



Santee School District

SCHOOLS:

Cajon Park
Carlton Hills
Carlton Oaks
Chet F. Harritt
Hill Creek
Pepper Drive
PRIDE Academy
at Prospect Avenue
Rio Seco
Sycamore Canyon
Alternative
Success Program

NOTICE OF SPECIAL MEETING of the BOARD OF EDUCATION

Written notice is hereby given in accordance with Government Code Section 54956 that the following special meeting of the Board of Education of the Santee School District will be held:

DATE: January 25, 2011
TIME: 6:00 P.M.
PLACE: Santee School District Educational Resource Center
9619 Cuyamaca St., Santee, CA 92071

Business transacted at the meeting shall be limited to the following:

- A. **CALL TO ORDER – 6:00 P.M.**
- B. **PUBLIC COMMUNICATION**
During this time, citizens are invited to address the Board of Education about any item on this special meeting agenda. The Board has a policy limiting any speaker to five minutes.
- C. **MID-YEAR BUDGET WORKSHOP**
Administration will provide information and recommendations to the Board of Education regarding the development of a balanced operating budget for the 2011-12 school year.
 1. **Review of Proposed State Budget**
 2. **District Multi-Year Budget and Cash Flow Projections**
 - A. With temporary taxes extended by the voters
 - B. Without temporary taxes extended by the voters
 3. **Budget Considerations for 2011-12**
Administration requests Board direction on the following considerations:
 - A. Use of Federal Jobs Bill Funds
 - B. Uniform Bell Schedules and Modified Days
 - C. Deferred Maintenance Set-Aside
 4. **Other Fiscal Factors**
 - A. Publications and Instructional Supply Budgets
 - B. GASB 54 Reporting of Fund Balance
- D. **CLOSED SESSION**
 1. **Conference with Legal Counsel-Existing Litigation**
(Subdivision (a) of Gov't Code §54956.9) Case # 37-2009-00083936-CU-CO-CTL
- E. **RECONVENE TO OPEN SESSION**
- F. **ADJOURNMENT**

Please note: Per SB 343, the supporting documents for this meeting agenda are available in the lobby at the Santee School District Office, located at 9625 Cuyamaca St., Santee, CA 92071 and will be available for viewing at the meeting.

Santee School District complies with the Americans with Disabilities Act. If you require reasonable accommodations including alternate formats for this meeting, contact the Superintendent's Office at (619) 258-2304.

BOARD OF EDUCATION • Dan Bartholomew, Dustin Burns, Dianne El-Hajj, Ken Fox, Barbara Ryan
DISTRICT SUPERINTENDENT • Patrick Shaw, Ed.D.

9625 Cuyamaca Street • Santee, California 92071-2674 • (619) 258-2300 • www.santeesd.net

Review of Proposed State Budget

- **Summary of Governor's January Budget Proposal for 2011-12**

District Multi-Year Budget and Cash Flow Projections

- **With Temporary Taxes Extended by the voters**
- **Without Temporary Taxes Extended by the voters**

Budget Considerations for 2011-12

- **Use of Federal Jobs Bill Funds**
- **Uniform Bell Schedule and Modified Days – Instructional Minutes/Bell Schedules**
- **Deferred Maintenance Set-Aside**

Other Fiscal Factors

- **Publications and Instructional Supply Budgets-Final School Allocations 2010-11**
- **GASB 54**

Summary of Governor's January Budget Proposal for 2011-12

• **NATIONAL ECONOMIC OUTLOOK**

- Recession started December 2007 and ended June 2009
 - Ending measured by 2 consecutive quarters of GDP growth
- Unemployment Rate high= 9.4% down from 9.9%
- Gross Domestic Product growth is positive but low = 2.6%
- Stock market up, inflation non-existent, corporations and banks have surplus cash
- Federal Deficit a concern:
 - Annual budget deficit = \$1.4 trillion
 - Cumulative deficit (debt) exceeds \$14 trillion
- Forecast: slow growth in 2011 with growth accelerating in 2012

• **STATE ECONOMIC OUTLOOK**

- Unemployment Rate high = 12.4%, 3rd highest in nation behind Nevada and Michigan
- Wage and Salary Employment Growth Projections:
 - 0.7% to 1.3% in 2011
 - 1.8% to 3.1% in 2012
- Personal Income Growth Projections:
 - 2.9% to 3.8% in 2011
 - 4.0% to 5.6% in 2012
- Forecast: Slow growth with pre-recession levels for economic indicators not reached until 2016, 1 year later than last year's forecast

• **STATE BUDGET**

- Budget deficit pegged at \$25.4 billion through 2011-12:
 - \$8.2 billion attributable to 2010-11
 - \$17.2 billion attributable to 2011-12
- Deficit largely due to failure of prior year budget "solutions":

<u>Category</u>	<u>2008-09</u>	<u>2009-10</u>	<u>2010-11</u>
Total "Solutions" Enacted	\$24.3 billion	\$60.0 billion	\$19.3 billion
On-going	\$6.1 billion	\$9.6 billion	\$2.9 billion
One-time, unsuccessful, or future deficit worsening	\$18.2 billion	\$50.4 billion	\$16.4 billion
Effectiveness %	25.10%	16.00%	15.03%
Failure %	84.90%	84.00%	84.97%

- DEBT:
 - Service on debt has increased dramatically from 3.4% of General Fund revenues in 2004 to 6.7% in 2010.
 - Debt Service totals \$5.8 billion in 2009-10.
 - Bond rating lowest of 50 states at A-
- Governor's Proposal:
 - The numbers:
 - \$25.4 billion budget deficit

Summary of Governor's January Budget Proposal for 2011-12

- \$12 billion in revenue augmentations
 - \$8.8 billion pertains to extension of temporary taxes enacted in 2009-10 and expiring at the end of 2010-11:
 - 0.25% surcharge on income tax
 - \$0.01 sales tax increase
 - 0.5% increase for Vehicle License Fee
 - Reduction in dependent deduction
 - Requires conquering 2 hurdles:
 - 2/3 vote of Legislature = All democrats and 2 republicans in both houses
 - More than 50% of voters approving at June Special Election
 - If not extended, adds \$8.8 billion to deficit, reduces General Fund revenues by \$5 billion, and reduces Proposition 98 minimum by \$2.3 billion
- \$12.5 billion in expenditure reductions which includes:
 - \$1.7 billion reduction to Medi-Cal services
 - \$1.5 billion reduction for California Work Opportunity and Responsibility to Kids (CalWORKs) grants
 - \$1 billion reduction for UC and CSU systems
 - \$750 million reduction for Dept of Developmental Services
 - \$750 million reduction for childcare
 - \$486 million reduction for In-Home Supportive Services
 - \$308 million reduction to pay for state employees without contracts
 - \$300 million reduction for community colleges
- \$1.9 billion in "other solutions"
- To eliminate deficit and create \$1 billion reserve
 - Other significant proposals:
 - Shift government services to local level and provide dedicated revenues
 - Phase out redevelopment agencies across the State
- **Education Funding**
 - Proposition 98 "minimum guarantee" = Test 1: 41.22% of General Fund Revenues
 - \$49.3 billion down from \$49.7 billion in 2010-11 IF temporary taxes extended
 - Becomes \$47 billion if not extended = \$330 per ADA decline
 - Revenue Limit
 - 1.67% COLA not funded
 - Department of Finance calculation and application of increased deficit factor causes \$19 per ADA decline
 - Additional \$330 per ADA possible IF temporary taxes not extended
 - Categorical Programs
 - Status Quo, No COLA
 - Cash Deferrals Increased:

Summary of Governor's January Budget Proposal for 2011-12

- Additional \$2.1 billion cross-fiscal year deferral added to \$7.5 billion existing brings total to \$9.6 billion = 45% of LEA revenue
- Flexibility Provisions Extended for 2 years:
 - Minimum reserve requirement flexibility (3% to 1%) expiration moved from 2012-13 to 2014-15
 - K-3 CSR flexibility expiration moved from 2012-13 to 2014-15
 - Categorical flexibility expiration moved from 2013-14 to 2015-16
 - Tier III programs
 - Deferred Maintenance suspension
 - Instructional Materials adoption suspension
 - Routine Restricted Maintenance flexibility (3% to 1%) expiration moved from 2013-14 to 2015-16
- AB 3632 County Mental Health Services:
 - No change for 2010-11: mandate "suspended", funding cut, financial burden shifted to school districts, court challenges continue
 - For 2011-12, provides \$98.6 million from Proposition 63 to counties to reimburse for prior-year mandate claims (2004-05 through 2008-09)
 - From 2012-13 forward, services assumed handled under local realignment plan with funding
- Lack of Equitable Treatment:

Major State General Fund Expenditures By Area (Dollars in Billions)			
	1998-99	2010-11	% Increase
K-14, Proposition 98*	\$35.2	\$49.7	41%
Higher Education (CSU and UC)	\$4.7	\$7.4	57%
Natural Resources	\$1.2	\$2.0	67%
Health and Human Services	\$15.3	\$27.0	76%
Corrections	\$4.4	\$9.3	111%
General Fund Revenues	\$57.3	\$94.1	64%

* Includes state general fund and local property taxes

Summary of Governor's January Budget Proposal for 2011-12

	Dollars in Billions				% Change 2007-08 to 2010-11
	2007-08	2008-09	2009-10	2010-11	
K-12 Education	\$42.5	\$35.5	\$34.6	\$36.3	<14.5%>
Higher Education	\$11.8	\$11.7	\$10.6	\$11.6	<1.4%>
Health and Human Services	\$29.7	\$30.9	\$25.0	\$27.0	<9.3%>
Corrections and Rehabilitation	\$10.2	\$10.3	\$8.2	\$9.3	<9.0%>
Natural Resources	\$1.9	\$2.0	\$1.9	\$2.0	8.3%

- **EFFECT ON SANTEE SCHOOL DISTRICT BUDGET**
 - Requires analysis and planning for 2 scenarios:
 - Temporary taxes extended
 - Temporary taxes not extended

Projected Budget Summary

Temporary Taxes Extended

Item	2009-10		2010-11		2011-12		2012-13		2013-14**	
	Unrestricted	Restricted	Unrestricted	Restricted	Unrestricted	Restricted	Unrestricted	Restricted	Unrestricted	Restricted
Total Income	\$33,665,563	\$12,114,352	\$33,438,796	\$12,728,869	\$32,375,630	\$12,135,770	\$32,035,428	\$12,475,972	\$32,035,428	\$12,475,972
Total Outgo	\$31,463,277	\$14,461,766	\$32,317,560	\$12,488,840	\$34,108,461	\$12,204,191	\$34,802,418	\$12,450,736	\$35,383,144	\$12,591,708
Change in Fund Balance	\$2,202,286	(\$2,347,414)	\$1,121,236	\$240,029	(\$1,732,831)	(\$83,421)	(\$2,766,990)	\$25,236	(\$3,347,716)	(\$115,736)
Ending Fund Balance	\$6,817,101	\$101,959	\$7,938,337	\$341,989	\$6,205,506	\$273,566	\$3,438,516	\$298,803	\$90,800	\$183,067
Undesignated/Unappropriated	\$4,420,378	\$101,959	\$5,968,341	\$341,989	\$4,179,249	\$273,566	\$1,379,147	\$298,803	(\$1,990,220)	\$183,067
Economic Uncertainty Reserve	\$1,377,751		\$1,344,192		\$1,389,380		\$1,417,595		\$1,439,246	
Fund 17 Reserve	\$2,824,831		\$2,853,080		\$2,878,898		\$2,907,687		\$2,936,764	
Total Reserves	\$8,622,961		\$10,165,613		\$8,447,526		\$5,704,429		\$2,385,790	
Reserve as % of Expenditures	18.78%		22.69%		18.24%		12.07%		5.30%	
										** Not part of current MYP
	*6,209.70 Funded ADA				*COLA = -0.39%, Def Fctr Red	*NO COLA = 1.67%; \$612,106	*NO COLA = 1.80%; \$537,859		*NO COLA = 2.30%	\$687,264
	*1% City Treasury Int Rate									
			*1% City Treasury Int Rate						*1% City Treasury Int Rate	
			*6,233.08 Funded ADA		*6,233.08 Funded ADA		*6,233.08 Funded ADA		*6,233.08 Funded ADA	
			*\$4.7 million reductions		*Step & Col =	721,698	*Step & Col =	721,698	*Step & Col =	721,698
			*State Reserve		0	*\$3.4 million on-going redctns	*CSR +Rev =	0	*RRMA Flex	0
					0.00%	*State Reserve	0	*CSR +Exp =	0	*Cat Flex
							0.00%	*State Reserve	0	*State Reserve
									0.00%	0.00%
Addtl GF Cash Needed:	2,092,996		2,750,000		5,600,000		5,600,000			
GF/Fnd 17 Cash Surpl/(Defct):	731,835		103,080		(2,621,102)		(2,621,102)			
Other Available Non-GF Cash	2,547,021		2,947,021		3,900,000		3,900,000			
Internal Cash Surpl/(Defct):	3,278,856		3,050,101		1,278,898		(4,488,092)		(7,835,808)	
Max Interyear Treasury Loan	0		0		6,800,119		6,800,119		6,800,119	
Extntl Cash Surplus/(Deficit)	0		0		0		2,312,027		(1,035,689)	
Extntl Cash Required vs Avble	0.00%		0.00%		0.00%		66.00%		115.00%	
Desired Max Interyear Loan (50%)					3,400,060		3,400,060		3,400,060	
Budget Solutions Needed					0		(1,038,033)		(4,435,749)	

Projected Budget Summary

Temporary Taxes NOT Extended

Item	2009-10		2010-11		2011-12		2012-13		2013-14**	
	Unrestricted	Restricted	Unrestricted	Restricted	Unrestricted	Restricted	Unrestricted	Restricted	Unrestricted	Restricted
Total Income	\$33,665,563	\$12,114,352	\$33,438,796	\$12,728,869	\$30,320,644	\$12,135,770	\$29,980,442	\$12,475,972	\$29,980,442	\$12,475,972
Total Outgo	\$31,463,277	\$14,461,766	\$32,317,560	\$12,488,840	\$34,108,461	\$12,204,191	\$34,802,418	\$12,450,736	\$35,383,144	\$12,591,708
Change in Fund Balance	\$2,202,286	(\$2,347,414)	\$1,121,236	\$240,029	(\$3,787,817)	(\$68,421)	(\$4,821,976)	\$25,236	(\$5,402,702)	(\$115,736)
Ending Fund Balance	\$6,817,101	\$101,959	\$7,938,337	\$341,988	\$4,150,520	\$273,566	(\$671,455)	\$298,803	(\$6,074,158)	\$183,067
Undesignated/Unappropriated	\$4,420,378	\$101,959	\$5,968,341	\$341,988	\$2,124,263	\$273,566	(\$2,730,825)	\$298,803	(\$8,155,178)	\$183,067
Economic Uncertainty Reserve	\$1,377,751		\$1,344,192		\$1,389,380		\$1,417,595		\$1,439,246	
Fund 17 Reserve	\$2,824,831		\$2,853,080		\$2,878,898		\$2,907,687		\$2,936,764	
Total Reserves	\$8,622,961		\$10,165,613		\$6,392,540		\$1,594,457		(\$3,779,168)	
Reserve as % of Expenditures	18.78%		22.69%		13.80%		3.37%		-8.39%	
			*COLA = -0.39%, Def Fctr Red		*NO COLA = 1.67%: \$612,106		*NO COLA = 1.80%: \$537,859		** Not part of current MYP	
			*1% Cty Treasury Int Rate						*NO COLA=2.30%	\$687,264
			*1% Cty Treasury Int Rate						*1% Cty Treasury Int Rate	
			*6,233.08 Funded ADA		*6,233.08 Funded ADA		*6,233.08 Funded ADA		*6,233.08 Funded ADA	
			*\$4.7 million reductions		*Step & Col = 721,698		*Step & Col = 721,698		*Step & Col = 721,698	
			*State Reserve		*\$3.4 million on-going redctns		*CSR +Rev = 0		*RRMA Flex	0
					*State Reserve		*CSR +Exp = 0		*Cat Flex	0
							*State Reserve		*State Reserve	0
							0.00%			0.00%
Addtl GF Cash Needed:	2,092,996		2,750,000		7,556,916					
GF/Fnd 17 Cash Surpl/(Defct):	731,835		103,080		(4,678,018)					
Other Available Non-GF Cash	2,547,021		2,947,021		3,900,000					
Internal Cash Surpl/(Defct):	3,278,856		3,050,101		(778,018)				(8,599,995)	
Max Interyear Treasury Loan	0		0		6,800,119				6,800,119	
External Cash Surpl/(Defct)	0		0.00%		6,022,101				(1,799,876)	
Extnl Cash Required vs Avble	0.00%		0.00%		0.00%				126.00%	
Desired Max Interyear Loan (50%)			3,400,060		3,400,060				3,400,060	
Budget Solutions Needed			0		0				(10,602,637)	

2011-12 Budget Considerations

#	Board Direction	Category Affected	Description	Annual Effect on Unrestricted Fund Balance			Type	Comments
				In MYP	Not in MYP	Total		
1	*	Income	Federal Jobs Bill funds received Sept 2010	1,030,071		1,030,071	One-Time	Total \$1,144,523 expected
2			Additional net funding for Medi-Cal		13,810	13,810	On-Going	
3			Rebates for use of AMEX for vendor payments		14,000	14,000	On-Going	
4		Outgo	25% of base salary retirement incentive for non-management Certificated		35,155	35,155	On-Going	Out year reduction = \$151,261
5			Reduce CPR training to every other year for those that do not require annual		2,564	2,564	On-Going	In place for 2010-11
6			Shift to new vendor for M&O Uniforms		5,720	5,720	On-Going	In place for 2010-11
7			Reduce Teacher Sub Rate by \$10 per day		38,842	38,842	On-Going	
8			Reduce total hours for drivers by 13 per day (currently 18 between 2009-10 and beginning of 2010-11)	41,296		41,296	On-Going	In place for 2010-11
9			Use new Counseling Grant to reduce AB1802 funding of Social Workers		45,000	45,000	On-Going	In place for 2010-11
10			Decrease in Services for reduction in legal costs and utilities	519,961		519,961	On-Going	
11	*		Align bell and modified day schedules to reduce 2 bus routes		90,000	90,000	On-Going	
12	*		Set-aside funds for Deferred Maintenance		(100,000)	(100,000)	On-Going	
13			Restore hours for Logistics Specialist/Buyer and Lead Custodian to support Phase II CIP projects		(44,924)	(44,924)	On-Going	
14			AB 3632 Mental Health Services	(39,000)	(26,000)	(65,000)	One-Time	
15			Conduct FC/MAT study of Technology		(8,000)	(8,000)	One-Time	
Total:				1,552,328	66,168	1,618,496		

California Department of Education (<http://www.cde.ca.gov/nr/el/le/yr10ltr0914.asp>)
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CALIFORNIA
DEPARTMENT OF
EDUCATION

JACK O'CONNELL
STATE SUPERINTENDENT OF PUBLIC INSTRUCTION

September 14, 2010

Dear County and District Superintendents and Direct-Funded Charter School Administrators:

EDUCATION JOBS FUND AND MEDICAID ASSISTANCE ACT OF 2010

This letter is to provide information on the federal Education Jobs and Medicaid Assistance Act of 2010, House Resolution 1586 which was signed by President Barack Obama on August 10, 2010. Under this Act, the Education Jobs Fund (Ed Jobs) program was created. The Ed Jobs program would provide California \$1.2 billion to be used to save or create an estimated 16,500 kindergarten through grade twelve (K-12) jobs.

Governors have 30 days from enactment to submit their state's application for the funds, and the U.S. Department of Education (ED) must award the funds to states within 45 days of enactment. California's application was approved by the ED on August 27, 2010.

Allocation of Funds

The Act requires Ed Jobs funds to be allocated to states through the same process as Section 14001 of the American Recovery and Reinvestment Act (ARRA) of 2009. In turn, states must allocate funds to local educational agencies (LEAs) through the state's primary K-12 funding formulae or based on LEAs' relative shares of Title I, Part A allocations. If states choose to use their primary K-12 formulae, it must be the same formulae the state designated in its State Fiscal Stabilization Fund (SFSF) application. A state must use the same data that it uses to allocate funds for the 2010-11 school year.

Governors will only have one year to award the Ed Jobs funds before they are reallocated back to the ED and redistributed to the remaining states under the same formula as the initial allocation.

In the application submitted on August 13, 2010, Governor Arnold Schwarzenegger indicated that California will be using the primary K-12 formulae method. Pursuant to Senate Bill 847, which was signed by Lieutenant Governor Abel Maldonado on September 10, 2010, the funds will be "allocated to LEAs in an amount calculated to be an equal proportion of the amount calculated for the 2010-11 fiscal year" for school district, county office of education, or charter school revenue limits. A preliminary allocation equal to 90 percent of the estimated final allocation must be made within 14 days after the bill was signed.

A separate application to receive funding under the Ed Jobs program will not be required for LEAs that previously submitted an application to the state under the SFSF program. LEAs that have not submitted an SFSF application previously, including new direct-funded charter schools or charter schools that have changed their fund type from local to direct since 2008-09, must apply for Ed Jobs funds by using the SFSF application which is available through the CDE Education Jobs and Medicaid Assistance Act Web page at <http://www.cde.ca.gov/ar/ej/>.

Preliminary allocations of funds are available through the "Entitlements and Apportionments" link on the CDE Education Jobs and Medicaid Assistance Act Web page at <http://www.cde.ca.gov/ar/ej/>.

Use of Funds

LEAs may use Ed Jobs funds to compensate employees for any period after August 10, 2010, the date of enactment of the Act.

LEAs must use the funds at the school site level for compensation and benefits and other expenses, such as support services, necessary to retain existing employees; to recall or rehire former employees; and, to hire new employees in order to provide early childhood, elementary, or secondary educational and related services. This includes salaries, performance bonuses, health insurance, retirement benefits, incentives for early retirement, pension fund contributions, tuition

reimbursement, student loan repayment assistance, transportation subsidies, and reimbursement for child care expenses. Funds may be used to restore reductions in salaries and benefits or to implement increases. They also may be used to eliminate furlough days.

In addition to teachers, employees supported with Ed Jobs funds may include, among others, principals, assistant principals, academic coaches, in-service teacher trainers, classroom aides, counselors, librarians, secretaries, social workers, psychologists, interpreters, physical therapists, speech therapists, occupational therapists, information technology personnel, nurses, athletic coaches, security officers, custodians, maintenance workers, bus drivers, and cafeteria workers.

Funds may not be used for: (1) administrative expenditures related to the operation of the superintendent's office or the LEA's board of education, including the salaries and benefits of LEA-level administrative employees; and (2) expenditures for fiscal services, LEA program planners and researchers, and human resource services.

Please see the ED guidance for more information on allowable use of the Ed Jobs funds on the ED Education Jobs Fund Applicant Information Web page at <http://www2.ed.gov/programs/educationjobsfund/applicant.html> (Outside Source).

Period of Availability

Ed Jobs funds are intended for use in the 2010–11 school year. However, LEAs may carry over unspent funds into 2011–12. All funds must be obligated by September 30, 2012.

Given the Legislature has directed the CDE to distribute 90 percent of the preliminary entitlement, the CDE requests that LEAs spend these funds as quickly as possible. Spending the funds immediately is consistent with the federal intent regarding the use of these funds. Spending funds quickly also conforms with federal cash management rules, which require that cash be distributed in a manner that minimizes the time between an LEA's receipt and expenditure of federal funds, and minimizes the interest earned on unspent funds.

Accountability and Reporting

LEAs must maintain records that separately track and account for Ed Jobs funds. In accordance with the requirements of Section 443(a) of General Education Provisions Act (20 United States Code, Section 1232f [a]), LEAs must maintain records that will facilitate an effective audit and demonstrate that the funds were used in compliance with applicable requirements.

Under Section 101 of the Act, LEAs must fulfill the quarterly reporting requirements under Section 1512 of ARRA. You can find additional information on Section 1512 reporting requirements on the CDE ARRA and Ed Jobs Act Federal Stimulus Funding, Reporting, and Compliance Web page at <http://www.cde.ca.gov/arr/r/r/>.

Section 101 also requires LEAs to provide annual reports as outlined under Section 14008 of ARRA that would include information on the number of education personnel affected by the Ed Jobs program. The ED will be providing guidance on the annual reporting requirements.

The Ed Jobs funds are subject to federal cash management rules, and LEAs must submit interest earned on federal dollars to the CDE. Please see the August 25, 2010, letter from Kevin W. Chan, Director, Audits and Investigations Division to County and District Superintendents, County and District Chief Business Officials, and Charter School Administrators regarding Interest Earned on Federal Funds on the CDE Accounting Correspondence Web page at <http://www.cde.ca.gov/fq/ac/co/fdinterestreminder.asp>.

Conclusion

As we receive additional information from the federal government about the Ed Jobs program, we will share it with you. We will continue to keep you apprised of developments concerning Ed Jobs program implementation through the listserv and on the CDE ARRA and Ed Jobs Act Federal Stimulus Funding Web page at <http://www.cde.ca.gov/arr/>.

If you have any questions regarding the Ed Jobs program, please contact the Fiscal Policy Division by e-mail at ARRA@cde.ca.gov.

Sincerely,

JACK O'CONNELL

JO:cb

Last Reviewed: Wednesday, September 15, 2010

District Bell Schedule

The district has nine schools and one alternative education program, Santee for Success. Daily home-to-school regular education transportation services are offered at five schools, and special education transportation is provided at eight schools. Five schools, including Santee for Success, have no home-to-school regular education transportation service. Eight schools serve kindergarten through eighth-grade students, and one site serves students in kindergarten through sixth grade.

According to the 2009 Annual Report of Pupil Transportation, or Form TRAN, the district transports approximately 234 regular education home-to-school students and 187 special education students daily. That report also indicates the district's Transportation Department has 17 school buses with 17 scheduled routes and traveled 205,264 miles last year. The district has a transportation general fund encroachment of almost 60% for the 2009-10 school year, which is slightly above the statewide average encroachment of 55%.

Current 2010-11 district source data on daily one-way student ride counts shows that approximately 275 regular education students receive home-to-school transportation, and 193 students receive transportation as a related support service identified through their Individualized Education Program (IEP) for special education.

The district bell schedule is difficult for the transportation program to support efficiently. All nine schools, including the alternative education program, start within 45 minutes of each other, with approximately five start and 12 dismissal times.

2010-2011 School Year Bell Schedule

Prospect Avenue School			Min-Days		Mod-Days		Regular Ed.		Special Ed.	
Grade	Start	End	Start	End	Start	End	AM Buses	PM Buses	AM Buses	PM Buses
K (Sept 8-Oct 8)	8:00	11:20	N/A	N/A	N/A	N/A	1	2	0	0
K (Oct 11-June)	8:00	2:00	8:00	11:30	8:00	1:00				
1-3	8:00	2:00	8:00	11:30	8:00	1:00				
4-5	8:00	2:30	8:00	11:30	8:00	1:00				
6-8	8:00	2:30	8:00	11:30	8:00	1:00				

Sycamore Canyon School			Min-Days		Mod-Days		Regular Ed.		Special Ed.	
Grade	Start	End	Start	End	Start	End	AM Buses	PM Buses	AM Buses	PM Buses
K	8:15	1:40	8:15	12:05	N/A	N/A	0	0	1	1
1-3	8:15	2:00	8:15	12:05	N/A	N/A				
4-6	8:15	2:20	8:15	12:05	N/A	N/A				

Carlton Hills School			Min-Days		Mod-Days		Regular Ed.		Special Ed.	
Grade	Start	End	Start	End	Start	End	AM Buses	PM Buses	AM Buses	PM Buses
K	7:50	1:35	7:50	12:05	N/A	N/A	1	1	2	2
1-3	7:50	1:35	7:50	12:05	N/A	N/A				
4-6	7:50	2:00	7:50	12:05	N/A	N/A				
7-8	7:50	2:11	7:50	12:05	N/A	N/A				

DISTRICT BELL SCHEDULE

2010-2011 School Year Bell Schedule

Carlton Oaks School			Min-Days		Mod-Days		Regular Ed.		Special Ed.	
Grade	Start	End	Start	End	Start	End	AM Buses	PM Buses	AM Buses	PM Buses
K	8:32	1:35	8:32	12:35	8:32	12:35	0	0	5	3
1-3	8:32	2:35	8:32	12:35	8:32	12:35				
4-6	8:32	3:05	8:32	12:35	8:32	12:35				
7-8	8:32	3:10	8:32	12:40	8:32	12:40				

Chet F. Harritt School			Min-Days		Mod-Days		Regular Ed.		Special Ed.	
Grade	Start	End	Start	End	Start	End	AM Buses	PM Buses	AM Buses	PM Buses
K	7:45	1:50	7:45	12:30	7:45	12:30	1	1	1	1
1-3	7:45	1:50	7:45	12:30	7:45	12:30				
4-6	7:45	2:30	7:45	12:30	7:45	12:30				
7-8	7:45	2:30	7:45	12:30	7:45	12:30				

Santee Success Program			Min-Days		Mod-Days		Regular Ed.		Special Ed.	
Grade	Start	End	Start	End	Start	End	AM Buses	PM Buses	AM Buses	PM Buses
K	7:45	1:36	7:45	11:45	N/A	N/A	0	0	0	0
1-3	7:45	1:36	7:45	11:45	N/A	N/A				
4-6	7:45	2:01	7:45	11:45	N/A	N/A				
7-8	7:45	2:06	7:45	11:45	N/A	N/A				

Cajon Park School			Min-Days		Mod-Days		Regular Ed.		Special Ed.	
Grade	Start	End	Start	End	Start	End	AM Buses	PM Buses	AM Buses	PM Buses
K	8:00	1:40	8:00	11:45	8:00	12:00	0	0	5	4
1-3	8:00	1:50	8:00	11:45	8:00	12:50				
4-6	8:00	2:15	8:00	11:45	8:00	12:50				
7-8	8:00	2:15	8:00	11:30	8:00	12:50				

Pepper Drive School			Min-Days		Mod-Days		Regular Ed.		Special Ed.	
Grade	Start	End	Start	End	Start	End	AM Buses	PM Buses	AM Buses	PM Buses
K	8:30	1:30	8:30	12:50	8:30	12:50	3	3	1	2
1-3	8:30	2:35	8:30	12:55	8:30	12:55				
4-5	8:30	2:35	8:30	1:00	8:30	N/A				
6-8	8:30	2:35	8:30	1:00	8:30	N/A				

2010-2011 School Year Bell Schedule

Hill Creek School			Min-Days		Mod-Days		Regular Ed.		Special Ed.	
Grade	Start	End	Start	End	Start	End	AM Buses	PM Buses	AM Buses	PM Buses
K	7:45	1:36	7:45	11:45	N/A	N/A	1	1	3	3
1-3	7:45	1:36	7:45	11:45	N/A	N/A				
4-6	7:45	2:01	7:45	11:45	N/A	N/A				
7-8	7:45	2:06	7:45	11:45	N/A	N/A				

Rio Seco School			Min-Days		Mod-Days		Regular Ed.		Special Ed.	
Grade	Start	End	Start	End	Start	End	AM Buses	PM Buses	AM Buses	PM Buses
K	8:30	1:30	8:30	12:45	8:30	12:45	0	0	3	3
1-3	8:30	2:35	8:30	12:45	8:30	12:45				
4-6	8:30	3:05	8:30	12:45	8:30	12:45				
7-8	8:30	3:05	8:30	12:45	8:30	12:45				

Individual school modified days, defined as days with reduced instructional minutes to allow for staff collaboration and in-service, are unique to each school site. A review of school calendars indicates that schedules may even be unique between grade groupings at the same school. There is no systematic approach to scheduling modified days in coordination with all district school sites. The collective bargaining unit contract allows teachers to establish instructional minutes that allow for a modified day calendar at each site. Grade groupings at a school site may choose independent modified day calendars specific to their group. As a result, school sites independently select modified day calendars to meet the individual needs of school site teaching staffs. This prevents any type of district-driven coordination or districtwide grade groupings. The district should consider developing a standard districtwide modified day calendar. This could help reduce the number of transportation routes required and enhance bus scheduling, allowing for more timely service.

The district's regular education and special education school bus routing could be made more efficient with the implementation of a sufficiently staggered or multi-tiered master bell schedule. Data reviewed from the district's 2009-10 state TRAN report shows that the transportation program used five buses to provide daily transportation service for approximately 234 regular education students and 13 buses to transport approximately 187 special education students. According to district source data reviewed, the district uses four school buses to operate 4.5 home-to-school routes and one after-school program, and 13 special education school buses to operate 13 special education bus routes. It is evident that full passenger capacity is not being utilized because insufficient route time (the time needed to operate a single bus run to pick up students in a timely manner) exists between individual school start times.

The greatest transportation routing efficiency occurs when transportation services for both regular education and special education home-to-school support are scheduled to meet the transportation demands of students attending schools on a multi-tiered master bell schedule. This type of schedule allows for the fewest number of buses to perform two or three bus runs or routes in the morning and afternoon. Individual schools stagger their start and dismissal times.

DISTRICT BELL SCHEDULE

The district is approximately 26 square miles in size and located in a city that has typical suburban traffic for a population of 54,700. Although only five of the district's nine school sites and programs receive regular education home-to-school daily transportation, eight of the district's nine school sites receive some level of special education daily transportation. Because of the district's size and number of schools, it would be more efficient to implement a two-tiered master bell schedule for all sites, with a 40-minute window between the first tier and second tier start and dismissal times. The district could consider creating a two-tiered master bell schedule to optimize its transportation resources. A two-tiered master bell schedule as exemplified below would result in the elimination of at least one bus and possibly two. Based on district source data, the elimination of one school bus route would result in an approximate savings of \$45,000; elimination of two school bus routes could save \$90,000. Additionally, the district is committing approximately 10 additional transportation hours weekly to support the existing multiple modified day schedules. The district could reduce transportation expense by an additional \$6,000 in staff and operational expense by designing a single modified day schedule, ensuring that no additional transportation resources are required beyond those required for a non-modified day schedule.

Proposed Bell Schedule - West Side of Guyanaca Street

Prospect Avenue School			Regular Ed.		Special Ed.	
Grade	Start	End	AM Buses	PM Buses	AM Buses	PM Buses
K-5	7:45	2:05	1	2	0	0
6-8	8:25	2:45				

No Change in Busing

Sycamore Canyon School			Regular Ed.		Special Ed.	
Grade	Start	End	AM Buses	PM Buses	AM Buses	PM Buses
K-6	7:45	2:05	0	0	1*	1*

*Possible in lieu transportation option

Carlton Hills School			Regular Ed.		Special Ed.	
Grade	Start	End	AM Buses	PM Buses	AM Buses	PM Buses
K-5	7:45	2:05	1	1	1	1
6-8	8:25	2:45				

Save 1 Special Bus AM & PM

Carlton Oaks School			Regular Ed.		Special Ed.	
Grade	Start	End	AM Buses	PM Buses	AM Buses	PM Buses
K-5	7:45	2:05	0	0	5	3
6-8	8:25	2:45				

No Change in Busing

Chet F. Harritt School			Regular Ed.		Special Ed.	
Grade	Start	End	AM Buses	PM Buses	AM Buses	PM Buses
K-5	7:45	2:05	1	1	1	1
6-8	8:25	2:45				

No Change in Busing

Santee Success Program			Regular Ed.		Special Ed.	
Grade	Start	End	AM Buses	PM Buses	AM Buses	PM Buses
K-5	7:45	2:05	0	0	0	0
6-8	8:25	2:45				

No Change in Busing

Proposed Bell Schedule – East Side of Ouyamaca Street

Cajon Park School			Regular Ed.		Special Ed.	
Grade	Start	End	AM Buses	PM Buses	AM Buses	PM Buses
K-5	7:45	2:05	0	0	5	3
6-8	8:25	2:45				

Save 1 Special Bus PM

Pepper Drive School			Regular Ed.		Special Ed.	
Grade	Start	End	AM Buses	PM Buses	AM Buses	PM Buses
K-5	7:45	2:05	3	3	1	2
6-8	8:25	2:45				

No Change in Busing

Hill Creek School			Regular Ed.		Special Ed.	
Grade	Start	End	AM Buses	PM Buses	AM Buses	PM Buses
K-5	7:45	2:05	1	1	3	2
6-8	8:25	2:45				

Save 1 Special Bus PM

Rio Seco School			Regular Ed.		Special Ed.	
Grade	Start	End	AM Buses	PM Buses	AM Buses	PM Buses
K-5	7:45	2:05	0	0	2	2
6-8	8:25	2:45				

Save 1 Special Bus AM & PM

Discussions should be held with all affected parties regarding the implementation of a staggered district bell and a common districtwide modified day master calendar.

2009-10 Instructional Minutes Chart

School	7th-8th	Daily Adjustment of Minutes
Chet	61,410	-11
Hillcreek	60,414	-5
Pepper Drive	59,730	-1
Carlton Oaks	59,442	at average
Rio	58,960	3
Carlton Hills	58,854	4
Pride	58,665	5
Cajon Park	58,500	6
Average	59,497	

School	6th	Daily Adjustment of Minutes
Chet	61,410	-24
Pepper Drive	59,730	-15
Rio	56,830	2
Pride	56,130	5
Carlton Hills	56,070	6
Hillcreek	56,064	6
Carlton Oaks	56,000	6
Sycamore	55,920	7
Cajon Park	55,890	7
Average	57,116	

School	4th-5th	Daily Adjustment of Minutes
Pepper Drive	60,450	-20
Chet	57,700	-5
Rio	56,830	at average
Pride	56,130	4
Carlton Hills	56,070	4
Hillcreek	56,064	4
Carlton Oaks	56,000	4
Sycamore	55,920	5
Cajon Park	55,890	5
Average	56,784	

School	1st - 3rd	Daily Adjustment of Minutes
Rio	52,570	-4
Chet	52,170	-2
Pride	51,900	at average
Carlton Oak	51,830	at average
Carlton Hills	51,720	1
Hillcreek	51,714	1
Pepper Drive	51,700	1
Sycamore	51,570	2
Cajon Park	51,540	2
Average	51,857	

School	K	Daily Adjustment of Minutes
Chet	52,170	-24
Hillcreek	51,714	-21
Pride	50,735	-16
Carlton Hills	49,110	-7
Sycamore	48,060	-1
Cajon Park	47,100	4
Pepper Drive	45,160	15
Carlton Oak	43,490	24
Rio	43,100	26
Average	47,849	

All minutes based on 180 school days.

Saves 2 bus routes

Bell Schedule Scenario No Modified Days

This schedule is based on a 40 min. lunch period and 15 min. recess time.

Tier2

Grade	Start	End	Regular Ed		Special Ed.		Minimum Week Dismissal	Modified Day	Minutes Per Day Reg Day /Modified Day	Total Yearly Minutes
			AM Buses	PM Buses	AM Buses	PM Buses				
K-3	8:30	2:17	0	0	2	1	12:20	N/A	292	51858
4-8	8:30	3:00	1	1	1	1	1:00	N/A	335	59580

Buses used 2010/2011
 K-3 2
 4-8 1
 7-8 1
 Save 2 Special Day buses AM

Grade	Start	End	Regular Ed		Special Ed.		Minimum Week Dismissal	Modified Day	Minutes Per Day Reg Day /Modified Day	Total Yearly Minutes
			AM Buses	PM Buses	AM Buses	PM Buses				
K-3	8:30	2:17	0	0	3	2	12:20	N/A	292	51858
4-8	8:30	3:00	0	0	2	2	1:00	N/A	335	59580

Buses used 2010/2011
 K 0
 1-3 2
 4-8 2
 Bus counts do not include Boys and Girls Club buses and Teen Center Buses.

Grade	Start	End	Regular Ed		Special Ed.		Minimum Week Dismissal	Modified Day	Minutes Per Day Reg Day /Modified Day	Total Yearly Minutes
			AM Buses	PM Buses	AM Buses	PM Buses				
K-3	8:30	2:17	3	1	2	0	12:20	N/A	292	51858
4-8	8:30	3:00	0	2	2	2	1:00	N/A	335	59580

Buses used 2010/2011
 K-3 3
 4-8 3
 May have to add 1 additional bus because of student #'s

Grade	Start	End	Regular Ed		Special Ed.		Minimum Week Dismissal	Modified Day	Minutes Per Day Reg Day /Modified Day	Total Yearly Minutes
			AM Buses	PM Buses	AM Buses	PM Buses				
K-3	8:30	2:17	0	0	3	1	12:20	N/A	292	51858
4-8	8:30	3:00	0	0	2	2	1:00	N/A	335	59580

Buses used 2010/2011
 K-3 0
 4-8 0
 Save 1 Special Day bus AM & 2 PM

Grade	Start	End	Regular Ed		Special Ed.		Minimum Week Dismissal	Modified Day	Minutes Per Day Reg Day /Modified Day	Total Yearly Minutes
			AM Buses	PM Buses	AM Buses	PM Buses				
K-3	8:30	2:17	0	0	0	0	12:20	N/A	292	51858
4-8	8:30	3:00	1	1	0	0	1:00	N/A	335	59580
Pre-Kdgn	9:00	12:15			4	3				

Buses used 2010/2011
 K-3 0
 4-8 1
 Pre-K 4
 Possible in-lieu transportation

Bell Schedule Scenario Separate K Dismissal

Saves 2 bus routes less addtl hours

Tier 1

Cajon Park School	Regular Ed		Special Ed.		Minimum Week Dismissal	Modified Day	Minutes Per Day Reg Day /Modified Day	Total Yearly Minutes
	AM Buses	PM Buses	AM Buses	PM Buses				
Kindergarten	0	0	0	0	11:35	N/A	269	47856
1-3	0	0	3	2	11:35	N/A	292	51858
4-8	0	0	0	2	12:15	N/A	335	59580
Buses used 2010/2011								
	0	0	5	4	combined with Hill Creek in AM (3 buses)			
	1-3			2	Kdgn included with 1-3 dismissal 10/11			
	4-8			2	Save 1 Special Day bus PM			

This schedule is based on a 40 min. lunch period and a 15 min. recess time. All Modified days on one day, each week except the first and last week of school. That makes 34 Modified Days.

Bus counts do not include Boys and Girls Club buses and Teen Center Buses.

Chet Harritt School	Regular Ed		Special Ed.		Minimum Week Dismissal	Modified Day	Minutes Per Day Reg Day /Modified Day	Total Yearly Minutes
	AM Buses	PM Buses	AM Buses	PM Buses				
K-3	1	1	1	1	12:30	12:30	305	51900
4-8	1	1	0	0	12:30	12:30	360	59600
Buses used 2010/2011								
	1	1	1	1	combined with Hill Creek in AM (3 buses)			
	4-8			0	Save 1 Special Day bus PM			

With separate Kdgn dismissal times there would be the following need and time:

Pride: 1@:30/day=70 hrs.
CO: 2@:30/day=140 hrs.
PD: 2@:30/day=140 hrs.

Total added hrs: 350 hrs.
Driver cost per/hr \$27.13
Total cost \$9,495.50

There would be an additional cost if no school utilizes Modified Day of:

Pride 17 hrs.
CO 34 hrs
PD 34 hrs.

Total additional hrs. 85 hrs.
Driver cost per/hr \$27.13

This does not include vehicle costs.

Hill Creek School	Regular Ed		Special Ed.		Minimum Week Dismissal	Modified Day	Minutes Per Day Reg Day /Modified Day	Total Yearly Minutes
	AM Buses	PM Buses	AM Buses	PM Buses				
K-3	1	1	2	1	11:35	N/A	292	51858
4-8	1	1	0	0	12:15	N/A	335	59580
Buses used 2010/2011								
	1	1	3	2	combined with Cajon Park in AM (3 buses)			
	4-8			2	Save 1 Special Day bus PM			

Pride Academy	Regular Ed		Special Ed.		Minimum Week Dismissal	Modified Day	Minutes Per Day Reg Day /Modified Day	Total Yearly Minutes
	AM Buses	PM Buses	AM Buses	PM Buses				
Kindergarten	1	1	0	0	12:30	12:30	276	47840
1-3	1	1	0	0	12:30	12:30	305	51900
4-8	1	1	0	0	12:30	12:30	360	59600
Buses used 2010/2011								
	1	1	0	0	Kdgn early dismissal was from 9/8-10/8			
	1-3	1	2	0	Save 1 Regular Ed bus PM			
	4-8	2	0	0				

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*

Bell Schedule Scenario Separate K Dismissal

Saves 2 bus routes less addtl hours

Carlton Hills School	Tier2														
	Regular Ed					Special Ed.									
	AM Buses	PM Buses	AM Buses	PM Buses	Minimum Week Dismissal	Modified Day Dismissal	Minutes Per Day Reg Day /Modified Day	AM Buses	PM Buses	Minimum Week Dismissal	Modified Day Dismissal	Minutes Per Day Reg Day /Modified Day	Total Yearly Minutes		
Grade	Start	End	AM Buses	PM Buses	AM Buses	PM Buses	AM Buses	PM Buses	AM Buses	PM Buses	AM Buses	PM Buses	AM Buses	PM Buses	Total Yearly Minutes
K-3	8:30	2:17	0	0	2	1	1	1	12:20	N/A	292	N/A	230	N/A	51858
4-8	8:30	3:00	1	1	2	1	1	1	1:00	N/A	335	N/A	230	N/A	59580
Buses used 20/10/2011															
K-3	8:30	2:01	0	0	3	1	1	1	1:15	1:15	276	230	230	230	47840
4-8	8:30	2:30	0	0	2	1	1	1	1:15	1:15	305	230	230	230	51900
4-8	8:30	3:25	0	0	2	2	2	2	1:15	1:15	360	230	230	230	59600
Buses used 20/10/2011															
K	8:30	2:01	0	0	5	2	2	2	1:15	1:15	276	230	230	230	47840
1-3	8:30	2:30	0	0	2	1	1	1	1:15	1:15	305	230	230	230	51900
4-8	8:30	3:25	0	0	2	2	2	2	1:15	1:15	360	230	230	230	59600
Save 2 Special Day buses AM															

This schedule is based on a 40 min. lunch and a 15 min. recess time. All Modified days on one day, each week except the first and last week of school. That makes 34 Modified Days.

Bus counts do not include Boys and Girls Club buses and Teen Center Buses.

With separate Kdgn dismissal times there would be the following need and time:
 Pride: 1@ :30/day=70 hrs.
 CO: 2@:30/day=140 hrs.
 PD: 2@:30/day=140 hrs.
 Total added hrs: 350 hrs.
 Driver cost per/hr \$27.13
 Total cost \$9,495.50
 There would be an additional cost if no school utilizes Modified Day of:

Pride 17 hrs.
 CO 34 hrs
 PD 34 hrs.
 Total additional hrs, 85 hrs.
 Driver cost per/hr \$27.13
 Total additional \$2306.05
 This does not include vehicle

Carlton Oaks School	Tier2														
	Regular Ed					Special Ed.									
	AM Buses	PM Buses	AM Buses	PM Buses	Minimum Week Dismissal	Modified Day Dismissal	Minutes Per Day Reg Day /Modified Day	AM Buses	PM Buses	Minimum Week Dismissal	Modified Day Dismissal	Minutes Per Day Reg Day /Modified Day	Total Yearly Minutes		
Grade	Start	End	AM Buses	PM Buses	AM Buses	PM Buses	AM Buses	PM Buses	AM Buses	PM Buses	AM Buses	PM Buses	AM Buses	PM Buses	Total Yearly Minutes
Kindergarten	8:30	2:01	0	0	3	1	1	1	1:15	1:15	276	230	230	230	47840
1-3	8:30	2:30	0	0	2	1	1	1	1:15	1:15	305	230	230	230	51900
4-8	8:30	3:25	0	0	2	2	2	2	1:15	1:15	360	230	230	230	59600
Buses used 20/10/2011															
K	8:30	2:01	0	0	5	2	2	2	1:15	1:15	276	230	230	230	47840
1-3	8:30	2:30	0	0	2	1	1	1	1:15	1:15	305	230	230	230	51900
4-8	8:30	3:25	0	0	2	2	2	2	1:15	1:15	360	230	230	230	59600
Save 2 Special Day buses AM															

Pepper Dr. School	Tier2														
	Regular Ed					Special Ed.									
	AM Buses	PM Buses	AM Buses	PM Buses	Minimum Week Dismissal	Modified Day Dismissal	Minutes Per Day Reg Day /Modified Day	AM Buses	PM Buses	Minimum Week Dismissal	Modified Day Dismissal	Minutes Per Day Reg Day /Modified Day	Total Yearly Minutes		
Grade	Start	End	AM Buses	PM Buses	AM Buses	PM Buses	AM Buses	PM Buses	AM Buses	PM Buses	AM Buses	PM Buses	AM Buses	PM Buses	Total Yearly Minutes
Kindergarten	8:30	2:01	3	2	2	0	0	0	1:15	1:15	276	230	230	230	47840
1-3	8:30	2:30	1	1	2	1	1	1	1:15	1:15	305	230	230	230	51900
4-8	8:30	3:25	2	2	2	2	2	2	1:15	1:15	360	230	230	230	59600
Buses used 20/10/2011															
Kdgn	8:30	2:01	3	2	1	1	1	1	1:15	1:15	276	230	230	230	47840
1-8	8:30	3:25	2	2	2	2	2	2	1:15	1:15	360	230	230	230	59600
May have to add 1 Special Day bus because of student #s															

Rio Seco School	Tier2														
	Regular Ed					Special Ed.									
	AM Buses	PM Buses	AM Buses	PM Buses	Minimum Week Dismissal	Modified Day Dismissal	Minutes Per Day Reg Day /Modified Day	AM Buses	PM Buses	Minimum Week Dismissal	Modified Day Dismissal	Minutes Per Day Reg Day /Modified Day	Total Yearly Minutes		
Grade	Start	End	AM Buses	PM Buses	AM Buses	PM Buses	AM Buses	PM Buses	AM Buses	PM Buses	AM Buses	PM Buses	AM Buses	PM Buses	Total Yearly Minutes
Kindergarten	8:30	2:01	0	0	3	0	0	0	1:15	1:15	276	230	230	230	47840
1-3	8:30	2:30	0	0	2	1	1	1	1:15	1:15	305	230	230	230	51900
4-8	8:30	3:25	0	0	2	2	2	2	1:15	1:15	360	230	230	230	59600
Buses used 20/10/2011															
K-3	8:30	2:01	0	0	4	1	1	1	1:15	1:15	276	230	230	230	47840
4-8	8:30	3:25	0	0	2	2	2	2	1:15	1:15	360	230	230	230	59600
Save 1 Special Day bus AM & 2 PM															

Sycamore Cyn. School	Tier2														
	Regular Ed					Special Ed.									
	AM Buses	PM Buses	AM Buses	PM Buses	Minimum Week Dismissal	Modified Day Dismissal	Minutes Per Day Reg Day /Modified Day	AM Buses	PM Buses	Minimum Week Dismissal	Modified Day Dismissal	Minutes Per Day Reg Day /Modified Day	Total Yearly Minutes		
Grade	Start	End	AM Buses	PM Buses	AM Buses	PM Buses	AM Buses	PM Buses	AM Buses	PM Buses	AM Buses	PM Buses	AM Buses	PM Buses	Total Yearly Minutes
Kindergarten	8:30	2:01	0	0	0	0	0	0	1:15	1:15	276	230	230	230	47840
1-3	8:30	2:17	0	0	0	0	0	0	12:20	N/A	292	N/A	N/A	N/A	51858
4-8	8:30	3:00	1	1	1	0	0	0	1:00	N/A	335	N/A	N/A	N/A	59580
Pre-Kdgn															
9:00	12:15		0	0	4	3	3	3	Possible in-fuel transportation						
Buses used 20/10/2011															
K-3	8:30	2:01	0	0	0	0	0	0	1:15	1:15	276	230	230	230	47840
4-6	8:30	3:00	1	1	1	0	0	0	1:00	N/A	335	N/A	N/A	N/A	59580
Pre-K															

2010-11 State Categorical Flexibility Used

State Program Subject to Flexibility	Estimated 2010-11 Award	Flexibility Used	% Flex Used	Pre- Flex District Match	Remaining for Program Expenditures
Supplemental Hourly Instructional Prog	13,867	13,867	100.00%		0
Community Day School	93,453	0	0.00%		93,453
Deferred Maintenance	230,077	230,077	100.00%	224,032	0
Community Based English Tutoring	13,536	13,536	100.00%		0
Schl Saftey & Violence Prevntn	39,949	10,000	25.03%		29,949
Arts & Music Block Grant	89,541	89,192	99.61%		349
Supplemental School Counseling	130,656	0	0.00%		130,656
GATE	41,303	0	0.00%		41,303
Instructnl Mttis Fund Realignment	341,791	213,000	62.32%		128,791
PAR	25,297	10,646	42.08%		14,651
SB472 Staff Development	32,063	31,938	99.61%		125
Admin Training	6,055	6,055	100.00%		0
Teacher Credentialing Blk Grant	24,110	0	0.00%		24,110
Profl Developmnt Blk Grant	174,380	127,124	72.90%		47,256
Targeted Instructnl Imprvmt Blk Grnt	576,498	136,178	23.62%		440,320
School Library Imprvmt Blk Grnt	673,764	374,816	55.63%		298,948
Staff Development English Learner	11,635	11,635	100.00%		0
Total Flexibility Used	2,517,975	1,268,064	50.36%	224,032	1,249,911

Final School Allocations 2010-11

School	Gen Fund	AVID 0000-578	Title 1 3010	EIA 7090	GATE 7140/926	Prop 20 Lottery 6300	SLIBG 7395/946	Spec Ed SDA	Total	Amt Per 10-15-10 Enrollmnt	Prev Yr Funding*	% Diff
Pepper Drive	22,328		132,099	12,282	0	6,310	6,154	450	179,623	255.87	218,234	-17.69%
Carlton Hills	16,518	2,500	86,000	5,688	0	3,473	3,526	900	118,605	239.12	142,194	-16.59%
Sycamore Canyon	10,191				0	9,509	8,360	1,650	29,710	90.85	42,886	-30.72%
Prospect Ave	15,636		113,504	10,865	0	4,220	4,145	0	148,371	300.96	185,720	-20.11%
Cajon Park	30,268	2,500		23,041	12,180	15,674	31,595	3,150	118,408	119.97	168,788	-29.85%
Chet F Harritt	18,282		99,559	9,166	0	3,673	11,915	500	143,095	251.04	187,335	-23.62%
Carlton Oaks	25,857			0	11,847	12,246	33,325	2,750	86,026	103.03	128,379	-32.99%
Rio Seco	27,439	2,500		0	9,374	13,468	38,257	1,900	92,938	102.47	140,395	-33.80%
Hill Creek	23,576			25,802	0	13,377	35,809	950	99,513	130.25	142,274	-30.06%
Total	190,095	7,500	431,162	86,843	33,402	81,950	173,087	12,250	1,016,288	167.13	1,356,205	-25.06%

GASB 54 Summary

- **BACKGROUND**
 - Issued March 11, 2009
 - Effective for financial statements for fiscal years beginning after June 15, 2010
 - Unaudited Actuals for 2010-11
- **PURPOSE**
 - Redefines components of ending fund balance
- **OBJECTIVE**
 - To enhance the usefulness of fund balance information by providing clearer fund balance classifications that can be more consistently applied and by clarifying the existing governmental fund type definitions
- **NEW COMPONENTS**
 - Nonspendable = Amounts that are not in spendable form, e.g. inventory or prepaid expenses
 - Prepaid Expenditures
 - Stores Inventory
 - Revolving Cash
 - Restricted = Amounts constrained to specific purposes that are externally imposed by creditors, grantors, contributors, or laws of other governments, or imposed by law through constitutional provisions or enabling legislation.
 - Categorical Programs
 - Committed = Amounts constrained to specific purposes imposed by the government itself by formal action using its highest level of decision-making authority. Cannot be used for any other purpose unless constraints are removed or modified in the same manner they were imposed.
 - Stabilization Arrangements for Fiscal Solvency
 - Assigned = For general fund, amounts constrained by the intent that they be used for specific purposes, expressed by the governing body or another official to which the governing body delegates this authority. For other funds, any remaining amounts not classified as nonspendable, restricted, or committed.
 - Vacation Carryover
 - School Site Carryovers
 - Unassigned = For general fund, amounts not classified as nonspendable, restricted, committed, or assigned. For other funds, amounts expended in excess of nonspendable, restricted, committed, and assigned amounts.
 - Reserve for Economic Uncertainties
 - Undesignated/Unappropriated

"BEFORE"
General Fund
Components of Ending Fund Balance as reported in the 2010-11 SACS software

Description	Object Codes	Unrestricted (A)	Restricted (B)	Total Fund col. A + B (C)
E. NET INCREASE (DECREASE) IN FUND BALANCE (C + D4)		3,500,000.00	(6,000,000.00)	(2,500,000.00)
F. FUND BALANCE, RESERVES				
1) Beginning Fund Balance				
a) As of July 1 - Unaudited	9791	17,000,000.00	18,000,000.00	35,000,000.00
b) Audit Adjustments	9793	0.00	0.00	0.00
c) As of July 1 - Audited (F1a + F1b)		17,000,000.00	18,000,000.00	35,000,000.00
d) Other Restatements	9795	0.00	0.00	0.00
e) Adjusted Beginning Balance (F1c + F1d)		17,000,000.00	18,000,000.00	35,000,000.00
2) Ending Balance, June 30 (E + F1e)		20,500,000.00	12,000,000.00	32,500,000.00
Components of Ending Fund Balance				
Revolving Cash	9711	3,000.00		3,000.00
Stores	9712	12,000.00	0.00	12,000.00
Prepaid Expenditures	9713	25,000.00	0.00	25,000.00
All Others	9719	0.00	0.00	0.00
General Reserve	9730	0.00	0.00	0.00
Legally Restricted Balance	9740		0.00	0.00
b) Designated Amounts				
Designated for Economic Uncertainties	9770	2,000,000.00	0.00	2,000,000.00
Designated for the Unrealized Gains of Investments and Cash in County Treasury	9775	0.00	0.00	0.00
Other Designations	9780	11,000,000.00	12,000,000.00	23,000,000.00
c) Undesignated Amount		7,460,000.00	0.00	7,460,000.00
d) Unappropriated Amount				



CALIFORNIA
DEPARTMENT OF
EDUCATION

TOM TORLAKSON
STATE SUPERINTENDENT OF PUBLIC INSTRUCTION

January 7, 2011

Dear County and District Chief Business Officials and Charter School Administrators:

NEW REQUIREMENTS FOR REPORTING FUND BALANCE IN GOVERNMENTAL FUNDS

The Governmental Accounting Standards Board (GASB) has issued Statement 54 (GASB 54), *Fund Balance Reporting and Governmental Fund Type Definitions*, that considerably alters the categories and terminology used to describe the components that compose fund balance. These changes are intended to enhance how fund balance information is reported and to improve its usefulness by establishing new fund balance classifications that are easier for users to understand and apply. The new standard also clarifies the definitions of certain governmental funds.

The new standard does not change the actual amount of fund balance reported, and does not change most aspects of day-to-day accounting.

This letter discusses key provisions of the standard, identifies implementation issues for local educational agencies (LEAs), and provides guidance on accounting for the new fund balance classifications in the standardized account code structure (SACS).

BACKGROUND

Fund balance reporting is unique to governmental fund accounting. Fund balance represents the difference between the assets and liabilities reported within a governmental fund. It has traditionally been broken into two components, reserved and unreserved, with a focus on identifying whether resources are available for spending in the subsequent year's budget.

The GASB's initial intent in developing this new standard was to clarify the relationship between the reserved fund balances reported in governmental funds and the restricted net assets reported in the government-wide statements required by GASB Statement 34. It became clear to the GASB that fund balance reporting guidance was interpreted and applied inconsistently, resulting in fund balance information that is not easily understood by financial statement users. The GASB concluded that it was necessary to redefine fund balance classifications in order to improve the clarity and usefulness of fund balance information presented in the financial statements.

In contrast to restricted fund balance, committed fund balance may be redirected by the government to other purposes as long as the original constraints are removed or modified in the same manner in which they were imposed, that is, by the same formal action of the highest level of decision-making authority.

“Formal action” varies considerably from government to government. For example, formal action for which governments such as cities, counties, or states have authority typically includes the passage of laws, ordinances, or levies. By contrast, formal action for which California school district governing boards have authority is typically limited to actions taken at a public meeting such as a vote, a resolution, or some similar action such as adoption of a budget. For LEAs, therefore, the difference between the committed classification and the assigned classification may not be as great as for other governments. As discussed below, an LEA may not have a need to report both classifications.

Assigned Fund Balance

The assigned fund balance classification reflects amounts that the government *intends* to be used for specific purposes. Assignments may be established either by the governing body or by a designee of the governing body, and are subject to neither the restricted nor committed levels of constraint.

In contrast to the constraints giving rise to committed fund balance, constraints giving rise to assigned fund balance are not required to be imposed, modified, or removed by formal action of the highest level of decision-making authority. The action does not require the same level of formality and may be delegated to another body or official. Additionally, the assignment need not be made before the end of the reporting period, but rather may be made any time prior to the issuance of the financial statements.

As noted above, for LEAs, the difference between the committed and assigned fund balance classifications may be minimal. An LEA is not required to report both classifications, but must disclose in the notes to the financial statements the nature of the constraints giving rise to whichever classifications it does report.

Unassigned Fund Balance

In the general fund only, the unassigned fund balance classification reflects the residual balance that has not been assigned to other funds and that is not restricted, committed, or assigned to specific purposes.

In any fund other than the general fund, a positive unassigned fund balance is never reported because amounts in any other fund are assumed to have been assigned, at least, to the purpose of that fund. However, deficits in any fund, including the general fund, that cannot be eliminated by reducing or eliminating amounts assigned to other purposes are reported as negative unassigned fund balance.

Resources meeting the first criterion will typically now be reported as assigned fund balance, or may be reported as committed if the constraints meet the criteria for the committed classification. Resources meeting the second criterion will now be reported as either assigned or unassigned fund balance, depending on whether management has been delegated the authority to make the assignment.

The previous undesignated unreserved fund balance classification was the residual fund balance classification, and generally was composed of resources meeting the following criterion:

- No limitations were imposed either internally or externally.

However, this classification may also have included amounts for which:

- The use was restricted, but to a purpose not narrower than the purpose of the fund in which it was reported.
- The criteria to be reported as designated unreserved fund balance were met, but the designation was not mentioned in the financial statements.

A key difference between the previous and new fund balance classification standards is that the new standards do not require that a restriction be narrower than the purpose of the fund in which an amount is reported in order for the amount to be reported as restricted fund balance. Under previous standards, resources constrained for specific purposes that were reported as reserved in the general fund may have been reported as unreserved in another fund, if the other fund was restricted only for those purposes. Resources constrained for specific purposes will now always be reported in the restricted, committed, or assigned classifications regardless of the fund in which they are reported. For example, the fund balance of a debt service fund in which the revenues and expenditures were externally restricted for making long-term debt payments might have been reported as unreserved under the previous fund balance standards, but will be reported as restricted under the new fund balance standards.

Another key difference is that reporting of designated unreserved fund balance was optional under the previous standards. Unreserved amounts that were not reported as designated were reported as part of the undesignated unreserved fund balance. Under the new standards, the use of an appropriate fund balance classification is required. Consequently, LEAs that have not previously reported any designated unreserved fund balance will need to determine whether any portion of what they have previously classified as undesignated unreserved fund balance meets the criteria to be classified as committed or assigned fund balance.

Establishing a Fund Balance Policy

A fund balance policy establishes a minimum level at which a fund balance is to be maintained. This minimum level provides a financial cushion to protect against unforeseen events such as revenue shortfalls or unanticipated expenditures. Note that only unrestricted fund balance is relevant to a fund balance policy because nonspendable and restricted fund balances are not in a form or otherwise free from externally enforceable restrictions that would allow them to be used for any purpose.

An LEA's fund balance policy should not be limited to the REU recommended by the Criteria and Standards. Many LEAs find it prudent to maintain reserves above the minimum level recommended by the Criteria and Standards. All reserves should be included in the LEA's policy and explained in the required financial statement note disclosures.

The CDE believes that every LEA that maintains an REU has adopted a minimum fund balance policy, in substance if not in form, and should commit that policy to writing. The CDE believes that regardless of whether the LEA has committed the policy to writing, the related note disclosure is still required.

The CDE recommends that the sample minimum fund balance note disclosure language provided in Attachment D can also serve as a starting point for the written fund balance policy. The fund balance policy should include the means by which the LEA will replenish any deficiency in the event that the LEA must spend some of its reserve. These means might include dedicating new unrestricted revenues or budgetary savings in the current year to restoring the reserve, and reducing the expenditure budget for the following year to the extent necessary to restore the reserve.

CLASSIFYING FUND BALANCE IN THE STANDARDIZED ACCOUNT CODE STRUCTURE

The fund balance object codes in the standardized account code structure (SACS) have been revised to incorporate the five new classifications. Attachment A provides a comparison of the previous and new fund balance classification ranges and object codes. Attachment B provides the definitions of the new fund balance classifications and object codes.

Nonspendable Balances

Nonspendable balances are reported using object codes in the range 9710 through 9719. These are the codes that already existed for nonexpendable assets.

Note that if there are constraints on amounts that will eventually be collected in connection with long-term receivables or nonfinancial assets held for resale, those

discussed below). Finally, assigned amounts may not cause a deficit (negative) balance in any SACS resource or fund, and must be reduced or eliminated in order to alleviate the deficit.

Unrestricted balances at year-end that are appropriated to reduce or eliminate a projected deficit in the subsequent year's budget are reported as assigned fund balance.

LEAs may itemize their Other Assignments within the SACS financial reporting software if they wish.

Unassigned Balances. In the general fund, residual balances of unrestricted SACS resource codes not meeting the criteria to be reported as committed or assigned are reported as unassigned. Unassigned amounts reserved in the budget pursuant to a minimum fund balance policy, such as the REU, are reported using Object 9789, Reserve for Economic Uncertainties. All other unassigned balances are reported using Object 9790, Unassigned / Unappropriated. In other governmental funds, only negative balances are reported using Object 9790.

Calculation of Available Reserves for Reviews of Fiscal Solvency

The REU maintained by California LEAs pursuant to the Criteria and Standards for fiscal solvency adopted by the State Board of Education, discussed previously in this letter, is reported using Object 9789, Reserve for Economic Uncertainties. The use of Object 9789 is not limited to reporting the reserve recommended by the Criteria and Standards. All reserves for economic uncertainties, including amounts above the level recommended by the Criteria and Standards, or reserves for such purposes as assuring adequate cash balances, are reported using Object 9789. All amounts reported in Object 9789 should be included in the LEA's minimum fund balance policy and explained in the required financial statement note disclosures.

Stabilization arrangements more formal than the REU, if the arrangement meets the criteria to be reported as committed fund balance, are reported using Object 9750, Stabilization Arrangements.

Object 9789 and Object 9750 are available for use only in the general fund and in Fund 17, Special Reserve for Other Than Capital Outlay (discussed below).

Amounts reported in Object 9789 and Object 9750, as well as unassigned amounts reported in Object 9790, are included in the calculation of available reserves for purposes of the Criteria and Standards for fiscal solvency.

Object 9720, Encumbrances, will remain available for budgetary accounting purposes.

Significant encumbrances should be disclosed in the notes to the financial statements in conjunction with required disclosures about other significant commitments.

Charter School Fund Balance Reporting

GASB 54 specifies that for governmental funds other than the general fund, the minimum classification of positive fund balance that can be reported is assigned fund balance because amounts reported in other funds are at minimum assigned to the purpose of those funds. Consequently, all balances of a charter school that reports in Fund 09, Charter Schools Special Revenue Fund, must be reported as at least assigned. This means that a charter school that reports in Fund 09 will report balances that otherwise meet the definition of unassigned fund balance as assigned fund balance, including reserve amounts.

As part of GASB 54 implementation, LEAs that have authorized charter schools should reevaluate whether their charter schools are being reported in conformity with generally accepted accounting principles (GAAP). In particular, LEAs should consider whether charter schools currently reported as part of the authorizing LEA should in fact be reported separately.

Charter schools reporting separately from their authorizing LEAs should report either in Fund 01, the General Fund, or Fund 62, Charter Schools Enterprise Fund, rather than in Fund 09. The *California School Accounting Manual (CSAM)* contains additional guidance on fund reporting.

The Charter School Unaudited Actuals Financial Report Alternative Form, used by those charter schools that elect not to report in SACS, will be revised to reflect the new GASB 54 fund balance classifications.

Use of Restricted SACS Resource Codes in Funds Other Than the General Fund

Where a CDE-defined resource code does not already exist, LEAs should use a locally defined restricted SACS resource code to report revenues and other financing sources that meet the criteria to be reported as restricted. The use of a restricted SACS resource code for all restricted funding, regardless of the fund in which it is reported, is consistent with GASB 54 fund balance reporting requirements and also facilitates the automatic calculation of restricted ending balances to Object 9740, Restricted Balance, in the SACS financial reporting software. Object 9740 will not be valid in combination with unrestricted SACS resources.

Locally definable resource codes include Resource 5810, Other Restricted Federal; Resource 7810, Other Restricted State; and Resource 9010, Other Restricted Local.

The CDE notes that this default order is consistent with many LEAs' practice of spending most restrictive amounts first. If this default order meets an LEA's needs, the CDE believes there is no need for the LEA to adopt a formal policy because the default order will be sufficient.

- Details of any fund balance classifications displayed in the aggregate on the face of the financial statements. If the face of the financial statements contains sufficient detail, this disclosure is not required.
- Encumbrances, if significant.
- Minimum fund balance policies, such as for the REU. The CDE recommends that every LEA that maintains an REU has adopted a minimum fund balance policy in substance, if not in form, and that this disclosure is therefore required. Sample language is provided in Attachment D.
- Stabilization arrangements, if any, more formal than a minimum fund balance policy. The disclosure should include the authority for establishing the arrangement, requirements for making additions, the specific conditions under which amounts may be used, and the actual balance if not apparent on the face of the financial statements.

GOVERNMENTAL FUND DEFINITIONS

To further improve the usefulness of fund balance information, GASB 54 also provides clarification of the definitions of governmental fund types that have proven to be a source of confusion in the past.

Special Revenue Funds

The special revenue fund definition has been clarified to convey that this fund type is used only to report the proceeds of specific revenue sources that are restricted or committed for purposes other than debt service and capital outlay, and that compose a substantial portion of the fund's resources. Other sources, such as interfund transfers, may supplement the fund as long as those sources are committed or assigned to the purposes of the fund. Once restricted or committed revenue sources no longer compose a substantial portion of the special revenue fund, the use of that fund should be discontinued and the remaining sources reported in the general fund.

The clarified definition has implications for some funds defined in CSAM.

Fund 17 and Fund 20. Two funds currently defined as special revenue funds in CSAM do not meet the GASB 54 special revenue fund definition. Specifically, Fund 17, Special Reserve Fund for Other Than Capital Outlay Projects, and Fund 20, Special Reserve

Debt Service and Permanent Funds

There were no substantive changes to the definition of debt service and permanent fund types.

FUTURE CDE EFFORTS REGARDING GASB 54

The CDE will continue to identify issues relating to the implementation of GASB 54 and will communicate additional guidance through future correspondence, information on the CDE Web site, and the upcoming release of CSAM.

If you have questions or need assistance with the guidance in this letter, please contact the Office of Financial Accountability and Information Services at 916-322-1770 or by e-mail at sacsinfo@cde.ca.gov.

Sincerely,



Scott Hannan, Director
School Fiscal Services Division

SH:cd
Attachments
Y2011-1701

Crosswalk of Previous Fund Balance Classifications to New Classifications

Previous Object Range/Code	Previous Title	Previous Fund Balance Classification	New Fund Balance Classification	New Object Range/Code	New or Revised Title
9700-9799	Fund Balance/Net Assets				
9700-9759	Fund Balance, Reserved				
9710-9720	Reserve for Nonexpendable Assets	Reserved	Nonspendable	9710-9719	Fund Balance, Nonspendable
9711	Reserve for Revolving Cash	Reserved	Nonspendable		Nonspendable Revolving Cash
9712	Reserve for Stores	Reserved	Nonspendable		Nonspendable Stores
9713	Reserve for Prepaid Expenditures (Expenses)	Reserved	Nonspendable		Nonspendable Prepaid Items
9719	Reserve for All Others	Reserved	Nonspendable		All Other Nonspendable Assets
9720	Reserve for Encumbrances (Budgetary account) (This account is not reported to CDE)	Reserved	N/A (Budgetary account only)		
9730	General Reserve	Reserved	N/A*	N/A*	Fund Balance, Restricted
9740	Legally Restricted Balance	Reserved	Restricted		N/A* Restricted Balance

ENDING FUND BALANCE DEFINITIONS

9710–9719 Nonspendable Fund Balance. The portion of fund balance reflecting assets not in spendable form, either because they will never convert to cash (such as prepaid items) or must remain intact pursuant to legal or contractual requirements (such as the principal of a permanent endowment).

9711 Nonspendable Revolving Cash. The portion of fund balance reflecting the value of the revolving cash account.

9712 Nonspendable Stores. The portion of fund balance reflecting the value of stores.

9713 Nonspendable Prepaid Items. The portion of fund balance reflecting the value of prepaid items.

9719 All Other Nonspendable Assets. The portion of fund balance reflecting the value of nonspendable assets not specified above. For example, this object is used for the legal reserve required for Certificates of Participation, the long-term portion of notes receivable, or the principal of a permanent endowment.

9720 Reserve for Encumbrances (Budgetary account). (This account is not reported to CDE.) An amount set aside to provide for encumbrances. Generally, encumbrances are closed at the end of the fiscal year, and new purchase orders or contracts are opened for the subsequent year. However, a local educational agency (LEA) should disclose in a footnote to the financial statements significant encumbrances that are included in the subsequent year's budget.

9730–9749 Restricted Fund Balance

9740 Restricted Balance. The portion of fund balance representing resources subject to externally imposed and legally enforceable constraints imposed either by external resource providers, e.g., grantors or creditors, or by law through constitutional provisions or enabling legislation. Examples include unspent balances of restricted state and federal grants, and unspent proceeds of general obligation bonds. All positive balances of SACS restricted resources 2000 through 9999 are reported using Object 9740.

9750–9769 Committed Fund Balance. The portion of fund balance representing resources whose use is constrained by limitations self-imposed by the LEA through formal action of its highest level of decision-making authority. The constraints can be modified or removed only through the same process by which they were imposed. The action imposing the constraint must be made by the end of the reporting period. The actual amounts may be determined at a later date, prior to the issuance of the financial statements.

9750 Stabilization Arrangements. The portion of fund balance set aside pursuant to a stabilization arrangement more formal than the reserve for

Sample Language for Required Note Disclosure on Minimum Fund Balance Policy

The CDE recommends that an LEA's minimum fund balance policy and related note disclosure contain language such as the following to communicate to users the importance of the Reserve for Economic Uncertainties, why it consists of amounts that are unassigned, and that it is not available for spending.

Sample Language 1: California School District

The district is committed to maintaining a prudent level of financial resources to protect against the need to reduce service levels because of temporary revenue shortfalls or unpredicted expenditures. The district's Minimum Fund Balance Policy requires a Reserve for Economic Uncertainties, consisting of unassigned amounts, equal to no less than two months of general fund operating expenditures, or 17 percent of General Fund expenditures and other financing uses.

Sample Language 2: California Basic Aid (excess property tax) School District

The district maintains a minimum unassigned fund balance of not less than 15 percent of budgeted general fund expenditures and other financing uses as a Reserve for Economic Uncertainties. The district believes a reserve of this level is prudent to maintain a high bond rating and to protect the district from the effects of fluctuations in property tax revenues to which Basic Aid districts such as this district are vulnerable. Because amounts in the nonspendable, restricted, committed, and assigned categories are subject to varying constraints on their use, the Reserve for Economic Uncertainties consists of balances that are otherwise unassigned.

Sample Language 3: California County Office of Education (COE)

Consistent with the Criteria and Standards for fiscal solvency adopted by the State Board of Education, the COE maintains a Reserve for Economic Uncertainties to safeguard the COE's financial stability. The minimum recommended reserve for a COE of this size is a minimum of three percent of budgeted general fund expenditures and other financing uses. The COE's policy is to maintain the reserve at six percent.
