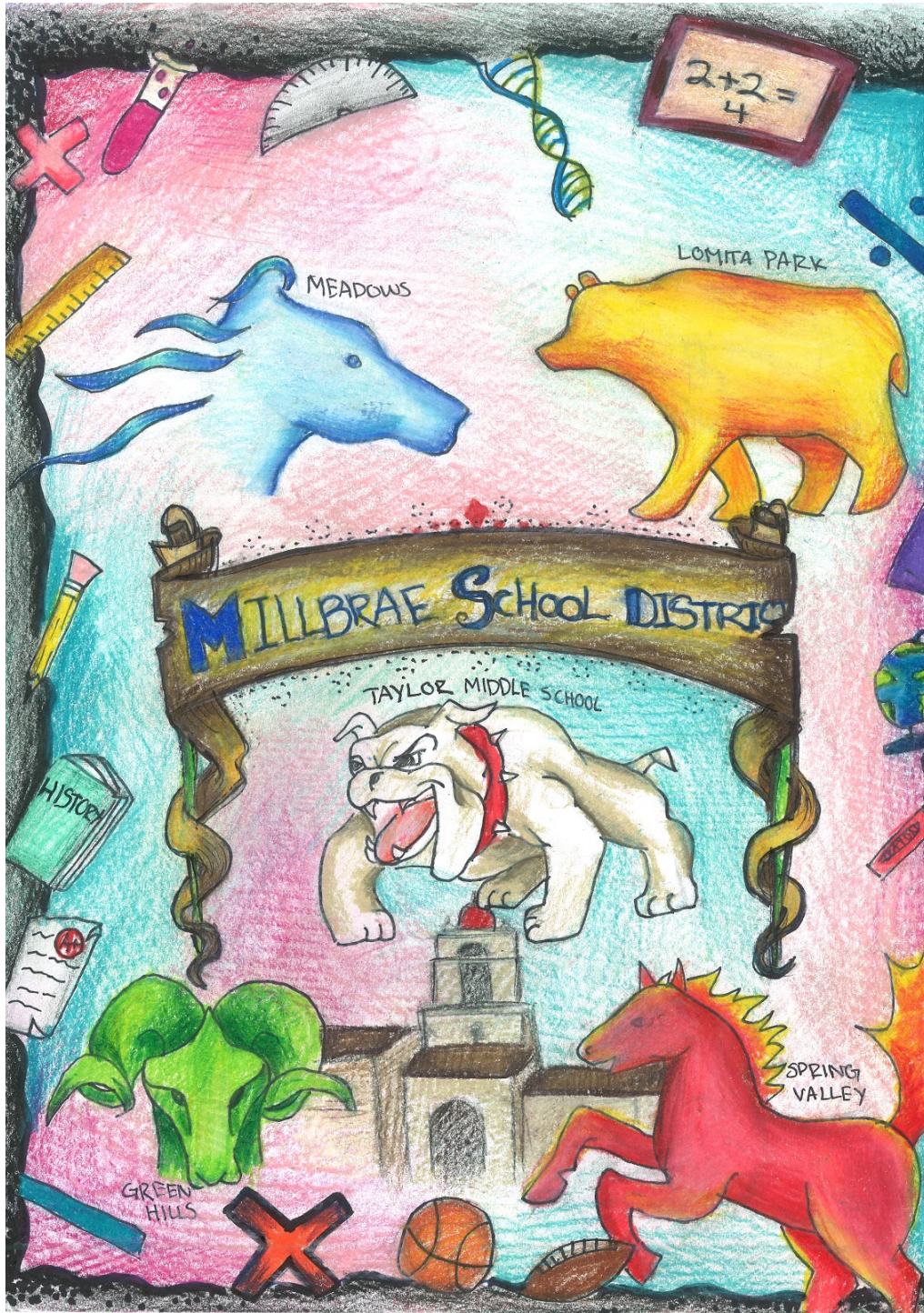


Millbrae Elementary School District



2017-2018 Budget

¹ Artist: Carisa Chiu & Olivia Ghilardi - 7th Grade-Taylor Middle School

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“The Schools are the Foundation of our Community”



2

² Artist: Addison Kuang - 7th Grade-Taylor Middle School



Board of Education

Mr. Frank Barbaro, President of the Board

Mr. Denis Fama, Vice President of the Board

Ms. Lynne Ferrario, Clerk of the Board

Ms. Maggie Musa, Board Member

Mr. D. Don Revelo, Board Member

District Administration

Vahn Phayprasert, Superintendent

Claire Beltrami, Assistant Superintendent-Educational Services

Richard Champion, Chief Business Official

Anita Allardice, Director of Special Education

Our Schools

Taylor Middle School

650-697-4096

850 Taylor Blvd.

Millbrae, CA 94030

Green Hills Elementary School

650-588-3185

401 Ludeman Ln

Millbrae, CA 94030

Meadows Elementary School

650-583-7590

1101 Helen Drive

Millbrae, CA 94030

Lomita Park Elementary School

650-588-5852

200 Santa Helena Avenue

San Bruno, CA 94066

Spring Valley Elementary School

650-697-5681

817 Murchison Drive

Millbrae, CA 94030

Millbrae School District Office

650-697-5693

555 Richmond Drive

Millbrae, CA 94030

www.millbreaschooldistrict.org



Superintendent's Message

School Year 2017-2018

Dear Community Members,

This past school year my goal was simple: "Our Students Deserve the Best!" I believe that our community stakeholders will find that our financial decisions, in keeping with both legal and financial constraints, reflect that fact. The Education Code requires that all school districts adopt a budget for the 2017-2018 school year by July 1, 2017. It must be noted that school district's budgets are never "final". Twice a year staff reports to the Board of Trustees on the progress of our finances. During this time, District staff makes recommendations and adjusts the budget to reflect updated expenditures to match anticipated resources. Our District, like many throughout the state, depend on state aid to supplement our property tax contributions, which comprises our Local Control Funding Formula (LCFF).

As we developed our 2017-18 annual District Budget, we continue to measure each financial decision against what are the best and most effective ways we can support student achievement. Our Local Control Accountability Plan (LCAP) has been developed with the best interest of our students in mind, and I believe, inline with our Strategic Plan, providing emotional intelligence, a passion for learning, fostering an innovative learning environment, and connecting both self and learning to the world. As you review the various funding sources and expenditures contained within this document, you will discover that we continue to invest in services and programs that support our three LCAP goals.

1. All Students will receive High Quality California State Standards (CSS) Instruction and Promotion of College and Career Readiness
2. Appropriate tiered supports promoting and sustaining academic growth, positive social-emotional development
3. Increase school connectedness by providing a socially, physically and emotionally safe environment that is culturally responsive to all students, staff and families

If you have any questions or need additional information to aid in your reading of the adopted budget for fiscal year ending June 30, 2018, please free to call our business office at (650) 697-5693. I will meet and discuss with you any questions and/or concerns that may arise.

Sincerely,

Vahn A. Phayprasert, Superintendent

Trustees of the Board of Education



Mr. Frank Barbaro

President

Term Ends 2020



Mr. Denis Fama

Vice President

Term Ends 2018



Ms. Lynne Ferrario

Clerk

Term Ends 2018



Mr. D. Don Revelo

Trustee

Term Ends 2018



Ms. Maggie Musa

Trustee

Term Ends 2020

The Millbrae School District Board of Education is comprised of five elected members who serve as the governing body of the District. They take action during legally constituted meetings in which a quorum of the Board is present. The Board of Education represents the people of the District. It functions as a goal setting, policy making and evaluating body. Board members occupy unique roles because they are also citizens of the community and in some cases, parents. This unique status causes Board members to have a special responsibility when they are acting as citizens of the community or parents because their elected positions carry a great deal of prestige and visibility. Board members are elected by the public to work for the best education interest of all of its students.



President of the Board of Trustees Message

To the Millbrae Elementary School community,

The Millbrae Elementary School District has a bold vision:

- **Nurture** Emotional Intelligence
- **Promote** a Passion for Learning
- **Foster** an Innovative Learning Environment
- **Connect** Self and Learning to the World

To assure this vision becomes reality for each and every one of our students, we have developed a strategic plan to ensure deliverables for each strategic directive. Achieving these goals and fulfilling our vision requires a sound budget. To this end, we are proud to present our budget for the 2017/2018 school year. A transparent document, it accurately reports our revenues and expenditures, and includes projections for the next two years, incorporating sound assumptions and data available.

We, the board of trustees, have a deep appreciation of the men and women who were employed and volunteered during this past school year. Our teachers and instructional aides, custodians and maintenance staff, administrators and principals, special education aides and support staff, food service workers and partners, and district office staff worked tirelessly to provide the best educational experience for your child possible. Their contribution, most of it goes unnoticed, is truly the success of the Millbrae School District. Their dedication and continuous years of service and excellence, will allow our graduating class of 2017 to achieve great things ahead of them in the years to come.

As president of the Board of Trustees, and on behalf of the entire Board, I would like to thank you for interest and continued support for our district.

Sincerely,

A handwritten signature in cursive script that reads "Frank Barbaro".

Frank Barbaro

President

Millbrae Elementary School District

Budget Policies

The Governing Board recognizes its critical responsibility for adopting a sound budget for each fiscal year which is aligned with the district's vision, goals, priorities, and comprehensive plans. The district budget shall guide administrative decisions and actions throughout the year and shall serve as a tool for monitoring the fiscal health of the district



The district budget shall show a complete plan and itemized statement of all proposed expenditures and all estimated revenues for the following fiscal year. The budget shall also include the appropriations limit and the total annual appropriations subject to limitation as determined pursuant to Government Code 7900-7914. (Education Code 42122)

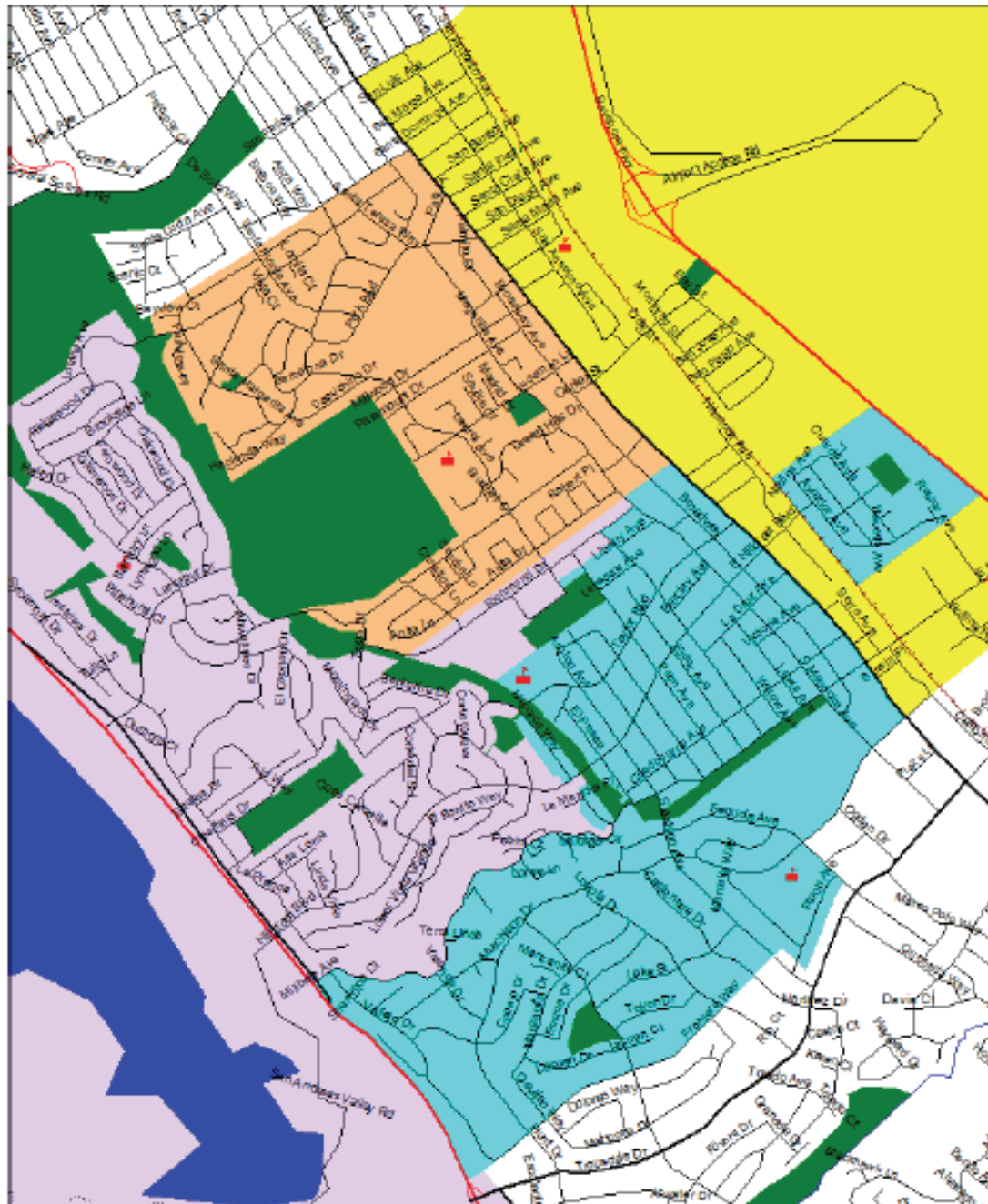
The Board shall adopt the budget only after a local control and accountability plan (LCAP) developed pursuant to Education Code 52060-52077, or an annual update to the LCAP, is in place for the budget year. Expenditures necessary to implement the LCAP, or the annual update during the subsequent fiscal year, shall be included in the budget. (Education Code 42127)

The Superintendent, or designee, shall establish an annual budget development process and calendar as described in Education Code 42127(i). In order to provide guidance in the development of the budget, the Board shall annually establish budget priorities based on identified district needs and goals and on realistic projections of available funds. The Superintendent, or designee, shall oversee the preparation of a proposed district budget for approval by the Board and shall involve appropriate staff in the development of budget projections.

The Board encourages public input in the budget development process and shall hold a public hearing on the proposed budget in accordance with Education Code 42103 and 42127, and Board Policy (BP 3100). The budget that is formally adopted by the Board shall be in the format prescribed by the Superintendent of Public Instruction. The Superintendent or designee may supplement this format with additional information as necessary to effectively communicate the budget to the Board, staff, and public

District Boundaries

Map of Current Elementary School Attendance Areas



Lavender = Meadows, Orange = Green Hills, Light Blue = Spring Valley, Yellow = Lomita
(White = Outside MESD, Green = Selected Open Spaces, Dark Blue = Water, Red Flags = Schools)



MESD

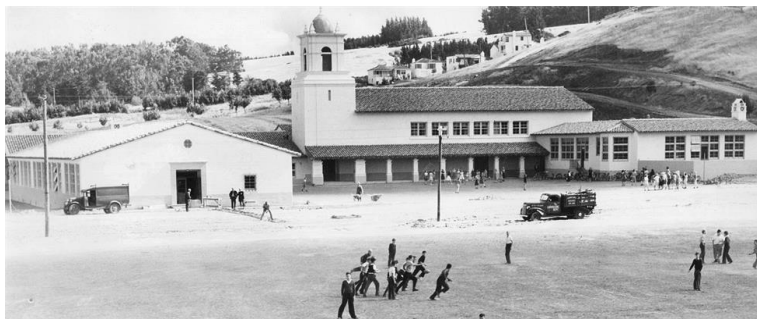
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³ Artist: Grace Tang - 7th Grade-Taylor Middle School

Our Story

Welcome to the Millbrae School District!

Local landmark Taylor School was constructed in 1939 by the Depression-era Federal Emergency Administration of Public Works. The school, designed by architects Masten and Hurd, originally opened as Millbrae Elementary School and was converted to use as a middle school in the late 1940's. The tower and blue dome above the school entrance are a familiar architectural landmark visible from throughout the community.



Today, Millbrae Elementary School District is a TK-8 district situated in northern San Mateo County adjacent to the San Francisco International Airport. With an estimated enrollment of 2,445 students this upcoming school year, the District operates five schools: Green Hills Elementary, Lomita Park Elementary, Meadows Elementary, Spring Valley Elementary and Taylor Middle School within the city of Millbrae.



The city of Millbrae is a small suburban community with a population of 23,136 (2016 DOF) covering 3.2 square miles. It is a city of small businesses with no major industry. The District enjoys a positive working relationship with the City of Millbrae. There are quarterly Joint School Board/City Council meetings scheduled each year. This collaborative relationship extends to programs in conjunction with the Sheriff's and Fire Departments, the Millbrae Library, and the Department of Park and Recreation. Additionally, the schools receive active support from local service organizations:

Millbrae Rotary and Lions, Peninsula Chinese Business Association, the Millbrae Community Foundation, Parent Teacher Associations at each school, and the Millbrae Education Foundation.

The community has changed in past years with the District reflecting the ethnic and socio-economic changes of the City. There are multiple family dwellings and apartments. A large portion of the Millbrae community has been residents of Millbrae for a number of years and many are retired. The District's enrollment has also grown over the past five years. The enrollment in 2010 was 2,159 growing to 2,445 in 2017. The student population is ethnically diverse with over 33 languages spoken as primary languages other than English. The March 2015 Language Census Report shows the most common languages to be: Spanish: 27%, Cantonese: 27%, Mandarin: 14%, Arabic: 3.6%,

The District continues to accelerate in achievement. The District's Academic Performance Index (API) score reached 900 in 2013, surpassing the state and county average. Each school's 2013 API is as follows: Green Hills 898, Lomita Park 852, Meadows 928, Spring Valley 907 and Taylor Middle at 902. All schools in the Millbrae Elementary School District are California Distinguished Schools as follows: Green Hills School awarded in 2014 and 2006; Lomita Park School awarded in 2010 and 1987; Meadows School awarded in 2015 and 2014; Spring Valley School awarded in 2014 and 1995; Taylor Middle School awarded in 2013, 2001, 1994 and 1986 in addition to a National Blue Ribbon Award in 1996. Lomita Park School is a Title I school and has received the Title I Academic Achievement Award in 2011 and 2012.

FISCAL INDEPENDENCE

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City of Millbrae

The City of Millbrae is located on the Peninsula, 15 miles south of San Francisco. The boundaries of this city extend roughly from the Bayshore Freeway on the east to Skyline Boulevard on the west. This distance is approximately 1.7 miles. The distance between the north and south city limit line is approximately 2.05 miles.

Facts and Figures

- Population: 23,136 (2016 DOF)
- Incorporated: January 14, 1948
- San Mateo County Seat Established: 1856
- Land Area: 3.2 Square Miles
- Registered Voters: 12,472 (November 2016)
- Number of Households: 8,472 - Units, 8,116- Occupied (2014 ACS)
- United States House of Representatives 14th District
- California State Senate 13th District
- California State Assembly 22nd District

Governmental Structure



Millbrae operates as a General Law City, providing for a Council/Manager form of government that clearly distinguishes the legislative power of the City Council from the administrative powers of the City Manager.

The City Council is elected directly by the residents of Millbrae. As the legislative branch of the government, the City Council makes final decisions on all major City matters. The Council adopts ordinances and resolutions necessary for efficient governmental operations, approves the budget, and acts as a board

of appeals. The Council appoints the City Manager and City Attorney, as well as the members of the city's boards and commissions.

Elections

General Municipal Elections are held on the first Tuesday after the first Monday in November of even-numbered years.

Education Institutions

Millbrae has a reputation for having some of the best schools in the San Francisco Bay Area, despite enduring years of state budget cuts. Parents are actively involved in their children's scores and school functions.

Millbrae School District (MSD) oversees four public elementary schools (Meadows, Green Hills, Lomita Park, and Spring Valley) and one middle school (Taylor Middle School, named after the family that owned land along Taylor Boulevard prior to the city being laid out). MSD is Local Control Funded district (LCFF) where the District receives funding from property taxes and state aid. Parents and community contribute to the Millbrae Education Foundation (MEF), a volunteer-run organization that currently supplements funding for computer education in the five schools, and music education for every elementary student.

Millbrae has one private school at Saint Dunstan's, a Catholic church. The school provides education for grades TK-8.

Millbrae has one public high school, Mills High School, which is part of the San Mateo Union High School District. Mills High School is the highest-scoring high school, test-wise, in San Mateo County. Mills High School is situated about a block away from the southern border of Millbrae with Burlingame. Although surrounded by land that is part of Millbrae, nearby Capuchino High School is located in San Bruno.

The city is served by the Millbrae Public Library of the San Mateo County Libraries, a member of the Peninsula Library System.⁵

Police Services

On 4 March 2012, the San Mateo County Sheriff's Department took over responsibility for providing police services in Millbrae.

Fire Services

On December 29, 2014 The City of Millbrae combined services with Central County Fire which provides fire services to the cities of Millbrae, Burlingame and Hillsborough. Millbrae has two fire stations within its city limits.

Transportation

Millbrae is located between San Francisco and San Jose. U.S. Route 101 and Interstate 280 run along the eastern and western boundaries of the city, respectively. San Francisco International Airport is adjacent to the city.



⁵ Artist: Kaelyn Fung - 7th Grade-Taylor Middle School

The Millbrae Intermodal Station serves as a major transit hub for the Peninsula, connecting the BART, Caltrain, and SamTrans networks. It is the largest intermodal station west of the Mississippi river, in terms of construction size and land usage. The BART Pittsburg/Bay Point – SFO/Millbrae line and Richmond–Millbrae line serve the Millbrae Intermodal Station. A SamTrans local line 43 serves Millbrae.

Economy

Millbrae's economy is driven mainly by its long strips of hotels. Because of its close proximity to San Francisco International Airport and to the city of San Francisco, and its advanced transit center that can connect people to all major cities/events in the Bay Area, many tourists opt to stay in Millbrae. Its downtown is mainly along El Camino Real and Broadway Avenue. There are many small shops, restaurants, a Safeway, Walgreens, Trader Joe's, Dress Barn, Office Depot, and Orchard Supply Hardware.

Top Ten Employers

City and County of San Francisco, Millbrae School District, Westin Hotel, 24-Hour Fitness, Safeway, A & C Health Care, Best Western, Mills High School, City of Millbrae, and Magnolia of Millbrae.



Strategic Plan 2016-2020

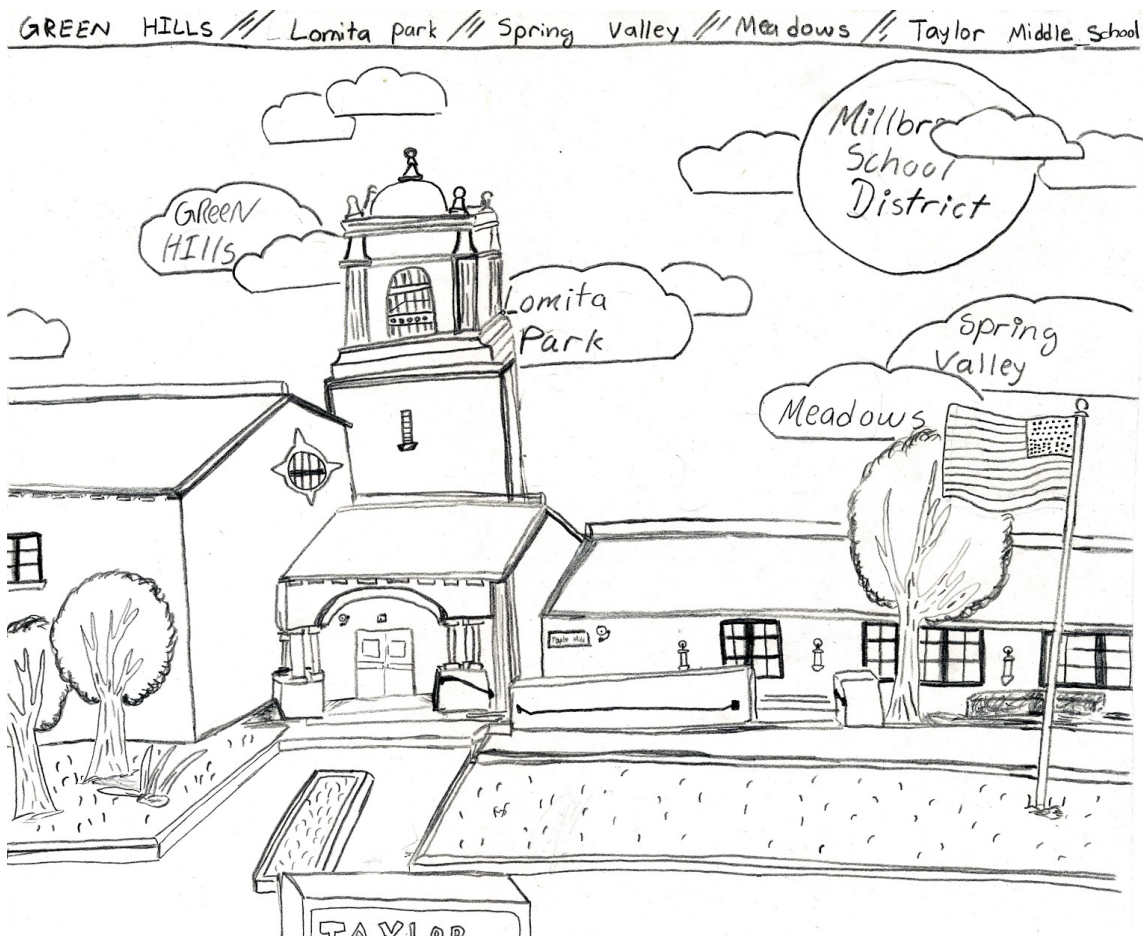
Vision

Nurture Promote Foster Connect

Guiding Principles

Inspire our community with opportunities to learn and thrive
Commit to a shared purpose that guarantees each student a strong academic
foundation
Ensure equity through access and opportunity for all

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⁷ Artist: Ryan Kurniawan - 7th Grade-Taylor Middle School

Strategic Directives

Nurture Emotional Intelligence

Students will:

- ☐ Receive academic, social, emotional and personal support from peers, mentors, parents, and staff.
- ☐ Identify and express their needs through personal reflection, motivation, advocacy, and accountability.
- ☐ Build self-confidence, resilience and adaptability by taking risks and learning from success and failure.
- ☐ Learn to exercise good judgment empathy, tolerance and respect.

Promote a Passion for Learning

Students will:

- ☐ Engage in a variety of rigorous and meaningful learning experiences that spark intellectual curiosity and instill intrinsic motivation.
- ☐ Explore and nurture their inherent strengths and passions connecting them to their learning.
- ☐ Learn in an environment that promotes physical, mental, emotional, and social well-being.

Foster an Innovative Learning Environment

Students will:

- ☐ Explore learning opportunities that encourage creative discovery and promote perseverance.
- ☐ Collaborate and communicate with others to gain diverse perspectives, share ideas, and solve complex problems.
- ☐ Learn in adaptive environments that provide differentiated approaches, experience, and opportunities.
- ☐ Utilize a variety of educational resources, including technology, to creatively accomplish learning objectives and encourage self-expression.

Connect Self and Learning to the World

Students will:

- ☐ Apply given knowledge and real life experiences to deepen awareness of their impact in the classroom and community.
- ☐ Respect and understand cultures, values, traditions, and points of view that are not their own.
- ☐ Engage with others within and beyond their experiences to contribute to improve our communities.

The LCAP is intended to be a comprehensive planning tool. Accordingly, in developing goals, specific actions, and expenditures, the District carefully considers how to reflect the services and related expenses for their basic instructional program in relationship to the state priorities. We may reference and describe actions and expenditures in other plans and funded by a variety of other fund sources when detailing goals, actions, and expenditures related to the state and local priorities. LCAPs must be consistent with school plans submitted pursuant to Education Code section 64001.



All Students will receive High Quality
California State Standards (CSS) Instruction and Promotion of
College and Career Readiness
(Teaching & Learning)

Appropriate tiered supports promoting & sustaining academic growth, positive social-emotional development
(Reaching ALL Learners)

Increase school connectedness by providing a socially,
Physically & emotionally safe environment that is culturally responsive to all
students, staff & families
(Importance of Relationships)

LCAP Goal 1 - Teaching and Learning

Our teachers are fully credentialed for the subject areas in which they are assigned. New teachers to our district were supported by mentor teachers. Preliminary credentialed teachers successfully completed a full year in their induction program by receiving support from our district support providers.



Curriculum

In order to ensure that all students of Millbrae have access to materials that support the implementation of the Common Core State Standards and the Next Generation Science Standards, teachers need access to curriculum resources that support the implementation of standards in as timely a manner as possible. Therefore, the district is implementing other resources to assist with bridging to the new standards. These resources include:

- Mystery Science
- Social Studies Weekly (Elem)
- Ready Common Core (TA)
- Eureka Math (Elem)
- CPM Math (TA)



These bridging resources are of particular importance in the areas of elementary schools' social studies and science. During this time of transition, the social studies and science textbooks in classrooms will shift to become one of the many resources teachers have available to teach units in these subject areas. Mystery Science and Social Studies Weekly at the Elementary levels are being provided to increase the number of resources that teachers have available to teach students the new standards.

At the elementary level, the newly adopted *Wonders* program also integrates Science and Social Studies into the themed units. By using the bridging materials, the resources in *Wonders* and the old textbook adoptions, teachers will have the ability to develop innovative, thematic units that incorporate new standards. Teachers will no longer be tied to using materials that do not include the new CA state standards.



In the area of Mathematics, teachers at the elementary level are being provided Eureka Math to support the implementation of the Common Core State Standards, while teachers at the middle school level will continue to use resources from CPM in ways that bridge CPM to the new Common Core State Standards. Each elementary school site is also being provided with an online math program to supplement the instructional resources available through the Eureka Math.

Professional Development

Great teachers help create great students. In fact, research shows that an inspiring and informed teacher is the most important school-related factor influencing student achievement, so it is critical to pay close attention to how we train and support both new and experienced educators.

It is critical for teachers to have ongoing and regular opportunities to learn from each other. Continuing professional development helps teachers expand their knowledge and skills to implement the best educational practices. The best professional development is ongoing, collaborative, and connected to working with students and understanding their needs.

We are dedicated to provide strong professional development for all our entire staff so they can strengthen and better their job performance.

Congratulations to 2017-2018 Support Staff

Ms. Debi Knecht - Curriculum and Assessment Coordinator

Mrs. Julie DiMaio – NGSS/Science Teacher on Special Assignment (TOSA)

Mr. Andrew Evangelista – ELD Coordinator

Mrs. Julie Costantino –New Teacher Induction Provider

Parent Education Nights

Informed parents support the learning for their students. Topics covered at our evening classes were: How to navigate public education?; How to Volunteer at your student's school; Understanding Report Cards and Assessments; Exploring CA standards programs; Introducing Next Generation Science Standards (NGSS); and Cyberbullying Prevention

LCAP Goal 2 - How Do We Reach *ALL* Students

All of our district's LCAP goals are to ensure that all of our students are learning. LCAP goal #1 ensures that the Millbrae School District is teaching to the State Standards to support college and career readiness. LCAP goal #2 ensures that all students are learning. In the past we expected the students to fit the instruction, but now we know that students learn in a variety of ways, and that we must teach to their needs. While this is challenging, it is essential to meet the learning needs of each student so that they can participate fully in the State Standards and to support their potential.



How do teachers teach to the variety of learning needs within one class?

Our teachers are skilled not only in the delivery of instruction, but also in teaching in a variety of ways to meet the range of needs in their class. Our district has a variety of supports to help students and teachers and now we are developing one coordinated system to meet the needs of every student. This system, known nationally as Multiple Tiered System of Support (MTSS) incorporates the excellent teaching practices that we have in the District, identifies gaps in student learning and promotes educators working collaboratively so all students benefit. The purpose of a coordinated system of support is so students get what they need, as they need it within their classroom. We are

building on the strong teaching practices that we have in the district and developing more collaboration and increasing efficiencies. The structure of the Multiple Tiered System of Support (MTSS) is to build on the strengths and to respond to student needs as they develop.

The structure of the tiered system is:

Tier 1: All students receive high quality instruction, which differentiates for student learning styles, and uses class-wide interventions. Tier 1 is a proactive approach aimed at preventing learning problems. Tier 1 is universal and addresses the needs of 75-90% of the students.

Tier 2: At times, some students need additional instruction on specific skills. With selected short term instruction in small groups, many learning obstacles are solved and the students continue to work at their grade level. Tier 2 is early intervention which provides supplemental instruction and ends when the student no longer needs the specific intervention. Tier 2 is for at risk students and meets the needs of 10-25% of the students.

Tier 3: Some students are at risk for more significant learning obstacles and need targeted and intensive intervention to address their needs. These interventions are individualized and specific to the needs of the student. Tier 3 does not mean that the student is in special education and this level of support is reduced as the student learns the necessary skill. Tier 3 meets the needs of 3-5% of the students.



The MTSS system provides a continuum of supports that vary according to student needs. Student needs are identified by ongoing data and students move in and out of a tier as their needs change.

Some of the benefits of using a coordinated system of support are:

- Early intervention within classroom
- Short term interventions as needed
- Embedded supports within the instruction
- Using data to improve student learning

The Millbrae School District has been using many supports, some of them are:

- Teacher collaborations
- Reading intervention teachers
- School-wide positive behavior support
- English Language Learner instruction
- Supplementary curriculum to support a variety of learners
- A variety of technology tools
- Counselors
- Instructional aides



Our commitment is that students will receive sufficient and appropriate tiered supports that promote and sustain their academic growth and positive social/emotional development that enables them to learn and thrive in their classrooms. (LCAP Goal #2)

LCAP Goal 3 - Importance Of Relationships

A Special thank you to our School Board, District Administration and Staff, [Millbrae Education Foundation](#), Parent/Teacher/Associations and Organization, Service Organizations, and City and Community Partners for your unwavering partnership and commitment to the Millbrae School District. Together, we have committed to a bond of equity for all students, aligned our vision and goals, and continued our focus on student achievement.



In looking to future years for our District and in order to maintain high-quality education in Millbrae schools, the Board of Trustees has engaged in conversations and is considering a potential education parcel tax measure ([Potential Local Funding Measure Fact Sheet](#) - Page 24) that would provide a local source of revenue for Millbrae students. A local funding measure would provide the financial stability our schools need to continue providing quality education and prevent the loss of programs and services if the State cuts funding to our schools. We will continue this discussion as we open the doors for the [2017-2018 School Year](#).




The Board shall adopt the budget only after a local control and accountability plan (LCAP) is developed pursuant to Education Code 52060-52077 of annual update to the LCAP is in place for the budget year. Expenditures necessary to implement the LCAP of the annual update during the subsequent fiscal year shall be included in the budget (Ed Code 42127)

Potential Local Funding Measure Fact Sheet

Thanks to strong academic programs in math, science, reading and writing, as well as highly qualified teachers, student test scores are well above the State's standard of excellence. However, despite strong student achievement, our district continues to face ongoing funding challenges, including being the lowest funded school district in San Mateo County.

To maintain high-quality education in Millbrae schools, the Board of Trustees is considering a potential education parcel tax measure that would provide a local source of revenue for Millbrae students. A local funding measure would provide the financial stability our schools need to continue providing quality education and prevent the loss of programs and services if the State cuts funding to our schools.



MILLBRAE SCHOOL DISTRICT

Preparing Millbrae Students for Success in the 21st Century

Supporting Student Success

Millbrae School District provides quality education to over 2,400 elementary and middle school students. Thanks to strong academic programs in math, science, reading and writing, as well as highly qualified teachers, student test scores are well above the State's standard of excellence. All five Millbrae schools have been named California Distinguished Schools in the past three years.

Maintaining Quality Education Through Local Funding

Despite strong student achievement, our district continues to face ongoing funding challenges, including being the lowest funded school district in San Mateo County. Additionally, our district is one of two elementary school districts in the County without a local voter-approved funding measure (see chart). These local funding measures create a stable source of annual revenue that districts can count on to help support academic programs and retain teachers.

Over time, the State has proved to be an unreliable partner in providing adequate funding to support the level of academic achievement we have come to expect in Millbrae schools.

A local funding measure would provide the financial stability our schools need to continue providing quality education and prevent the loss of programs and services when the State reduces funding to our schools.

Local Funding Measure

To maintain high-quality education in Millbrae schools, the Board of Trustees is considering a potential education parcel tax measure that would provide a local source of revenue for Millbrae students. A potential measure would:

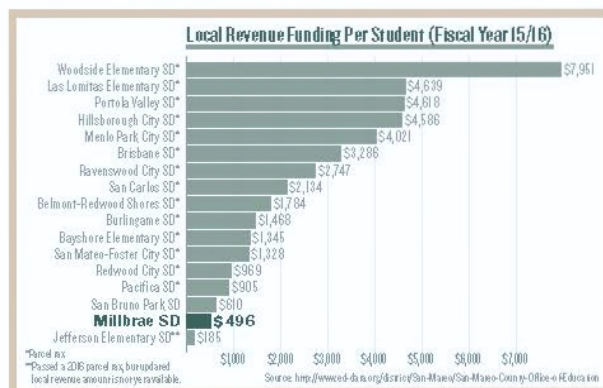
- Maintain 21st-century science, engineering and hands-on instruction
- Protect and strengthen core academic reading and writing programs
- Attract and retain qualified teachers
- Restore art and music programs
- Provide up-to-date classroom and instructional technology

Any funding measure would require strict fiscal accountability:

- All money raised would stay here in our local community and could not be taken away by the State
- An independent citizens' oversight committee would ensure that all money is spent properly
- None of the money could be used to increase administrator salaries or benefits
- Senior citizen homeowners would be eligible for an exemption from the cost of the measure

WE WANT TO HEAR FROM YOU

Supporting student success should be a community-driven process and we welcome your feedback as we consider this important decision. For more information, please contact Superintendent Vahn A. Phayprasert at vphayprasert@mesd.k12.ca.us.



The Team!

The quality of the District's educational program is largely dependent upon the quality of its greatest resource – its employees. Millbrae School District staff members are characterized as either Certificated, Classified, or confidential. Certificated staff possess a state license or credential. Classified staff functions in support roles both in the classroom and in administrative positions. In 2016-17, the District



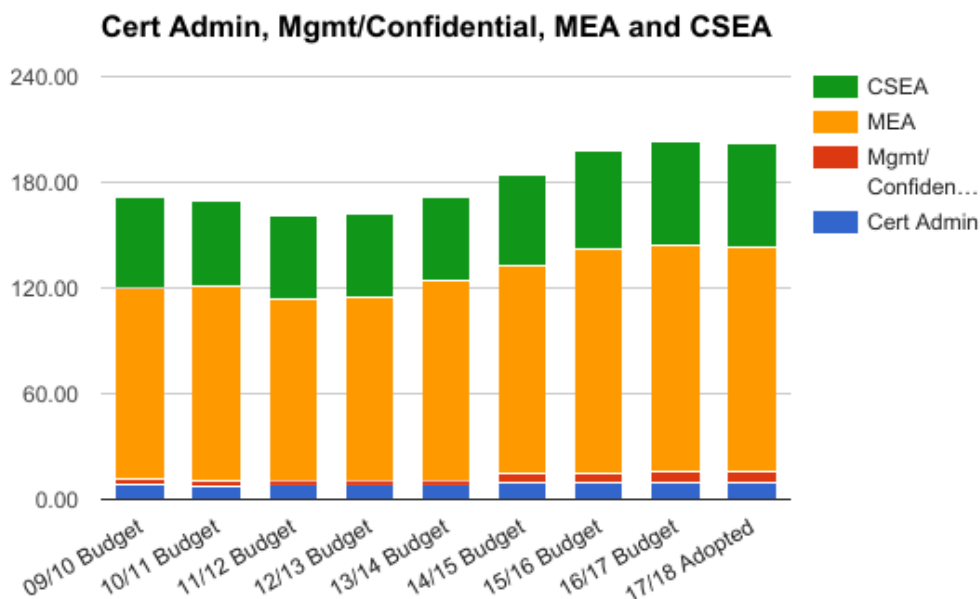
employs staff members equivalent to approximately 202.05 full time (FTE) positions. Of these, 64% are certificated and 29% are classified. Since some classified and certificated staff members work less than full time, the proportion of FTEs is greater than the count of individuals.

Approximately 86% of the District's budget goes to employee salaries and benefits. Millbrae School District continues to attract highly qualified staff members through its dedication to educational excellence, its desirable working conditions, and salaries that are comparable with county and state averages.

The Superintendent of Schools is the executive officer of the Board and has the responsibility for implementing Board policies. He is charged with all administrative duties related to the school system and is responsible for the efficient operation of all individual schools and other administrative units.

Each of the elementary schools are administered by a principal, and the middle school are administered by a principal and vice-principal.

The following FTE (Full Time Equivalent) staffing comparisons from 2009-2010 through adopted budget 2017-2018



School Site Personnel (School Year 2016/2017)

Taylor Middle School



Green Hills School



Spring Valley School



Meadows School



Lomita Park School



Fiscal Year Budget Calendar (FY 2017/2018)

January 2017	Governor's release of State budget proposal for FY 2017/2018 Review of staffing for FY 2017/2018
February 2017	Board/Staff conducts budget study based upon Governor's release
March 2017	Board/Staff review and adjust staffing levels for FY 2017/2018
April 2017	Board may conduct additional budget study sessions
May 2017	Governor's release of State budget May-Revise for FY 2017/2018 Board/Staff conducts additional budget study sessions
June 2017	Board adopts FY 2017/2018 budget & LCAP Governor signs State Budget
July-August 2017	Not later than 45 days after the Governor signs the annual Budget Act, the school district shall make available for public review any revisions in revenues and expenditures that it has made to its budget to reflect the funding made available by that Budget Act.
October 2017	First Interim cut-off FY 2017/2018
December 2017	Board approval First Interim FY 2017/2018 Release of Auditor's Report for FY 2016/2017
January 2018	Second Interim cut-off for FY 2017/2018
February 2018	Board approval of Second Interim for FY 2017/2018
July 2018	Business office staff begins year-end closing (06/30/2018)
September 2018	Board approval of FY 2017/2018 unaudited actuals
December 2018	Release of Auditor's Report for 06/30/2018
January 2019	Board approval of Auditor's Report for FY 2017/2018

Budget Introduction

Purpose of the Budget

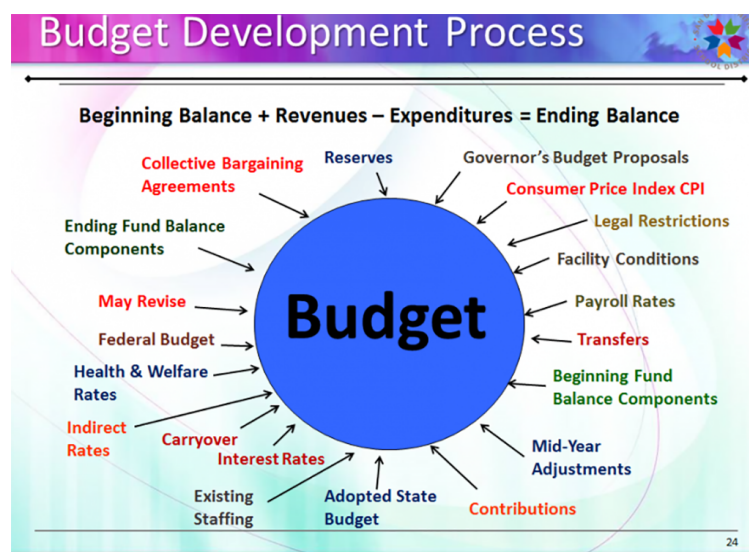
The budget is a description of the educational plan and;

- Resources to support the plan
- A financial plan outlining proposed District actions
- An accountability tool
- A public information document

The Budget serves as both a policy document and a day-to-day guidance tool: expressing in dollars of the District's education programs and vision. More specifically, the Budget serves as an outline for the estimated revenue and expenses for the fiscal year.

As required by law and best fiscal practices, school districts throughout the State of California must adopt a preliminary budget prior to the beginning of each fiscal year, July 1st. The Board shall adopt the budget only after a local control and accountability plan (LCAP) developed pursuant to Education Code 52060-52077, or an annual update to the LCAP, is in place for the budget year. Expenditures necessary to implement the LCAP, or the annual update during the subsequent fiscal year, shall be included in the budget. (Education Code 42127) Due to the fact that we cannot be certain of the amount of revenue, expenditures, and other fiscal impacting events, our budget continues to be adjusted.

As most districts, Millbrae School District's budget process is continuous. During the school year, the District reviews, adjusts and confirms its financial status with interim reports and unaudited year-end financial reports. Districts are required by law to report their financial status to the public and to county office of education officials. Each of these reports are intended to identify emerging problems and avert a financial crisis.



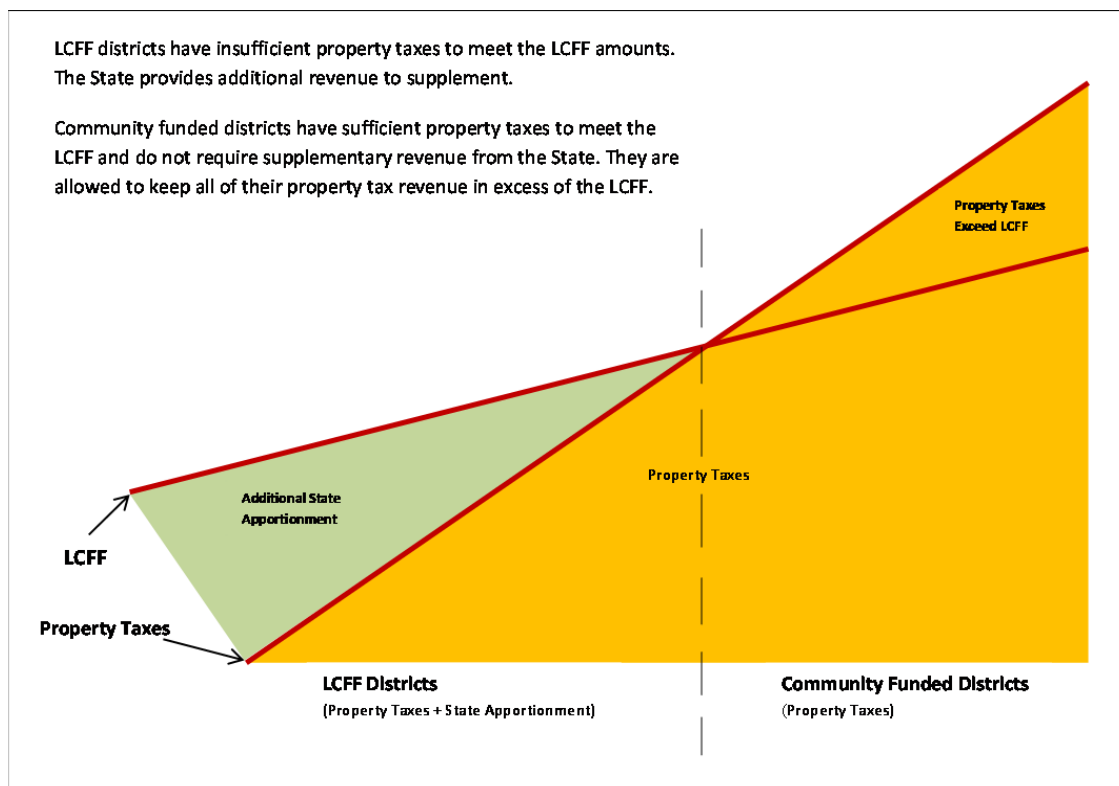
The District's elected school board holds final responsibility for adopting the budget, and that budget must be balanced—i.e., allow the district to meet its current and future financial obligations and maintain its required 3% reserve. The board's role in fiscal accountability goes beyond a simple vote, however. The board also sets policies that help guide both the budget development and financial management of the district's revenues and expenditures

throughout the year. The Board must moderate the inclination to innovate and invest in new priorities, provide raises to employees, or invest in new problems not supported with on-going revenues—with a clear-sighted evaluation of the district’s current and anticipated fiscal condition. It is responsible for supporting and monitoring the implementation of the budget as carried out by the superintendent and district staff. And it sets the expectations for how the district’s financial status and expenditure decisions will be communicated to board members and to the public.

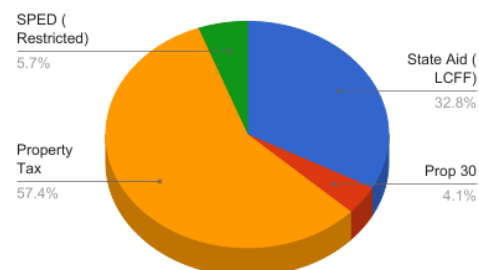


How Are School Districts Funded?

Funding for school districts throughout California are either state funded, known as the Local Control Funding Formula (LCFF), or community funded, known as Basic Aid districts. Basic Aid Districts, representing approximately 10% of school districts in the State, which have local property taxes that exceed the LCFF model. These districts, under current law, are allowed to keep all of their revenue generated from this source. LCFF districts are located in areas that do not have sufficient local property taxes to meet this minimum state funding level, thus, the State of California provides the balance to meet the LCFF level. Millbrae School District is an LCFF funded district.



For fiscal year 2017-2018 budget adopted, Millbrae School District's General Fund is projected being funding 58% property taxes and the balance from state aid under the LCFF model.

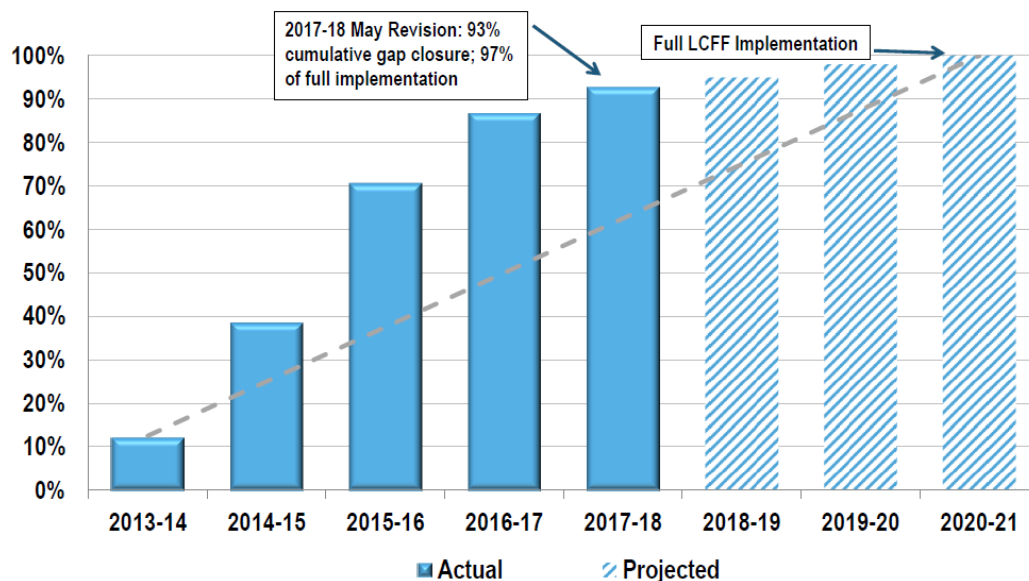


Local Control Funding Formula (LCFF)

The Local Control Funding Formula (LCFF) is a mechanism for redistributing state general funds guaranteed by Proposition 98 and the primary source to support all students attending K-12 public schools in California. Additionally, the LCFF is our single largest source of funding. Under State law, each district has a guaranteed amount of general purpose funding (BASE GRANT). The LCFF Base grant is determined by multiplying Average Daily Attendance (ADA) by the grade span base. The Supplemental grant provides 20% of the adjusted Base grant for targeted students. Targeted students include English Language Learners, students enrolled in free and reduced meal programs, foster youth and the homeless. The Concentration grant, which Millbrae School District does not qualify for, equals 50% of the adjusted Base grant for targeted students exceeding 55% of LEA's enrollment.

BEFORE LCFF	PER PUPIL FUNDING OLD SYSTEM	PER PUPIL FUNDING UNDER LCFF	AFTER LCFF
<p>Much of the money given to schools districts was restricted to particular programs, called categorical programs.</p> <p>Amount of money each district received per student was called "Revenue Limit" and was based on a complicated formula not on the needs of students.</p>	<p>Categorical Funding</p> <p>Revenue Limit Funding</p>	<p>Concentration Grant 50% of Base Grant</p> <p>Supplemental Grant 20% of Base Grant For each at-risk Student</p> <p>Base Grant Grades K-3 Grades 4-6 Grades 7-8 Grades 9-12</p>	<p>Base Grant: Per student funding is now called the Base Grant with different amounts depending on grade level.</p> <p>Supplemental Grants go to help high needs students: English Language Learners, low-income students and foster children.</p> <p>Concentration Grants go to districts with more than 55% of their students identified as EL/LI/FY.</p>

The LCFF, which began in fiscal year 2013-2014, will take a number of years to fully implement. The result is the Target funding which should be received once LCFF is fully implemented in FY 2020/2021. The "target" less the prior year amount is what is referred to as the "gap". The State each year issues the gap funding percentage which would be applied to the gap. That amount is then added to the total from the previous year to determine the current year's LCFF funding amount. Illustrated below is the LCFF's implementation progress:



2016 Refunding Bond Highlights

Moody's upgrades credit rating to Aa1

CREDIT OPINION
1 July 2016

New Issue

Rate this Research

Millbrae School District, CA

New Issue - Moody's Upgrades Millbrae SD, CA's GO Bonds to Aa1 and Assigns Aa1 to 2016 GO Refunding Bonds

Summary Rating Rationale
Moody's Investors Service has upgraded to Aa1 from Aa2 Millbrae School District, CA's General Obligation (GO) bonds and assigned the Aa1 rating to its 2016 GO Refunding Bonds. No outlook was assigned.

The upgrade to Aa1 reflects the material growth in the tax base, very strong wealth measures, the district's strong and improving financial position, a low level of debt, and a slightly elevated but manageable pension liability. Incorporated in the rating is an unusually high level of taxpayer concentration, largely offset by the district's fundamental strengths. The Aa1 rating incorporates strength of management, with a strong fund balance policy and conservative budgeting practices. Also incorporated in the rating is the strength of the California GO tax pledge.

Credit Strengths

- » Large and growing tax base and very strong resident wealth measures
- » Strong financial position that will be bolstered by per-pupil state funding formula and enrollment growth
- » Conservative management and a strong fund balance policy

Credit Challenges

- » High taxpayer concentration
- » Slightly elevated pension liability

Rating Outlook
Outlooks are not typically assigned to credits with this amount of debt outstanding.

Factors that Could Lead to an Upgrade

- » Substantial growth in the tax base
- » Attainment of Basic Aid funding status
- » Material and sustained improvement to financial position

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During the summer of 2016, the Millbrae School District sold \$8.72 million of refunding general obligation bonds, in order to generate savings for taxpayers. The financing closed August 11, 2016. Due to historically low interest rates in the municipal bond market, combined with high investor demand for the District's bonds, the refinancing resulted in savings greater than expected. Investor reception was further helped by a credit upgrade from Moody's Investors Service to "Aa1", meaning the District is just one notch below the top of the rating scale.

Through this refinancing, property owners in the District will save over \$1.46 million (over \$1.24 million in today's dollars), which equates to roughly \$100 for the median homeowner in the District over the remaining term of the bonds

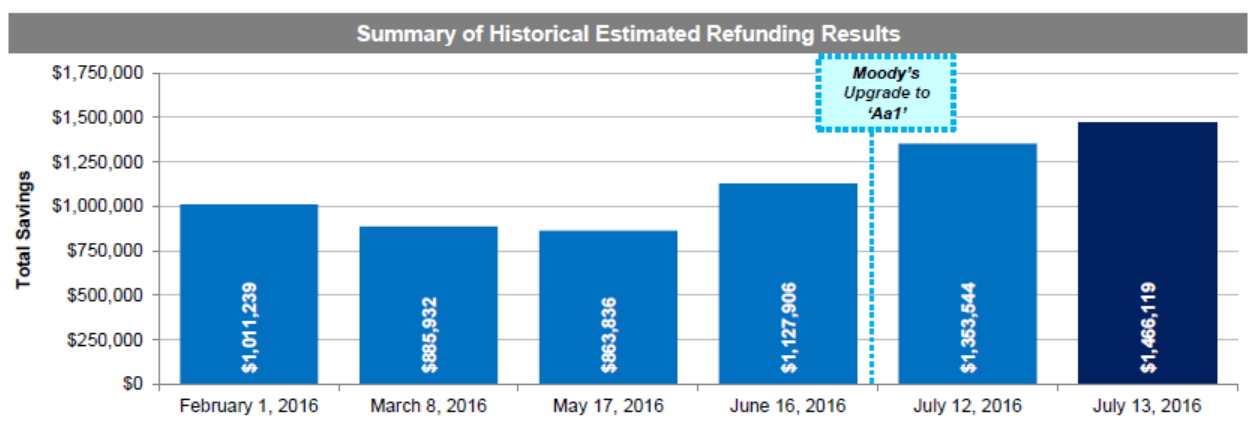
(based on fiscal year 2015/16 assessed value data).

The refunding reflects the commitment of the Board of Trustees and the District's Business Office to effectively manage its bond program, which is funded by taxpayer dollars. At this point the District has issued all of its voter approved authorization from both the 2008 and 2012 bond measures.

Performance of District - June 2017

[HERE](#)

Summary of Final Refunding Results	
Refunded Bonds	Election of 2008, Series A
Refunding Type	Advance
Refunded Par	\$8,525,000
Prior Bond Call Date	7/1/2019
Prior Interest Rate	5.00%
New Interest Rate	2.13%
Negative Arbitrage	\$297,743
Total Savings (\$)	\$1,466,119
NPV Savings (\$)	\$1,247,645
NPV Savings (%)	14.64%

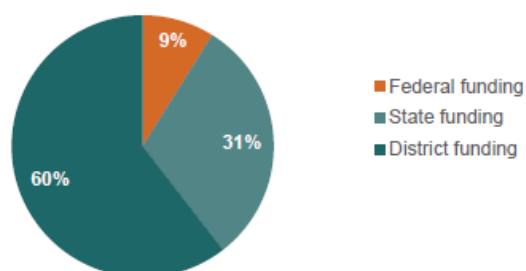


Special Education

With the enactment of the Individuals with Disabilities Education Act (IDEA), students with disabilities have a federal right to a “free and appropriate public education.” While that includes federal funding, the money is NOT ENOUGH to cover all needs; the rest comes from the district’s general funds. The California Legislative Analyst’s Office (LAO) estimates that educating California’s students with disabilities costs on average more than twice as much as educating general education students (source: LAO 2013). Our district has three (3) main sources of revenue to fund our Special Education programs: Federal Government, State of California and the District.

Special education funding continues to be a problem for states as Congress is only providing about 9% of the promised monies needed to support the mandates outlined in IDEA, with States providing about 31% and districts providing the balance funding from the general fund.

Most special education funding comes from local contributions



Sources: Authors’ calculations from CDE special education finance data, 2014–15

Special Education is an integral component of the total public education, providing an education in a manner that promotes maximum interaction between students with disabilities and without, while addressing the needs of all. Districts identify students with disabilities, evaluate whether those disabilities prevent access to instruction, and create an Individualized Education Program (IEP) that spells out services to be provided. This process shapes our District’s size, scope, and costs of services.

The state of California requires school districts to join a SELPA. Funds for Special Education are distributed according to the total student population within a Special Education Local Plan Area (SELPA). Millbrae Elementary School District belongs to the San Mateo County Special Education Local Plan Area. SELPAs were created to ensure that all students with disabilities are educated in compliance with Federal law. State law gives SELPAs a range of policy and procedural responsibilities to ensure local special education programs meet the needs of students, teachers, and administrators.



The 2017-2018 Adopted Budget for Special Education is projected with total revenues of \$3,305,684 from LCFF sources, which includes \$2,173,004 in General Fund contributions, and \$3,305,684 to support direct and indirect expenditures (resource code 6500).

	2017/2018	2018/2019	2019/2020
Sources of Revenues	Adopted Budget	Projections	Projections
LCFF Sources	\$1,132,680	\$1,132,680	\$1,132,680
Federal Sources			
Prior Year Carryover			
Other State/Local			
Contributions	\$2,173,004	\$2,220,261	\$2,354,253
Total Sources	\$3,305,684	\$3,352,941	\$3,486,933
Expenditures			
Certificated Salaries	\$1,425,962	\$1,460,997	\$1,491,591
Classified Salaries	\$214,847	\$222,530	\$231,152
Employee Benefits	\$319,513	\$360,330	\$402,416
Health & Welfare	\$144,897	\$144,897	\$144,897
Supplies	\$19,000	\$19,000	\$19,000
Services - Other	\$750,080	\$698,300	\$739,990
Direct			
Other	\$431,385	\$446,887	\$457,887
Total Expenditures	\$3,305,684	\$3,352,941	\$3,486,933

California School Finance

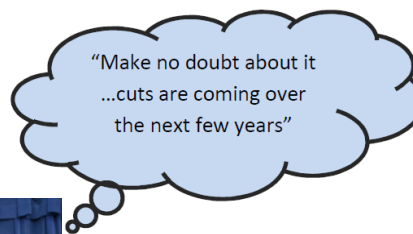
(Source: School Services of Ca)



The May Revision represents the final statutory opportunity for the Governor to update his economic projections prior to enactment of the State Budget in June. Factors such as tax revenues, population growth and competing state priorities are all detailed in the Governor's May Revision.

The Governor has increased the 2017-18 revenue forecast and reflected an increase in the Proposition 98 minimum guarantee. At the same time, the Governor also proposes modification to the provision of Test 3B to ensure that the state is not compelled to fund Proposition 98 above the minimum guarantee. The Governor projects the 2017-18 Proposition 98 minimum guarantee from January to be up \$1.1 billion to \$74.6 billion, while the current-year minimum guarantee is calculated once again at the 2016-17 State Budget level of \$71.4 billion. This increase compared to January fully eliminates that current-year, one-time deferral that was proposed at the January State Budget.

Overview



Governor Jerry Brown's May Revision paints a somewhat brighter fiscal picture than what he offered in his January Budget proposal, but below our expectations and guidance at first interim reporting. Throughout the current year, state revenues have been falling below projections through April 2017. However, even though the

May Revision acknowledges a current-year shortfall of \$225 million, budget-year revenues are expected to exceed the January forecast by almost \$1.9 billion. This revenue gain allows for increased spending next year compared to January initial budget proposal. But the Governor returned to his theme of fiscal prudence. He noted that the state has increased spending by billions of dollars over the last several years, especially for education. He warned, however, that we're starting "to press the envelope" with regard to the length of our current economic recovery,

highlighting that the longest recovery on record is in its tenth year. Without predicting such a recession, he stated that the Department of Finance (DOF) has forecast a \$55 billion revenue shortfall over three years even with a recession of “moderate intensity.”

Finally, the Governor’s May Revision highlights a number of initiatives to assist those in poverty, including raising the minimum wage, expanding healthcare coverage and providing a cost-of-living increase to the Supplemental Security Income/State Supplementary Payment program.

Economic Outlook

The Governor’s May Revision continues the themes from the January Budget proposal, including continued emphasis on the risks posed by the all but inevitable eventual recession. The Governor was quick to point out that the current recovery is the third longest in the post-war period and if there is not a recession within the next two years it would be historical.

Approximately 42.6% of the District’s general fund revenue is received from the state’s revenue and, consequently, state revenues are determined by the growth in the state’s economy. The proposed state budget continues to set the following priorities: paying down the state’s debt; strengthening the “rainy day” fund; and continued commitment to full funding of the Local Control Formula (LCFF).

ECONOMIC OUTLOOK

State Outlook

- Year 8th of economic recovery
- Moderate economic growth
- 4.9% State unemployment rate
- Somewhat higher inflation and interest rates
- Minimal growth in stock market

Impacts of Federal Policies

- Health Care
- Taxes
- Immigration
- Trade

The Governor continues to emphasize exercising fiscal restraint due to this looming recession and pressures from Washington D.C. He cautioned that if the American Health Care Act (“Trump Care”), or a similar bill were to become law, it would cost California billions of dollars.

Details about the Trump Tax Plan remain sketchy

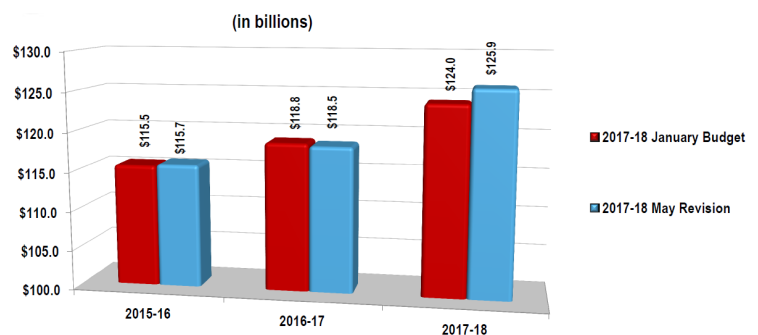
Goals of the Plan	
Grow the economy	Provide tax relief, particularly to middle class families
Simplification of the Tax Code	Lower business taxes
Individual Reform	
Collapse seven tax brackets to three – 10%, 25%, and 35%	Increase standard deduction and eliminate other deductions
Retain home ownership deductions	Repeal the Alternative Minimum Tax (AMT) and the Death Tax
Business Reform	
15% business tax rate (currently about 40%)	Eliminate tax breaks for special interests

Federal tax and spending policies remain relatively constant compared to 2016, with modest economic growth continuing over the next few years. U.S. inflation is expected to rise from 1.3% in 2016 to over 2% in 2017 as housing, gas, and medical costs increase. The Federal Reserve is expected to continue steadily increasing interest rates after the March interest rate hike.

State Revenues

While not at the level that education has experienced in the past, revenue projections are once again up as part of the May Revision compared to the Governor's January Budget. Personal income tax and corporation tax revenues are up \$2.9 billion and \$400 million, respectively, while sales tax revenues are down \$1.2 billion due to weak cash receipts. These factors reduce the

forecast for 2016-17 by \$225 million compared to the January Budget, but increase the 2017-18 forecast by \$1.9 billion. Total General Fund revenues are projected to be \$118.5 billion in 2016-17 and \$125.9 billion in 2017-18.



While the Governor continues to stress the likelihood of a recession in the near future, the forecast does not project a recession and in fact reflects continued growth over the next four years. The average year-over-year growth rate over these four years is projected at 3.7%, with total General Fund revenues increasing \$22.7 billion to \$136.8 billion in 2020-21.

Propositions 30 and 55

Proposition 30 was approved by the voters of California in November 6, 2012. This measure temporarily raised the state sales tax 0.25%, creating an estimated \$1.5 billion annually, for the period January 1, 2013 through December 31, 2016. Additionally, four high-income tax brackets were created, estimating to generating an estimated \$6.0 - \$8.0 billion annually, for years calendar years 2012 - 2016.

- 10.3 percent tax rate on taxable income over \$250,000 but less than \$300,000
- Imposed an 11.3 percent tax rate on taxable income over \$300,000 but less than \$500,000
- Imposed a 12.3 percent tax rate on taxable income over \$500,000 up to \$1,000,000
- Imposed a 13.3 percent tax rate on taxable income over \$1,000,000

This measure prevented \$6 billion cuts to the education budget for California state schools.

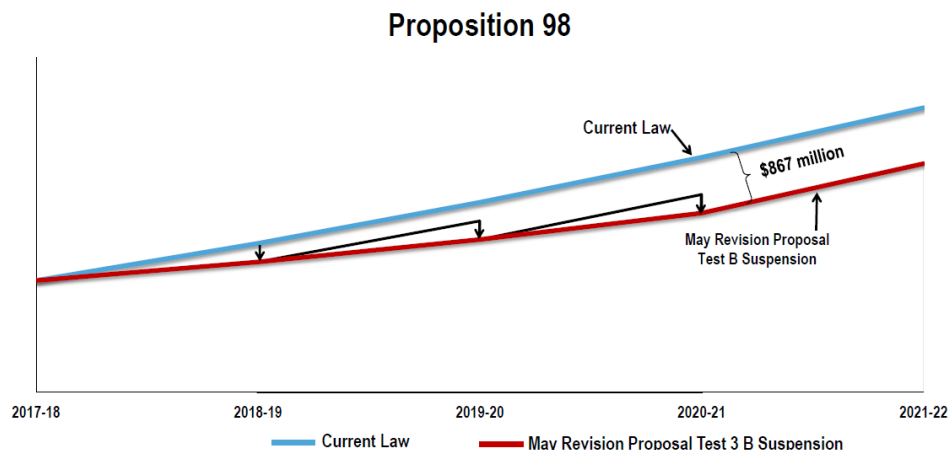
Proposition 55 was approved by the voters of California in November 6, 2016, extending the high-income tax brackets for an additional 12 years, expiring in December 31, 2030.

It is estimated that these propositions will contribute billions to support all General Fund programs, with K-14 education funding benefitting by “capturing” 40% of these added funds.

Proposition 98

Proposition 98 sets in the State Constitution a series of complex formulas that establish the minimum funding level for K-12 education and community colleges from one year to the next. This target level is determined by prior-year appropriations that count toward the guarantee and (1) workload changes as measured by the change in K-12 average daily attendance (ADA), and (2) inflation adjustments as measured by the change in either per capita personal income or per capita state General Fund revenues, whichever is less. Over the past few years, Proposition 98 has provided significant funding increases for schools, which have been used to restore cuts that were imposed during the Great Recession.

While Proposition 98 funding increases slightly over the January proposal, the Governor cautions that the major gains of the recent past have come to an end. The May Revision proposes a \$1.1 billion increase for 2017-18 from the January proposal in Proposition 98 funding to \$74.6 billion, while the current-year minimum guarantee is maintained at the 2016-17 State Budget level of \$71.4 billion. The May Revision also proposes to fully eliminate the current-year, one-time deferral of \$859 million that was proposed in January.



In order to increase Proposition 98 funding and eliminate the deferral in this economic climate, the Governor proposes to suspend the statutory Proposition 98 Test 3B supplemental appropriation in 2016-17, in addition to the 2018-19 through 2020-21 fiscal years. Although the summary asserts that funding reduced through this mechanism will be automatically added to the maintenance factor obligation, which ensures that school funding is restored in the long term, there are still some unanswered questions about this strategy and the future outlook of Proposition 98 funding.

Deferrals

Deferrals of \$859 million, as proposed in January, have been rescinded as a result of additional resources available from the 2015-16 and 2016-17 fiscal years. State aid payments in the month of June 2017 are back to their original schedule.

DEFERRAL
PLANS

Cost-of-Living Adjustment and Average Daily Attendance

Based on final data for the Implicit Price Deflator, the May Revision includes a 1.56% cost-of-living adjustment (COLA) for K-12 education programs. The statutory COLA for K-12 education is based on the annual average percentage change in value of the federally maintained Implicit Price Deflator for state and local governments, and is applied to the Local Control Funding Formula (LCFF) base grant targets, as well as other education programs that are funded outside of the LCFF. The estimated statutory COLA for K-12 education programs in the Governor's January Budget proposal for 2017-18 was 1.48%.

During implementation of the LCFF, the COLA is a less significant factor for most K-12 local educational agencies (LEAs) in estimating revenue changes for the upcoming year than it was under revenue limits. The COLA will affect the per-pupil grants used to calculate the LCFF target, but does not directly impact the level of the appropriation for LCFF gap closure. Rather than the COLA, it is the appropriation and its corresponding gap closure percentage which determine revenue growth for most school districts and charter schools.

LEAs that are at their LCFF target (i.e., fully implemented) will see a slight increase in LCFF funding and funding for categorical programs from January. Those programs include Special Education, Child Nutrition, Foster Youth, Preschool, American Indian Education Centers, and American Indian Early Childhood Education, all of which will now receive the statutory COLA of 1.56%.

Local Control Funding Formula

The Governor's 2017-18 May Revision continues implementation of the LCFF with an increase of \$1.4 billion in additional Proposition 98 revenues, up \$661 million from the January State Budget proposal. This additional proposed amount exceeds the revised COLA of 1.56% and brings the LCFF funding to 97% of the target amount at full implementation (FY 2020-2021)

The LCFF provides funding to transition all school districts toward target funding levels and provides supplemental revenues through percentage weighting factors to increase or improve

services for students who are not English language proficient, who are from low-income families, or who are in foster care.

LCFF FUNDING (DOLLARS IN MILLION)

District and Charter School LCFF						
(Dollars in Millions)						
	2015-16	2016-17	2017-18	2018-19	2019-20	2020-21
LCFF Funding	\$5,994	\$2,942	\$1,387	\$2,015	\$1,472	\$1,857
Remaining LCFF Gap Closed	52.56%	55.03%	43.97%	71.53%	73.51%	100%
COLA	1.02%	0.00%	1.56%	2.15%	2.35%	2.57%

The target base grants by grade span for 2017-18 increase by the statutory COLA of 1.56%, a slight upward adjustment from January's 1.48% COLA estimate.

Grade Span	2016-17 Base Grant Per ADA	1.56% COLA	2017-18 Base Grant Per ADA
K-3	\$7,083	\$110	\$7,193
4-6	\$7,189	\$112	\$7,301
7-8	\$7,403	\$115	\$7,518
9-12	\$8,578	\$134	\$8,712

The 2017-18 transitional kindergarten-3 grade span adjustment (GSA) for class-size reduction (CSR) is also 1.56% higher from 2016-17 at \$748 per ADA, as well as the grade 9-12 GSA at \$227 per ADA, in recognition of the need for career technical education (CTE) courses provided to students in the secondary grades.

Grade Span	2017-18 Base Grant Per ADA	GSA	2017-18 Adjusted Grant
K-3 (10.4%)	\$7,193	\$748	\$7,941
4-6	\$7,301	-	\$7,301
7-8	\$7,518	-	\$7,518
9-12 (2.6%)	\$8,712	\$227	\$8,939

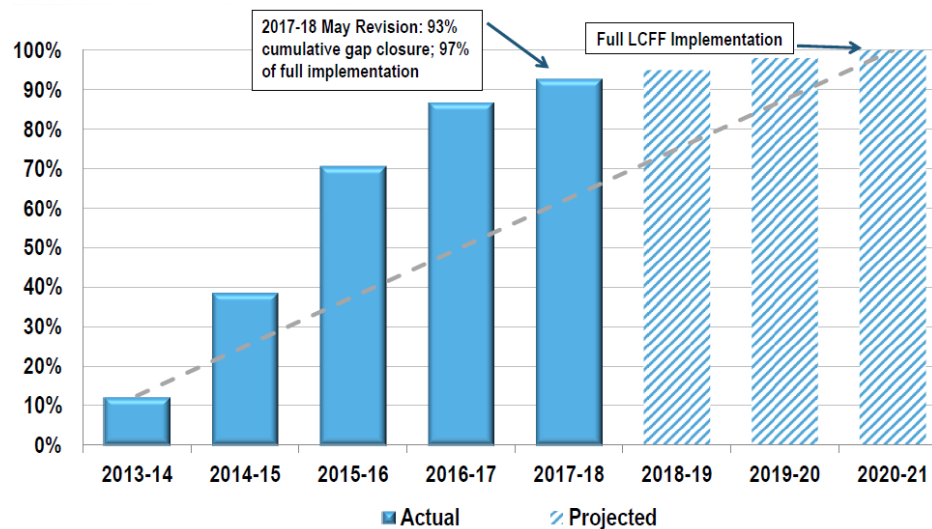
In addition to the base grants, school districts and charter schools are entitled to supplemental increases equal to 20% of the adjusted base grant (which includes CSR and CTE funding) for the percentage of enrolled students who are English learners, eligible for the free and reduced-price

meals program, or in foster care (the unduplicated pupil percentage). An additional 50% per-pupil increase is provided as a concentration grant for the percentage of eligible students enrolled beyond 55% of total enrollment.

Grade Span	2017-18 Adjusted Grants Per ADA	20% Supplemental Grant – Total UPP	50% Concentration Grant – UPP Above 55%
K-3	\$7,941	\$1,588	\$3,971
4-6	\$7,301	\$1,460	\$3,651
7-8	\$7,518	\$1,504	\$3,759
9-12	\$8,939	\$1,788	\$4,470

LCFF Transition Entitlements and Gap Funding

The difference between a district's or charter school's current funding and its target entitlement is called the LCFF gap, and it is this gap that is funded with the additional dollars dedicated each year toward implementation of the LCFF. For 2017-18, the May Revision proposal calls for a \$1.4 billion increase to LCFF allocations. According to our initial estimate, this will close 45% of the gap remaining to full implementation of the LCFF. The DOF has not yet released their calculation of the revised 2017-18 gap closure percentage.



For fiscal year 2020-2021, it is predicted that the LCFF will be fully implemented. School districts can expect:

- Base grant funding will be equalized across all districts
- Supplemental and concentration grant funding will be determined by the district's UPP
- Annual growth will be determined by (1) the change in ADA, and (2) the statutory COLA
 - In other words, minimal increases of 2% - 3% annually

The first five years of the LCFF have brought significant progress towards full implementation (97% with 2017-18 proposed funding). However, there's still a roughly \$2 billion gap left to close. With the concern of a recession on the horizon as well as a new Governor in 2019, it is even more important to be cautious in out-year planning.

Fiscal Year	Original DOF Estimated Need to Fully Fund LCFF	Gap Appropriation	Remaining Need to Fully Fund LCFF*
2013-14	\$18.0	\$2.1	\$15.8
2014-15	N/A	\$4.7	\$11.3
2015-16	N/A	\$6.0	\$5.6
2016-17	N/A	\$2.9	\$2.7 (estimated)

Employer Funded Retirement Contributions

The California Public Employees (CalPERS) and State Teachers (CalSTRS) Retirement Systems were negatively impacted by

The first quarter of 2017 brought unwelcome pension news for school districts when they learned that changes to employer contribution rates could add an additional \$750 million in annual expenses on top of the \$6 billion in already scheduled increases for CalPERS and CalSTRS.

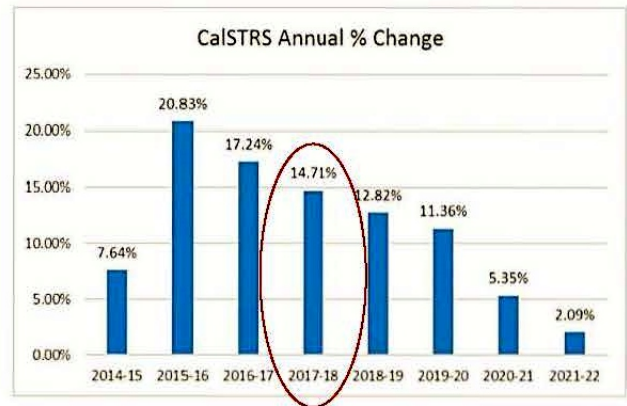
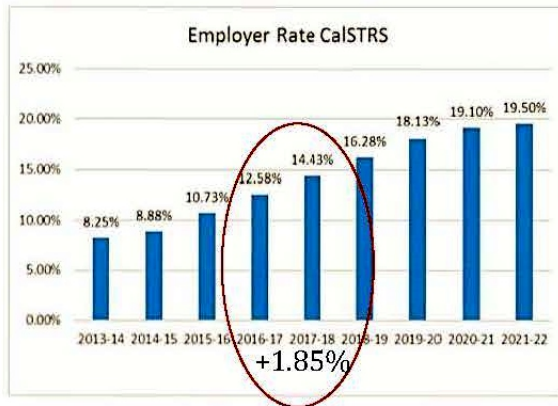
substantial investment losses during the great recession. Additionally, both systems recently reduced their assumed rate of return from 7.5% to 7.0%. As a result, both systems are lacking sufficient assets to cover promised pensions. As a means of ensuring pension system solvency, the State will increase contributions from the State, Employer, and Employee. Therefore, the District's pension rates will increase considerably over the next years.

CalSTRS Employer Contribution Rates

2013-14 (Base Year)	2014-15	2015-16	2016-17	2017-18	2018-19	2019-20	2020-21
8.25%	8.88%	10.73%	12.58%	14.43%	16.28%	18.13%	19.1%

The most recent CalSTRS actuarial study found that the system's unfunded liabilities have actually grown from \$76 billion to \$97 billion, despite the recent rate increase. So unfortunately, expect CalSTRS rates to grow well beyond 19.1 percent starting in 2021-22.

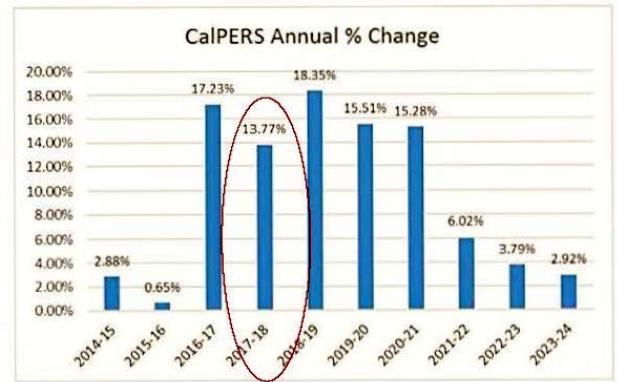
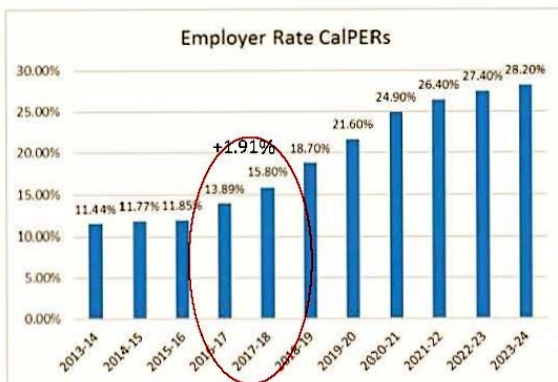
STRS Rate Increases



CalPERS Employer Contribution Rates

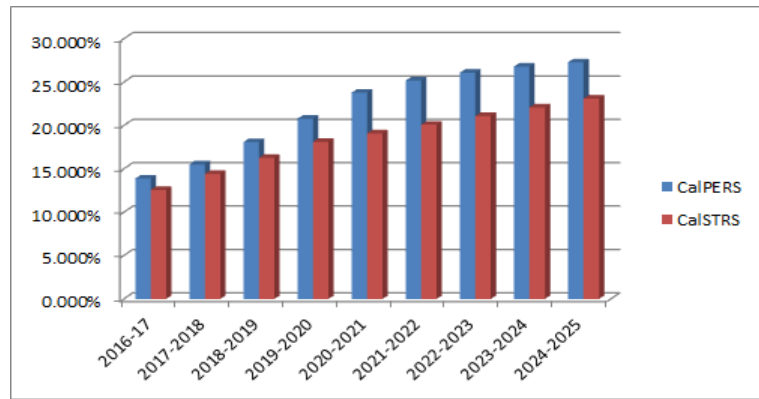
2013-14	2014-15	2015-16	2016-17	2017-18	2018-19	2019-20	2020-21
11.442%	11.771%	11.847%	13.888%	15.531%	18.1%	20.8%	23.8%

PERS Rate Increases



Rising rates for both CalSTRS and CalPERS poses a significant future budget challenge for the District. In terms of dollars, the District's pension costs are expected to increase from \$2,731,292 in 2016-2017 to \$3,269,291 in 2018-19. Because pension costs are expected to grow faster than overall expenditure growth, pension costs will assume a greater portion of the District's total budget

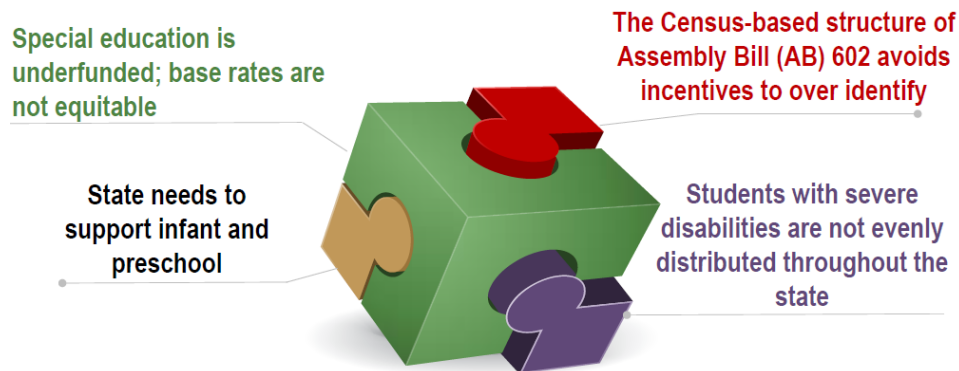
As the target rate of return on investments is key funding source of both systems, approximately 62% for CalPERS and 58% for CalSTRS, school districts throughout the state will have to monitor and possible make further adjustments should investment returns need future adjustments - which will drive up our employer rates accordingly.



The May Revision includes a proposed \$6.0 billion state contribution to the CalPERS fund, it will have NO IMPACT on district's retirement obligations as this was intended to reduce the state's future contributions to the PERS fund.

Special Education

The Governor's May Revision does not include any measurable funding increase for special education programs. It does, however, include a summary of actions taken by the DOF as a result of the Governor's Budget and the Administration's desire to solicit stakeholder feedback on recent reports on special education finance in California. The May Revision states that, *"given the scope of the feedback and the complexity of this program area, the Administration will spend additional time in the coming months examining these issues to chart a path forward that will maximize resources to serve students while increasing transparency and accountability."*



The proposed 2017-2018 revision includes only an increase of the statutory COLA, estimated to be 1.56%, approximately \$8.31 per ADA.

Discretionary Funds (One-Time)

The Governor's May Revision proposes just over \$1 billion in one-time discretionary funds for school districts, COEs, and charter schools. This is an increase of just under \$750 million to the \$287 million proposed in January. Like prior years, these funds would be available for expenditures at the discretion of District and would be used to offset District's outstanding mandate reimbursement claims. In prior years, funding has been allocated on the basis of

prior-year Second Principal Apportionment (P-2) ADA. The May Revision makes no mention of changing this policy.

	January Budget	May Revision
Per-ADA	\$48	\$170
Total	\$287 million	\$1.01 billion

However, for 2017-18, the entire \$1 billion comes with a contingency clause: ***The funds are not scheduled to be disbursed until May 2019 at the earliest, and possibly only partially then.*** The Governor's intent of holding onto the funds is to ensure that Proposition 98 is not over appropriated as a result of lower-than-expected revenues in the 2017-18 fiscal year.

Dennis Meyers, Executive Director for governmental relations of the California School Boards Association (CSBA) said that the Department of Finance can assert that districts can use their reserves next year to cover the \$1 billion while they wait to be paid in 2019. But if Prop. 98 revenue falls short next year, districts may not get all, of any, of the amount, he said. As a result, School Services of California, a consultant that works with districts, is telling district officials not to build the money into next year's budget. ***"Don't book it"*** is its advice. ***Therefore, upon the advice of our County Department of Education, third party advisors, and in keeping in-line with best practices, Millbrae School District will not be accounting for this money in both our adopted budget and multi-year projections.***

Routine Restricted Maintenance Account

The 2017-18 provides a phase-in of the 3% contribution to Routine Restricted Maintenance Account (RRMA). For the 2017-18 to 2019-20 fiscal years, the required minimum amount to be deposited into the account shall be the greater of the following amounts: The lesser of three percent (3%) of the general fund expenditures for that fiscal year or the amount that the school district deposited into the account in the 2014-15 fiscal year. Two percent of the total general fund expenditures of the applicant school district for that fiscal year. For fiscal year 2017/2018, the District's projected contribution will be \$635,426.

The expenditures are to be used for the following:

- ☐ Ongoing maintenance of school buildings
- ☐ To repair, restore or renovate school property, including
 - ☐ Regularly scheduled maintenance
 - ☐ Periodic repair of plumbing, heating, air conditioning, electrical, roofing and floor systems

2016-17	2017-18 to 2019-20	2020-21 and beyond
Lesser of:	Greater of:	At least:
3% of total General Fund expenditures	Lesser of 3% of total General Fund expenditures or the amount deposited in 2014-15	3% of total General Fund expenditures
The amount deposited in 2014-15	2% of total General Fund expenditures	Legislative intent: Comply with minimum 3% deposit at full LCFF implementation

School Facilities and Proposition 39 (2012)

In his January Budget, Governor Brown offered his support for the sale of Proposition 51 bonds contingent upon increased transparency and accountability in the State School Facility Program. He proposed developing and implementing an up-front grant agreement and subsuming the audit of state-funded facilities projects into the annual K-12 independent audit process. The May Revision simply restates the Governor's January position. The State Allocation Board is scheduled to take action on the proposed grant agreement at its May 2017 meeting.

The May Revision makes a modest reduction to the proposed appropriation to fund Proposition 39 school and community college district energy projects. The 2017-18 appropriation for K-12 energy projects is proposed to be \$376.2 million, while the community college appropriation is proposed at \$46.5 million, reductions of \$46.7 million and \$5.8 million respectively, from the January Budget.

Teacher Workforce

To help address California's teacher shortage, last year's Budget appropriated funds to recruit teachers and assist aspiring teachers in completing requirements to enter the profession. Building on last year's actions, the May Revision proposes to optimize federal funds to support these efforts. Without much detail, the Governor suggests that California can leverage the flexibility of the Every Student Succeeds Act to "direct additional federal resources" for teacher recruitment and retention efforts, with a particular focus on "high need" fields.



Federal Programs

Congress recently passed a federal spending package to complete fiscal year 2017 (through September 2017). Consequently, federal education funding for low-income, English learner, and special education students, along with funding to support educator preparedness and professional development, will be coming into clearer view when the California Department of Education completes its evaluation of how much California can expect to receive.

President Trump has released his proposed budget for 2018. He and Education Secretary Betsy DeVos have repeatedly said they want to shrink the federal role in education. The proposed cuts drastically reduce funding for long-standing programs, and the simultaneously, new investment in alternatives to traditional public schools. The budget proposal calls for a net \$10.6 billion cut to federal education programs. Under the administration's budget, two of the department's largest expenditures in K-12 education, special education and Title I funds to help poor children, would remain unchanged compared to federal funding levels in the first half of fiscal 2017. However, high-poverty schools are likely to receive fewer dollars than in the past because of a new law that allows states to use up to 7 percent of Title I money for school improvement before distributing it to districts.

The cuts would come from eliminating at least 22 programs, some of which Trump outlined in March. Gone, for example, would be \$1.2 billion for after-school programs that serve 1.6 million children, most of whom are poor, and \$2.1 billion for teacher training and class-size reduction. outline the rest of the cuts, including a \$15 million program that provides child care for low-income parents in college; a \$27 million arts education program; two international education and foreign language programs, \$72 million; a \$12 million program for gifted students; and \$12 million for Special Olympics education programs. The Trump administration would dedicate no money to a fund for student support and academic enrichment that is meant to help schools pay for, among other things, mental-health services, anti-bullying initiatives, physical education, Advanced Placement courses and science and engineering instruction.

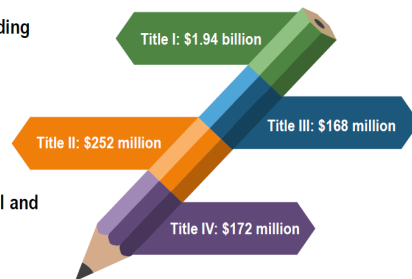
SBE staff project that California is slated to receive \$2.6 billion in federal education funding

Title I: Support for low-income students

Title II: Professional development

Title III: Support for English learners

Title IV: Enrichment programs (After School and 21st Century Community Learning Centers)



The cuts would make space for investments in choice, including \$500 million for charter schools, up 50 percent over current funding. The administration also wants to spend \$250 million on “Education Innovation and Research Grants,” which would pay

for expanding and studying the impacts of vouchers for private and religious schools.

The administration would devote \$1.4 billion in Title I dollars meant for poor children to a new grant program (called Furthering Options for Children to Unlock Success, or FOCUS) for school districts that agree to allow students to choose which public or private school they attend — and take their federal, state and local dollars with them. The goal is to do away with neighborhood attendance zones that the administration says trap needy kids in struggling schools.

What is Prop. 98?

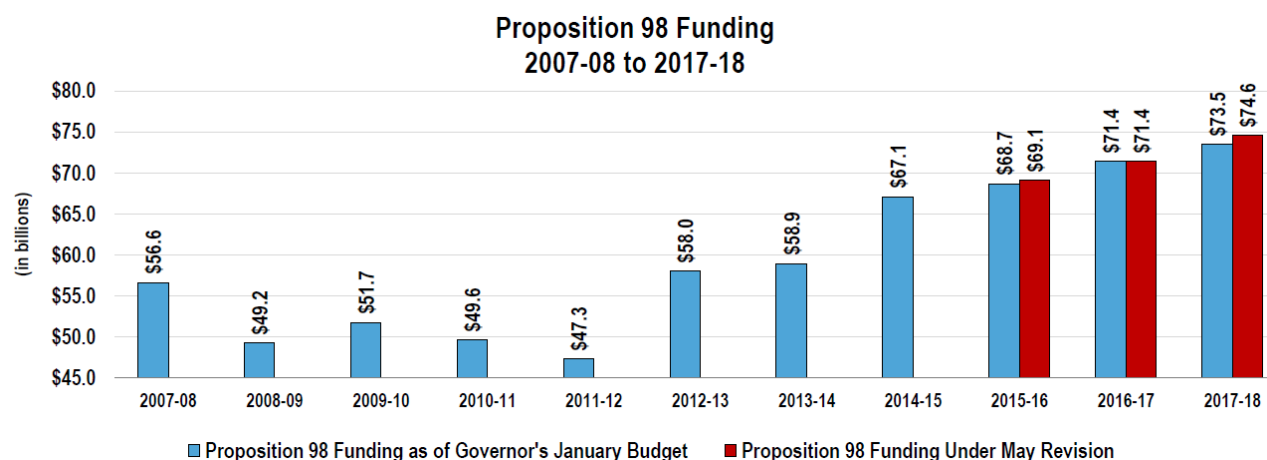
Approved by California voters in 1988, Proposition 98 provides schools with a constitutionally guaranteed share of the state budget. This ballot measure was created and passed in part as a response to Proposition 13, which had passed 10 years earlier. Prop. 13 limits property taxes and therefore limits the amount of money schools receive from local sources.

The state uses one of three “tests” (formulas) to determine how much funding education will receive during any particular budget year.

- ❑ Test 1 mandates that K-12 education and community colleges receive about 39 percent of the General Fund, the percentage education got in 1986-87.
- ❑ Test 2 requires that education get the same amount of funding it received the previous year with adjustments for per capita personal income growth.
- ❑ Test 3 provides adjustments for enrollment growth and General Fund revenue growth.

Proposition 98 also contains a feature known as the “maintenance factor.” When the state’s economy is in terrible shape, the Proposition 98 guarantee may be suspended, but the gap between how much schools receive and how much they were supposed to receive under Proposition 98 has to be restored in the following years. The Proposition 98 guarantee has only been suspended once during its 20-year history (in 2004–2005).

As part of the Governor’s May Revision package, he proposes to suspend the statutory Proposition 98 Test 3B supplemental appropriation from 2016-2017 through 2020-2021 fiscal periods.



In Closing

Annually, the Board of Trustees and District Office Staff review past, current and future programs (including positions) in alignment with LCAP Goals, Actions and Services. Because Millbrae is one of lowest districts in regards to local revenue sources, the district relies solely on LCFF dollars, and able to fund highly prioritize programs as appropriate to ensure fiscal solvency. Should the district be able to increase local revenue (increase Foundation revenue, Parcel Tax, Grants, etc...), the district would then be able to expand, increase and/or explore additional programs.

The budget has been prepared based on an estimated ending balance at June 30, 2017 of \$3,309,018. The ending balance consists of various components including revolving cash, reserves for restricted programs, reserve for economic uncertainties, board designated reserve items, textbook adoptions, technology improvements, and other designated and undesignated amounts as detailed in the proposed budget. It is important to note that we will not know the final ending balance from the current year until the books are closed in September of 2017. This figure (which will be the beginning balance for the 2017/18 year) is an important component of the projected ending balance for the budget year which we estimate will be approximately \$2,703,930.

Additionally, it is important to consider that this hinges on adoption of the Governor's Proposed State Budget. In order to sustain the level of program services incorporated into the budget and out years, it is necessary to increase the projected ending fund balance in the budget year in order to remain positive in the final year of the multi-year projection. The state required School District Certification (Form CB from the SACS software) is attached. This form includes the state adopted Criteria and Standards assessment, as well as the Board Certification of the budget. Also attached is the annual Workers' Compensation Certification.

Budget Assumptions

The budget illustrates our commitment to invest in services and programs to afford the very best for our students and staff. The accuracy of the District's budget projections is only as good as the research and information obtained in our assumptions used in developing this document. If our assumptions are incorrect, so too will be our budget. Therefore, since it is impossible to accurately predict all the assumptions, both within our District and external events, we update the budget three times after the original Board adoption.



The first occurring forty-five (45) days after the State of California adopts its budget, and two (2) interim reports are presented and delivered to the Board of Trustees in December and March of each fiscal year. Based upon the Governor's May Revise, recommendations from the School Service of California's Dartboard, San Mateo County Office of Education's Common Message and Fiscal Crisis Management Assistance Team (FCMAT) LCFF calculator, listed below are highlights of the assumptions used for the MYP. Attached is the MYP Budget assumptions for Fiscal Year 2017-2018 and 2 years subsequent.

LOCAL CONTROL FUNDING FORMULA (LCFF)		
FY 2017-18	FY 2018-19	FY 2019-20
Gap Funding Rate: 43.97%	Gap Funding Rate: 71.53%	Gap Funding Rate: 73.51%
COLA: 1.56%	COLA: 2.15%	COLA: 2.35%
ADA: 2,375.06	ADA: 2,304.15	ADA: 2,247.89
Enrollment: 2,443	Enrollment: 2,371	Enrollment: 2,313
Unduplicated Pupil %: 37.04%	Unduplicated Pupil %: 37.07%	Unduplicated Pupil %: 37.05%
CSR Ratio: Alternatively bargained	CSR Ratio: Alternatively bargained	CSR Ratio: Alternatively bargained

FEDERAL REVENUES		
FY 2017-18	FY 2018-19	FY 2019-20
17/18 Title I Federal Revenue reflects a 20% reduction as per anticipated Fed. Funding reductions.	18/19 Title I Federal Funding is based on 17/18 estimated allocations	19/20 Title I Federal Funding is based on 17/18 estimated allocations
17/18 Title II & III are budgeted @ 16/17 funding allocations.	18/19 Title II & III are budgeted @ 16/17 funding allocations.	19/20 Title II & III are budgeted @ 16/17 funding allocations.
Federal IDEA is budgeted @ 17/18 SELPA estimated allocations.	Federal IDEA is budgeted @ 17/18 SELPA estimated allocations.	Federal IDEA is budgeted @ 17/18 SELPA estimated allocations.

ENDING FUND BALANCE		
FY 2017-18	FY 2018-19	FY 2019-20
For 17/18, the District has committed \$36,068 from interest savings on debt service payment for reserve for economic uncertainties to align with board policy 3100.	For 18/19, the District has committed \$67,386 from interest savings on debt service payment for reserve for economic uncertainties to align with board policy 3100.	For 19/20, the District has committed \$93,684 from interest savings on debt service payment for reserve for economic uncertainties to align with board policy 3100.

CHANGE ENDING-FUND BALANCE		
FY 2017-18	FY 2018-19	FY 2019-20
17/18 continues to reflect a reduction in fund balance and continues to reflect deficit spending. The District is exploring the process for a parcel tax to mitigate the deficit spending. In addition, the District will continue to monitor enrollment and staffing projections and will need to make budget reductions in 18/19 & 19/20 to offset shortfall without a parcel tax and/or enrollment growth.	18/19 continues to reflect a reduction in fund balance and continues to reflect deficit spending. The District will monitor enrollment and staffing projections and will initiate budget reductions in 18/19 & 19/20 to offset shortfall without a parcel tax.	19/20 continues to reflect a reduction in fund balance and continues to reflect deficit spending. The District will monitor enrollment and staffing projections and will initiate budget reductions in 18/19 & 19/20 to offset shortfall without a parcel tax.

LOCAL REVENUES		
FY 2017-18	FY 2018-19	FY 2019-20
17/18 Local Revenue continues to reflect revenue from the Millbrae Education Foundation, Leased Site Revenue, Interest, retiree hw payments, and UC Berkeley for teacher contract buyout. In addition, the 17/18 budget reflects leased site revenue for summer contracted rental income.	18/19 Local Revenue continues to reflect revenue from the Millbrae Education Foundation, Leased Site Revenue, Interest, retiree hw payments, and UC Berkeley for teacher contract buyout.	19/20 Local Revenue continues to reflect revenue from the Millbrae Education Foundation, Leased Site Revenue, Interest, retiree hw payments, and UC Berkeley for teacher contract buyout.

CERTIFICATED & CLASSIFIED		
FY 2017-18	FY 2018-19	FY 2019-20
17/18 17/18 Certificated Staffing reflects an overall reduction of 1.1 FTE. This reflects a reduction of .6 for middle school staffing and .6 reduction for Speech/Language and .5 Nurse. In addition, this reflects an increase of .4 for Science TOSA that is funded from Educator Effectiveness Grant. As well as a .2 FTE for music that is funded through Millbrae Education Foundation.	18/19 Certificated Staffing remains at the same FTE level as as 17/18, but doesn't include ongoing staffing for .40 Science TOSA or .2 BTSA that is funded out of the Educator Effectiveness Grant. In addition, 18/19 salaries have been adjusted to reflect step changes.	19/20 Certificated Staffing has been reduced by 2.0 FTE to reflect anticipated decline in enrollment and ADA. 19/20 Certificated salaries have been adjusted to reflect step changes.
17/18 Classified staffing reflects an increase .75 FTE for special ed. program changes. Salaries have been adjusted to reflect step changes	18/19 Classified Staffing remains at the same level as 17/18 and salaries have been adjusted to reflect step changes.	19/20 Classified Staffing remains at the same level as 17/18 and salaries have been adjusted to reflect step changes
Certificated: Not yet settled	Certificated: Not yet settled	Certificated: Not yet settled
Classified: Not yet settled	Classified: Not yet settled	Classified: Not yet settled
Mgm't & Confidential: Not yet settled	Mgm't & Confidential: Not yet settled	Mgm't & Confidential: Not yet settled
Step & column %: 2%	Step & column %: 2%	Step & column %: 2%
Furlough Days included in the budget: 0	Furlough Days included in the budget: 0	Furlough Days included in the budget: 0
STRS: 1443	STRS: 1628	STRS: 1813
PERS: 15531	PERS: 1810	PERS: 208
FICA: .062, Medicare: .0145, Unemployment: .0005	FICA: .062, Medicare: .0145, Unemployment: .0005	FICA: .062, Medicare: .0145, Unemployment: .0005
Workers Compensation: .028633	Workers Compensation: .028633	Workers Compensation: .028633

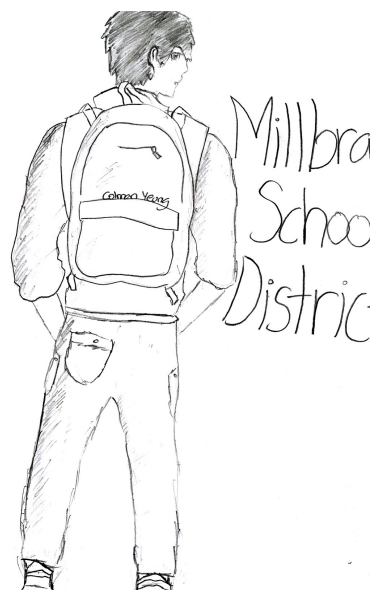
Enrollment and Average Daily Attendance (ADA)

The most significant characteristic for determining District income is the calculation of the average number of students who are in school and in attendance on a daily basis. This average daily attendance, or ADA, is multiplied by the District's LCFF rate per ADA to determine the total income for the District.

Since ADA is such an important part of the District's income base, the projection of ADA for the next fiscal year and subsequent years is an important part of projecting the District's income. Even small fluctuations in the District's ADA can mean a gain or loss of tens of thousands of dollars in income. District attendance records are monitored monthly and ADA is updated throughout the year to ensure that the projected LCFF income matches the District's budgeted or revised projections.

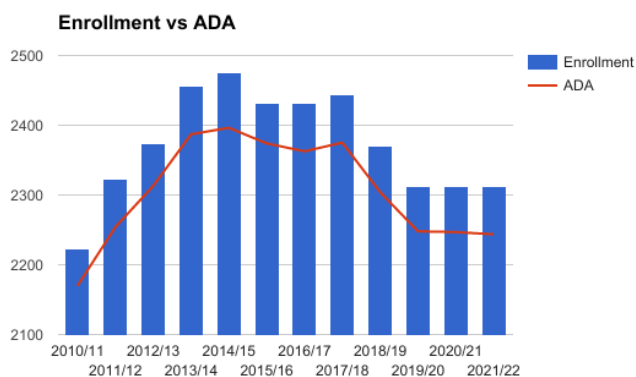
Enrollment is reported each October. The Average Daily Attendance (ADA) is prepared and reported to the State three (3) times during the fiscal year.

- P1 - 1st period: The average attendance over the first four (4) months of school,
- P2 - 2nd period: The average attendance for the first eight (8) months of school,
- Annual: The average attendance for the entire school year.



9

Public schools are the only agencies that receive income based on the population they serve. Cities or counties, as an example, do not have either increases or decreases in their revenue based on the number of citizens in their community. Public schools, however, receive most of their income based on attendance. The state does not pay the District for enrollment—just attendance. Therefore of the costs of setting up the instructional program will be a loss unless the student attends every day.

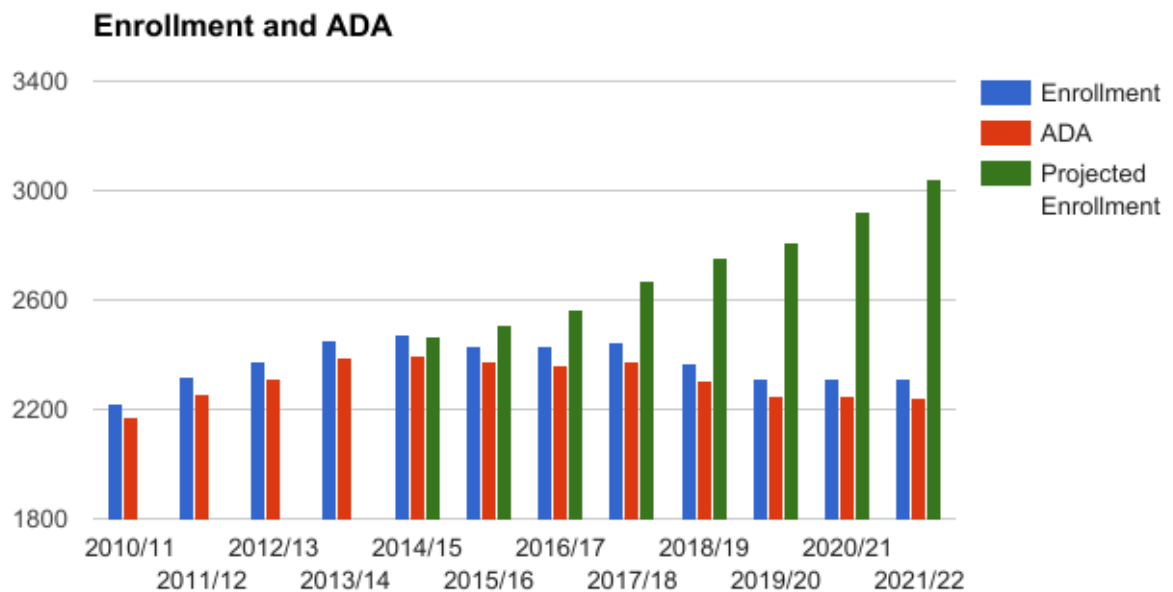


School enrollment projections are crucial for staffing, budgeting and classroom allocations as school districts rely on these numbers to anticipate future needs and plan accordingly. Enrollment projection services are useful in school planning activities such as facility planning, capacity requirements, staffing, redistricting, programming, and technology needs. Though the district continuously conducts demographic

studies and other best practices to determine enrollment, the results can be inexact and often “off the mark.” Such factors that are difficult to predict as unexpected births in the District, private residential construction and demolition, the move in and out of families in existing homes , private school transitions, and local governmental policies affecting growth.

On April 9, 2015, the district presented a report ([Report-HERE](#)) on our Projected Enrollments: 2014-2019. This report estimated that our student population would rise by 345 students over the five years, and “realistic possibility that the total will exceed 3,000 students.” The district continuously monitors and will be updating enrollment trends this Fall (2018). We, along with many districts throughout the Peninsula and San Mateo County, are unsafe on the dramatic increases in housing costs, both ownership and rental, will impact or alter enrollment.

The following chart illustrates the School District’s enrollment (**blue**) and ADA (**red**) over the last 7 years and **projected** 5 years out (FY18/19 - FY21/22). Additionally, enrollment projections (**green**) from report dated April 5, 2015.



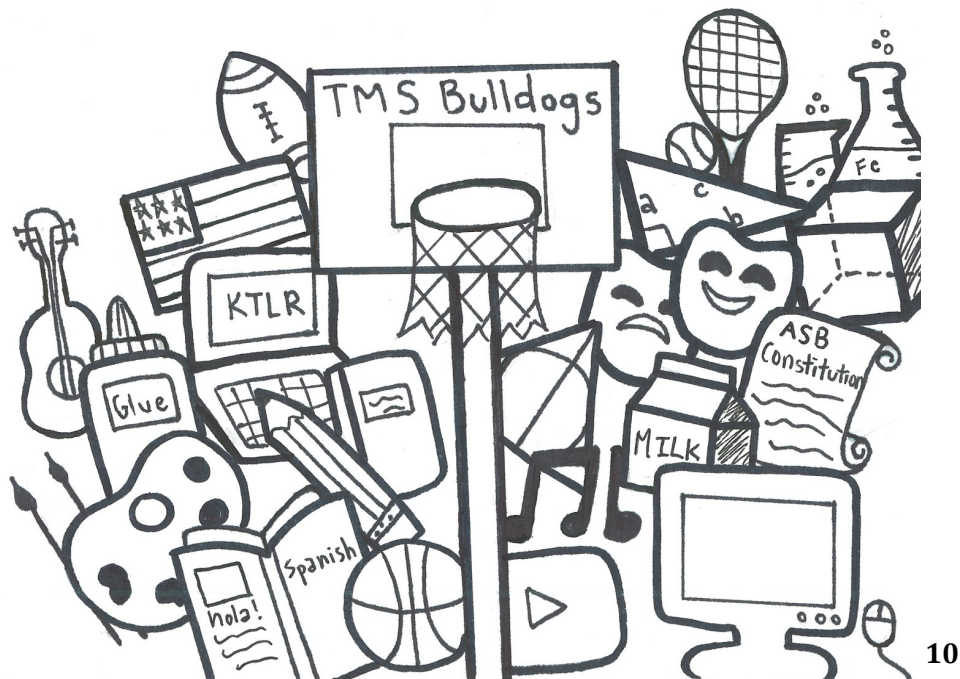
Financial Report Information

The District's Budget and Accounting format are based on the California School Accounting Manual (CSAM) and utilize the Standardized Account Code Structure (SACS). Accounting is the fiscal information system for business. The District's accounting, referred to as Governmental Accounting, is organized and operated on a fund basis. A fund is defined as a fiscal and accounting entity with a self-balancing set of accounts recording cash and other financial resources, together with all related liabilities and residual equities or balances, and changes therein, which are segregated for the purpose of carrying on specific activities or attaining certain objectives in accordance with special regulations, restrictions, or limitation.

General Fund (*Fund 01*)

The General Fund is the main operating fund for the District. It is used to account for the ordinary operations of the District. All transactions, except those required or permitted by law to be in another fund, are accounted for in this fund. The General Fund consists of unrestricted and restricted funds.

- General Fund, Unrestricted accounts for projects and activities that are funded with unrestricted revenues.
- General Fund, Restricted accounts for projects and activities that are funded by external revenue sources that are legally restricted or restricted by the grantor for specific purposes..



Overview of General Fund 2017-2018 Adopted Budget

The largest percent of the District's General Fund revenues 86.6% are spent on employee salaries and benefits. The remaining 13.40%, is spent on contracted services, supplies and materials, capital outlay, and other direct and indirect costs. As with any educational organization, people and/or positions are the key factors in budget development. The success of the District is dependent upon the quality of staff in the District. Millbrae employees have allowed the District to meet the strategic aims of the Governing Board.

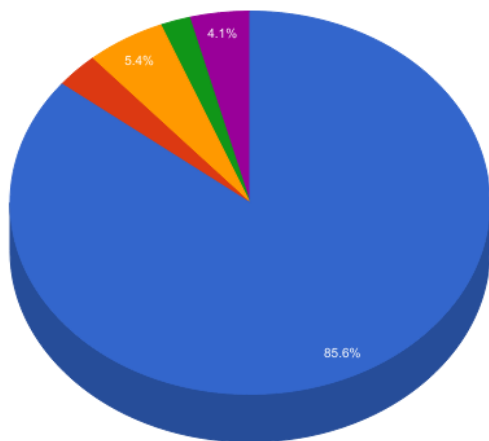
The certificated and classified staff all play an important role in continuing the District's success. All of Millbrae Elementary employees help to ensure the safe and positive learning environment in the District. Through the allocation formulas that MESD has established, the District will insure that proper staffing will be allocated to help meet the goals and objectives of the Board.

Elementary school districts are required to spend at least 60% of total expenditures on classroom-related expenses, including teachers and teacher aides. The District maintains over this requirement.

Revenue

General Fund (*Fund 01*) Revenues: \$23,446,556

*(Unrestricted \$19,988,060
Restricted \$3,458,496)*



Local Control Funding Formula (LCFF) Revenue Source (*Object 8010-8099*): \$20,010,522
(Unrestricted \$18,877,842; Restricted \$1,132,680)

LCFF revenue source represents 85.6% of the total General Fund revenues. It is the primary source of revenue for the District. The unrestricted portions represent the estimated Proposition 98 education funding including the Principal Apportionment (P2 Average Daily Attendance) and property taxes. This revenue amount is based on Local Control Funding Formula.



Federal Revenue (Object 8100-8299): \$686,757

(all of these revenues are restricted)

Federal Revenue represents 2.9% of the total General Fund revenues. It includes funding for Special Education in the amount of \$402,154; Discretionary Special Education Grants in the amount of \$44,079; Pass-through revenue from Federal programs - Title I, Title II and Title III, which includes \$188,143

Other State Revenue (Object 8300-8599): \$1,718,991

(Unrestricted \$426,256; Restricted \$1,292,735)

Other State Revenue represents 7.50% of the total General Fund revenues. The revenues in this source include Lottery funds \$467,586 *(\$111,330-Restricted: \$356,256 Unrestricted)* Special Education *(\$4,829 Unrestricted)*, ASES grant *(\$105,277 Restricted)*, Mandated Costs *(\$70,000 Unrestricted)* and STRS on Behalf recognition *(\$1,076,128 Restricted)*.

Other Local Revenue (Object 8600-8799): \$949,218

(Unrestricted \$602,894; Restricted \$346,324)

Other Local Revenue represents 4% of the total General Fund revenues. Revenue is recognized in the budget when the funds are available or received *(I.E. Facility rentals)*. The unrestricted funds include interest income, Leases and Rentals, and other non-restricted sources. Contributions from the Millbrae Education Fund (MEF) are included as restricted funds in other local revenue.

Transfers In (Object 8900-8929): \$81,068

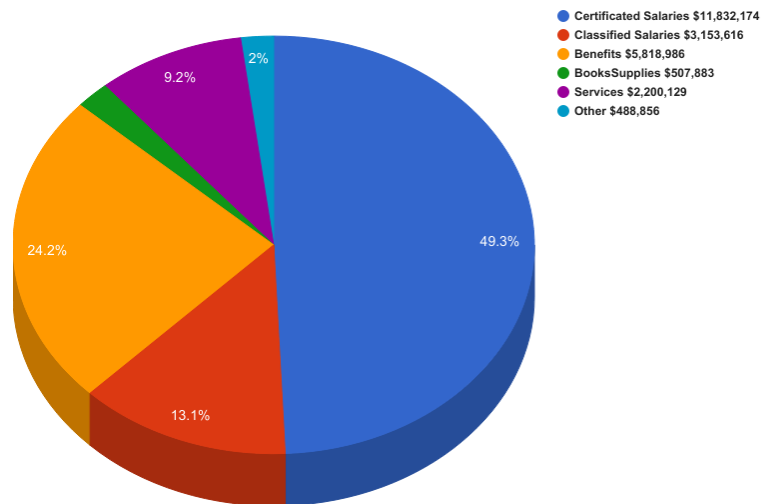
(Unrestricted \$81,068)

Transfers In represent less than 0.3% of the total General Fund revenues. This transfer reflects interest income from Fund 17-Special Reserve Fund and interest savings.

Expenditures

General Fund (Fund 01) Expenditures: \$24,051,644

(Unrestricted \$17,220,521;
Restricted \$6,831,123)



Certificated Salaries (Object 1000-1999): \$11,832,174 (Unrestricted \$9,970,931; Restricted \$1,861,243)

Certificated Salaries, including administrative staff positions, require a credential or permit issued by the Commission on Teacher Credentialing. The total Full Time Equivalent (FTE) was budgeted FY 2017-2018 for 137.00 as compared to 137.90 in FY 2016-2017.

Approximately 85% of the total certificated positions are funded by unrestricted funds, and 15% of the total positions are funded by restricted funds. Negotiations with MEA for fiscal year 2017-2018 has not yet been settled.

Classified Salaries (Object 2000-2999): \$3,153,616 (Unrestricted \$1,928,936; Restricted \$1,224,680)

Classified Salaries represent the positions that do not require a credential or permit issued by the Commission on Teacher Credentialing. The positions in this classification are Chief Business Official, Administrative Assistant, Administrative Secretary, Attendance Secretary, District Office Staff, Instructional Aide, occupational therapist, special day class instructional aides and Maintenance and Operations staff. The classified FTEs are 64.7; excluding food services personnel who are funded outside the General Fund. Approximately 62% of the total classified positions are funded by unrestricted funds, and 38% of the total classified positions are funded by restricted funds. Negotiations with CSEA for fiscal year 2017-2018 has not yet been settled.

Employee Benefits (Object 3000-3999): \$5,818,986

(Unrestricted \$3,778,346; Restricted \$2,040,640)

Employee Benefits account for employers' contributions to retirement plans: State mandated increased for the State Teachers' Retirement System (STRS) and the Public Employees' Retirement System (PERS) has been updated, Health and Welfare benefits and the payroll related statutory costs, such as Workers' Compensation, State Unemployment Insurance, FICA, and Medicare also have been updated to reflect the best information as of the date of this report. Employee benefits represent approximately 24.2% of the total General Fund expenditures.

Education is a people business. It takes people to teach students. Therefore, the biggest expenses for the District are salaries and benefits. Total compensation of employees in the district is \$20,804,776.

Books and Supplies (Object 4000-4999): \$507,883

(Unrestricted \$380,486; Restricted \$127,397)

This is to account for expenditures for books and supplies, other reference materials, and non-capitalized equipment. It is the smallest expenditures classification.

Services and Other Operating Expenditures (Object 5000-5999): \$2,200,129

(Unrestricted \$1,109,074; Restricted \$1,091,055)

Services and Other Operating Expenditures account for expenditures for services, rentals, leases, maintenance contracts, dues, travel and conference, insurance, utilities, legal and other operating expenditures. It is about 9.2% of the total expenditures. Special Education services has been revised to reflect student placements and contracted services to replace leave of absences. Additionally, expenditures for one-time funds for technology utilization has been accounted for.

Capital Outlay (Object 6000-6999): \$0.00

This category accounts for any capital outlay expenditures. During the last few years this is the category that has not been projected for any purchases.

Other Outgo (Object 7100-7299, 7400-7499): \$525,345

(Unrestricted \$50,000; Restricted \$475,345)

The unrestricted amount of Other Outgo represents debt service. The restricted portion represents the payment and tuition to County programs and other Local Educational Agencies for Special Education programs. This is mainly due to changes with student placements.

Transfer In/Out (Object 7600-7699 & 8900-8929): \$81,068/\$50,000 (Unrestricted \$50,000-out & \$81,068-in)

A portion of the transfer out represents a transfer from General Fund to Cafeteria Fund. Under the LCFF funding model the transfer to the Cafeteria Fund is done as a transfer out. The district will continue to monitor and revise as program grows and moves toward new food service model. The transfer in represents interest earned from special reserve fund.

Multiyear Projections (MYP)

Multiyear projections are required by AB 1200 (Chapter 1213/1991) and AB 2756 (Chapter 52/2004). It is critical to recognize the MYPs are projections based upon the best data available and change adjust as forecasts and projections are updated.

The Multi-Year Projection (MYP), a required component of budget development and demonstrates the requirement that the District will meet its financial obligations in the current and subsequent two years. The Multi-Year Projection also indicates the District's ability to maintain the required reserve for economic uncertainties for the current and subsequent two years.

Revenues that have not been expended during a budget year are carried over into the subsequent year and identified as the District's "Net Ending Balance." Included within the projected Net Ending Balance is a "Reserve for Economic Uncertainties," which is a minimum balance that the State of California requires to be retained to cover unforeseen shortfalls in revenues or higher-than-expected expenditures. The minimum reserve for Millbrae Elementary School District is 3% of general fund expenditures, \$721,549-FY 2017/18, \$737,921-FY 2018/19, and \$750,414-FY 2019/20. Also included in the Net Ending Balance are restricted carryover balances that originated from sources that can only be used for selected purposes. These Revenues can only be expended for the purposes determined by the grantor, and the balances in these accounts carry the same restrictions as the originating income. Thus, a Net Ending Balance is composed of two types of accounts – those that are "restricted" that can be used for selected purposes only and those that are "unrestricted" that can be expended by decision of the local agency.

There is probably no single item in a typical state or local government's financial statements that attracts more attention than fund balance.

In accordance with Governmental Accounting Standards Board (GASB) Statement No. 54, Fund Balance Reporting and Governmental Fund Type Definitions, the ending fund balances shall be classified as follows:

- **Non-spendable** (*such as revolving cash, stores, and prepaid items*)
 - The portion of the fund balance reflecting assets not in spendable form, either because they will never convert to cash or must remain intact pursuant to legal or contractual requirements (i.e. the principal of a permanent endowment)
- **Restricted** (*subject to external parties, constitutional provision, or enabling legislation*)
 - The portion of the fund balance representing resources subject to externally imposed and legally enforceable constraints imposed either by external resource providers, i.e. grantors or creditors, or by law through constitutional provisions or enabling legislation.

- **Committed** (*self-imposed by MESD's Board of Education*)
 - The portion of the fund balance representing resources whose use is constrained by limitations self-imposed by the District through formal action of its highest level of decision making authority, Board of Trustees. These constraints can be modified or removed only through the same process by which they were imposed.
- **Assigned** (*intended for a particular purpose and imposed prior to financial statements*)
 - The portion of the fund balance representing resources that are intended to be used for specific purposes but for which the constraints do not meet the criteria to be reported or committed. Intent may be established either by the District's highest level of decision-making authority or by a designated body of official.
- **Reserve for Economic Uncertainties (REU)**
 - The portion of fund balance set aside pursuant to a minimum fund balance policy. This amount includes the reserve required by the Criteria and Standards for fiscal solvency (3%)
- **Unassigned** (*not classified above*)
 - The portion of fund balance not classified as nonspendable, restricted, committed or assigned.

MYP - Impact on Ending Fund Balance (Unrestricted)

General Fund Balance	2017-2018	2018-2019	2019-2020
Beginning Balance (Est. 17/18)	3,170,006	2,703,930	2,170,792
Ending Fund Balance	2,703,930	2,170,792	1,184,479
Components of Ending Fund Bal.	2017-2018	2018-2019	2019-2020
Revolving Cash	2,500	2,500	2,500
Res. for Economic Uncertainty (3%)	721,549	737,921	750,414
Assigned 2015/16 1-Time Funding	166,101	54,688	54,688
Assigned-Deficit Spending	1,519,451	986,313	0
Committed	36,068	67,386	93,684
Unassigned	258,262	321,984	283,193

Proposed Budget 2017/2018

Special Revenue Funds

Fund 13 – Cafeteria Fund

This fund is used to account separately for federal, state, and local resources to operate the food service program (*Education Code* sections 38090 and 38093). The principal revenues in this fund are:

- | | |
|--------------------------------------|---|
| ➤ Child Nutrition Programs (Federal) | ➤ Food Service Sales |
| ➤ Child Nutrition Programs (State) | ➤ Interest All Other Local Revenue |

The Cafeteria Special Revenue Fund (Fund 13) shall be used only for those expenditures authorized by the governing board as necessary for the operation of the LEA's food service program (*Education Code* sections 38091 and 38100).

FY 2017/2018 Adopted Budget

Fund 13

Cash	\$850
Inventory	\$11,918
Restricted	<u>\$27,899</u>
Estimated Ending Fund Balance	\$40,667

Fund 17 – Special Reserve Fund for Other than Capital Outlay Projects

This fund is used primarily to provide for the accumulation of general fund moneys for general operating purposes other than for capital outlay (*Education Code* Section 42840). Amounts from this special reserve fund must first be transferred into the general fund or other appropriate fund before expenditures may be made (*Education Code* Section 42842). The ending fund is the remaining balance of one-time funds set aside and restricted in use as approved by SAB waiver.

FY 2017/2018 Adopted Budget

Fund 17

Assigned	\$2,735
Restricted	<u>\$ 71,982</u>
Estimated Ending Fund Balance	\$ 74,717

Fund 19 – Foundation Special Revenue Fund

This fund is used to account for resources received from gifts of bequests pursuant to *Education Code Section 41031*, under which both earnings and principal may be used for purposes that support the LEA's own programs and where there is a formal trust agreement with the donor. Gifts or bequests not covered by a formal trust agreement should be accounted for in the General Fund.

FY 2017/2018 Adopted Budget

Fund 19

Restricted	<u>\$ 50,350</u>
Estimated Ending Fund Balance	\$50,350

Fund 20 – Special Reserve Fund for Postemployment Benefits

This fund is used pursuant to *Education Code Section 42840* to account for amounts the LEA has earmarked for the future cost of post-employment benefits (OPEB) but has not contributed irrevocably to a separate trust for the postemployment benefit plan. Amounts accumulated in this fund must be transferred back to the general fund for expenditure (*Education Code Section 42842*).

Although this fund is authorized by statute, it does not meet the GAAP definition of a special revenue fund; it functions effectively as an extension of the general fund.

FY 2017/2018 Adopted Budget

Fund 20

Assigned	\$ 49,659
Restricted	<u>\$1,927,566</u>
Estimated Ending Fund Balance	\$1,977,225

Per the GASB 45 Valuation Report as of February 1, 2017, the District's net OPEB obligation at the end of 02/01/2017 is \$4,792,019.

Capital Project Funds

Capital Project Funds are funds whose uses are restricted for capital purposes.

Fund 25 – Capital Facilities Fund

This fund is used primarily to account separately for moneys received from fees levied on development projects as a condition of approval (*Education Code* sections 17620–17626 and *Government Code* Section 65995 et seq.). The authority for these levies may also be county or city ordinances (*Government Code* sections 65970–65981) or private agreements between the LEA and the developer. Interest earned in the Capital Facilities Fund (Fund 25) is restricted to that fund (*Government Code* Section 66006). Currently, the fee are \$2.09 per square foot for residential and \$0.34 for commercial development.

The principal revenues in this fund are:

- Interest
- Mitigation/Developer Fees

Expenditures in Fund 25, Capital Facilities Fund, are restricted to the purposes specified in *Government Code* sections 65970–65981 or *Government Code* Section 65995 et seq., or to the items specified in agreements with the developer (*Government Code* Section 66006). Costs of justifying and adopting fees may be paid from Fund 25 (*Education Code* Section 17620). Administrative costs of collecting fees may be reimbursed from Fund 25 within the limitations of *Education Code* Section 17620. Eligible expenditures incurred in another fund may be reimbursed to that fund by means of an inter-fund transfer of direct costs (see Procedure 615).

FY 2017/2018 Adopted Budget

Fund 25

Assigned	<u>\$ 857,460</u>
Estimated Ending Fund Balance	\$857,460

Fund 40 – Special Reserve Fund for Capital Outlay Projects

This fund exists primarily to provide for the accumulation of general fund moneys for capital outlay purposes (*Education Code* Section 42840). This fund may also be used to account for any other revenues specifically for capital projects that are not restricted to fund 21, 25, 30, 35, or 49. Other authorized resources that may be deposited to the Special Reserve Fund for Capital Outlay Projects (Fund 40) are proceeds from the sale or lease-with-option-to-purchase of real property (*Education Code* Section 17462) and rentals and leases of real property specifically authorized for deposit to the fund by the governing board (*Education Code* Section 41003).

The principal revenues and other sources in this fund are:

- Federal, State, or Local Revenues
- Rentals and Leases
- Interest
- Other Authorized Interfund Transfers In
- Proceeds from Sale/Lease–Purchase of Land and Buildings
- Federal Emergency Management Act (FEMA)

Transfers from the general fund to Fund 40 authorized by the governing board must be expended for capital outlay purposes. Proceeds from the sale or lease-with-option-to-purchase may be spent for capital outlay purposes, costs of maintenance of the LEA's property, and future maintenance and renovation of school sites (*Education Code* Section 17462). Expenditures for capital outlay are most commonly made against the 6000 object codes for capital outlay. Salaries of school district employees whose work is directly related to projects financed by Fund 40 revenues are capitalized as a part of the capital facilities project.

FY 2016-2017 Second Interim

Fund 40

Restricted	\$ 83,932
Assigned	<u>\$12,864,430</u>
Estimated Ending Fund Balance	\$12,948,362

Contributing Artists

A Special BIG THANK YOU to Ms. Bernadette Hurley, amazing art teach at Taylor Middle School.

Fiona Chau, Grade 7	Page 53	Kaelyn Fung, Grade 7	Page 14
Carisa Chiu, Grade 7	Cover	Addison Kuang, Grade 7	Page 3
Ian Chu, Grade 7	Page 28	Ryan Kurniawan, Grade 7	Page 16
Olivia Ghilardi, Grade 7	Cover	Victoria Lin, Grade 7	Page 12
Eva Howard, Grade 7	Page 15	Grace Tang, Grade 7	Page 10
		Colman Young, Grade 7	Page 50

2017-2018 School District Calendar

Millbrae School District Calendar
2017-2018

July 2017						
S	M	T	W	T	F	S
						1
2	3	4	5	6	7	8
9	10	11	12	13	14	15
16	17	18	19	20	21	22
23	24	25	26	27	28	29
30	31					

August 2017						
S	M	T	W	T	F	S
		1	2	3	4	5
6	7	8	9	10	11	12
13	14	15	16	17	18	19
20	21	WD	WD*	24	25	26
27	28	29	30	31		
				(6 + 2WD)		

September 2017						
S	M	T	W	T	F	S
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10	11	12	13	14	15	16
17	18	19	20	21	22	23
24	25	26	27	28	29	30
						(20)

October 2017						
S	M	T	W	T	F	S
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15	16	17	18	19	20	21
22	23	24	25	26	27	28
29	30	31				
						20 +1 PD

November 2017						
S	M	T	W	T	F	S
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12	13	14	15	16	17	18
19	20	21	22	23	24	25
26	27	28	29	30		(18)

December 2017						
S	M	T	W	T	F	S
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10	11	12	13	14	15	16
17	18	19	20	21	22	23
24	25	26	27	28	29	30
31						(16)

January 2018						
S	M	T	W	T	F	S
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14	15	16	17	18	19	20
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28	29	30	31			
						16+1 PD

February 2018						
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				1	2	3
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11	12	13	14	15	16	17
18	19	20	21	22	23	24
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March 2018						
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11	12	13	14	15	16	17
18	19	20	21	22	23	24
25	26	27	28	29	30	31
						(22)

April 2018						
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15	16	17	18	19	20	21
22	23	24	25	26	27	28
29	30					(16)

May 2018						
S	M	T	W	T	F	S
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13	14	15	16	17	18	19
20	21	22	23	24	25	26
27	28	29	30	31		(22)

June 2018						
S	M	T	W	T	F	S
					1	2
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10	11	12	13	14	15	16
17	18	19	20	21	22	23
24	25	26	27	28	29	30
						(6)

First Day of School:
Last Day of School:
Total Instructional Days:

August 24, 2017
June 8, 2018
180

1st Trimester:
2nd Trimester:
3rd Trimester:
Winter Recess:
Spring Recess:
WD*:
WD:
PD:
OPD:

August 25 – November 21, 2017
November 27 – March 9, 2017
March 12 – June 8, 2017
December 25 – January 6, 2018
April 2 – April 6, 2018
All Staff Work Day
Certificated Work Day
Professional Development
Optional Professional Development, Certificated Staff

*Subject to change.

October 9, 2017
November 22, 2017
February 16, 2018

October 23, 2017
January 8, 2018

September 4, 2017
November 10, 2017
November 23-24, 2017
January 15, 2018
February 19, 2018
May 28, 2018

Non-School Days

Non-Work Day
Non-Work Day
Non-Work Day

Non-Student Work Days

Professional Development
Professional Development

Holidays

Labor Day
Veteran's Day
Thanksgiving Recess
Martin Luther King Jr.
President's Day
Memorial Day

Board Approved_4.4.2017

2017-2018 Board of Trustees Regular Meeting Calendar

Millbrae School District
Board of Trustees
2017 - 2018
Regular Meeting Schedule

2017

JULY						
SUN	MON	TUES	WED	THU	FRI	SAT
						1
2	3	4	5	6	7	8
9	10	11	12	13	14	15
16	17	18	19	20	21	22
23	24	25	26	27	28	29
30	31					

AUGUST						
SUN	MON	TUES	WED	THU	FRI	SAT
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SEPTEMBER						
SUN	MON	TUES	WED	THU	FRI	SAT
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OCTOBER						
SUN	MON	TUES	WED	THU	FRI	SAT
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NOVEMBER						
SUN	MON	TUES	WED	THU	FRI	SAT
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5	6	7	8	9	10	11
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26	27	28	29	30		

DECEMBER						
SUN	MON	TUES	WED	THU	FRI	SAT
					1	2
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17	18	19	20	21	22	23
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31						

2018

JANUARY						
SUN	MON	TUES	WED	THU	FRI	SAT
	1	2	3	4	5	6
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14	15	16	17	18	19	20
21	22	23	24	25	26	27
28	29	30	31			

FEBRUARY						
SUN	MON	TUES	WED	THU	FRI	SAT
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18	19	20	21	22	23	24
25	26	27	28			

MARCH						
SUN	MON	TUES	WED	THU	FRI	SAT
				1	2	3
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11	12	13	14	15	16	17
18	19	20	21	22	23	24
25	26	27	28	29	30	31

APRIL						
SUN	MON	TUES	WED	THU	FRI	SAT
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15	16	17	18	19	20	21
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29	30					

MAY						
SUN	MON	TUES	WED	THU	FRI	SAT
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JUNE						
SUN	MON	TUES	WED	THU	FRI	SAT
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10	11	12	13	14	15	16
17	18	19	20	21	22	23
24	25	26	27	28	29	30

Regular Board meetings are held twice a month. Televised meetings are held at City Council Chambers, 621 Magnolia Avenue, 7 p.m.

Non-televised meetings are held at the District Office at 555 Richmond Drive, 7:00 p.m.



Televised Meetings, Council Chambers



Non-televised Meetings, District Office

Board Approved 5.2.17

Sources

San Mateo County Office of Education - Budget Development Advisory (May Revision 2017)

Projected Enrollments 2014 to 2019 in the Millbrae Elementary School District (April 9, 2015)

Association of California School Administrators (ACSA)

Federal Management Strategies

California Association of School Business Officials (CASBO)

California Department of Education California

Department of Finance California State Board of Education

Edsource. org

California School Boards Association California School Information Services

Capitol Advisors

Palo Alto Unified School District

Fiscal Crisis and Management Assistance Team (FCMAT)

Kern County Superintendent of Schools

Schools Coalition School Services of California

Forecast 5 Analytics, <http://www.forecast5analytics.com/>

Glossary of School Budget Terms

AB 1200:

Reference to AB 1200 (Chapter 1213/1991) that imposed major fiscal accountability controls on school districts and county offices of education by establishing significant administrative hurdles and obligations for agency budgets and fiscal practices. See especially Education Code Section 1240 et seq. and 42131

Account:

A method of categorizing financial transactions by type.

Accountability:

The notion that people (e.g., students or teachers) or an organization (e.g., a school, school district, or State Department of Education) should be held responsible for improving student achievement and should be rewarded or sanctioned for their success or lack of success in doing so.

Account Code:

A number assigned to sources of revenues, purposes of expenditures, assets, liabilities, and fund balances.

Accounting Period:

The period of time represented by published financial statements. California school districts prepare financial statements for a fiscal year beginning July 1st and ending June 30th.

Accounts Payable:

Amounts due and owed to private persons, business firms, governmental units, or others for goods received and services rendered prior to the end of the fiscal year. Includes amounts billed but not paid.

Accounts Receivable:

Amounts due and owed the district from private persons, business firms, governmental units, or others for goods or services provided by the district prior to the end of the fiscal year. Includes amounts billed but not received.

Apportionment:

Allocation of state or federal aid, district taxes, or other moneys among school districts or other governmental units.

Appropriation:

An allocation of budgetary funds made by the governing board for specific purposes and limited as to the time when they may be expended.

Appropriation For Contingencies:

That portion of the current fiscal year's budget that is not appropriated for any specific purpose but is held subject to intra-budget transfer.

Assessed Valuation (AV):

The total value of property within a school district as determined by state and county assessors. The AV of a school district will influence the total property tax income of a school district. The percentage growth in statewide AV from one year to the next is an important ingredient in determining appropriation levels required from the state for fully funding district and county revenue limits, as well as for Proposition 98 calculations.

Associated Student Body (ASB)

An organization of students having as its purpose to raise and spend money on behalf of the students approved by the governing body of the organization and by the school authorities, and not in conflict with the authority and responsibility of the public school officials.

Audit:

An examination of records and accounts.

Average Daily Attendance (ADA)

Total approved days of attendance in the school district divided by the number of days the schools in the district are in session for at least the required minimum day.

Basis of Accounting:

Basis of accounting refers to when revenues and expenditures are recognized in the accounts and reported in the financial statements. Government-wide revenues and expenditures are recorded using the modified accrual basis of accounting. Fiduciary funds use the accrual basis of accounting.

Accrual: Revenues are recognized when earned and expenses are recognized when incurred.

Modified Accrual: Revenues are recorded in the fiscal year in which the resources are measurable and become available. Available means the resources will be collected within the current fiscal year or are expected to be collected soon enough thereafter to be used to pay liabilities of the current fiscal year. Revenue from property taxes is recognized in the fiscal year for which the taxes are levied. Revenue from grants and entitlements are recognized in the fiscal year in which all eligibility requirements have been satisfied.

Expenditures are generally recognized in the accounting period in which the related fund liability is incurred. However, debt service expenditures, as well as expenditures related to compensated absences and claims and judgments, are recorded only when payment is due. Allocations of cost, such as depreciation and amortization, are not recognized in governmental funds. When both restricted and unrestricted resources are available for use, it is the District's policy to use restricted resources first then unrestricted resources as they are needed.

**Bond:**

A certificate containing a written promise to pay a specified sum 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.

Bond Interest and Redemption Fund:

A fund established to pay bond interest and liquidate indebtedness when due and payable.

Bonded Debt:

That portion of indebtedness represented by outstanding bonds.

Bonded Debt Service:

Expenses incurred for interest and redemption of bonds.

Budget:

A plan of financial operation consisting of an estimate of proposed income and expenditures for a given period of time.

Budget Document:

The instrument used by the budget-making authority to present a comprehensive financial program.

Budgeting:

The process of allocating the available resources of an organization among potential activities to achieve the objectives of the organization.

Building Fund:

A fund established to control the income and expenditures related to the purchase and maintenance of school buildings, sites, and equipment.

Cafeteria Account:

Receipts and disbursements of the cafeteria function that are processed through a bank.

Cafeteria Fund:

Receipts and disbursements of the cafeteria function that are processed through the county treasurer.

California Basic Education Data System (CBEDS):

The statewide system of collecting enrollment, staffing, and salary data from all school districts on a specific day each October.

California Basic Educational Skills Test (CBEST):

Required for anyone seeking certification as a teacher, the test measures proficiency in reading, writing and mathematics.

California English Language Development Test (CELDT)

A test used to assess student's language proficiency in English, specifically listening, speaking, reading, and writing.

Capital Outlay:

Amounts paid for the acquisition of fixed assets or additions to fixed assets.

Capital Project Funds:

Capital Project Funds are established to account for financial resources to be used for the acquisition or construction of major capital facilities.

Building Fund: Exists primarily to account separately for proceeds from the sale of bonds.

Capital Facilities Fund: Used primarily to account separately for monies received from fees levied on developers or other agencies as a condition of approving a development. The authority for these levies may be county/city ordinances or private agreements between the Local Education Agency and the developer. Interest earned in the Capital Facilities Fund is restricted to that fund.

County School Facilities Fund: Used primarily to account for apportionments received from State School Facilities Fund authorized by the State Allocation Board for new school facility construction, modernization, and facility hardship grants.

Special Reserve for Capital Outlay Projects Sub-fund (SRCPF): Exists primarily to provide for the accumulation of General Fund monies for capital outlay purposes. Other authorized revenues which may be transferred to the Special Reserve Fund are (1) proceeds from the sale or lease of real property with the option to purchase; (2) rentals and leases of real property specifically authorized for deposit to the fund by the governing board; and, (3) excess amounts sufficient to pay all unpaid bond obligations. The Debt Service Funds are established to account for the accumulation of resources for and the payment of the principal and interest on general long-term debt.

Cash in County Treasury:

Cash balances on deposit in the county treasury for the various funds of the school district.

Certificates of Participation (COP)

A financing technique which provides long-term financing through a lease (with an option to purchase or a conditional sale agreement). The primary difference between a COP and a General Obligation Bond is that a General Obligation Bond is voter approved debt as opposed to a COP which is not voter approved.



Chart of Accounts:

A list of accounts.

Classified Personnel:

Employees who hold positions that do not require credentials including aides, custodians, clerical personnel, transportation, food services, and other non-teaching personnel.

Class Size Reduction (CSR):

Initiated in the 1996–97 school year for kindergarten through third grade, the state has two programs that provide incentive funding for schools to reduce or maintain class sizes of no more than 20 students per teacher. One program covers kindergarten through third grade classes. A separate program supports smaller classes for core academic subjects in 9th grade. The existing CSR program was replaced in the 2013-14 fiscal year with the passage of the LCFF which has mandates as to the allowable sizes of classes in grades K-3. The funding is now a grade span adjustment to the LCFF in grades K-3.

Contracted Services:

Expense of services rendered under contract by personnel who are not on the payroll of the school system.

Cost of Living Adjustment (COLA):

An increase in funding for revenue limits of categorical programs based on various indices of inflation. In some years, the full statutory amount is not appropriated.

Debt Service Funds

Debt service funds are used to account for the accumulation of resources for the payment of principal and interest on general long-term obligations.

Bond Interest and Redemption Fund: Used for the repayment of bonds issued for a Local Education Agency (Education Code sections 15125-15262, Bond Interest and Sinking Fund).

Debt Service Fund for Blended Component Units: This fund is used to account for the accumulation of resources for the payment of principal and interest on Certificates of Participation that are issued by financing corporations that are considered blended component units of the school district under generally accepted accounting principles (GAAP).

Deferred Maintenance:

Major repairs of buildings and equipment by school districts. The District allocates a portion of its funds to deferred maintenance projects.

Deficit:

Excess of liabilities over assets.

**Deficit Factor:**

When an appropriation to the State School Fund for revenue limits or for any specific categorical program is insufficient to pay all claims for state aid, a deficit factor is applied to reduce the allocation of state aid to the amount appropriated.

Direct Support Charges:

Charges to a program from a support program that directly benefit the program charged.

Deficit Spending:

The amount by which total expenditures exceed total revenues for the fiscal year. Deficit spending results in a reduction of fund balance.

Deficits:

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

Developer Fees:

A charge per square foot on residential and commercial construction within a school district. These fees, charged both to developers of new properties and to property owners who remodel, are based on the premise that new construction will lead to additional students. Individual school districts decide whether to levy the fees and at what rate up to the maximum allowed by law. The maximum, adjusted for inflation every two years, is higher for residential than for commercial construction. Districts are required to substantiate the financial impact of new development and show that they have used the revenues to address that impact. Proceeds may be used for building or renovating schools and for portable classrooms.

Due To/From Other Funds:

Amounts owed by one fund to another. The recognition of interfund payables in one fund requires the recognition of an interfund receivable in another fund. Because of this relationship, the aggregate amount of interfund payables must equal the aggregate amount of interfund receivables at all times.

Employee Benefits

Amounts paid by the school system on behalf of employees; these amounts are not included in the gross salary, but are over and above. They are fringe benefit payments, and while not paid directly to employees, they are nevertheless a part of the employee cost. Examples are (1) group health or life insurance payments; (2) contributions to employee retirement (STRS – State Teachers’ Retirement System); (3) O.A.S.D.I. (Social Security) Taxes; (4) workers’ compensation payments; and (5) payments made to personnel on sabbatical leave.

**Encumbrances:**

Purchase orders, contracts for salary, or other commitments which are chargeable to an appropriation and for which a part of the appropriation is reserved. They cease to be encumbrances when paid or when the actual goods or services are delivered to the school district.

Ending Balance:

Generally a reference to a school district's net ending balance of their General Fund. The ending balance is divided into restricted and unrestricted funds that a school district has remaining at the end of a fiscal year. A school district must have a Reserve for Economic Uncertainties within their ending balance which meets the criteria and standards minimums as established by the State Board of Education.

English Learner (EL):

Student who has not yet mastered the English language.

English Language Arts (ELA):

All academic disciplines related to reading and the use of the English language in communication.

Enrollment:

The total number of pupils enrolled, whether part-time, full-time, resident or non-resident. For state reporting purposes, students must be enrolled in a qualifying program. A pupil is considered enrolled whether in attendance on a specific count date or not, participating in homebound instruction or a non-graduate enrolled in qualifying alternative programs.

Entitlement:

An apportionment, typically from the federal or state government, that is received based on specific qualifications rather than through a competitive process.

Expenditures:

Amounts paid or liabilities incurred for all purposes.

Construction Expenditures: Include expenditures for new school construction, including renovation and expansion. They include expenditures on land, buildings, and equipment for new and remodeled facilities.

Expenditure Per Pupil: The amount of money spent on education by a school district or the state, divided by the number of students educated. For most official purposes, the number of students is determined by average daily attendance (ADA). (See Revenues Per Pupil)

Instructional Expenditures: Current expenditures for activities directly associated with the interaction between teachers and students. These include teacher salaries and benefits, supplies (i.e. textbooks), and purchased instructional services.

Interest On Debt Expenditures: Expenditures for interest on long-term debt (i.e. obligations of more than 1 year).

Replacement Equipment Expenditures: Include expenditures for equipment for schools that are not new or recently renovated. Equipment is generally defined as items that last more than 1 year, are repaired rather than replaced, and have a cost over \$25,000.

Support Services Expenditures: Current expenditures for activities that support instruction. These services include operation and maintenance of buildings, school administration, student support services (i.e. nurses, therapists, and guidance counselors), student transportation, instructional staff support (i.e. librarians, instructional specialists), school district administration, business services, research, and data processing.

Fiscal Crisis And Management Assistance Team (FCMAT):

The state agency formed to help ensure the fiscal solvency of school districts and county offices of education.

Fiscal Year:

Twelve calendar months; in California it is the period beginning July 1 and ending June 30. Some special projects use a fiscal year beginning October 1 and ending September 30.

Fixed Assets:

Property of a permanent nature having continuing value; e.g., land, buildings, and equipment.

Free/Reduced Price Meals:

A federal program to provide food, typically lunch and/or breakfast, for students from low-income families. The number of students participating in the National School Lunch Program is increasingly being used as a way to measure the poverty level of a school or district population. The number of children in this program can affect schools' or districts' eligibility for grants or other funding aimed at helping lower-income families.

Full-Time Equivalent, "FTE":

The ratio of time expended in a part-time position to that of a full-time position. The ratio is derived by dividing the amount of employed time required in the part-time position by the amount of employed time required in a corresponding full-time position.

Fund:

A sum of money or other resources set aside for the purpose of carrying on specific activities of attaining certain objectives in accordance with special regulations, restrictions, or limitations.

Gann Spending Limit

A ceiling, or limit, on each year's appropriations of tax dollars by the State, cities, counties, school districts, and special districts. In November 1979, California voters approved the late Paul Gann's Proposition 4 to limit the amount of tax money that state and local governments, including school

districts, could legally spend. Using 1978-79 as a base year, subsequent years' limits have been adjusted for: (1) an inflation increase equal to the change in the Consumer Price Index or per capita personal income, whichever is smaller; and, (2) the change in population or, for school agencies, change in average daily attendance (ADA). Proposition 111, adopted in June 1990, amended the Gann Limit inflation factor to be based only on the change in per capita personal income.

Generally Accepted Accounting Principles (GAAP)

Uniform standards and guidelines to financial accounting and reporting which govern the form and content of the basic financial statements of an entity. GAAP encompasses the conventions, rules, and procedures necessary to define standard accounting practices.

General Obligation Bonds (GO Bonds)

A local bond for renovating, reconstructing, and building new facilities or for acquiring certain new equipment. GO bonds are financed by an increase in property taxes. School districts can seek either two-thirds or 55% voter approval. If districts seek the 55% approval, they must meet additional accountability requirements.

Governmental (General) Funds:

The General Fund is used to account for the ordinary operations of the District. All transactions except those required or permitted by law to be in another fund are accounted for in this fund. Restricted projects or activities within the General Fund must be identified and separated from unrestricted activities.

Income:

Revenue and non-revenue receipts.

Indirect Expense and Overhead:

Those elements of indirect cost necessary in the operation of the district or in the performance of a service that are of such nature that the amount applicable to each accounting unit cannot be separately identified. Examples of indirect costs include expenses for the Board of Education, Superintendent and the business office.

Interfund Transfers:

Money that is taken from one fund under the control of the governing board and added to another fund under the board's control

Individualized Education Program (IEP)

A written agreement between a school district and parents or guardians of a child with disabilities specifying an educational program tailored to the needs of the child, in accordance with PL 94-142 regulations. The program is comprised of a placement team consisting of a certified district employee who is qualified to supervise Special Education, the child's teacher, one or both parents, the child, if appropriate, and other individuals at the discretion of the parent or school. The program must include a statement of the child's present levels of educational performance, a statement of annual goals and short term instructional objectives, a statement of the specific special education

and related services to be provided to the child, the extent to which the child will participate in regular education programs, the projected dates for starting services, appropriate objective criteria, evaluation procedures, and schedules for determining, on at least an annual basis, whether the short term instructional objectives are being achieved.

Joint Powers Authority (JPA)

An agreement among school districts to share services or responsibilities. A Joint Powers Board, made up of representatives of the districts, governs the JPA.

Local Control Accountability Plan (LCAP)

The LCAP is LCFF's mechanism for achieving transparency and engagement. It is the way that school districts are required to share performance data, needs, actions, and anticipated outcomes that guide the use of available LCFF funding. Before the start of the 2014-15 school year, each school district will need to have a Board approved Local Control and Accountability Plan prior to the adoption of their budget.

According to Education Code section 52060, the LCAP must describe the annual goals for all students including details for low income, English learners and foster youth that address state and local priorities. The LCAP must also describe the specific actions that the district will take to achieve the goals it has identified with budget details that show the level and type of state expenditures made to support these actions.

The state priorities are expressed as metrics for which districts are expected to develop performance measures to demonstrate how LCFF and the LCAP support student outcomes. The State priorities are as follows:


- -Student Achievement
- -Student Engagement
- -Other Student Outcomes
- -School Climate
- -Parent Involvement
- -Basic Services
- -Implementation of State Standards
- -Course Access

Local Control Funding Formula (LCFF):

The Local Control Funding Formula represents a major shift in how California funds local educational agencies, "LEAs. Each school district and charter school will receive a per pupil base grant, used to support the basic costs of instruction and operations. Base grant amounts will vary between the grade spans of K-3, 4-6, 7-8, and 9-12 to reflect the differential costs of educating pupils in different grade spans.

The LCFF provides an adjustment of 10.4 percent on the base grant amount for kindergarten through grade three (K-3).

Provides an adjustment of 2.6 percent on the base grant amount for grades nine through twelve (9-12).



Provides a supplemental grant equal to 20 percent of the adjusted base grant for targeted disadvantaged students. Targeted students are those classified as English Learners (EL), eligible to receive a free or reduced-price meal (FRPM), foster youth, or any combination of these factors (unduplicated count).

Liabilities:

Legal obligations that are unpaid.

Major Governmental Funds:

The General Fund is the main operating fund of the District. It is used to manage all financial resources except those required to be accounted for in another fund.

The Building Fund is used to account for the acquisition of major governmental capital facilities and buildings from bond proceeds.

The Capital Facilities Fund is used to account for revenues received from developer fees.

Non-Major Governmental Funds:

Special Revenue Funds are used to account for the proceeds of specific revenue sources that are legally restricted to expenditures for specific purposes. Funds in this category include the Charter Schools Fund, Adult Education Fund, Child Development Fund, Food Service Fund (Campus Catering), and Deferred Maintenance Fund. Capital Projects Funds are used to account for the acquisition and/or construction of all major governmental general fixed assets. Funds in this category include the School Facilities Program Fund and the Special Reserve Fund.

Debt Service Funds are used to account for the accumulation of resources for, and the payment of, general long-term debt principal, interest and related costs.

Object of Expenditures

As used in expenditures classification, applies to the article purchased or the service obtained, rather than to the purpose for which the article or service was purchased or obtained (e.g., personnel services, contractual services, materials and supplies).

Certificated Salaries 1000: Expenditures for full-time, part-time, and prorated portions of salaries for all certificated personnel.

Classified Salaries 2000: Expenditures for full-time, part-time, and prorated portions of salaries for all classified personnel.

Employee Benefits 3000: Expenditures for employer's contributions to retirement plans and for health and welfare benefits for employees and/or their dependents, retired employees, and board members.

Books and Supplies 4000: Books, supplies, equipment under \$25,000 and equipment replacement for instruction and other district operations, such as administration and maintenance.

Contracted Services and Other Operating 5000: Expenditures for consultants, lecturers, Western Association of Schools and Colleges (WASC) reports and testing services, services provided by the County Superintendent of Schools or other school districts, travel, conferences, membership, dues, insurance, utilities, rentals, leases, legal assistance, elections, audits, other contracted services, and interprogram charges and credits for direct services.

Capital Outlay 6000: Expenditures over \$25,000 for sites and improvement of buildings, books and media for new school libraries, or major expansion of school libraries, and new equipment.

Other Outgo 7000: Expenditures for the retirement of debt, outgoing tuition, interfund transfers, other transfers, and appropriations for contingencies.

Parcel Tax

In California, an assessment on each parcel of property that must be approved by two-thirds of the voters in a school district. When proposing parcel tax elections, districts indicate how the money will be used, generally for educational programs. Money from parcel taxes is usually not used for school construction or renovation, which is normally financed through a general obligation bond measure. (See Government Code Section 50079, et al.)

Principal Apportionment

Funding from the State School Fund for school districts, county offices of education, and charter schools. The Advance Principal Apportionment is certified by the Superintendent of Public Instruction in July of each school year, followed by the First Principal Apportionment (P1) in February, and the Second Principal Apportionment (P2) in June.

Prior Year's Taxes:

Taxes collected within the current fiscal year for levies in previous fiscal years. Proposition 98 (1988) An initiative adopted in 1988 and then amended by Proposition 111 in 1990. Proposition 98 contains three major provisions: (1) a minimum level of state funding for K-14 school agencies (unless suspended by the Legislature); (2) a formula for allocating any state tax revenues in excess of the state's Gann Limit; and, (3) the requirement that a School Accountability Report Card be prepared for every school. The minimum funding base is set equal to the greater of the amount of state aid determined by two formulas, commonly called Test 1 and Test 2, unless an alternative formula, known as Test 3, applies.

Test 1 originally provided that K-14 school agencies shall receive at least 40.319% of state general fund tax revenues in each year, the same percentage as was appropriated for K-12 school agencies in 1986-87. Due to the shift in property taxes from local governments to K-14 agencies, the Test 1 percentage has been reset at 34.0%.

Test 2 provides that K-14 school agencies shall receive at least the same amount of combined state aid and local tax dollars as was received in the prior year, adjusted for the statewide growth in K-12 ADA and an inflation factor equal to the annual percentage change in per capita personal income.

Test 3 only applies in years when the annual percentage change in per capita state general fund tax revenues plus one-half percent is lower than the Test 2 inflation factor (i.e. change in per capita

personal income), and in this case the Test 2 inflation factor is reduced to the annual percentage change in per capita state general fund tax revenues plus one half percent.

One of the provisions of Proposition 98/111 is that if the minimum funding level is reduced due either to Test 3 or the suspension of the minimum funding level by the Legislature and Governor, a maintenance factor is calculated as the amount of the funding reduction. In subsequent years when state taxes grow quickly, this maintenance factor is added to the minimum funding level until the funding base is fully restored.

Proprietary Funds:

One type of Proprietary Fund is the Internal Service Fund. This fund can be used to render services to other organizational units of a Local Educational Agency on a cost reimbursement basis. The fund is generally self-supporting. CUSD has established an Internal Service Fund for Self Insurance. This fund is used to separate money for self insurance activities from other operating funds of the district.

Public Employees' Retirement System (PERS)

State law requires that classified employees, their employer, and the State to contribute to this retirement fund.

Reserves

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

Revenue:

All funds received from external sources, net of refunds, and correcting transactions. Non-cash transactions such as receipt of services, commodities, or other receipts in kind are excluded, as are funds received from the issuance of debt, liquidation of investments, and non-routine sale of property.

Federal Revenues include direct grants-in-aid to schools or agencies, funds distributed through a state or intermediate agency, and revenues in lieu of taxes to compensate a school district for nontaxable federal institutions within a district's boundary.

Local Revenues include revenues from such sources as local property and non-property taxes, investments, and revenues from student activities, textbook sales, transportation and tuition fees, and food services.

Revenues Per Pupil is the total amount of revenues from all sources received by a school district or state, divided by the number of students as determined, most often, by average daily attendance (ADA). Unlike expenditures per pupil, this formula is based on income per pupil rather than on what is spent per pupil. (See Expenditures Per Pupil).

Local Control Funding Formula (LCFF) is the amount of revenue that a district can collect annually for general purposes from local property taxes and state aid. The LCFF limit is composed of a base, supplemental and concentration grants as applicable per ADA. Those rates are then multiplied by

the ADA of each applicable grade span. Additional factors are used in the final determination of the funding.

State Revenues include both direct funds from state governments and revenues in lieu of taxation. Revenues in lieu of taxes are paid to compensate a school district for nontaxable state institutions or facilities within the district's boundary.

Revolving Cash Fund:

A stated amount of money used primarily for emergency or small or sundry disbursements and reimbursed periodically through properly documented expenditures.

Secured Roll:

Assessed value of real property, such as land, buildings, secured personal property, of anything permanently attached to land as determined by each county assessor.

Special Revenue Funds

Established to account for the proceeds from specific revenue sources which (by law) are restricted to the financing of particular activities.

Adult Education Fund: Used to account separately for federal, state, and local revenue for adult education programs.

Charter Schools Fund: Used to account separately for federal, state, and local revenue for charter school programs.

Child Development Fund: Used to account separately for federal, state, and local revenue to operate child development programs.

Cafeteria Fund: Used to account separately for federal, state, and local revenue to operate the food service program.

Deferred Maintenance Fund: Used to account separately for Local Education Agency's contributions for deferred maintenance purposes.

School Boards

By law, every school district in California is governed by a locally elected school board. The number of board members, generally between three and seven, relates to the size of the district. Together with the school district administration, the governing board makes many fiscal, personnel, instructional, and student-related policy decisions. The board also provides direction for the district and makes hiring decisions for the district superintendent.

School Districts - What is a school district?

There are three types of school districts: elementary, high school, and unified. An elementary district is generally kindergarten through eighth grade (K-8); high school is generally grades 9 through 12; unified is kindergarten through 12th grade (K-12).

Site Based Budgeting

A method of allocating resources to individual schools within a school district. Most frequently, funds are allocated based on the number of pupils at each school site and a site governance council determines how the budgeted amount will be allocated within the site.

Special Education

Programs to identify and meet the educational needs of exceptional children, such as those with learning or physical handicaps. Federal law PL 94-142 requires that all children with disabilities between 3 and 22 years be provided free and appropriate education.

Special Education Local Plan Area (SELPA)

All school districts and county school offices are mandated to form consortiums in geographical regions of sufficient size and scope to provide for all special education service needs of children residing within the region boundaries. Each region, Special Education Local Plan Area (SELPA), developed a local plan describing how it would provide special education services. SELPAs facilitate high quality educational programs and services for special needs students and training for parents and educators. The SELPA collaborates with county agencies and school districts to develop and maintain healthy and enriching environments in which special needs students and families can live and succeed.

Standardized Account Code Structure (SACS)

Standardized Account Code Structure is a method for school agencies to account for their revenues and expenditures. Districts use a 22-digit accounting record that allows agencies to track costs by resource, program goal and function as well as by object code. All districts are required to account by this method.

State Teachers' Retirement System (STRS)

State law requires certificated employees, school districts, and the state to contribute to this retirement fund.

Supplemental Services

Students from low-income families who are attending schools that have been identified as failing for two years are eligible to receive outside tutoring for academic assistance under the No Child Left Behind Act (NCLB). Parents can choose the appropriate services for their child from a list of approved providers. The school district provides the services.

Title I

A federal program that provides funds for educationally disadvantaged students, including the children of migrant workers. Funding is based on the number of low-income children in a school, generally those eligible for the free/reduced price meals program. Title I is intended to supplement, not replace, State and district funds. The funds are distributed to school districts, which make allocations to eligible schools, according to criteria in the federal law. Schools receiving Title I monies are supposed to involve parents in deciding how those funds are spent and in reviewing

progress. See No Child Left Behind Act (NCLB), Schoolwide Programs, and Targeted Assistance Schools (TAS).

Title II

Title II, Part A, Teacher and Principal Training and Recruiting is a federal categorical program contained in the Consolidated Application. The purpose of Title II is to increase the academic achievement of all students by helping schools and district (1) improve teacher and principal quality through professional development and other activities and (2) ensure all teachers are highly qualified.

Title III

Part A of Title III is officially known as the English Language Acquisition, Language Enhancement, and Academic Achievement Act. Title III is a part of the federal No Child Left Behind Act of 2001 proposed and signed into law by the George W. Bush Administration. It is specifically targeted to benefit Limited English Proficient (LEP) children and immigrant youth. The Act states that LEP students must not only attain English proficiency but simultaneously meet the same academic standards as their English-speaking peers in all content areas.^[1] Federal funding is provided to assist State Education Agencies (SEAs) and Local Education Agencies (LEAs) in meeting these requirements.

Transfer:

Interdistrict or interfund payments or receipts not chargeable to expenditures or credited to income. Certain budget revisions are often referred to as transfers.

Unduplicated Count (UPP)

The number of pupils receiving special education or special services under the Master Plan for Special Education on the census dates of December 1 and April 1. It also refers to the percentage of students who qualify for free or reduced price meals, English learners, or foster youth. Even though a pupil may receive multiple services, each pupil is counted only once in the unduplicated count.

Unencumbered Balance

That portion of an appropriation or allotment not yet expended or obligated.

Unsecured Roll:

Assessed value of personal property other than secured property

Warrant

A written order approved by the Board drawn to pay a specified amount to a designated payee.

Common Acronyms

AB	Assembly Bill
ACA.....	Assembly Concurrent Amendment or Affordable Care Act (also listed as PPACA)
ACR.....	Assembly Concurrent Resolution
ACSA	Association of California School Administrators
ADA.....	Average Daily Attendance
AFSCME	American Federation of State, County, and Municipal Employees
AMO.....	Annual Measurable Objective
AP	Advanced Placement
API	Academic Performance Index
ARRA.....	American Recovery and Reinvestment Act
ASAM.....	Alternative Schools Accountability Model
ASCC	Activity Supervisor Clearance Certificate
ASES.....	After School Education and Safety Program
AU	Administrative Unit of a SELPA
AV	Assessed Value
AYP.....	Adequate Yearly Progress
BCLAD.....	Bilingual, Crosscultural, Language, and Academic Development
BTSA.....	Beginning Teacher Support and Assessment
CADS	Consolidated Application Data System
CAHSEE.....	California High School Exit Examination
CALPADS	California Longitudinal Pupil Achievement Data System
CalPERS	California Public Employees' Retirement System
CalSTRS	California State Teachers Retirement System
CALTIDES.....	California Longitudinal Teacher Integrated Data Education System
CalWORKs.....	California Work Opportunity and Responsibility to Kids
CAPA	California Alternate Performance Assessment
CARS	Consolidated Application and Reporting System
CASBO.....	California Association of School Business Officials
CASEMIS	California Special Education Management Information System
CASH	Coalition for Adequate School Housing
CAT/6	California Achievement Tests, Sixth Edition Survey
CBA.....	Collective Bargaining Agreement
CBEDS.....	California Basic Educational Data System
CBEST	California Basic Education Skills Test
CCR.....	California Code of Regulations (Title 5) or Coordinated Compliance Review
CCSESA.....	California County Superintendents Educational Services Association
CCSS.....	Common Core State Standards
CDE.....	California Department of Education
CELDT.....	California English Language Development Test
CFR.....	Code of Federal Regulations
CFT.....	California Federation of Teachers
CLAD.....	Crosscultural, Language, and Academic Development
CMIS.....	Compliance Monitoring, Interventions, and Sanctions

CNIPS.....Child Nutrition Information Payment System
 COE.....County Office of Education
 COLACost-of-Living Adjustment
 CPIConsumer Price Index
 CPR.....California Performance Review
 CSAM.....California School Accounting Manual
 CSBACalifornia School Boards Association
 CSEA.....California School Employees Association
 CSET.....California Subject Examination for Teachers
 CSIS.....California School Information Studies
 CSR.....Class-Size Reduction or Comprehensive School Reform
 CSTCalifornia Standards Test
 CSTP.....California Standards for the Teaching Profession
 CTA.....California Teachers Association
 CTC.....Commission on Teacher Credentialing
 CTECareer Technical Education
 DAC.....District Advisory Committee
 DAITDistrict Assistance and Intervention Team
 DGS.....Department of General Services
 DISDesignated Instruction and Services
 DOF.....Department of Finance
 DSA.....Division of the State Architect
 DSS.....Department of Social Services
 EAAP.....Education Audit Appeals Panel
 ECEducation Code
 EDGAR.....Education Department General Administrative Regulation
 EIAEconomic Impact Aid
 EL.....English Learner (replaces ELL, LEP)
 ELAEnglish Language Arts
 ELAC.....English Language Advisory Committee
 ELAP.....English Language Acquisition Program
 ERAF.....Education Revenue Augmentation Fund
 ERP.....Economic Recovery Payment
 ESEA.....Elementary and Secondary Education Act
 ESL.....English as a Second Language

 ESYExtended School Year
 FAPE.....Free and Appropriate Public Education
 FCMAT.....Fiscal Crisis & Management Assistance Team
 FERPAFamily Educational Rights and Privacy Act
 FPM.....Federal Program Monitoring
 F/RPMFree/Reduced-Price Meals
 FTE.....Full-Time Equivalent
 GAAPGenerally Accepted Accounting Principles
 GASB.....Governmental Accounting Standards Board
 GATE.....Gifted and Talented Education
 GO.....General Obligation (Bond)

GPA.....Governor’s Performance Award Program
 HOUSSEHigh Objective Uniform State Standard of Evaluation
 HQT.....Highly Qualified Teacher
 HRA.....Health Reimbursement Arrangement
 HSA.....Health Savings Account
 IASA.....Improving America’s Schools Act
 IDEA.....Individuals with Disabilities Education Act
 IEP.....Individualized Education Program
 IHSS.....In-Home Support Services
 II/USP.....Immediate Intervention/Underperforming Schools Program
 IMFRPInstructional Materials Funding Realignment Program
 JPA.....Joint Powers Agreement or Joint Powers Authority
 LAIF.....Local Agency Investment Fund
 LAO.....Legislative Analyst’s Office
 LCAP.....Local Control Accountability Plan
 LCFFLocal Control Funding Formula
 LCI.....Licensed Children’s Institution (often used as a generic term to also encompass foster family homes and residential medical facilities)
 LEALocal Educational Agency
 LEP.....Limited English Proficient
 MEP.....Migrant Education Program
 MOU.....Memorandum of Understanding
 MTYRE.....Multi-Track Year-Round Education
 MYP.....Multiyear Projection
 NAEP.....National Assessment of Educational Progress
 NCES.....National Center for Education Statistics
 NCLB.....No Child Left Behind
 NPS/A.....Nonpublic School/Agency
 NSS.....Necessary Small School

 OMB.....Office of Management and Budget
 OPEBOther Postemployment Benefits
 OPSCOffice of Public School Construction
 P-1.....First Principal (Apportionment)
 P-2.....Second Principal (Apportionment)
 PAR.....Peer Assistance and Review
 PCA.....Project Cost Account
 PEPRA.....Public Employees’ Pension Reform Act
 PERB.....Public Employment Relations Board
 PIProgram Improvement
 PL.....Public Law (federal law)
 PL 81-874.....Public Law 81-874 (Federal Impact Aid)
 PMIA.....Pooled Money Investment Account
 PMIB.....Pooled Money Investment Board
 PPACA.....Patient Protection and Affordable Care Act
 PSAA.....Public Schools Accountability Act
 PTAParent Teachers Association

QEIA.....Quality Education Investment Act
 QSCB.....Quality School Construction Bonds
 QZABQuality Zone Academy Bond
 RDA.....Redevelopment Agency
 RFA.....Request for Application
 ROC/PRegional Occupational Center/Program
 RRMA.....Routine Restricted Maintenance Account
 RSDSSRegional System of District and School Support
 RSP.....Resource Specialist Program
 RTI.....Response to Intervention
 RTTTRace to the Top
 S4Statewide System of School Support
 SAB.....State Allocation Board
 SACS.....Standardized Account Code Structure
 SAITSchool Assistance and Intervention Team
 SARBSchool Attendance Review Board
 SARCSchool Accountability Report Card
 SAT-9Stanford Achievement Test, Ninth Edition, Form T
 SBSenate Bill
 SBE.....State Board of Education
 SCA.....Senate Constitutional Amendment
 SCO.....State Controller's Office
 SCR.....Senate Constitutional Resolution
 SDC.....Special Day Class
 SED.....Severely Emotionally Disturbed
 SEIU.....Service Employees International Union
 SELPA.....Special Education Local Plan Area
 SERAFSupplemental Educational Revenue Augmentation Fund
 SESSocioeconomic Status
 SFIDSchool Facility Improvement District
 SFSD.....School Fiscal Services Division of CDE
 SFSFState Fiscal Stabilization Fund
 SIGSchool Improvement Grant
 SIP.....School Improvement Program
 SLIBG.....School and Library Improvement Block Grant
 SPI.....Superintendent of Public Instruction
 SPSA.....Single Plan for Student Achievement
 SSI/SSP.....Supplemental Security Income/State Supplementary Payment
 SST.....Student Study Team; also Student Success Team
 STAR.....Standardized Testing and Reporting
 SWPSchoolwide Program
 TANF.....Temporary Assistance for Needy Families
 TASTargeted Assistance School
 TRANS.....Tax and Revenue Anticipation Notes
 TK.....Transitional Kindergarten

Useful Sources of Information

Parent resources

- [General Information on LCFF and LCAP](#), *California State PTA* (available in six languages).
- [LCAP Quick Guides](#), *California State PTA*: The Eight LCAP Priorities and questions to ask ([Spanish translation](#)):
- [The LCAP Calendar](#), *California State PTA*: Checkpoints during the year ([Spanish translation](#)):
- [PTA's Guide for Family-School Engagement](#), *California State PTA*: national standards adopted for the LCAP ([Spanish translation](#)):
- [Reimagining Parent Engagement in Schools](#) *Families in Schools*, September 2013
- [Ready or Not: Parent Engagement under LCFF](#), *Families in Schools*, February 2016

Databases, tools

- [LCAP Watch](#), *Education Trust-West*: A searchable database of district LCAPs
- [Fair Share 4 Kids](#), *A coalition of advocacy groups and nonprofits*: database of how much each district gets in supplemental/concentration dollars.
- [LCAP Toolkit](#), *Education Trust-West, Children Now and the California Association of School Business Officers* : tools to help school districts and advocates create readable LCAPs and budget presentations.

WestEd Library on LCAP/LCFF

- [Evaluation Rubrics updates](#)
- [LCAP webinars](#)

Other resources

- [CDE website](#), *California Department of Education*: LCFF overview, regulations, FAQ, funding information.
- [LCAP trainings](#), *Sacramento County Office of Education*: slides, information from December 2015 workshops on funding requirements.
- [California's New Finance Law](#), *Public Advocates*: links to organization's commentaries, resources.
- [Senate Budget and Fiscal Review Subcommittee](#), *State of California*



SACS Reports