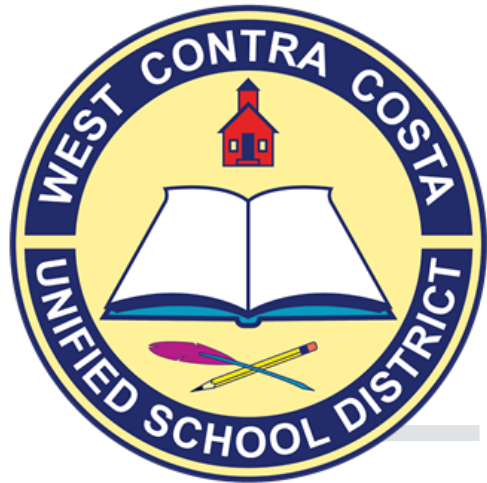


2021 Governor's January Budget Proposal



West Contra Costa Unified School District
January 22, 2021

Budget Committee Meeting

Tony Wold, Ed.D.,
Associate Superintendent, Business Services

Today's Agenda

- Current Budget Situation
 - WCCUSD Budget Story
 - Where we closed out 2020
- Governor's Budget Proposal
 - Details and Proposals
 - Potential Impact to WCCUSD
 - Federal Support
 - Multiyear Planning
 - Next Steps and moving forward

2020 – 2021 Board Budget Calendar

Budgeting for a school district is a continuous, year-round process. Projections continually change based on new and changing information. There are 6 formal reports presented to the Board:

- ❖ June 30, 2020 Adopted 2020 – 21 Budget
- ❖ September 23, 2020 Unaudited Actuals and LCP
- ❖ December 9, 2020 1st Interim and Parent LCAP Budget Report *(Data as of October)*
- ❖ March 10, 2021 2nd Interim Budget *(Data as of January)*
- ❖ May 19, 2021 Third Interim Budget *(Data as of April)*
- ❖ June 9, 2021 Public Hearing Budget and LCAP
- ❖ June 23, 2021 2021 – 22 Budget and LCAP Adoption

Other than the presentation of the actual financial information (unaudited actuals) all other budget presentations are a combination of actuals and projections for the current and upcoming year

The WCCUSD Budget Story – Last Year 2019

- September 2019 = \$39.9 million current year deficit
 - Addressed by borrowing one-time from reserves (totals from Unaudited Actuals)
 - \$14,299,676.51 from Fund 71 OPEB
 - \$19,282,851.43 from Fund 17
 - **These funds have not been restored (but can be now)**
 - Other solutions (totals from Unaudited Actuals)
 - \$4,572,181.96 from Pre-school one-time block grant
 - \$1,745,290.10 current year fund balance and operational savings

The WCCUSD Budget Story – This Year 2020

- The 2020 – 2021 structural deficit of \$47.8 million was based upon increased anticipated spending from 2019 - 2020 of over \$15 million to maintain status quo
 - Addressed in March / April 2020 through MOUs and adopted cuts
 - Estimated \$19.8 million in negotiated MOUs for 2020 - 2021
 - Estimated \$2.0 million in unrepresented management reductions
 - Estimated \$6.0 million in contract reductions
 - Estimated \$2.0 million in site budget reductions
 - Estimated \$15.8 million one-time OPEB
 - Estimated \$2.2 million in one-time reserves
 - This was pre-Covid and CARES Act and the District would have needed to **cut an additional \$18 million for 2021 - 2022**



The WCCUSD Budget Story – Current Year

- The District is on-track this year to meet our financial goals with a positive fund balance again at the end of the school year due to the receipt of one-time CARES Act funding
 - The District closed the books with Fund 17 just above the required 3% and \$35 million committed in reserve to support future cuts
 - The 2nd OPEB transfer would not be required in 2021 – 2022
 - It may be necessary in 2022 - 2023
 - The District had a balance budget for 2020 – 2021
 - Utilization of some committed reserves would occur in 2021 - 2022
- Before the Governor’s proposal the District would have needed to **cut an additional \$15 million for 2022 – 2023 and 2023 - 2024**



2020 in Review

Creating a New Paradigm

Distance Learning
Required a New Way
of Thinking and
Budgeting

Our Plan was built in-
flight using CARES
ACT to keep the
District operating

With fiscal discipline
and a budget structure
aligned to priorities that
were identified over the
summer we...





What has Changed in the Budget this year since adoption in June?

June 2020

- State expected a drop of \$30 billion in revenue – projected a 10% LCFF reduction in our adopted budget
- CARES Act was announced but not quantified regarding uses – The District budgeted \$13 million for 2020 - 2021
- Adopted budget used OPEB (2nd year) and CARES Act to cover structural deficit

September 2020

- State adopted almost \$12 billion in deferrals but restored LCFF at flat funding with 0% COLA
- CARES Act was quantified bringing an additional \$20 million one-time for the current year
- District Closed the Books with \$35 million committed in reserves for future cuts
- The structural deficit was reduced by LCFF and CARES and OPEB was not used in 2020 - 2021

2020 – 2021 First Interim- Revenue

June 2020
Adopted
Budget

September
2020
Revised
Budget

December
2020
Revised
Budget

Description	Resource Codes	Object Codes	Original Budget (A)	Board Approved Operating Budget (B)	Actuals To Date (C)	Projected Year Totals (D)	Difference (Col B & D) (E)	% Diff (E/B) (F)
A. REVENUES								
1) LCFF Sources		8010-8099	262,312,453.00	283,289,152.00	166,083,900.99	283,289,152.00	0.00	0.0%
2) Federal Revenue		8100-8299	33,406,510.00	53,552,600.00	25,452,008.20	53,552,600.00	0.00	0.0%
3) Other State Revenue		8300-8599	32,900,652.00	37,039,208.00	11,635,441.81	37,111,208.00	72,000.00	0.2%
4) Other Local Revenue		8600-8799	34,536,422.00	21,004,362.00	17,507,207.53	21,018,522.00	14,160.00	0.1%
5) TOTAL, REVENUES			363,156,037.00	394,885,322.00	220,678,558.53	394,971,482.00		

OPEB transfer is not used and District will pay for OPEB using current funds and leave the balance in Fund 71

LCFF Revenue revised flat funding with 0% COLA

One-time CARES Act fully budgeted and placed on restricted side of budget



December 2020 – First Interim

(\$ in millions)	2019-20	2020-21	2021-22	2022-23
Revenue	\$377.4	\$394.9	\$358.9	\$355.3
New CARES ACT				
OPEB Transfer				\$15.0
Expenditures	\$377.0	\$391.0	\$372.8	\$381.1
2022 - 2023 Recommended Cuts			\$15.0	
2023 - 2024 Recommended Cuts				\$15.0
Net Increase / (Decrease)	\$0.4	\$3.9	(\$13.9)	(\$10.8)
Fund 01 Beginning Balance Combined (Unrestricted & Restricted)	\$25.3	\$44.5	\$48.4	\$34.5
Fund 17 Beginning Balance	\$34.0	\$14.7	\$14.7	\$14.7
Projected Fund 01 Ending Balance & Components of Ending Balance	\$44.5	\$48.4	\$34.5	\$23.7
Restricted Balance	\$4.4	\$8.0	\$4.9	\$4.8
Assignments	\$4.7	\$5.4		
Committed for Budget Reductions	\$35.0	\$35.0	\$29.6	\$18.9
Fund 17 Reserve	\$14.7	\$14.7	\$14.7	\$14.7
Fund 17 + Committed %	13.18%	12.71%	11.88%	8.82%

Includes 0% COLA for 2021 – 2022 and no additional CARES Act

OPEB is not used until 2022 - 2023

Does not include potential cuts for 2022 – 2023 and 2023 – 2024 of \$15 million year

Governor's Budget Proposal – January 2021

- **Proposition 98 guarantee increases by \$3 billion up to \$85.8 billion for K-12**
 - Provides for restoration of Cost of Living Adjustment (COLA) 2.31% for 2020-2021 plus 1.5% for 2021-2022 **equals 3.84%**
 - Approximately \$10 million to WCCUSD, of which \$1 million will be Supplemental/Conc.
 - Provides one time extended learning grant for summer lost learning of \$4.6 billion to be used by June 2022
 - Anticipated one-time \$20,414,819 to WCCUSD
 - Provides additional program enhancements in pre school, staff development and other programs including up to \$2 billion for support to reopen schools
 - **Maintains deferrals for the 2020 – 2021 school year but only June 2022 deferral remains in 2021 – 2022**
 - Projects the State will return to a deficit in 2022 - 2023

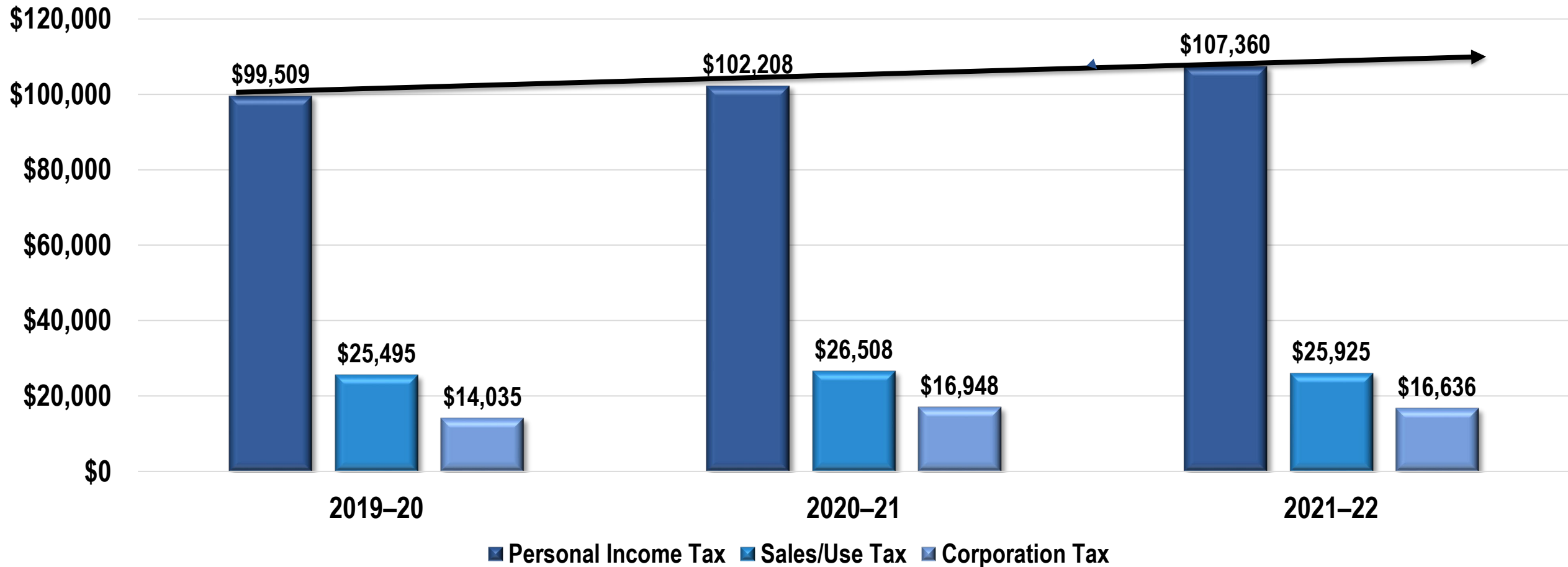


Expanded Learning Grant - State

- \$4.6 billion one-time Expanded Learning Grants may be used for various strategies to accelerate learning and address student needs, such as extended learning time, professional development, programs to address social-emotional learning, and access to school meals.
 - Estimated one-time \$20,414,819 to WCCUSD
 - Districts must complete a new addendum to their 2021–22 Local Control and Accountability Plan that describes how the funds are used.
 - Board must adopt the addendum by June 1, 2021.
 - Grants would be distributed in equal portions in March 2021 and July 2021, and funds would be available for expenditure through June 30, 2022.
 - Includes \$1,000 for each homeless student

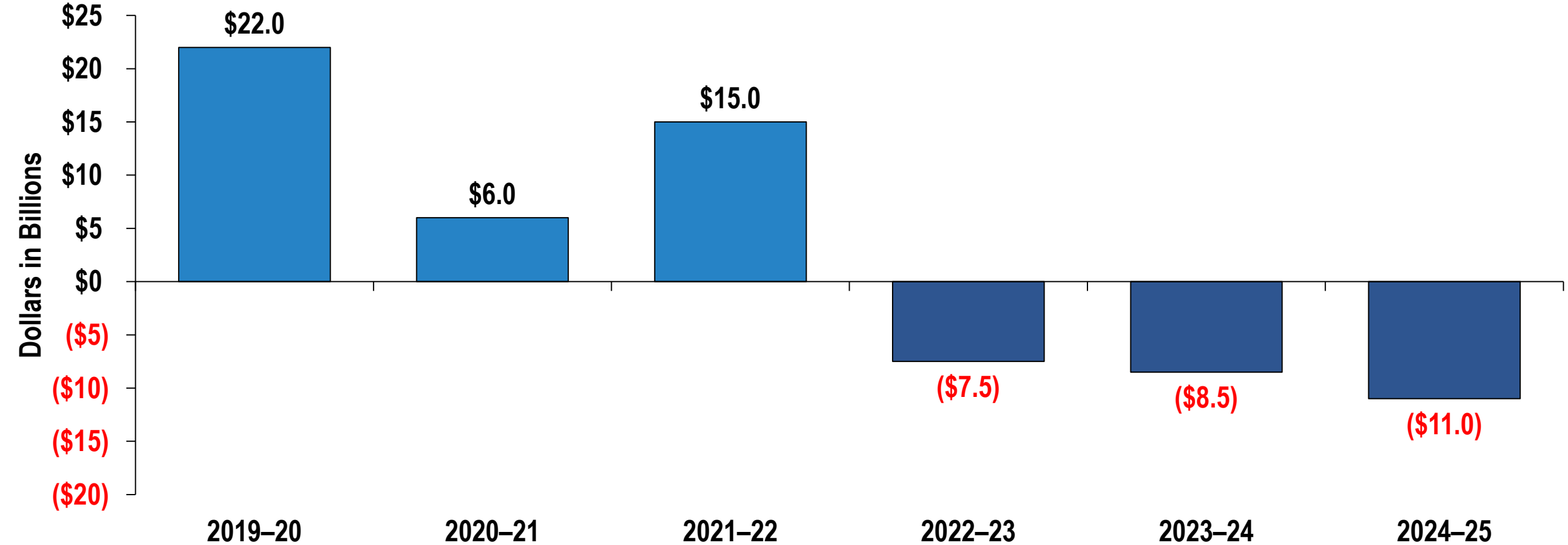
Estimate for the Big Three State Revenues

Big Three Taxes
(in millions)



Surplus and Shortfalls—California Budget

Budget Projects Surplus and Future Shortfalls¹

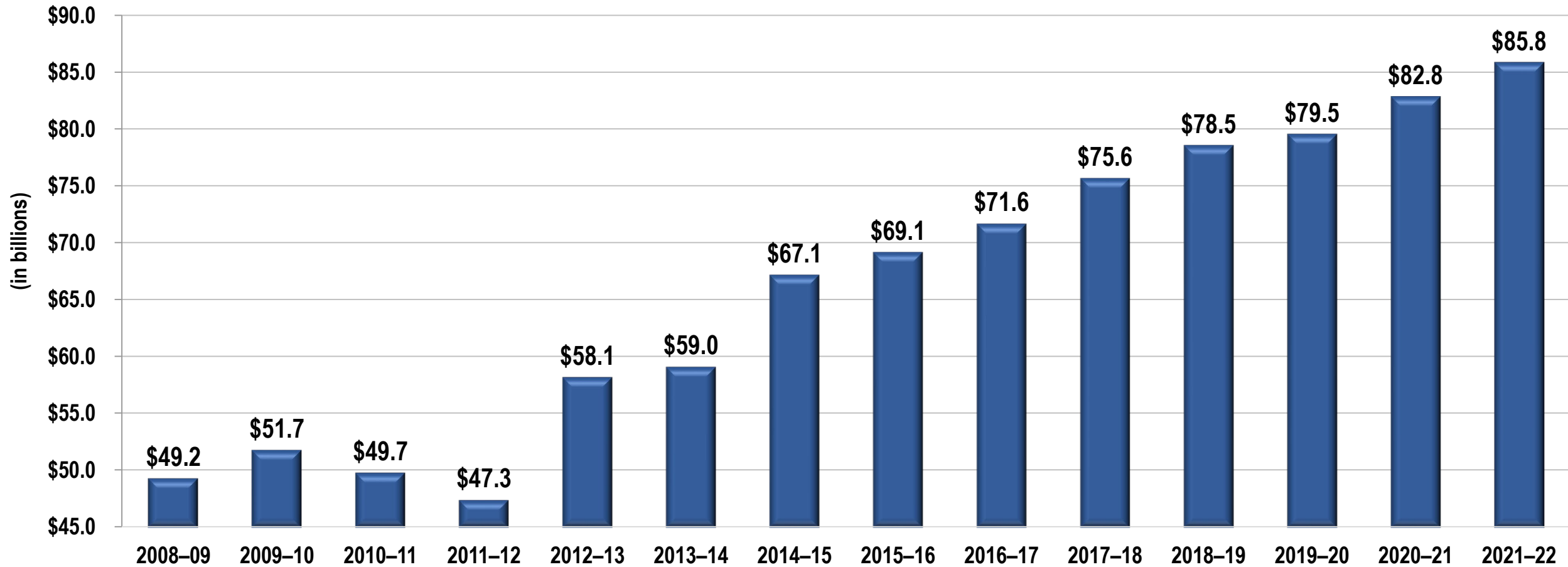


¹Budget shortfalls or surplus, measured by the annual Governor's Budget

Source: 2021-22 Governor's Budget Summary, page 3

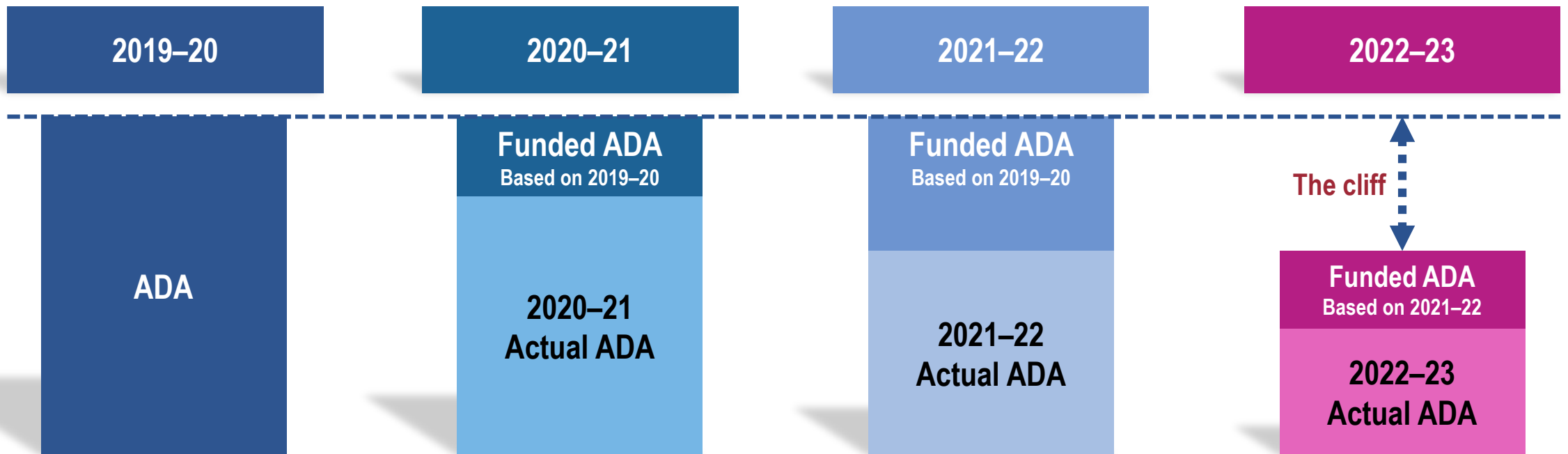
Governor's Proposal: Proposition 98

Proposition 98 Funding Over Time
2008–09 to Governor's 2021–22 Estimate



2021–22 ADA Impacts

- The adage “There is no such thing as a free lunch” applies to the current-year ADA hold harmless provision—that is to say, many school districts will experience a funding cliff at some point in the future if they are experiencing natural attendance declines exacerbated by COVID-19



- Significant drops in LEAs’ LCFF unduplicated pupil counts, which were not held harmless, and enrollment loss from COVID-19 will determine the full cliff effect

CalPERS Employer Contribution Rates

- The Governor does not include any new funding towards CalPERS for LEAs
 - However, previous investments reduce the employer contribution rate for CalPERS from 24.9% to 23.00% in 2021–22
- The employer contribution rates to CalPERS were modified a few times since the 2020–21 Enacted State Budget, as follows:

Year	Prior Projections per Dartboard	Adjusted by CalPERS Investment Returns	Projected Rates per Actuarial Report
2020–21*	20.70%	20.70%	20.70%
2021–22	22.84%	23.01%	23.00%**
2022–23	25.50%	26.24%	26.30%
2023–24	26.20%	27.14%	27.30%
2024–25	26.20%	27.14%	27.80%
2025–26	26.20%	27.14%	27.80%
2026–27	N/A	N/A	27.60%

*Actual for 2020–21 and estimated for future years

**Governor’s Budget Summary, pgs. 64-65



CalSTRS Employer Contribution Rates

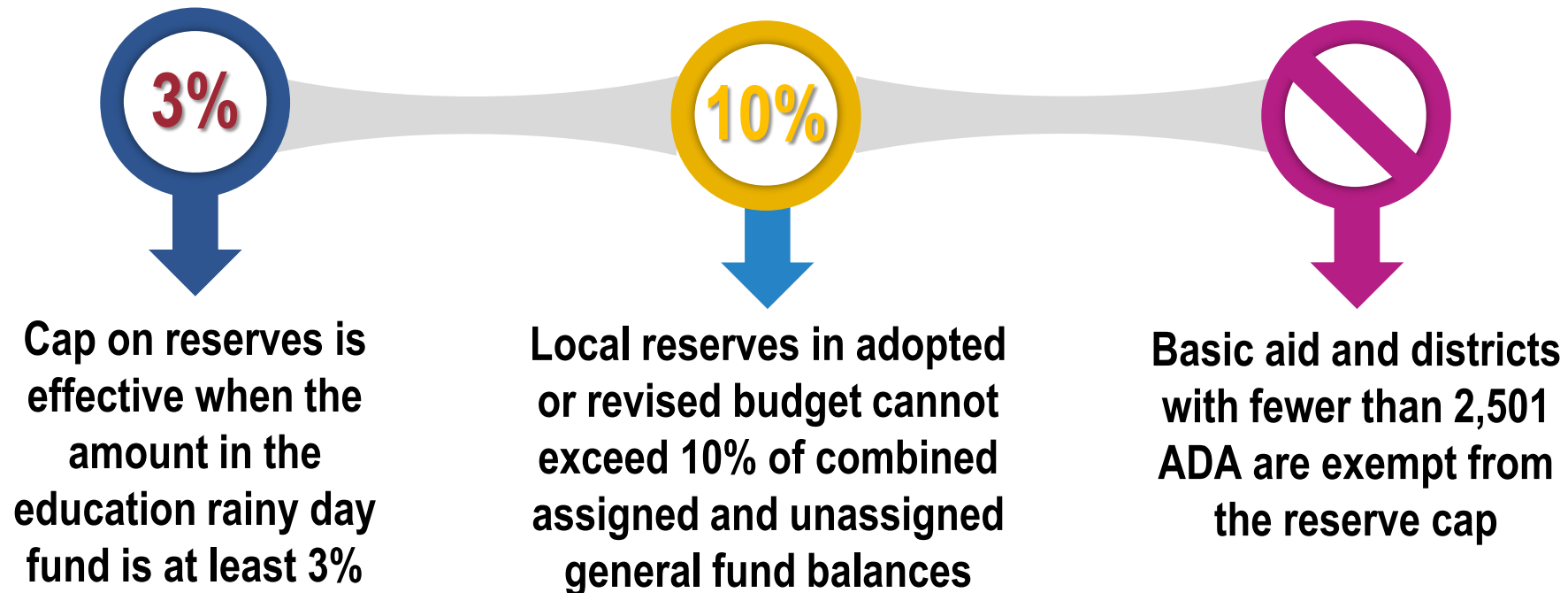
- Similar to CalPERS, the Governor does not include any new funding towards CalSTRS for LEAs
 - However, previous investments reduce the employer contribution rate for CalSTRS from 18.1% to 15.92%
- Reminder: On-Behalf Payments (expenditures in Resource Code 7690) have been excluded from the calculation for the Routine Restricted Maintenance Account contribution

Effective Date	CalSTRS Funding Plan Increases	
	Rate	Year-over-year change
July 1, 2013	8.25%	No increase since 1986
July 1, 2014	8.88%	0.63%
July 1, 2015	10.73%	1.85%
July 1, 2016	12.58%	1.85%
July 1, 2017	14.43%	1.85%
July 1, 2018	16.28%	1.85%
July 1, 2019	17.10%	0.82%
July 1, 2020	16.15%	- 0.95%
July 1, 2021*	~ 15.92%	~ - 0.23%

*Governor's Budget Summary, pgs. 64-65

January Budget – One-time Funds create Cap on District Reserves

- Proposition 2 also created a policy tying deposits into the PSSSA to maximum amounts local school districts could maintain in their reserves
- The proposed deposits into the education rainy day fund amount to approximately 3.9% of the K–12 portion of Proposition 98, which would trigger the cap on district reserves for the 2022–23 fiscal year



Local Agency Reserves

- Reserves provide local school agency governance teams with the ability to be more strategic in reducing expenditures when faced with a financial crisis
 - Reserves protect students, employees, and the public
- Current state financial projections show a deficit beginning in 2022–23, and the Public School System Stabilization Account balance will not last long
 - **LEAs with higher reserves are better equipped to protect the community they serve**



Reserve Cap Implications

- We spoke earlier about the reserve cap, and current financial projections would trigger the reserve cap beginning in 2022–23
 - What is the impact on school districts?

Limits combined assigned and unassigned ending balance, in the General Fund (01) and the Special Reserve Fund for Other Than Capital Outlay (17) to 10% of those funds

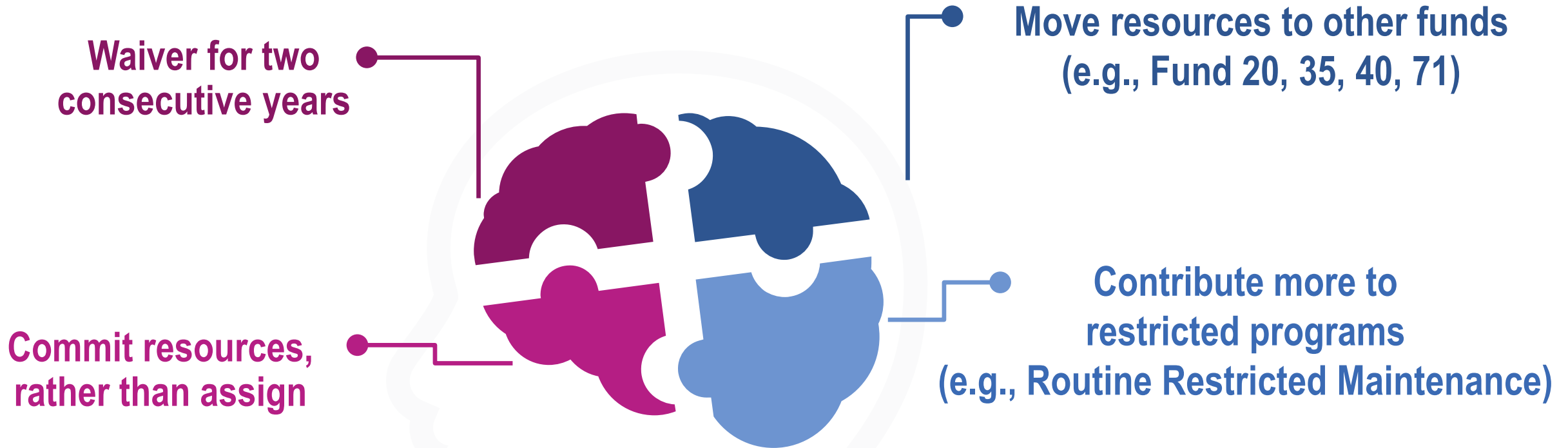


Requires the State Superintendent of Public Instruction to notify districts and COEs when these conditions are met and when they are no longer met

Reserve Cap Compliance Ideas

- This is an unfortunate law as no district should be penalized for prudent fiscal management

Ideas:



Federal Budget Support – January 2021

- **Elementary and Secondary School Emergency Relief (ESSER) second distribution approved**
 - Anticipated \$24,127,524 to WCCUSD
 - ESSER supported sites budgets and maintained staff one-time in 2020 - 2021
- **President Joseph Biden hints at aggressive support for Public Education as part of his administrative agenda**
 - Hints at significant additional support for public education
 - Hires Cindy Marten, Superintendent of San Diego Unified as Deputy USDE
 - Recommends Federal Funding for costs of Testing to reopen
 - Hints Paying full Federal share of Special Education Costs;
 - Conceptual Tripling of Title I funding

Elementary and Secondary School Emergency Relief (ESSER) - Federal

- \$6.8 billion one-time Grants may be used for various strategies to support site budgets, accelerate learning and address student needs, such as extended learning time, professional development, programs to address social-emotional learning, and access to school meals.
 - Estimated one-time \$24,127,524 to WCCUSD which, in addition to above, can support
 - Purchasing educational technology (hardware, software, and connectivity) for students, that aids in the regular and substantive educational interaction between students and their classroom instructors, including low-income students and students with disabilities, which may include assistive or adaptive technology
 - Mental health services and supports
 - School facility repairs and improvements to enable operation of schools to reduce risk of virus transmission and exposure to environmental health hazards, and to support student health needs
 - Inspection, testing, maintenance, repair, replacement, and upgrade projects to improve the indoor air quality in school facilities, including mechanical and non-mechanical heating, ventilation, and air conditioning systems, filtering, purification and other air cleaning, fans, control systems, and window and door repair and replacement



President Biden's Education Agenda

**Triple Title I funding
for schools**

**Increase funding for
teacher mentoring,
leadership, and
professional
development**

**Strengthen the Public
Service Loan
Forgiveness Program
for teachers**

**Provide “full funding”
for special education**

**Double the number of
psychologists,
counselors, nurses,
and social workers in
schools**

**Invest \$775 billion in
early education
initiatives including
universal preschool**

Federal CARES Act and new ESSER

- The CARES ACT has helped us **bring back** some supports that we lost in our own reduction process (Furlough Day, etc.)
- In addition we **maintained supports** we would have definitively lost due to state cuts (Transportation, food, etc.)
- Added new supports we would not have been able to afford (Safety equipment, technology, more dollars to PAASS)
- **Without the CARES Act funding**, the District would have been required to lay off additional staff, reduce salaries, and significantly reduce services for the 2020 – 2021 current school year – **ESSER now maintains one more year**
- **Due to CARES Act funding**, the District covered other operational costs, restored staff and maintained funding toward implementing the AASAT Resolution and sustaining LCAP Priorities **which will continue in 21-22 due to ESSER**

1st Interim Budget Assumptions

- . 2021 – 2022 Flat ADA LCFF Funding with 0% COLA
 - 2019 – 2020 enrollment = 27,963
 - 2019 – 2020 ADA % = 94.13%
 - 2019 – 2020 UDP % = 70.55%
 - Elimination of CARES Act Funding Revenue
 - Ongoing added costs for site budgets / technology refresh

- . 2022 – 2023 Funding based upon 2020 – 2021
 - 2020 – 2021 enrollment = 27,426 **(loss of 537)**
 - 2020 – 2021 ADA % = 91.86% **(trend loss of 2.27%)**
 - 2020 – 2021 UDP % = **71.50%** **(Great Job maintained!)**

(VERY ROUGH) New MYP – January 2021

(\$ in millions)	2019-20	2020-21	2021-22	2022-23
Revenue	\$377.4	\$394.9	\$375.4	\$377.3
New Esser Funds		\$24.2		
Extended Learning		\$10.0	\$10.0	
Expenditures	\$377.0	\$391.0	\$402.3	\$391.2
2022 - 2023 Recommended Cuts				
2023 - 2024 Recommended Cuts				
Net Increase / (Decrease)	\$0.4	\$38.1	(\$16.9)	(\$13.9)
Fund 01 Beginning Balance Combined (Unrestricted & Restricted)	\$25.3	\$44.5	\$57.6	\$40.7
Fund 17 Beginning Balance	\$34.0	\$14.7	\$35.0	\$35.0
Projected Fund 01 Ending Balance & Components of Ending Balance	\$44.5	\$57.6	\$40.7	\$26.8
Restricted Balance	\$4.4	\$31.9	\$14.9	\$4.8
Assignments	\$4.7	\$10.4	\$5.8	\$2.0
Committed for Budget Reductions	\$35.0	\$20.0	\$20.0	\$20.0
Fund 17 Reserve	\$14.7	\$35.0	\$35.0	\$35.0
Fund 17 + Assigned %	5.15%	11.61%	10.14%	9.46%

Includes 3.84% COLA for 2021 – 2022 but adds new CARES Act

OPEB is not used AND 2019 – 2020 borrowing is paid back to Fund 71 and Fund 17

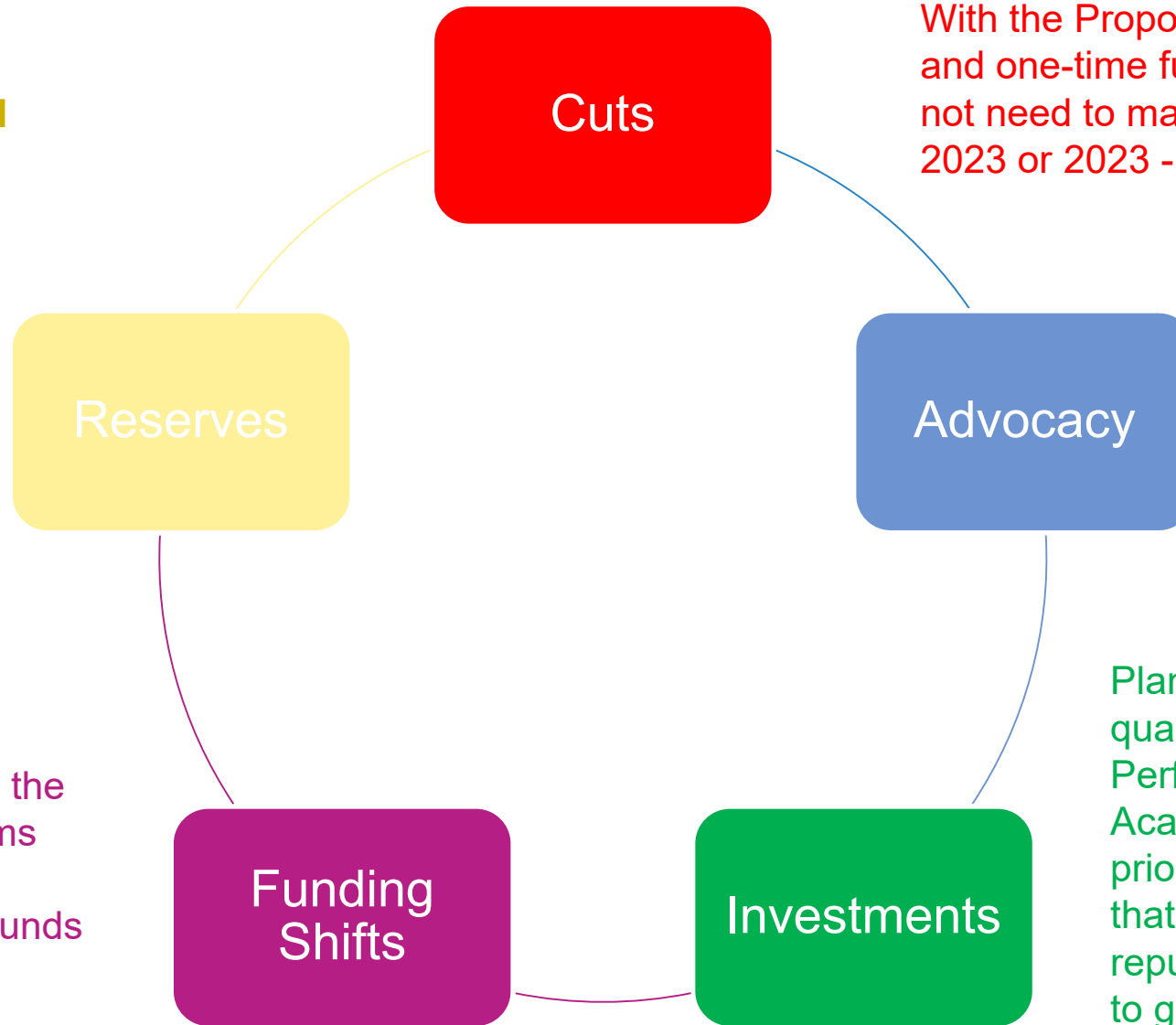
Does not include potential cuts for 2023 – 2024

State of WCCUSD in January 2021

- The District's budget actions have built a Committed Reserve for Future State Cuts of \$35 million which the **should be restored to Fund 17** used last year
- The District will **NOT need to utilize the OPEB transfer** and **will restore the funds to Fund 71 used last year**
- Due to CARES Act the District **did not deficit spend** in 2019 – 2020 and **will not in 2020 – 2021** (though deficit spending returns beginning in 2021 – 2022 due to ESSER returning and being spent one-time for summer)
- The District **will be able to meet all financial obligations** for **2020 – 2021 AND 2021 – 2022, AND 2022 – 2023**
 - The District would need to make reductions by the 2023 – 2024 school year due to the significant uncertainty of the State Budget, Enrollment, ADA, and UDP in the out years **but the district will remain with qualified certification until contract negotiations are completed with all units**

Multiple Approaches Remains the Strategy

Restore funds back to OPEB and Fund 17 and maintain an adequate reserve to withstand future State deficits



With the Proposed 3.84% COLA and one-time funds the District will not need to make cuts until 2022 – 2023 or 2023 - 2024

School will change and we need to be a voice to help create the new policies to support fully funding these changes. **This is more important now than ever!**

CARES Act has supported the District to maintain programs that would have been cut. Continue to use one-time funds for strategic investments

Plan, design and implement high-quality new programs such as Performing Arts, K-12 Virtual Academy, and CTE trades; prioritize facility improvements that will grow these offerings; repurpose underutilized property to generate income

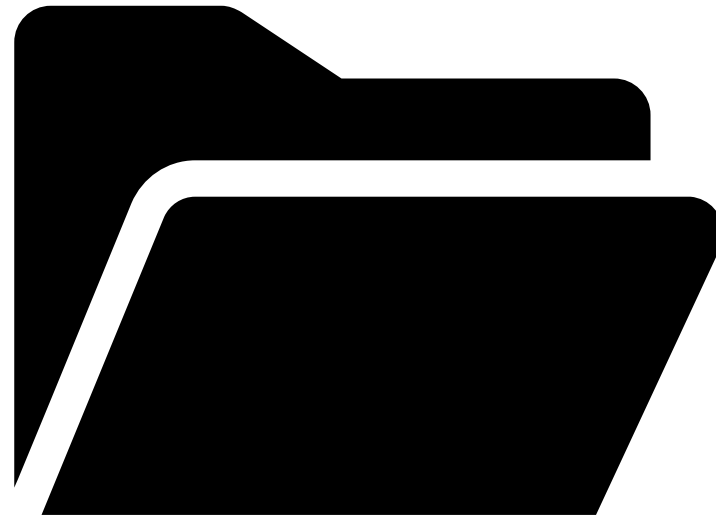


Next Steps

- Restore funds that were used in 2019 – 2020 to support the District
- Focus on building solid Summer Program offerings to support students preparing for 2021 - 2022
- Continue outreach and communication with community partners and build regular opportunities for two-way dialogue
- Begin immediately the planning for 2021 – 2022 program offerings including the K-12 Virtual Academy and new add-on programs
- Invest in Staff Development, Data Analysis Tools, and identify services and supports for all student populations
- Continue collaborative work with employee associations on a strong distance learning program and sustain necessary budget reductions

The Other Aspects of the Budget

Not part of the presentation today



Safe Schools for All—What It Is and What’s Required

- The Safe Schools for All proposal establishes a grant program to incentivize LEAs to reopen school for in-person instruction, inclusive of hybrid models

COVID-19 Safety Plan	<ul style="list-style-type: none">• Conforms with California Department of Public Health (CDPH) school guidance• Incorporates Cal/OSHA Emergency Standards
Labor Agreement	<ul style="list-style-type: none">• Documentation of collective bargaining agreement or memorandum of understanding (MOU) conforming with COVID-19 Safety Plan
Offer In-Person Instruction	<ul style="list-style-type: none">• By February 16 for TK–2 and all students with disabilities, foster youth, homeless youth, and students without access to technology• By March 15, expand to grade 5 or 6
COVID-19 Testing	<ul style="list-style-type: none">• All students and staff of in-person instruction• In accordance with CDPH testing cadence
Certify Technology	<ul style="list-style-type: none">• Verify that all students in distance learning have access to a computing device, software, and high-speed internet to participate in online learning

Funding for Reopening Schools

- Governor Newsom is calling for swift and early action by lawmakers to appropriate at least \$2 billion in one-time Proposition 98 funds to aid in the safe reopening and operation of in-person instruction for K–12 students
- There is a lot of movement and pushback on this especially the use of Proposition 98 funding for testing requirements and details keep changing

Funding Formula (per ADA)

Base Grants = \$450 (February reopening)
= \$337.50 (March reopening)

Additional grants above base grant based on LEA's relative share of LCFF

Funding based on TOTAL ADA less students enrolled in independent study



Safe Schools for All—What It Is and What's Required

- The proposal accommodates LEAs that are already providing in-person instruction and those that are unable to reopen because of local health conditions

Open for In-Person Instruction

Will be eligible to receive the February grant funds if they meet all conditions for funding, including serving specified students, ratifying a collective bargaining agreement/MOU that implements their COVID-19 Safety Plan, and adopting the state's recommended testing cadences

In-Person Instruction Prohibited

LEAs prohibited from opening because local adjusted COVID-19 case rates exceed 25 per 100,000 will be eligible to receive the February or March grant funds if they meet all conditions and reopen for in-person instruction the month immediately following the decline in cases below the threshold

LEAs not serving TK–6 Grades

LEAs, such as high school districts, will be eligible to receive funding if they offer in-person instruction to vulnerable students using the CDPH cohort guidance

COVID-19 Safety Plan (CSP)

Required of all LEAs before reopening for in-person instruction

1. COVID-19 Prevention Program as required by Cal/OSHA
2. Supplemental CDPH COVID-19 School Guidance Checklist

LEAs that have already reopened must post their CSP by **February 1, 2021**

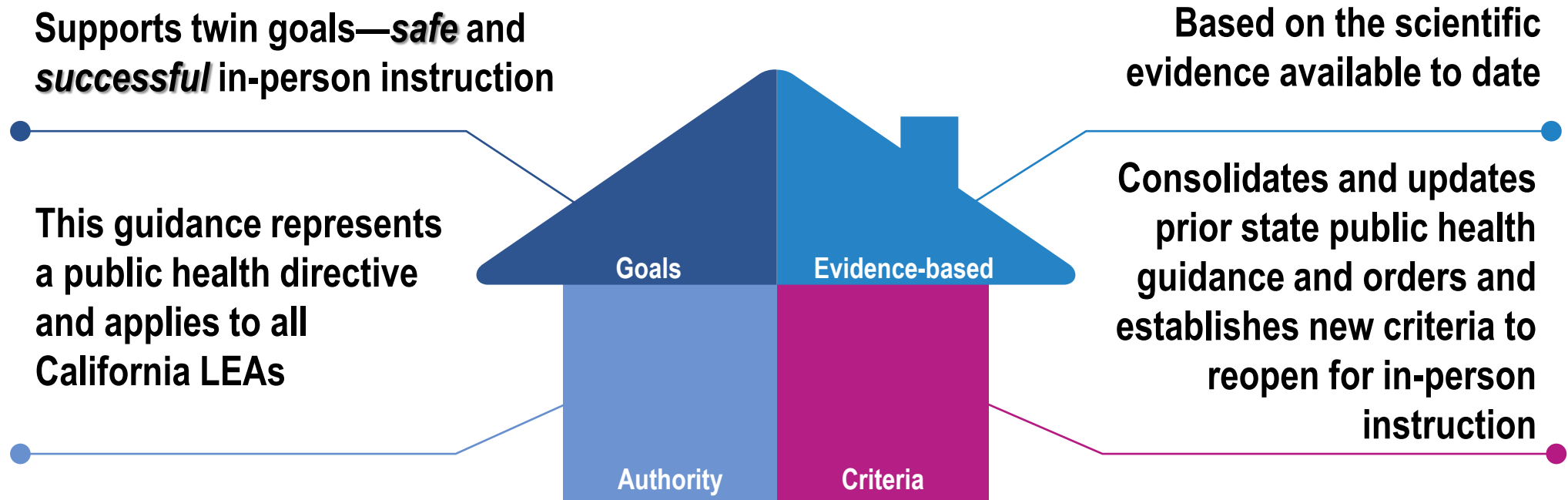
LEAs that have not yet reopened must post their CSP at least five days before reopening

LEAs should consult with labor, parent, and community organizations in development of CSP

LEAs pursuing the proposed reopening incentive grants must submit the CSP and collective bargaining agreement/MOU that supports implementation of the CSP to the COE by February 1 or March 1

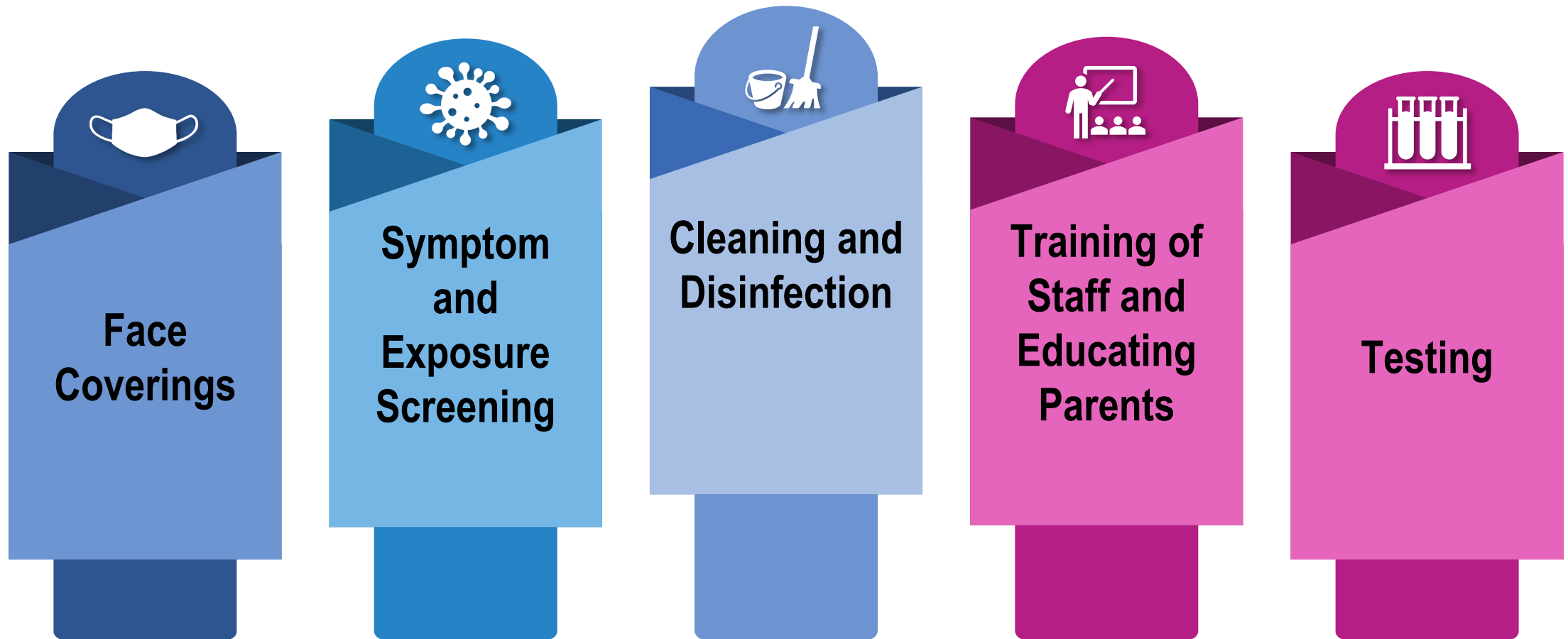
Updated Public Health Guidance for Reopening K–12 Schools

- Schools must comply with orders and guidance issued by the California Department of Public Health (CDPH) and relevant local health departments to limit the spread of COVID-19 and protect public health
- The California Department of Public Health is expected to issue a new framework for implementing in-person instruction for the 2020–21 school year



Updated Public Health Guidance for Reopening K–12 Schools

- Updated guidance outlines specific actions, or core mitigation strategies, school sites should take to keep students and staff safe, and include, but are not limited to the following:



Testing Cadences

- Schools are expected to implement symptom and exposure screening based on CDPH recommendations, and the state has committed support to conduct asymptomatic testing of all students and staff based on case rates

Tier 2 – RED Adjusted Case Rate of 4–7 per 100K Positive Test Rate 5-8%	Tier 1 – PURPLE Adjusted Case Rate of 7–13.9 per 100K Positive Test Rate 8% or higher	DEEP PURPLE Adjusted Case Rate of 14 or more per 100K
Asymptomatic testing every 2 weeks	Asymptomatic testing every 2 weeks	Asymptomatic testing weekly

- Schools must also test staff when there are multiple COVID-19 cases or major outbreaks based on

	Multiple COVID-19 Infections	Major COVID-19 Outbreaks
Definition	Three or more COVID-19 cases in an exposed workplace within a 14-day period	Twenty or more COVID-19 cases in an exposed workplace within a 30-day period
Testing Frequency	All exposed employees shall be tested and once per week thereafter	Twice a week for all exposed employees, or more frequently if recommended by the local health department

Operational Challenges for Reopening Schools

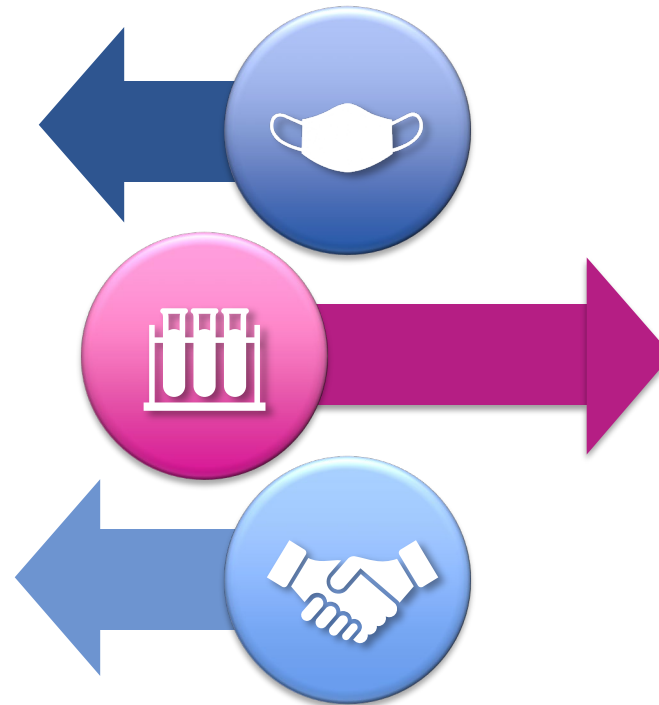
- The Governor's Budget proposes funding to make in-person instruction safe for students and staff and incentivize reopening through a grant program—while admirable, presents operational challenges and tight timelines for LEAs

Adopt CSP and submission to COE by February 1

- Requires consultation with stakeholders
- Must conform with CDPH guidance and Cal/OSHA standards
- LEAs will need to develop implementing procedures, provide education and training to staff and parents, procure equipment and supplies

Negotiate MOUs with certificated and classified bargaining units

- MOUs must conform with the requirement of the CSP, be ratified by the parties, and submitted to COE by February 1



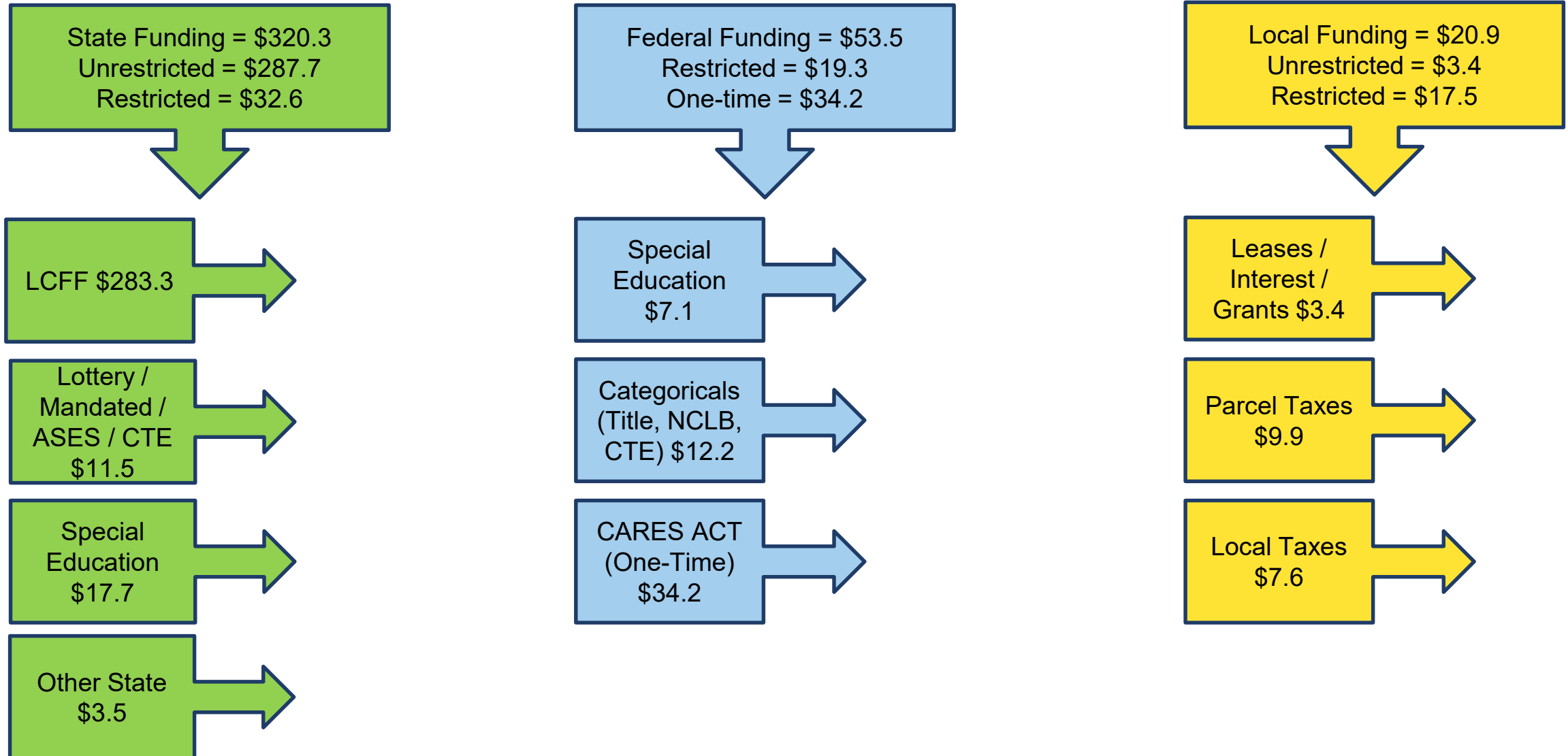
Adopt a COVID-19 testing plan

- Plan must address symptomatic testing, response testing, and asymptomatic testing for students and staff
- It must address multiple staff COVID-19 cases or major outbreaks among staff based on Cal/OSHA requirements

The Rest of The Budget – From December 2020

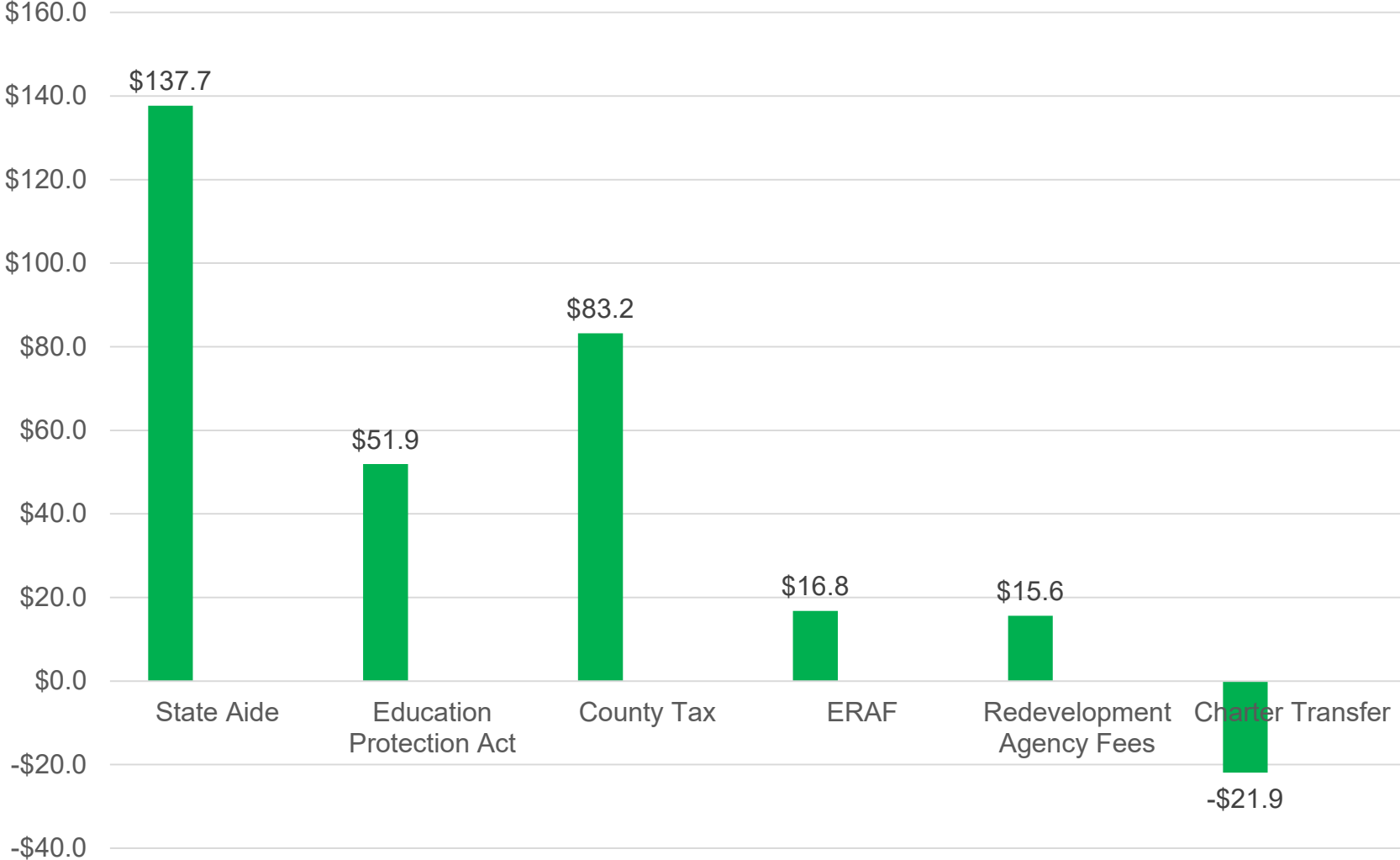


How Is the District Funded?



District Revenue Broken Down

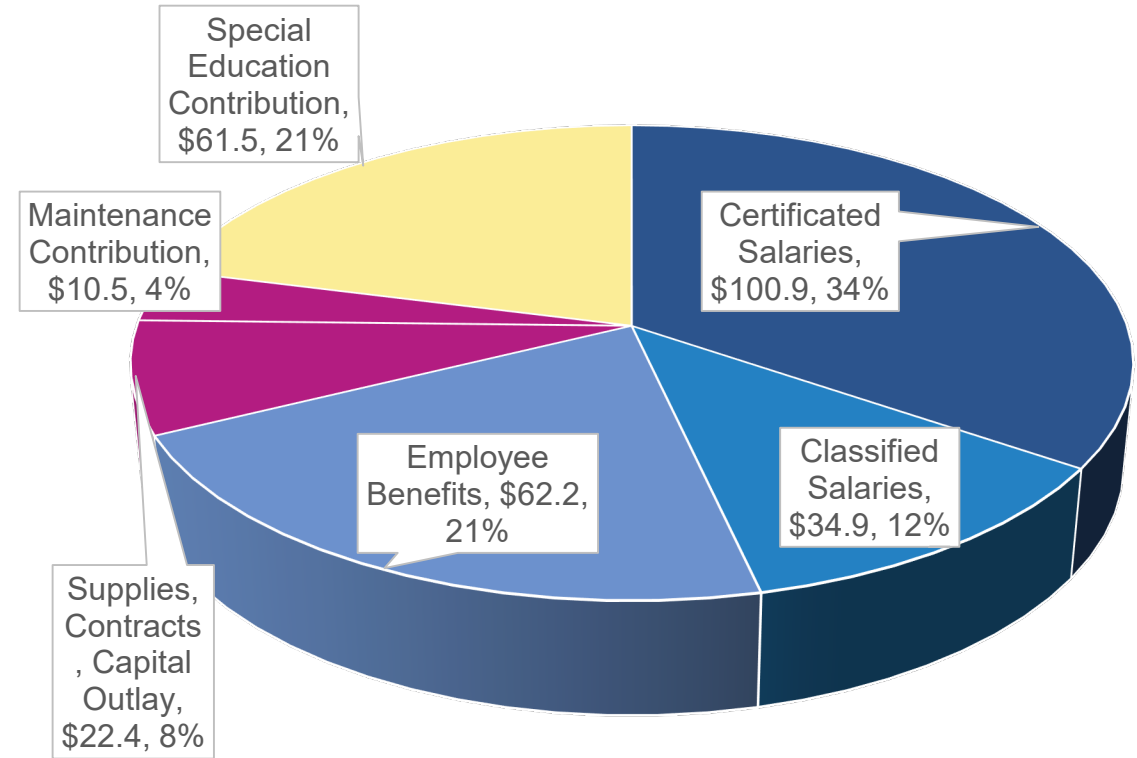
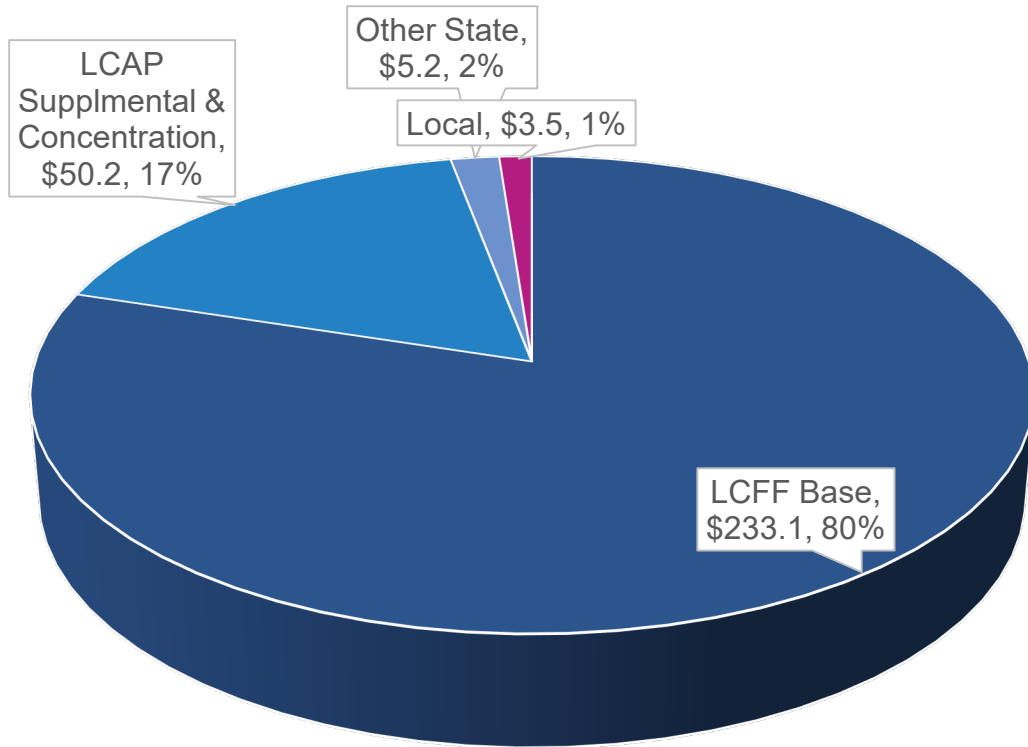
Sources of State Funding



Base Revenue and Expenses

Unrestricted Revenue = \$291.9 million

Unrestricted Expense = \$292.4 million



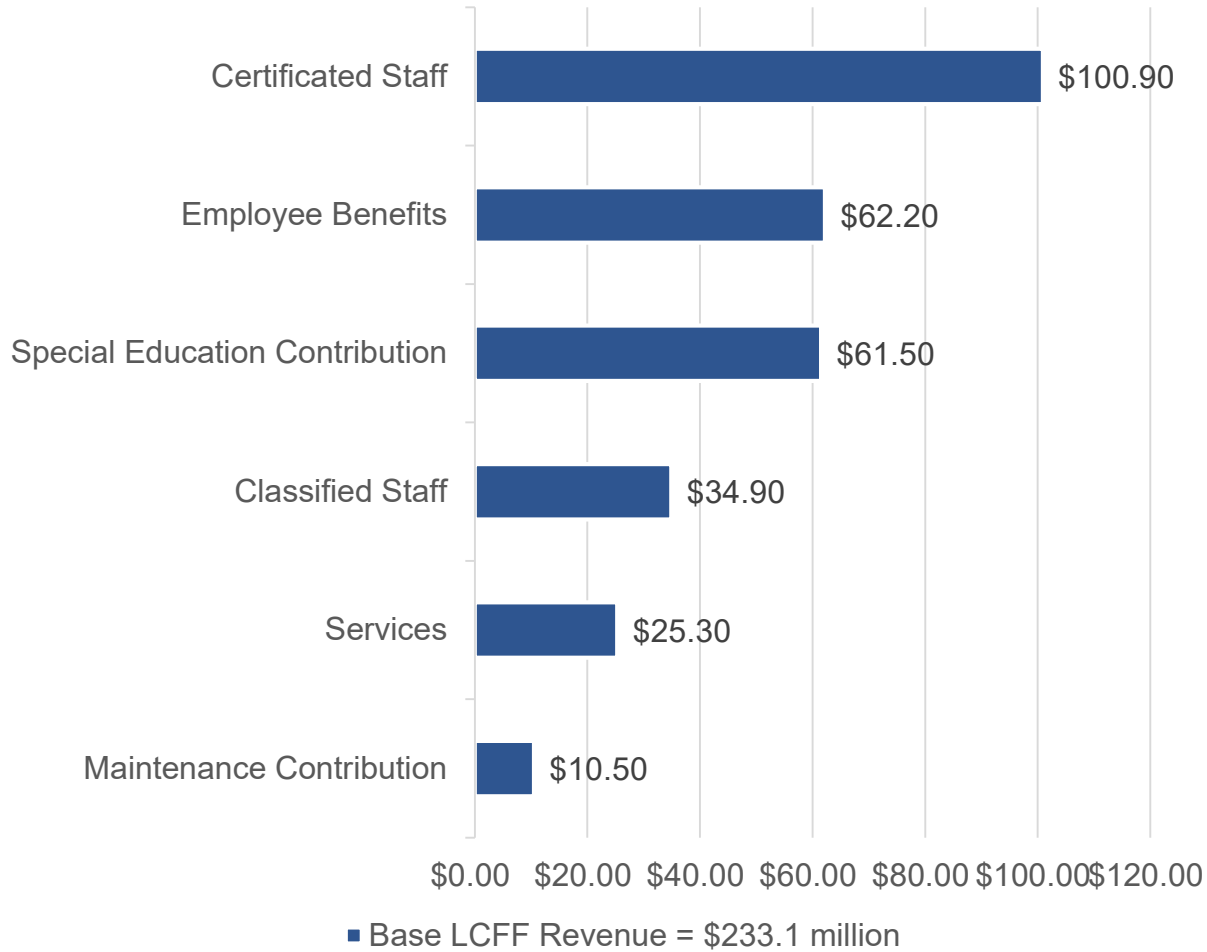
■ LCFF Base ■ LCAP Supplemental & Concentration ■ Other State ■ Local

■ Certificated Salaries ■ Classified Salaries
 ■ Employee Benefits ■ Supplies, Contracts, Capital Outlay
 ■ Maintenance Contribution ■ Special Education Contribution

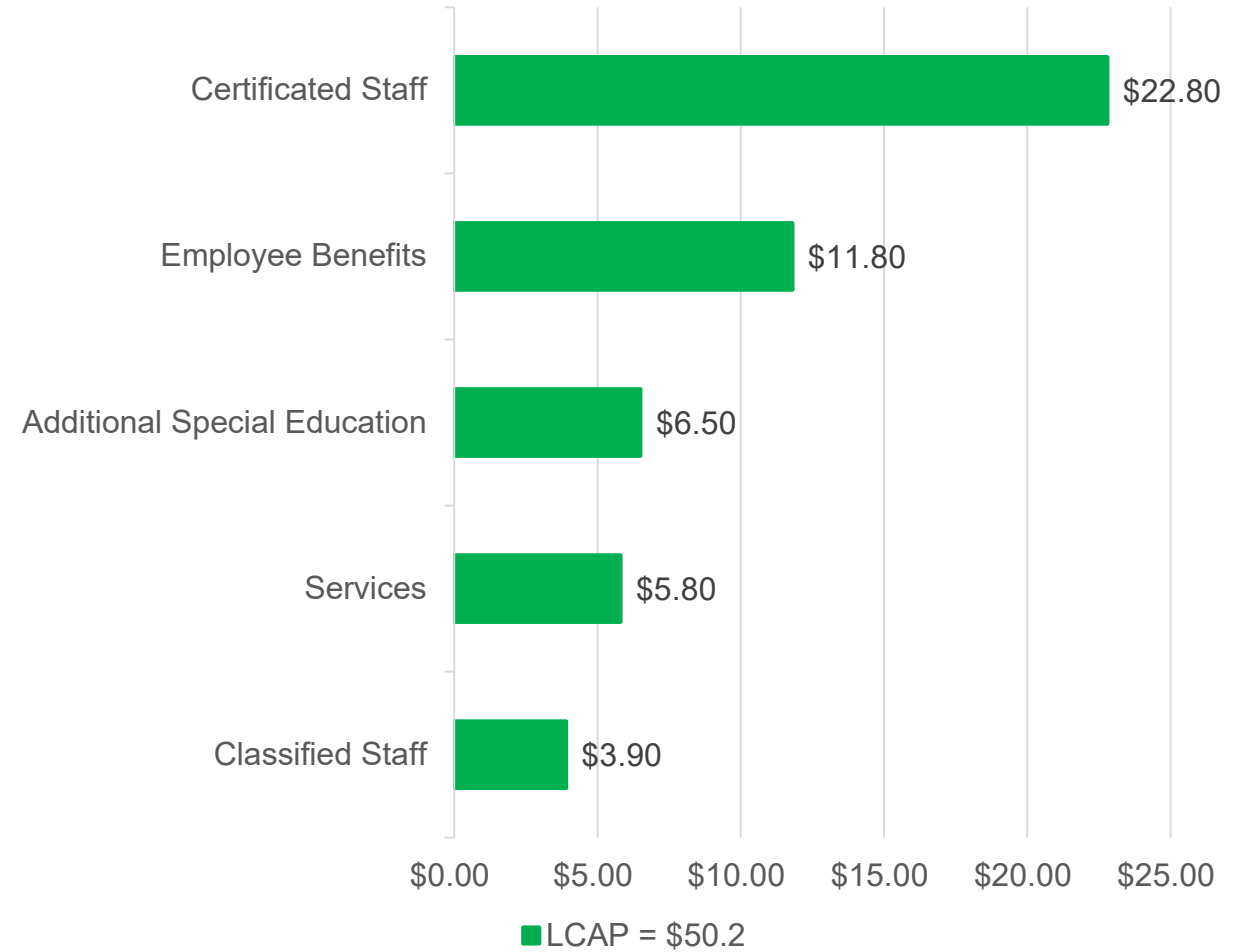


General Fund Expenditures (Including LCAP)

General Fund Expenditures Includes LCAP
= \$295.3 million



LCAP Supplemental & Concentration
Expenditures = \$50.8 million



LCAP Priorities Budgeted in 2020 - 2021

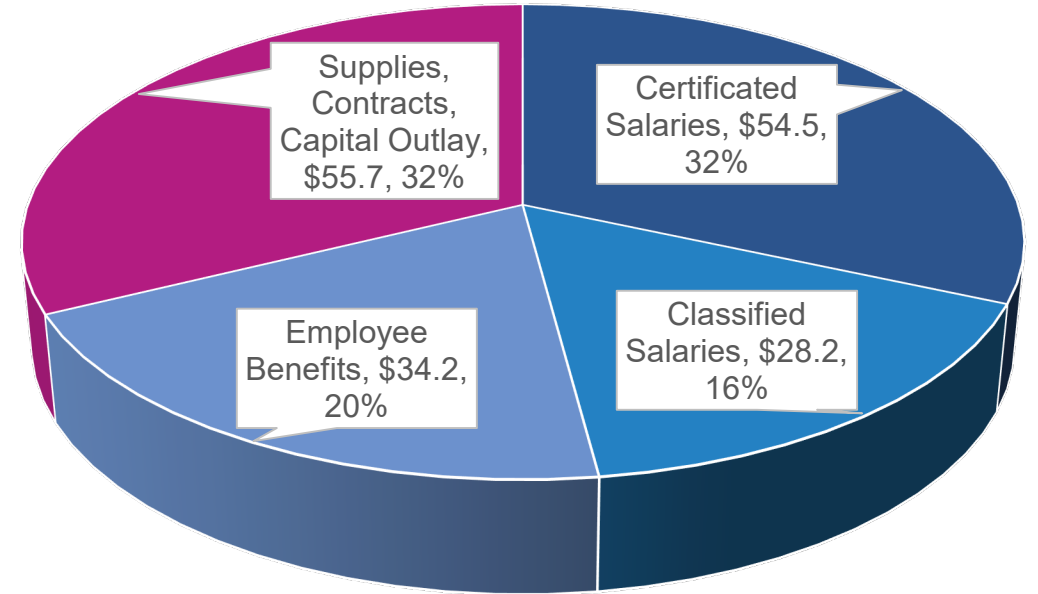
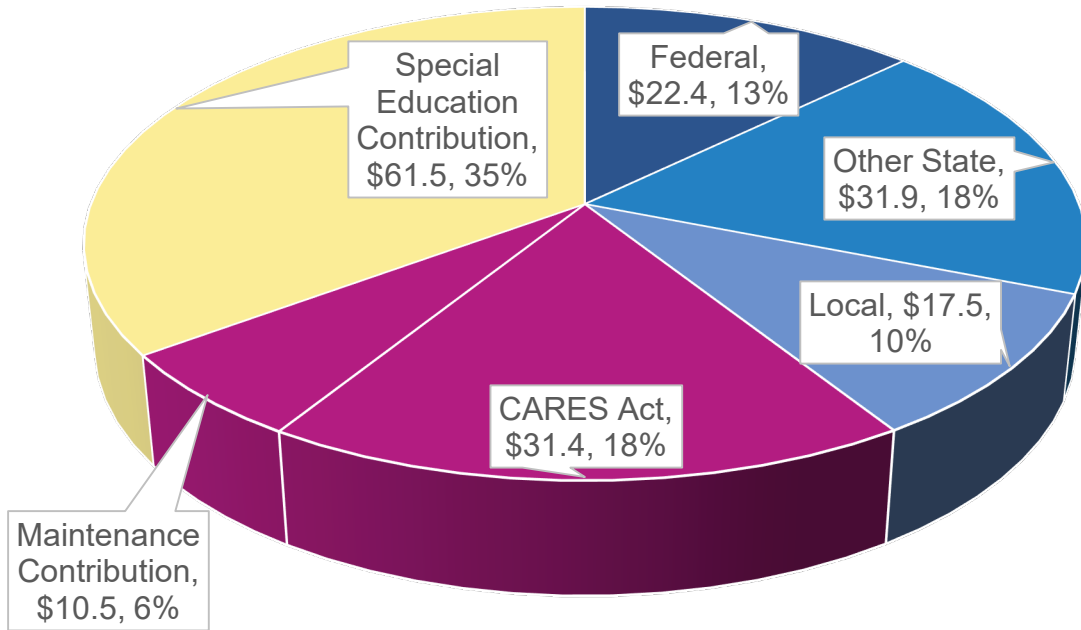
PROGRAM	DESCRIPTION	Revised Budget
1024	INTERNATIONAL	\$ 1,605,610.00
1102	DUAL IMMERSION	\$ 270,000.00
1120	EXPAND COLLEGE AND CAREER	\$ 4,920,257.00
1121	CAREER PATHWAYS/ ACADEMIES	\$ 467,747.00
1150	ACHIEVE/TARGETED SCHOOL SUPPORT	\$ 196,947.00
1180	AFRICAN AMERICAN STUDENT SUPPORT	\$ 2,384,736.00
1250	FULL DAY KINDERGARTEN	\$ 3,640,878.00
1251	SECONDARY CLASS SIZE REDUCTION	\$ 919,666.00
1260	VICE AND ASSISTANT PRINCIPALS	\$ 2,615,299.00
1261	READ 180	\$ 350,720.00
1270	ENGLISH LANGUAGE LEARNERS	\$ 1,067,004.00
1290	OUT OF SCHOOL TIME/SUMMER	\$ 481,906.00
2180	AFRICAN AMERICAN STUDENT SUPPORT-PD	\$ 77,889.00
2312	TEACHER SALARY INCREASE	\$ 15,273,988.00
2315	EMPLOYEE RECRUITMENT & RETENTION	\$ 357,443.00
3110	SCHOOL COMMUNITY OUTREACH WORKERS	\$ 2,416,561.00
3120	PARENT UNIVERSITY	\$ 240,300.00
3180	PRACTICES FOR AFRICAN AMER STUDENTS	\$ 89,472.00
4170	ENGLISH LANGUAGE LEARNERS-WHOLE CHILD	\$ 1,246,454.00
4220	SCHOOL CLIMATE-WHOLE CHILD	\$ 790,994.00
4230	VISUAL & PERFORMING ARTS-WHOLE CHILD	\$ 1,234,224.00
4240	FULL SERVICE COMMUNITY SCHOOLS-WHOLE CHILD	\$ 1,114,761.00
4260	SPECIAL EDUCATION	\$ 6,052,737.00
4272	PSYCHIATRIC SOCIAL WORK SERVICE	\$ 307,001.00
5250	TYPIST CLERK SUPPORT	\$ 1,151,817.00
5260	EVALUATIONS & PROGRAM MONITORING	\$ 269,099.00
6110	PROFESSIONAL DEVELOPMENT-INNOVATE	\$ 668,505.00
6250	ADAPTIVE CURRICULUM	\$ 90,253.00
Grand Total		\$ 50,302,268.00



Restricted Revenue and Expenses

Restricted Revenue / Transfers =
\$164.7 million

Restricted Expense = \$172.6 million



- Federal
- Other State
- Local
- CARES Act
- Maintenance Contribution
- Special Education Contribution

- Certificated Salaries
- Classified Salaries
- Employee Benefits
- Supplies, Contracts, Capital Outlay



Resource Slides – Educational Terms

I **am** **A.C.R.O.N.Y.M.**

A phrase that
C doesn't match the
R letters of the
O acronym and
N contains
Y too few or too many
M words



WCCUSD – Educational Acronyms

Term	Description
Unrestricted	Funds use to support the base program for the District.
Restricted	Funds that are received and may only be used for a specific purpose with strict accountability.
Carryover	Funds that are not spent in one fiscal year and moved forward to the following school year
Assigned	Ending fund balance of unrestricted or restricted funds that are to be used for a specific purpose in the following year
Committed	Ending fund balance that is reserved for a specific purpose; requires formal board vote to redirect from the commitment
Fund 01	The Operational budget for the school District. This includes both unrestricted and restricted resources.
Fund 17	Special Reserve of unrestricted dollars that is currently set-aside for the required 3% of expenditures economic uncertainties. Board priority to rebuild to maintain at least 9%
Fund 13	Cafeteria fund for Nutrition Services operations.
Resource	The source of the funding coded with four digits. Examples are 0000 is General Fund and unrestricted; 3000's series for restricted federal funds; 7000's series for restricted state funds; 9000's for donations and restricted local funds.
Program	A locally defined code used to define the purpose of the spending. Examples are program code 1180 for African American Student Support and 1102 for Dual Language Immersion (DLI). The Program may have multiple resources that support the actions which may be within different department budgets
Department	The budget manager for specific resources which support programs. A single program may receive supports from multiple departments and budget managers
Structural Deficit	The overall amount of ongoing expenditures that are greater than ongoing revenue. This is different than a direct comparison of revenue to expenditures as all one-time incidents are removed from the calculation



WCCUSD – Educational Acronyms

Term	Description
OPEB	Other Post Employment Benefits – this is the required payment by the District for retiree medical benefits. It is paid from general fund each year. The District place a reserve in Fund 71 in trust to only be used for retiree benefits. This fund can be used on a one-time basis to pay the OPEB cost to reduce general fund payments. This was done in 2019 – 2020 and has enough remaining in the fund to make the transfer one more time
LCAP	Local Control Accountability Plan is adopted each year in June and defines the priorities for spending the supplemental and concentration grant funds received from the State
Unduplicated Count (UDP)	The total number of students who are socioeconomically disadvantaged, English language learners, homeless, or foster youth. Each is counted only once to create the percentage of all students who form the UDP
Supplemental Funds	Funds that are received as an add-on to LCFF to based upon the UDP. 20% of the base grant is for each student for supplemental support. These funds are received from the State in resource 0000
Concentration Funds	Funds that are received as an add-on to LCFF to based upon the UDP. 50% of the base grant is for each student above 55% UDP for concentration grant support. These funds are received from the State in resource 0000
Proportionality	The percentage of LCFF Funds that should be directed to support the priorities of the LCAP
Categorical Funds	Funds that are designated for specific purposes that are received from the State and Federal government. This may change year to year and are often described as “soft funding”
Local Continuity and Attendance Plan (LCP)	New required document that describes the actions, services, and priorities that were identified by school districts to provide distance learning and plan for reopening during the COVID-19 pandemic. While the plan does have some minimal reporting of finances, it is not a budget document and is adopted to outline the District’s implementation of distance learning. The LCP replaces the LCAP for the 2020 – 2021 school year.



WCCUSD – Educational Acronyms

Term	Description
Schools and Communities First Proposition 15	Ballot item to adjust the rules for Property Tax that were defined in Proposition 13 to create a split roll where businesses that own property pay a larger share of property tax than individual home owners. Estimates range from \$10 million, on the low side, to \$18 million on the high side in new ongoing revenue to WCCUSD should Proposition 15 pass in November
FPM	Federal Program Monitoring required regulations that define appropriate uses of Federal Funds
LEA	Local Educational Agency. Another description of an individual school district or charter school
AASAT	African-American Site Advisory Team
MDAC	Multilingual District Advisory Committee
PAASS	Practices for African American Students Supports is the program for support for staff and services dedicated to enhancing the performance of black students in WCCUSD
CAC	Community Advisory Committee for Special Needs students
DLCAP	District Local Control Accountability Plan team formed to craft recommendations to the District for priorities to be included in the LCAP plan
DLI	Dual Language Immersion. Programs where students are taught in two languages. The District operates the DLI Spanish program at multiple schools and the DLI Mandarin program at West Coast Mandarin
IB	International Baccalaureate program which is an advance curriculum offered at Pinole Valley High Schools
Internationals	Programs offered specifically for newcomer students to follow a pathway toward graduation offered at Helms Middle and Richmond High School



WCCUSD – Educational Acronyms

Term	Description
SEL	Social and Emotional Learning. The focus on the non-academic supports necessary for students to be connected to school.
PD	Professional Development. Structured support to improve the quality of teaching and learning and allow our teachers and staff to learn new techniques and build new skills to support students or operations. This year the District has made an unprecedented financial investment with our one-time resources to ensure our over 3000 employees engage in race and equity training and content, curriculum, and technology sessions every Friday for the entire school year
Unaudited Actuals	Reporting of the financial activity from the previous year. The only financial report that is accurate without estimated revenue or expenditures
Interim Budgets	Reports that outline the year-to-date progress of the budget with an estimation of the expenditures for the remainder of the year. The First Interim covers July – October 31 and the Second Interim covers November – January 31st
Budget Certification	An indication of whether the District can meet all financial obligations for the current and next two fiscal years. A positive certification means the District projects it will meet all obligations; a qualified certification means it may meet obligations but not in one of next two fiscal years; a negative certification means the District will not meet obligations. The District is currently qualified as there concerns about the second year in the MYP in 2022 - 2023
MYP	Multi-Year Projection. The budget estimates of revenue and expenditures for the next two budget years
PPE	Personal Protection Equipment that is necessary to protect staff and students from COVID-19 transmission
RRMA	Routine Restricted Maintenance Account. This is the required set-aside for Facilities support of 3% of the District's' Expenditure budget each year.
Bond Program	The District's construction program that is funding from bond measures that were passed by the local tax payers including Measure R in March of 2020. Funds are monitored by the Citizens' Bond Oversight Committee (CBOC)



WCCUSD – Educational Acronyms and Terms

Term	Description
CCCOE	Contra Costa County Office of Education provides oversight and reviews the District's budget and LCAP. The County Office provides the Chief Business Official with direction in regard to expenditures and maintenance of the budget
FCMAT	Fiscal Crisis Management and Assistance Team is a State agency that provides support and guidance to school districts on budget monitoring and direction to districts that are in financial challenges
CARES Act	Funding provided by the Federal Government in response to the COVID-19 pandemic. The funds are to be used in the short-term (prior to December 2020) to mitigate the economic impact of the shutdown across the nation. These funds can support school districts to provide programs of support that would not have been possible otherwise due to lack of resources provided by the State. They can fund staff that are providing different services than their previous role due to the pandemic and to support the costs necessary to implement, maintain, train, and staff distance learning.
ESSER Funds	Part of the CARES act funding that was sent directly to school districts to mitigate the impact of lost funding and support for students due to the pandemic.
Furlough	The elimination of a work day for employees due to a lack of ongoing funding. CARES act can restore days that would not otherwise been able to be funded.
Deferral	<p>An accounting gimmick utilized by the State of California where they do not provide apportionment (paycheck) to school Districts in one year but require the districts to count the revenue in the budget. The deferral is then paid back in the next year by the State. The District however did not receive any cash from the State during that period and may be required to borrow those funds until repaid by the State. The District must report the income they did not receive, but the State pays nothing and has a savings in their budget creating a deficit factor.</p> <p>The State of California is only paying approximately \$60 billion to K-12 in 2020 – 2021 even though K-12 will count \$70 billion in deferrals. In 2021 – 2022 the State would need to have \$80 billion to spend to pay back the IOU (this is a \$20 billion change)</p>
Deficit Factor	An IOU from the State to pay back education for past deferrals.

Glossary of Common School Finance Terms - REVENUE

Term	Description
ADA	Average daily attendance. There are several kinds of attendance, and these are counted in different ways. For regular attendance, ADA is equal to the average number of pupils actually attending classes who are enrolled for at least the minimum school day. Ever since 1998-99, excused absences no longer count toward ADA. Attendance is counted every day of the school year and is reported to the California Department of Education three times a year (see Attendance Reports)
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 minimum reserve levels and other requirements for agency budgets and fiscal practices. See especially Education Code Sections 1240 et seq. and 42131 et seq.
Apportionment	State aid given to a school district or county office of education. Apportionments for the Local Control Funding Formula (LCFF) and special education are calculated four times for each school year: (1) the Advance Apportionment, which is based on an agency's prior year's state aid, is certified in July, (2) the First Principal Apportionment (P-1) is certified February 20 of the school year corresponding to the P-1 ADA (see Attendance Reports), (3) the Second Principal Apportionment (P-2) is certified by July 2 corresponding to the P-2 ADA, and (4) the annual recalculation of the apportionment is certified in February following the school year (at the same time as the P-1 Apportionment) and is based on P-2 ADA, except for programs where the annual count of ADA is used.
Appropriation Bill	A bill before the Legislature authorizing the expenditure of public money and stipulating the amount, manner, and purpose for the expenditure items.
Attendance Reports	Each school district reports its attendance three times during a school year. The First Principal Apportionment ADA, called the P-1 ADA or the P-1 count, is counted from July 1 through the last school month ending on or before December 31 of a school year. The Second Principal Apportionment ADA, called the P-2 ADA, is counted from July 1 through the last school month ending on or before April 15 of a school year. Fiscal or annual ADA is based on the count from July 1 through June 30. The final recalculation of the apportionment is based on the P-2 ADA except for nonpublic school, community day school, extended year, and nonpublic school funding, all of which use the annual count of ADA. Also, under certain circumstances when a district has a very large influx of migrant students in the spring, a district may request the use of annual ADA in lieu of P-2 ADA.



Glossary of Common School Finance Terms - REVENUE

Term	Description
Categorical Funds	Funds from the state or federal government granted to qualifying school agencies for specialized programs regulated and controlled by federal or state law or regulation. Examples include programs for children with special needs, such as special education or special programs, such as child nutrition. Expenditure of most categorical aid is restricted to its particular purpose. The funds are granted to districts in addition to their LCFF entitlement.
CALPADS	The California Longitudinal Pupil Achievement Data System, which is used to maintain individual-level data including student demographics, course data, discipline, assessments, staff assignments, and other data for state and federal reporting
Cost of Living Adjustment (COLA)	An increase in funding for government programs, including the LCFF target calculation and categorical programs. Current law ties the COLA percentage for most education programs to the annual percentage change in the “Implicit Price Deflator” for State and Local Governments—a government price index. See Education Code Section 42238.1.
Declining Enrollment Adjustment	A formula that cushions the drop in income in a district with a declining student population. Under current law, districts are funded for the greater of current year or prior year ADA. See Education Code Section 42238.5.
Deficit Factor	When an appropriation to the State School Fund for any specific 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.
Gap Funding	The amount of funding provided in the annual State Budget Act to move local agencies toward their LCFF target for each year of the estimated eight-year implementation period. Ended when LCFF was fully funded in 2019 - 2020
Implicit Price Deflator	See Cost of Living Adjustment above



Glossary of Common School Finance Terms - REVENUE

Term	Description
Proposition 98	<p>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.</p> <p>"Test 1" originally provided that K-14 school agencies shall receive at least 39.5% of state General Fund tax revenues in each year, the same percentage as was appropriated for K-14 school agencies in 1986-87.</p> <p>"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.</p> <p>"Test 3" only applies in years in which the annual percentage change in per capita state General Fund tax revenues plus 1/2% is lower than the "Test 2" inflation factor (i.e., the change in per capita personal income), in which case the inflation factor is reduced to the annual percentage change in per capita state General Fund tax revenues plus 1/2%.</p> <p>One of the provisions of Proposition 98 (as amended by Proposition 111/1990) applies only 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. In such a situation, a "maintenance factor" is initially set equal to the amount of that year's funding reduction due to "Test 3" or suspension, and this amount grows each year by statewide ADA growth and the "Test 2" inflation factor. In subsequent years when state taxes per capita grow faster than personal income per capita, this "maintenance factor" is restored by increasing the Proposition 98 minimum funding level until the funding base is fully restored. This restoration process is applied prospectively only, and there is no requirement that the revenue loss in the year or years prior to the maintenance factor being fully restored be made up.</p>

Glossary of Common School Finance Terms - REVENUE

Term	Description
Grade Span Adjustment (GSA)	Added to the base grants in the LCFF calculation. There is a 10.4% GSA for reducing class sizes in grades TK-3 and a 2.6% GSA for career-technical education that applies to grades 9-12.
Hold Harmless	A formula providing a guarantee of no loss in funding for an agency when a change in law or data would otherwise require a loss in funding.
Local Control Funding Formula (LCFF)	The LCFF, which replaced revenue limits and most categorical programs starting in 2013-14. It is the amount that a district or charter school can collect annually from local property taxes and state aid. It is comprised of a base grant by grade span multiplied per unit of ADA, with grade span adjustments for class-size reduction in grades TK-3 and for career-technical education at the high school level. Supplemental and concentration grants are added based upon the percentage of the student population that is free and reduced-price meal (FRPM) eligible, English learners, and foster youth, unduplicated.
Maintenance Factor	See Proposition 98
Reserves	<p>Funds set aside in a school agency budget to provide for economic uncertainties, future expenditures, working capital, or other purposes.</p> <p>Districts must retain a minimum of 3% of operating expenses for Economic uncertainties – this is equal to just over 2 and one half weeks of payroll</p> <p>Government Financial Accounting Standards recommend that agencies maintain at least 17% of the operational expenditure budget in reserve for economic uncertainties</p>

Glossary of Common School Finance Terms - REVENUE

Term	Description
Senate Bill (SB) 90	<p>SB 90/1972, which established the revenue limit system for funding school districts. The first revenue limit amount was determined by dividing the district's 1972-73 state and property tax income by that year's ADA. This original per-ADA amount became the historical base for all subsequent revenue limit calculations.</p> <p>SB 90/1977, which required that the state reimburse state-imposed mandates on local governments.</p>
Senate Bill (SB) 813	<p>Reference to Senate Bill 813/1983 that provided a series of education "reforms" in funding calculations. Longer day, longer year, mentor teachers, and beginning teacher salary adjustments are a few of the programs implemented by this 1983 legislation.</p>
State School Fund	<p>Each year the state appropriates money to this fund, which is then used to make state aid payments to school agencies. Section A of the State School Fund is for K-12 education and Section B is for community college education.</p>
Subvention	<p>The term used to describe assistance or financial support, usually from higher governmental units to local governments or school agencies. State aid to school agencies is a state subvention. CARES Act is a federal subvention.</p>



Glossary of Common School Finance Terms - TAXES

Term	Description
Ad Valorem Taxes	Taxes that are based on the value of property, such as the standard property tax. The only new taxes based on the value of property that are allowed today are those imposed by voter approval for capital facilities bonded indebtedness, with a vote requirement of either 55% for a Proposition 39 bond or a two-thirds requirement for other bonds.
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 appropriations levels required from the state for fully funding district and county LCFF entitlements, as well as for Proposition 98 calculations. Ever since Proposition 13, assessed value is reset to be the true market value only at the time of property transfer or new construction.
Bonded Indebtedness	An obligation incurred by the sale of bonds for acquisition of school facilities or other capital expenditures. Since 1986, districts have been able to levy a local property tax to amortize bonded indebtedness, provided the taxes are approved by a two-thirds or 55% vote of the electorate, depending on the type of bond measure.
Education Protection Account (EPA)	The EPA was created by Proposition 30 of 2012, which increased sales and income taxes on a temporary basis. Funds collected from the increased taxes are deposited into the EPA, which is then issued to local educational agencies as a replacement for the state aid portion of the LCFF.
Education Revenue Augmentation Fund (ERAF)	The fund used to collect the property taxes that are shifted from cities, the county and special districts within each county, prior to their distribution to K-14 school agencies.
General Obligation (GO) Bonds	Bonds that are a "general obligation" of the government agency issuing them, i.e. their repayment is not tied to a selected revenue stream. Bond elections in a school district must be approved by a two-thirds or 55% vote of the electorate, depending on the bond program, but state bond measures require only a majority vote.



Glossary of Common School Finance Terms - TAXES

Term	Description
GANN Limit	A limit on the appropriation of tax revenues of all levels of California government imposed by Proposition 4, an initiative passed in November 1979 (ref. Article XIII B of the California Constitution). Using 1978-79 as a base year, subsequent years' limits have been adjusted for: (1) an inflation increase which is currently equal to the annual change in California per capita personal income, and (2) the change in population, which for school agencies is the change in ADA. Although officially called "Appropriation Limits," these limits are commonly called "Gann Limits" after Paul Gann, the author of Proposition 4.
Maintenance Assessment Districts	A methodology for local agencies, including school agencies, to charge property owners a fee for the benefit derived by the property as a result of local agency service improvements. (See Lighting and Landscape Act of 1972, Section 22500 of the Street and Highways Code). Originally, school agencies were allowed to impose the "fee" by a vote of the local governing board only, by merely showing a benefit to each fee payer. Now, however, a school agency must hold an election before such a fee can be levied.
Parcel Tax	A special tax that is a flat amount per parcel and not ad valorem based (i.e., not based on the assessed value of the property). Parcel taxes must be approved by a two-thirds vote of the electorate. See Government Code Section 50079, et al.
Prior Year Taxes	Tax revenues that had been delinquent in a prior year and that are received in the current fiscal year. These revenues offset state aid in the current year in the LCFF.
Proposition 13	An initiative amendment passed in June 1978 adding Article XIII A to the California Constitution. Under Proposition 13, the maximum total property tax rate for all government operations—including school agencies, cities, counties, and special districts—is 1% of assessed value and additional property tax levies may only be made for voter approved debt. Proposition 13 also defined assessed value and required a two-thirds vote to levy any special purpose tax.



Glossary of Common School Finance Terms - TAXES

Term	Description
Serrano v. Priest	In 1974, the California Superior Court in Los Angeles County ruled in the <i>Serrano v. Priest</i> case that school district revenues in California depended so heavily on local property taxes that students in districts with a low assessed value per pupil were denied an equal educational opportunity in violation of the “Equal Protection” clause of the California Constitution. This ruling established certain standards under which the school finance system would be constitutional and was upheld by the California Supreme Court in 1976. In 1983, the California Superior Court in Los Angeles County ruled that the system of school finance in effect at that time was in compliance with the earlier Court order. After several appeals, in March 1989, all of the plaintiffs in the case agreed to dismiss their legal challenges, thereby settling <i>Serrano</i> as a legal issue.
Secured Roll	That portion of the assessed value that is stationary, i.e., land and buildings. See also <i>Unsecured Roll</i> . The secured roll averages about 90% of the taxable property in a district.
Supplemental Roll	An additional property tax assessment for properties that are sold or newly constructed that reflect a higher market value than on their prior lien date. By taxing this increase in assessed value immediately—rather than waiting until the next lien date—additional property taxes are generated.
Unsecured Roll	That portion of assessed property that is movable, such as boats, planes, etc.

Glossary of Common School Finance Terms - Personnel

Term	Description
CalPERS	California Public Employees' Retirement System. State law requires that classified employees and their employer contribute to this retirement fund.
CalSTRS	California State Teachers' Retirement System. State law requires that certificated employees, their employer, and the state contribute to this pension fund.
Certificated Staff	School employees who hold positions for which a credential is required by the state – teachers, librarians, counselors and most administrators.
Classified Staff	School employees who hold positions that do not require a credential, like instructional aides, custodians, clerical support, cafeteria workers, bus drivers, etc.
Credentialed Teacher	One holding a credential to teach issued by the State Commission on Teacher Credentialing. A credential is issued to those who have successfully completed all college training and courses required by the State, have graduated from an accredited college or university, have met any other state requirements and have passed the California Basic Education Skills Test (CBEST).
Full-Time Equivelant (FTE)	The ratio of time expended in a part-time position to that of a full-time position.
Transitional Kindergarted (TK)	A developmentally appropriate program offered to children (at ages 4 or 5) that are too young to start Kindergarten in that year. Essentially, California offers a two-year Kindergarten program.

Glossary of Common School Finance Terms - EXPENSES

Term	Description
Consumer Price Index (CPI)	A measure of the cost-of-living compiled by the United States Bureau of Labor Statistics. Separate indices of inflation are calculated regularly for the United States, California, some regions within California, and selected cities. The CPI is one of several measures of inflation
Contribution	The expenditure of general purpose funds in support of a categorical program, i.e., the categorical expense requires a contribution from the district's General Fund for support. This occurs in most districts and county offices that provide special education and transportation. Contributions to other programs may be caused by deficit factors or local decisions to allocate general purpose funds to special purpose programs.
Encroachment	The expenditure of school districts' general purpose funds in support of a categorical program, i.e. the categorical expense encroaches into the district's general fund for support. Encroachment occurs in most districts and county offices that provide special education and transportation. Other encroachment is caused by deficit factors or local decisions to allocate general purpose funds to special purpose programs.
Indirect Expense and Overhead	Those elements of indirect cost necessary to 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. Indirect costs are allocated to all programs in a school agency as a percentage of direct and allocated costs for each program.
Mandated Costs	School district expenses that occur because of federal or state laws, decisions of state or federal courts, federal or state administrative regulations. See Senate Bill (SB) 90, 1977, and also Proposition 4, 1979.
Unencumbered Balance	That portion of an appropriation or allotment not yet expended or obligated.

Glossary of Common School Finance Terms - COMPLIANCE

Term	Description
Class Size Penalties	The penalties imposed on school districts that have classes in excess of certain maximum sizes. (Class size penalties result in a reduction in ADA which, in turn, results in a loss in revenue limit income.) See Education Code Sections 41376 and 41378.
Criteria and Standards	Local district budgets must meet state-adopted provisions of “criteria and standards.” These provisions establish minimum fiscal standards that school districts, county offices of education and the State use to monitor district fiscal solvency and accountability. See Education Code Sections 33127 et seq.
Individualized Educational Program (IEP)	A written agreement between a school agency and parents or guardians of a disabled child specifying an educational program tailored to the needs of the child, in accordance with federal PL 94-142 regulations. An IEP team is comprised 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 IEP 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.
PL94-142	Federal law that mandates a free appropriate public education (FAPE) for all disabled children. Also known as IDEA, the Individuals with Disabilities Education Act.
Sunset	The termination of a categorical program. A schedule is in current law for the Legislature to consider the “sunset” of most state categorical programs. If a program sunsets under this schedule, the funding for the program shall continue for the general purposes of the program, but the specific laws and regulations shall no longer apply.
Waivers	Permission from the State Board of Education—or, in some cases, from the Superintendent of Public Instruction—to set aside the requirements of an Education Code provision upon the request of a school district. See Education Code Section 33050.

