance funds, and fiduciary funds such as the Annuity Reserve Fund. (See also Cash Basis of Accounting and Modified Accrual Basis of Accounting).

Administered Budget – An administered budget refers to resources managed by a division but spent elsewhere. For example, Facilities Division manages the utilities budget for schools and offices, but the expenditures are attributed to schools and offices, not the Facilities Division.

Administrative Services Credit – A credit (negative) amount budgeted to reflect indirect Administrative Services costs charged to certain programs. This is necessary to eliminate duplication of the cost in the total District budget.

Ad Valorem Tax – A tax based on a percentage of the value of goods or services.

American Recovery and Reinvestment Act (ARRA) – Also known as the federal stimulus bill, the American Recovery and Reinvestment Act was signed into law in February 2009. The legislation is designed to stimulate the U.S. economy and provided additional education funding nationwide from 2009 to 2011.

Arbitration – A form of alternative dispute resolution in which a third party reviews the evidence in the case and imposes a decision that is legally binding for both sides and enforceable.

Appropriation – An authorization, granted by the governing board, to make expenditures and to incur obligations for special purposes. An appropriation is usually limited in purpose, amount, and the time period during which it may be expended.

Audit – An examination of documents, records, and accounts for the purpose of (1) determining the propriety of transactions; (2) ascertaining whether transactions are recorded properly; and (3) determining whether statements drawn from accounts reflect an accurate picture of financial operations and financial status for a given period of time.

Budget Terms (*Continued*):

Authorized Positions – Positions, both filled and vacant, for which authority is provided in the budget. All positions are budgeted as full positions, even if they provide service on a part-time basis.

Average Daily Attendance – A measure of pupil attendance used as the basis for providing revenue to school districts and as a measure of unit costs. Only in-seat attendance is counted in computing ADA.

Base Revenue Limit – The basic State funding to K-12 education. It is expressed either as an amount per ADA or as a dollar amount. The District's most important funding source, Base Revenue Limit funding is comprised of a combination of State tax revenues and local property tax allocations.

Block Grant – A funding methodology in which the granting authority (e.g., the State) groups multiple programs into one entity for funding purposes. This is usually done for purposes of improving funding flexibility; districts may choose to increase or decrease funding for programs within the block grant, depending upon the perception of the individual district regarding the relative value of the individual programs.

Bond – A certificate containing a written promise to pay a specified amount of money, called the face value, at a fixed time in the future, called the date of maturity, and specifying interest at a fixed rate, usually payable periodically.

Budget – A plan of financial operation consisting of an estimate of proposed revenue and expenditures for a given period and purpose. The term usually indicates a financial plan for a single fiscal year.

Budget Adjustment (or "Budget Transfer") – A change among budgeted items.

California State Lottery – Proposition 37, passed by the voters in November, 1984, established the California Lottery. The lottery distributes funds to school districts for instructional purposes. Lottery funds cannot be used for purchase or construction of facilities, for land, or research. Because the initiative does not define "instructional," school districts have wide latitude in the use of lottery funds. Districts are required to utilize 50% of any increased funding above the 1997-1998 base year for instructional materials.

Capital Expenditures – According to the California School Accounting Manual, capital expenditures are those "for sites, buildings, books, and equipment, including leases with option to purchase, that meet the LEA's threshold for capitalization." Categories of expenses recorded as capital expenditures include: land, buildings, site improvements, and some types of equipment. Equipment also includes library books, and project management costs that can be assigned to an individual capital project.

Capital Outlay – Amounts paid for fixed assets or additions to fixed assets, including land or existing buildings, improvement of grounds, construction of buildings, additions to buildings, remodeling of buildings, or initial and additional equipment.

Capital Project Funds – District Funds dedicated to facilities construction and repair.

Carryover (or Carryforward) – Unexpended balances that are carried forward from one fiscal year to the next in accordance with programmatic or District guidelines. Funds may carry forward at a particular location or may be carried forward and redistributed as part of a new year's allocation, depending on program guidelines.

Cash Basis of Accounting – An accounting method in which revenues are recorded when cash is received and expenditures (or expenses) are recorded when cash is disbursed. School districts do not use the cash basis of accounting. (See Accrual Basis of Accounting and Modified Accrual Basis of Accounting).

Categorical Mega-Item – Refers to categorical programs that are grouped into one funding item in the State Budget by legislative action. This is usually done to avoid possible vetoes of specific programs. Districts are given the authority to transfer a percentage of Mega-Item funding between programs that comprise the Mega-Item.

Categorical Programs – Programs funding activities that are supplemental to the District's basic instructional program. These programs may be included in the General Fund Restricted, Unrestricted, or in a number of Special Funds.

Budget Terms (*Continued*):

Certificated Salaries – Salaries paid for services that require a credential. These include teachers, counselors, assistant principals, and principals.

Certificates of Participation (COPs) – A financing technique which provides funding through the sale of papers, backed by a specific capital asset, for capital cost items.

Charter School – Under State law, charter schools operate semi-autonomously of the District. A “fiscally independent” charter school receives funding directly from the State and develops curriculum in compliance with state and federal guidelines. An “affiliated” charter school continues to receive funding from the District but develops curriculum that may differ from that of the District.

Child Days of Enrollment – Children’s Centers generate revenue on the basis of Child Days of Enrollment, which differs from the ADA calculations used for schools.

Civic Center Rentals - Rental of space at school sites during non-school hours by designated groups. The District is required to charge an appropriate amount for the use of the facilities. These charges become part of the District’s General Fund revenues.

Classified Salaries – Salaries for services that do not require a credential, such as clerical and custodial staff.

Community Day School – A school site for service to students who have been expelled, referred by SARB, or denied attendance at a regular school site. By law, CDSs must be located on sites separated from regular District campuses.

Compensatory Education – Comprised of ESEA – Title I, Economic Impact Aid, and School Improvement Programs; provides supplementary funding for schools with a specified percentage of students who qualify for funding under program guidelines. These include students receiving free or reduced price lunch and students identified as at-risk.

Concept 6 Calendar – A 3-track, year-round calendar with 163 instructional days of 6.6 daily hours.

Concurrently Enrolled – Students enrolled simultaneously in a K-12 school and in a Regional Occupational Center or Adult Education Program.

Continuous – See “Ongoing.”

Current Expense of Education – The current General Fund operating expenditures for kindergarten through grade twelve. This excludes expenditures for food services, community services, non-agency activities, fringe benefits for retired persons, acquisition and construction of facilities, and other outgo items.

Debt Limit – The maximum amount of legally permitted debt.

Debt Service – Expenditures for retirement of debt and interest on debt (e.g., COPS and bonds).

Deficit Factor – A percentage deduction from a funding source, such as the revenue limit.

Deficit Spending – The excess of actual expenditures over actual revenues (also referred to as an operating deficit).

Designated Balance – The portion of the previous year’s ending balance committed by statute or by District policy and therefore unavailable for general purpose allocations.

Developer Fees – District revenue resulting from fees levied upon new residential, commercial, or industrial development projects within the District’s boundaries in order to obtain additional funds for the construction of schools.

Direct Services – Services that are delivered at the school site where the student is the direct recipient or beneficiary of the services. Examples include personnel that provide direct, hands-on instruction to students.

Budget Terms (Continued):

District Defined Programs – Programs within the General Fund that are summarized as distinct programs within the budget document. District Defined Programs are selected for increased recognition in the budget because they have significant financial implications or because the Board has indicated a desire that financial information about the program be reflected in the budget document.

Elementary and Secondary Education Act (ESEA) - In 1965, President Lyndon B. Johnson passed the Elementary and Secondary Education Act as a part of the "War on Poverty." ESEA emphasizes equal access to education and establishes high standards and accountability. The law authorizes federally funded education programs that are administered by the states. In 2002, Congress amended ESEA and reauthorized it as the No Child Left Behind Act (NCLB).

Employee Benefits – Expenditures for employer contributions to retirement plans, for social security, workers' compensation, unemployment insurance, health and medical benefits, and other employee "fringe benefits."

Encroachment – Costs of a District Defined Program such as Special Education that exceed the program's earned income. Encroachment is covered through Interprogram Adjustments, usually from General Fund – Unrestricted Program resources.

Encumbrance – An obligation such as a salary, purchase order, contract, or other commitment to spend, that has been recognized in the accounting records but not yet finalized as a formal expenditure.

Enterprise Funds – Funds used to account for activities of an LEA that, because of their income-producing character, are similar to those found in the private sector.

Entitlement – An apportionment that is based on specific qualifications or a formula defined in statute.

Equalization Aid – State funds intended to equalize funding differences between districts receiving lower revenue limit amounts per-ADA and those receiving higher amounts. Equalization aid is typically provided based on the type and size of school districts. Small elementary district revenue limits are compared with other small elementary districts; large unified districts such as LAUSD are compared with other large unified districts, etc.

Expenditure – The cost of goods delivered or services rendered.

Federal Emergency Management Act – A funding source for building repairs related to the January 17, 1994 earthquake, and for hazard mitigation measures. FEMA funds may also be allocated for other natural disasters.

Federal Jobs Bill - United States Senate Bill S3206, otherwise known as the Keep Our Educators Working Act of 2010, provided \$23 billion to help keep teachers, principals, librarians and other school personnel employed as states faced crippling budget shortfalls.

Fees – Amounts collected from or paid to individuals or groups for services or for use of a facility.

Fiduciary Funds – District Funds utilized as holding accounts for amounts owed to employees under various agreements.

Final Budget – The Final Budget is the District's official operating budget upon Board adoption, which must occur prior to June 30 of the preceding budget year. The Final Budget is submitted to the Los Angeles County Office of Education (LACOE) for approval in accordance with guidelines provided in the Education Code.

Fiscal Year – A period of one year, the beginning and ending dates of which are fixed by statute. The fiscal year for California school districts begins July 1st and ends on June 30th.

Function – Under the Standardized Account Code Structure (SACS), function refers to activities or services performed to accomplish a goal.

Fund – A sum of money or other resources set aside for the purpose of carrying on specific activities or attaining certain objectives.

Budget Terms (Continued):

Fund Balance – According to the California School Accounting Manual (Procedure No. 207), the fund balance is determined by subtracting the fund’s total liabilities from the total assets. The difference is the fund balance. Fund Balance Classification - GASB 54 implements a five-tier fund balance classification that depicts the extent to which the district is bound by spending constraint imposed on the use of its resources.

- **Nonspendable Fund Balance** consists of funds that cannot be spent due to their form. These include inventory and prepaid items or funds that are legally or contractually required to remain intact, such as the principal of a permanent endowment.
- **Restricted Fund Balance** consists of funds that are subject to externally imposed and legal constraints.
- **Committed Fund Balance** consists of funds that are subject to internal policies and constraints. These policies are self-imposed by the District’s highest level of decision making authority. .
- **Assigned Fund Balance** consists of funds that are intended to be used for a specific purpose by the district’s highest level or an official with the authority to assign funds.
- **Unassigned Fund Balance** consists of residual fund balance that has not been classified in the previous four categories. It represents resources available for future spending.

General Fund – The Fund used to summarize costs of the District’s basic operations. The District’s General Fund includes both Restricted and Unrestricted activities.

Gifted and Talented Education – A State-funded program within the General Fund that provides supplemental funding for identified qualifying students.

Goal – Under SACS, a goal defines an objective or set of objectives for the LEA. It is used to account for the cost of instruction and other services by the instructional goals and objectives of an LEA.

Governor’s Budget – The Governor’s Proposed State Budget, or “Governor’s Budget,” is published each January, and represents his initial public disclosure of his financial assumptions and spending priorities for the coming fiscal year.

Grant – A contribution, either in money or material goods, made by one governmental agency to another. Grants may be for specific or, rarely, for general purposes.

Hourly Programs – Programs funded by the State on the basis of hours of attendance rather than ADA. Refers primarily to summer and intersession classes, but also applies to programs such as after-school intervention, Saturday School, etc.

Implemented Budget – Budget for Restricted Programs that has been allocated to specific appropriations for expenditure.

Indirect Cost – Elements of cost necessary in the operation of a district or in the performance of a service that are of such nature that the amount applicable to each accounting unit cannot be determined readily. It consists of those business and administrative costs (e.g., accounting, budgeting, personnel, purchasing) that benefit the entire district.

Indirect Cost Rate – A method for claiming reimbursement of indirect costs from federal and state categorical funds. It is the ratio (expressed as a percentage) of the indirect costs to direct base costs.

Interfund Transfers – Income and expenditures initially recorded in the General Fund and then transferred, in accordance with accounting requirements, to a Special Fund.

Interim Reports – Accounting reports prepared as of a date or a period during the fiscal year. They include budgetary estimates, financial transactions during current year-to-date, and end-of-year projections. California school districts are required to publish a first interim report in December based upon October data, and a second interim report in March based on January data. A third interim report may be required by the County Office of Education if it has significant concerns regarding the financial viability of a district.

Internal Service Funds – District Funds dedicated to self-insurance of costs such as employee health and medical benefits, liability insurance, and worker’s compensation.

Interprogram – Costs of a District Defined Program that exceed the program’s income must be covered from other General Fund revenues. Such costs are covered through “interprogram” transfers from the General Program.

Budget Terms (Continued):

Least Restrictive Environment (Special Education Program) –The placement requirements for identified students with special needs into schools and programs.

Limited – See “Onetime.”

Mandated Cost Reimbursements – The California Constitution requires that the State reimburse local governmental entities, including school districts, for the cost of complying with State or court mandates. The reimbursement is known as a Mandated Cost Reimbursement.

May Revision (or “May Revise”) – Published each May, this State document updates the Governor’s Budget published in January with regard to the Governor’s State revenue projections and spending priorities for the coming fiscal year.

Measure K – A local school facilities bond measure, passed by the voters on November 5, 2002. Measure K proceeds may be used to repair, renovate, acquire, construct, or lease school buildings, including classrooms, libraries, restrooms, science laboratories, and other capital projects. Proceeds may also be used: to acquire instructional materials (including library books); upgrade fire/security systems; perform earthquake retrofitting; install lighting, plumbing, and heating; remove asbestos and lead paint; upgrade wiring for computers; and build new neighborhood schools to relieve overcrowding. Funds may not be used for non-Measure K-related administrative salaries.

Measure Q – Passed by voters in November of 2008, this measure provides additional funding to repair and upgrade aging classrooms.

Measure R – Passed by the voters in March of 2004, this measure provides additional funding to reduce school overcrowding, build new schools, repair and upgrade aging classrooms, and other facilities-related purposes.

Measure Y – Passed by the voters in November of 2005; this measure provides additional funding to return all schools to a two-semester calendar, end involuntary busing, focus on critically needed schools for younger students, and ensure that every community receives its fair share of new schools and classrooms. Measure Y will continue to repair and upgrade aging and deteriorating classrooms and restrooms, build new schools, upgrade fire and safety and emergency response equipment, and eliminate asbestos and lead paint hazards.

Modified Accrual Basis of Accounting – In the modified accrual basis of accounting, revenues are recognized in the period when they become available and measurable, and expenditures when a liability is incurred, regardless of when the receipt or payment of cash takes place. School districts use the modified accrual basis of accounting for operating funds such as the General Fund and Adult Education Fund.

Multyear Financial Plan – A plan that presents financial estimates of programs in tabular form for a period of years. These estimates reflect the future financial impact of current decisions. California school districts are required to publish three-year financial plans reflecting estimates for the budget year and two subsequent fiscal years.

Ninety/Thirty (90/30) Calendar – A year-round calendar in which students are assigned for 90 school days, off for 30, then on for 90.

Norms – For most schools, the District uses Board-approved “norms” to determine the base number of teachers, school administrators, school clerical positions, and various resources at each school. Norms generally use student enrollments to determine the resources to be allocated to individual schools. For example, norms may dictate that schools should receive 1 teacher per 30 students, one clerical employee per 100 students, one counselor per 500 students, etc.

To calculate norm allocations, the District uses the number of students enrolled at each school on “norm day,” which is generally the Friday of the fourth week of school. Other factors may also be used in norm allocations. For example, the allocation of custodians is based on a complex formula that includes the school’s square footage. The District norms are published in the form of “norm tables” which describe the factors utilized in determining the individual norms.

Objects of Expenditure – California school districts are required to develop their budgets and report expenditures by “Object of Expenditure,” which reflects specific categories of cost such as Teachers’ Salaries, Textbooks, etc.

Budget Terms (*Continued*):

Onetime – Revenue or expenditure line-items not expected to continue into the subsequent year.

Ongoing – Revenue or expenditure line-items that are expected to continue into the subsequent year.

Operational Budget – The positions and other resources which enable an operating unit to perform the functions for which it is responsible. Distinguished from administered budgets in that the unit controlling and benefiting from the resources are one and the same.

Overdraft – The amount by which expenditures and encumbrances exceed the budget available for them.

Pending Distribution – Accounts in the budget held for distribution to expendable appropriations during the course of the fiscal year. Generally, funds are placed in a Pending Distribution account because of funding uncertainty or because no spending plan has been received. Funds must be transferred from the Pending Distribution account to expendable accounts before spending may occur.

Position Control – A system developed to control salary and benefit costs by comparing budgeted positions to assignments and payroll so that only employees with budgeted positions and active assignments can be paid.

Preliminary Budget – The first budget published by the District annually (usually in March or April). The Preliminary Budget is intended to provide Board Members and the public information on available revenues and expenditure requirements for the coming fiscal year, in order to assist in financial planning. The Preliminary Budget is based on information from the Governor's Proposed (January) Budget, the First Interim Financial Report, and other sources.

Program Code – Four-digit code used in budgeting and controlling expenditures. Use of program codes facilitates tracking and identification of specific expenditures. Also referred to as *Appropriation Code*.

Proposition 20 – 50% of lottery funding above the 1997-98 funding level must be used for purchase of instructional materials, in accordance with Proposition 20, passed by the voters in March, 2000.

Proposition 47 - The passage of Proposition 47 in November 2002 authorized the sale of bonds to provide funding for the State School Facilities Fund, which provides for new school facility construction, modernization projects, and facility hardship grants.

Proposition 49 – Passed by the voters in 2002, this program expanded existing before- and after-school programs beginning with the 2006-07 school year.

Proposition 55 – The State Kindergarten-University Public Education Facilities Bond Act of 2004 was passed by the voters in March of 2004. Provides funds for locally approved bond measures for the purpose of building new schools and classrooms to relieve overcrowding.

Proposition 98 – Passed by the voters in 1988, Proposition 98 provides the formula by which the amount of money to be allocated to statewide K-14 education in California is determined.

Proposition BB – LAUSD facilities bond measure passed by the voters in April of 1997.

Public Employees' Retirement System (PERS) – Unless exempted by state law, classified employees, their district, and the State contribute to this retirement fund.

Quality Education Investment Act – Funds approved as part of the settlement of the *CTA v. Schwarzenegger* lawsuit, intended to improve education, primarily through class-size reduction, at Decile 1 and 2 schools. Funds are provided over a seven-year period, with participating schools determined through a random lottery. Schools must meet achievement criteria in order to remain eligible for funding. Funding for this program begins in 2007-08.

Regional Occupational Centers – Provide vocational training classes for high school youth and adults in a variety of occupations

Budget Terms (Continued):

Requisition – A document submitted initiating a purchase order to secure specified articles, services, or issuance of materials from stores, a warehouse, or a vendor.

Reserve – An account used to earmark a portion of a Fund, to indicate that it is not currently available for expenditure or is set aside for future use at the Board’s discretion. Amounts held in reserve cannot be expended without the Board’s formal approval.

Reserve for Economic Uncertainties – The District is required to maintain a 1% reserve to offset the potential impact of unanticipated overexpenditures or revenue shortfalls.

Restricted – Program funding that is limited to specific students or types of expenditure. E.g., Gifted and Talented, Title I, etc. See *Categorical*. Also see *Unrestricted*.

Revenue Limit – The revenue limit is the largest and most important revenue source to the General Fund. The revenue limit is funded from a combination of State funds and local property taxes, and is allocated on the basis of a rate per A.D.A. multiplied by the District’s P2 A.D.A. The State COLA provides the basis for increasing the revenue limit.

Revenues – The funding available to an organization from outside sources. Revenues are the primary financial resource of a Fund.

Routine Repair and General Maintenance Program – Provides for the repair of District buildings, equipment, and grounds, as well as for planning and implementation of alterations and improvements of existing structures. Districts are required to commit 3% of their budgeted General Fund amount for purposes of routine repair and general maintenance as a condition of participating in the State building program. The General Fund transfer to the Deferred Maintenance Fund can comprise half of one percent. Maintenance costs to other funds such as the Adult Education Fund or Child Development Fund can also be applied toward the 3% requirement.

SACS-2000 – The form used by local school districts to report financial information to the County Office of Education. Replaced the J-200 reporting form. “SACS” is the abbreviation commonly used for “Standardized Account Code Structure.”

Sequestration - Sequestration is the \$1 trillion in savings that Congress is required to identify in the Budget Control Act of 2011. If Congress fails to make sufficient cuts, automatic budget reductions are triggered, reducing the District’s share of federal programs such as Title I (Socioeconomically Disadvantaged Students) and Title III (English learners).

Special Education Program – Provides instructional and other services to students who have special needs resulting from physical, emotional, intellectual or learning disabilities.

Special Education – Incidence Factor – A State special education component that provides funding to SELPAs with unusually high proportions of high-cost special education students (see SELPA). Also known as the Special Disability Allowance (SDA).

Special Education Local Plan Area (SELPA) – In 1977, all California school districts and county offices were required to form geographical regions of sufficient size and scope to provide the federal mandated special education programs and services to meet the unique needs of individual children residing within the region’s boundaries. Each region, or SELPA, develops and maintains a local plan describing how the SELPA will guarantee and provide special education programs and services. Because of its size, Los Angeles Unified is a single-district SELPA.

Special Education – Low Incidence – A separate funding stream within the Special Education Program intended for purchase of equipment needed for instruction of identified students with specified disabilities.

Special Education Mandate Settlement – Funding received as a result of a settlement related to the State’s special education requirements exceeding federal requirements.

Special Funds – Separate financial entities within the budget which provide for specified activities, as defined in the California Education Code. Examples are Adult Education Fund, Building Fund, Cafeteria Fund, etc.

Budget Terms (Continued):

Standardized Account Code Structure (SACS) – Statewide standardization of school district budgeting and accounting codes, in order to increase uniformity of accounting and facilitate statewide data collection and analysis.

State Mandated Cost Reimbursements – Revenue received by the District in reimbursement for programs or activities resulting from State mandates or court orders. The California State Constitution requires that the State reimburse local governmental agencies for mandated activities.

State Teachers' Retirement System (STRS) – State law requires certificated employees, school districts, and the state to contribute to this retirement fund.

Stimulus – See American Recovery and Reinvestment Act.

Statutory COLA – The cost of living adjustment (COLA) calculated based on the percentage change in the annual average value of the Implicit Price Deflator for State and Local Government Purchases of Goods and Services for the United States, as published by the United States Department of Commerce (Education Code §42238.1[a][2]).

Student Body Fund – An agency fund to control the receipts and the disbursements of student association activities. Student body funds are not the property of the school district and are not reflected in the District budget or accounts.

Student Integration Program – Combined the Court-Ordered and Voluntary Desegregation Programs to create a wide variety of programs to address the harms of racial isolation in District schools. The *Crawford v. LAUSD* legal decision formally created this program

Targeted Instructional Improvement Grant – Funds the costs of ongoing desegregation efforts and, if funds remain, the needs of underachieving schools. Replaces Student Integration funding in the 2002-03 State Budget.

Tax and Revenue Anticipation Notes – Short-term notes issued in anticipation of receipt of revenues, typically for cash flow purposes.

Teachers As A Priority – State-funded program intended to enhance the ability of low-performing schools to attract and retain quality teaching staffs.

The "Deal" – In 2004-05, in order to bring the State Budget into better balance, the Governor agreed with the Education Coalition that public education would receive \$2 billion less than its Proposition 98 entitlement. The Governor indicated that public education would continue to receive its fair share of any unanticipated revenues. In 2005-06, despite substantial State revenue increases in both 2004-05 and 2005-06, the Governor did not provide additional funding to public education, leading to the *CTA and O'Connell v. Schwarzenegger* lawsuit. In the 2006-07 State budget, the lawsuit was settled out-of-court, and the Governor agreed to provide the additional funds.

Tier I Program – Refers to categorical programs that were not reduced in the State Budget approved by the legislature and signed by the Governor in February 2009. School districts cannot redirect funding for these programs to other educational purposes.

Tier II Program – Refers to categorical programs that had reduced funding in the State Budget approved by the legislature and signed by the Governor in February 2009. School districts cannot redirect funding for these programs to other educational purposes.

Tier III Program – Refers to categorical programs that had reduced funding in the State Budget approved by the legislature and signed by the Governor in February 2009. Unlike Tier II Programs, school districts can redirect funding for these programs to any other educational purpose over a five-year period ending July 1, 2015.

Undesignated Balance – The portion of the previous year's ending balance that is uncommitted and available for discretionary use. All balances are onetime in nature.

Ungraded – Some programs, such as special education, group children into classes based on ability level rather than grade level. Such programs are reflected in the "Ungraded" section of attendance/enrollment reports.

Budget Terms (*Continued*):

Unimplemented Budget – Reflects Restricted Program income that has not yet been received but is anticipated in the budget. As grants are received during the year, the budgets of these programs will be implemented, or placed into expendable appropriations.

Unrestricted – Refers to programs which provide funding that may be used for any educational purpose at the discretion of the Board of Education.

Weighted Student Formula – A method of allocating resources based on the characteristics of student populations. Weighted student formulas provide a basic per pupil allocation with additional resources – based on student weights – for economically disadvantaged, English learners, special education, or other defined student populations.

Budget Abbreviations

A&I – Alterations and Improvements of Buildings or Sites

ARRA – American Recovery and Reinvestment Act

AB – Assembly Bill. Applies to State legislation (e.g., Assembly Bill 602 would be abbreviated as AB 602)

ABE – Adult Basic Education Program

ACA – Assembly Concurrent Amendment

ACR – Assembly Concurrent Resolution

ADA – Average Daily Attendance

AEWC – Alternative Education and Work Center

AFDC – Aid for Dependent Children

AP – Advanced Placement

API – Academic Performance Index

AYP – Adequate Yearly Progress

BA – Budget Adjustment (“Budget Transfer”)

BSA – Budgeting for Student Achievement

BTS – Business Tools for Schools

BTSA – Beginning Teacher Support and Assessment

C – Certificated Salaries

CAHSEE – California High School Exit Examination

CalWORKS – California Work Opportunity and Responsibility to Kids

CAP (TIIG/Student Integration Program) – Capacity Adjustment Program

CBEDS – California Basic Education Data System

CBEST – California Basic Education Skills Test

CBET – Community-Based English Tutoring Program

CDE – Child Days of Enrollment (used in Child Development Fund)

CDE – California Department of Education

CDS – Community Day Schools

COLA – Cost of Living Adjustment

Comp Ed. – Compensatory Education

Budget Abbreviations (Continued):

COPs – Certificates of Participation

CPI – Consumer Price Index

CPR – California Performance Review

CRA – Community Redevelopment Agency

CSR – Class Size Reduction

CSR – Comprehensive School Reform

CST – California Standards Test

CTA – California Teachers' Association

CY – Current year

DDP – District Defined Program

DIS (Special Education Program) – Designated Instructional Services (or Designated Instruction and Services)

DOF – California Department of Finance

DRS (TIIG/Student Integration Program) – Desegregated Receiver Schools

EIA – Economic Impact Aid. This program has two components: EIA-Bilingual and EIA-Compensatory Education

ELAP – English Language Acquisition Program

ELL – English Language Literacy Program

ERAF – Education Revenue Augmentation Fund

ERP – Enterprise Resource Planning

ESEA – Elementary and Secondary Education Act

ESL – English as Second Language

FEMA – Federal Emergency Management Act, or Federal Emergency Management Agency

FSEP – Federal and State Education Programs

FTE – Full-time Equivalent

GAAP – Generally Accepted Accounting Principles

GASB – Governmental Accounting Standards Board

GAIN (Adult Education Program) – Greater Avenues for Independence

GATE – Gifted and Talented Education Program

GED – General Educational Development

Budget Abbreviations (Continued):

GFOA – Government and Financial Officers’ Association

GO – General Obligation (Bond)

HPSGP – High Priority Schools Grant Program

IASA – Improving America’s Schools Act

IAU – Independent Analysis Unit

IDEA – Individuals with Disabilities Education Act

IEP – Individualized Education Program

II/USP – Immediate Intervention/Underperforming Schools Program

IMA – Instructional Materials (or “Materiel”)

ITD – Information Technology Division

JTPA – Job Training Partnership Act

KLCS – TV – The District-owned and operated television station

LAAMP – Los Angeles Annenberg Metropolitan Project

LACOE – Los Angeles County Office of Education

LAEP – Los Angeles Educational Partnership

LAO – Legislative Analyst’s Office

LCI – Licensed Children’s Institution

LEA – Local Educational Agency (generally refers to a local school district)

LEP – Limited English Proficient or Proficiency

LRE (Special Education Program) – Least Restrictive Environment

MTYRE – Multi-Track Year-Round Education

NC – Non-Certificated (Classified) Salaries

NCLB – No Child Left Behind

NPA (Special Education Program) – Nonpublic Agency

NPS (Special Education Program) – Nonpublic School

NSF – National Science Foundation

OASDHI - Old Age, Survivors’, Disability and Health Insurance (Social Security)

OPEB – Other Post-Employment Benefits

P1 – The First Principal Apportionment (for attendance accounting and State allocation purposes)

Budget Abbreviations (Continued):

P2 – The Second Principal Apportionment (for attendance accounting and State allocation purposes)

PAR – Peer Assistance and Review

PD – Pending Distribution

PERS – Public Employees’ Retirement System

PLBAO (TIIG/Student Integration Program) – Primarily Latino, Black, Asian and Other Non-Anglo.

PI – Program Improvement

PL – Public Law. Applies to federal legislation (e.g., Public Law 94-142 would be abbreviated as PL 94-142)

PPF – Per Pupil Funding

PSP (TIIG/Student Integration Program) – Priority Staffing Program

PWT (TIIG/Student Integration Program) – Permits With Transportation

PYA – Prior Year Adjustment

QEIA – Quality Education Investment Act

QZAB – Qualified Zone Academy Bonds

RIF – Reduction in force

ROC/P – Regional Occupational Centers/Programs

ROC/SC – Regional Occupational Centers/Skills Centers

RRGM – Routine Repair and General Maintenance

RSP (Special Education Program) – Resource Specialist Program

SACS – Standardized Account Code Structure

SARB – School Attendance Review Board

SARC – School Accountability Report Card

SB – Senate Bill. Applies to State legislation (e.g., Senate Bill 602 would be abbreviated SB 602)

SBE – State Board of Education

SCA – Senate Constitutional Amendment

SDC (Special Education Program) – Special Day Class

SELPA – Special Education Local Plan Area

SFP (or SFEP) – Specially Funded Programs (or Specially Funded Educational Programs). Now referred to as Restricted Programs.

SFSF – State Fiscal Stabilization Fund

SI – School Improvement Program

SRLDP (TIIG/Student Integration Program) – School Readiness Language Development Program

Budget Abbreviations (Continued):

STAR – Standardized Testing and Reporting

STRS – State Teachers’ Retirement System

TAP (or TAAP) – Teachers As A Priority

TIIG – Targeted Instructional Improvement Grant

TRANS – Tax and Revenue Anticipation Notes

TUPE – Tobacco Use Prevention Education

UCTP (TIIG/Student Integration Program) – Urban Classroom Teacher Program

WIA – Workforce Investment Act

YRS – Year-Round Schools