



2023-24 ANNUAL BUDGET

Adopted June 12, 2023

LASD

Los Altos School District

201 Covington Road
Los Altos, California 94024
www.losaltos.k12.ca.us

ADOPTED JUNE 12, 2023

2023–2024 Budget

Preparing students to become creative problem-solvers and
collaborative learners

Empowering our teachers to challenge
students to actively discover curriculum

Igniting a passion for learning

Revolutionizing learning for all students



Sandra McGonagle, Superintendent
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How This Document is Organized

This budget document is divided into four main sections: *Executive Summary*, *Organizational*, *Financial*, and *Informational*. Each section has color-coded headers and footers.

Executive Summary

The *Executive Summary* acts as an introduction and summary of the remaining three sections and provides an overview of the district and its budget. In this section we highlight the key issues we face and summarize the financial and related information contained in the remainder of the document. We have included many tables, charts, and graphs to assist the reader.

Organizational Section

The *Organizational Section* includes information about the district and its organizational structure, as well as its budget policies and procedures. Included in this section is an overview of the district's goals for the budget year as well as the district's vision, mission statement, and core values.

Financial Section

The *Financial Section* is organized in hierarchical order starting with a summary of budget information for all funds. We then show summary information for our operating fund (General Fund) followed by detail information by location and cost center. We conclude this section with information for each special fund, an overview of our capital improvement plan, and information on long-term obligations.

Informational Section

The *Informational Section* is the final section of the budget document. It includes a variety of information—both financial and general information. We discuss key budget assumptions and variables (such as enrollment, our tax base, staffing costs, and long term commitments). This section includes information on trends, projections, and historical data. We also include an overview of our instructional program and student achievement. We conclude this section with a glossary of key terms related to our budget and school finance in California.

At the end of this document we include a **"Facts at a Glance"** page which provides some key budget information for the budget year and four previous years.

Los Altos School District 2023–24 Budget

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EXECUTIVE SUMMARY

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- ❖ *District Board Members and Principal Officers*
- ❖ *Introduction*
- ❖ *Financial Overview*
- ❖ *Issues and Challenges*
- ❖ *General Information*
- ❖ *Key Variables & Determinants*
- ❖ *General Fund Budget Assumptions*
- ❖ *Budget Summaries*
- ❖ *Awards and Recognition*

LOS ALTOS SCHOOL DISTRICT

Key Budget Facts

ENROLLMENT **3,360**

Revenues per Student



Expenditures per Student



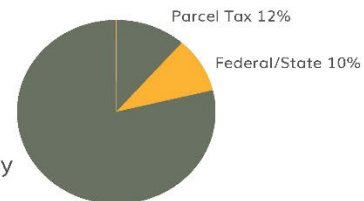
Property Tax Growth

5.5%



\$78.7M BUDGET General Fund

88% of LASD funding comes from the local community



Funding Sources



- Direct Instruction & Support (78%)
- General Administration (11%)
- Plant Services (10%)
- Other Outgo (1%)

78% of Our Money Goes Directly to Students

Staffing

\$115,033

Average Teacher Salary

Number of Teachers **202 FTE**

Total Employees **437 FTE**

- 100% of LASD teachers participate in professional development
- All nine schools have been recognized as California Distinguished Schools



24

Average Class Size

9

SCHOOLS

7 ELEMENTARY

2 INTERMEDIATE



DISTRICT BOARD MEMBERS AND PRINCIPAL OFFICERS

Board of Trustees

Ms. Jessica Speiser
President
Term expires 2024

Ms. Vaishali Sirkay
Member
Term expires 2026

Mr. Bryan Johnson
Vice-President
Term expires 2026

Mr. Steve Taglio
Member
Term expires 2024

Mr. Vladimir Ivanovic
Clerk
Term expires 2026

District Administration

Mrs. Sandra McGonagle
Superintendent

Mr. Erik Walukiewicz
Assistant Superintendent, Business Services

Mrs. Carrie Bosco
Assistant Superintendent, Curriculum & Instruction

Mrs. Jennifer Keicher
Director of Special Education

Ms. Erin Green
Director of Student & Staff Services

School Administration

Elementary Schools:

Almond School Principal: Mrs. Raquel Matteroli

Oak School Principal: Mrs. Nikita Shah

Covington School Principal: Mr. Kevin Armstrong

Santa Rita School Principal: Mrs. Kelly Rafferty

Gardner Bullis School Principal: Mrs. Kate Schermerhorn

Springer School Principal: Mrs. Denise Khalid

Loyola School Principal: Mr. Richard Julian

Intermediate Schools:

Blach School Principal: Mr. Wade Spenader

Egan School Principal: Ms. Coni Cullimore

INTRODUCTION

As we enter the 2023–24 budget year, we have concerns about the long term effects of inflation and its pressure on wages for our dedicated staff. The need to attract and retain high quality staff is a priority for the district. We still face some uncertainty regarding the long-term impact of the COVID-19 pandemic on our operations. At this time, we are planning for a near-normal school year, with operations generally returning to normal including right sizing our staffing to pre-Covid levels since most of the one-time money that was used for extra staffing has been spent.

With a softening economy projected, the state has mandated programs largely designed to help the neediest students. Over the next few years we will be implementing the requirement to offer a “transitional kindergarten” program to all four-year olds in order to provide an early start to a child’s educational opportunities. Last year was our first year to comply with the Universal Meals Program which calls for districts to provide free breakfast and lunch to any and all interested students. Coupled with these two efforts is a program called an Expanded Learning Opportunities Program (ELOP), which requires providing additional days and hours of school-based learning options for children. We have begun building the funding and costs associated with these programs into our financial

Key Budget Facts	Enrollment	3,360
	Revenues per Student	\$23,443
	Expenditures per Student	\$24,017
	Assessed Valuation	\$33.7 B
	Property Tax Collections	\$63.7 M
	Property Tax Growth	5.5%
	Number of Teachers	202 FTE
	Total Employees	437 FTE
	Average Teacher Salary	\$115,033

projections, based on information to date.

We have a big concern regarding the impact of the pandemic on students and staff, and thus expect to increase our commitment level to mental health supports.

In spite of a recent decline in overall enrollment, we feel the addition of four-year-olds for Transitional Kindergarten will slow the

decline in enrollment. We have added 2 additional Transitional Kindergarten classes for the fall. Birthrates are declining in the County and in the State of California. Many of the families that left during Covid have not all returned to the district. We purchased a new school site in December 2019 in that section of the district and are in the process of determining how best to use the site. Additionally, we are tasked with finding a long-term location for a county-sponsored charter school which has over 1,000 students. We also are contemplating moving from our junior high model to a “Middle School Model” (serving grades 6–8). With these issues and facility upgrades needed on all campuses, we hope to complete an updated facilities master plan in the coming year that will address some of these key facilities issues.

With this as background we present our budget for 2023–24. The budget reflects the educational plan of the district and board goals for the coming year. The budget meets all legal requirements, including having adequate reserve levels. This document is divided into four main sections: **Executive Summary, Organizational, Financial, and Informational**. The Executive Summary highlights the key issues we face, provides an overview of the district, and summarizes the financial and related information contained in the rest of the document.

FINANCIAL OVERVIEW

Our operating budget (General Fund) shows us spending approximately 5.6 M more in the budget year as in the current year. Our contribution to the Cafeteria Fund in the budget year has increase to 1.4M to account for the operations of a food service program under the state-mandated Universal Meals Program. Minor routine maintenance projects are accounted for in the Deferred Maintenance Fund and we typically spend around \$300,000 annually for such projects. Funding, as noted below, comes from an interfund transfer out of the Building Fund. Our Capital Project Funds include expenditures for portable classroom rent, costs associated with the new school site, and debt service obligations.

General Fund Revenues

- **2023-24: \$78.7M**
- **2022-23: \$74.3M**
- **Change: \$4.4M**

General Fund Expenses

- **2023-24: \$80.6M**
- **2022-23: \$75.0M**
- **Change: <\$5.6M>**

Expenditures: Budget Year Compared to Current Year				
	2022-23		2023-24	% Change
General Fund	\$	81,936,486	\$ 82,156,647	0.3%
Special Revenue Funds				
Cafeteria	\$	3,073,576	\$ 3,280,071	
Deferred Maintenance	\$	301,174	\$ 301,000	-0.1%
Special Reserve	\$	-	\$ -	
Sub-total, Special Revenue Funds	\$	3,374,750	\$ 3,581,071	6.1%
Capital Project Funds				
Building	\$	2,488,057	\$ 3,677,833	47.8%
Capital Facilities	\$	1,135,230	\$ 1,124,825	-0.9%
Sub-total, Capital Project Funds	\$	3,623,287	\$ 4,802,658	32.5%
Total, All Governmental Funds	\$	88,934,521	\$ 90,540,375	1.8%
Note: Expenditures totals include Interfund Transfers Out.				

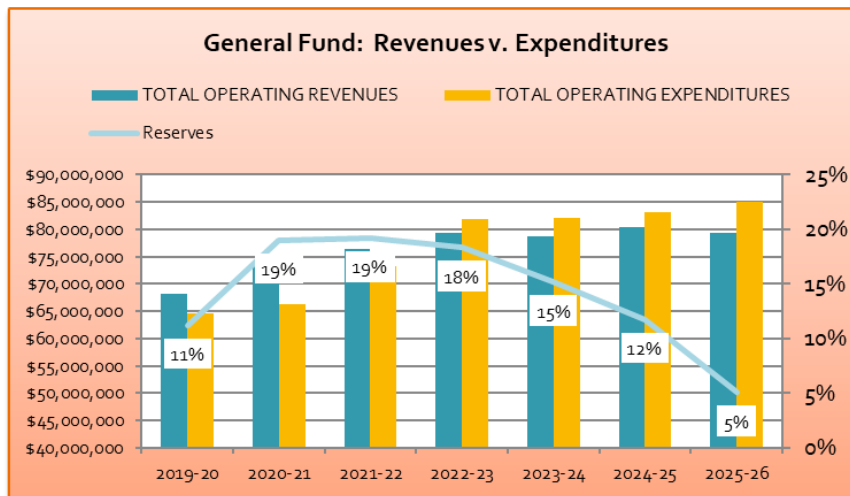
Projected operating revenues for the budget year is more (5.9%) than the revenues we are receiving in the current year and \$5.6M more than projected budget year expenditures. This drawdown of reserves is the result of much needed salary increases for our staff and the need to Fund our Cafeteria Program which requires a \$1.4million transfer from our General Fund. We again plan to transfer \$300,000 from the Building Fund to the Deferred Maintenance Fund in the budget year. Revenues in our Building Fund in the budget year come from ongoing lease revenue from the Eastbrook School site and rental income proceeds from tenants occupying buildings on our recently acquired, yet undeveloped, school site. We received a one-time private donation of \$4.5 million to help defray the cost of the new site purchase. Developer fees are the only source of funds for our Capital Facilities Fund and vary from year to year depending on new construction starts. The funds are used to pay lease costs on portable classrooms.

LOS ALTOS SCHOOL DISTRICT 2023–24 BUDGET

Revenue Sources: Budget Year Compared to Current Year				
	2022-23		2023-24	% Change
General Fund	\$	79,245,525	\$ 78,766,828	-0.6%
Special Revenue Funds				
Cafeteria	\$	3,073,576	\$ 3,280,071	
Deferred Maintenance	\$	301,174	\$ 301,000	-0.1%
Special Reserve	\$	25,000	\$ 25,000	0.0%
Sub-total, Special Revenue Funds	\$	3,399,750	\$ 3,606,071	6.1%
Capital Project Funds				
Building	\$	12,223,385	\$ 1,408,980	-88.5%
Capital Facilities	\$	505,000	\$ 505,000	0.0%
Sub-total, Capital Project Funds	\$	12,728,385	\$ 1,913,980	-85.0%
Total, All Governmental Funds	\$	95,373,659	\$ 84,286,879	-11.6%
<i>Note: Revenue Sources totals include Interfund Transfers In</i>				

GENERAL FUND RESERVES

The chart below shows the recent history of General Fund revenues and expenditures. Starting in 2019–20 we reversed an earlier trend of spending more than taking in and have begun increasing our reserves. We project reserves at 15.16% for the 2023–24 budget year and continued decline in future years.



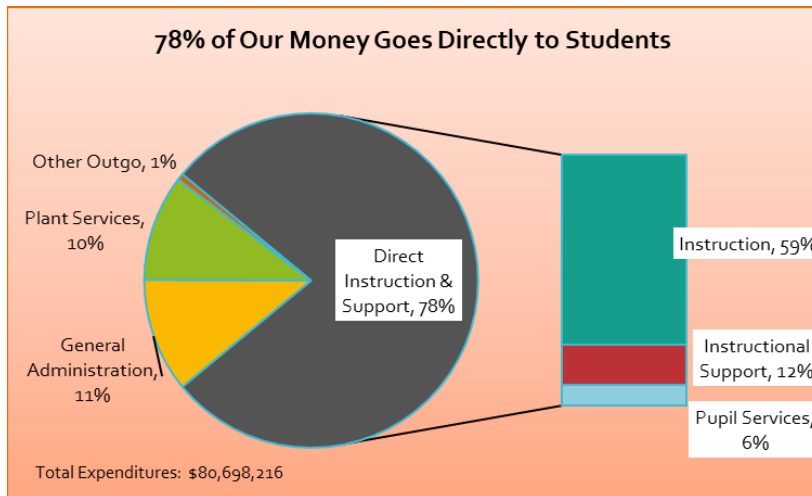
GENERAL FUND EXPENDITURES

Our General Fund spending plan is based on carrying the current program forward. The projected enrollment is 3,360, which is 7 more students than in the current year.

Spending in the General Fund is broken down between unrestricted and restricted, depending on the source of funds. \$53.9 million of our total spending (67%) is identified as unrestricted. The balance, \$26.7 million, is being spent on programs with spending restrictions in place.

Our core curriculum is funded primarily by our unrestricted revenues. Enrichment programs (such as music, art, physical education, and technology) are funded by local contributions—either directly through our educational foundation or indirectly through our parcel tax. Parcel tax and foundation funding also enable us to have small neighborhood schools and relatively low class sizes.

We continue to enjoy some of the lowest class sizes among the 32 districts in our county. We have one of the lowest administrator-to-teacher ratios in the state—we employ far fewer administrators than recommended under state guidelines. We attempt to funnel as much of our spending as possible into the classroom, for the direct benefit of our students. 78% of our spending goes directly to children.



In 2023–24 we anticipate spending \$80,698,216 or \$24,017 per student. 83% of our spending pays employee salaries and benefits. The greatest proportion of this (30%) goes to pay classroom teacher salaries. The average teacher costs the district \$157,813, \$115,033 in salary and \$42,780 in benefits. Our General Fund spending plan for 2023–24 is shown in the accompanying table.

General Fund	2023–24 Expenditures		\$ per Student (3,360 students)	% of Total
Teacher Salaries	\$	23,981,366	\$ 7,137	30%
Other Salaries		20,946,882	6,234	26%
Employee Health Benefits		6,013,900	1,790	7%
Other Employee Benefits		15,853,107	4,718	20%
Books & Supplies		2,615,147	778	3%
Utilities, Repairs, Other Services		10,992,873	3,272	14%
Capital Outlay, Other Outgo		294,941	88	0%
Total	\$	80,698,216	\$ 24,017	100%

LOS ALTOS SCHOOL DISTRICT 2023–24 BUDGET

GENERAL FUND REVENUES

Our single largest source of funding is property tax revenues. Under state law each district has a guaranteed amount of **general purpose funding**. The guarantee is determined by multiplying a per-student amount by the district's average daily attendance. Property tax revenues fund this guarantee. The state provides funds to supplement local property tax collections to reach the calculated amount. Should tax collections exceed the calculated amount, state law allows districts to retain the excess—they become what are called "community funded" districts (also referred to as "basic aid" districts). Because of several years of accelerated tax growth, we continue in this status for the budget year and the foreseeable future.

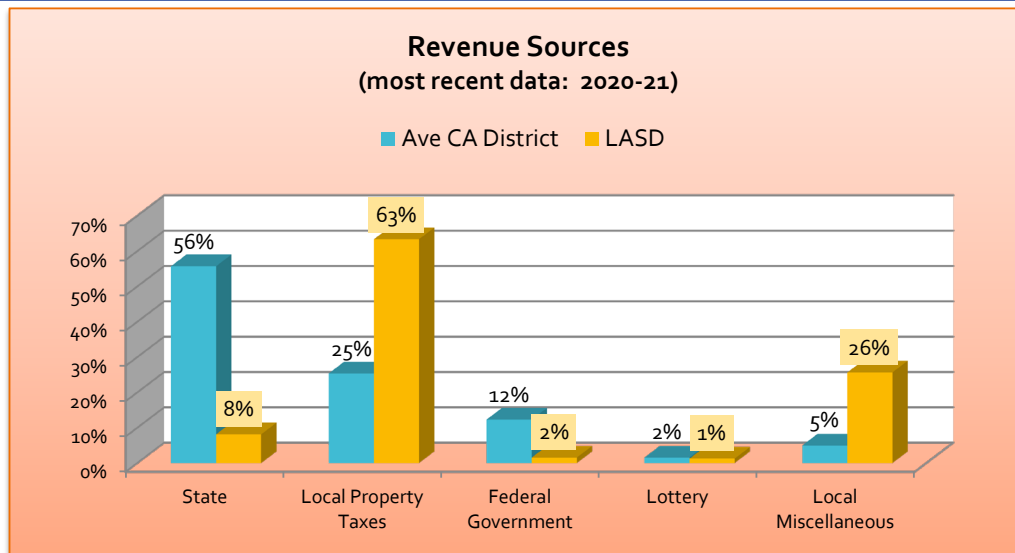
Top 5 Revenue Sources	
\$52,946,659	•Property Taxes (net)
\$9,641,359	•Parcel Tax
\$4,724,118	•Special Education Funding
\$2,500,000	•Los Altos Educational Foundation
\$769,403	•Lottery
\$70,581,539	•Total (87% of total revenue)

For the budget year our state **general purpose funding** calculation totals \$37.8 million. We project \$53.6 million in net property tax revenues plus other adjustments, which gives us \$15.8 million of revenue in excess of our state guarantee. A transfer of county property taxes to be used as special education funding is added to the amount of net property tax proceeds to produce our total property tax revenues. Thus property tax proceeds, in total, equal \$56.1 million and translate into \$16,699 per student or 71% of all general fund revenues. The state provides some special purpose funding—only 7% of our total revenues. We expect to garner approximately \$769,000 from the California Lottery, approximately 1% of our total funding.

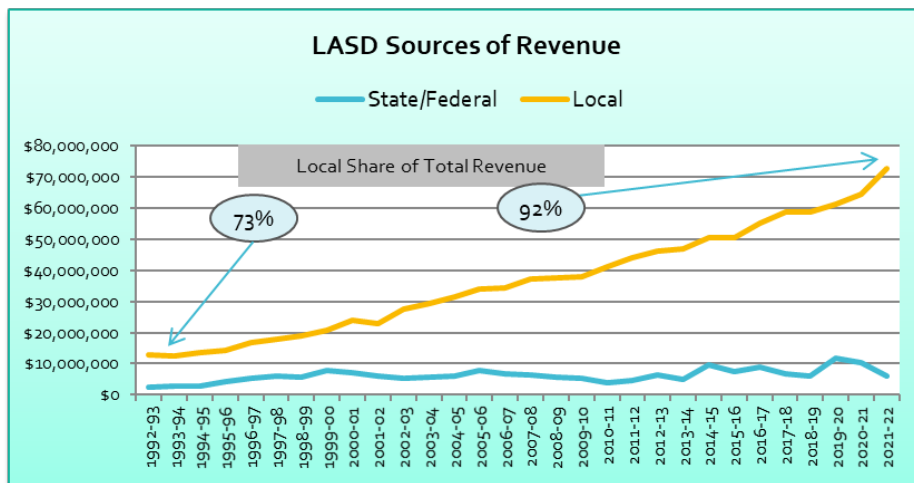
General Fund	2023-24 Revenues	\$ per Student (3,360 students)	% of Total
Property Taxes ¹	\$ 56,109,521	\$ 16,699	71%
State Aid	5,686,148	1,692	7%
Lottery	769,403	229	1%
Federal	1,033,903	308	1%
Parcel Tax	9,641,359	2,869	12%
Education Foundation (LAEF)	2,500,000	744	3%
Other Local	3,026,494	901	4%
Total	\$ 78,766,828	\$ 23,443	100%

¹ Includes \$3,162,862 of County Taxes transferred to the district.

Only 1% of total funding comes from the federal government. The balance of funding (21%) is local in nature. Our two parcel taxes generate \$9.6 million in revenue. The community-supported Los Altos Educational Foundation (LAEF) is expected to contribute \$2.5 million to the district for the budget year. Our parcel taxes and foundation provide the district some measure of local control. Other local revenues include local grants, interest earnings, rental income, and facility use and other fees. *Our local revenues (including property taxes) are unusually high in comparison to other districts.*



It is interesting to note the increasing role that local revenues play in our operating budget. The chart below shows a very different picture in the early 1990's compared to now.



California's School Funding Scheme: The 2013 Revision

California's school funding scheme is the first overhaul of school funding since the early 1970's. Enacted by AB97 in spring 2013 the scheme is called the **Local Control Funding Formula (LCFF)** and replaces the 1972 enacted Revenue Limit scheme. In announcing the new scheme which took effect July 1, 2013, Governor Jerry Brown focused on the two key aspects of the scheme—local control and additional funding for districts that serve high needs students. High needs students are defined as those who are low income, English learners, and foster youth.

How the funding scheme works is relatively simple. All districts across the state have the same targeted base funding level—a per pupil amount that varies by grade span (K–3, 4–6, 7–8, and 9–12). Supplemental funding is granted to districts based on the number of high needs students. Additional funding (concentration grants) is given to districts with more than 55% high needs students. *Our district has a relatively low level of high needs students (15%) so we are not eligible for concentration grant funding.*

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

ISSUES & CHALLENGES

We are entering the 2023–24 fiscal year with some uncertainty regarding the near future. Will recent increases in inflation continue and cause undue pressure on our operations? Will there be long term economic impacts of the rising interest rates on our property tax growth. At the same time, we are well prepared both financially and educationally.

We are highly dependent on property tax revenues and have been blessed with significant growth in those revenues over the last several years. Our tax growth is largely fueled by housing turnover, as we are predominantly a residential community (90% of properties). For now, we are projecting 5.5% growth in the budget year and flat to declining in future years (since property assessed values have increased by over 7% during the past year).

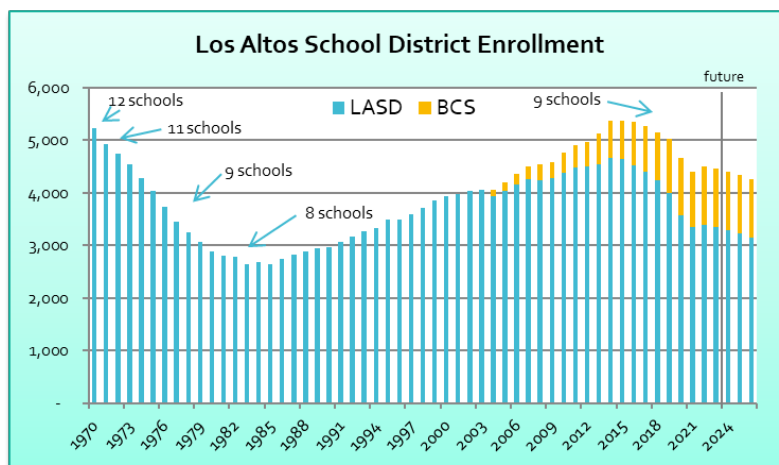
Key challenges we face include the following:

- Balancing enrollment fluctuations with facility needs.
- State pension systems have an unfunded liability, with school districts and employees subject to significant contribution increases in coming years. [See below.]
- Developing plans for the use of the newly acquired school site and determining costs, as we have insufficient funds for all our capital needs.
- Remaining competitive in the employment in the employment marketplace in order to attract and retain the best and the brightest, especially at a time when there is a shrinking pool of qualified instructional leaders.

Our board goals continue to reflect the issues and challenges mentioned above.

ENROLLMENT GROWTH ISSUE

With new housing projects currently in the pipeline and the need to find a long-term location for the charter school, we face the prospect of needing at least one additional school site (which we recently purchased). As the chart below illustrates, in recent years we have had three fewer school sites serving approximately the same enrollment as we had in 1970, when we had twelve school sites. While currently we are experiencing an overall decline in enrollment, the new housing stock in the northern part of the district has not materialized into increased enrollment at this time.



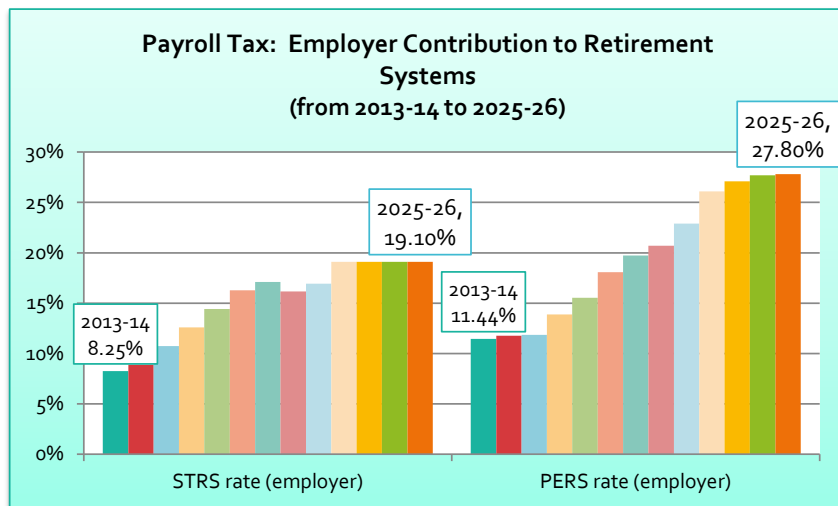
STATE PENSION SYSTEMS

Since the early 2000s California's two pensions systems for public employees have experienced declining investment returns and retirees have been living longer than anticipated earlier. As a result the two systems have significant unfunded liabilities. The State Teachers Retirement System (STRS) covers all certificated employees who work in

LOS ALTOS SCHOOL DISTRICT 2023–24 BUDGET

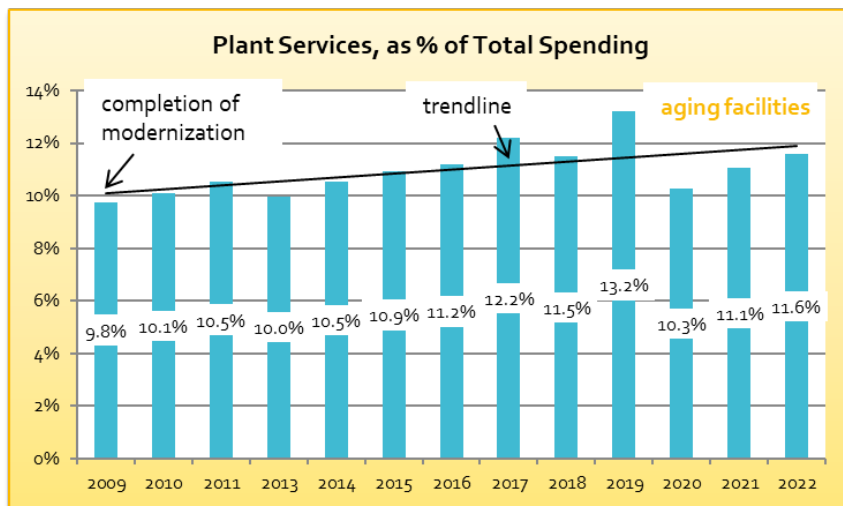
public education. The Public Employees Retirement System (PERS) covers all other public sector employees. Both retirement systems are addressing their unfunded liabilities by increasing contributions from employees, employers, and the state as well as reducing retiree benefits for workers new to the system starting in 2013.

The accompanying chart shows the steep increases in school employer contributions, as a percent of payroll. Our contribution cost in 2013–14 was a little under \$3 million. By 2025–26 we project the costs to rise to \$9.6 million, absent any change in the retirement systems' funding outlook.



CAPITAL NEEDS

Since the modernization of our campuses in the early 2000s, as our facilities age, more repairs and replacements are needed. With the \$150 million bond in place we hope to make improvements and reduce these costs.



GENERAL INFORMATION

DISTRICT DESCRIPTION

Los Altos School District is a political subdivision of the State of California. The district was founded in 1909 for the purpose of providing a free public education to the residents within the district's geographical boundaries. The district, located in northwestern Santa Clara County, encompasses most of the city of Los Altos, half of Los Altos Hills, part of Mountain View, part of Palo Alto, and some unincorporated county lands. There are nine schools, seven elementary and two intermediate, serving students in grades kindergarten through eight.

Governance. An elected board of trustees governs the school district. There are five members of the board, each elected at-large for a four-year term. The school board usually meets twice monthly on the second and fourth Mondays. A superintendent, Sandra McGonagle, heads district operations.

Demographics. The district serves 3,360 students in its nine schools. Enrollment has begun declining in the last ten years (down 25% in total). Enrollment growth peaked in 2014–15 and enrollment has declined since then. Enrollment is expected to be flat to a slight decline over the next few years—pending the number of students generated by several new planned housing developments in our community.

Most of the students live in neighborhoods of relatively high socioeconomic status. The racial/ethnic composition of our student body, as reported in an annual ethnicity survey, is 38% Asian, 36% Caucasian 9% Hispanic, and less than 1% Black. The remaining 16% represents families with multi-ethnic backgrounds and those who did not respond to the survey.

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

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

The State Department of Education consistently ranked our district in the top 1% in the state, based on our test scores. All of our schools are California Distinguished Schools and five schools (Gardner Bullis, when it was Bullis-Purissima, Oak, Santa Rita, Blach, and Egan) applied for and were chosen as national Blue Ribbon Schools. Results under the newly adopted testing program show our students continuing to have exemplary performances.

BUDGET DEVELOPMENT

The Board of Trustees has provided overall direction in the development of the budget, including developing the district goals that have been carried forward from the prior year (shown on next page). The goals are reflected in the programs the district has budgeted for in 2023–24.

LOS ALTOS SCHOOL DISTRICT 2023–24 BUDGET

District Goals for 2023–24



Ensure all students have access to equitable conditions for learning



All LASD students will experience high quality instruction that results in equitable outcomes and expected yearly growth



Provide tiered supports and systems that promote and sustain strong academic growth and positive social/emotional development for all students



Ensure a safe, healthy, and respectful school environment to maintain engagement, involvement, and satisfaction of students, staff, and parents

Preparation of this budget began in January with the release of the Governor's proposed budget for the State of California for the upcoming year, which includes funding for schools. The district's budget advisory committee, appointed by the school board, has worked since February overseeing the development of this budget. The committee (which includes parents, teachers, classified staff, principals, and administrators) evaluates program in light of the current financial situation. In lean years the committee faces the unenviable task of recommending budget reductions in order to achieve a balanced budget (as required by law). In years when cuts are not needed, the committee may make recommendations for program enhancements. This year, following the requirements under the new state funding scheme, the committee reviewed and provided input to the district's budget plan (Local Control and Accountability Plan). The committee recommended board approval of the LCAP and recommended approval of the budget as presented.

Key Dates in Budget Development

January

- Governor proposes State Budget

February – April

- District prepares draft budget

May

- Governor revises budget proposals

June

- District adopts final budget

School staff and school site councils have worked together to prepare their individual site budgets. The site budgets reflect allocations of unrestricted monies given on a per student basis, as well as special purpose appropriations from the Los Altos Educational Foundation and state and federal agencies (when applicable).

The efforts of our community are also reflected in the district budget. The community supports our schools directly through PTA contributions, funding from our educational foundation, and through our local parcel taxes. These sources generate close to a third of the district's revenue and enable the district to maintain a high quality educational experience for our students even during difficult economic times.

District staff has worked with these various groups to develop the budget. The district's final budget, according to state law, is adopted prior to July 1. (The district's fiscal year is from July 1 to June 30.) But the budget is modified many times thereafter. Adoption of the state budget and the closing of the district books for the prior year, both of which usually occur in the summer months, provide additional information that causes the budget to be modified. Throughout the school year, the budget is monitored closely and continues to be adjusted.

There have been no significant changes in the district's budget policies or development process from prior years.

ACCOUNTING BY FUND

The accounts of the district are organized on the basis of funds, each of which is considered to be a separate accounting entity. We have five funds, which are described below.

The **General Fund** is the general operating fund of the district. It is used to account for all financial resources except those required to be accounted for in another fund. The district's General Fund is used to account for the day-to-day operations of the district. The salaries of our teachers, classroom aides, administrators, custodians, school secretaries and clerks, librarians, counselors, maintenance workers, district administrators and clerical support staff, and all other certificated and classified staff are accounted for in the general fund. Our textbooks, other books and supplies, utility costs, repair costs, consulting services, and equipment costs are also paid out of the general fund.

The district's General Fund is divided into two sections: unrestricted funds and restricted funds. Restricted funds are monies received by the district that are categorical in nature, i.e., they can only be used for the purposes prescribed by the funding agency. The state and federal governments provide such funding for many special programs or projects. For example, special education funds are restricted. They can only be spent on students with identified special needs and in the manner outlined in state and federal law. Restricted funds are, in some cases, provided directly to the schools and in other cases are controlled centrally by the district. In either case, how the district spends these monies is determined by restrictions imposed by the granting agency.

Unrestricted funds are monies received that are not restricted in their use. The district can spend unrestricted monies on whatever programs it chooses. Examples of unrestricted funds include property tax collections, parcel tax revenues, and rental and lease income.

In addition to the General Fund, the district has five special purpose funds.

- The **Cafeteria Fund** is used to account for our food service operations.
- The **Deferred Maintenance Fund** is used for the purpose of major repair or replacement of district property.
- The **Special Reserve Fund** is used, along with reserves in the General Fund, to maintain the state required 3% reserve level and to account for future retiree health benefit payments.

LOS ALTOS SCHOOL DISTRICT 2023–24 BUDGET

- The **Building Fund** is used to account for funds received from the sale of property, which are designated for maintenance and capital outlay purposes, and to account for the proceeds from the sale of general obligation bonds.
- The **Capital Facilities Fund** is used to account for monies received from developer impact fees assessed under provision of the California Environmental Quality Act (CEQA).

INSTRUCTIONAL PROGRAM

Our district has adopted and implemented a comprehensive core curriculum for all students at all grade levels. Our elementary school students (K–6) are taught in self-contained classrooms. Our fourth through sixth graders are part of a “continuous progress” mathematics program that culminates with grade 6 pre-algebra for qualified students. At the intermediate schools, our seventh and eighth graders have a rich departmentalized program of core academic subjects and self-selected electives. Our teachers use a variety of teaching techniques and methods and specialized materials to meet the instructional needs of all students. The core curriculum for our students is in the areas of language arts and reading, mathematics, history and social science, and science. All students receive instruction in physical education, music, and art.

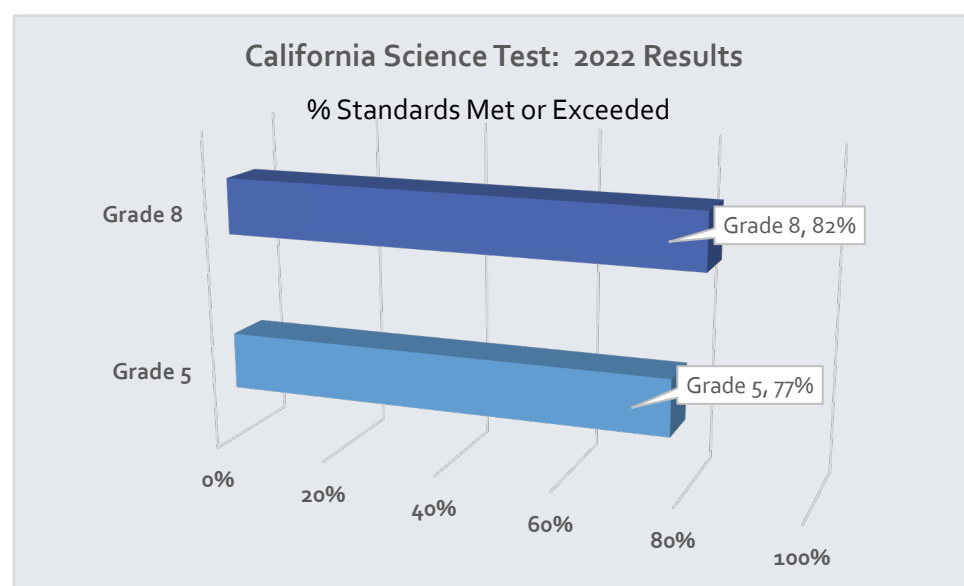
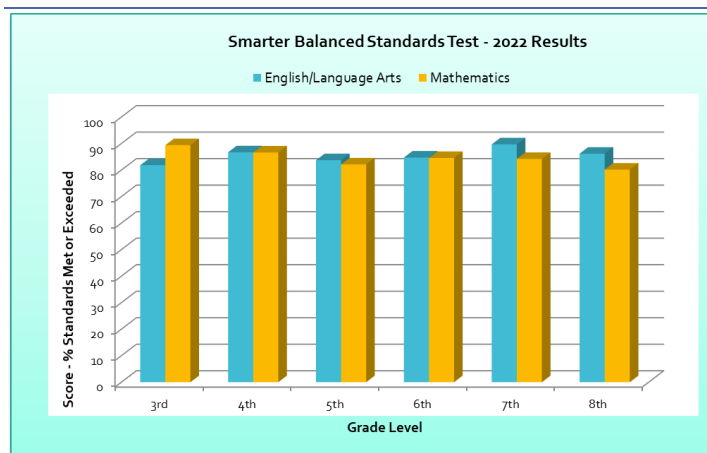
The district complies with all state standards regarding the curricular areas. State approved textbooks are used at all grade levels. We comply with state requirements for longer day and longer year funding—i.e., the number of minutes of instruction in the student year meets or exceeds state standards.

The district has implemented many changes in its instructional practices over the last few years, utilizing project-based learning, design thinking, and interactive technology-based learning. As a result the district is far ahead of the state in embracing a transition to deeper learning and more critical thinking (goals of the Common Core State Standards recently adopted by the state).

*California has been at the forefront of embracing and adopting the new **Common Core State Standards** that align instruction with clear and consistent learning goals to better prepare students for college, career and life. With the transition to Common Core the existing assessment system in California became obsolete. In spring 2015 students were given the first set of “smarter balanced” tests under the new assessment system and the state will once again track student performance and rank districts using a revised API (yet to be determined).*

STUDENT ACHIEVEMENT

With the transition to Common Core standards, California is in the process of adopting a newer statewide testing program and achievement measures. The second battery of test results were reported from Spring 2022 and show how students performed against certain standards in English/Language Arts and Mathematics, as well as in Science for certain grades only. Test results for our students are shown in the charts below.



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

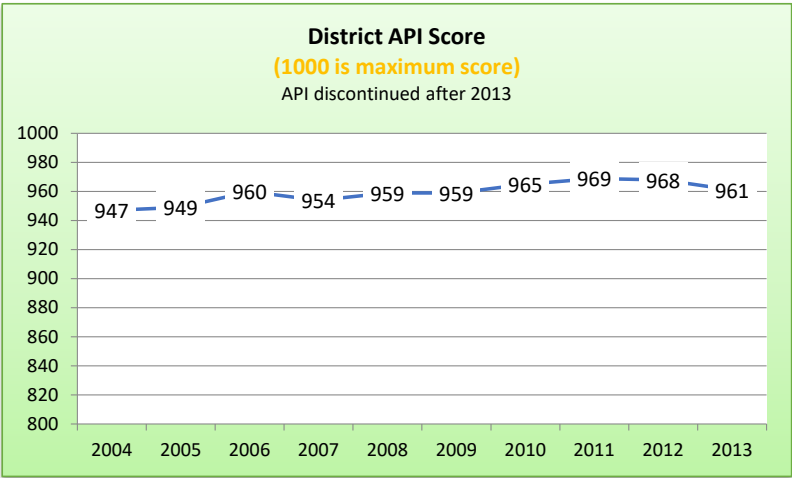
Our students performed exceptionally well on standardized tests given every spring through 2013 to public school students in California. The performance rankings of schools in California done by the State Department of Education reflected these results.

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

API Ranking. Each year, again through 2013, the California Department of Education released an Academic Performance Index (API), which ranked all the public schools in California. This ranking was largely based on test results from the previous spring. Each school received an index number between 200 and 1,000, with a score of 800 being considered the “target” score. Up through 2013 the index number was in turn divided into a decile, with all schools

LOS ALTOS SCHOOL DISTRICT 2023–24 BUDGET

divided into groups of ten, based on their index. The decile served as a rank, with 10 being the highest and 1 the lowest. The use of decile rankings was discontinued as of 2013. In October 2013 the Department of Education released its 2013 rankings. All our schools ranked among the best statewide. With a district API score of 961 our district had the third highest ranking in the state. The accompanying chart shows the recent history of the district’s API ranking, consistently among the top in the state.



RELATIONSHIP BETWEEN ACHIEVEMENT AND EXPENDITURES

As a result of the significant amount of community support for our schools, our students benefit in a number of ways. Students enjoy relatively small class sizes when compared to most schools in the state. Our students perform exceedingly well on standardized tests (as indicated above) in part as a result of the smaller classes, but also due to our cadre of excellent teachers and our efforts toward individualized instruction. We can measure the result of community support by looking at spending per student compared to the state average, seeing how much of our spending comes from local sources, and how we pay our teachers (in order to attract and retain the best and the brightest). The spending differential is particularly acute when looking at unrestricted spending per student—a measure of how much local control a district has over its budget. *Comparison data below is from Ed-Data website (www.ed-data.k12.ca.us) for most recent year of available data (2020–21).*

LASD		State
Outputs		
Pupil/Teacher Ratio	17.8	21.1
Results from State Testing Program		
% Meeting/Exceeding Standards		
English/Language Arts	87%	51%
Mathematics	85%	40%
% Scoring Advanced/Proficient		
Science, Grade 5	91%	54%
Science, Grade 8	94%	61%
Inputs		
Expenditures per Pupil (ADA)	\$ 17,003	\$ 14,370
Expenditures per Pupil (unrestricted)	\$ 10,802	\$ 8,881
Local Revenue Sources (% of Total)	26%	5%
Average Teacher Salary	\$ 92,352	\$ 85,856
Highest Teacher Salary	\$ 109,888	\$ 166,410
1. State column represents Average, All Districts in California.		
2. All data is from 2020-21, except Testing Results which are from 2018-19 (the last year of statewide testing).		

CONSTRUCTION PROGRAM

We have completed phase one of our construction program. Since 2000 we have spent over \$120 million to renovate and modernize all of our campuses. Construction on the Gardner Bullis campus, the last of our schools to be modernized, was completed in 2008. The funds for phase one came from a voter approved bond measure. We still have phase two of the program in our plans and with passage of a \$150 million bond in November 2014 we now have funds available. However, we have another significant draw on bond funds—we recently acquired an additional site on which to build a new school to deal with the charter school's enrollment growth. Phase two entails replacing portable classrooms with permanent ones and replacing some of the non-classroom buildings at certain sites

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(libraries, multi-purpose buildings, and school offices). With the acquisition of the new site and ultimate its development, we are in the planning stages of deciding how much of phase two we can complete.

ALLOCATION OF HUMAN RESOURCES—STAFFING

District staffing is determined annually according to the needs of the district. Prior year staffing acts as a baseline, to which staffing FTE (full-time equivalents) is either added or subtracted. The district has endeavored over the years to maintain as small a district level staff as possible, preferring to allocate resources directly to the school sites. Teacher staffing is determined by established class size ratios. We are staffing K–3 at 22 students per teacher, grades 4–6 at 25 students per teacher, and junior high at 26 per class.

Total district staffing for 2023–24 is projected at 437 full-time equivalents (FTE), which is 18 less FTE than in the current year due primarily to staffing reductions to right size staffing to pre-Covid levels.

RATIOS

Staffing. Our budget calls for 153 regular teachers in the coming year. In addition, we have 23 special education teachers and 2 bilingual teachers. Our classroom instructional staffing, as mentioned above, is based on a projected staffing ratio of 22:1 (K–3), 25:1 (Grades 4–6), and 26:1 (Grades 7–8). The state has a mandatory ratio of administrators to teachers. Having 16.8 FTE administrators in the district, we fall below the state cap on administrators that allows us up to 18.25.

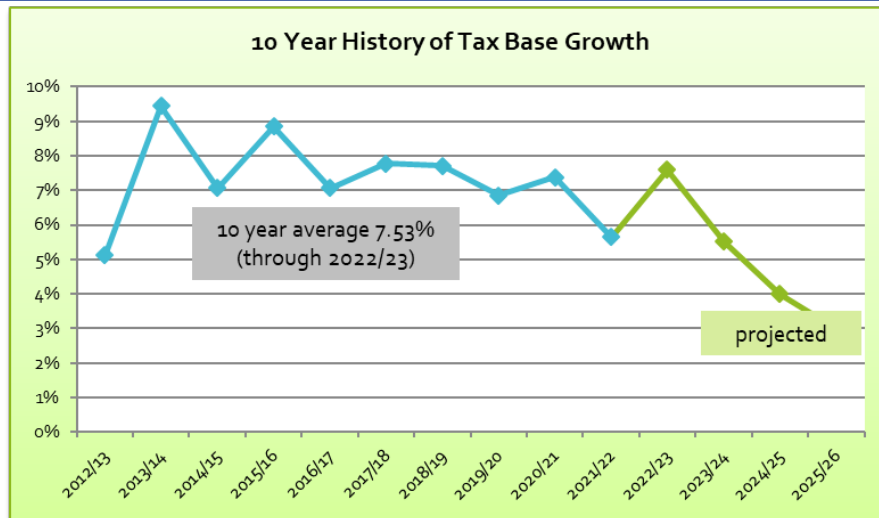
% Spending on Classroom Instruction. The state also requires that elementary districts spend 60% or more of their funds on classroom instruction. Each year we file a report with the state showing what proportion of our spending goes to the classroom. The most recent report filed shows the district spending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

Required Reserves Level. California schools are required to have a general operating reserve of at least 3%. Our reserves are made up of unappropriated and unrestricted monies in our general fund, plus funds set aside in a special reserve fund. For 2023–24 we project reserves in the amount of \$12.4 million, which equates to 15.16% of projected expenditures.

TAXES

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

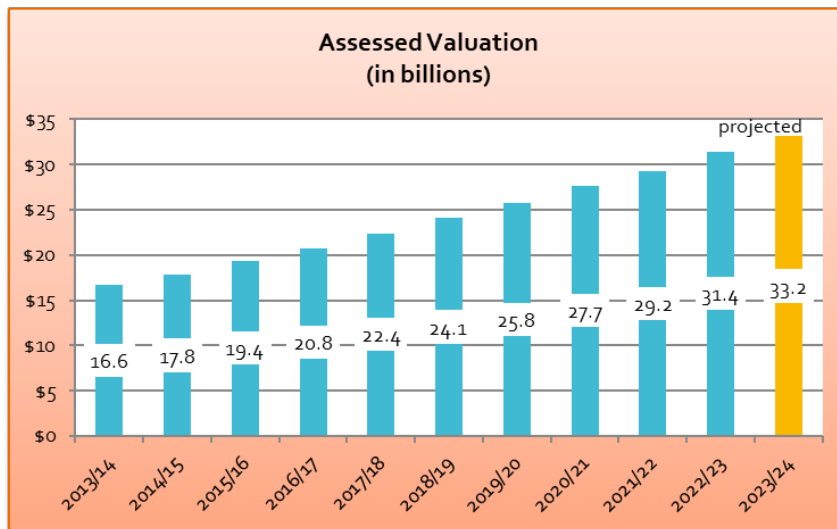
As a community funded district we have become more dependent on local property tax collections. The guarantee still is in effect—the state guarantees that we will get at least that calculated amount of funding each year. But now it becomes a kind of floor (it's our minimum level of funding) while property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



For the typical taxpayer in our district approximately 19% of his/her tax bill goes to Los Altos School District. Since state law caps the property tax rate at 1% of assessed value (AV), this translates into an average tax for our schools of \$190 per \$100,000 of AV. On top of that, district taxpayers now pay a flat \$820 per parcel of property (our parcel tax) and pay another \$60 per \$100,000 of AV to pay off the district's bonded indebtedness.

As a result of the passage of Proposition 13 in 1978, not only are property taxes capped at 1% of the assessed value of property but the county assessor can only increase the AV by a maximum of 2% each year for inflation. Houses are reassessed at market value only when ownership changes hands. As a result, there are inequities in assessed values and the corresponding taxes collected—since similar homes can have widely varying AV depending on when they were last sold. AV is set by the county assessor each year as of July 1.

In recent years the growth in AV (our tax base) has averaged over 7% per year, which helped fuel our move into community funded status. With the decline in the economy we witnessed a significant decline in AV growth in 2009–10 and 2010–11 but since then we have seen steady growth. We are projecting 5.5% growth for 2023–24 and a decline in the out years due to a softening economy. Property tax growth does not match exactly the growth in AV, as properties get reassessed during the course of the year due to sales and owner-requested reassessments.



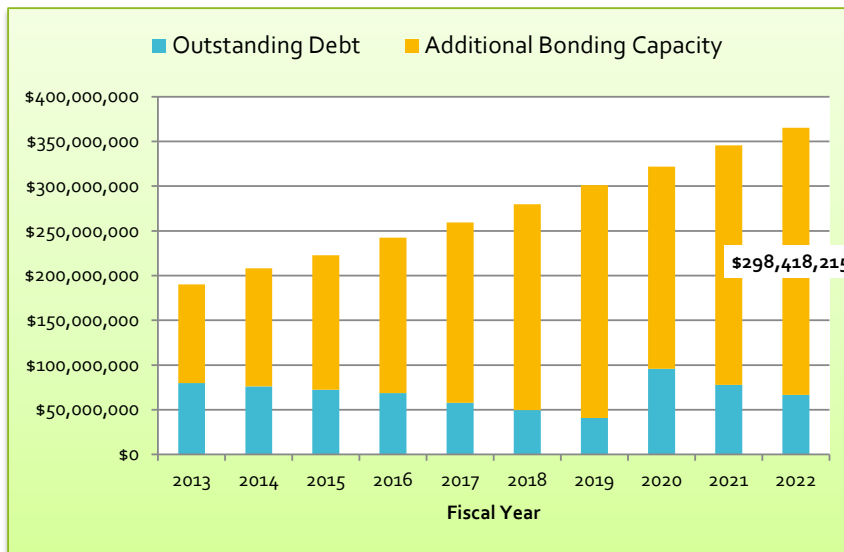
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CHANGES IN DEBT

In February 1999 the district issued its first series of general obligation bonds to fund our construction program. The amount of bonds issued totaled \$40 million. We issued our second series of bonds in May 2001 in the amount of \$46.7 million and issued our third series in October 2003 for \$8 million. We refinanced our outstanding debt in June 2006, in January 2013, and again in January 2016. Prior to these issuances, the district had no outstanding debt. In October 2019 we issued additional debt against the November 2014 \$150 million bond measure authorized by voters. Debt service on the prior re-financings and recent debt issued is shown in the accompanying table.

General Obligations Bonds Annual Debt Service Schedule				
Period Ending June 30	Principal	Interest	Debt Service	Debt Service Remaining
2023	30,375,000	3,679,100	34,054,100	144,132,175
2024	62,380,000	2,629,250	65,009,250	79,122,925
2025	850,000	1,923,650	2,773,650	76,349,275
2026 and beyond	52,150,000	24,199,275	76,349,275	-
Total	\$145,755,000	\$32,431,275	\$178,186,275	

State law limits debt to 1.25% of our total AV. Our current debt limit is \$365.2 million. With \$66.8 million in outstanding debt as of June 30, 2022, we have the capacity to issue \$298.4 million in additional debt. Debt service payments have been scheduled to limit the impact on taxpayers to no more than \$60 per \$100,000 of assessed value. General obligation bond debt does not impact present or future operating budgets.



Our debt margin
is now \$298
million.

KEY VARIABLES & DETERMINANTS

On the following pages we discuss in detail the key variables and determinants underlying our general fund budget projections.

STATE FUNDING SYSTEM: LCFF, REVENUE LIMITS, AND PROPERTY TAXES

Before we discuss the new funding system (Local Control Funding Formula—LCFF) it is instructive to review how the previous system worked.

Revenue Limit History and Equity Issue. The landmark *Serrano v. Priest* court decision in the late 1960's said schools throughout the state should be spending at the same level, thus providing an equal educational opportunity for every student. In response to this decision, in 1972 the state imposed revenue limits on school districts, a cap on the amount of general-purpose monies a district could raise. The cap was expressed as a per student dollar amount.

Districts had different revenue limits depending on how their local communities were funding their schools through local tax measures prior to 1972. To achieve equity, the state provided annual inflation increases (COLA's) to the revenue limit—with high spending districts receiving smaller increases than low spending districts. In the mid 1980's the courts ruled that that this process had worked, in that funding had been equalized for 93% of the districts in the state. Since then the state continued its push toward spending equity by continuing to grant equalization aid adjustments in the revenue limit calculation for districts whose revenue limit fell below the statewide average.

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

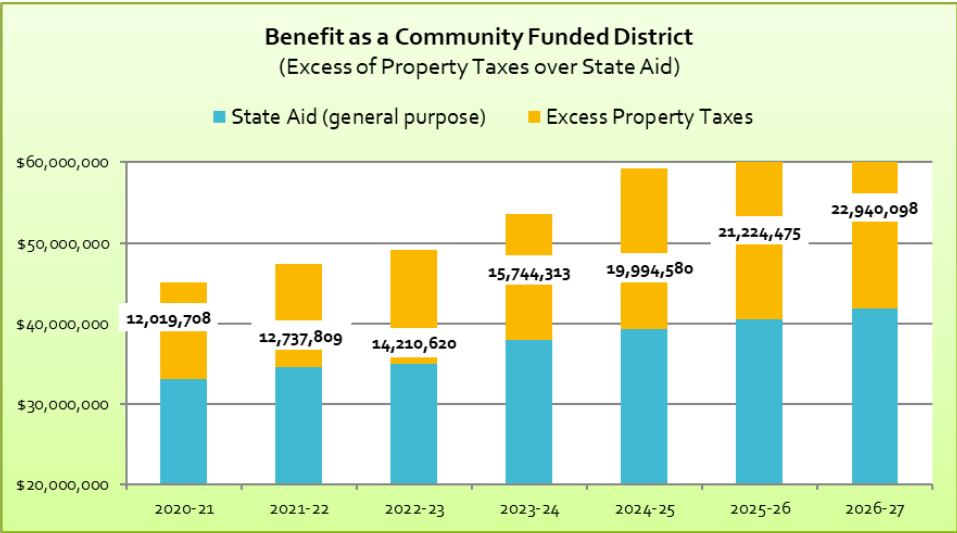
LCFF (the new funding system). Unlike revenue limits, under the new system all districts have the same base per pupil funding level. That per pupil amount varies by grade span (K–3, 4–6, 7–8, 9–12) and gets supplemented based on the number of high needs students and for class size reduction. Previously the revenue limit was supplemented by separate categorical funding for specific programs or needs. Now almost all categorical funding has been subsumed into the base LCFF funding amount. Districts no longer have to follow very prescriptive state regulations on how the categorical funds are to be spent; rather they have the ability to make spending decisions locally. ***The calculated funding level under LCFF, just like under the revenue limit system, is a guarantee from the state.***

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

Property Taxes. The monies used to fund the state guarantee come from a combination of local property tax collections and state aid. Local property tax revenues are subtracted from the total calculated amount to determine the amount of state aid needed. Typically, the amount of local property taxes collected is less than the total guarantee amount. For the average district, approximately 35% of the total comes from property taxes and the state contributes the remaining 65%. In some districts, though, the amount of local property tax collected is actually larger than the total guarantee. These districts get to keep the entire property tax collections and are referred to as

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“community funded” districts. Our projected property tax collections for 2023-24 continue to exceed our calculated state guarantee, thus providing a significant benefit as a community funded district.



We expect our property tax revenues to exceed the state funding guarantee by \$15.7 million in 2023-24.

Local tax revenues tend to be more volatile than state aid. Over the last ten years tax growth has averaged 7% per year but has ranged from a low of <2%> to a high of 9.4%—a wide swing. For the budget year we project 5.5% growth in property tax collections as a result of an increase assessed value when homes are sold. We project 4% annual growth as well in the next year and only 3% in the second budget year. Assessed valuations, on which property taxes are based, will be set in July for the upcoming year.

The sidebar shows a simplified version of the calculation of the budget year funding guarantee for our district. Since our property tax collections exceed the calculated guarantee we get no state aid from LCFF. We receive \$200 per student in Proposition 30 funding annually through 2029–30. In addition, we get a small amount (\$654,207) of supplemental state aid—to reimburse us for lost categorical funding. For districts that were revenue limit under the previous scheme, that funding was added to their base under LCFF. Excess county property taxes earmarked for special education students (approximately \$3,162,000 in 2023–24) are also accounted for within this revenue category.

The State Funding Guarantee and Property Taxes

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

2023–24 State Funding Calculation (under LCFF)

\$ per Pupil (weighted average)	\$10,943
No. of Students (ADA)	3,463
LCFF total (\$ per pupil x ADA)	\$37,894,852

Property tax collections are used to fund the guarantee total. If tax collections fall short of the total, the state makes up the difference. If taxes exceed the guarantee the district gets to keep the excess (“community funded” status). Since property taxes are used to pay for charter school students, the amount we transfer to the charter school is deducted from property tax proceeds to arrive at a net figure.

Property Taxes, gross	\$63,730,440
Less, Transfer to Charter	<10,783,781>
Property Taxes, net	\$52,946,659
+ Basic Aid “fair share”	654,207
+ Prop 30 Funding	692,506
Total (to compare to LCFF total)	\$54,293,372
State Aid	\$0
<i>(LCFF total less net property taxes and add-ons; if negative, no state aid)</i>	

LCFF Sources for 2023–24 are shown below.

Reconciliation for Revenue Accounting

State Aid	\$0
Property Taxes, gross	63,730,440
Transfer to Charter	<10,783,781>
Proposition 30 Funding	692,506
Other LCFF Sources	3,817,069
Total LCFF/Revenue Limit Sources	\$57,564,528

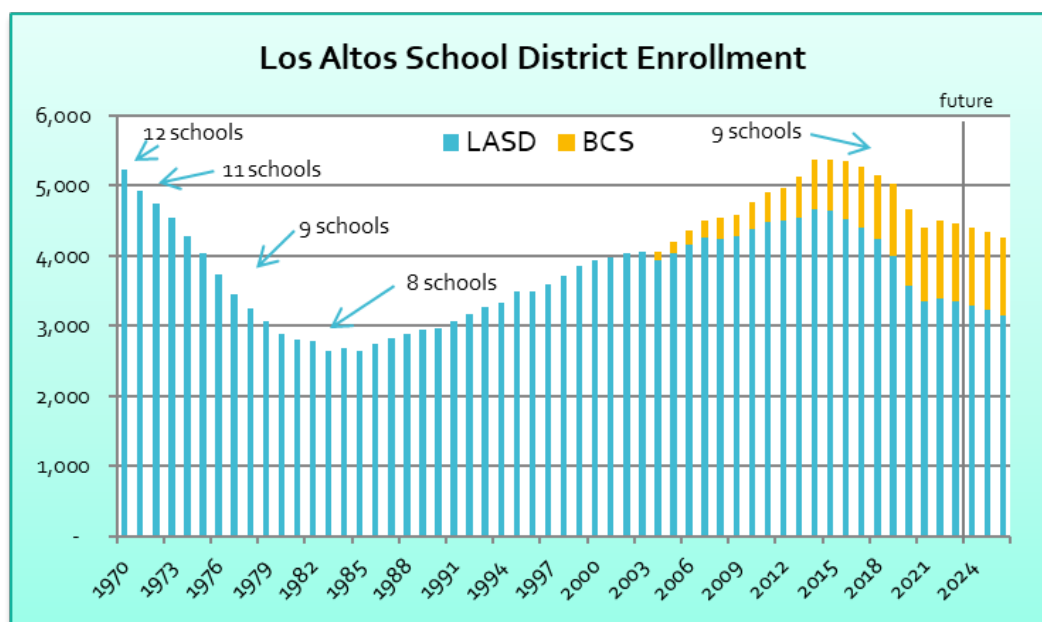
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ENROLLMENT

Since 1998 we have employed Lapkoff & Gobalet Demographic Research, Inc. (a demographic consulting firm) to study our enrollment history and make projections for the future. We recently hired Davis Demographics to update our enrollment projections for the 2023-24 year.

The enrollment forecasts are produced using the standard demographic method for forecasting populations, the “cohort survival” technique. This method advances the current student body one grade for each year of the forecast period. One year’s kindergarten students become the next year’s first graders; first graders become second graders; and so on. There are three assumptions underlying the forecasts: grade progressions, kindergarten forecasts, and interdistrict transfers.

The most recent forecast shows a gradual enrollment decline in the next few years and a leveling off after that. The addition several years ago of state-required transitional kindergarten serving 4-year olds has impacted kindergarten enrollments.

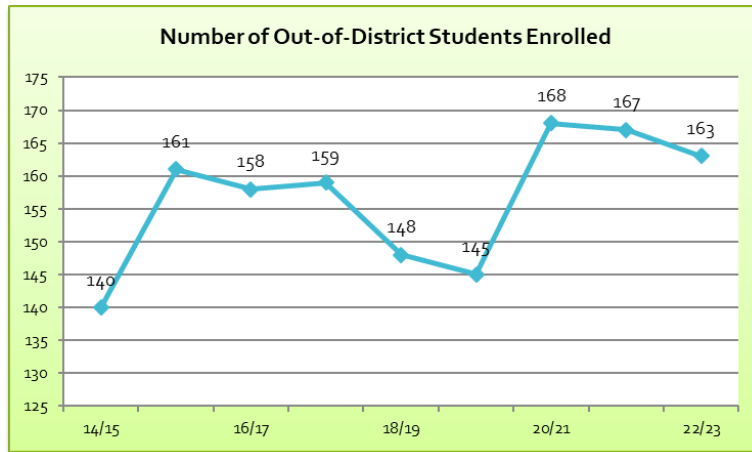


More detail on the last ten years shown in the chart above is summarized in the table below.

Fall Enrollment by Grade Levels: History and Projections										
	2017	2018	2019	2020	2021	2022	2023	2024	2025	2026
K-3	1,773	1,714	1,619	1,378	1,268	1,388	1,337	1,302	1,275	1,245
4-6	1,499	1,444	1,360	1,227	1,165	1,102	1,140	1,105	1,097	1,057
7-8	1,128	1,084	1,017	969	911	900	883	886	855	845
Total	4,400	4,242	3,996	3,574	3,344	3,390	3,360	3,293	3,227	3,147

Interdistrict Transfers. Because of the good reputation of our schools, many parents want to transfer their children from other districts into ours. California law permits interdistrict transfers, assuming that both the sending district and the receiving district approve the transfer. As part of that law, the Allen Bill gives transfer priority rights to parents who work in the district but who live outside of it. While we had been granting over 200 interdistrict transfers a year (as much as 5% of our student population), we now turn down many transfer requests because of class size restrictions and to maintain our small school sizes.

A community funded district gets no additional per pupil funding for interdistrict transfers or other incoming students. Because we have shifted to “community funded” status, we have limited the number of new interdistrict students (see accompanying chart).



The following table shows a more detailed analysis of interdistrict transfers over the last ten years.

Number of Students Transferring In From Other Districts									
	14/15	15/16	16/17	17/18	18/19	19/20	20/21	21/22	22/23
Allen Bill, Non-employees	27	38	33	33	42	30	61	63	52
Allen Bill, Employees	51	62	58	59	53	74	62	63	61
Other	62	61	67	67	53	41	45	41	50
Total	140	161	158	159	148	145	168	167	163

COMMUNITY SUPPORT

PARCEL TAX

In June 1989 the voters of the Los Altos School District passed Measure A, a special parcel tax assessment for the schools. In June 1997 district voters approved an increase to the parcel tax of \$96, bringing the total tax to \$264 per parcel. In November 2002 voters once again authorized an increase to the tax. The tax is now set at \$597 per parcel, a \$333 increase over the previous rate. Based on \$597 per parcel for 12,500 parcels, the tax raises approximately \$7.5 million annually and never sunsets. This is 10% of our total revenue. There are 14,900 parcels in the district, yet approximately 2,400 annually receive exemptions. These exemptions go to senior citizens who apply for them and to properties that are non-taxable, such as churches and public buildings. The parcel tax has paid for classroom teachers, school libraries, part of the music program, the junior high elective program, student textbooks, classroom cleaning, preventive maintenance, major repair projects, a school nurse, psychological services to students, and playground supervisors.

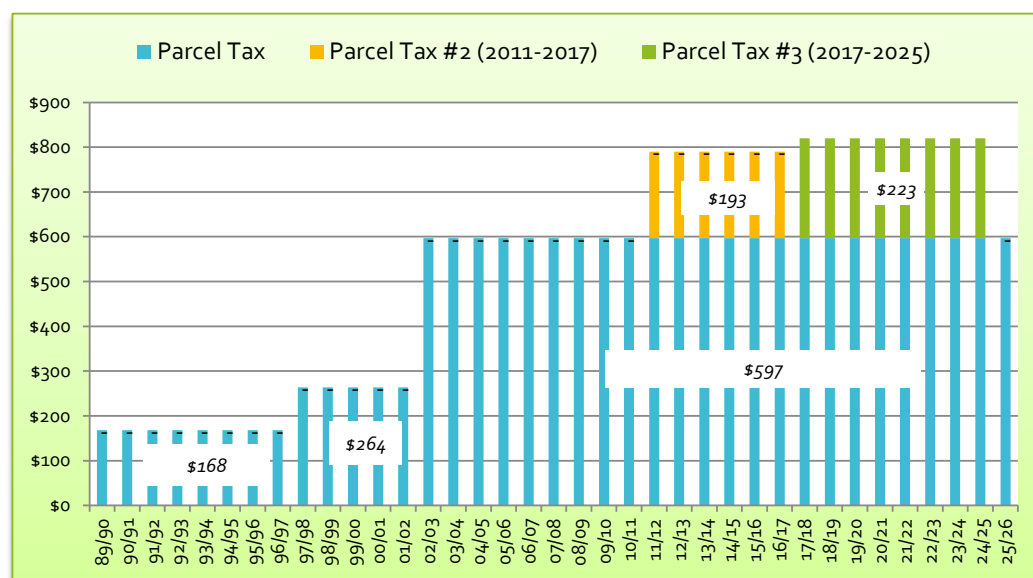
Community support is critical to our success. Our two parcel taxes provide 12% of our total revenue. Our educational foundation contributes another 3% of total revenue.

LOS ALTOS SCHOOL DISTRICT 2023–24 BUDGET

A second tax was approved by voters in May 2011. This tax, set at \$193 per parcel, brought the total tax to \$790 per parcel. The two taxes in combination generate \$10 million for the district. The \$193 tax was designed to fill a revenue gap caused by the “Great Recession” and to help the district maintain current programs through a long economic recovery. The new tax, unlike the original one, had a finite lifespan—it terminated after six years (on June 30, 2017). In its place a new tax was approved by voters in November 2016. The new tax sunsets after eight years (June 30, 2025) and essentially renews the \$193 tax and adds an additional \$30 for a total tax of \$223. The \$30 increase is intended to provide a proportionate share of the new tax to Bullis Charter School, while maintaining roughly the same tax revenue for the district.

ELECTION DATE	PER PARCEL AMOUNT	TYPE OF ELECTION	VOTE REQUIRED	% OF YES VOTES	PASSED/FAILED
1989-June 6	\$168	New tax	2/3	68.50%	Passed
1993-March 2	\$168	Renewal	Simple majority	81.30%	Passed
1997-June 3	\$264	Increase	2/3	74.20%	Passed
2000-November 7	\$264	Renewal	Simple majority	76.00%	Passed
2002-April 9	\$597	Increase	2/3	64.70%	Failed
2002-November 5	\$597	Increase	2/3	70.70%	Passed
2006-November 7	\$597	Renewal	Simple majority	77.90%	Passed
2011-May 3	\$193	New tax	2/3	67.06%	Passed
2016-November 8	\$223	New tax ¹	2/3	70.94%	Passed
¹ Nov 2016 tax replaced May 2011 \$193 tax					

Each year the Superintendent issues a Parcel Tax Report Card to the community. As an accountability measure, this report card tells our community how their parcel tax dollars are spent.



LOS ALTOS EDUCATIONAL FOUNDATION (LAEF)

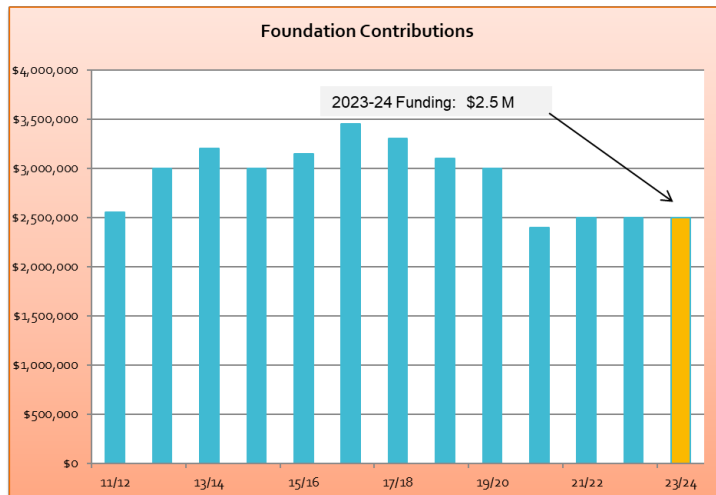
Our community provides support for enrichment, innovative, and wellness programs through a local foundation (see accompanying sidebar).

The Los Altos Educational Foundation (LAEF) was established in 1982 by parents in the district concerned with the inadequacy of state funding. The Foundation raises money for specific district programs that otherwise would not be funded by state and local revenue sources. 1983–84 was the first year of LAEF contributions to the district (\$61,250). Contributions from LAEF have increased steadily over the years, reaching a high of \$3.45 million in 2016–17. The budget year contribution of \$2.5 million represents 3% of the district’s total operating revenue.

LAEF is a non-profit corporation independent of the school district. Parent representatives from each school sit on the foundation board. Currently there are 21 board members operating in a voluntary capacity. The foundation has three paid staff members— a full-time executive director and two part-time staff.

The foundation board works closely with the district in determining which programs to fund.

Los Altos Educational Foundation (LAEF)	
LAEF is expected to provide \$2.5 million in grant funding to the district in 2023-24, the same amount as in 2022-23. LAEF funds enable the district to maintain enrichment programs, junior high electives, and to provide support for the well-being of our students. The Foundation also provides funding in support of innovative academic programs.	
2023-24 LAEF Funding	
Arts Programs	
Literacy	
STEM Programs	
Wellness	
Grand Total:	\$2,500,000



LOS ALTOS SCHOOL DISTRICT 2023–24 BUDGET

CLASS SIZE REDUCTION

In 1996–97 the state began offering incentive funding to districts to reduce class size. \$650 per student was given for every student in grades 1, 2, and 3 who was in a class with 20 or fewer students. In 1997–98 the state expanded this program to include kindergarten and increased the per pupil incentive amount to \$800. With annual COLA's applied, funding peaked at around \$1,100 per student. During the last recession the state provided some flexibility in implementing the program, allowing classes to exceed 20 students but with modest to severe penalties, depending how high class sizes get. One of the benefits of this flexibility is keeping students from having to attend a school other than their neighborhood school, which can occur when you have a hard cap of 20 students per class.

We have participated in this program in all four grades in every school in the district. State funding typically has covered 80% of the cost of the additional teachers needed as a result of lower class sizes. Total state funding for this program reached a high of \$1.96 million in 2008–09 (4% of our total revenues that year) but since then was severely reduced due to state budget cuts. Under the new funding scheme incentive funding is now rolled into the state's base general purpose funding and with added flexibility. Districts will receive full funding as long as the class sizes in grades K–3 average 24 or less on a school by school basis.

LOTTERY

In November 1984 voters approved the California State Lottery. Proceeds from lottery ticket sales augment school districts' budgets. For each dollar of lottery revenue, public schools receive thirty-four cents. Lottery funds are distributed throughout the state on a per pupil basis. Actual apportionments of lottery funds typically occur from four to six months after ticket sales, due to the complexities of accounting and distribution of prize winnings. Funding for 2023–24 is budgeted at \$170 per pupil for unrestricted lottery revenues, which equates to an annual amount of \$559,000. An additional \$209,000 (\$67 per pupil) in lottery revenues is expected, but these monies are restricted in purpose. Legislation passed in 2000 mandates that any lottery funds collected in excess of the amount collected in 1997–98 must be used to purchase instructional materials. Lottery revenues make up less than 1% of the district's total income.

CLASSROOM TEACHERS

We have an experienced and highly qualified corps of teachers. The average age of our teaching staff is 44 years. Two-thirds (69%) have at least a Master's Degree. 77% of our teachers have been in the district for six or more years.

A total of 202 FTE teachers are budgeted for 2023–24. Of this total, 153 are regular classroom teachers and 49 are specialists (e.g. music, physical education, STEM, special education, and bilingual teachers). Based on a projected enrollment of 3,360 students, the average regular class size is 24. Classroom teachers represent 79.4% of the total cost for certificated employees. The average salary for classroom teachers in the district is \$115,033. The district pays employee benefits for teachers at an average of \$42,780 per teacher. The average cost of a teacher is \$157,813 the combined total of salary and benefits.

Salary increases for longevity and professional growth are estimated at \$392,000 and are included in the budget. The total salary and benefits cost for teachers is approximately \$32 million. This amount represents 40% of the total budget.

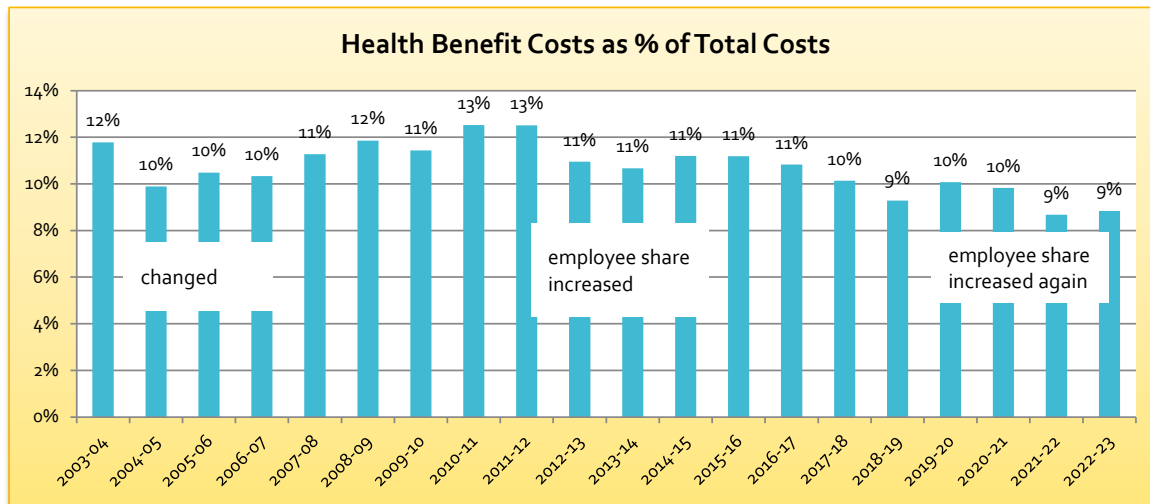
EMPLOYEE BENEFITS

The district is required by law to provide certain benefits to its employees. These statutory benefits include retirement funding (State Teachers Retirement System, STRS, for certificated employees and Public Employees Retirement System, PERS, for classified employees), social security and Medicare contributions, unemployment insurance, and worker's compensation benefits. The total budgeted for statutory benefits for all employees for next year is \$11.7 million, which is 14% of our total expenditures. STRS and PERS rates continue increasing per state mandated contribution increases. Rates for other statutory benefits will remain approximately the same as in the current year.

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

In addition to these statutorily required benefits, the district provides health and welfare benefits for its employees. These benefits include medical and dental insurance, life insurance, and disability insurance. They cost \$6.2 million in total. A portion of that cost is for retired employees—\$843,000. The 2023–24 cost of health and welfare benefits is expected to increase 7.5% as a result of anticipated premium rate increases (starting in January 2024 when our plans renew). The average per person cost of our health and welfare benefits package is projected to be \$14,000 for the budget year, 98% of which pays for medical and dental insurance.

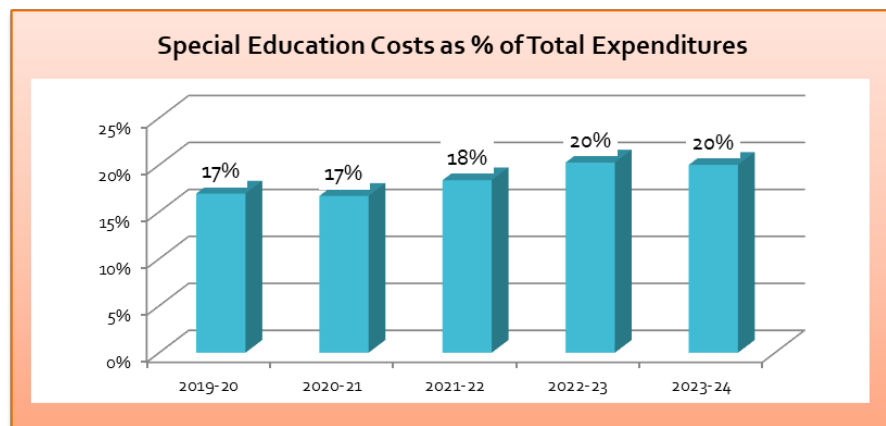
Due to increases in the cost of providing medical care in this country over the last two decades, the district cost of providing health and welfare benefits has risen substantially. Over the years the district has worked with its employees to wage an aggressive campaign to keep health care costs under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



LOS ALTOS SCHOOL DISTRICT 2023–24 BUDGET

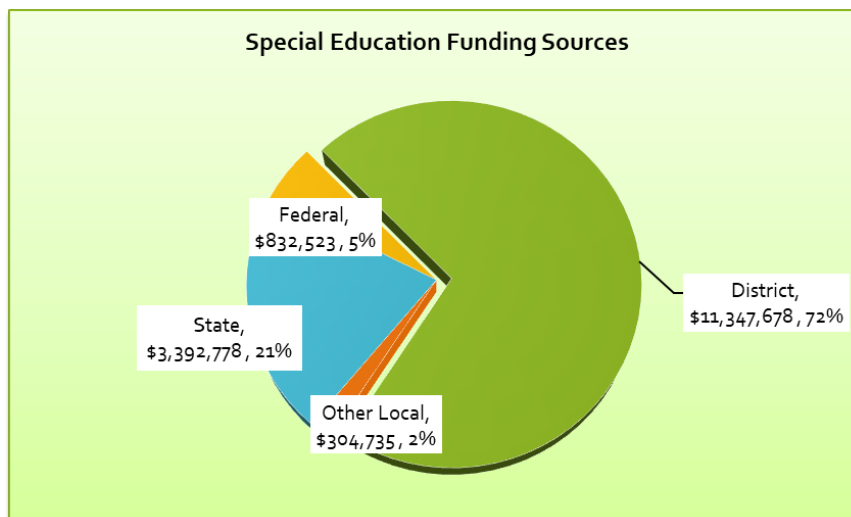
SPECIAL EDUCATION

We are committed to educating students with special educational needs, as required by state and federal law. These students are served in a variety of ways—from limited pullout programs to separate special classrooms. Other agencies and non-public schools serve students whose educational needs cannot be met by district programs. The placement and appropriate services provided these students are determined by the student's individual education plan. We are spending approximately \$15.8 million in the budget year on special education, 20% of our total expenditures.



Inadequacy of Funding. Typically, state and federal funding is inadequate to fully cover the costs of special education. The difference between expenditures for special education and the revenues received from these agencies results in an encroachment on our general purpose revenues. The federal government provides funding only at a 25% level of what its laws call for. The State of California also underfunds special education. For years there has been a double-digit funding deficit from the state. In recent years court decisions have expanded the definition of needs and required districts to provide an increased level of special education services for some students. This increased demand for service, coupled with state and federal under-funding, has placed a tremendous financial burden on school districts in California.

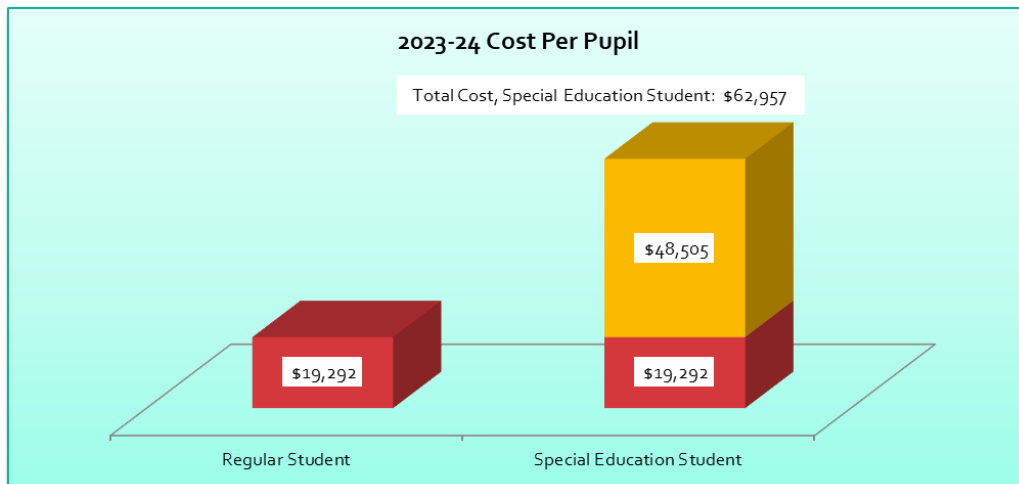
Funding Model. The current state-funding model was enacted in 1998–99 (under Assembly Bill 602). Under this model, districts receive funds on a per pupil basis—using the total enrollment of the district. The calculated amount of funding becomes a kind of guarantee—as the state contributes the amount necessary to reach the total guarantee after federal funding levels are accounted for. Funds flow from the state to our Special Education Local Plan Area (SELPA), a consortium of four districts in this area of our county, and from the SELPA to districts.



History of Encroachment. The accompanying table shows a recent history of special education revenues and expenditures for the district. The district's contribution to funding special education programs is almost \$11.6 million or 72.5% of the total funds needed. Our contribution level, as is true for many districts in the state, has risen significantly in recent years. To better serve some of our students with the highest levels of need and to contain costs, we continue expanding in-house programs rather than outsourcing to other agencies or non-public schools. We hope to continue saving as a result of this practice.

Special Education	2019-20	2020-21	2021-22	2022-23	2023-24
State/Federal Revenue	\$ 4,416,001	\$ 4,137,835	\$ 4,860,226	\$ 4,724,118	\$ 4,225,301
District Contribution	\$ 7,461,022	\$ 9,279,206	\$ 10,130,773	\$ 10,991,349	\$ 11,652,413
District Share of Total Revenue	63%	69%	68%	70%	73%
Expenditures	\$ 11,877,023	\$ 13,417,041	\$ 14,990,999	\$ 15,715,467	\$ 15,877,714

Cost per Pupil. One way to view the financial impact of providing special education services is to consider costs per pupil. We typically measure expenditures on a per pupil basis for all students—a calculated amount that is commonly used in comparing one district to another. For the budget year we are spending \$19,292 per student excluding spending on special education services. If we disaggregate special education students (or more accurately, the cost of special education services), we can then compute a per pupil cost for that sub-group of students. We simply divide the total special education expenditures by the number of students receiving such services—knowing of course this is an average as some students receive more costly services than others. The chart below shows a theoretical cost per pupil for a special education student in the budget year—the sum of the cost of all students plus the average cost per pupil for special education services.



LOS ALTOS SCHOOL DISTRICT 2023–24 BUDGET

GENERAL FUND BUDGET ASSUMPTIONS

The following are the revenue and expenditure assumptions for our 2023–24 General Fund Budget.

REVENUES

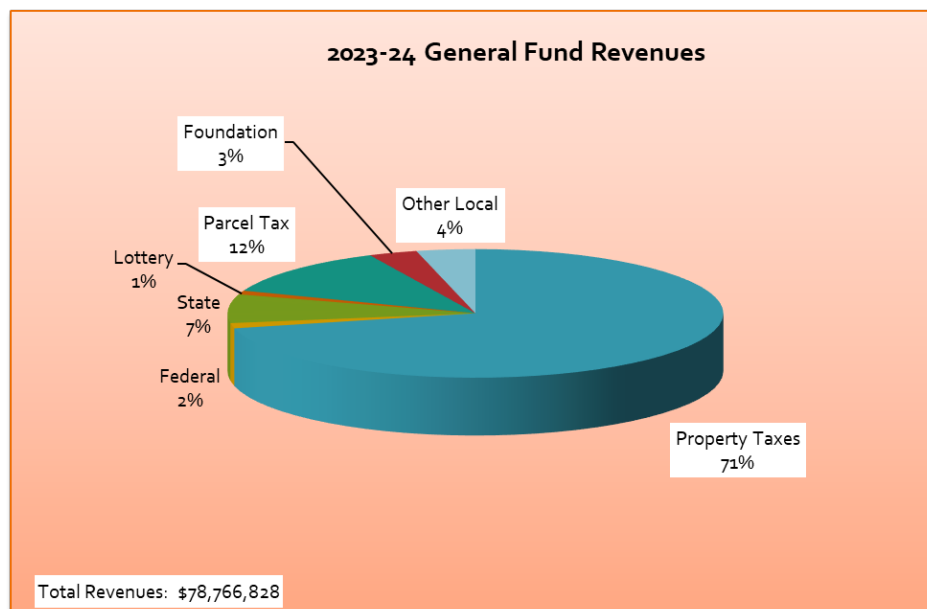
LCFF Sources/Property Taxes. LCFF Sources include property tax collections, state funding, and miscellaneous county tax revenues. The state funding calculation is based on a slight decrease in enrollment (1.4%) and a formula that results in an increased per student funding level when compared to the prior year. Property taxes are projected to grow 5.5% over the current year and exceed the calculated state guarantee by \$15.8 million.

Federal Revenue. Budget estimates reflect carrying the same programs forward from the current year with a decrease in funding due to one-time COVID relief funds in 2020–21 and 2021–22.

Other State Revenue. State revenues in this category will decline from \$6.4 million down to \$5 million, primarily due to the loss of one-time COVID relief funding and state one-time block grants is

Other Local Revenue. Other local revenues are expected to decrease by 200K from the current year. Parcel tax and LAEF funding continue to provide a significant portion (15%) of our total income. LAEF funding for the upcoming year is expected to be \$2.5 million.

Revenues by source of funding are shown in the following chart.



EXPENDITURES

Certificated Salaries. Our budget projection for certificated salaries includes a 6% salary increase. We are budgeting for 10 fewer classroom teachers in 2023–24. Step and column movement on the salary schedule for eligible teachers is expected to cost \$392,000, offset somewhat by cheaper, less experienced teachers replacing teachers who retire.

Classified Salaries. The budget year reflects an 6% salary increase and the cost of \$72,000 for step and column movement. We have right-sized staffing to pre-Covid levels. Staffing levels have decrease by 8 FTE's from the previous year.

Employee Benefits. The cost of employee benefits is similar to the current year except for anticipated mid-year health benefit premium increases of 7.5%. All statutory benefit rates are expected to remain approximately the same as in the current year, except for rate changes for our two retirement systems (STRS and PERS).

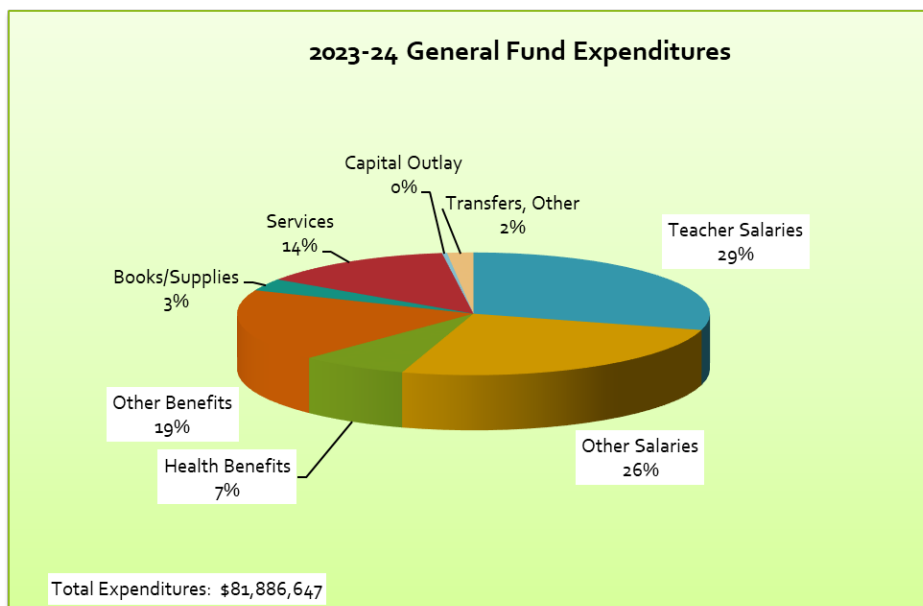
Books & Supplies. The cost of supplies and materials generally increase over time due to inflation and growth in student enrollment. However, estimated costs for the budget year reflect a 59% reduction from the current year due to the loss of one-time COVID relief funding and state block grant funding.

Services & Other Operating Expenditures. The cost of contracted services in the budget year includes an inflationary increase on “fixed cost” items (utilities, insurances, legal fees, etc.) offset by an expected reduction in spending due to the loss of COVID relief funds.

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

Transfers and Other Outgo. This category includes a \$1.4 million transfer from the General Fund to the Cafeteria Fund to cover the excess costs of operating the new state-required meals program as well as tuition costs for a single student attending a charter school outside the district.

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



LOS ALTOS SCHOOL DISTRICT 2023–24 BUDGET

FUND BALANCE

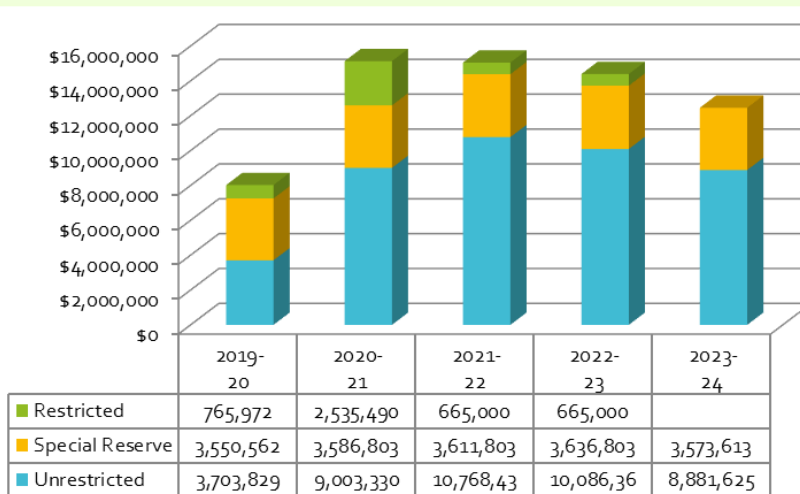
Beginning Balance. The actual beginning balance for the budget year will not be known until August, after the district books for 2022–23 are closed. At this time, it is projected to be \$12,276,444. This amount represents a decline of \$922,338 from the previous year.

Ending Balance. The projected ending balance for 2023–24 is \$8,881,625, representing a fund balance decrease of \$3,389,819.

Reserve. The state requires districts our size to maintain a 3% reserve. The district meets that requirement. Based on projected 2023–24 expenditures that reserve requirement is \$2.464 million. The district maintains a separate fund, our Special Reserve Fund, which was created with parcel tax funds and augmented in past years by transfers from the General Fund. This fund in the budget year is expected to contribute \$3.5 million toward meeting the district reserve’s requirement. The combination of this amount from the Special Reserve Fund and the unrestricted balance in the General Fund add up to \$12.4 million, or a reserve of 15.16%. Districts are allowed to use their reserve funds during the year (they are for emergencies and to help buffer loss of state and other revenues), but they must replenish those reserves at the year’s end.

Our Special Reserve Fund has grown as a result of transferring monies in from the General Fund unrestricted reserves to create a separate rainy day fund reserve—with the goal of providing program stability during an economic downturn.

General Fund Ending Balance & Reserves



BUDGET SUMMARIES

SPECIAL PURPOSE FUNDS

In addition to the general operating fund, the district has five special purpose funds. 2023–24 revenues (by source) and expenditures (by object) for all funds are displayed on the pages that follow.

Special Revenue Funds

The **Cafeteria Fund** is used to account for the operations of the new state-mandated universal meals program, which started in 2022–23 requires districts to offer free breakfast and lunch meals to any student wanting them. Previously the district offered free meals only to qualifying low income students. With the new requirement, the district is adding staff, modifying food serveries, adding equipment, and contracting with a food service vendor for meals. Other than the meal costs, the added expenses will need to be covered by a transfer from the General Fund.

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

The **Special Reserve Fund** was created by the district from parcel tax funds earmarked for improving the district's reserves. The money in this fund is for reserves only and cannot be spent. These monies are added to the General Fund reserves to make up the required 3% reserve level for the district. We moved \$2.5 million of General Fund monies into this fund in 2013–14 in creating a 5% special reserve for economic uncertainties (a "rainy day" fund). During 2010–11 we moved \$1.2 million from the General Fund to the Special Reserve Fund to set aside monies for payment of future retiree health benefits. This amount represented the obligation under GASB 75 accumulated to date. Additional monies were set aside each year in the General Fund and transferred into this fund at year end. The current balance in the Special Reserve Fund is approximately \$3,573,612, which with interest earnings projects to \$3,598,612,000 for 2023–24.

Capital Project Funds

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

The **Capital Facilities Fund** is used to account for the developer fees the district receives. These monies can only be spent on new construction or furniture for housing new students as a result of enrollment growth. We currently charge a fee of \$3.19 per square foot for residential and \$0.52 per square foot for commercial developments. We have spent developer fee revenues on portable classrooms and furnishings for growth in enrollment.

LOS ALTOS SCHOOL DISTRICT 2023-24 BUDGET

ALL FUNDS SUMMARY

The following table displays revenues by source and expenditures by object for all funds. Similar information for each fund is found on succeeding pages.

	General Fund	Special Revenue Funds	Capital Project Funds	Total All Governmental Funds
REVENUES				
LCFF/Revenue Limit Sources	57,564,528	-	-	57,564,528
Federal Revenue	1,033,903	605,880	-	1,639,783
Other State Revenue	5,000,544	1,211,760	-	6,212,304
Other Local Revenue	15,167,853	30,000	1,913,980	17,111,833
TOTAL REVENUES	78,766,828	1,847,640	1,913,980	82,528,448
EXPENDITURES				
Certificated Salaries	30,194,981	-	-	30,194,981
Classified Salaries	14,733,268	709,766	-	15,443,034
Employee Benefits	21,867,007	333,510	-	22,200,517
Books & Supplies	2,615,147	2,080,000	1,000	4,696,147
Services & Other Operating Expenditures	10,992,873	357,795	3,880,455	15,231,123
Capital Outlay	286,679	100,000	288,400	675,079
Other Outgo	8,262	-	332,803	341,065
TOTAL EXPENDITURES	80,698,216	3,581,071	4,502,658	88,781,945
Excess (Deficiency) of Revenues Over Expenditures	(1,931,388)	(1,733,431)	(2,588,678)	(6,253,496)
OTHER FINANCING SOURCES/USES				
Interfund Transfers In	-	1,758,605	-	1,758,431
Interfund Transfers Out	(1,458,431)	-	(300,000)	(1,758,431)
TOTAL OTHER FINANCING SOURCES/USES	(1,458,431)	1,758,605	(300,000)	-
NET INCREASE/(DECREASE) IN FUND BALANCE	(3,389,819)	25,174	(2,888,678)	(6,253,496)
BEGINNING FUND BALANCES	12,271,444	3,679,771	36,231,135	52,299,021
ENDING FUND BALANCES	8,881,624	3,704,945	33,342,457	46,045,525

LOS ALTOS SCHOOL DISTRICT 2023-24 BUDGET

GENERAL FUND REVENUES, 2 YEAR COMPARISON

GENERAL FUND REVENUES	2022-23 Est. Actuals	2023-24 Budget	Changes From Prior Year
LCFF/Revenue Limit Sources			
State Aid	1,472,072	1,455,007	(17,065)
Property Taxes	63,541,583	66,893,302	3,351,719
Transfer to Charter School	(9,768,506)	(10,783,781)	(1,015,275)
Total, LCFF/Revenue Limit Sources	55,245,149	57,564,528	2,319,379
Federal Revenue			
Special Education	822,630	832,523	9,893
Title Funds	201,380	201,380	-
Other	405,873		(405,873)
Total, Federal Revenue	1,429,883	1,033,903	(395,980)
Other State Revenue			
Mandated Cost Reimbursements	114,749	121,398	6,649
Lottery	831,664	769,403	(62,261)
Special Education Mental Health	208,939	229,916	20,977
STRS On-Behalf Payments	2,715,869	2,715,869	-
Block Grants, State	2,199,756	1,163,958	(1,035,798)
Other	1,178,114	-	(1,178,114)
Total, Other State Revenue	7,249,091	5,000,544	(2,248,547)
Other Local Revenue			
Parcel Tax	9,648,300	9,641,359	(6,941)
Rents and Leases	400,000	486,987	86,987
Interest Earnings	111,000	153,000	42,000
Los Altos Educational Foundation	2,500,000	2,500,000	-
Fees/Donations	350,000	661,553	311,553
Special Education (via SELPA)	293,093	244,665	(48,428)
Transfers from Palo Alto USD	296,290	340,146	43,856
Bullis Charter School, utilities/maintenance	410,050	446,826	36,776
Premium, revenue anticipation notes	447,097	447,097	-
Other	865,572	246,219	(619,353)
Total, Other Local Revenue	15,321,403	15,167,853	(153,550)
TOTAL OPERATING REVENUE	79,245,526	78,766,828	(478,697)

LOS ALTOS SCHOOL DISTRICT 2023-24 BUDGET

GENERAL FUND EXPENDITURES, 2 YEAR COMPARISON

GENERAL FUND EXPENDITURES	2022-23 Est. Actuals	2023-24 Budget	Changes From Prior Year
Certificated Salaries			
Teachers	23,908,000	23,981,367	73,367
Administrators	3,249,387	3,584,628	335,241
Other	2,097,291	2,628,986	531,695
Total, Certificated Salaries	29,254,678	30,194,981	940,303
Classified Salaries			
Instructional Aides	6,737,132	6,822,764	85,632
Classified Support	3,405,564	3,418,455	12,891
Supervisors/Administration	1,535,209	1,780,143	244,934
Clerical & Technical Support	2,152,278	2,262,699	110,421
Other	326,256	449,207	122,951
Total, Classified Salaries	14,156,438	14,733,268	576,830
Employee Benefits			
Certificated Retirement (STRS)	8,005,780	8,648,437	642,658
Classified Retirement (PERS)	3,385,628	3,774,345	388,717
Social Security/Medicare	1,489,710	1,554,960	65,251
Health Insurance	5,762,834	6,013,900	251,066
Unemployment Insurance	207,598	216,367	8,769
Workers Compensation Insurance	673,416	699,382	25,966
Retiree Health Insurance	807,209	843,533	36,324
Other	128,251	116,084	(12,167)
Total, Employee Benefits	20,460,424	21,867,008	1,406,584
Books & Supplies			
Textbooks	178,600	133,600	(45,000)
Materials & Supplies	4,999,039	2,225,211	(2,773,828)
Non-capitalized Equipment	1,252,935	256,337	(996,598)
Food Supplies	-	-	-
Total, Books & Supplies	6,430,575	2,615,148	(3,815,427)
Services & Other Operating Expenditures			
Meetings, Workshops, Dues	227,686	193,316	(34,370)
Insurance	614,364	721,662	107,298
Utilities	2,050,383	2,203,081	152,698
Rentals and Repairs	2,090,718	1,714,821	(375,897)
Other Services	4,715,926	5,849,537	1,133,611
Communications	347,743	310,456	(37,287)
Total, Services & Other Oper. Exp.	10,046,821	10,992,873	946,052
Capital Outlay			
Site and Building Improvements	-	-	-
Library Books & Media	53,383	29,986	(23,397)
Vehicle Replacement	50,000	50,000	-
Equipment	228,293	206,693	(21,600)
Total, Capital Outlay	331,676	286,679	(44,997)
Transfers & Other Outgo			
Tuition, Charter Schools	8,262	8,262	-
Transfers to Other Funds	1,247,612	1,458,431	210,819
Total, Transfers & Other Outgo	1,255,874	1,466,693	210,819
TOTAL OPERATING EXPENDITURES	81,936,486	82,156,650	220,164
Revenues over (under) Expenditures	(2,690,960)	(3,389,822)	(698,862)
Beginning Fund Balance	14,967,404	12,276,444	(2,690,960)
Ending Fund Balance	12,276,444	8,886,622	(3,389,822)

LOS ALTOS SCHOOL DISTRICT 2023-24 BUDGET

SPECIAL PURPOSE FUNDS

Special Revenue Funds:	Cafeteria 2023-24 Budget	Deferred Maintenance 2023-24 Budget	Special Reserve 2023-24 Budget	Total
REVENUES				
LCFF/Revenue Limit Sources				
Federal Revenue	605,880			605,880
Other State Revenue	1,211,760			1,211,760
Other Local Revenue	8,324	1,000	25,000	34,324
Sale/Lease of Properties				
GO Bonds/Transfers In From Other Funds	1,247,612	300,000		1,547,612
TOTAL OPERATING REVENUE	3,073,576	301,000	25,000	3,399,576
EXPENDITURES				
Certificated Salaries				
Classified Salaries	614,916			614,916
Employee Benefits	298,652			298,652
Books & Supplies	1,971,526			1,971,526
Services & Other Operating Expenditures	138,482	301,000		439,482
Capital Outlay	50,000			50,000
Other Expenses and Outgo				
Transfers Out To Other Funds				
TOTAL OPERATING EXPENDITURES	3,073,576	301,000		3,374,576
Revenues over (under) Expenditures	-		25,000	25,000
Beginning Fund Balance	-	131,158	3,548,613	3,679,771
Ending Fund Balance	-	131,158	3,573,613	3,704,771

Capital Project Funds:		Building 2023-24 Budget	Capital Facilities 2023-24 Budget	Total
REVENUES				
LCFF/Revenue Limit Sources				
Federal Revenue				
Other State Revenue				
Other Local Revenue		1,408,980	505,000	1,913,980
Sale/Lease of Properties				
GO Bonds/Transfers In From Other Funds				
TOTAL OPERATING REVENUE		1,408,980	505,000	1,913,980
EXPENDITURES				
Certificated Salaries				
Classified Salaries				
Employee Benefits				
Books & Supplies		1,000		1,000
Services & Other Operating Expenditures		2,756,030	1,124,425	3,880,455
Capital Outlay		288,000	400	288,400
Other Expenses and Outgo		332,803		332,803
Transfers Out To Other Funds		300,000		300,000
TOTAL OPERATING EXPENDITURES		3,677,833	1,124,825	4,802,658
Revenues over (under) Expenditures		(2,268,853)	(619,825)	(2,888,678)
Beginning Fund Balance		35,611,310	619,825	36,231,135
Ending Fund Balance		33,342,458	(0)	33,342,457

LOS ALTOS SCHOOL DISTRICT 2023-24 BUDGET

MULTI-YEAR FINANCIAL INFORMATION – ALL FUNDS

A multi-year forecast and historical information for each of our governmental funds is presented below. The first table is a composite summary of the individual funds. From 2019–20 through the projection for 2026–27 the fund balances as a total increase significantly primarily because of the issuance of bonds in 2019–20 and increasing property tax revenue. Individually the fund balances vacillate over time. The General Fund shows continued growth throughout the forecast time period. The Building Fund has significant reserves due to bonds issued, but our other capital funds have very low balances and have been supported in past years by transfers from the General Fund. The district will need to address a declining fund balance in the Capital Facilities Fund before it runs out of funds as projected in 2024–25.

All Governmental Funds	2019-20 Actuals	2020-21 Actuals	2021-22 Actuals	2022-23 Est. Actuals	2023-24 Budget	2024-25 Projection	2025-26 Projection	2026-27 Projection
TOTAL OPERATING REVENUES	214,722,747	83,928,477	80,211,140	95,373,659	84,286,879	85,149,983	84,244,943	85,753,273
TOTAL OPERATING EXPENDITURES	193,591,165	69,733,093	76,211,824	88,934,522	90,540,376	96,035,029	97,874,156	99,503,563
Revenues over (under) Expenditures	21,131,582	14,195,384	3,999,316	6,439,137	(6,253,496)	(10,885,046)	(13,629,213)	(13,750,290)
Beginning Fund Balance	6,596,772	27,665,182	41,860,566	45,859,882	52,299,019	46,045,523	35,160,477	21,531,264
Ending Fund Balance	27,665,182	41,860,566	45,859,882	52,299,019	46,045,523	35,160,477	21,531,264	7,780,974

General Fund	2019-20 Actuals	2020-21 Actuals	2021-22 Actuals	2022-23 Est. Actuals	2023-24 Budget	2024-25 Projection	2025-26 Projection	2026-27 Projection
TOTAL OPERATING REVENUES	68,115,281	73,340,644	76,502,422	79,245,525	78,766,828	80,430,990	79,423,507	79,423,507
TOTAL OPERATING EXPENDITURES	64,693,294	66,271,625	73,228,474	81,936,486	82,156,647	83,117,161	84,918,593	84,918,593
Revenues over (under) Expenditures	3,421,987	7,069,019	3,273,948	(2,690,961)	(3,389,819)	(2,686,171)	(5,495,086)	(5,495,086)
Beginning Fund Balance	1,047,814	4,469,801	11,538,820	14,967,404	12,271,444	8,881,625	6,195,454	700,368
Ending Fund Balance	4,469,801	11,538,820	14,967,404	12,271,444	8,881,625	6,195,454	700,368	700,368

Cafeteria Fund	2019-20 Actuals	2020-21 Actuals	2021-22 Est. Actuals	2022-23 Est. Actuals	2023-24 Budget	2024-25 Projection	2025-26 Projection	2026-27 Projection
TOTAL OPERATING REVENUES	0	0	0	3,073,576	3,280,071	3,107,993	3,145,436	3,145,436
TOTAL OPERATING EXPENDITURES	0	0	0	3,073,576	3,280,071	3,071,640	3,109,335	3,149,209
Revenues over (under) Expenditures	0	0	0	0	0	36,353	36,101	(3,773)
Beginning Fund Balance	0	0	0	0	0	0	36,353	72,454
Ending Fund Balance	0	0	0	0	0	36,353	72,454	68,681

2022-23 was the first year of operating a Cafeteria Fund.

Deferred Maintenance Fund	2019-20 Actuals	2020-21 Actuals	2021-22 Actuals	2022-23 Est. Actuals	2023-24 Budget	2024-25 Projection	2025-26 Projection	2026-27 Projection
TOTAL OPERATING REVENUES	303,964	301,127	301,174	301,174	301,000	301,000	301,000	301,000
TOTAL OPERATING EXPENDITURES	293,593	486,125	174,208	301,174	301,000	301,000	301,000	301,000
Revenues over (under) Expenditures	10,372	(184,998)	126,966	0	0	0	0	0
Beginning Fund Balance	184,149	194,520	9,523	131,158	131,158	131,158	131,158	131,158
Ending Fund Balance	194,520	9,523	131,158	131,158	131,158	131,158	131,158	131,158

Special Reserve Fund	2019-20 Actuals	2020-21 Actuals	2021-22 Actuals	2022-23 Est. Actuals	2023-24 Budget	2024-25 Forecast	2025-26 Forecast	2026-27 Forecast
TOTAL OPERATING REVENUES	68,667	36,382	25,100	25,000	25,000	25,000	25,000	25,000
TOTAL OPERATING EXPENDITURES	0	0	0	0	0	0	0	0
Revenues over (under) Expenditures	68,667	36,382	25,100	25,000	25,000	25,000	25,000	25,000
Beginning Fund Balance	3,495,709	3,564,376	3,523,613	3,523,613	3,548,613	3,573,613	3,598,613	3,623,613
Ending Fund Balance	3,564,376	3,600,758	3,548,713	3,548,613	3,573,613	3,598,613	3,623,613	3,648,613

Building Fund	2019-20 Actuals	2020-21 Actuals	2021-22 Actuals	2022-23 Est. Actuals	2023-24 Budget	2024-25 Projection	2025-26 Projection	2026-27 Projection
TOTAL OPERATING REVENUES	145,782,228	7,738,708	2,808,836	12,223,385	1,408,980	600,000	600,000	600,000
TOTAL OPERATING EXPENDITURES	127,720,778	1,828,529	1,631,309	2,488,057	3,677,833	8,420,803	8,420,803	8,420,803
Revenues over (under) Expenditures	18,061,449	5,910,179	1,177,527	9,735,328	(2,268,853)	(7,820,803)	(7,820,803)	(7,820,803)
Beginning Fund Balance	885,557	18,947,006	24,857,185	25,875,982	35,611,310	33,342,458	25,521,655	17,700,852
Ending Fund Balance	18,947,006	24,857,185	25,875,982	35,611,310	33,342,458	25,521,655	17,700,852	9,880,050

LOS ALTOS SCHOOL DISTRICT 2023-24 BUDGET

Capital Facilities Fund	2019-20 Actuals	2020-21 Actuals	2021-22 Actuals	2022-23 Est. Actuals	2023-24 Budget	2024-25 Projection	2025-26 Projection	2026-27 Projection
TOTAL OPERATING REVENUES	452,607	2,511,616	573,608	505,000	505,000	685,000	750,000	750,000
TOTAL OPERATING EXPENDITURES	883,500	1,146,814	1,177,834	1,135,230	1,124,825	1,124,425	1,124,425	1,124,425
Revenues over (under) Expenditures	(430,893)	1,364,802	(604,226)	(630,230)	(619,825)	(439,425)	(374,425)	(374,425)
Beginning Fund Balance	920,372	489,478	1,854,281	1,250,055	619,825	(0)	(439,425)	(813,850)
Ending Fund Balance	489,478	1,854,281	1,250,055	619,825	(0)	(439,425)	(813,850)	(1,188,276)

AWARDS AND RECOGNITION

The Association of School Business Officials (ASBO) awarded its Meritorious Budget Award to Los Altos School District for its 2022-23 Annual Budget. The award certificate is shown on the following page. This was the twenty-third consecutive year that the district has received this prestigious award. Receiving this award is recognition that the district has met the highest standards of excellence in school district budgeting as adopted by ASBO. The award recognizes that the district's budget is both technically comprehensive as well as easily understandable to the layperson. The district believes that this budget document, which will be submitted to ASBO for review, will also conform to these high standards.

The district's budget has been recognized by the California Association of School Business Officials (CASBO) and School Services of California, Incorporated as an exemplary document. Both organizations have used the document in workshops on budget development. The district is very proud of this recognition.

The district has also received national recognition for its annual financial report. Our Comprehensive Annual Financial Report (CAFR) for the last eighteen years has received certificates of excellence for financial reporting from both ASBO and the Government Finance Officers Association (GFOA).





ASSOCIATION OF
SCHOOL BUSINESS OFFICIALS
INTERNATIONAL

This Meritorious Budget Award is presented to

LOS ALTOS SCHOOL DISTRICT

for excellence in the preparation and issuance of its budget
for the Fiscal Year 2022–2023.

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




John W. Hutchison
President

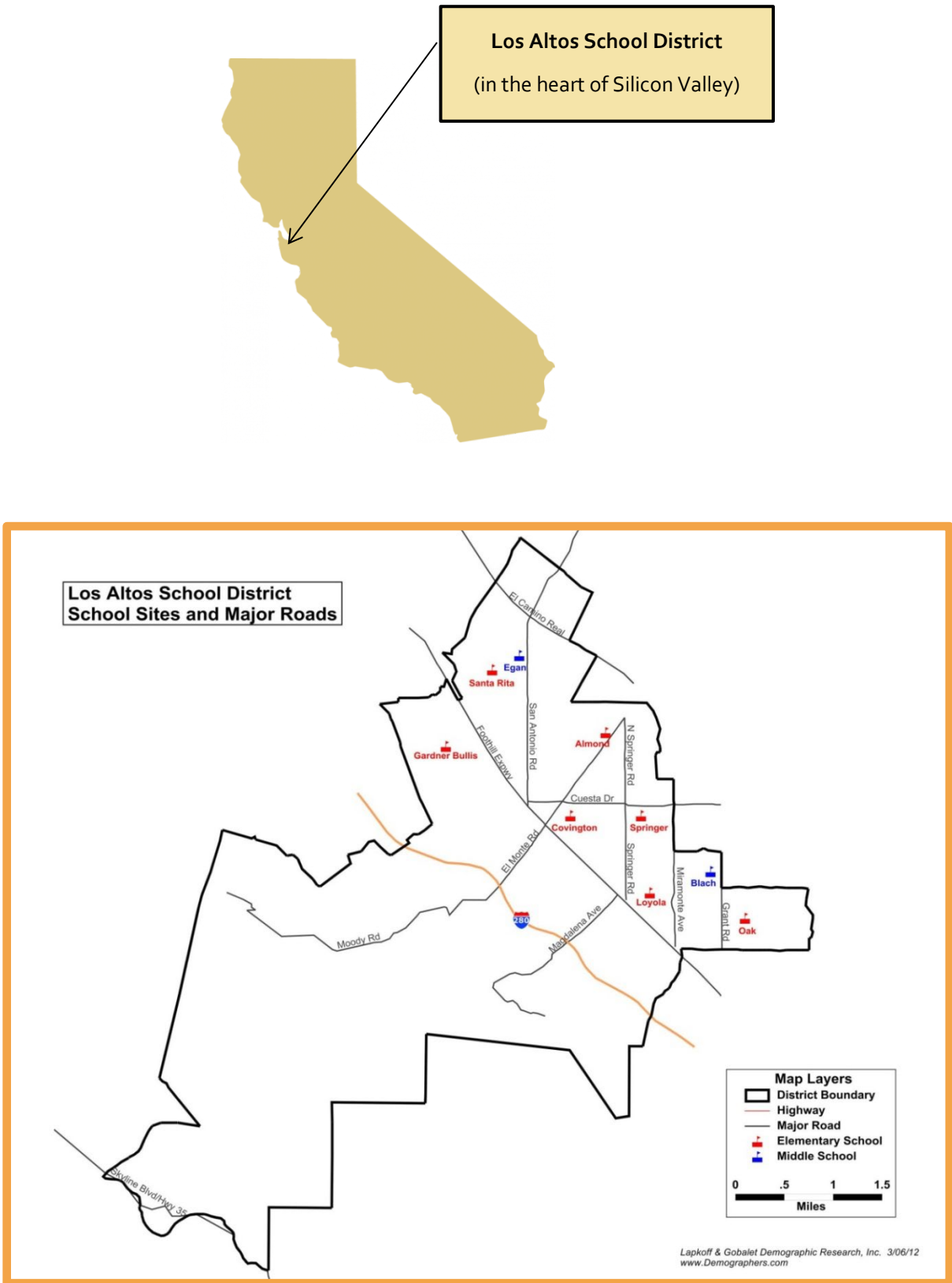

Siobhán McMahon, CAE
Chief Operations Officer/
Interim Executive Director



ORGANIZATIONAL SECTION

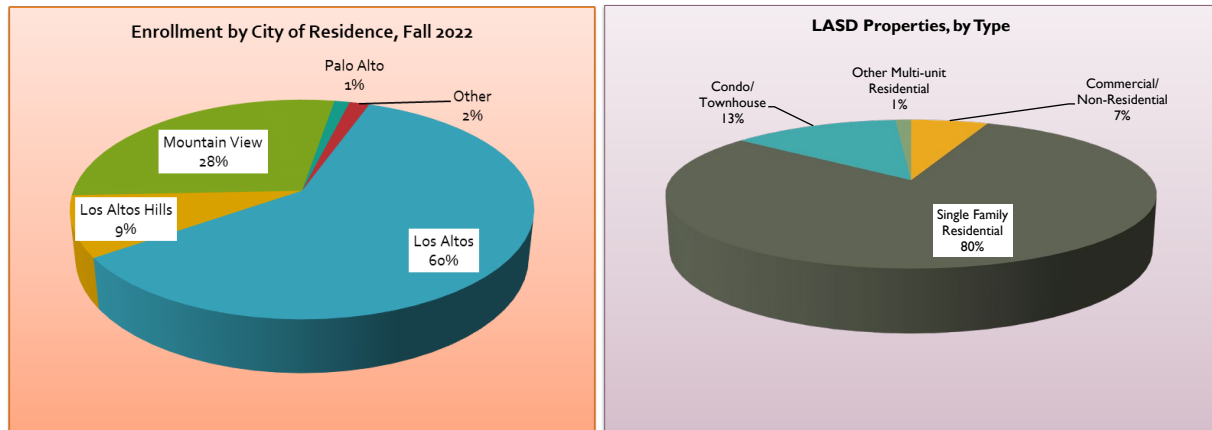
- ❖ *Where We Are Located/District Map*
- ❖ *District Description*
- ❖ *Student Demographics*
- ❖ *Mission and Goals*
- ❖ *Key Factors and Issues Facing the District*
- ❖ *Organizational Chart*
- ❖ *Accounting Policies*
- ❖ *Budget Development and Administration*

WHERE WE ARE LOCATED/DISTRICT MAP



DISTRICT DESCRIPTION

We are an elementary school district in northwest Santa Clara County serving students in grades kindergarten to eighth (K–8). We are located in the heart of Silicon Valley in the San Francisco Bay Area. The district boundaries include most of the City of Los Altos, half of Los Altos Hills, parts of Mountain View, Palo Alto and some unincorporated county lands. The district is predominantly residential—80% of the properties are single family residences and another 14% is comprised of condominiums, townhouses, and other housing. Los Altos School District was founded in 1909.



An elected five-member board of trustees governs the district. Trustees serve at-large and are elected for four-year terms. The superintendent, an appointed position, runs the day-to-day operations of the district. Mrs. Sandra McGonagle was appointed superintendent starting July 1, 2022. The district is a public agency governed by the laws of the State of California. We are fiscally dependent on the Santa Clara County Office of Education.

Board of Trustees		
Ms. Jessica Speiser	President	Term expires December 2024
Mr. Bryan Johnson	Vice-President	Term expires December 2026
Mr. Vladimir Ivanovic	Clerk	Term expires December 2026
Ms. Vaishali Sirkay	Member	Term expires December 2026
Mr. Steve Taglio	Member	Term expires December 2024
Board members are elected for four year terms and serve at-large. Officers rotate based on experience and election results. Newly elected board members typically start as regular members before moving into an officer position. The board appoints the district superintendent.		

The district operates nine schools—seven elementary (K–6) and two intermediate (7–8). Most of our students live in neighborhoods of relatively high socio-economic status. The median household income is 275% of the state average (\$216,306 as compared to \$78,672)¹. Many of the executive officers of our country’s most prominent technology firms live within our district. Our citizenry is older and better educated than in most communities in California. Our median age is 44 compared to the state average of 37 and 82% of adults have at least a Bachelor’s Degree as compared to 35% statewide. The average sales price of homes within our district in 2021 was just over \$4.5 million.

¹ Source: U. S. Census Bureau’s American Community Annual Survey (2020)

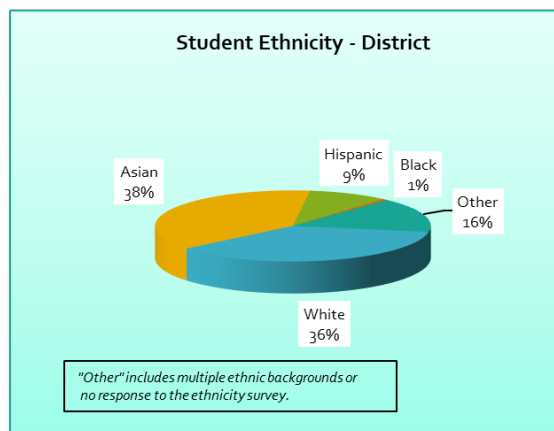
STUDENT DEMOGRAPHICS

Enrollment. We expect 3,360 students in the fall of 2023 compared to 3,353 students one year earlier. A recent history of fall enrollments by school is shown in the table below. After several years of growth, the district's enrollment has begun declining (25 % decline since 2013). The district's enrollment is expected to continue declining only slightly in the near future and then level off.

Fall Enrollment History										
	2014	2015	2016	2017	2018	2019	2020*	2021	2022	2023**
Almond	545	536	541	508	488	451	322	359	353	360
Blach	525	512	499	517	499	449	423	418	416	392
Gardner Bullis	337	352	345	309	302	289	233	247	259	297
Covington	553	559	561	580	585	564	371	446	441	440
Egan	619	645	658	611	585	568	546	493	497	491
Loyola	526	505	446	425	404	362	301	303	334	334
Oak	459	444	430	409	387	367	295	313	332	322
Santa Rita	568	561	541	546	524	492	319	377	386	362
Springer	538	522	501	495	468	454	346	388	335	362
Virtual School*							419			
Total	4,670	4,636	4,522	4,400	4,242	3,996	3,574	3,344	3,353	3,360

* Fall 2020 includes a K-6 Virtual School due to the COVID-19 pandemic.
 ** Fall 2023 is projected enrollment.

Ethnicity. Each year California school districts request ethnicity information from families of students. Based on the most recent data collected (Fall 2022), our ethnicity mix is, 38% Asian, 36% Caucasian 9% Hispanic, less than 1% Black, and 16% other. The "other" category includes students with multi-ethnic backgrounds as well as families that did not respond to the survey.

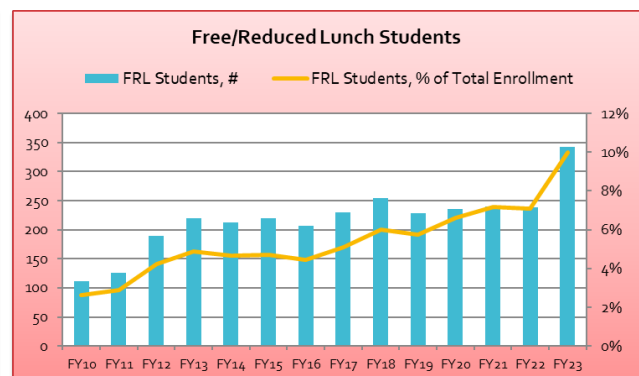
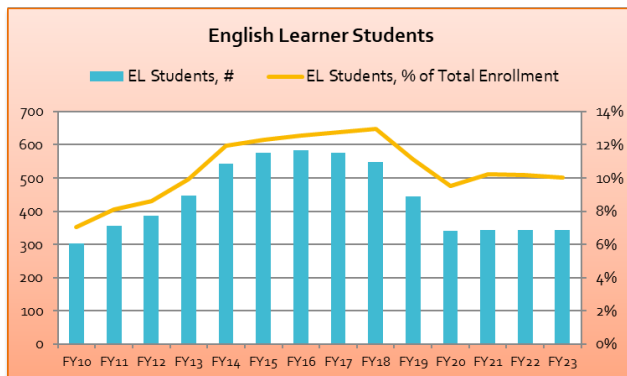


Special Services. A portion of our students receives special services, depending on their needs. 10% of our students receive special education services, from minimal services such as speech therapy to intensive services for severely handicapped children. Of the 319 students identified as having special needs approximately one-fourth (82) receive only speech therapy. We serve 342 students (10%) for whom English is a second language. There are 35 different primary languages among our students. The generally high socio-economic status of our students makes us eligible for only a small amount of federal aid for disadvantaged children (Title 1). 7% of our students are identified as eligible for free or reduced meals.

Under the new state funding scheme low income and English learners qualify for supplemental funding as part of the state general purpose funding guarantee. We continue looking for ways to best serve these students in addressing the achievement gap.

Students Receiving Special Services	2018-19		2019-20		2020-21		2021-22		2022-23	
	% of Count		% of Count		% of Count		% of Count Total		% of Count Total	
Total Enrollment	4,242		3,996		3,574		3,344		3,353	
Students receiving Spec Ed services	429	10%	394	10%	334	9%	324	10%	319	10%
-students receiving only speech therapy	138		152		102		95		82	
Students eligible for free & reduced meals	255	6%	229	6%	236	7%	240	7%	235	7%
English as a Second Language students	549	13%	444	11%	340	10%	342	10%	342	10%

The percentage of English Learners and low income students has risen significantly over the last 25 years.



MISSION AND GOALS

The school board has adopted multi-year goals two years ago. These same goals are intended for the budget year and one year beyond (four years in total). These goals help district staff focus on areas needing special attention. All of the goals ultimately reflect and support the district’s mission statement.

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

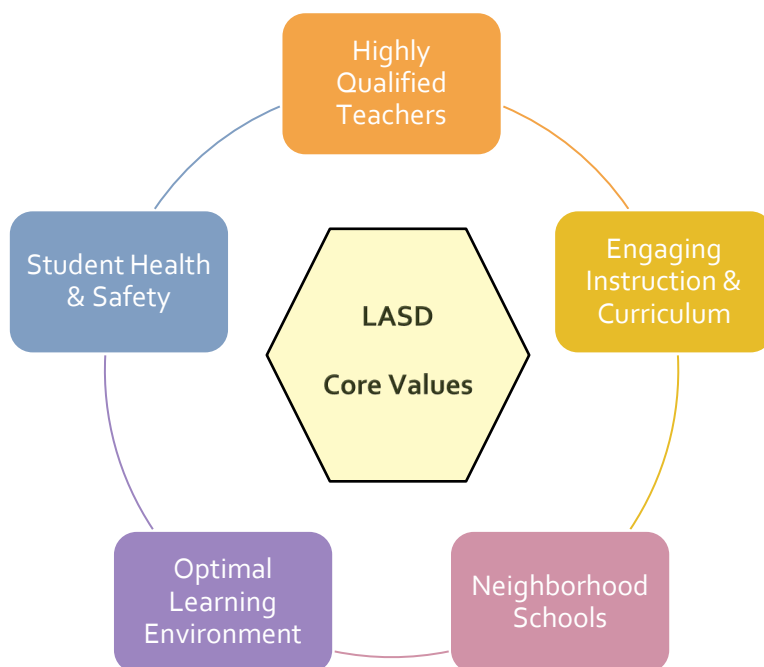
LASD Mission Statement

- **The Los Altos School District inspires a passion for learning and prepares all K-8 students to thrive in our rapidly changing global economy.**

•adopted by the Board of Trustees on November 15, 2010

CORE VALUES

The Educational Blueprint committee has identified the following as our core values.



Each Core Value includes specific statements to elucidate the meaning of the value, as noted below.

HIGHLY QUALIFIED TEACHERS

- Experienced teachers caring for the whole child
- Lifelong learners involved in ongoing professional development
- Passionate professionals committed to excellence in education for our students

ENGAGING INSTRUCTION & CURRICULUM

- Meaningful, relevant learning goals meeting the needs of each student
- Data-guided instruction focused on high standards
- Research-based integration of technology challenging students to think critically and creatively

NEIGHBORHOOD SCHOOLS

- Welcoming, integral part of the neighborhood
- Mutual benefit between the school and surrounding community
- Source of local pride; school seen as an asset
- School community has a connection to the neighborhood

OPTIMAL LEARNING ENVIRONMENT

- Student sense of belonging
- Needs of the whole child are understood and being addressed
- Small class size
- Positive and meaningful relationships between teachers and students
- Students actively participate in their own learning

STUDENT HEALTH & SAFETY

- Schools have a positive and supportive climate
- All students are welcome, included and known
- Safe and secure
- Support for students evolves to meet the needs of all

Our Educational Blueprint embodies our mission, core values, and goals. We are "revolutionizing learning for all students,"... "igniting a passion for learning,"... "empowering our teachers to challenge students to actively discover curriculum,"... and "preparing students to become creative problem-solvers and collaborative learners."

GOALS

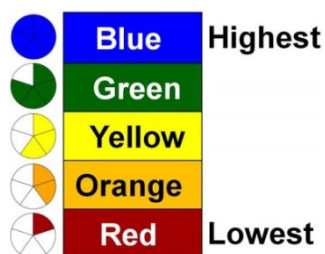
All teachers are required to incorporate one of the board goals into their individual goals for the year and are evaluated on their success in meeting these goals. The district administration and principals work collaboratively to determine which goal should be included in every teacher's personal goals. The Superintendent is held accountable annually for the district meeting the board goals.

The goals established by the board for 2021–22 (and through 2023–24) are included in the district's Local Control and Accountability Plan (LCAP) and shown below. After each goal is a short list of objectives or action plans to help achieve the goals, as well as estimated fiscal impact and key performance metrics.

Goal 1 Ensure all students have access to equitable conditions for learning	
Objectives/Actions	<ul style="list-style-type: none"> ❖ Each LASD school will have highly qualified teachers and staff, well-maintained facilities and equipment, and the necessary standards aligned instructional materials and resources to meet the needs of our diverse student population ❖ Each student will be enrolled in a broad course of study ❖ LASD will ensure that all students have equitable access to technology for learning ❖ LASD will adopt NGSS aligned science curriculum and curate social studies curriculum resources
Fiscal Impact	❖ \$1,557,559. We expect to spend \$1,359,763 on technology equipment and \$197,796 on additional instructional textbooks and materials.
Performance Metrics	<ul style="list-style-type: none"> ❖ Progress for English Language Learner students: <u>from yellow to blue on the dashboard</u>² ❖ Progress for low income students in English Language Arts and Mathematics: <u>from orange to green on the dashboard</u>² ❖ 100% of assigned teachers are highly qualified and 100% of students have high quality instructional materials, including necessary technology ❖ 100% of facilities will be in good to excellent condition

Below are visual representations of the dashboard concept and a ranking of the 5 color segments used by the state to represent the different levels of performance. Sometimes the "dashboard" is shown as a gauge with a pointer; other times it is shown as a pie with five segments.

² **California Dashboard:** As part of California's new accountability standards for school districts, the state has created a user-friendly tool for districts to communicate performance and progress on state standards for public school students. The standards cover a variety of areas but the tool is the same—a dashboard graphic with five (5) segments representing different levels of performance. Blue represents the highest level of performance while red represents the lowest level.



Goal 2 All LASD students will experience high quality instruction that results in equitable outcomes and expected yearly growth	
Objectives/Actions	<ul style="list-style-type: none"> ❖ Teachers will explicitly teach digital literacy and digital citizenship skills to all TK–8 students ❖ LASD will adopt an anti-bias framework, train all stakeholders, and align lessons that teach to the framework ❖ LASD will further support high quality English Language Arts instruction through the use of instructional support teachers and targeted professional development ❖ LASD will improve math instruction by creating a clear LASD math curriculum and assessment plan and training teachers in the elements of high-quality math instruction through the use of instructional support teachers ❖ LASD will implement adopted NGSS aligned K–8 curriculum and train teachers through the use of instructional support teachers and targeted professional development ❖ LASD will update the EL Master Plan, with specifics on a systematic plan for designated and integrated ELD
Fiscal Impact	<ul style="list-style-type: none"> ❖ \$2,786,216. We anticipate spending \$1,142,636 on Digital Literacy Instruction Teachers, \$436,404 on adoption of the anti-bias framework from Learning for Justice, \$1,120,971 Instructional Support Teachers \$43,420 on NGSS training, and \$42,784 on updating our EL master plan.
Performance Metrics	<ul style="list-style-type: none"> ❖ Percentage of English learners progressing toward proficiency to increase to a minimum of 70% ❖ Minimum of 90% of all students scoring above standard in English Language Arts and Math, including English learners and low-income students

Goal 3 Provide tiered supports and systems that promote and sustain strong academic growth and positive social/emotional development for all students	
Objectives/Actions	<ul style="list-style-type: none"> ❖ All teachers will be trained in evidence-based intervention strategies for meeting individual student needs in literacy and math, including English language acquisition needs, to close the achievement gap ❖ Students will be educated in the least restrictive environment ❖ LASD will utilize instructional support teachers to connect professional development to classroom practice ❖ LASD will develop and implement a plan to better support long term English learners ❖ Schools will further develop and implement concrete plans and tiered systems to support student academic and social-emotional needs ❖ State and local data will be used at all levels to ensure all students are learning ❖ Teachers will work in professional learning communities within the work day to impact practice and improve student learning ❖ LASD will provide a rich summer school experience for our most at-risk learners
Fiscal Impact	<ul style="list-style-type: none"> ❖ \$7,442,228. We anticipate spending \$371,000 for in-service training of teachers. \$137,038 in costs for instructional support coaches, Special Education Support \$6,453,778 \$74,000 for intervention services for English learners, \$20,000 for "Care Teams" to help implement multi-tiered support systems for struggling students, \$13,000 for data warehousing software, and \$357,364 for an enhanced summer school program.
Performance Metrics	<ul style="list-style-type: none"> ❖ 10+% or greater improvement on local achievement test scores ❖ Socioeconomically disadvantaged students moving into "blue" category in the California dashboard for English Language Arts and Math

Goal 4 Ensure a safe, healthy, and respectful school environment to maintain engagement, involvement, and satisfaction of students, staff, and parents	
Objectives/Actions	<ul style="list-style-type: none"> ❖ LASD will provide meaningful opportunities for parents to continue to engage in the education of their children through a variety of opportunities for learning and feedback ❖ LASD will promote safe, positive, and supportive school environments at each campus: teach, model, and reinforce appropriate behaviors; support students in social problem solving and empathy ❖ All students and staff will have access to mental health services
Fiscal Impact	<ul style="list-style-type: none"> ❖ \$1963,613. We expect to spend \$151,500 on anti-bias framework and curriculum, \$1,812,113 on improvements to school environments related to social and emotional issues, as well as problem solving strategies, and \$200,000 on mental health services in partnership with local agencies.
Performance Metrics	<ul style="list-style-type: none"> ❖ Reduce chronic absenteeism by one-half and improve attendance rates to 98% ❖ Increase percentage of students who actively participate in class discussions from 70% to 90% ❖ Increase percentage of students who feel safe at school from 83% to 95%

BUDGETARY GOALS

The district has a few budgetary goals in addition to the academic goals identified above. While the budget itself represents planned spending to meet the district's academic goals, it is important to note the financial goals underlying both the budget plan and decision-making by the Board of Trustees.

GOAL 1: MAINTAIN ADEQUATE FINANCIAL RESERVES

Board policy calls for a reserve level in the 8–10% range. The text of that policy is included below for reference. The intent of the policy is to preserve financial stability thus guarding against sudden cuts in program.

Board Policy 3100: *The Board shall establish as a target an operating reserve in the range of 3-5% of General Fund expenditures. In recognition of the unpredictability of revenues as a basic aid district, the Board shall establish as a target a second layer of reserves of a minimum of 5% recognizing that economic conditions and other factors may prevent the district from maintaining reserves at this level. The Board may use its reserves to bridge short-term negative financial impacts to the district when no reasonable alternatives exist. The Board shall replenish reserves as needed to return to the target levels.*

Performance Metrics:

- ❖ 8–10% Reserves: maintain at this level, as a minimum (*current reserves are at 15.16%*)

GOAL 2: DEVELOP A MULTI-YEAR PLAN TO ENSURE LONG-TERM DISTRICT SOLVENCY

Maintaining financial stability is the key to maintaining stability in program. The district's Budget Review Committee continues to stress the need to maintain program stability and to avoid a pattern of cutting program in bad economic times and reinstating in good times. Our Citizens Advisory Committee for Finance, a board advisory committee formed in 1989, reviews financial issues and trends and makes annual multi-year forecasts and recommendations to the school board.

Performance Metrics:

- ❖ 4 Multi-year plan: by end of 2023–23 fiscal year have plan developed

GOAL 3: COMPLETE PHASE 2 OF OUR FACILITIES MODERNIZATION PLAN

Voter approval of a \$150 bond measure in November 2014 will enable the district to work toward accomplishing this goal. The district has acquired an additional school site and is in the process of deciding how best to use the site and how the site fits in with the overall Phase 2 facilities program.

Performance Metrics:

- ❖ Complete updated master plan before end of 2023–24
- ❖ Spending priorities: develop Phase 2 priorities and present to school board before end of 2023–24

GOAL 4: DEVELOP PLANS FOR USE OF NEWLY ACQUIRED SITE

While district enrollment has declined over the last three years, a number of new housing projects are in the pipeline which could significantly increase enrollment over the next couple of decades. At the same time,

LOS ALTOS SCHOOL DISTRICT 2023–24 BUDGET

because we are responsible for providing facilities for a county-sponsored charter school located within district boundaries, we currently have ten schools housed on nine sites.

Performance Metrics:

- ❖ Site plans: develop conceptual plans for use of site before end of 2023

GOAL 5: IMPROVE COMMUNICATIONS WITH PARENTS AND THE COMMUNITY AT-LARGE

Because we are so dependent on local sources of revenue (90% of our funding comes from local sources, which is somewhat anomalous compared to other districts in California—the average district receives only about one-third of its funding from local sources), we continue efforts to keep our community informed about the district. The state required Local Control and Accountability Plan (LCAP) includes a section on stakeholder engagement meant to focus districts on the importance of keeping communities informed and providing transparency into district operations. We see this as part of our mission—especially since we have a highly educated and supportive community that understands the value of a top-notch education. As noted earlier when discussing our core values, our community views our neighborhood schools as an asset and a source of local pride. They help form smaller communities within our larger district community. We continue to strive to connect with our parents and the larger community, in large part recognizing how important they are as funding sources.

Performance Metrics:

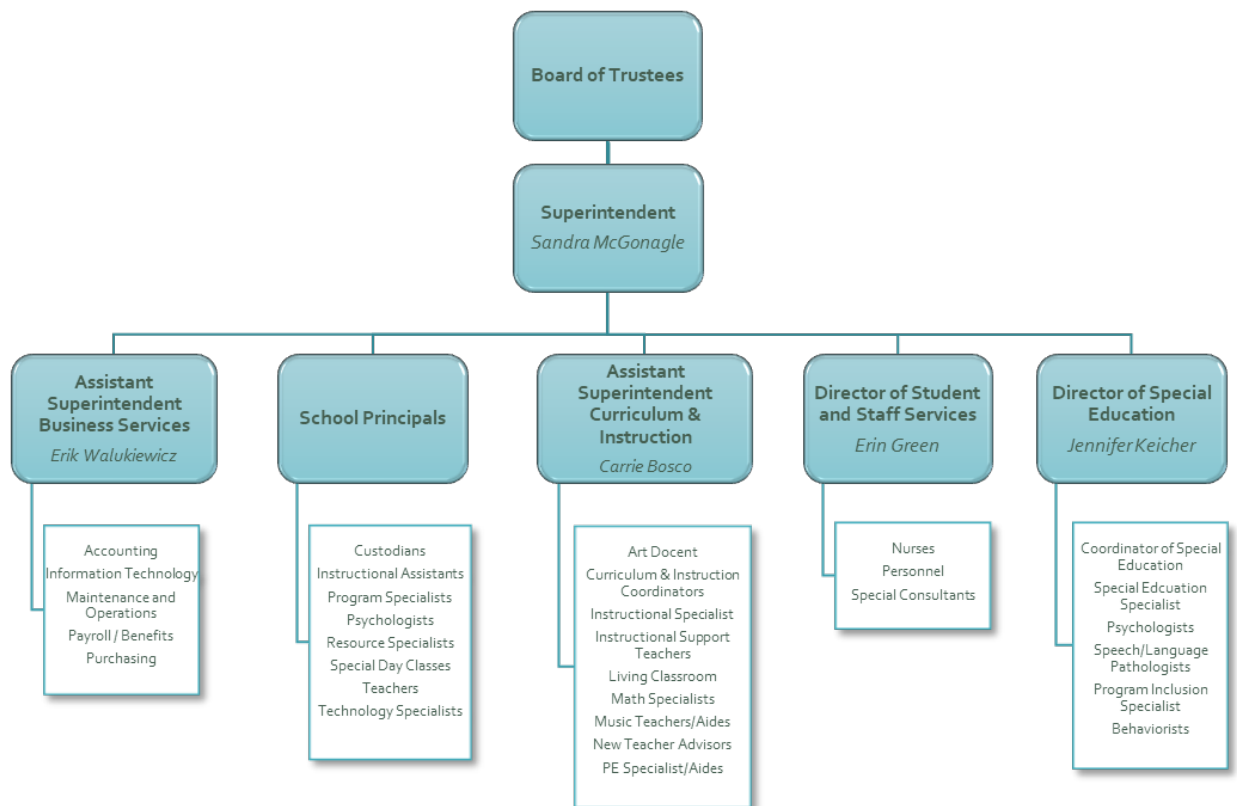
- ❖ Communiques: publish a minimum of 2 communiques per year to all property owners and constituents in our district
- ❖ Communiques: continue annual publication of parcel tax report card to all members of our community

KEY FACTORS AND ISSUES FACING THE DISTRICT

In developing our 2023–24 budget we have considered some key factors that affect our finances. First and foremost is our projection of property tax revenues, as they comprise 70% of our total revenue. As a result of a quick economic recovery from the COVID pandemic we expect somewhat normal growth in property taxes of 5.5% (which is below the most recent 10-year historical average of 7%). Offsetting the influx of new tax revenues are increased costs for salaries as a result of movement on the salary schedule, rising health insurance costs, and state-mandated increases in employer contributions to the two state retirement systems that affect our employees.

As we look beyond the budget year we have some key issues to address. We have increased our reserves over the last couple of years, in order to be poised should we experience a significant downturn in the economy. We need to finalize our facilities master plan—determining how best to use the newly acquired school site, where to house the county-sponsored charter school for the long term, and whether or not to move to a middle school model (from our current K–6 and 7–8 junior high model to a K–5 and 6–8 middle school model). We need to address other capital needs, including repairs and equipment replacement. Finally, we have the on-going need to attract and retain high quality teachers in an area with a high cost of living.

ORGANIZATIONAL CHART (2023–24)



ACCOUNTING POLICIES

The district's accounting policies conform to generally accepted accounting principles as prescribed by the Governmental Accounting Standards Board (GASB) and the American Institute of Certified Public Accountants. The district accounts for its financial transactions in accordance with the policies and procedures of the California School Accounting Manual per California Education Code Section 41010.

FUND ACCOUNTING

The accounts of the district are organized on the basis of funds, each of which is considered to be a separate accounting entity. The operations of each fund are accounted for with a separate set of self-balancing accounts that comprise its assets, liabilities, fund equity, revenues, and expenditures. District resources are allocated to and accounted for in individual funds based upon the purpose for which they are to be spent and the means by which spending activities are controlled. The district's accounts are organized into three fund types.

The **General Fund** is the general operating fund of the district. It is used to account for all financial resources except those required to be accounted for in another fund. The General Fund is used to account for the day-to-day operations of the district. The fund is divided into two sections: unrestricted funds and restricted funds. Restricted funds are monies received by the district that are categorical in nature; i.e., they can only be used for the purposes prescribed by the funding agency. Unrestricted funds are monies available for use at the district's discretion.

Special Revenue Funds are used to account for the proceeds of specific revenue sources that are legally restricted to expenditures for specific purposes. The district maintains three special revenue funds:

- The **Cafeteria Fund** is used to account for the operations of our food service program.
- The **Deferred Maintenance Fund** is used for the purpose of major repair or replacement of district property.
- The **Special Reserve Fund** is used for the purpose of accumulating reserves for any economic uncertainties and to account for monies set aside for the future cost of retiree health benefits.

Capital Project Funds are used to account for the acquisition and/or construction of all major governmental general fixed assets. The district maintains two capital project funds:

- The **Building Fund** is used to account for funds received from the sale of property, which are designated for maintenance and capital outlay purposes, and to account for the proceeds from the sale of general obligation bonds.
- The **Capital Facilities Fund** is used to account for resources received from developer impact fees assessed under provision of the California Environmental Quality Act (CEQA).

BASIS OF ACCOUNTING

Basis of accounting refers to when revenues and expenditures or expenses are recognized in the accounts and reported in the financial statements. Basis of accounting relates to the timing of measurement made, regardless of the measurement focus applied.

Governmental funds are generally accounted for using the modified accrual basis of accounting. Their revenues are recognized in the accounting period in which they become both measurable and available to finance expenditures of the current fiscal period. Expenditures are recognized in the accounting period in which the liability is incurred (when goods are received or services rendered).

ENCUMBRANCES/PURCHASE ORDERS

Encumbrance accounting is a useful tool to assure effective budgetary control and accountability. Encumbrance accounting is used in all budgeted funds to reserve portions of applicable appropriations for which commitments have been made. Encumbrances are recorded for purchase orders, contracts, and other commitments when they are written. Encumbrances are liquidated when the commitments are paid. All encumbrances and unencumbered appropriations are liquidated on June 30.

The district will not issue purchase orders unless there are funds budgeted in the appropriate category. Purchase orders are initiated by school and district program managers and require final approval of the Assistant Superintendent for Business Services. All purchase orders are reviewed by Business Office staff for account code verification, verification that funds are available, and compliance with all district purchasing guidelines. Cash purchases, per district policy, are limited to \$100 unless there is program manager and Business Office approval to override this limit.

FUND BALANCES

The district classifies its fund balances in accordance with Governmental Accounting Standards Board (GASB) Statement 54—using the designations non-spendable, restricted, committed, assigned, and unassigned. The district’s reserves policy requires it to maintain a minimum unassigned fund balance of 8–10% of general fund expenditures as a reserve for economic uncertainties. During 2013–14 the board of trustees approved segregating 5% of total reserves in the Special Reserve Fund, leaving the balance in the General Fund.

WARRANT PROCEDURES/CASH INVESTMENTS

The district contracts with its county office for financial and payroll services. Payroll and other warrants are drawn on district funds held in the county treasury. All warrants are submitted for approval to the Assistant Superintendent for Business Services. Cash in the county treasury is invested by the County Treasurer, restricted to relatively safe investments by California Education Code Section 41015 and California Government Code Section 53601.

REVENUE & EXPENDITURE ACCOUNTING

Los Altos School District records revenues and expenditures in accordance with the California School Accounting Manual as prescribed by California Education Code Section 41010. Revenues are classified by fund and sources. **Fund classifications** are shown below.

Fund Classifications	
Funds 01 to 08	General Fund
Fund 13	Cafeteria Fund
Fund 14	Deferred Maintenance Fund
Fund 17	Special Reserve Fund
Fund 21	Building/Bond Fund
Fund 25	Capital Facilities Fund

Within each fund, **revenues are classified by source** as shown below.

Revenue Classifications	
8010–8099	LCFF/Revenue Limit Sources
8100–8299	Federal Revenue
8300–8599	Other State Revenue
8600–8799	Other Local Revenue
8910–8929	Interfund Transfers In
8930–8979	Other Financing Sources
8980–8999	Contributions to Restricted Programs

Expenditures are classified by object. The use of object of expenditures enables consistent reporting across districts throughout the state and nation. Within each fund, the major object classifications for expenditures are as shown.

Expenditure Classifications	
1000–1999	Certificated Personnel Salaries
2000–2999	Classified Personnel Salaries
3000–3999	Employee Benefits
4000–4999	Books and Supplies
5000–5999	Services and Other Operating Expenses
6000–6999	Capital Outlay
7000–7999	Other Outgo

Under California Education Code Section 42600 expenditures cannot legally exceed appropriations by major object classifications.

BUDGET DEVELOPMENT AND ADMINISTRATION

Preparation of the budget begins in January with the release of the Governor’s proposed budget for the State of California for the upcoming year. In that proposed budget, the Governor indicates his estimate of school revenues. We prepare a preliminary district budget based on the Governor’s proposals and take this budget to our Budget Review Committee for analysis and discussion.

The Budget Review Committee, appointed by the school board, has worked since February overseeing the development of this budget. The Budget Review Committee is a standing committee whose principal task is to advise and make recommendations to the Board of Trustees regarding budget matters. This committee initially was formed in February 1988. The committee is comprised of representatives of each constituency of the district—teachers, administrators, classified (support) staff, and the parent community.

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

Under the LCFF funding scheme, districts are required to prepare a 3-year budget plan (the **Local Control and Accountability Plan—LCAP**) that ties district programs and their budgets to state provided funding levels. This state funding system replaced most state defined categorical program funding with funds under district control. Yet the state will monitor how funds are spent through review of the LCAP and audit of its implementation. Compliance with state spending regulations has been replaced by a system of accountability for district spending based on student progress. The state requires districts to share and review their LCAP proposals with constituents. The Budget Review Committee this year reviewed the proposed LCAP and provided recommendations to the board prior to board approval.

In May, the Governor prepares a revised estimate of revenues (May Revise). We adjust our budget projections to reflect these revisions and any other anticipated assumption changes. We then present our budget for adoption in June.

State law defines the budget adoption and monitoring process. The school board must hold a public hearing for the purpose of gathering public input on the proposed budget. After receiving that input the board must adopt a budget prior to July 1 of each year (California Education Code Section 42127). The California Department of Education requires that the annual budget be submitted on specific budget forms (SACS). These forms include established budget standards and criteria. The Los Altos School District budget complies with the state's standards and criteria.

The adopted budget is forwarded to the Santa Clara County Office of Education for review and approval. After county approval, the process is complete unless there are significant revisions needed due to the adoption of the state budget. The district continues to revise its budget several times each year as new information becomes available. If the county disapproves the district's budget, then the state Superintendent of Public Instruction is notified and outside reviewers get involved. Los Altos School District has never had a budget disapproved.

With the adoption of the budget in June, the board approves the spending plan for the coming year. The school board, by a simple majority vote, can make changes to that plan—through budget adjustments or transfers.

During the year the budget is monitored and managed in a number of ways. Financial reports are provided to program managers on a monthly basis, allowing them to keep track of their discretionary budgets and account balances. Program managers are not permitted to exceed their budgeted allocations. Board action (in the form of a resolution) is required to affect changes to the budget, either revenue or expenditure adjustments or transfers between accounts. The business office reviews all account balances on a monthly basis, notifying program managers of any potential problems. The district files interim financial reports as legally required (see below).

LOS ALTOS SCHOOL DISTRICT 2023–24 BUDGET

Budget Calendar Highlights	
January	Governor proposes State Budget
February	District prepares Preliminary Budget estimates (based on Governor's proposals) District prepares Local Control & Accountability Plan (LCAP) for budget year Budget Review Committee begins meeting
March/April	Superintendent prepares enrollment and staffing projections Program Managers develop program budgets LCAP shared with constituents <i>Business Office prepares capital projects budget</i>
May	Governor updates revenue projections (May Revise) District prepares Final Budget estimates and finalizes LCAP Budget Review Committee finalizes recommendation to School Board <i>Board reviews and approves capital projects budget</i>
June	School Board holds public hearings and adopts budget and budget plan (LCAP)
Prior to July 1 (state law)	State Budget adopted
By August 15	District Budget updated to reflect adopted State Budget
<i>Note: Capital projects budget timeline shown in blue.</i>	

FISCAL ACCOUNTABILITY

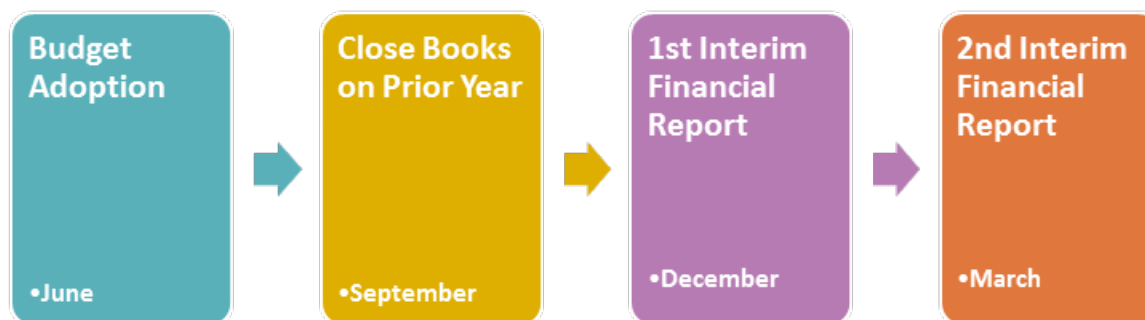
California school districts are required to file two interim financial reports during the year (California Education Code Section 42130). These reports must be presented to the school board at a public meeting and require board certification and approval. The first report reflects actual data as of October 31 and must be filed within 45 days of that date. The second report reflects actual data as of January 31 and must be filed within 45 days as well. The county office reviews these reports, makes comment, and files them with the state. The reports include actual revenues and expenditures to date, revised projections for the year, a two-year future forecast, and a standards and criteria section. As part of the report, the district certifies that it is able (or unable) to meet its financial obligations in the current and two future years.

School districts are required under AB 1200 to publicly disclose the costs associated with tentative collective bargaining agreements with its employee groups. The costs must be disclosed at a public board meeting prior to final ratification of the agreement. Additionally, districts are required to notify the county office of education within 45 days after ratification of any budget revisions made necessary by the terms of that agreement.

State law (California Education Code Section 41020) requires that an independent certified public accounting firm conduct an audit of the school district each year. The results of that audit are presented to the school board at a public meeting and filed with the state controller's office. As a part of the audit, the audit firm works with district staff to compile and present the district's financial statements for the prior year. Districts are required to make adjustments to their financial records to reconcile with the financials presented by the auditor.

Budget Development and Fiscal Accountability

Key Points in Time for Board Review of District Budget



BUDGET DEVELOPMENT GUIDELINES AND RESPONSIBILITIES

The Assistant Superintendent for Business Services has oversight responsibility for the budget and finances of the district. Individual program managers, however, are held accountable for their discretionary budgets. The following guidelines explain the district's philosophy and outline budget development methodology and program managers' responsibilities.

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

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

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

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

LOS ALTOS SCHOOL DISTRICT 2023–24 BUDGET

All Program Managers shall:

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

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

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

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

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

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

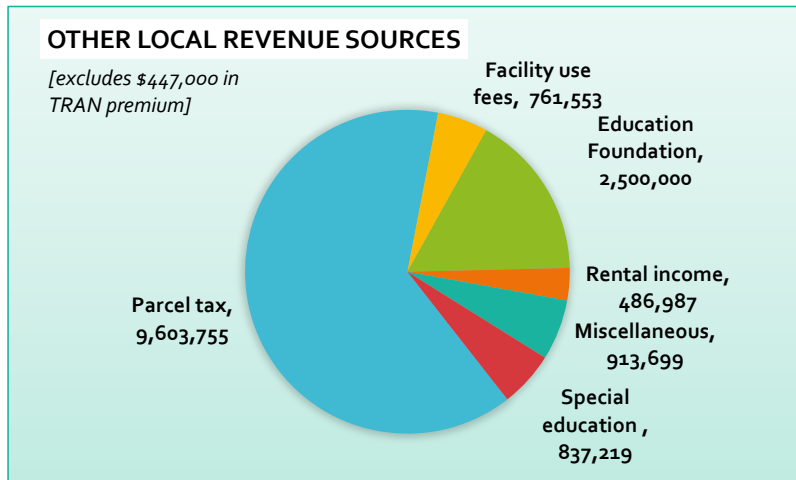
Capital Budget Process. Equipment needs are addressed through the normal budget development process. Program managers are required to submit their equipment requests first to the Maintenance and Operations Director. The Director in turn will review the requests with the chief business official for inclusion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

district’s budget. If special needs arise during the year, a request is submitted to the chief business official and ultimately to the board.

Major capital expenditures are funded by one or more of the district’s special purpose funds—the deferred maintenance fund, the building fund, or the capital facilities fund. Needs are identified every spring, costs are estimated, resources are analyzed, and the board determines which projects (if any) will be funded. Key steps are shown in the Budget Calendar Highlights on a previous page. Typically, capital projects are accomplished during the summer.

OTHER SUSTAINING LOCAL REVENUE SOURCES

As noted earlier, the district is highly dependent on local revenue sources beyond property tax revenues. The district has an educational foundation that is providing \$2.5 million for the district in the budget year, annually receives almost \$10 million in parcel tax revenue, generates over \$1 million in rental income and facility use fees, and garners another \$900,000 in miscellaneous revenue (including interest earnings). Additionally, some special education funding is accounted for as local income.



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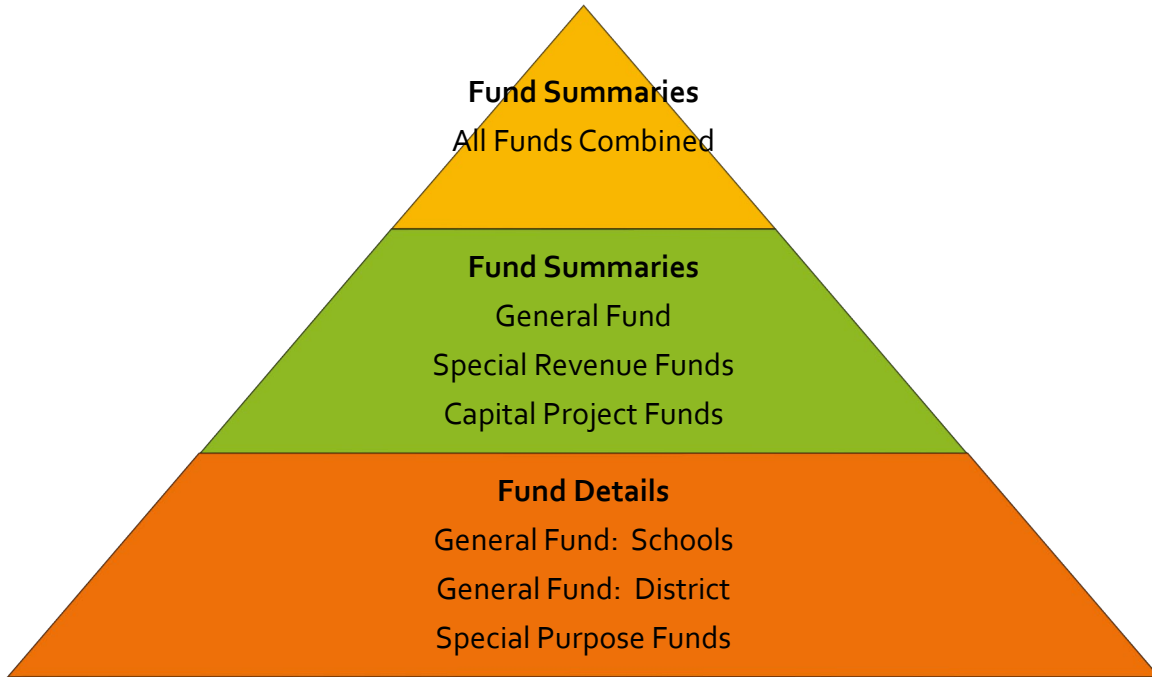


FINANCIAL SECTION

- ❖ *Financial Overview*
- ❖ *Fund Summaries*
- ❖ *Expenditures by Function*
- ❖ *Revenue and Expenditure Trends: General Fund*
- ❖ *Budget Details*
 - *General Fund Expenditures—Schools*
 - *General Fund Expenditures—District*
 - *Capital Improvement Plan*
 - *Special Purpose Funds*
- ❖ *Debt*
- ❖ *Retiree Health Benefits Liability*

FINANCIAL OVERVIEW

The Financial Section is organized so that summary data is presented first, followed by detail information. Expenditures are shown both by object (category) and by function. Revenues are not accounted for by function, only by source.

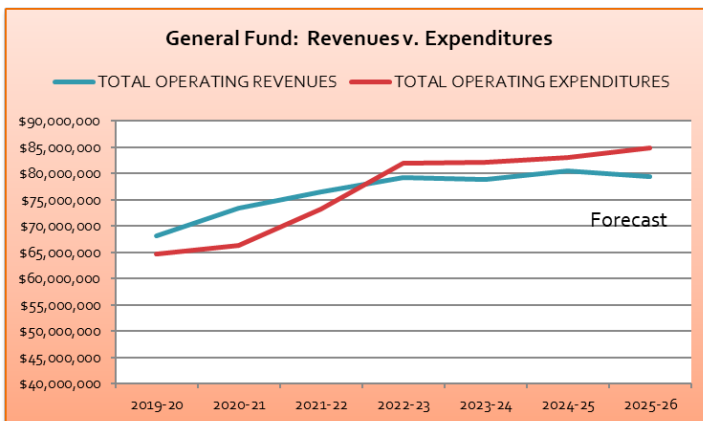


DEBT/RETIREE HEALTH BENEFITS LIABILITY

After the presentation of Fund Details there is a section on district debt and retiree health benefits liability.

FUND SUMMARIES: REVENUES (BY SOURCE) AND EXPENDITURES (BY OBJECT)

The following tables (starting on page 70) show a three-year history for each fund, as well as current and budget year projections and a three-year future forecast. The first table is a summary of all governmental funds (the district has no other funds), followed by each of the individual funds.



Our future projections show operating expenditures exceeding revenue for the next few years.

REVENUE AND EXPENDITURE CATEGORIES

Revenue Sources

Using the state approved standardized account code structure (SACS), we track our revenues by the following source categories:

- **LCFF Sources:** Funds related to the state funding guarantee from the Local Control Funding Formula (LCFF), which includes property tax revenues and the balance of funding from the state to equal the calculated guarantee.
- **Federal Revenue:** Funds received from the federal government, typically to help defray the costs of providing services to students with special needs or circumstances (e.g., special education students, low income students, students learning English, etc.).
- **Other State Revenue:** Funds from the state outside of state aid to fully fund the LCFF guarantee, including funds from the state lottery and special apportionments and grants.
- **Other Local Revenue:** Funds received from local sources, including parcel tax revenues, lease and rental income, interest earnings, and funding from local foundations.

By far our most significant sources of revenue come from our local community. Property taxes make up 70% of our total operating revenues. We have 2 parcel taxes that generate another 13% of total revenue. Our Los Altos Educational Foundation contributes another 3%. All totaled approximately 91% of our revenues come from local sources.

Expenditure Categories

Again, using the standardized account code structure, we track expenditures by major object and by function. The major object categories are as follows (function categories are covered on page 77):

- **Certificated Salaries:** Expenditures made on staff that require a certificate to perform their job assignment (such as teachers).
- **Classified Salaries:** Expenditures made on staff that do not require a certificate to perform their job duties (e.g., clerical staff).
- **Employee Benefits:** District costs of providing statutory and health benefits to employees.
- **Books & Supplies:** Expenditures made on textbooks, materials, supplies, and other such items.
- **Services and Other Operating Expenditures:** Expenditures made on contracted services, insurance, utilities, travel and conference, and other expenses not easily categorized in other categories.
- **Capital Outlay:** Expenditures on library books and equipment (such as computers).
- **Other Expenses and Outgo:** This category is used to capture such costs as debt service payments and interest expense on short-term borrowing (such as Tax and Revenue Anticipation Notes).

As a labor intensive business 80—85% of our spending goes toward employee salary and benefits. Staffing costs vary with student enrollment changes, negotiated compensation adjustments, movement on salary schedules, and increases or decreases in program offerings. Costs of services and other operating expenditures is the next highest spending category and is typically the most volatile—largely due to one-time expenditures from year to year.

On succeeding pages, we show several years of revenue and expenditure data as well as explain recent revenue and expenditure trends.

LOS ALTOS SCHOOL DISTRICT 2023-24 BUDGET

ALL FUNDS

Our operating fund (General Fund) is by far the largest component of the summary of all funds. In the budget year, for example, the General Fund comprises 92% of all revenues and 92% of all expenditures. Other than site lease revenues and some one-time developer fees into our Capital Facilities Fund, almost all revenues flow into the General Fund. Thus, other than these one-time funding sources, property tax collections and other local funding comprise the bulk of the revenues shown in the table below. Expenditure totals reflect deferred maintenance spending (around \$300,000 annually), lease payments on portable buildings (around \$1.5 million annually), one-time spending on new facilities for the charter school, one-time spending on the purchase of a new school site, and expenses made from the General Fund.

Additional information on each special purpose fund is found near the end of this section of the document.

All Governmental Funds	2019-20 Actuals	2020-21 Actuals	2021-22 Actuals	2022-23 Est. Actuals	2023-24 Budget	2024-25 Projection	2025-26 Projection	2026-27 Projection
REVENUES								
LCFF/Revenue Limit Sources	44,698,442	47,849,096	51,309,746	55,245,149	57,564,528	59,353,319	60,624,925	62,071,037
Federal Revenue	1,063,634	2,778,328	2,731,962	2,035,763	1,639,783	1,578,930	1,568,878	1,603,714
Other State Revenue	4,866,360	6,429,851	5,925,295	8,460,850	6,212,304	6,184,881	6,153,287	6,180,669
Other Local Revenue	18,856,430	23,622,423	19,943,963	17,686,707	17,111,833	16,482,853	14,347,853	14,347,853
Sale/Lease of Properties	891,394	2,789,874		10,397,405				
GO Bonds/Transfers In From Other Funds	144,346,488	458,905	300,174	1,547,786	1,758,431	1,550,000	1,550,000	1,550,000
TOTAL OPERATING REVENUE	214,722,747	83,928,477	80,211,140	95,373,659	84,286,879	85,149,983	84,244,943	85,753,273
EXPENDITURES								
Certificated Salaries	26,151,573	26,605,837	27,960,671	29,254,678	30,194,981	30,610,328	31,031,906	31,453,484
Classified Salaries	10,646,854	11,524,701	12,414,844	14,771,354	15,443,034	15,158,931	14,876,565	13,980,705
Employee Benefits	18,008,143	17,420,847	18,994,439	20,759,076	22,200,517	23,765,556	25,355,472	27,257,133
Books & Supplies	2,482,500	3,880,950	2,870,278	8,403,101	4,696,147	4,556,716	4,566,716	4,666,716
Services & Other Operating Expenditures	10,788,844	9,410,901	12,629,757	13,147,387	15,231,123	19,739,434	19,839,433	19,941,460
Capital Outlay	114,873,240	248,831	543,362	710,076	675,079	313,000	313,000	313,000
Other Expenses and Outgo	10,339,839	340,853	498,299	341,065	341,065	341,065	341,065	341,065
Transfers Out To Other Funds	300,174	300,174	300,174	1,547,786	1,758,431	1,550,000	1,550,000	1,550,000
TOTAL OPERATING EXPENDITURES	193,591,165	69,733,093	76,211,824	88,934,522	90,540,376	96,035,029	97,874,156	99,503,563
Revenues over (under) Expenditures	21,131,582	14,195,384	3,999,316	6,439,137	(6,253,496)	(10,885,046)	(13,629,213)	(13,750,290)
Beginning Fund Balance	6,533,600	27,665,182	41,860,567	45,859,884	52,299,021	46,045,524	35,160,478	21,531,265
Ending Fund Balance	27,665,182	41,860,566	45,859,884	52,299,021	46,045,524	35,160,478	21,531,265	7,780,976

The following table shows budget year revenues and expenditures for each fund group.

LOS ALTOS SCHOOL DISTRICT 2023-24 BUDGET

	General Fund	Special Revenue Funds	Capital Project Funds	Total All Governmental Funds
REVENUES				
LCFF/Revenue Limit Sources	57,564,528	-	-	57,564,528
Federal Revenue	1,033,903	605,880	-	1,639,783
Other State Revenue	5,000,544	1,211,760	-	6,212,304
Other Local Revenue	15,167,853	30,000	1,913,980	17,111,833
TOTAL REVENUES	78,766,828	1,847,640	1,913,980	82,528,448
EXPENDITURES				
Certificated Salaries	30,194,981	-	-	30,194,981
Classified Salaries	14,733,268	709,766	-	15,443,034
Employee Benefits	21,867,007	333,510	-	22,200,517
Books & Supplies	2,615,147	2,080,000	1,000	4,696,147
Services & Other Operating Expenditures	10,992,873	357,795	3,880,455	15,231,123
Capital Outlay	286,679	100,000	288,400	675,079
Other Outgo	8,262	-	332,803	341,065
TOTAL EXPENDITURES	80,698,216	3,581,071	4,502,658	88,781,945
Excess (Deficiency) of Revenues Over Expenditures	(1,931,388)	(1,733,431)	(2,588,678)	(6,253,496)
OTHER FINANCING SOURCES/USES				
Interfund Transfers In	-	1,758,605	-	1,758,431
Interfund Transfers Out	(1,458,431)	-	(300,000)	(1,758,431)
TOTAL OTHER FINANCING SOURCES/USES	(1,458,431)	1,758,605	(300,000)	-
NET INCREASE/(DECREASE) IN FUND BALANCE	(3,389,819)	25,174	(2,888,678)	(6,253,496)
BEGINNING FUND BALANCES	12,271,444	3,679,771	36,231,135	52,299,021
ENDING FUND BALANCES	8,881,624	3,704,945	33,342,457	46,045,525

LOS ALTOS SCHOOL DISTRICT 2023-24 BUDGET

GENERAL FUND

As noted earlier, the General Fund comprises the majority of all revenues and expenditures. Over 90% of General Fund revenues come from local sources—primarily from property taxes, parcel taxes, and our education foundation. Growth in property taxes has averaged around 7% over the last ten years and we are estimating 5.5% growth in the budget year. Parcel tax revenues are fixed and generate \$10.3 million annually, while foundation revenues have been \$2.5 million in recent years. State revenues vary due to several one-time apportionments. Expenditures are largely made on staff since education is a “people business.” Increases in health insurance costs and retirement system contributions are responsible for significant growth in the cost of employee benefits. In past years the district has transferred funds into the Special Reserve Fund and into our Capital Project Funds to cover the costs of new projects. We will transfer funds into the Cafeteria Fund to cover the excess costs of food service operations.

Additional information on revenue and expenditure trends is found starting on page 78.

General Fund	2019-20 Actuals	2020-21 Actuals	2021-22 Actuals	2022-23 Est. Actuals	2023-24 Budget	2024-25 Projection	2025-26 Projection	2026-27 Projection
REVENUES								
LCFF/Revenue Limit Sources	44,698,442	47,849,096	51,309,746	55,245,149	57,564,528	59,353,319	60,624,925	62,071,037
Federal Revenue	1,063,634	2,778,328	2,731,962	1,429,883	1,033,903	973,050	962,998	997,834
Other State Revenue	4,866,360	6,429,851	5,925,295	7,249,090	5,000,544	4,936,768	4,867,731	4,895,113
Other Local Revenue	17,486,846	16,283,368	16,535,419	15,321,403	15,167,853	15,167,853	12,967,853	12,967,853
Sale/Lease of Properties								
GO Bonds/Transfers In From Other Funds								
TOTAL OPERATING REVENUE	68,115,281	73,340,644	76,502,422	79,245,525	78,766,828	80,430,990	79,423,507	80,931,837
EXPENDITURES								
Certificated Salaries	26,151,573	26,605,837	27,960,671	29,254,678	30,194,981	30,610,328	31,031,906	31,453,484
Classified Salaries	10,646,854	11,524,701	12,414,844	14,156,438	14,733,268	14,438,519	14,145,347	13,238,519
Employee Benefits	18,008,143	17,420,847	18,994,439	20,460,424	21,867,007	23,407,033	24,970,060	26,842,815
Books & Supplies	2,357,464	3,880,372	2,869,523	6,430,575	2,615,147	2,585,147	2,595,147	2,695,147
Services & Other Operating Expenditures	7,349,023	6,789,177	10,618,971	10,046,821	10,992,873	10,792,873	10,892,872	10,994,899
Capital Outlay	173,201	42,641	363,259	331,676	286,679	25,000	25,000	25,000
Other Expenses and Outgo	7,036	8,050	6,766	8,262	8,262	8,262	8,262	8,262
Transfers Out To Other Funds	-	-	-	1,247,612	1,458,431	1,250,000	1,250,000	1,250,000
TOTAL OPERATING EXPENDITURES	64,693,294	66,271,625	73,228,474	81,936,486	82,156,647	83,117,161	84,918,593	86,508,126
Revenues over (under) Expenditures	3,421,987	7,069,019	3,273,948	(2,690,961)	(3,389,819)	(2,686,171)	(5,495,086)	(5,576,289)
Beginning Fund Balance	1,047,814	4,469,801	11,538,820	13,193,782	12,271,444	8,881,625	6,195,454	700,368
Ending Fund Balance	4,469,801	11,538,820	13,193,782	12,271,444	8,881,625	6,195,454	700,368	(4,875,921)

SPECIAL REVENUE FUNDS

As a result of a new state-mandated universal meals program, the district will begin accounting for food service operations in a **Cafeteria Fund**. Previously the district incurred minor meal costs for low income students and was able to track expenses in its General Fund. Funds will need to be transferred from the General Fund to support the food service operating budget. Revenues for the **Deferred Maintenance Fund** (approximately \$300,000 annually) have in past years come as a transfer from the General Fund but now are being transferred from our Building Fund. These funds are used for major repair projects. Our **Special Reserve Fund** also has received transfers from the General Fund, in an effort to set aside monies for future retiree health benefits. With adequate funds already set aside, no additional transfers from our operating fund are needed starting in the budget year. We transferred \$2,000,000 of reserves back into the General Fund in 2017–18 (and an additional \$300,000 in 2018–19) in order to maintain a positive fund balance.

Cafeteria Fund	2019-20 Actuals	2020-21 Actuals	2021-22 Actuals	2022-23 Est. Actuals	2023-24 Budget	2024-25 Projection	2025-26 Projection	2025-26 Projection
REVENUES								
LCFF/Revenue Limit Sources								
Federal Revenue				605,880	605,880	605,880	605,880	605,880
Other State Revenue				1,211,760	1,211,760	1,248,113	1,285,556	1,285,556
Other Local Revenue				8,324	4,000	4,000	4,000	4,000
Sale/Lease of Properties								
GO Bonds/Transfers In From Other Funds				1,247,612	1,458,431	1,250,000	1,250,000	1,250,000
TOTAL OPERATING REVENUE				3,073,576	3,280,071	3,107,993	3,145,436	3,145,436
EXPENDITURES								
Certificated Salaries								
Classified Salaries				614,916	709,766	720,412	731,218	742,186
Employee Benefits				298,652	333,510	358,523	385,412	414,318
Books & Supplies				1,971,526	2,080,000	1,971,569	1,971,569	1,971,569
Services & Other Operating Expenditures				138,482	56,795	21,136	21,136	21,136
Capital Outlay				50,000	100,000		0	0
Other Expenses and Outgo								
Transfers Out To Other Funds								
TOTAL OPERATING EXPENDITURES				3,073,576	3,280,071	3,071,640	3,109,335	3,149,209
Revenues over (under) Expenditures				0	0	36,353	36,101	(3,773)
Beginning Fund Balance				0	0	0	36,353	72,454
Ending Fund Balance				0	0	36,353	72,454	68,681

2022-23 was the first year of operating a Cafeteria Fund.

Deferred Maintenance Fund	2019-20 Actuals	2020-21 Actuals	2021-22 Actuals	2022-23 Est. Actuals	2023-24 Budget	2024-25 Projection	2025-26 Projection	2026-27 Projection
REVENUES								
LCFF/Revenue Limit Sources								
Federal Revenue								
Other State Revenue								
Other Local Revenue	3,790	953	1,000	1,000	1,000	1,000	1,000	1,000
Sale/Lease of Properties								
GO Bonds/Transfers In From Other Funds	300,174	300,174	300,174	300,174	300,000	300,000	300,000	300,000
TOTAL OPERATING REVENUE	303,964	301,127	301,174	301,174	301,000	301,000	301,000	301,000
EXPENDITURES								
Certificated Salaries								
Classified Salaries								
Employee Benefits								
Books & Supplies								
Services & Other Operating Expenditures	293,593	486,125	174,208	261,174	301,000	301,000	301,000	301,000
Capital Outlay				40,000				
Other Expenses and Outgo								
Transfers Out To Other Funds								
TOTAL OPERATING EXPENDITURES	293,593	486,125	174,208	301,174	301,000	301,000	301,000	301,000
Revenues over (under) Expenditures	10,372	(184,998)	126,966	0	0	0	0	0
Beginning Fund Balance	184,149	194,520	9,523	131,158	131,158	131,158	131,158	131,158
Ending Fund Balance	194,520	9,523	131,158	131,158	131,158	131,158	131,158	131,158

LOS ALTOS SCHOOL DISTRICT 2023-24 BUDGET

Special Reserve Fund	2019-20 Actuals	2020-21 Actuals	2021-22 Actuals	2022-23 Est. Actuals	2023-24 Budget	2024-25 Projection	2025-26 Projection	2026-27 Projection
REVENUES								
LCFF/Revenue Limit Sources								
Federal Revenue								
Other State Revenue								
Other Local Revenue	68,667	36,382	25,100	25,000	25,000	25,000	25,000	25,000
Sale/Lease of Properties								
GO Bonds/Transfers In From Other Funds								
TOTAL OPERATING REVENUE	68,667	36,382	25,100	25,000	25,000	25,000	25,000	25,000
EXPENDITURES								
Certificated Salaries								
Classified Salaries								
Employee Benefits								
Books & Supplies								
Services & Other Operating Expenditures								
Capital Outlay								
Other Expenses and Outgo								
Transfers Out To Other Funds								
TOTAL OPERATING EXPENDITURES	0	0	0	0	0	0	0	0
Revenues over (under) Expenditures	68,667	36,382	25,100	25,000	25,000	25,000	25,000	25,000
Beginning Fund Balance	3,495,709	3,564,376	3,600,758	3,523,613	3,548,613	3,573,613	3,598,613	3,623,613
Ending Fund Balance	3,564,376	3,600,758	3,623,613	3,548,613	3,573,613	3,598,613	3,623,613	3,648,613

The following table shows budget year revenues and expenditures for each Special Reserve Fund.

Special Revenue Funds:	Cafeteria 2023-24 Budget	Deferred Maintenance 2023-24 Budget	Special Reserve 2023-24 Budget	Total
REVENUES				
LCFF/Revenue Limit Sources				
Federal Revenue	605,880			605,880
Other State Revenue	1,211,760			1,211,760
Other Local Revenue	8,324	1,000	25,000	34,324
Sale/Lease of Properties				
GO Bonds/Transfers In From Other Funds	1,247,612	300,000		1,547,612
TOTAL OPERATING REVENUE	3,073,576	301,000	25,000	3,399,576
EXPENDITURES				
Certificated Salaries				
Classified Salaries	614,916			614,916
Employee Benefits	298,652			298,652
Books & Supplies	1,971,526			1,971,526
Services & Other Operating Expenditures	138,482	301,000		439,482
Capital Outlay	50,000			50,000
Other Expenses and Outgo				
Transfers Out To Other Funds				
TOTAL OPERATING EXPENDITURES	3,073,576	301,000		3,374,576
Revenues over (under) Expenditures	-		25,000	25,000
Beginning Fund Balance	-	131,158	3,548,613	3,679,771
Ending Fund Balance	-	131,158	3,573,613	3,704,771

CAPITAL PROJECT FUNDS

Building Fund revenues primarily come from the issuance of general obligation bonds and rental income from a tenant occupying a small closed school site. As noted earlier, expenditures out of this fund cover some of the spending on facilities for the charter school as well as for the acquisition of a new school site. Additionally, a portion of our lease payments for portable buildings is paid out of this fund. **Capital Facilities Fund** revenues derive solely from developer fees. Expenditures have covered the installation of and lease payments on new portable classrooms added as a result of enrollment growth—primarily for the charter school. From 2014–15 through 2016–17 funds were transferred from the General Fund to help cover the costs of the new portables.

Building Fund	2019-20 Actuals	2020-21 Actuals	2021-22 Actuals	2022-23 Est. Actuals	2023-24 Budget	2024-25 Projection	2025-26 Projection	2026-27 Projection
REVENUES								
LCFF/Revenue Limit Sources								
Federal Revenue								
Other State Revenue								
Other Local Revenue	844,520	4,790,103	2,808,836	1,825,980	1,408,980	600,000	600,000	600,000
Sale/Lease of Properties	891,394	2,789,874		10,397,405				
GO Bonds/Transfers In From Other Funds	144,046,314	158,731						
TOTAL OPERATING REVENUE	145,782,228	7,738,708	2,808,836	12,223,385	1,408,980	600,000	600,000	600,000
EXPENDITURES								
Certificated Salaries								
Classified Salaries								
Employee Benefits								
Books & Supplies	14,682		755	1,000	1,000			
Services & Other Operating Expenditures	2,373,481	989,363	658,744	1,566,080	2,756,030	7,500,000	7,500,000	7,500,000
Capital Outlay	114,699,638	206,190	180,103	288,000	288,000	288,000	288,000	288,000
Other Expenses and Outgo	10,332,803	332,803	494,533	332,803	332,803	332,803	332,803	332,803
Transfers Out To Other Funds	300,174	300,174	300,174	300,174	300,000	300,000	300,000	300,000
TOTAL OPERATING EXPENDITURES	127,720,778	1,828,529	1,631,309	2,488,057	3,677,833	8,420,803	8,420,803	8,420,803
Revenues over (under) Expenditures	18,061,449	5,910,179	1,177,527	9,735,328	(2,268,853)	(7,820,803)	(7,820,803)	(7,820,803)
Beginning Fund Balance	885,557	18,947,006	24,857,185	25,875,982	35,611,310	33,342,458	25,521,655	17,700,852
Ending Fund Balance	18,947,006	24,857,185	25,875,982	35,611,310	33,342,458	25,521,655	17,700,852	9,880,050

Capital Facilities Fund	2019-20 Actuals	2020-21 Actuals	2021-22 Actuals	2022-23 Est. Actuals	2023-24 Budget	2024-25 Projection	2025-26 Projection	2026-27 Projection
REVENUES								
LCFF/Revenue Limit Sources								
Federal Revenue								
Other State Revenue								
Other Local Revenue	452,607	2,511,616	573,608	505,000	505,000	685,000	750,000	750,000
Sale/Lease of Properties								
GO Bonds/Transfers In From Other Funds								
TOTAL OPERATING REVENUE	452,607	2,511,616	573,608	505,000	505,000	685,000	750,000	750,000
EXPENDITURES								
Certificated Salaries								
Classified Salaries								
Employee Benefits								
Books & Supplies	110,353	578						
Services & Other Operating Expenditures	772,747	1,146,236	1,177,834	1,134,830	1,124,425	1,124,425	1,124,425	1,124,425
Capital Outlay	400			400				
Other Expenses and Outgo								
Transfers Out To Other Funds								
TOTAL OPERATING EXPENDITURES	883,500	1,146,814	1,177,834	1,135,230	1,124,425	1,124,425	1,124,425	1,124,425
Revenues over (under) Expenditures	(430,893)	1,364,802	(604,226)	(630,230)	(619,425)	(439,425)	(374,425)	(374,425)
Beginning Fund Balance	920,372	489,478	1,854,281	1,250,055	619,825	(0)	(439,425)	(813,850)
Ending Fund Balance	489,478	1,854,281	1,250,055	619,825	(0)	(439,425)	(813,850)	(1,188,276)

The following table shows budget year revenues and expenditures for each Capital Project Fund.

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Capital Project Funds:		Building 2023-24 Budget	Capital Facilities 2023-24 Budget	Total
REVENUES				
LCFF/Revenue Limit Sources				
Federal Revenue				
Other State Revenue				
Other Local Revenue		1,408,980	505,000	1,913,980
Sale/Lease of Properties				
GO Bonds/Transfers In From Other Funds				
TOTAL OPERATING REVENUE		1,408,980	505,000	1,913,980
EXPENDITURES				
Certificated Salaries				
Classified Salaries				
Employee Benefits				
Books & Supplies		1,000		1,000
Services & Other Operating Expenditures		2,756,030	1,124,425	3,880,455
Capital Outlay		288,000	400	288,400
Other Expenses and Outgo		332,803		332,803
Transfers Out To Other Funds		300,000		300,000
TOTAL OPERATING EXPENDITURES		3,677,833	1,124,825	4,802,658
Revenues over (under) Expenditures		(2,268,853)	(619,825)	(2,888,678)
Beginning Fund Balance		35,611,310	619,825	36,231,135
Ending Fund Balance		33,342,458	(0)	33,342,457

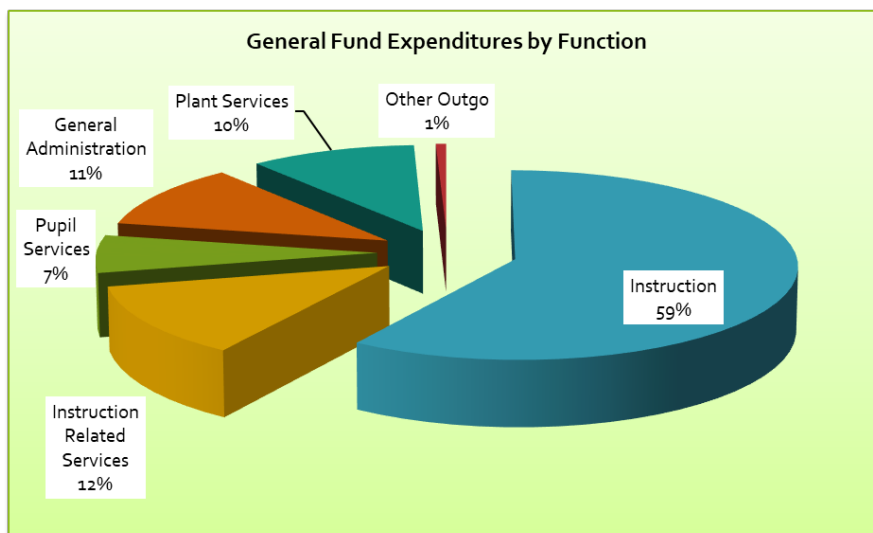
EXPENDITURES BY FUNCTION, ALL FUNDS

In this section we show expenditures by function for all funds, followed by General Fund expenditures by function in more detail.

Function	General Fund	Cafeteria Fund	Deferred Maintenance Fund	Building Fund	Capital Facilities Fund	Total, All Funds
Instruction	\$ 47,750,871		\$ -	\$ -	\$ -	\$ 47,750,871
Instruction Related Services	\$ 10,013,549		\$ -	\$ -	\$ -	\$ 10,013,549
Pupil Services	\$ 5,228,452	\$ 3,230,071	\$ -	\$ -	\$ -	\$ 8,458,523
General Administration	\$ 8,904,423		\$ -	\$ -	\$ -	\$ 8,904,423
Plant Services	\$ 8,289,327	\$ 50,000	\$ 300,000	\$ 3,045,030	\$ 1,114,425	\$ 12,798,782
Other Outgo	\$ 511,595		\$ -	\$ 332,803	\$ -	\$ 844,398
	\$ 80,698,215	\$ 3,280,070	\$ 300,000	\$ 3,377,833	\$ 1,114,425	\$ 88,770,545

Note: Interfund transfers are not included in the General Fund or Building Fund totals.

GENERAL OPERATING EXPENDITURES, BY FUNCTION



Our operating budget for 2023–24 totals just over \$80.6 million, excluding the interfund transfer to the Cafeteria Fund. With a projected enrollment of 3,360 students and an average class size (including special program classes) of 24 students, we are spending about \$426,975 per classroom. The table below shows how that investment is used in each classroom.

Instruction. 59% (\$252,650 per classroom) of our total spending goes for regular and special education classroom teachers and teacher aides. The average teacher costs \$157,813. In addition to that cost, this category includes the cost of teacher aides, substitutes, textbooks, and classroom equipment and supplies.

Instruction-Related Services. \$52,982 per classroom or 12% of our money pays for school administration (principals, secretaries, and office supplies) and for improving teaching. Improving teaching includes the cost of professional development of our teachers, mentor teachers, curriculum, and library services.

LOS ALTOS SCHOOL DISTRICT 2023-24 BUDGET

Pupil Services. 6% of our money goes for direct non-instructional services to students. The cost of counselors, psychologists, health and speech services, and pupil transportation are included here.

General Administration. 11% of our spending is for running the system. General administration includes costs for Personnel, the superintendent's office, pupil services administration, legal services, and business operations (insurance, printing, data processing, payroll, and bookkeeping).

Plant Services. 10% of our money pays for the cleaning and upkeep of our schools. We pay for custodians, our maintenance and grounds crew, alarm systems, and utilities. Utilities alone cost around \$1 million.

Other Outgo. Other outgo, which includes debt service and interest on our Tax Revenue and Anticipation Notes (TRANS), comprises less than 1% of our spending.

2023-24 General Fund Expenditures By Function				
	Cost	% of Total	Cost per Classroom	Cost per Student
Instruction	\$ 47,750,871	59%	\$ 252,650	\$ 14,212
Instruction Related Services	\$ 10,013,549	12%	\$ 52,982	\$ 2,980
Pupil Services	\$ 5,228,452	6%	\$ 27,664	\$ 1,556
General Administration	\$ 8,904,423	11%	\$ 47,113	\$ 2,650
Plant Services	\$ 8,289,327	10%	\$ 43,859	\$ 2,467
Other Outgo	\$ 511,595	1%	\$ 2,707	\$ 152
total	\$ 80,698,215	100%	\$ 426,975	\$ 24,017
<i>Based on 189 classrooms and 3,360 students.</i>				
<i>Note: Interfund transfers are not included in the General Fund total.</i>				

REVENUE AND EXPENDITURE TRENDS: GENERAL FUND

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

REVENUES

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

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

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

Other Local. We receive significantly more local revenue than most districts in California, due to community support through PTAs, our education foundation, and our two parcel taxes. This revenue category also includes state special education funding, which flows through our local special education consortium, as well as interest earnings and lease and fee revenues.

EXPENDITURES

Employee Compensation. Employee compensation consumes 80—85% of our operating budget. Fluctuations result primarily from staffing reductions due to diminished funding or from staffing changes to accommodate changes in enrollment. Salary costs for teachers and other certificated employees, as well as salary costs for non-certificated (classified) employees, have remained a fairly consistent share of our total spending. Benefit costs have been moderated by employee concessions at the bargaining table. However, future health benefit increases are projected at 7.5% per year. Per recent changes in state law, contributions to employee retirement plans increase significantly every year starting from 2014–15.

Non-Personnel Costs. The proportionate share of costs for goods and services has remained fairly constant over time. Spending on books, supplies, and other instructional materials and equipment reflects program manager decisions as well as available resources. Transfers to other funds included monies deposited into a Special Reserve Fund reflecting our liability for future retiree health benefit payments and to create a separate reserve for economic uncertainties. Additional transfers were made to replenish our capital funds and starting in the budget year we will need to transfer funds to the Cafeteria Fund to support our food service operations.

General Fund	2019-20 Actuals	2020-21 Actuals	2021-22 Actuals	2022-23 Est. Actuals	2023-24 Budget	2024-25 Projection	2025-26 Projection	2026-27 Projection
REVENUES								
LCFF/Revenue Limit Sources	65.6%	65.2%	67.1%	69.7%	73.1%	73.8%	76.3%	76.7%
Federal Revenue	1.6%	3.8%	3.6%	1.8%	1.3%	1.2%	1.2%	1.2%
Other State Revenue	7.1%	8.8%	7.7%	9.1%	6.3%	6.1%	6.1%	6.0%
Other Local Revenue	25.7%	22.2%	21.6%	19.3%	19.3%	18.9%	16.3%	16.0%
TOTAL OPERATING REVENUE	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%
EXPENSES								
Certificated Salaries	40.4%	40.1%	38.2%	35.7%	36.8%	36.8%	36.5%	36.4%
Classified Salaries	16.5%	17.4%	17.0%	17.3%	17.9%	17.4%	16.7%	15.3%
Employee Benefits	27.8%	26.3%	25.9%	25.0%	26.6%	28.2%	29.4%	31.0%
Books & Supplies	3.6%	5.9%	3.9%	7.8%	3.2%	3.1%	3.1%	3.1%
Services & Other Operating Expenditures	11.4%	10.2%	14.5%	12.3%	13.4%	13.0%	12.8%	12.7%
Capital Outlay	0.3%	0.1%	0.5%	0.4%	0.3%	0.0%	0.0%	0.0%
Other Expenses and Outgo	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
Transfers Out To Other Funds	0.0%	0.0%	0.0%	1.5%	1.8%	1.5%	1.5%	1.4%
TOTAL OPERATING EXPENDITURES	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%

LOS ALTOS SCHOOL DISTRICT 2023-24 BUDGET

BUDGET DETAILS

On the following pages we present expenditure information in more detail. We begin with General Fund information broken down by site (school and district programs). Following that we show expenditure information for our special purpose funds, concluding with a section on debt and one on our retiree health benefits liability.

GENERAL FUND EXPENDITURES

SCHOOL PROGRAMS

The following section details information about each of our schools and shows budgeted expenditures as well as prior years' experience.

General Fund Budgets Detail	2023-24 Expenditures
School Programs	
Elementary (K-6)	
Almond	4,188,125
Gardner Bullis	3,144,469
Covington	6,006,838
Loyola	4,370,686
Oak	3,960,680
Santa Rita	4,884,233
Springer	4,338,652
Intermediate (7-8)	
Blach	5,595,339
Egan	6,426,269
Total, School Programs	42,915,291
District Programs	36,077,626
Grand Total	77,982,347
<i>Excludes 2,715,869 (Offset to state on-behalf contribution to STRS)</i>	

ELEMENTARY SCHOOLS (GRADES K THROUGH 6)

Our district is characterized by small neighborhood schools. The projected average school size is 354 students, ranging from a low of 297 (Gardner Bullis) to a high of 440 (Covington).

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

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

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

School	Enrollment by Grade										Total
	TK/K	1	2	3	4	5	6	7	8	SDC	
Almond Elementary	63	42	47	47	46	58	57				360
Gardner Bullis Elementary	53	32	40	36	51	42	43				297
Covington Elementary	60	50	60	54	67	53	80			16	440
Loyola Elementary	62	40	45	41	52	49	34			11	334
Oak Elementary	46	39	42	44	44	47	60				322
Santa Rita Elementary	56	39	46	43	53	48	70			7	362
Springer Elementary	67	31	39	48	57	47	64			9	362
Blach Intermediate								179	213		392
Egan Intermediate								230	261		491
TOTAL	407	273	319	313	370	344	408	409	474	43	3,360
<i>SDC = Special Day Class students (multi-grade)</i>											

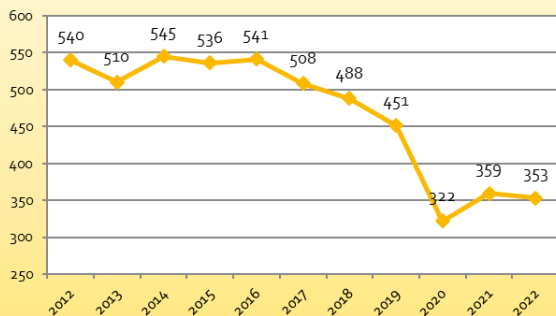


Almond School (K-6)

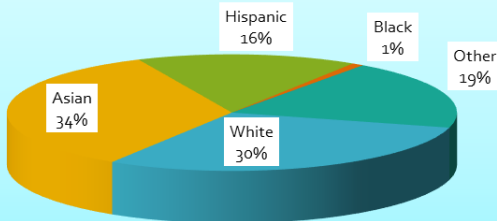
- A California Distinguished School
- 550 Almond Avenue, Los Altos
- www.almondschool.org
- Enrollment: 360
- Principal: Raquel Matteroli
- Site Acreage: 9.94 acres
- Teachers, Regular: 16.0 FTE
- Teachers, Other: 1.0 FTE
- Discretionary Allocation: \$55 per student
- Building SF: 42,987

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

October Enrollment History: Almond

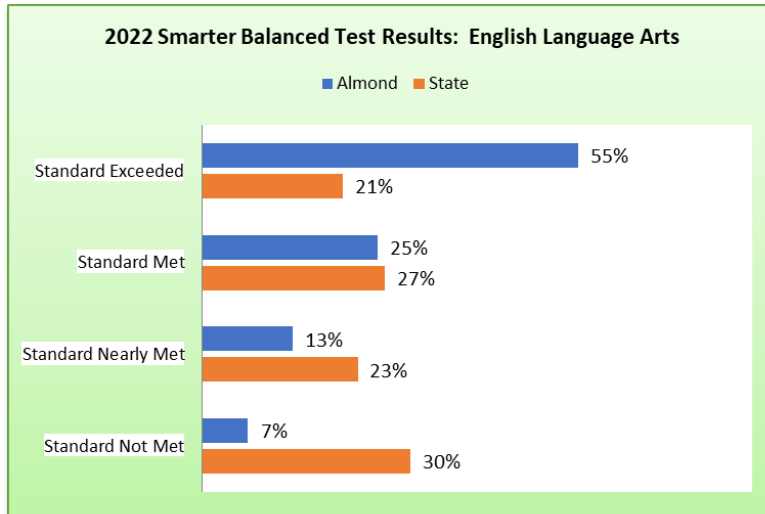


Student Ethnicity
Almond School



Empower our students to OWN their learning in a collaborative community.

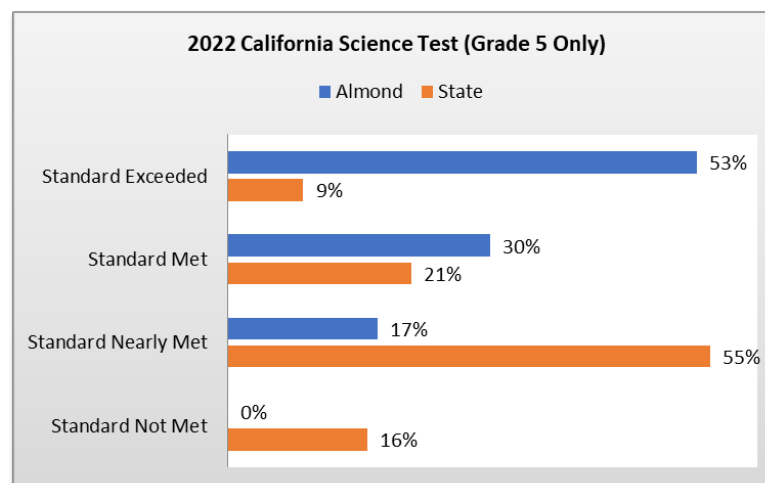
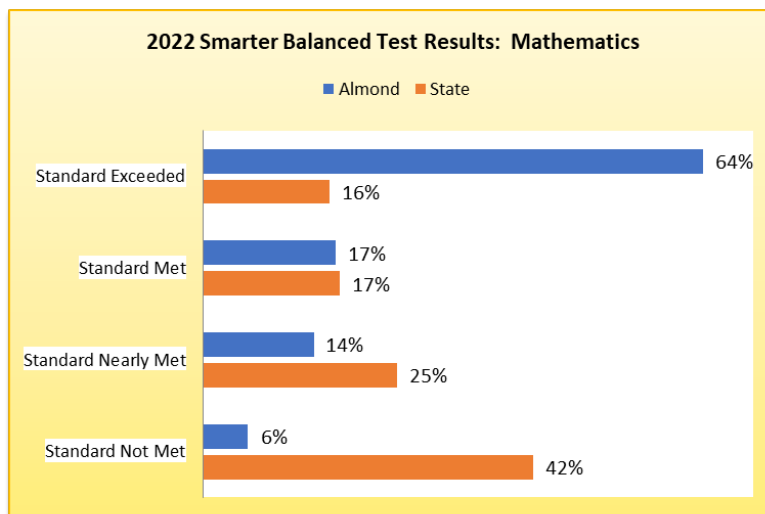
ACHIEVEMENT TEST RESULTS: ALMOND SCHOOL



The state's Smarter Balanced Assessment System utilizes computer-adaptive tests and performance tasks that allow students to show what they know and are able to do. This system is based on the Common Core State Standards for English language arts/literacy (ELA) and mathematics.

The accompanying test results show how our students performed as measured against state standards in the areas of English Language Arts and Mathematics. The charts show the overwhelming majority of our students meeting or exceeding standards, as we compare favorably when measured against students across the state

Below those test results we show the most recent results on the California Science Test, which is only given in certain grades (5th and 8th). Like the scoring for the Smarter Balanced tests, student performance is rated against state standards as appropriate for each grade level.



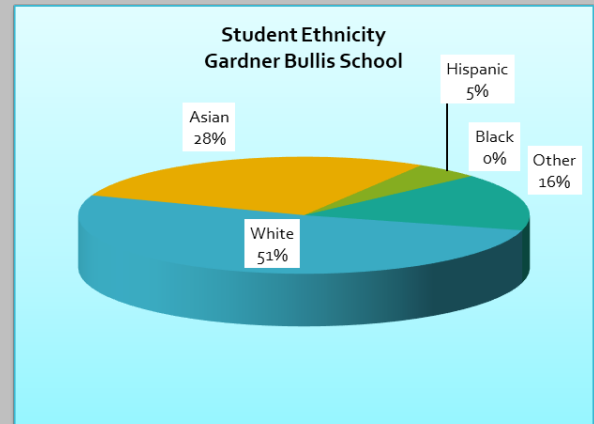
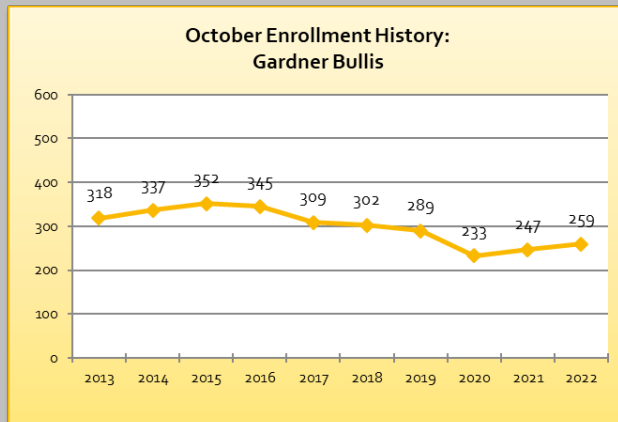
	Actuals 2019-20	Actuals 2020-21	Actuals 2021-22	Est. Actuals 2022-23	Adopted 2023-24	Budget FTE 2023-24
<u>1000 - Instruction</u>						
1 - Certificated Salaries	1,860,009	1,530,531	1,945,895	2,003,350	1,834,278	16.000
2 - Classified Salaries	96,906	80,166	104,398	132,687	145,256	3.038
3 - Benefits	693,720	571,872	729,481	788,921	718,713	
4 - Supplies	129,042	44,836	87,625	98,281	16,141	
5 - Services	41,012	15,843	24,901	20,500	20,500	
6 - Capital				1,000	1,000	
1000 - Instruction	2,820,688	2,243,247	2,892,301	3,044,739	2,735,888	19.038
<u>1110 - Special Ed.: Separate Classes</u>						
4 - Supplies				2,679		
1110 - Special Ed.: Separate Classes				2,679		
<u>1120 - Special Ed.: Resources Specialist</u>						
1 - Certificated Salaries	109,233	111,388	119,080	126,135	133,613	1.000
2 - Classified Salaries	118,332	102,141	107,406	139,875	155,582	3.000
3 - Benefits	98,649	88,159	100,769	117,597	128,379	
1120 - Special Ed.: Resources Specialist	326,214	301,687	327,254	383,607	417,574	4.000
<u>2420 - Instructional Library, Media, & Technology</u>						
2 - Classified Salaries	75,542	77,208	83,961	84,740	94,225	1.375
3 - Benefits	22,340	24,141	31,200	38,764	44,165	
6 - Capital			2,629	1,412	1,440	
2420 - Instructional Library, Media, & Technology	97,883	101,349	117,790	124,916	139,830	1.375
<u>2700 - School Administration</u>						
1 - Certificated Salaries	149,483	157,271	175,767	188,262	199,393	1.000
2 - Classified Salaries	89,314	92,064	106,882	107,173	114,804	1.625
3 - Benefits	88,806	90,830	103,757	101,639	110,913	
4 - Supplies				353	360	
5 - Services	2,750	2,750	2,777	6,250	6,250	
2700 - School Administration	330,354	342,915	389,184	403,677	431,720	2.625
<u>3120 - Psychological Services</u>						
1 - Certificated Salaries	96,816	102,152	115,122	128,199	142,431	1.000
3 - Benefits	23,511	23,943	27,873	33,565	36,834	
3120 - Psychological Services	120,327	126,095	142,995	161,764	179,265	1.000
<u>3150 - Speech Pathology & Audiology Services</u>						
1 - Certificated Salaries				20,815	22,803	0.200
3 - Benefits				7,012	7,691	
3150 - Speech Pathology & Audiology Services				27,827	30,494	0.200
<u>3900 - Other Pupil Services</u>						
1 - Certificated Salaries	175		713			
2 - Classified Salaries	13,939	20,289	21,573	17,009	15,660	0.438
3 - Benefits	3,270	3,725	4,342	4,513	4,730	
3900 - Other Pupil Services	17,384	24,014	26,627	21,522	20,390	0.438
<u>4000 - Ancillary Services</u>						
5 - Services		8,165	60,995	0	0	
4000 - Ancillary Services		8,165	60,995	0	0	
<u>8200 - Operations</u>						
2 - Classified Salaries	87,169	99,870	122,385	132,107	143,962	2.000
3 - Benefits	30,838	43,548	63,485	73,016	81,802	
4 - Supplies	8,221	4,040	9,399	3,530	3,600	
5 - Services	3,666	4,000	3,778	3,600	3,600	
8200 - Operations	129,894	151,458	199,047	212,253	232,964	2.000
Grand Total	3,842,744	3,298,931	4,156,193	4,382,984	4,188,125	30.675



Gardner Bullis School (K-6)

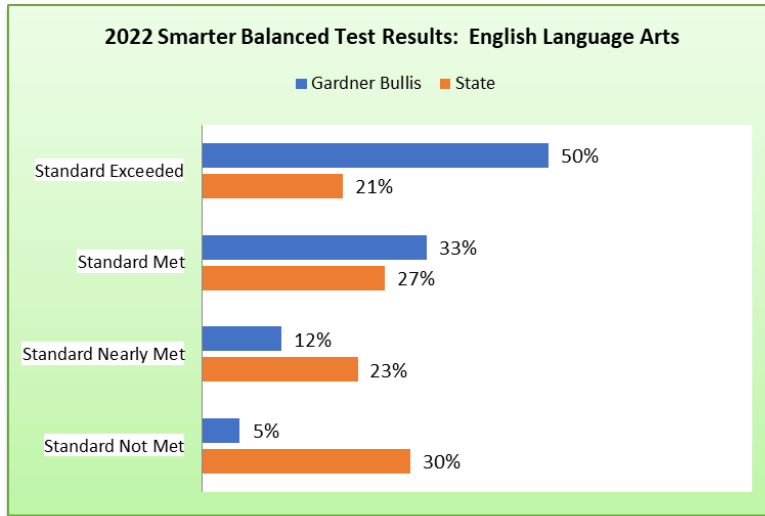
- A California Distinguished School
- National Blue Ribbon School
- 25890 Fremont Road, Los Altos Hills
- www.gardnerbullis.org
- Enrollment: 297
- Principal: Kate Schermerhorn
- Site Acreage: 9.97 acres
- Teachers, Regular: 14.0 FTE
- Teachers, Other: 1.0 FTE
- Discretionary Allocation: \$55 per student
- Building SF: 31,948

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



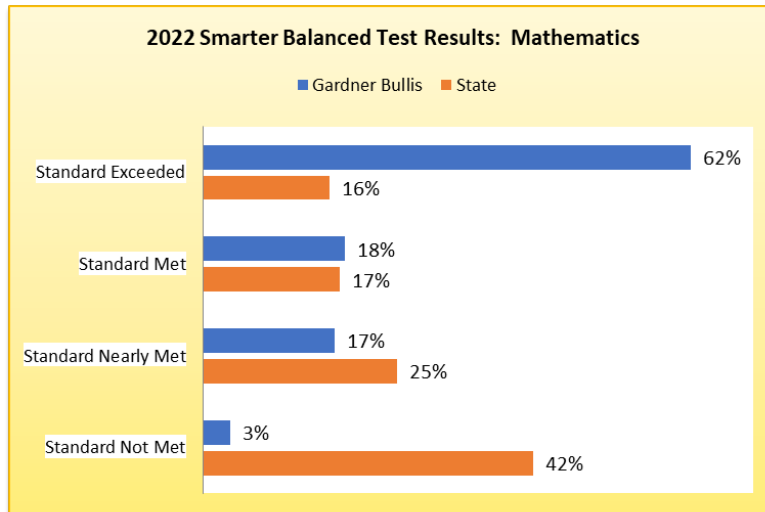
It is the mission of Gardner Bullis School to personalize learning and to engage all students through creative and innovative experiences to foster lifelong learning, global citizenship, and a growth mindset. With the support of our diverse community, we provide a safe, welcoming, and supportive environment through open communication, collaboration, and mutual respect.

ACHIEVEMENT TEST RESULTS: GARDNER BULLIS SCHOOL

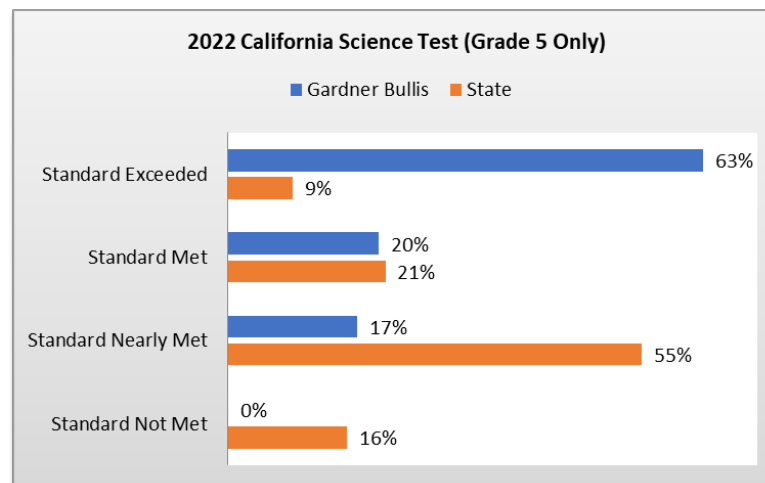


The state's Smarter Balanced Assessment System utilizes computer-adaptive tests and performance tasks that allow students to show what they know and are able to do. This system is based on the Common Core State Standards for English language arts/literacy (ELA) and mathematics.

The accompanying test results show how our students performed as measured against state standards in the areas of English Language Arts and Mathematics. The charts show the overwhelming majority of our students meeting or exceeding standards, as we compare favorably when measured against students across the state



Below those test results we show the most recent results on the California Science Test, which is only given in certain grades (5th and 8th). Like the scoring for the Smarter Balanced tests, student performance is rated against state standards as appropriate for each grade level.



	Actuals 2019-20	Actuals 2020-21	Actuals 2021-22	Est. Actuals 2022-23	Adopted 2023-24	Budget FTE 2023-24
<u>1000 - Instruction</u>						
1 - Certificated Salaries	1,274,617	1,054,746	1,302,086	1,330,882	1,443,545	14.000
2 - Classified Salaries	66,046	50,875	79,102	68,941	55,264	1.350
3 - Benefits	482,271	387,865	449,816	462,912	499,332	
4 - Supplies	92,328	54,577	111,425	32,426	12,926	
5 - Services	18,308	8,716	8,753	15,100	15,100	
6 - Capital	156,210			1,000	1,000	
1000 - Instruction	2,089,780	1,556,779	1,951,183	1,911,261	2,027,167	15.350
<u>1120 - Special Ed.: Resources Specialist</u>						
1 - Certificated Salaries	57,454	59,985	94,979	101,971	111,730	1.000
2 - Classified Salaries	92,891	70,002	69,241	85,380	80,512	1.500
3 - Benefits	73,041	59,520	68,781	87,483	91,063	
1120 - Special Ed.: Resources Specialist	223,386	189,508	233,000	274,834	283,305	2.500
<u>2420 - Instructional Library, Media, & Technology</u>						
2 - Classified Salaries	82,472	83,901	90,399	95,202	103,506	1.388
3 - Benefits	25,941	27,216	31,449	35,565	40,074	
4 - Supplies			16			
6 - Capital			382	1,036	1,188	
2420 - Instructional Library, Media, & Technology	108,412	111,117	122,246	131,803	144,768	1.388
<u>2700 - School Administration</u>						
1 - Certificated Salaries	162,022	166,062	178,297	148,476	162,987	1.000
2 - Classified Salaries	85,819	82,690	95,680	100,551	107,168	1.500
3 - Benefits	104,340	94,796	98,684	104,845	124,552	
4 - Supplies			54			
5 - Services	2,750	2,750	2,750	2,750	2,750	
2700 - School Administration	354,931	346,298	375,465	356,622	397,457	2.500
<u>3120 - Psychological Services</u>						
1 - Certificated Salaries	104,531	106,597	95,547	105,023	117,772	1.000
3 - Benefits	23,761	23,741	26,679	35,273	39,319	
3120 - Psychological Services	128,292	130,338	122,226	140,296	157,091	1.000
<u>3900 - Other Pupil Services</u>						
1 - Certificated Salaries	675					
2 - Classified Salaries	1,125	8,546	4,476	2,704	2,704	
3 - Benefits	248	2,384	1,602			
3900 - Other Pupil Services	2,048	10,930	6,078	2,704	2,704	
<u>4000 - Ancillary Services</u>						
5 - Services		2,878	4,602	1	1	
4000 - Ancillary Services		2,878	4,602	1	1	
<u>8200 - Operations</u>						
2 - Classified Salaries	77,401	62,216	90,118	85,639	89,819	1.500
3 - Benefits	27,861	28,356	39,597	27,724	33,187	
4 - Supplies	6,571	3,743	6,919	4,990	5,370	
5 - Services	5,213	5,376	5,233	3,600	3,600	
8200 - Operations	117,046	99,691	141,867	121,953	131,976	1.500
Grand Total	3,023,895	2,447,539	2,956,667	2,939,473	3,144,469	24.238

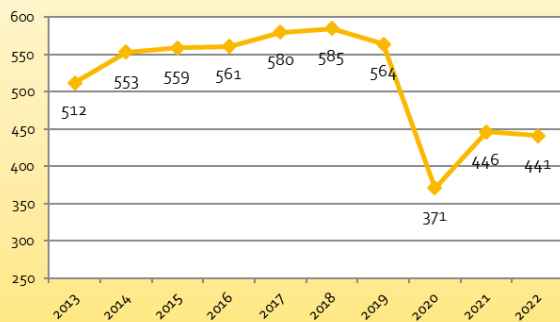


Covington School (K-6)

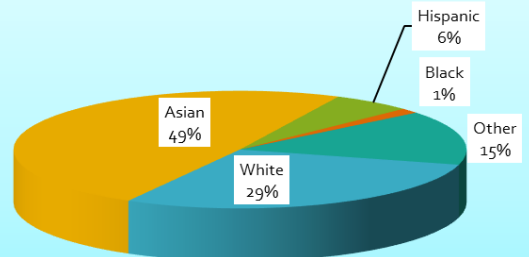
- A California Distinguished School
- 205 Covington Road, Los Altos
- www.covingtonschool.org
- Enrollment: 440
- Principal: Kevin Armstrong
- Site Acreage: 15.43 acres
- Teachers, Regular: 23.0 FTE
- Teachers, Other: 1.0 FTE
- Discretionary Allocation: \$55 per student
- Building SF: 52,664

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

October Enrollment History: Covington

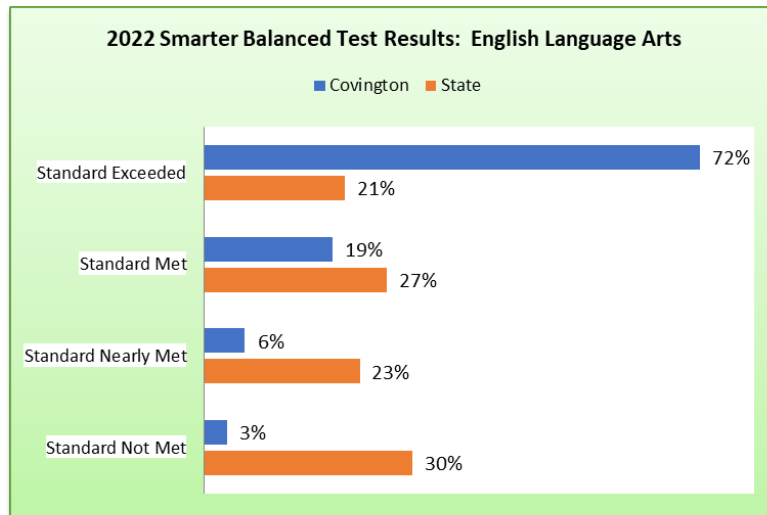


Student Ethnicity
Covington School



Covington Elementary commits to a high level of learning for every student and adult. Together we foster a safe culture, where we learn actively and collaboratively, think creatively and critically, develop perseverance, live respectfully and responsibly, and contribute positively to our diverse community and beyond.

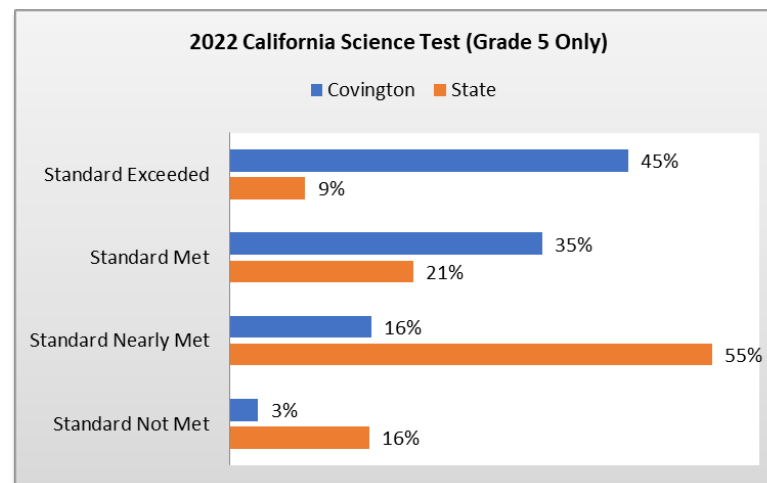
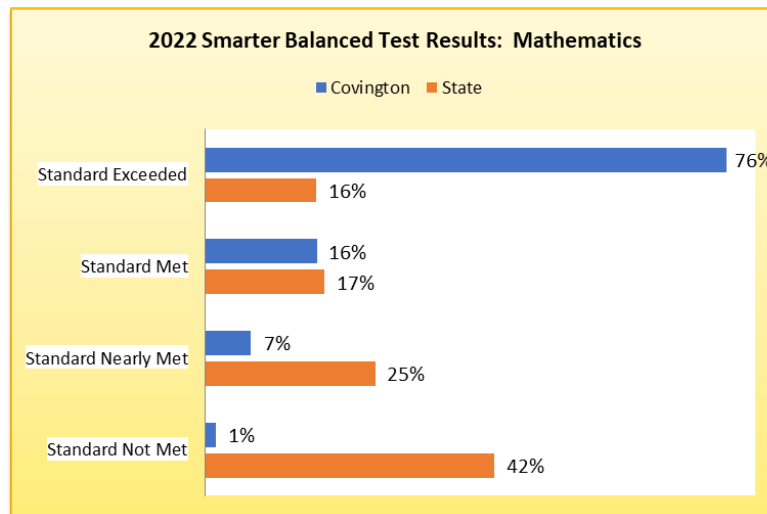
ACHIEVEMENT TEST RESULTS: COVINGTON SCHOOL



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Below those test results we show the most recent results on the California Science Test, which is only given in certain grades (5th and 8th). Like the scoring for the Smarter Balanced tests, student performance is rated against state standards as appropriate for each grade level.



	Actuals 2019-20	Actuals 2020-21	Actuals 2021-22	Est. Actuals 2022-23	Adopted 2023-24	Budget FTE 2023-24
<u>1000 - Instruction</u>						
1 - Certificated Salaries	2,211,990	1,519,807	1,948,241	2,148,583	2,193,145	19.000
2 - Classified Salaries	112,208	91,528	135,999	62,518	67,212	1.625
3 - Benefits	874,700	602,531	752,113	837,030	868,546	
4 - Supplies	169,278	89,728	182,816	21,770	19,544	
5 - Services	20,211	11,900	16,506	22,300	22,300	
6 - Capital				1,000	1,000	
1000 - Instruction	3,388,388	2,315,494	3,035,676	3,093,201	3,171,747	20.625
<u>1110 - Special Ed.: Separate Classes</u>						
1 - Certificated Salaries	282,674	272,140	313,185	456,668	465,117	4.000
2 - Classified Salaries	393,364	332,992	343,987	504,360	556,159	9.662
3 - Benefits	243,049	220,332	253,184	396,142	433,675	
4 - Supplies			15			
1110 - Special Ed.: Separate Classes	919,087	825,463	910,370	1,357,170	1,454,951	13.662
<u>1120 - Special Ed.: Resources Specialist</u>						
1 - Certificated Salaries	99,661	104,769	115,849	101,160	107,140	1.000
2 - Classified Salaries	69,273	55,748	76,909	114,810	123,975	2.250
3 - Benefits	82,252	69,548	82,482	87,716	104,772	
1120 - Special Ed.: Resources Specialist	251,187	230,066	275,241	303,686	335,887	3.250
<u>1130 - Special Ed.: Supplemental Aids & Services</u>						
2 - Classified Salaries	32,685	29,671				
3 - Benefits	10,912	32				
1130 - Special Ed.: Supplemental Aids & Services	43,597	29,703				
<u>2420 - Instructional Library, Media, & Technology</u>						
2 - Classified Salaries	77,308	78,528	84,301	90,343	97,340	1.388
3 - Benefits	54,457	56,749	63,972	65,512	82,535	
6 - Capital				1,764	1,760	
2420 - Instructional Library, Media, & Technology	131,765	135,277	148,273	157,619	181,635	1.388
<u>2700 - School Administration</u>						
1 - Certificated Salaries	163,355	163,562	180,861	194,277	205,408	1.000
2 - Classified Salaries	95,268	96,892	112,140	119,303	126,091	1.750
3 - Benefits	99,139	103,811	121,277	100,013	106,845	
4 - Supplies				441	440	
5 - Services	2,750	2,750	2,750	6,250	6,250	
2700 - School Administration	360,512	367,016	417,028	420,284	445,034	2.750
<u>3120 - Psychological Services</u>						
1 - Certificated Salaries	103,149	110,916	104,884	117,361	117,772	1.000
3 - Benefits	31,558	32,606	32,681	38,107	39,319	
3120 - Psychological Services	134,707	143,522	137,566	155,468	157,091	1.000
<u>3150 - Speech Pathology & Audiology Services</u>						
1 - Certificated Salaries			18,974			
2 - Classified Salaries	8,218					
3 - Benefits	2,365		5,608			
3150 - Speech Pathology & Audiology Services	10,583		24,581			
<u>3900 - Other Pupil Services</u>						
1 - Certificated Salaries			50			
2 - Classified Salaries	14,847	9,998	12,156	7,843	8,797	0.250
3 - Benefits	8,169	6,083	5,839	4,637	6,993	
3900 - Other Pupil Services	23,016	16,081	18,045	12,480	15,790	0.250
<u>4000 - Ancillary Services</u>						
5 - Services		26,641	64,116	601	601	
4000 - Ancillary Services		26,641	64,116	601	601	
<u>8200 - Operations</u>						
2 - Classified Salaries	83,513	70,531	135,485	127,546	134,091	2.000
3 - Benefits	53,714	45,605	98,981	86,181	102,011	

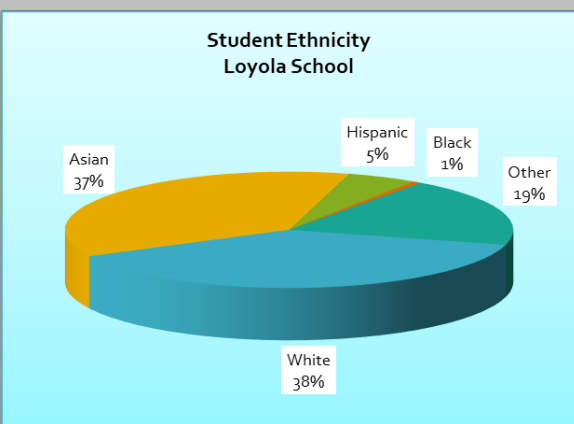
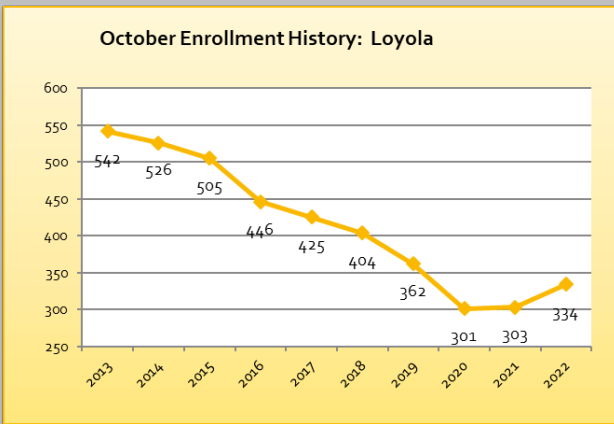
	Actuals 2019-20	Actuals 2020-21	Actuals 2021-22	Est. Actuals 2022-23	Adopted 2023-24	Budget FTE 2023-24
4 - Supplies	8,456	2,779	81	4,410	4,400	
5 - Services	4,793	4,954	5,140	3,600	3,600	
8200 - Operations	150,477	123,868	239,686	221,737	244,102	2.000
Grand Total	5,413,317	4,213,130	5,270,581	5,722,246	6,006,838	44.925



Loyola School (K-6)

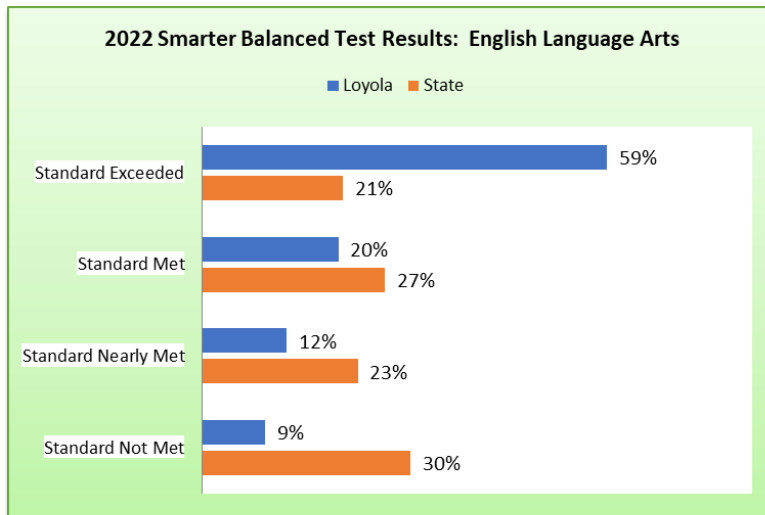
- A California Distinguished School
- 770 Berry Avenue, Los Altos
- www.loyolaschool.org
- Enrollment: 334
- Principal: Richard Julian
- Site Acreage: 10.0 acres
- Teachers, Regular: 17.0 FTE
- Teachers, Other: 0 FTE
- Discretionary Allocation: \$55 per student
- Building SF: 41,411

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



Loyola School inspires students to become lifelong learners and engaged members of their communities. Our staff, in partnership with families and community members, creates a safe environment where children are empowered to develop the knowledge and life skills needed to contribute in an ever-changing world.

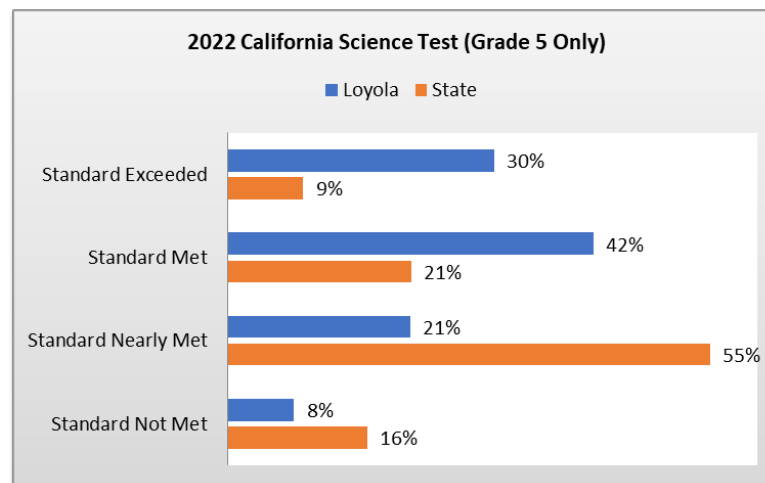
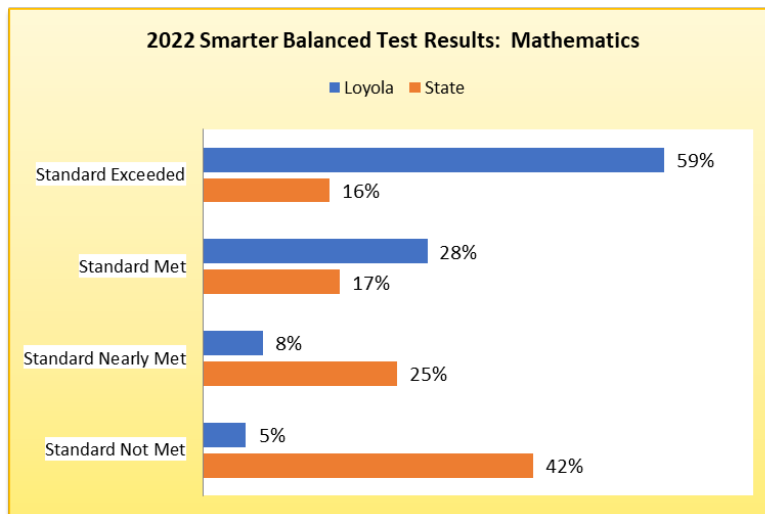
ACHIEVEMENT TEST RESULTS: LOYOLA SCHOOL



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	Actuals 2019-20	Actuals 2020-21	Actuals 2021-22	Est. Actuals 2022-23	Adopted 2023-24	Budget FTE 2023-24
<u>1000 - Instruction</u>						
1 - Certificated Salaries	1,449,323	1,303,641	1,374,698	1,584,304	1,604,799	14.000
2 - Classified Salaries	79,046	78,288	91,798	87,983	95,240	2.300
3 - Benefits	547,342	460,883	496,096	581,554	592,663	
4 - Supplies	65,682	75,734	67,439	89,597	14,421	
5 - Services	42,374	11,904	24,206	15,500	15,500	
6 - Capital				1,000	1,000	
1000 - Instruction	2,183,768	1,930,450	2,054,236	2,359,938	2,323,623	16.300
<u>1110 - Special Ed.: Separate Classes</u>						
1 - Certificated Salaries	142,571	174,039	183,021	292,500	317,272	3.000
2 - Classified Salaries	187,553	191,951	185,460	215,312	211,181	3.956
3 - Benefits	136,395	155,622	153,850	235,093	227,313	
1110 - Special Ed.: Separate Classes	466,518	521,611	522,331	742,905	755,766	6.956
<u>1120 - Special Ed.: Resources Specialist</u>						
1 - Certificated Salaries	78,113	78,809	84,114			
2 - Classified Salaries	159,939	227,882	211,283	159,512	159,275	3.031
3 - Benefits	98,064	127,514	121,473	63,021	77,986	
1120 - Special Ed.: Resources Specialist	336,116	434,204	416,870	222,533	237,261	3.031
<u>2420 - Instructional Library, Media, & Technology</u>						
2 - Classified Salaries	80,344	83,678	54,617	93,904	101,394	1.450
3 - Benefits	30,047	32,221	27,956	42,180	46,828	
6 - Capital	1,640		200	1,336	1,336	
2420 - Instructional Library, Media, & Technology	112,031	115,900	82,773	137,420	149,558	1.450
<u>2700 - School Administration</u>						
1 - Certificated Salaries	160,355	163,562	175,797	188,262	199,393	1.000
2 - Classified Salaries	81,695	88,567	105,240	108,105	116,164	1.625
3 - Benefits	72,990	75,774	86,644	92,208	100,087	
4 - Supplies				334	334	
5 - Services	2,750	2,750	2,750	2,750	2,750	
2700 - School Administration	317,790	330,653	370,431	391,659	418,728	2.625
<u>3120 - Psychological Services</u>						
1 - Certificated Salaries	121,478	123,908	132,581	140,537	148,969	1.000
3 - Benefits	35,279	45,293	52,292	58,343	60,659	
3120 - Psychological Services	156,757	169,201	184,873	198,880	209,628	1.000
<u>3900 - Other Pupil Services</u>						
1 - Certificated Salaries	625	363	3,100	6,500	6,500	
2 - Classified Salaries	13,872	19,486	22,077	16,138	16,110	0.458
3 - Benefits	4,495	5,587	8,155	8,196	8,391	
3900 - Other Pupil Services	18,992	25,436	33,331	30,834	31,001	0.458
<u>4000 - Ancillary Services</u>						
5 - Services		5,268	31,619	9,150	9,150	
4000 - Ancillary Services		5,268	31,619	9,150	9,150	
<u>8200 - Operations</u>						
2 - Classified Salaries	86,207	102,639	121,323	125,462	151,286	2.000
3 - Benefits	36,327	53,899	51,147	72,223	77,744	
4 - Supplies	7,860	4,004	6,760	3,340	3,340	
5 - Services	4,655	4,926	2,843	3,600	3,600	
8200 - Operations	135,049	165,467	182,073	204,625	235,970	2.000
Grand Total	3,727,020	3,698,190	3,878,537	4,297,945	4,370,686	33.820

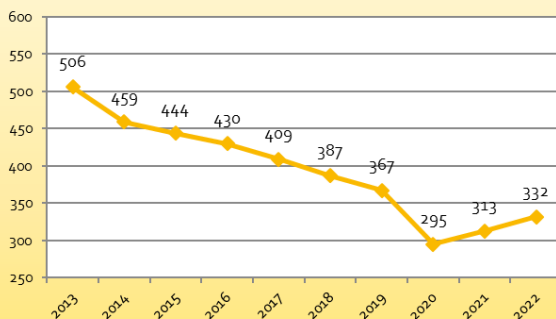


Oak School (K-6)

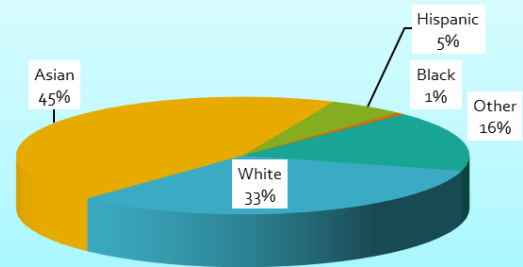
- A California Distinguished School
- National Blue Ribbon School
- 1501 Oak Avenue, Los Altos
- www.oakschool.org
- Enrollment: 322
- Principal: Nikita Shah
- Site Acreage: 10.0 acres
- Teachers, Regular: 14.0 FTE
- Teachers, Other: 1.0 FTE
- Discretionary Allocation: \$55 per student
- Building SF: 39,024

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

October Enrollment History: Oak

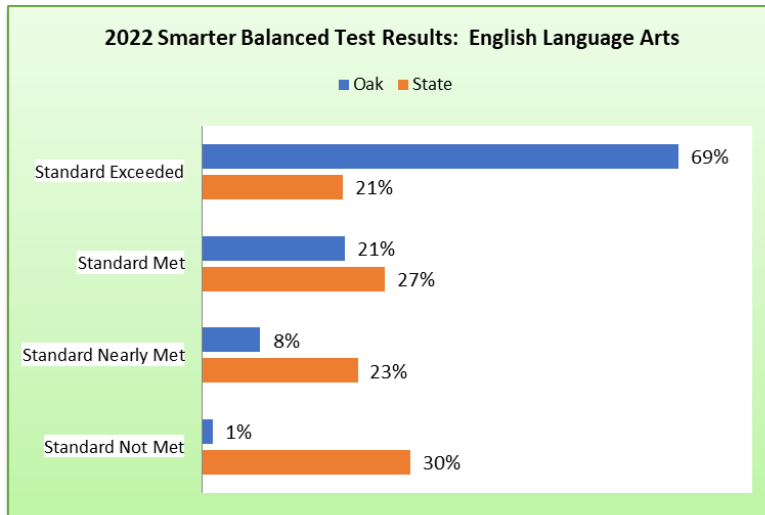


Student Ethnicity
Oak School



At Oak School, ALL staff collaborate to create an environment where ALL students develop academic and social skills, become confident, resilient, successful lifelong learners, who are caring and responsible citizens of our global community.

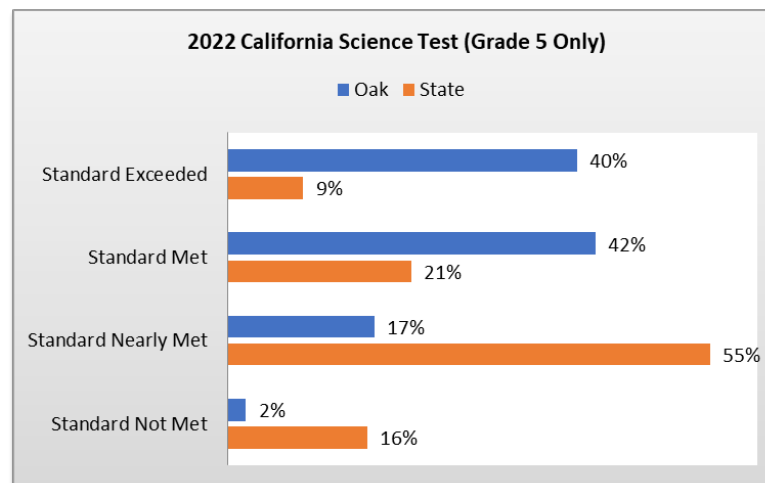
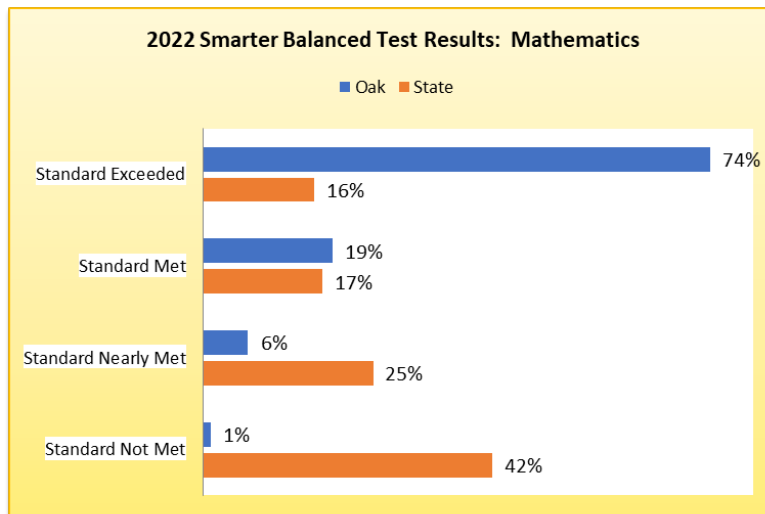
ACHIEVEMENT TEST RESULTS: OAK SCHOOL



The state's Smarter Balanced Assessment System utilizes computer-adaptive tests and performance tasks that allow students to show what they know and are able to do. This system is based on the Common Core State Standards for English language arts/literacy (ELA) and mathematics.

The accompanying test results show how our students performed as measured against state standards in the areas of English Language Arts and Mathematics. The charts show the overwhelming majority of our students meeting or exceeding standards, as we compare favorably when measured against students across the state

Below those test results we show the most recent results on the California Science Test, which is only given in certain grades (5th and 8th). Like the scoring for the Smarter Balanced tests, student performance is rated against state standards as appropriate for each grade level.



	Actuals 2019-20	Actuals 2020-21	Actuals 2021-22	Est. Actuals 2022-23	Adopted 2023-24	Budget FTE 2023-24
<u>1000 - Instruction</u>						
1 - Certificated Salaries	1,480,129	1,427,836	1,381,026	1,592,755	1,619,802	14.000
2 - Classified Salaries	55,662	75,119	85,834	110,531	100,076	2.150
3 - Benefits	557,681	549,284	543,221	695,123	712,146	
4 - Supplies	94,944	78,762	52,156	19,297	1,737	
5 - Services	17,035	8,325	18,906	20,000	15,000	
6 - Capital				1,000	1,000	
1000 - Instruction	2,205,451	2,139,326	2,081,144	2,438,706	2,449,761	16.150
<u>1110 - Special Ed.: Separate Classes</u>						
3 - Benefits	768					
1110 - Special Ed.: Separate Classes	768					
<u>1120 - Special Ed.: Resources Specialist</u>						
1 - Certificated Salaries	109,233	111,588	119,080	126,135	133,613	1.000
2 - Classified Salaries	123,396	127,994	173,836	196,803	207,653	3.794
3 - Benefits	108,502	111,417	137,647	152,176	167,951	
1120 - Special Ed.: Resources Specialist	341,131	350,998	430,563	475,114	509,217	4.794
<u>1130 - Special Ed.: Supplemental Aids & Services</u>						
2 - Classified Salaries	31,244	33,264				
3 - Benefits	10,418	11,367				
1130 - Special Ed.: Supplemental Aids & Services	41,662	44,631				
<u>2420 - Instructional Library, Media, & Technology</u>						
2 - Classified Salaries	76,198	76,706	83,339	87,731	94,896	1.350
3 - Benefits	22,671	23,591	30,877	31,708	35,704	
6 - Capital				1,328	1,288	
2420 - Instructional Library, Media, & Technology	98,869	100,297	114,216	120,767	131,888	1.350
<u>2700 - School Administration</u>						
1 - Certificated Salaries	160,355	163,562	175,797	188,262	199,393	1.000
2 - Classified Salaries	76,315	83,416	94,066	100,151	106,768	1.500
3 - Benefits	102,627	114,836	126,215	142,786	155,436	
4 - Supplies				332	322	
5 - Services	2,750	2,750	2,750	2,750	2,750	
2700 - School Administration	342,047	364,564	398,828	434,281	464,669	2.500
<u>3120 - Psychological Services</u>						
1 - Certificated Salaries	79,214	78,619	95,342	111,176	123,652	0.900
3 - Benefits	43,189	23,867	28,516	27,426	30,252	
3120 - Psychological Services	122,402	102,486	123,858	138,602	153,904	0.900
<u>3900 - Other Pupil Services</u>						
1 - Certificated Salaries	1,963		100			
2 - Classified Salaries	10,533	10,266	16,262	15,335	18,342	0.525
3 - Benefits	1,345	931	1,569	1,899	2,734	
3900 - Other Pupil Services	13,840	11,198	17,931	17,234	21,076	0.525
<u>4000 - Ancillary Services</u>						
5 - Services		9,933	47,412	651	651	
4000 - Ancillary Services		9,933	47,412	651	651	
<u>8200 - Operations</u>						
2 - Classified Salaries	89,834	120,203	135,339	142,382	151,886	2.000
3 - Benefits	37,347	48,518	56,986	64,286	70,808	
4 - Supplies	3,601	3,902	4,735	3,320	3,220	
5 - Services	783	862	2,164	3,600	3,600	
8200 - Operations	131,565	173,485	199,224	213,588	229,514	2.000
Grand Total	3,297,736	3,296,918	3,413,176	3,838,943	3,960,680	28.219

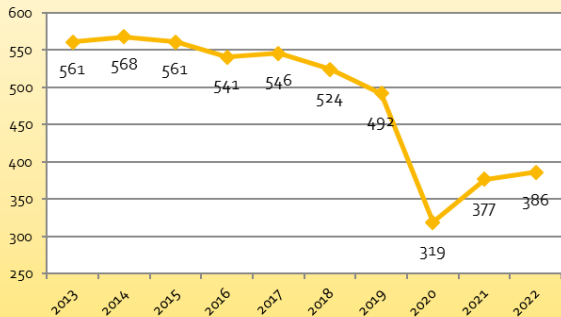


Santa Rita School (K-6)

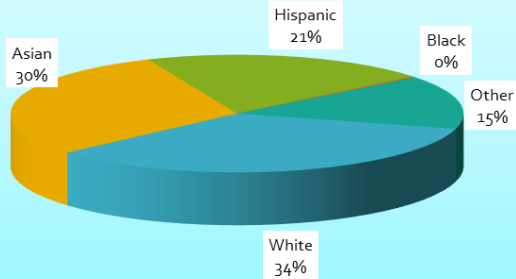
- A California Distinguished School
- National Blue Ribbon School
- 700 Los Altos Avenue, Los Altos
- www.santaritaschool.org
- Enrollment: 362
- Principal: Kelly Rafferty
- Site Acreage: 11.32 acres
- Teachers, Regular: 17.0 FTE
- Teachers, Other: 1.0 FTE
- Discretionary Allocation: \$55 per student
- Building SF: 40,458

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

October Enrollment History: Santa Rita

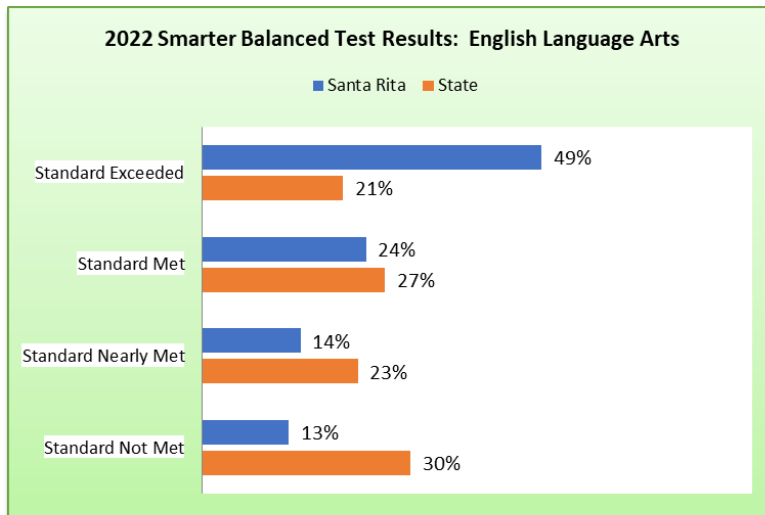


Student Ethnicity
Santa Rita School



Create curious, motivated learners who will reach their highest potential in a supportive community.

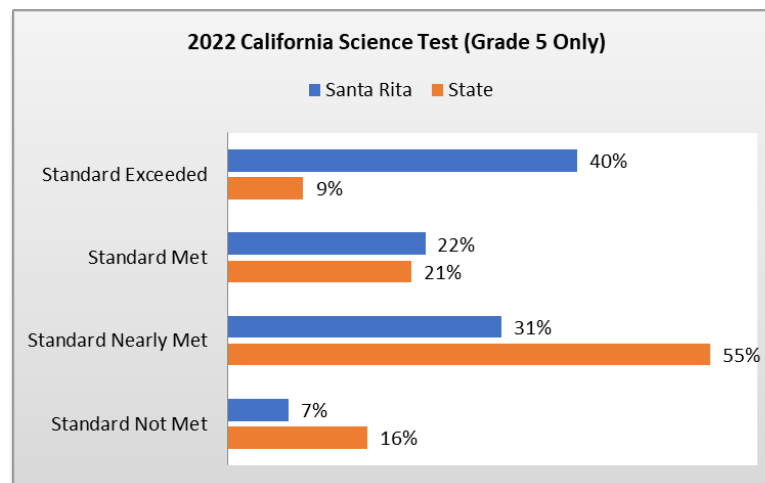
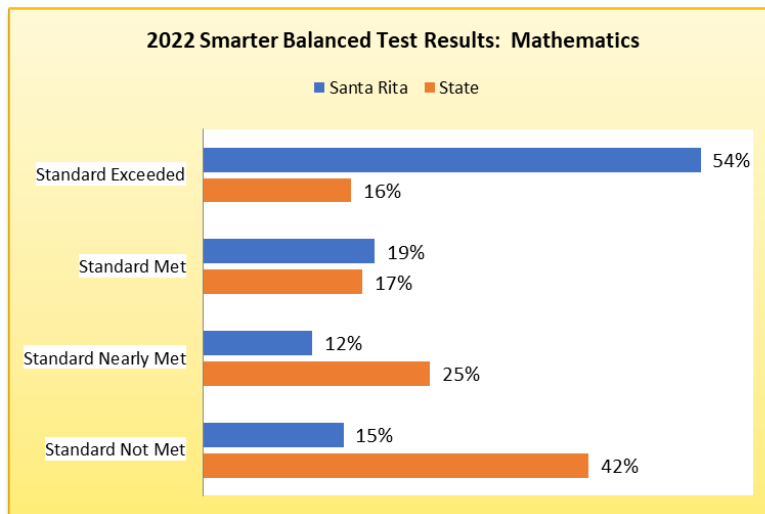
ACHIEVEMENT TEST RESULTS: SANTA RITA SCHOOL



The state's Smarter Balanced Assessment System utilizes computer-adaptive tests and performance tasks that allow students to show what they know and are able to do. This system is based on the Common Core State Standards for English language arts/literacy (ELA) and mathematics.

The accompanying test results show how our students performed as measured against state standards in the areas of English Language Arts and Mathematics. The charts show the overwhelming majority of our students meeting or exceeding standards, as we compare favorably when measured against students across the state

Below those test results we show the most recent results on the California Science Test, which is only given in certain grades (5th and 8th). Like the scoring for the Smarter Balanced tests, student performance is rated against state standards as appropriate for each grade level.



	Actuals 2019-20	Actuals 2020-21	Actuals 2021-22	Est. Actuals 2022-23	Adopted 2023-24	Budget FTE 2023-24
<u>1000 - Instruction</u>						
1 - Certificated Salaries	2,023,243	1,394,290	1,942,537	1,969,968	1,807,381	16.000
2 - Classified Salaries	143,608	94,421	152,417	124,927	102,169	2.450
3 - Benefits	855,005	548,409	782,346	829,056	794,629	
4 - Supplies	149,722	85,756	45,175	57,277	17,016	
5 - Services	19,436	9,460	9,801	38,987	18,300	
6 - Capital				17,000	1,000	
1000 - Instruction	3,191,014	2,132,337	2,932,277	3,037,215	2,740,495	18.450
<u>1110 - Special Ed.: Separate Classes</u>						
1 - Certificated Salaries	199,523	209,497	119,080	126,135	133,613	1.000
2 - Classified Salaries	378,606	454,833	374,904	412,052	409,855	4.381
3 - Benefits	258,050	278,172	228,857	254,409	256,951	
1110 - Special Ed.: Separate Classes	836,179	942,502	722,841	792,596	800,419	5.381
<u>1120 - Special Ed.: Resources Specialist</u>						
1 - Certificated Salaries	69,895	87,918	71,789	79,358	88,652	1.000
2 - Classified Salaries	131,119	160,754	201,628	226,192	207,571	3.781
3 - Benefits	91,958	119,825	143,052	156,884	161,796	
1120 - Special Ed.: Resources Specialist	292,971	368,497	416,469	462,434	458,019	4.781
<u>1130 - Special Ed.: Supplemental Aids & Services</u>						
2 - Classified Salaries	10,211					
3 - Benefits	3,040					
1130 - Special Ed.: Supplemental Aids & Services	13,251					
<u>2420 - Instructional Library, Media, & Technology</u>						
2 - Classified Salaries	78,502	79,817	109,630	86,860	43,930	0.688
3 - Benefits	23,000	24,516	41,428	38,358	16,407	
6 - Capital			3,301	1,544	1,448	
2420 - Instructional Library, Media, & Technology	101,501	104,334	154,358	126,762	61,785	0.688
<u>2700 - School Administration</u>						
1 - Certificated Salaries	160,355	163,562	137,477	153,917	169,218	1.000
2 - Classified Salaries	91,856	104,627	117,524	119,889	128,446	1.750
3 - Benefits	74,225	73,115	90,979	103,060	111,716	
4 - Supplies				386	362	
5 - Services	2,750	2,750	6,515	2,750	2,750	
2700 - School Administration	329,186	344,054	352,495	380,002	412,492	2.750
<u>3120 - Psychological Services</u>						
1 - Certificated Salaries	126,428	200,082	186,381	105,307	96,654	1.000
3 - Benefits	32,867	49,040	42,904	34,023	44,734	
3120 - Psychological Services	159,294	249,122	229,286	139,330	141,388	1.000
<u>3900 - Other Pupil Services</u>						
1 - Certificated Salaries	913	575	175			
2 - Classified Salaries	9,741	14,445	11,897	11,106	11,379	0.325
3 - Benefits	1,071	1,420	1,169	1,355	1,114	
3900 - Other Pupil Services	11,725	16,440	13,241	12,461	12,493	0.325
<u>4000 - Ancillary Services</u>						
5 - Services		11,962	26,364	1,441	1,441	
4000 - Ancillary Services		11,962	26,364	1,441	1,441	
<u>8200 - Operations</u>						
2 - Classified Salaries	93,449	123,947	135,833	143,282	152,186	2.000
3 - Benefits	58,287	54,392	60,392	86,845	96,295	
4 - Supplies	8,344	2,107	10,748	3,860	3,620	
5 - Services	3,222	3,352	3,432	3,600	3,600	
8200 - Operations	163,301	183,797	210,405	237,587	255,701	2.000
Grand Total	5,098,423	4,353,045	5,057,734	5,189,828	4,884,233	35.375

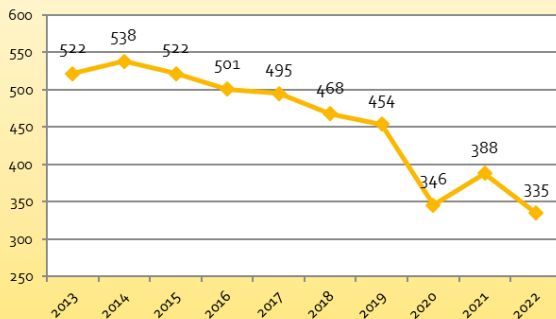


Springer School (K-6)

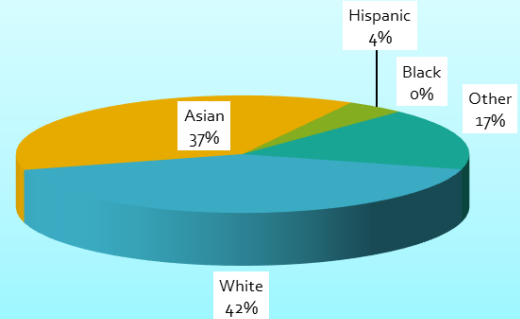
- A California Distinguished School
- 1120 Rose Avenue, Mountain View
- www.springerschool.org
- Enrollment: 362
- Principal: Denise Khalid
- Site Acreage: 10.0 acres
- Teachers, Regular: 16.0 FTE
- Teachers, Other: 1.0 FTE
- Discretionary Allocation: \$55 per student
- Building SF: 40,163

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

October Enrollment History: Springer

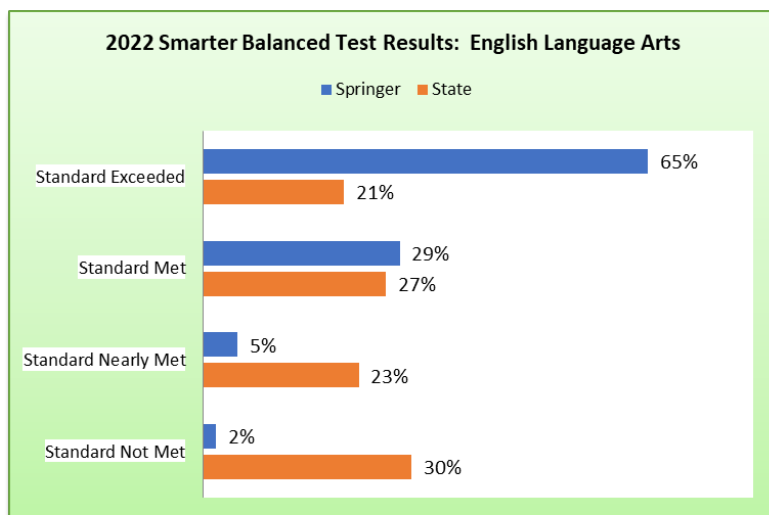


Student Ethnicity
Springer School



At Springer Elementary School, we will provide a safe and supportive environment that engages, inspires, and nurtures all students' emotional and academic needs in order to become empathetic, productive global citizens and lifelong learners.

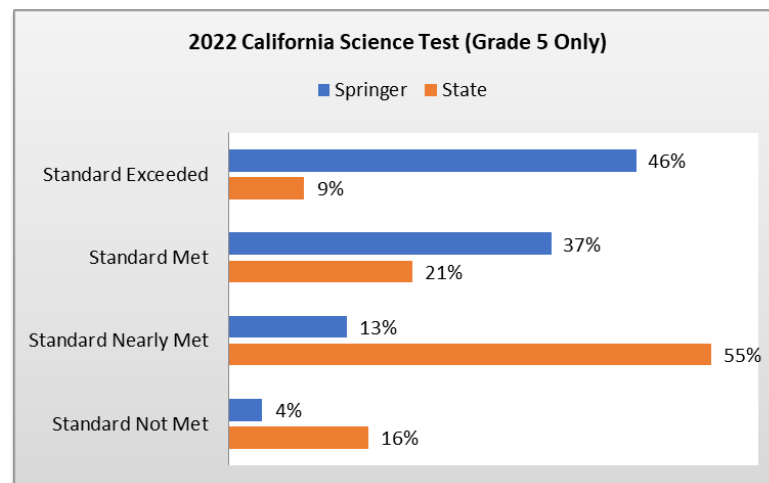
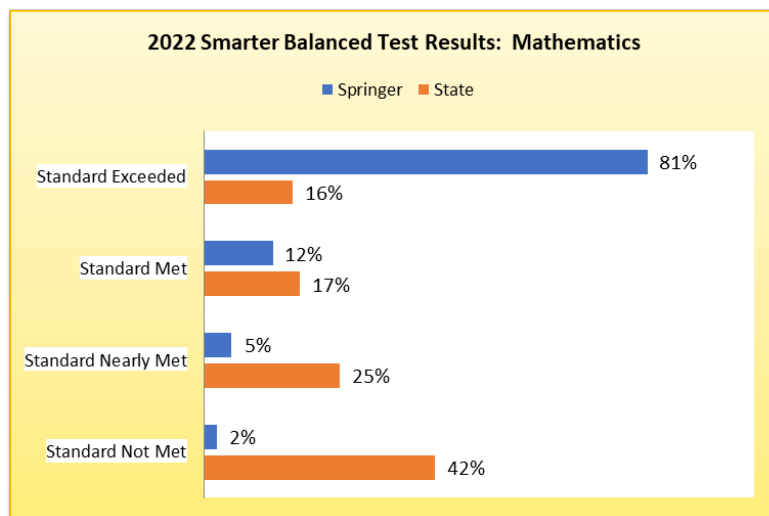
ACHIEVEMENT TEST RESULTS: SPRINGER SCHOOL



The state's Smarter Balanced Assessment System utilizes computer-adaptive tests and performance tasks that allow students to show what they know and are able to do. This system is based on the Common Core State Standards for English language arts/literacy (ELA) and mathematics.

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Below those test results we show the most recent results on the California Science Test, which is only given in certain grades (5th and 8th). Like the scoring for the Smarter Balanced tests, student performance is rated against state standards as appropriate for each grade level.



	Actuals 2019-20	Actuals 2020-21	Actuals 2021-22	Est. Actuals 2022-23	Adopted 2023-24	Budget FTE 2023-24
<u>1000 - Instruction</u>						
1 - Certificated Salaries	1,900,967	1,644,312	1,775,199	1,648,354	1,624,587	14.000
2 - Classified Salaries	138,692	107,983	122,868	113,379	98,863	2.050
3 - Benefits	634,065	535,535	598,243	572,189	579,686	
4 - Supplies	138,168	136,661	127,636	80,696	15,912	
5 - Services	66,521	11,762	32,190	21,200	21,200	
6 - Capital				1,000	1,000	
1000 - Instruction	2,878,413	2,436,252	2,656,135	2,436,818	2,341,248	16.050
<u>1110 - Special Ed.: Separate Classes</u>						
1 - Certificated Salaries	205,619	41,623	172,770	183,399	194,701	2.000
2 - Classified Salaries	70,179	71,925	94,176	147,269	132,316	2.381
3 - Benefits	119,368	64,621	115,409	185,590	202,636	
1110 - Special Ed.: Separate Classes	395,167	178,169	382,354	516,258	529,653	4.381
<u>1120 - Special Ed.: Resources Specialist</u>						
1 - Certificated Salaries	96,166	127,846	108,004	114,584	125,265	1.000
2 - Classified Salaries	145,327	112,352	149,875	161,272	175,213	3.137
3 - Benefits	121,519	125,405	117,474	127,553	141,657	
1120 - Special Ed.: Resources Specialist	363,012	365,602	375,353	403,409	442,135	4.137
<u>2420 - Instructional Library, Media, & Technology</u>						
2 - Classified Salaries	79,340	79,808	85,154	89,989	97,268	1.419
3 - Benefits	35,500	37,841	42,452	53,070	58,417	
6 - Capital	200	200	200	1,340	1,448	
2420 - Instructional Library, Media, & Technology	115,041	117,849	127,806	144,399	157,133	1.419
<u>2700 - School Administration</u>						
1 - Certificated Salaries	90,178	163,562	177,297	188,262	199,393	1.000
2 - Classified Salaries	89,383	91,272	109,217	109,404	117,821	1.625
3 - Benefits	79,093	106,288	121,801	117,666	127,158	
4 - Supplies	40			335	362	
5 - Services	1,500	2,750	2,750	2,750	2,750	
2700 - School Administration	260,194	363,872	411,065	418,417	447,484	2.625
<u>3120 - Psychological Services</u>						
1 - Certificated Salaries	124,978	125,408	108,050	142,037	150,469	1.000
3 - Benefits	66,376	62,956	33,079	32,166	55,018	
3120 - Psychological Services	191,354	188,364	141,129	174,203	205,487	1.000
<u>3150 - Speech Pathology & Audiology Services</u>						
1 - Certificated Salaries			12,370			
3 - Benefits			3,793			
3150 - Speech Pathology & Audiology Services			16,163			
<u>3900 - Other Pupil Services</u>						
2 - Classified Salaries	13,722	11,733	8,137	3,055	2,620	0.075
3 - Benefits	3,355	1,433	2,834	1,025	1,015	
3900 - Other Pupil Services	17,077	13,166	10,971	4,080	3,635	0.075
<u>4000 - Ancillary Services</u>						
5 - Services		4,683	31,228	1	1	
4000 - Ancillary Services		4,683	31,228	1	1	
<u>8200 - Operations</u>						
2 - Classified Salaries	84,269	59,160	131,914	129,128	137,635	2.000
3 - Benefits	30,085	28,916	75,495	63,636	67,021	
4 - Supplies	7,275	5,095	11,048	3,350	3,620	
5 - Services	3,324	3,458	3,505	3,600	3,600	
8200 - Operations	124,953	96,629	221,962	199,714	211,876	2.000
Grand Total	4,345,210	3,764,586	4,374,167	4,297,299	4,338,652	31.687

LOS ALTOS SCHOOL DISTRICT 2023-24 BUDGET

INTERMEDIATE SCHOOLS (GRADES 7 AND 8)

We run two intermediate schools (Blach and Egan)—one on each side of town. Egan has more students (491 as compared to 392 at Blach), but both schools are relatively small for schools serving these grade levels. Having such small schools provides a nurturing, almost personalized experience for the intermediate school student. This atmosphere is critically important, the district believes, at a time in students' lives when they are "in the middle," in transition from the elementary school to the high school.

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

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

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

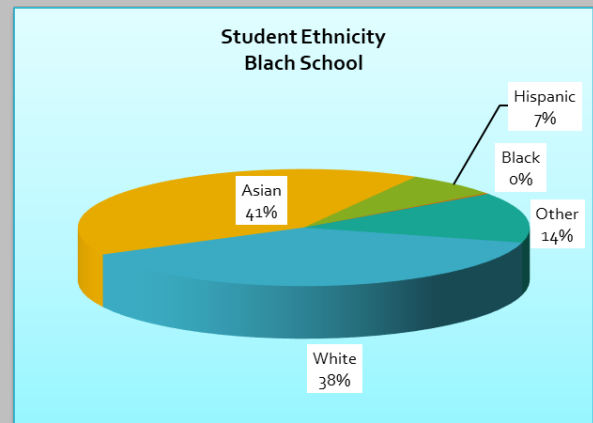
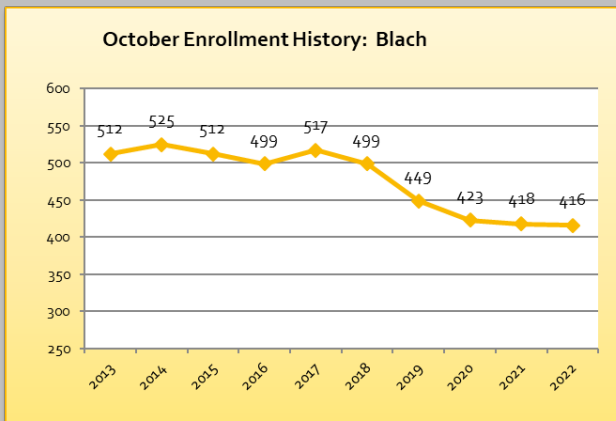
School	Enrollment by Grade										Total
	TK/K	1	2	3	4	5	6	7	8	SDC	
Almond Elementary	63	42	47	47	46	58	57				360
Gardner Bullis Elementary	53	32	40	36	51	42	43				297
Covington Elementary	60	50	60	54	67	53	80			16	440
Loyola Elementary	62	40	45	41	52	49	34			11	334
Oak Elementary	46	39	42	44	44	47	60				322
Santa Rita Elementary	56	39	46	43	53	48	70			7	362
Springer Elementary	67	31	39	48	57	47	64			9	362
Blach Intermediate								179	213		392
Egan Intermediate								230	261		491
TOTAL	407	273	319	313	370	344	408	409	474	43	3,360
<i>SDC = Special Day Class students (multi-grade)</i>											



Blach School (7-8)

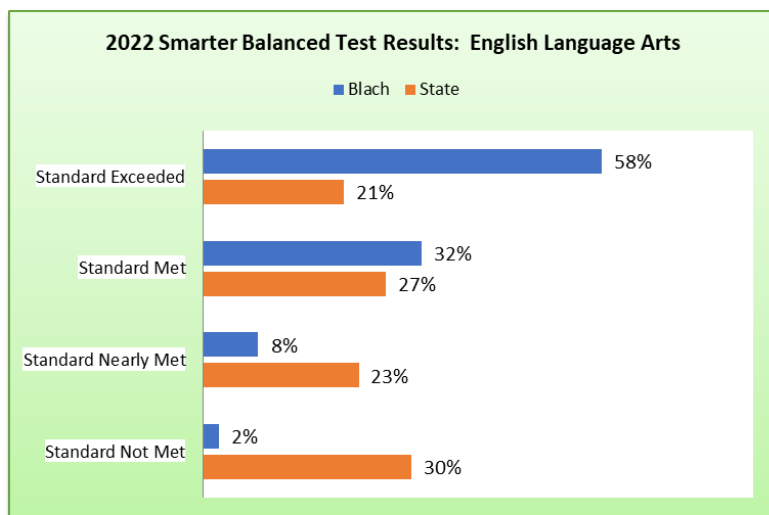
- A California Distinguished School
- National Blue Ribbon School
- 1120 Covington Road, Los Altos
- www.blachschool.org
- Enrollment: 392
- Principal: Wade Spenader
- Site Acreage: 17.71 acres
- Teachers, Regular: 22.13 FTE
- Teachers, Other: 1.0 FTE
- Discretionary Allocation: \$60 per student
- Building SF: 64,784

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



It is the mission of Georgina P. Blach Intermediate School to foster a positive, compassionate and inclusive community to facilitate high levels of learning and the development of fundamental skills that prepare each student for high school and beyond.

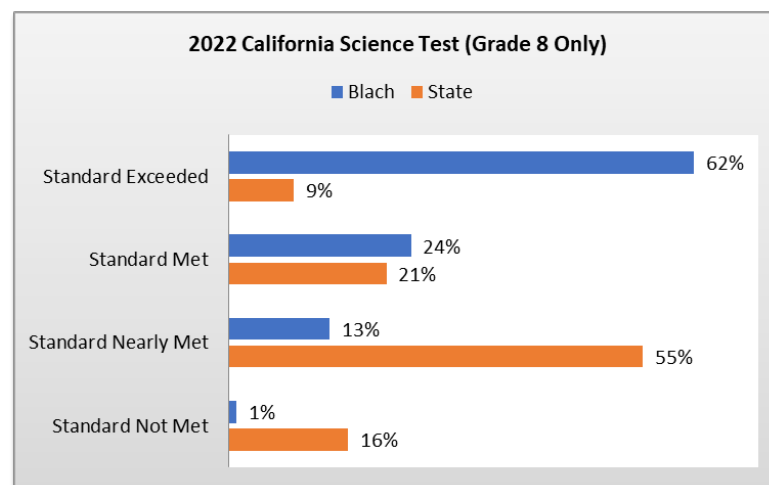
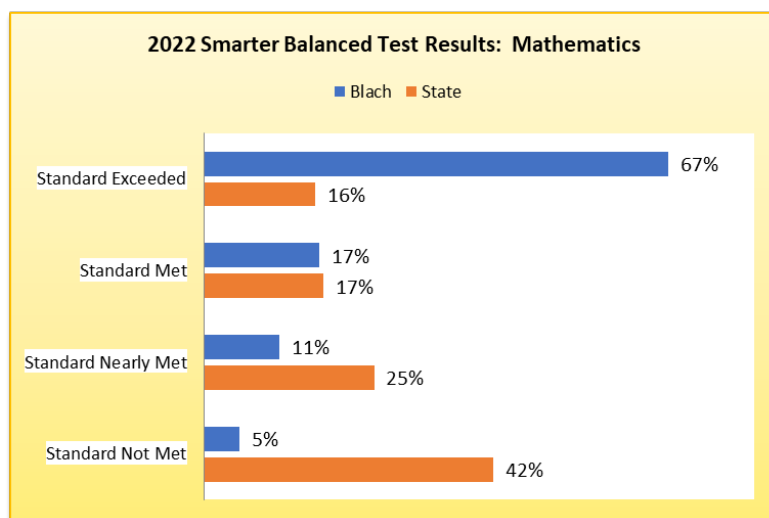
ACHIEVEMENT TEST RESULTS: BLACH SCHOOL



The state's Smarter Balanced Assessment System utilizes computer-adaptive tests and performance tasks that allow students to show what they know and are able to do. This system is based on the Common Core State Standards for English language arts/literacy (ELA) and mathematics.

The accompanying test results show how our students performed as measured against state standards in the areas of English Language Arts and Mathematics. The charts show the overwhelming majority of our students meeting or exceeding standards, as we compare favorably when measured against students across the state

Below those test results we show the most recent results on the California Science Test, which is only given in certain grades (5th and 8th). Like the scoring for the Smarter Balanced tests, student performance is rated against state standards as appropriate for each grade level.



	Actuals 2019-20	Actuals 2020-21	Actuals 2021-22	Est. Actuals 2022-23	Adopted 2023-24	Budget FTE 2023-24
<u>1000 - Instruction</u>						
1 - Certificated Salaries	2,027,457	1,990,282	2,118,860	2,189,892	2,306,786	19.800
2 - Classified Salaries	382	400	1,579	35,056	34,553	0.300
3 - Benefits	746,547	692,908	722,827	771,086	808,295	
4 - Supplies	114,758	139,371	91,041	77,032	17,660	
5 - Services	20,520	12,589	32,997	20,000	17,000	
6 - Capital				1,500	1,500	
1000 - Instruction	2,909,664	2,835,550	2,967,304	3,094,566	3,185,794	20.100
<u>1110 - Special Ed.: Separate Classes</u>						
1 - Certificated Salaries	391,955	407,393	423,797	386,229	300,993	2.333
2 - Classified Salaries	114,534	86,169	101,888	41,794	46,562	0.813
3 - Benefits	182,817	178,434	196,820	155,715	122,988	
1110 - Special Ed.: Separate Classes	689,306	671,996	722,505	583,738	470,543	3.146
<u>1120 - Special Ed.: Resources Specialist</u>						
1 - Certificated Salaries	110,433	110,488	117,580	124,635	132,113	1.000
2 - Classified Salaries	235,779	310,966	262,896	290,674	268,915	4.875
3 - Benefits	145,807	204,222	198,718	184,211	174,679	
1120 - Special Ed.: Resources Specialist	492,020	625,677	579,193	599,520	575,707	5.875
<u>2140 - Instructional Staff Development</u>						
5 - Services	6,327					
2140 - Instructional Staff Development	6,327					
<u>2420 - Instructional Library, Media, & Technology</u>						
2 - Classified Salaries	89,530	89,502	101,261	101,755	109,745	1.613
3 - Benefits	40,112	41,450	41,888	55,954	61,979	
4 - Supplies		508	407			
6 - Capital	363	1,053	2,270	1,664	1,568	
2420 - Instructional Library, Media, & Technology	130,005	132,513	145,825	159,373	173,292	1.613
<u>2700 - School Administration</u>						
1 - Certificated Salaries	169,488	172,848	184,110	197,093	208,754	1.000
2 - Classified Salaries	90,577	86,769	110,438	131,053	115,481	1.625
3 - Benefits	97,291	85,955	89,329	112,560	104,559	
4 - Supplies				416	392	
5 - Services	2,750	2,750	2,750	4,750	4,750	
2700 - School Administration	360,107	348,321	386,628	445,872	433,936	2.625
<u>3110 - Guidance & Counseling Services</u>						
1 - Certificated Salaries	29,645	31,246	126,901	133,957	141,435	1.000
3 - Benefits	8,945	9,289	43,666	42,981	45,425	
4 - Supplies			199			
3110 - Guidance & Counseling Services	38,589	40,534	170,767	176,938	186,860	1.000
<u>3120 - Psychological Services</u>						
1 - Certificated Salaries	101,633	107,165	123,509	224,859	238,350	1.600
3 - Benefits	35,746	37,813	40,438	84,857	90,896	
3120 - Psychological Services	137,379	144,978	163,948	309,716	329,246	1.600
<u>3150 - Speech Pathology & Audiology Services</u>						
2 - Classified Salaries	4,085					
3 - Benefits	1,175					
3150 - Speech Pathology & Audiology Services	5,260					
<u>3900 - Other Pupil Services</u>						
1 - Certificated Salaries	5,500	2,188	21,738	20,000	20,000	
2 - Classified Salaries	3,898	3,144	2,049			
3 - Benefits	3,388	2,618	5,172	1,701	1,701	
3900 - Other Pupil Services	12,787	7,950	28,958	21,701	21,701	
<u>4000 - Ancillary Services</u>						
5 - Services		24,436	270,408	1	1	
4000 - Ancillary Services		24,436	270,408	1	1	
<u>8200 - Operations</u>						
2 - Classified Salaries	124,332	72,844	128,782	137,753	143,962	2.234
3 - Benefits	81,025	45,317	54,325	60,887	65,993	
4 - Supplies	9,900		7,712	4,992	4,704	

LOS ALTOS SCHOOL DISTRICT 2023-24 BUDGET

Blach School

	Actuals 2019-20	Actuals 2020-21	Actuals 2021-22	Est. Actuals 2022-23	Adopted 2023-24	2023-24
5 - Services	4,018	4,346	4,442	3,600	3,600	
8200 - Operations	219,274	122,507	195,262	207,232	218,259	2.234
Grand Total	5,000,717	4,954,462	5,630,798	5,598,657	5,595,339	38.192

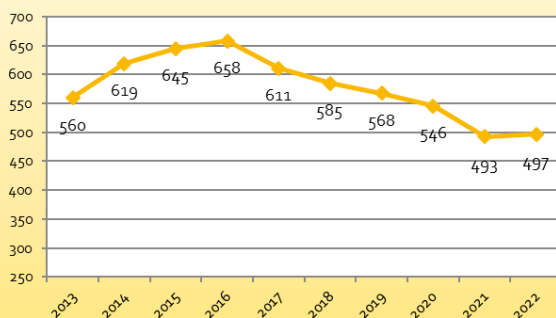


Egan School (7-8)

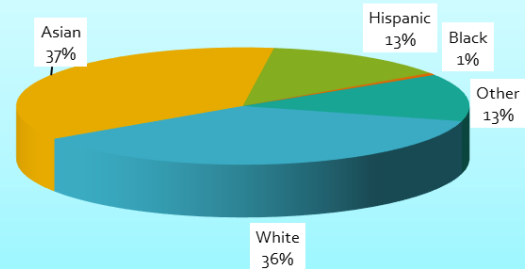
- A California Distinguished School
- National Blue Ribbon School
- 100 West Portola, Los Altos
- www.eganschool.org
- Enrollment: 491
- Principal: Coni Cullimore
- Site Acreage: 18.83 acres
- Teachers, Regular: 25.83 FTE
- Teachers, Other: 1.0 FTE
- Discretionary Allocation: \$60 per student
- Building SF: 69,088

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

October Enrollment History: Egan



Student Ethnicity
Egan School



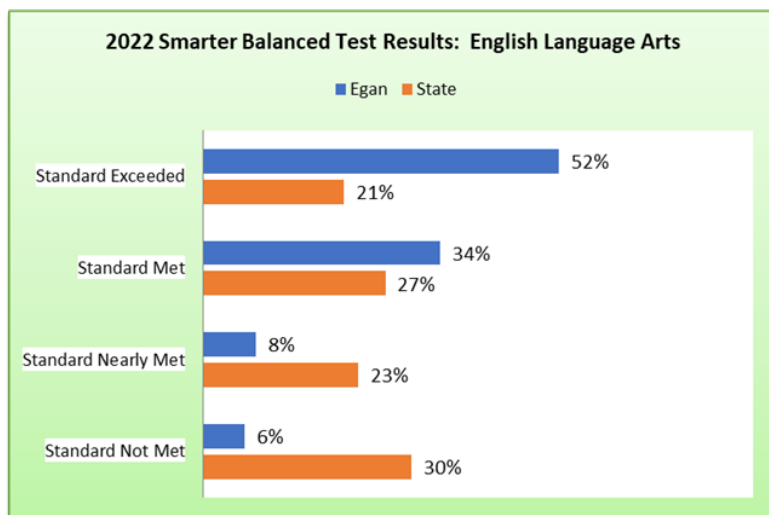
Ardis G. Egan



Junior High School

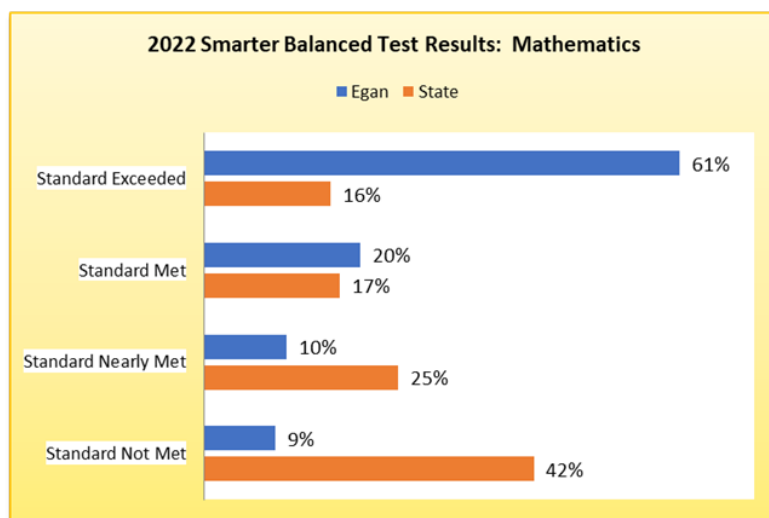
Egan's mission is to create a safe, caring, and supportive community where ALL students are empowered to learn at high levels, while growing to be resilient, respectful, and productive citizens in a dynamic global landscape.

ACHIEVEMENT TEST RESULTS: EGAN SCHOOL

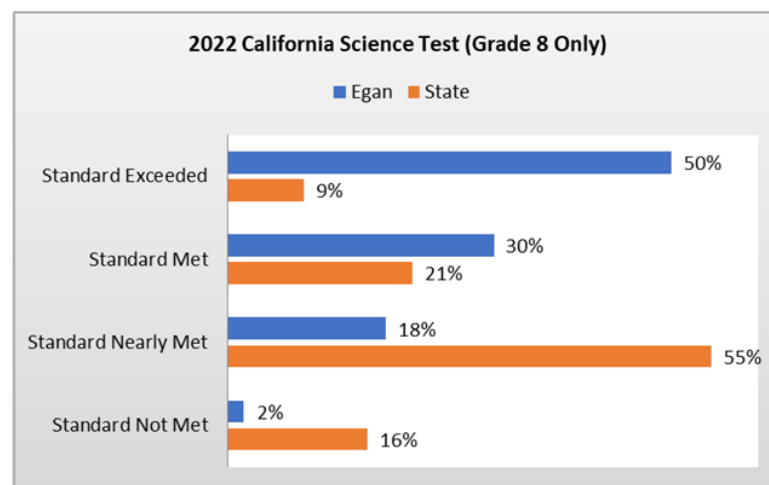


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The accompanying test results show how our students performed as measured against state standards in the areas of English Language Arts and Mathematics. The charts show the overwhelming majority of our students meeting or exceeding standards, as we compare favorably when measured against students across the state



Below those test results we show the most recent results on the California Science Test, which is only given in certain grades (5th and 8th). Like the scoring for the Smarter Balanced tests, student performance is rated against state standards as appropriate for each grade level.



	Actuals 2019-20	Actuals 2020-21	Actuals 2021-22	Est. Actuals 2022-23	Adopted 2023-24	Budget FTE 2023-24
<u>1000 - Instruction</u>						
1 - Certificated Salaries	2,504,202	2,604,929	2,814,845	2,754,785	2,859,359	24.834
2 - Classified Salaries		400	5,998	194,611	193,551	2.013
3 - Benefits	919,977	913,707	1,003,653	1,148,920	1,213,703	
4 - Supplies	189,257	102,476	183,346	97,580	22,169	
5 - Services	21,806	17,693	13,133	31,034	21,000	
6 - Capital				1,500	1,500	
1000 - Instruction	3,635,242	3,639,204	4,020,975	4,228,430	4,311,282	26.847
<u>1110 - Special Ed.: Separate Classes</u>						
1 - Certificated Salaries	113,908	113,513	119,080	126,135	133,613	1.000
2 - Classified Salaries	178,084	180,175	220,154	213,848	255,984	3.238
3 - Benefits	123,498	138,618	165,089	174,750	203,209	
1110 - Special Ed.: Separate Classes	415,490	432,306	504,323	514,733	592,806	4.238
<u>1120 - Special Ed.: Resources Specialist</u>						
1 - Certificated Salaries	78,489	84,658	94,869	111,017	114,013	1.000
2 - Classified Salaries	138,820	96,858	113,383	120,740	89,469	1.625
3 - Benefits	103,409	80,619	90,149	123,632	107,897	
1120 - Special Ed.: Resources Specialist	320,718	262,135	298,401	355,389	311,379	2.625
<u>1190 - Special Ed.: Other Specialized Instruction</u>						
2 - Classified Salaries		75,173	67,095	82,219	83,579	0.800
3 - Benefits		34,586	24,542	29,445	31,290	
1190 - Special Ed.: Other Specialized Instruction		109,759	91,638	111,664	114,869	0.800
<u>2420 - Instructional Library, Media, & Technology</u>						
2 - Classified Salaries	93,957	93,111	102,144	107,082	115,289	1.750
3 - Benefits	58,002	59,550	66,143	74,403	81,269	
4 - Supplies	465	198	221			
6 - Capital	2,789	1,810	1,648	1,988	1,964	
2420 - Instructional Library, Media, & Technology	155,213	154,668	170,156	183,473	198,522	1.750
<u>2700 - School Administration</u>						
1 - Certificated Salaries	167,988	171,348	184,128	178,216	182,703	1.000
2 - Classified Salaries	99,403	100,778	121,831	130,097	138,217	1.875
3 - Benefits	91,899	96,266	111,225	101,129	107,756	
4 - Supplies				497	491	
5 - Services	2,750	2,750	2,750	2,750	2,750	
2700 - School Administration	362,040	371,141	419,934	412,689	431,917	2.875
<u>3110 - Guidance & Counseling Services</u>						
1 - Certificated Salaries	35,860	37,910	126,901	132,457		
3 - Benefits	11,362	11,661	43,623	42,603		
4 - Supplies			199			
3110 - Guidance & Counseling Services	47,223	49,571	170,724	175,060		
<u>3120 - Psychological Services</u>						
1 - Certificated Salaries	35,860	37,910	104,982	129,699	130,851	1.000
3 - Benefits	11,362	11,661	32,695	42,445	43,462	
3120 - Psychological Services	47,223	49,570	137,677	172,144	174,313	1.000
<u>3900 - Other Pupil Services</u>						
1 - Certificated Salaries	20,488	2,475	24,950	23,500	23,500	
3 - Benefits	4,087	472	5,044	6,151	6,151	
3900 - Other Pupil Services	24,575	2,947	29,994	29,651	29,651	
<u>4000 - Ancillary Services</u>						
5 - Services		28,713	457,776	18,693	18,693	
4000 - Ancillary Services		28,713	457,776	18,693	18,693	
<u>8200 - Operations</u>						
2 - Classified Salaries	116,802	121,980	160,926	181,367	174,671	2.391
3 - Benefits	35,188	36,790	64,515	60,002	58,674	
4 - Supplies	12,828	1,513	9,543	5,964	5,892	

LOS ALTOS SCHOOL DISTRICT 2023-24 BUDGET

Egan School

	Actuals 2019-20	Actuals 2020-21	Actuals 2021-22	Est. Actuals 2022-23	Adopted 2023-24	Budget FTE 2023-24
5 - Services	3,368	3,639	3,464	3,600	3,600	
8200 - Operations	168,186	163,922	238,448	250,933	242,837	2.391
Grand Total	5,175,908	5,263,936	6,540,046	6,452,859	6,426,269	42.525

GENERAL FUND EXPENDITURES

DISTRICT PROGRAMS

District programs support our school programs in a variety of ways, from direct instruction by teaching staff not assigned to a specific site to general administrative support. For the budget year 55% of our expenditures (\$42,925,291 out of \$77,982,347) are recorded in district level cost centers (programs). The following information summarizes these cost centers, which are then shown on succeeding pages.

General Fund Budgets Detail	2023-24 Expenditures
School Programs	
Elementary (K-6)	
Almond	4,188,125
Gardner Bullis	3,144,469
Covington	6,006,838
Loyola	4,370,686
Oak	3,960,680
Santa Rita	4,884,233
Springer	4,338,652
Intermediate (7-8)	
Blach	5,595,339
Egan	6,426,269
Total, School Programs	42,915,291
District Programs	36,077,626
Grand Total	77,982,347
<i>Excludes 2,715,869 (Offset to state on-behalf contribution to STRS)</i>	

Instruction (1000)

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

Special Education Cost Centers (1100)

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

Instructional Supervision (2100)

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

Library (2400)

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

LOS ALTOS SCHOOL DISTRICT 2023-24 BUDGET

School Administration (2700)

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

Guidance & Counseling (3110)

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

Psychological Services (3120)

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

Health Services (3140)

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

Speech Services (3150)

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

Pupil Testing (3160)

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

Pupil Transportation (3600)

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

Food Services (3700)

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

Other Pupil Services (3900)

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

General Administration (7100 through 7200)

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

Fiscal Services (7300)

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

Personnel (7400)

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

Central Support (7500)

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

Other General Administration (7600)

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

Data Processing (7700)

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

Plant Services (8000)

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

Other Outgo (9000)

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

LOS ALTOS SCHOOL DISTRICT 2023-24 BUDGET
District

	Actuals 2019-20	Actuals 2020-21	Actuals 2021-22	Est. Actuals 2022-23	Adopted 2023-24	Budget FTE 2023-24
<u>1000 - Instruction</u>						
1 - Certificated Salaries	2,519,712	4,892,729	3,113,207	3,231,314	3,839,127	22.050
2 - Classified Salaries	4,910	406,459	121,787	528,982	361,635	5.675
3 - Benefits	1,162,249	2,067,040	1,419,566	1,636,644	1,739,863	
4 - Supplies	224,932	728,949	594,350	4,774,634	377,106	
5 - Services	215,072	386,027	1,314,774	715,709	650,549	
6 - Capital	2,245		723	103,213	3,213	
1000 - Instruction	4,129,120	8,481,204	6,564,407	10,990,496	6,971,492	27.725
<u>1110 - Special Ed.: Separate Classes</u>						
1 - Certificated Salaries	44,928	37,433	114,962	523,194	232,010	1.467
2 - Classified Salaries	52,416	145,688	143,760	65,000	65,000	
3 - Benefits	27,795	54,124	74,158	63,464	65,964	
4 - Supplies	570	2,733	18,391	114,937	5,441	
5 - Services		265	29,459	70,654	100	
1110 - Special Ed.: Separate Classes	125,708	240,242	380,730	837,249	368,515	1.467
<u>1120 - Special Ed.: Resources Specialist</u>						
1 - Certificated Salaries	3,063			2,600	2,600	
3 - Benefits	13,543	6,582	5,026	519	519	
4 - Supplies		454	425	3,794		
5 - Services			2,278			
1120 - Special Ed.: Resources Specialist	16,605	7,036	7,729	6,913	3,119	
<u>1130 - Special Ed.: Supplemental Aids & Services</u>						
4 - Supplies	365		144	10,845	10,845	
5 - Services	242,115	251,833	273,436	366,200	216,200	
6 - Capital				11,500	11,500	
1130 - Special Ed.: Supplemental Aids & Services	242,479	251,833	273,580	388,545	238,545	
<u>1180 - Special Ed.: Nonpublic Agencies/Schools</u>						
5 - Services	939,650	440,095	380,490	758,939	508,939	
1180 - Special Ed.: Nonpublic Agencies/Schools	939,650	440,095	380,490	758,939	508,939	
<u>1190 - Special Ed.: Other Specialized Instruction</u>						
2 - Classified Salaries	1,378,070	1,345,040	1,853,177	2,270,269	2,361,014	33.261
3 - Benefits	644,686	632,070	847,825	1,133,775	1,211,200	
5 - Services			4,907			
1190 - Special Ed.: Other Specialized Instruction	2,022,756	1,977,110	2,705,909	3,404,044	3,572,214	33.261
<u>2100 - Supervision of Instruction</u>						
1 - Certificated Salaries	303,295	306,550	371,517	382,271	411,108	2.000
2 - Classified Salaries	588,070	557,735	718,818	737,309	791,158	7.550
3 - Benefits	330,707	332,672	399,294	446,559	493,671	
4 - Supplies	70,548	105,571	49,144	66,596	57,556	
5 - Services	117,611	66,351	67,079	114,220	64,220	
6 - Capital				1,000	1,000	
2100 - Supervision of Instruction	1,410,231	1,368,879	1,605,853	1,747,955	1,818,713	9.550
<u>2110 - Instructional Supervision</u>						
1 - Certificated Salaries	450,258	368,750	544,836	524,289	904,074	4.000
2 - Classified Salaries	79,708	47,534	39,812	58,268	63,088	0.700
3 - Benefits	161,036	113,579	162,288	169,199	258,182	
4 - Supplies	21,126	48,846	47,230	58,772	908,772	
5 - Services	36,294	13,963	22,691	38,760	38,760	
2110 - Instructional Supervision	748,422	592,673	816,857	849,288	2,172,876	4.700
<u>2130 - Curriculum Development</u>						
1 - Certificated Salaries	122,103	129,217	143,976	285,537	145,824	1.000
3 - Benefits	25,369	26,804	31,339	86,295	45,243	

District

LOS ALTOS SCHOOL DISTRICT 2023-24 BUDGET

	Actuals 2019-20	Actuals 2020-21	Actuals 2021-22	Est. Actuals 2022-23	Adopted 2023-24	Budget FTE 2023-24
3700 - Food Services	163,176	236,289	189,095			
<u>3900 - Other Pupil Services</u>						
1 - Certificated Salaries	46,395	21,898	44,245	60,000	60,000	
2 - Classified Salaries	19,390	18,508	17,197	15,094	18,018	0.504
3 - Benefits	147,058	143,321	193,889	115,236	115,706	
4 - Supplies	2,318	3,642	1,293	4,000	4,000	
5 - Services	12,140	14,284	32,447	30,856	30,856	
3900 - Other Pupil Services	227,301	201,653	289,071	225,186	228,580	0.504
<u>7110 - Board</u>						
2 - Classified Salaries	1,920	2,140	2,220	2,500	2,500	
3 - Benefits	174	194	206	266	266	
4 - Supplies	1,629	320	452	5,000	5,000	
5 - Services	277,449	183,830	274,142	369,223	1,169,223	
6 - Capital				20,500	20,500	
7110 - Board	281,172	186,484	277,020	397,489	1,197,489	
<u>7150 - Superintendent</u>						
1 - Certificated Salaries	296,011	283,494	434,800	313,900	330,754	1.000
2 - Classified Salaries	117,550	124,051	132,862	27,317	157,779	1.000
3 - Benefits	154,940	161,235	180,402	130,690	182,906	
4 - Supplies	18,350	25,892	43,055	57,700	57,700	
5 - Services	205,230	110,148	73,602	204,020	204,020	
6 - Capital				2,000	2,000	
7150 - Superintendent	792,081	704,820	864,721	735,627	935,159	2.000
<u>7180 - Public Information</u>						
4 - Supplies	107	9,255	5,458	15,177	7,680	
5 - Services	147,797	103,095	86,989	143,820	143,820	
7180 - Public Information	147,904	112,350	92,447	158,997	151,500	
<u>7191 - External Financial Audit</u>						
5 - Services	14,360	21,600	25,915	30,000	30,000	
7191 - External Financial Audit	14,360	21,600	25,915	30,000	30,000	
<u>7200 - Other General Administration</u>						
3 - Benefits				8,556	8,556	
5 - Services	4,393	6,696	4,404	6,300	4,300	
7200 - Other General Administration	4,393	6,696	4,404	14,856	12,856	
<u>7210 - General Administration Cost Transfers</u>						
7 - Other Outgo						
7210 - General Administration Cost Transfers						
<u>7300 - Fiscal Services</u>						
2 - Classified Salaries	801,033	898,022	849,159	924,958	1,040,396	7.000
3 - Benefits	378,844	407,712	379,945	449,329	529,755	
4 - Supplies	22,462	32,554	20,932	16,593	23,055	
5 - Services	96,002	118,010	208,366	158,577	1,042,580	
6 - Capital				3,500	3,500	
7300 - Fiscal Services	1,298,341	1,456,299	1,458,402	1,552,957	2,639,286	7.000
<u>7400 - Personnel or Human Resources Services</u>						
1 - Certificated Salaries	143,153	175,046	182,089	263,677	359,292	1.800
2 - Classified Salaries	259,390	268,732	289,477	307,531	396,904	3.000
3 - Benefits	168,303	195,196	206,216	270,350	337,801	
4 - Supplies	10,800	15,104	53,682	30,428	30,428	
5 - Services	30,220	31,306	59,304	37,086	37,086	
7400 - Personnel or Human Resources Services	611,866	685,384	790,768	909,072	1,161,511	4.800

LOS ALTOS SCHOOL DISTRICT 2023-24 BUDGET
District

	Actuals 2019-20	Actuals 2020-21	Actuals 2021-22	Est. Actuals 2022-23	Adopted 2023-24	Budget FTE 2023-24
3700 - Food Services	163,176	236,289	189,095			
<u>3900 - Other Pupil Services</u>						
1 - Certificated Salaries	46,395	21,898	44,245	60,000	60,000	0.504
2 - Classified Salaries	19,390	18,508	17,197	15,094	18,018	
3 - Benefits	147,058	143,321	193,889	115,236	115,706	
4 - Supplies	2,318	3,642	1,293	4,000	4,000	
5 - Services	12,140	14,284	32,447	30,856	30,856	
3900 - Other Pupil Services	227,301	201,653	289,071	225,186	228,580	0.504
<u>7110 - Board</u>						
2 - Classified Salaries	1,920	2,140	2,220	2,500	2,500	1.000
3 - Benefits	174	194	206	266	266	
4 - Supplies	1,629	320	452	5,000	5,000	
5 - Services	277,449	183,830	274,142	369,223	1,169,223	
6 - Capital				20,500	20,500	
7110 - Board	281,172	186,484	277,020	397,489	1,197,489	
<u>7150 - Superintendent</u>						
1 - Certificated Salaries	296,011	283,494	434,800	313,900	330,754	1.000
2 - Classified Salaries	117,550	124,051	132,862	27,317	157,779	
3 - Benefits	154,940	161,235	180,402	130,690	182,906	
4 - Supplies	18,350	25,892	43,055	57,700	57,700	
5 - Services	205,230	110,148	73,602	204,020	204,020	
6 - Capital				2,000	2,000	
7150 - Superintendent	792,081	704,820	864,721	735,627	935,159	2.000
<u>7180 - Public Information</u>						
4 - Supplies	107	9,255	5,458	15,177	7,680	1.000
5 - Services	147,797	103,095	86,989	143,820	143,820	
7180 - Public Information	147,904	112,350	92,447	158,997	151,500	
<u>7191 - External Financial Audit</u>						
5 - Services	14,360	21,600	25,915	30,000	30,000	1.000
7191 - External Financial Audit	14,360	21,600	25,915	30,000	30,000	
<u>7200 - Other General Administration</u>						
3 - Benefits				8,556	8,556	1.000
5 - Services	4,393	6,696	4,404	6,300	4,300	
7200 - Other General Administration	4,393	6,696	4,404	14,856	12,856	
<u>7210 - General Administration Cost Transfers</u>						
7 - Other Outgo						
7210 - General Administration Cost Transfers						
<u>7300 - Fiscal Services</u>						
2 - Classified Salaries	801,033	898,022	849,159	924,958	1,040,396	7.000
3 - Benefits	378,844	407,712	379,945	449,329	529,755	
4 - Supplies	22,462	32,554	20,932	16,593	23,055	
5 - Services	96,002	118,010	208,366	158,577	1,042,580	
6 - Capital				3,500	3,500	
7300 - Fiscal Services	1,298,341	1,456,299	1,458,402	1,552,957	2,639,286	7.000
<u>7400 - Personnel or Human Resources Services</u>						
1 - Certificated Salaries	143,153	175,046	182,089	263,677	359,292	1.800
2 - Classified Salaries	259,390	268,732	289,477	307,531	396,904	
3 - Benefits	168,303	195,196	206,216	270,350	337,801	
4 - Supplies	10,800	15,104	53,682	30,428	30,428	
5 - Services	30,220	31,306	59,304	37,086	37,086	
7400 - Personnel or Human Resources Services	611,866	685,384	790,768	909,072	1,161,511	4.800

District

LOS ALTOS SCHOOL DISTRICT 2023-24 BUDGET

	Actuals 2019-20	Actuals 2020-21	Actuals 2021-22	Est. Actuals 2022-23	Adopted 2023-24	Budget FTE 2023-24
<u>7500 - Central Support</u>						
4 - Supplies				1,141		
7500 - Central Support				1,141		
<u>7540 - Warehousing and Distribution</u>						
2 - Classified Salaries	71,072	261,292	95,486	81,436	93,141	1.000
3 - Benefits	58,752	80,568	69,567	56,932	66,296	
4 - Supplies	518	3,583	359	1,200	1,200	
5 - Services	419	426	213	2,500	2,500	
6 - Capital			61,496	1,000	1,000	
7540 - Warehousing and Distribution	130,761	345,870	227,121	143,068	164,137	1.000
<u>7600 - All Other General Administration</u>						
5 - Services	272,378	467,231	507,271	578,829	686,127	
7600 - All Other General Administration	272,378	467,231	507,271	578,829	686,127	
<u>7700 - Data Processing Services</u>						
2 - Classified Salaries	329,986	327,570	341,075	514,361	587,259	4.000
3 - Benefits	129,289	137,707	136,534	209,828	248,237	
4 - Supplies	198,776	303,781	147,095	218,461	518,461	
5 - Services	180,408	178,018	333,002	323,039	342,304	
6 - Capital				55,600	150,000	
7700 - Data Processing Services	838,459	947,076	957,707	1,321,289	1,846,261	4.000
<u>8100 - Plant Maintenance and Operations</u>						
2 - Classified Salaries		843				
3 - Benefits		128				
8100 - Plant Maintenance and Operations		971				
<u>8110 - Maintenance</u>						
2 - Classified Salaries	464,061	453,412	504,540	510,459	532,296	5.000
3 - Benefits	232,007	238,719	266,771	291,035	301,629	
4 - Supplies	205,964	242,118	510,862	247,216	247,216	
5 - Services	1,163,368	699,025	1,658,811	1,613,284	1,314,943	
6 - Capital		39,420	75,818			
8110 - Maintenance	2,065,400	1,672,695	3,016,802	2,661,994	2,396,084	5.000
<u>8200 - Operations</u>						
2 - Classified Salaries	445,660	635,059	465,899	570,187	519,648	3.000
3 - Benefits	224,256	251,884	236,140	242,418	232,149	
4 - Supplies	181,311	940,429	152,375	150,532	150,532	
5 - Services	2,007,191	1,905,738	2,597,815	2,640,479	2,793,177	
6 - Capital			58,529	53,480	53,480	
8200 - Operations	2,858,418	3,733,110	3,510,757	3,657,096	3,748,986	3.000
<u>8300 - Security</u>						
4 - Supplies				9,000	9,000	
5 - Services	20,618	19,652	23,106	25,100	25,100	
6 - Capital				500	500	
8300 - Security	20,618	19,652	23,106	34,600	34,600	
<u>8500 - Facilities Acquisition & Construction</u>						
5 - Services	13,409	220,735	35,802	14,022	14,022	
6 - Capital			141,735			
8500 - Facilities Acquisition & Construction	13,409	220,735	177,537	14,022	14,022	
<u>8700 - Facilities Rents and Leases</u>						
5 - Services	92,436	90,634	92,436	184,872	92,436	
8700 - Facilities Rents and Leases	92,436	90,634	92,436	184,872	92,436	
<u>9100 - Debt Service</u>						
5 - Services	303,212	570,100	490,855	503,333	503,333	

LOS ALTOS SCHOOL DISTRICT 2023-24 BUDGET
District

	Actuals 2019-20	Actuals 2020-21	Actuals 2021-22	Est. Actuals 2022-23	Adopted 2023-24	Budget FTE 2023-24
9100 - Debt Service	303,212	570,100	490,855	503,333	503,333	
<u>9200 - Transfer Between Agencies</u>						
7 - Other Outgo	7,036	8,050	6,766	8,262	8,262	
9200 - Transfer Between Agencies	7,036	8,050	6,766	8,262	8,262	
<u>9300 - Interfund Transfers</u>						
7 - Other Outgo				1,247,612	1,458,431	
9300 - Interfund Transfers				1,247,612	1,458,431	
Grand Total	22,404,554	28,459,149	28,852,007	37,180,546	36,077,626	115.306

CAPITAL IMPROVEMENT PLAN

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

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

In order to deal with rising repair costs as well as deal with continuing enrollment growth, the district passed a \$150 million bond measure in November 2014. This measure is intended to fund the acquisition of a new school site and the building of a new school, in addition to completing Phase 2 of the original modernization program. Phase 2 involves replacing portable buildings with permanent ones and reconstructing libraries, multi-purpose buildings, and administration buildings on some of our campuses. Bonds were issued in October 2019 to help finance the December 2019 purchase of the new site. Plans are underway to determine how best to use the site.

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

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

	2001-02	2002-03	2003-04	2004-05	2005-06 through 2006-07	2007-08	2008-09 through 2021-22	Total
Phase 1 Modernization								
Egan School*	\$ 13,703,224							\$ 13,703,224
Covington School*	\$ 14,717,795							\$ 14,717,795
District Office*	\$ 3,359,535							\$ 3,359,535
Blach School	\$ 14,539,550							\$ 14,539,550
Corporate Yard		\$ 1,927,516						\$ 1,927,516
Almond School		\$ 10,265,841						\$ 10,265,841
Springer School		\$ 9,554,917						\$ 9,554,917
Loyola School			\$ 12,418,047					\$ 12,418,047
Santa Rita School			\$ 11,638,865					\$ 11,638,865
Oak School				\$ 10,403,962				\$ 10,403,962
Gardner Bullis School						\$ 13,952,815		\$ 13,952,815
Total	\$ 46,320,104	\$ 21,748,274	\$ 24,056,912	\$ 10,403,962	\$ -	\$ 13,952,815	\$ -	\$ 116,482,067
* The first 3 projects were completed over a two-year period, from 2000-01 through 2001-02.								
Phase 2 Modernization & Site Acquisition (\$150 million bond measure in place)								<i>in planning stage</i>
Gardner Bullis field improvement (\$2 million; est.)								<i>not yet funded</i>

The only capital projects scheduled for the budget year are shown in the following section.

SPECIAL PURPOSE FUNDS

Budget details for each of our special purpose funds are on succeeding pages.

Special Revenue Funds are used to account for the proceeds of specific revenue sources that are legally restricted to expenditures for specific purposes. The district maintains three special revenue funds: **Cafeteria Fund, Deferred Maintenance Fund, and Special Reserve Fund.**

Capital Project Funds are used to account for the acquisition and/or construction of all major fixed assets (such as buildings, land, and equipment). The district maintains two capital project funds: **Building Fund and Capital Facilities Fund.**

MAJOR CAPITAL EXPENDITURES

The major capital expenditures planned for 2023–24 are listed below. A summary of these projects as well as anticipated projects in the next two years is presented on the following page. It is expected that all projects will be completed during the fiscal year.

- Asphalt Repairs at multiple sites (Deferred Maintenance Fund, \$80,000)
- Lighting replacements at 3 sites (Building Fund; \$854,311)
- Flooring and other interior repairs at various sites (Deferred Maintenance; \$75,000)

IMPACTS ON GENERAL FUND OPERATING BUDGETS

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

Replacing defective lighting reduces the possibility of trip and fall injuries, thus protecting against costly injury claims.

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

We will be making capital expenditures for new computers and other equipment, both for the classrooms and for staff. The equipment for staff should improve work efficiencies, eliminating some labor-intensive tasks.

Most of these capital expenditures will impact our operating budgets in a positive way, by lowering costs in 2023–24 and future years. Because it is difficult to quantify the savings achieved, our future forecasts do not recognize these savings.

CAPITAL EXPENDITURES—SUMMARY

The following table shows a summary of the projects identified above (scheduled for the budget year). Our expenditure budgets for the Deferred Maintenance Fund reflect the anticipated costs of these projects and the expectation that similar projects will be done in the two succeeding years. Each project is expected to be completed during the summer of the respective fiscal year.

Capital Projects (by funding source)				
	2023/24	2024/25	2025/26	Funding Source
Sites				
Drainage Repairs	\$ 65,000	\$ 20,000	\$ 20,000	Deferred Maintenance Fund
Paving Repairs	\$ 80,000	\$ 155,000	\$ 155,000	Deferred Maintenance Fund
Buildings				
Lighting replacements	854,311		\$ -	Building Fund
Whiteboard Replacement	\$ 30,000			Deferred Maintenance Fund
Painting upkeep	\$ 50,000	\$ 50,000	\$ 50,000	Deferred Maintenance Fund
Flooring/Interior Repairs	\$ 75,000	\$ 75,000	\$ 75,000	Deferred Maintenance Fund
Grand Total	\$ 1,154,311	\$ 300,000	\$ 300,000	

Capital Projects (by funding source)				
	2023/24	2024/25	2025/26	Funding Source
Buildings				
Lightng Replacement	\$ 854,311		\$ 2,250,000	Building Fund
HVAC system replacements	\$ -	\$ 4,654,920	\$ 10,465,000	Building Fund
Grand Total	\$ 854,311	\$ 4,654,920	\$ 12,715,000	

While not included in our capital plans for Summer 2023, it is important to note that we are analyzing the need to replace roofing and HVAC systems throughout the district starting in Summer 2025. We have noted below our anticipated costs for those improvements.

Capital Projects (by funding source)				
	2023/24	2024/25	2025/26	Funding Source
Buildings				
Lightng Replacement	\$ -	\$ 850,000	\$ 2,250,000	Building Fund
HVAC system replacements	\$ -	\$ 4,654,920	\$ 10,465,000	Building Fund
Grand Total	\$ -	\$ 5,504,920	\$ 12,715,000	

CAFETERIA FUND

The Cafeteria Fund is used to account for revenues and expenditures relating to our food service operations.

Starting in 2022–23 all districts in California are required to offer free breakfast and lunch meals to all students under what’s called a Universal Meals Program, introduced as part of the 2021–22 State Budget Act. The state is providing reimbursement for meal costs to supplement any federal reimbursement funding, in order to—at least in theory—keep districts whole (i.e., not encroach on district operating budgets). Reimbursements are only available if districts operate within the constraints of the National School Lunch Program.



Previously the district paid only for lunches for qualifying low-income students, typically costing less than \$100,000 per year. With the new requirement and the need to seek state and federal reimbursement, the district has upgraded food serving areas at all schools and added staffing to serve meals. Thus, district costs exceed revenues from state and federal sources and require a transfer from the General Fund to balance this fund’s budget.

Cafeteria Fund

LOS ALTOS SCHOOL DISTRICT 2023-24 BUDGET

	Actuals 2019-20	Actuals 2020-21	Actuals 2022-23	Est. Actuals 2022-23	Budget FTE 2023-24
<u>Income</u>					
<u>0000 - Undesignated</u>					
8 - Revenue	91,696	62,700	4,231	4,231	
0000 - Undesignated	91,696	62,700	4,231	4,231	
<u>3700 - Food Services</u>					
8 - Revenue			1,010,675	1,010,675	
3700 - Food Services			1,010,675	1,010,675	
<u>9300 - Interfund Transfers</u>					
8 - Revenue			1,665,884	1,665,884	
9300 - Interfund Transfers			1,665,884	1,665,884	
Income	91,696	62,700	2,680,789	2,680,789	
<u>Expense</u>					
<u>3700 - Food Services</u>					
2 - Classified Salaries			474,312	474,312	12.250
3 - Benefits			232,352	232,352	
4 - Supplies	91,078	62,700	1,503,783	1,503,783	
5 - Services	619		122,319	122,319	
3700 - Food Services	91,696	62,700	2,332,766	2,332,766	12.250
<u>8500 - Facilities Acquisition & Construction</u>					
6 - Capital			(2,497)	(2,497)	
8500 - Facilities Acquisition & Construction			(2,497)	(2,497)	
Expense	91,696	62,700	2,330,269	2,330,269	12.250

LOS ALTOS SCHOOL DISTRICT 2023-24 BUDGET

DEFERRED MAINTENANCE FUND

The Deferred Maintenance Fund is used to account for revenues and expenditures relating to major maintenance projects. The state previously provided a separate allocation of funds for this purpose to all districts in the state, provided that the district contributed a matching amount of its dollars. Under the new state funding scheme that allocation has been rolled into the state's general-purpose allocation and thus districts are no longer required to contribute dollars as a match for state funding. "The Deferred Maintenance Program [in the state's words] provides State matching funds, on a dollar-for-dollar basis, to assist school districts with expenditures for major repair or replacement of existing school building components. Typically, this includes: plumbing, heating, air conditioning, electrical systems, roofing, interior and exterior painting, floor systems, etc."



The state allocation, prescribed as $\frac{1}{2}$ of 1% of a district's general fund, varied over the years depending on the health of the state economy. In good years the state made a full allocation to districts. However, in lean years the state did not contribute a full allocation. Going forward the state has rolled the full allocation into its general-purpose funding allocation. Even though funding is now part of the general-purpose allocation to schools, districts must still have an approved Five-Year Deferred Maintenance Plan on file with the state, demonstrating the need for the funds. Revenues recorded in this fund typically include the state allocation, the district match (a transfer into this fund from another fund), and interest earnings.

The expenditure budget for the upcoming year includes a number of relatively small projects, which are identified in summary on the previous page and in more detail below. We will need to use prior year fund balance monies as well as revenues to cover the costs of these projects. Our future year budgets include annual allocations for miscellaneous repairs and improvements.

Note that a portion of the lighting replacement costs shown below will be covered by the Building Fund.

School	Flooring	Lighting	Asphalt Repairs	Totals
K - 6				
Almond	\$ 7,150	\$ 194,417		\$ 201,567
Covington	6,000			6,000
Gardner Bullis	7,850			7,850
Loyola	7,000			7,000
Oak	7,850			7,850
Santa Rita	7,850			7,850
Springer	5,800	289,908	25,000	320,708
subtotal	\$ 49,500	\$ 484,325	\$ 25,000	\$ 558,825
Gr. 7 - 8				
Blach	\$ 7,650	\$ 369,986	\$ 45,000	\$ 422,636
Egan	7,850		10,000	17,850
subtotal	\$ 15,500	\$ 369,986	\$ 55,000	\$ 440,486
District Office	\$ 10,000			\$ 10,000
Total	\$ 75,000	\$ 854,311	\$ 80,000	\$ 1,009,311

Deferred Maintenance Fund

LOS ALTOS SCHOOL DISTRICT 2023-24 BUDGET

	Actuals 2019-20	Actuals 2020-21	Actuals 2022-23	Est. Actuals 2022-23	Adopted 2023-24	Budget FTE 2023-24
<u>Income</u>						
<u>0000 - Undesignated</u>						
8 - Revenue	3,790	953	8,300	1,000	1,000	
0000 - Undesignated	3,790	953	8,300	1,000	1,000	
<u>9300 - Interfund Transfers</u>						
8 - Revenue	300,174	300,174	300,174	300,174	300,000	
9300 - Interfund Transfers	300,174	300,174	300,174	300,174	300,000	
Income	303,964	301,127	308,474	301,174	301,000	
<u>Expense</u>						
<u>8110 - Maintenance</u>						
5 - Services	293,593	486,125	91,451	261,174	301,000	
8110 - Maintenance	293,593	486,125	91,451	261,174	301,000	
<u>8500 - Facilities Acquisition & Construction</u>						
6 - Capital			38,664	40,000		
8500 - Facilities Acquisition & Construction			38,664	40,000		
Expense	293,593	486,125	130,115	301,174	301,000	

SPECIAL RESERVE FUND

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



During 2010–11 we transferred \$1.2 million from our General Fund into a Special Reserve Fund. These monies have been set aside to account for our obligation to make future retiree health benefit payments, in accordance with the accounting standards set forth under Governmental Accounting Standards Board (GASB) Statement # 45. The \$1.2 million represented monies accumulated over three years to meet our GASB 45 requirement. Starting in 2012–13 we were making annual transfers from our General Fund into the Special Reserve Fund reflecting each year's liability. *Our most recent (July 2019) actuarial study of our future retiree benefits obligation indicates we no longer need to transfer monies into this fund. We have adequate funds budgeted on a pay-as-you-go basis to cover expected future costs and in fact the balance of funds is now available as part of our reserve for economic uncertainties.*

In 2013–14 the district transferred approximately \$2.5 million into this fund to comprise a "rainy day" fund (reserve for economic uncertainties) separate from the General Fund and equal to a 5% reserve level.

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

Special Reserve Fund LOS ALTOS SCHOOL DISTRICT 2023-24 BUDGET

	Actuals 2019-20	Actuals 2020-21	Actuals 2021-22	Est. Actuals 2022-23	Adopted 2023-24	Budget FTE 2023-24
<u>Income</u>						
<u>0000 - Undesignated</u>						
8 - Revenue	68,667	36,382	(63,078)	25,150	25,150	
0000 - Undesignated	68,667	36,382	(63,078)	25,150	25,150	
Income	68,667	36,382	(63,078)	25,150	25,150	

BUILDING FUND

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

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



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

Monies in this fund can only be used for capital expenditures such as for facilities or major maintenance projects. We are leasing several of the classroom buildings used by the charter school with Building Fund monies. We currently have no major projects planned for the budget year other than using some Building Fund monies to help pay the cost of lighting replacements (see Capital Expenditures discussion on pages 122–123).

Building Fund

LOS ALTOS SCHOOL DISTRICT 2023-24 BUDGET

	Actuals 2019-20	Actuals 2020-21	Actuals 2021-22	Est. Actuals 2022-23	Adopted 2023-24	Budget FTE 2023-24
<u>Income</u>						
<u>0000 - Undesignated</u>						
8 - Revenue	145,782,228	7,738,708	2,808,836	12,223,385	1,408,980	
0000 - Undesignated	145,782,228	7,738,708	2,808,836	12,223,385	1,408,980	
Income	145,782,228	7,738,708	2,808,836	12,223,385	1,408,980	
<u>Expense</u>						
<u>8500 - Facilities Acquisition & Construction</u>						
4 - Supplies	14,682		755	1,000	1,000	
5 - Services	1,235,009	594,846	259,848	1,050,000	2,239,950	
6 - Capital	114,699,638	206,190	180,103	288,000	288,000	
8500 - Facilities Acquisition & Construction	115,949,329	801,036	440,706	1,339,000	2,528,950	
<u>8700 - Facilities Rents and Leases</u>						
5 - Services	1,059,098	394,516	398,896	516,080	516,080	
8700 - Facilities Rents and Leases	1,059,098	394,516	398,896	516,080	516,080	
<u>9100 - Debt Service</u>						
5 - Services	79,375					
7 - Other Outgo	10,332,803	332,803	491,533	332,803	332,803	
9100 - Debt Service	10,412,178	332,803	491,533	332,803	332,803	
<u>9300 - Interfund Transfers</u>						
7 - Other Outgo	300,174	300,174	300,174	300,174	300,000	
9300 - Interfund Transfers	300,174	300,174	300,174	300,174	300,000	
Expense	127,720,778	1,828,529	1,631,309	2,488,057	3,677,833	

CAPITAL FACILITIES FUND

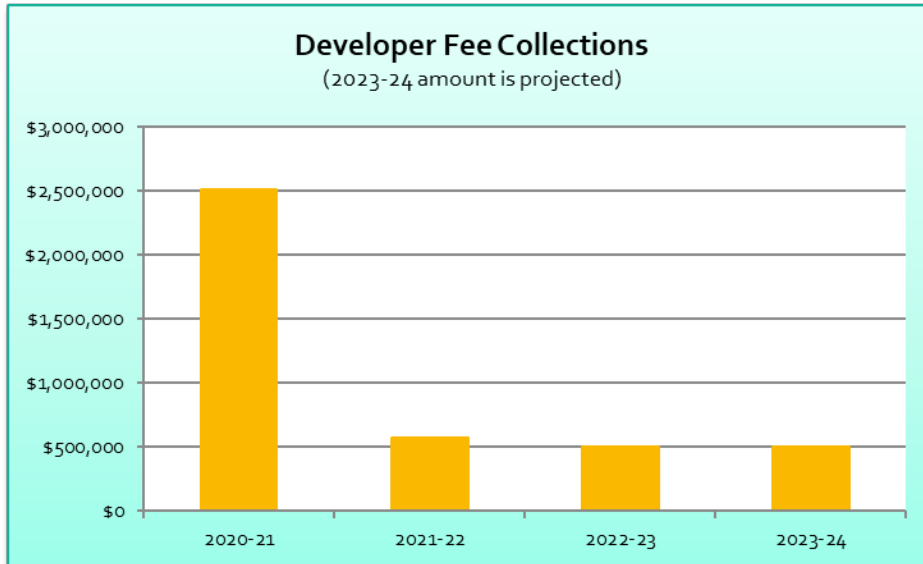
The Capital Facilities Fund is used to account for the developer fees the district receives pursuant to Government Code 53080, enacted in 1986. School districts are authorized to assess these fees on new residential and/or commercial construction within the district, provided the district has done a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



The district currently charges a fee of \$3.19 per square foot for residential and \$0.52 per square foot for commercial developments. The amount the district charges is regulated by state law. Every two years the state increases the cap on fees by an inflationary amount.

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

A recent history of developer fees collected is shown below. In 2011–12 and 2012–13 a couple major new residential projects generated a significant increase in fees. Again in 2017–18 and 2020–21 a major residential project was responsible for the spike in fee revenues. Additional new residential projects are in the pipeline so we expect to garner additional revenues in the budget year and in the near future.



	Actuals 2019-20	Actuals 2020-21	Actuals 2021-22	Est. Actuals 2022-23	Adopted 2023-24	Budget FTE 2023-24
<u>Income</u>						
<u>0000 - Undesignated</u>						
8 - Revenue	452,607	2,511,616	573,608	505,000	505,000	
0000 - Undesignated	452,607	2,511,616	573,608	505,000	505,000	
Income	452,607	2,511,616	573,608	505,000	505,000	
<u>Expense</u>						
<u>8500 - Facilities Acquisition & Construction</u>						
4 - Supplies	110,353	578				
5 - Services	76,710	3,688	5,513	10,000	10,000	
6 - Capital	400			400	400	
8500 - Facilities Acquisition & Construction	187,463	4,267	5,513	10,400	10,400	
<u>8700 - Facilities Rents and Leases</u>						
5 - Services	696,037	1,142,547	1,172,321	1,124,830	1,114,425	
8700 - Facilities Rents and Leases	696,037	1,142,547	1,172,321	1,124,830	1,114,425	
Expense	883,500	1,146,814	1,177,834	1,135,230	1,124,825	

LOS ALTOS SCHOOL DISTRICT 2023-24 BUDGET

DEBT

California law limits debt to 2.5% of total assessed valuation for unified school districts and 1.25% each for elementary and high school districts. Being an elementary district, our debt limit is 1.25%. In November 1998 voters authorized \$94.7 million of general obligation bonds to fund our facilities modernization and construction program. At the time we issued our first series of bonds (February 1999), our total debt limit was \$70.6 million. Due to growth in assessed valuation, the current legal debt limit is \$365.2 million. Since February 1999 we issued a second and third series of bonds, did multiple re-financings (2006, 2013, 2016), and recently issued bonds against our November 2014 \$150 million authorization. Our total outstanding debt (excluding Bond Anticipation Notes, which do not count against debt capacity) currently is \$66,755,000, \$298 million under the legal limit. The debt service schedule purposely has been structured to limit the impact on taxpayers to \$60 per \$100,000 of assessed valuation.

The debt service on general obligation bonds is levied as an add-on to the 1% property tax limit established by state law. General obligation bond debt has no impact on present or future operating budgets. It only has the effect of limiting future bond debt.

	2012-13	2013-14	2014-15	2015-16	2016-17
AV	\$15,205,649,537	\$16,641,461,184	\$17,816,151,184	\$19,392,728,583	\$20,761,582,826
Debt Limit (1.25% of AV)	\$190,070,619	\$208,018,265	\$222,701,890	\$242,409,107	\$259,519,785
Outstanding Debt	\$79,715,560	\$76,158,560	\$72,518,760	\$68,555,000	\$57,840,000
Debt Capacity	\$110,355,059	\$131,859,705	\$150,183,130	\$173,854,107	\$201,679,785
	2017-18	2018-19	2019-20	2020-21	2021-22
AV	\$22,374,610,758	\$24,099,154,471	\$25,752,266,169	\$27,651,539,349	\$29,213,857,232
Debt Limit (1.25% of AV)	\$279,682,634	\$301,239,431	\$321,903,327	\$345,644,242	\$365,173,215
Outstanding Debt	\$49,645,000	\$40,665,000	\$95,850,000	\$77,965,000	\$66,755,000
Debt Capacity	\$230,037,634	\$260,574,431	\$226,053,327	\$267,679,242	\$298,418,215
<p><i>Note: Bond anticipation notes do not count against our debt capacity.</i></p> <p><i>District issued \$40 million of debt in February 1999.</i></p> <p><i>District issued \$46.7 million of debt in May 2001.</i></p> <p><i>District issued \$8 million of debt in October 2003.</i></p> <p><i>In June 2006 District refunded outstanding debt.</i></p> <p><i>In January 2013, the District refunded outstanding debt.</i></p> <p><i>In August 2016, the District refunded outstanding debt.</i></p> <p><i>In October 2019, the District issued \$134 million of debt and \$10 million of additional debt to pay off bond anticipation notes.</i></p>					

The following table shows the various series of bond issues, identifying the amount issued and the debt amount still outstanding. With the 2006 refunding bonds we retired the debt on the three previous series of bonds issued. The 2013 refunding bonds refunded a portion of the outstanding 2006 bonds on an advanced basis. The 2016 refunding bonds refinanced the remaining portion of the outstanding 2006 bonds.

LOS ALTOS SCHOOL DISTRICT 2023-24 BUDGET

General Obligation Bonded Debt					
Issue Date	Series	Amount of Original Issue	Original Final Maturity	Amount Counting Toward Authorization	Amount Outstanding June 30, 2022 ^(b)
10-Feb-99	Election of 1998, Series A ^(a)	\$40,000,000	8/1/2023	\$40,000,000	0
5-Jun-01	Election of 1998, Series B (CIBs) ^(a)	30,000,000	8/1/2019	30,000,000	0
5-Jun-01	Election of 1998, Series B (CABs) ^(a)	16,699,049	8/1/2025	16,699,049	0
7-Oct-03	Election of 1998, Series C ^(a)	8,000,000	8/1/2026	8,000,000	0
22-Jun-06	2006 GO Refunding Bonds (CIBs) ^(c)	92,215,000	8/1/2023	0	0
22-Jun-06	2006 GO Refunding Bonds (CABs) ^{(a)(b)}	8,854,000	8/1/2015	0	0
12-Feb-13	2013 GO Refunding Bonds ^(c)	25,455,000	8/1/2023	0	5,495,000
1-Aug-16	2016 GO Refunding Bonds ^(d)	32,550,000	8/1/2022	0	2,760,000
17-Oct-19	Election of 2014, Series A-1	55,000,000	8/1/2044	55,000,000	55,000,000
17-Oct-19	Election of 2014, Series A-2	10,000,000	8/1/2022	0	3,500,000
17-Oct-19	Election of 2014, Bond Anticipation Notes	<u>79,000,000</u>	8/1/2023	<u>79,000,000</u>	<u>79,000,000</u>
		\$397,773,049		\$228,699,049	\$145,755,000
<p><i>(a) The 2006 GO Refunding Bonds refunded all of the District's outstanding 1999 GO Bonds (Election of 1998, Series A) on an advance basis, all of the District's outstanding 2001 GO Bonds (Election of 1998, Series B) on an advance basis, and all of the District's outstanding 2003 GO Bonds (Election of 1998, Series C) on an advance basis.</i></p> <p><i>(b) Amount outstanding for capital appreciation represents original denominational amount.</i></p> <p><i>(c) The 2013 GO Refunding Bonds refunded a portion of the District's outstanding 2006 GO Refunding Bonds (CIBs) on an advanced basis.</i></p> <p><i>(d) The 2016 GO Refunding Bonds refunded all of the District's outstanding 2006 GO Refunding Bonds on an current basis.</i></p>					

Debt on the 2013 and 2016 refunding bonds will be retired by the end of 2024.

In October 2019 the district issued \$144 million in General Obligation Bonds and Bond Anticipation Notes to help finance the purchase of a new school site and to develop that site.

Principal Outstanding as of June 30 (after debt service payments)						
Fiscal Year	2013 GO Refunding Bonds	2016 GO Refunding Bonds	2014 GO Series A-1	2014 GO Series A-2	E2014 BANs	Combined
2022	5,495,000	2,760,000	55,000,000	3,500,000	79,000,000	145,755,000
2023	380,000	-	55,000,000	-	60,000,000	115,380,000
2024	-	-	53,000,000	-	-	53,000,000
2025	-	-	52,150,000	-	-	52,150,000
2026 and beyond	-	-	(debt service completed in 2044)	-	-	-

RETIREE HEALTH BENEFITS LIABILITY

The district has a long-term obligation to fund retiree health benefits. Employees hired prior to 1989 are contractually due district-paid lifetime health insurance coverage. Employees hired since 1989 will receive a minimum contribution from the district toward their health insurance when they retire, based on an amount determined annually by the California Public Employee Retirement System (CalPERS) who is the provider of our health insurance plans. Under Governmental Accounting Standards Board (GASB) statements we are required to have an actuarial study done every two years to project the district's liability for these future health benefit payments. GASB Statement 75 was issued to provide standards for governmental employers to record expense for **Other Postemployment Benefits (OPEB)** on their annual financial statements.

The most recent study was done as of July 2021 and reflects information required under GASB Statement 75. Previous studies were completed under GASB Statement 45. The new study shows the districts liability as \$14.1 million on June 30, 2022. The following table shows a ten-year projection of costs based on assumptions included in the July 2021 study.

Fiscal Year	Benefits to Retirees ⁽¹⁾	GASB 75 OPEB Expense ⁽²⁾
2024	803,000	887,000
2025	798,000	888,000
2026	772,000	890,000
2027	737,000	893,000
2028	726,000	896,000
2029	715,000	900,000
2030	705,000	905,000
2031	692,000	909,000

⁽¹⁾ Amount expected to be paid to retirees

⁽²⁾ Amount to be accrued on district's financial statements

The district is using the "pay-as-you-go" method of meeting its obligation and budgeting conservatively for future year payments. Previously we were transferring monies from our General Fund into the Special Reserve Fund as a way of pre-funding our future obligation. After making insurance payments, we deposited the difference between the actuarial calculated annual contribution amount and the actual payments for the year in question. The most recent actuarial study indicates those pre-funded amounts are not needed in the future, but we are continuing to maintain those monies in the Special Reserve Fund.



INFORMATIONAL SECTION

- ❖ *Budget Changes and Assumptions*
- ❖ *Multi-Year Financial Forecast*
- ❖ *Enrollment Projections*
- ❖ *Classroom Teachers*
- ❖ *Employee Benefits*
- ❖ *Special Education*
- ❖ *Staffing Allocations*
- ❖ *Property Taxes/Assessed Valuations*
- ❖ *Long Term Financial Commitments*
- ❖ *District Instructional Program*
- ❖ *Student Achievement*
- ❖ *Free and Reduced Price Meals*
- ❖ *Glossary*
- ❖ *Facts at a Glance*

BUDGET CHANGES AND ASSUMPTIONS

The 2022–23 estimated actuals form the baseline for determining the 2023–24 budget. This section explains changes from previous years and the assumptions used to create this year’s budget.

The table on the following page shows a four-year history of General Fund revenues and expenses. The following details revenue and expense assumptions in the light of past history.

2022–25 REVENUES AND CHANGES FROM PRIOR YEARS

LCFF/Revenue Limit Sources. The state funding guarantee (either under the new Local Control Funding Formula, LCFF, or the previous funding scheme, revenue limits) consists of a combination of property tax collections and state aid. Funding has grown an average of 2% since 2018–19 primarily as a result of property tax growth. Additionally, the transfer of property tax dollars to the charter school has impacted our revenues due to continual growth in charter school enrollments.

Property taxes continue to be our largest and thus most important revenue source. Parcel tax and foundation funding are crucial in enabling us to offer the outstanding program our parents demand.

Federal Revenue. Federal funding to the district varies with federal spending on education and district eligibility for funds. In 2020–21 and 2021–22 we received one-time federal and state COVID relief funding.

Other State Revenue. State funding varies depending on economic conditions and changes in state law. With the new funding scheme there is little in the way of categorical funding left in the “other state revenue” category. In 2018–19 through the budget year the state has provided varying amounts of one-time monies for COVID relief measures, for educator professional development, and to reduce the state’s obligation for mandated cost reimbursements. Starting in 2015–16 the state’s on-behalf payments to the State Teacher’s Retirement System (STRS) are required to be reported by districts as revenue, with a corresponding offset in an expense category.

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

KEY 2023–24 BUDGET ASSUMPTIONS

Revenue Assumptions

- ♦ .21% enrollment increase (7 students)
- ♦ 5.5% property tax growth
- ♦ A reduction in one-time state and federal funding
- ♦ Lottery projected at \$170 per ADA
- ♦ Parcel tax at \$820 per parcel nets \$9.6 million
- ♦ LAEF funding of \$2.5 million

Expenditure Assumptions

- ♦ \$520,000 for professional growth & longevity
- ♦ 18 fewer FTE’s
- ♦ 1.31% PERS rate increase
- ♦ 6% across-the-board salary increases
- ♦ Health benefit rates projected to increase 7.5% in January 2024
- ♦ 3-5% inflation on “fixed cost” items

LOS ALTOS SCHOOL DISTRICT 2023-24 BUDGET

2023-24 EXPENDITURES AND CHANGES FROM PRIOR YEARS

Certificated and Classified Salaries. Generally, expenditures on employee salaries have risen as we have given cost-of-living increases, credit for professional growth and longevity, As enrollment has declined we have reduced the number of staff.

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

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

Services & Other Operating Expenditures. While we have included an inflationary increase on "fixed cost" items (utilities, insurances, legal fees, etc.) in the budget year, we show a decrease in spending in the budget year due to prior year spending of one-time revenues.

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

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

Transfers Out to Other Funds. A transfer of funds in the budget year is needed to cover excess costs in the district's Cafeteria Fund.

	2019-20 Actuals	% Change	2020-21 Actuals	% Change	2021-22 Actuals	% Change	2022-23 Est. Actuals	% Change	2023-24 Budget	% Change	Average %
ENROLLMENT	3,996	-5.8%	3,574	-10.6%	3,344	-6.4%	3,353	0.27%	3,360	0.2%	-5.6%
REVENUES											
LCFF/Revenue Limit Sources	44,698,442	6%	47,849,096	7%	51,309,746	7%	55,245,149	7.60%	57,564,528	4.2%	6%
Federal Revenue	1,063,634	-10%	2,778,328	161%	2,731,962	-2%	1,429,883	-47.60%	1,033,903	-27.7%	30%
Other State Revenue	4,866,360	-25%	6,429,851	32%	5,925,295	-8%	7,249,090	22.30%	5,000,544	-31.0%	-8%
Other Local Revenue	17,486,846	-8%	16,283,368	-7%	16,535,419	2%	15,321,403	-7.30%	15,167,853	-1.0%	-3%
GO Bonds/Transfers In From Other Funds											
TOTAL OPERATING REVENUE	68,115,281	-2%	73,340,644	8%	76,502,422	4%	79,245,525	3.60%	78,766,828	-0.6%	2%
EXPENDITURES											
Certificated Salaries	26,151,573	-3%	26,605,837	2%	27,960,671	5%	29,254,678	4.60%	30,194,981	3.2%	2%
Classified Salaries	10,646,854	1%	11,524,701	8%	12,414,844	8%	14,156,438	14%	14,733,268	4.1%	5%
Employee Benefits	18,008,143	-3%	17,420,847	-3%	18,994,439	9%	20,460,424	7.70%	21,867,007	6.9%	2%
Books & Supplies	2,357,464	-6%	3,880,372	65%	2,869,523	-26%	6,430,575	124%	2,615,147	-59.3%	-7%
Services & Other Operating Expenditures	7,349,023	-21%	6,789,177	-8%	10,618,971	56%	10,046,821	-5.30%	10,992,873	9.4%	9%
Capital Outlay	173,201	-88%	42,641	-75%	363,259	752%	331,676	-8.70%	286,679	-13.6%	144%
Other Expenses and Outgo	7,036	-98%	8,050	14%	6,766	-16%	8,262	22%	8,262	0%	-25%
Transfers Out To Other Funds							1,247,612		1,458,431	16.9%	
TOTAL OPERATING EXPENDITURES	64,693,295	-7%	66,271,626	2%	73,228,474	10%	81,936,487	11.90%	82,156,648	0.3%	1%
Revenues over (under) Expenditures	3,421,986		7,069,018		3,273,948		(2,690,962)	-17.80%	(3,389,820)	-26.0%	
Beginning Fund Balance	1,047,814	-32%	4,469,801	327%	11,538,819	158%	14,967,404	29.70%	12,276,444	-18.0%	
Ending Fund Balance	4,469,800	327%	11,538,819	158%	14,967,404	30%	12,276,442	-18%	8,886,624	-27.6%	

MULTI-YEAR FINANCIAL FORECAST

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

Our revenue projections reflect normal growth starting in 2023–24. Most of the growth comes from increased property tax collections. We project 5.5% tax growth in the budget year and a decline in the out years due to a softening economy. As noted earlier, assessed value growth for the budget year will be over 5% when the tax roll is closed on July 1.

We have built up reserves to help withstand a downturn in the economy. Over the five-year forecast our projections shows decreasing reserves below our policy target of 8–10%.

REVENUES

Housing Turnover. Housing turnover has declined over the last three years but sales prices have been stable over the last 15 months. Housing turnover affects our forecasts in two ways—changes in student population, which impacts both revenues and expenditures, and increased assessed valuations (AV), which drives up property tax collections.

Enrollment. Enrollment projections are based off our demographer’s “medium” forecast, discussed in depth later in this section. We foresee a slight decline over the five-year period.

Property Taxes. We project a 5.5% growth in property tax collections for 2023–24 and flat to slight decline in future year in our forecast.

Inflation. We are assuming modest cost-of-living increases starting with the budget year.

Parcel Tax. The forecast includes the expiration of a second parcel tax of \$223 authorized in November 2016 to continue until June 30, 2025. We share a portion of this second parcel tax with the charter school.

Rental Income. Rental and lease income is forecasted at \$487,000 in the budget year, reflecting a return to pre-pandemic levels.

EXPENDITURES

Enrollment. Because of an expected decrease in class sizes we project several fewer teachers and classified staff next year. We are right sizing our staffing to pre-Covid levels and to match enrollment.

Employee Compensation. Our forecast includes salary increases due to professional growth and longevity adjustments for eligible employees. These equate to a 1.7% increase in total annual compensation. We also increased salaries 6% for the 2022-23 fiscal year and an additional 6% across-the-board salary increases for this upcoming 2023-24 budget. The state has mandated increased contributions to the state retirement systems, thus significantly increasing our costs. PERS rates will increase slightly over the next three years. We have projected an annual 7.5% increase in health benefit costs.

Charter School. We project the charter school enrollment of in-district students to grow to 1,057 students. The projection is based on projection data from the charter school.

LOS ALTOS SCHOOL DISTRICT 2023-24 BUDGET

Other. All other educational and other programs are expected to remain at 2023-24 levels, with the exception of special education. Our forecast includes 3% annual inflation on the cost of goods and contracted services.

	2022-23	2023-24	2024-25	2025-26
% Change in Prop Tax Collections	8.24%	5.00%	4.00%	3.00%
Enrollment	3,353	3,360	3,293	3,227
In-district students @ charter school	1061	1057	1057	1057
<i>Total Enrollment, LASD + BCS</i>	<i>4,414</i>	<i>4,417</i>	<i>4,350</i>	<i>4,284</i>
Transfer of Prop Tax to BCS	9,768,506	10,783,781	11,388,495	12,001,097
Cost-of-Living Adjustment (COLA)	6.56%	8.22%	3.94%	3.29%
Foundation Funding	2,500,000	2,500,000	2,500,000	2,500,000
Parcel Tax	820	820	820	597
Class Size, K-3	22	22	22	22
Class Size, 4-6	25	25	25	25
Class Size, 7-8	26	26	26	26
Teachers, FTE	220	202	202	202
Raises (across-the-board)	6.00%	6.00%	0.00%	0.00%
Cost of Step/Column Movement	415,000	520,000	520,598	528,407
Step/Col (converted to % salary inc.)	1.4%	1.7%	1.7%	1.8%
Health Benefit rate increases	7.5%	7.5%	7.5%	7.5%
Health Benefits (converted to % salary inc.)	1.4%	1.5%	1.5%	1.6%
STRS rate increases	2.2%	0.0%	0.0%	0.0%
Total Comp (as % of salary)	10.9%	9.2%	3.2%	3.3%
LCFF Sources	55,245,149	57,564,528	59,353,319	60,624,925
Federal Sources	1,429,883	1,033,903	973,050	962,998
Other State Sources	7,249,091	5,000,544	4,936,768	4,867,731
Other Local Sources	15,321,403	15,167,853	15,167,853	12,967,853
Total Revenues	79,245,526	78,766,828	80,430,990	79,423,507
Certificated Salaries	29,254,678	30,194,981	30,610,327	31,031,906
Classified Salaries	14,156,438	14,733,268	14,438,519	14,145,347
Employee Benefits	19,653,216	21,023,474	22,609,033	24,198,060
Retiree Benefits	807,209	843,533	798,000	772,000
Books & Supplies	6,430,575	2,615,147	2,585,147	2,595,147
Contract Services	10,046,821	10,992,873	10,792,873	10,892,872
Capital Outlay	331,676	286,679	25,000	25,000
Other	8,262	8,262	8,262	8,262
Transfers Out	1,247,612	1,458,431	1,250,000	1,250,000
Total Expenses	81,936,486	82,156,647	83,117,161	84,918,594
Net Change	(2,690,960)	(3,389,819)	(2,686,171)	(5,495,087)
Adjusted Beginning Balance	14,967,404	12,271,444	8,881,625	6,195,454
Ending Balance	12,271,444	8,881,625	6,195,454	700,367
Encumbrances				
General Fund Reserves	12,271,444	8,881,625	6,195,454	700,367
Reserves, Special Reserve Funds	3,548,613	3,573,613	3,598,613	3,623,613
Total Reserves	15,820,057	12,455,238	9,794,067	4,323,980
% of Expense	19.31%	15.16%	11.78%	5.09%

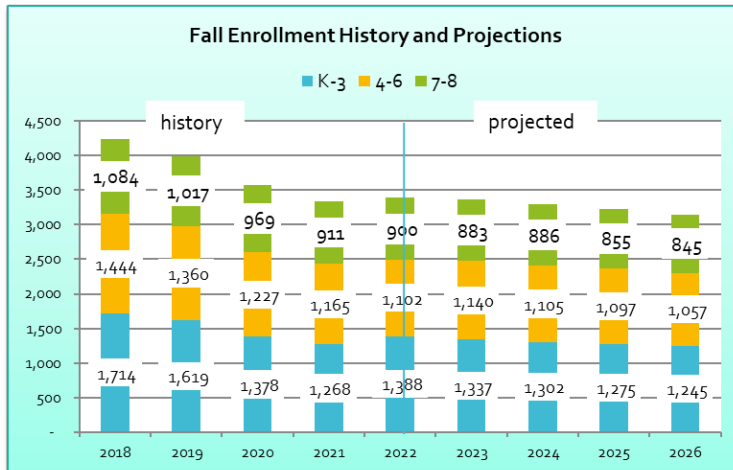
LOS ALTOS SCHOOL DISTRICT 2023-24 BUDGET

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

ENROLLMENT PROJECTIONS

Over the last ten years the district grew from 4,543 students in fall 2011 to 4,670 in 2014–15 and since then has declined to 3,360 students projected for this coming fall. The average annual rate of growth over this period is <2.5%>. The recent enrollment decline is expected to level off. To be eligible for kindergarten a child must turn five years old on or before September 1. For the budget year the state requires the district to offer a transitional kindergarten for children who turn five between September 2 and April 2. This 3-month additional window increases student enrollment. The state has moved toward requiring districts to offer transitional kindergarten for all four-year olds—which could generate more students in our district.

In early 2023 the district commissioned Davis Demographics, Inc. (a demographic consulting firm) to do a study of the district’s enrollment history and make projections for the future. Current enrollment projections are shown on the accompanying chart, are done by the district, and incorporate methodology from the most current demographer report.



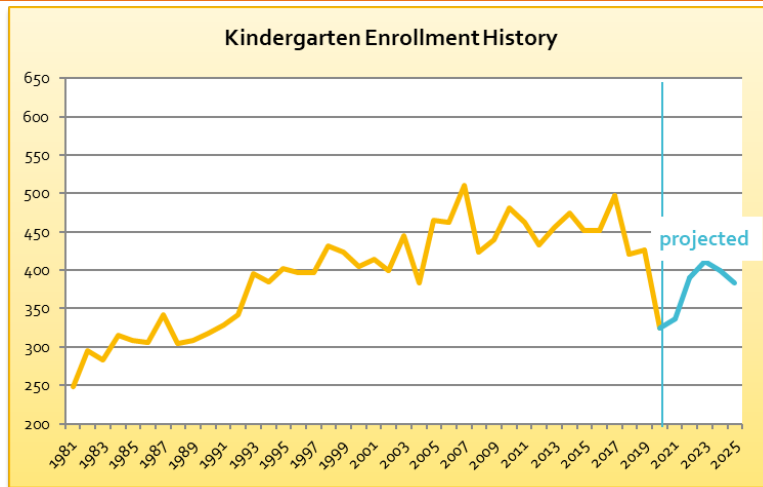
Methodology. The enrollment forecasts were produced using the standard demographic method for forecasting populations, the “cohort survival” technique. This method advances the current student body one grade for each year of the forecast period. One year’s kindergarten students become the next year’s first graders; first graders become second graders; and so on. Three assumptions that guide the forecast are (1) grade progressions, (2) kindergarten forecasts, and (3) inter-district transfers.

Each of these assumptions is discussed below.

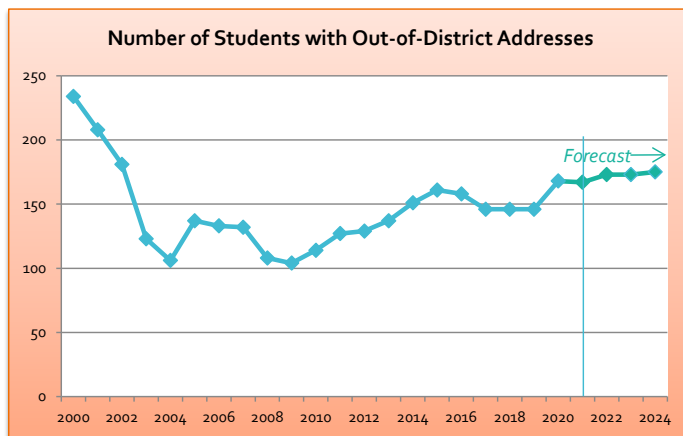
Grade Progressions. As cohorts of students progress to the next grade, numbers are adjusted based on historical grade progressions, which are measures of how past cohorts grew or shrank from one school year to the next. Migration into and out of the district accounts for most changes in cohort size, though repeating and skipping grades and private-to-public and public-to-private school transfers also affect grade progressions. Under the medium forecast we assume the most recent history of grade progressions will continue.

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

Kindergarten Enrollment. Kindergarten forecasts typically are based on births to district residents five years earlier and on the historical relationship between those births and subsequent kindergarten enrollments. There is a decline in birthrates in Santa Clara County and the entire state. Due to the expansion of the transitional kindergarten program we will project for a leveling off and decline in the future for transitional kindergarten and kindergarten.



Inter-district Transfer Students. Because the number of inter-district transfer students (IDTs) is controlled by district policy, it does not reflect the district’s demographic trends. With the district in “community funded” status, where its revenue is no longer dependent on student enrollment, we continue to limit the number of inter-district transfers. The forecast assumes a total of around 170 district-wide inter-district transfers each year. Most of these students are assumed to be children of district employees and children from the Palo Alto School District portion of Los Altos Hills.

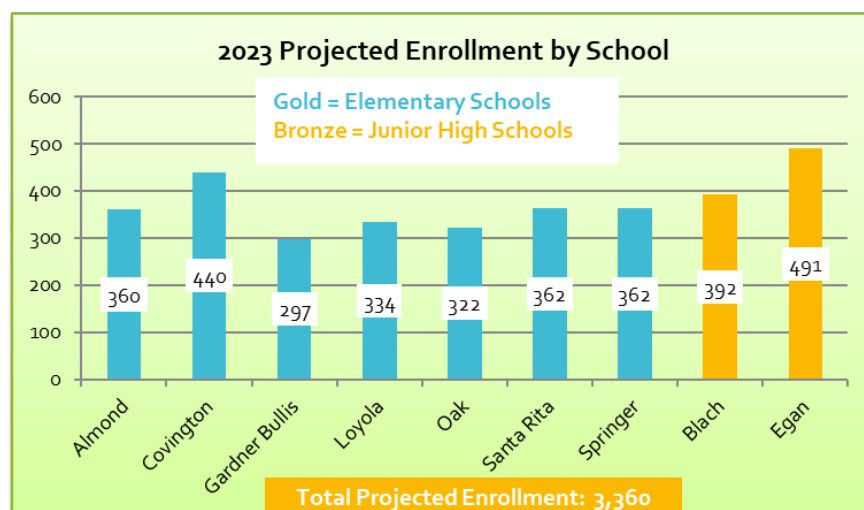


Charter School Impact. The charter school competes with the district for students living in the area. As charter school enrollments grow, growth in in-district enrollments is moderated.

LOS ALTOS SCHOOL DISTRICT 2023-24 BUDGET

Projections by Grade Level and by School (for budget year only). The following table shows recent history of enrollment and projected enrollments by grade span. We project 3,360 students in Fall 2023 and have included a breakdown by school in the chart below. We do not project future year enrollments by school, only by grade level.

Fall Enrollment by Grade Levels: History and Projections										
	2017	2018	2019	2020	2021	2022	2023	2024	2025	2026
K-3	1,773	1,714	1,619	1,378	1,268	1,388	1,337	1,302	1,275	1,245
4-6	1,499	1,444	1,360	1,227	1,165	1,102	1,140	1,105	1,097	1,057
7-8	1,128	1,084	1,017	969	911	900	883	886	855	845
Total	4,400	4,242	3,996	3,574	3,344	3,390	3,360	3,293	3,227	3,147



CLASSROOM TEACHERS

The cost of classroom teachers is the single largest component of our expenditure plan, for obvious reasons. 40% of our budget goes toward teacher salaries and benefits. We have 123 elementary school teachers, 49 intermediate school teachers, and 18 specialists serving students of various ages. In addition, we have 13 staff members who provide non-instructional direct services to students—counselors, psychologists, and two district nurses. We hire teachers based on staffing ratios. Our staffing ratios are 22:1 for K–3, 25:1 for Grades 4–6, and 26:1 for Grades 7–8. Special education classrooms have significantly lower student–teacher ratios, averaging under ten students per class. Our specialists (e.g., bilingual, music, and physical education teachers) are hired based on school-wide or district-wide needs. Often these teachers have more students in their classes than the average classroom.

The average teacher salary for 2023–24 is \$115,033. The average age of our teaching staff is 44 years. 77% of our teachers have taught in the district for six or more years. 98% of our teachers have credentials enabling them to teach in classes where English is a second language for students. In comparing teacher salaries from 2021–22 we rank near the bottom in the chart below among comparative basic aid elementary school districts in our county.

TEACHING STAFF DEMOGRAPHICS

Ave Age	44
Ave Years Teaching in District	10
Ave Total Years Teaching	15
<u>Teaching Experience</u>	
1st Yr	6 teachers
2nd Yr	5 teachers
3-5 Yrs	35 teachers
6 + Yrs	157 teachers
Male	29
Female	174
	202
<u>Ethnicity</u>	
White	154 (76%)
All Other	49 (24%)
	203
<u>Highest Education Level Attained</u>	
Masters or greater	140
Teachers with CLAD Credentials	198

Data is from 2022–23.

Teacher Compensation in Santa Clara County

Los Gatos ESD	\$78,909
Mountain View Whisman ESD	\$71,962
Saratoga ESD	\$70,772
Sunnyvale ESD	\$69,388
Union ESD	\$68,764
Campbell ESD	\$68,660
Cupertino ESD	\$66,910
Los Altos ESD	\$63,766
Moreland ESD	\$60,260

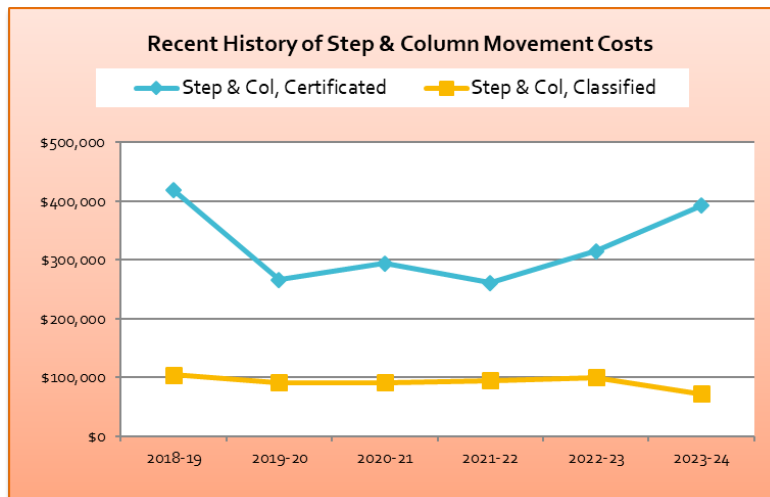
The amount indicated is the 2021-22 salary paid at step 1 with a requirement of bachelor's degree plus an additional 30 semester units.

STEP & COLUMN MOVEMENT

Teacher salaries are determined by placement on a salary schedule. The schedule is a matrix of cells representing both teaching experience and educational credits. The entry level salary is now \$71,648, while the highest salary on the schedule is \$132,113. As teachers move across the salary schedule, either because of years of service or professional growth or both, their salaries increase. This movement is called step and column

LOS ALTOS SCHOOL DISTRICT 2023-24 BUDGET

movement. The cost of step and column movement for teachers for 2023–24 is estimated at \$392,000, which is equivalent to a 1.4% increase in total compensation. We use our recent years' experience to forecast the cost of step and column movement in future years.



STAFF TURNOVER

We have averaged five teacher retirees per year in recent years. Our future forecasts assume this trend will continue. We have greater turnover than five teachers per year, however, as many teachers leave for reasons other than retirement (such as relocation, child-rearing, or career changes). Our total turnover in recent years has been as high as 25 teachers per year, a turnover rate in the range of 10%–15%. Typically, we save \$30,000 for every retirement, the difference between the salary of the retiring teacher and the salary of the new hire. It is difficult to predict the cost differential between new hires and teachers leaving for reasons other than retirement. For that reason, we do not factor a cost savings for this turnover in our future forecasts.

LABOR RELATIONS

The district employs 213 FTE certificated employees and 190 FTE classified employees. We also employ 34 management and confidential employees. California law requires collective bargaining between the district and its certificated and classified labor groups. The only requirement relating to management and confidential employees is the requirement to “meet and confer” regarding compensation and related issues.

We enjoy a relatively harmonious relationship with our employee bargaining groups. Collective bargaining is almost always done in a collaborative manner, using interest-based bargaining techniques. The two labor groups are the Los Altos Teachers Association (LATA) for our certificated staff and California School Employees Association (CSEA) Chapter 103 for our classified staff. LATA is a local chapter of the California Teachers Association and Chapter 103 is our local chapter of the state CSEA organization. We have had no work stoppages or other actions by employee groups in recent years.

EMPLOYEE BENEFITS

The district provides certain statutorily required benefits to its employees, paying an amount that is figured as a percentage of salary. These benefits are retirement funding (State Teachers Retirement System, STRS, for certificated employees and Public Employees Retirement System, PERS, for classified employees), social security contributions, unemployment insurance, and worker's compensation benefits. Except for unemployment and workers compensation insurance, benefits are provided only for employees who work at least half-time. All employees, no matter how much they work, receive unemployment and workers compensation benefits.

The 2023–24 rates for these benefits add up to 32% of payroll for certificated employees and 34% of payroll for classified (non-certificated) employees. STRS rates will remain flat in the budget year but will face pressure to increase over the next couple of years while PERS rates increase annually through the next five years. Rates for other statutory benefits are projected to be approximately the same as in the current year.

	Certificated	Classified	Total
State Retirement Programs (STRS, PERS)	8,766,725	3,656,057	12,422,782
Social Security	65,163	851,603	916,766
Medicare	427,532	209,512	637,044
Unemployment Insurance	144,232	72,135	216,367
Workers Compensation Insurance	470,629	228,753	699,382
Subtotal, Statutory Benefits	9,874,281	5,018,060	14,892,341
Health & Welfare			
Medical Insurance			
Active Employees	3,331,667	2,110,872	5,442,539
Retired Employees	588,431	233,032	821,463
Subtotal, Medical	3,920,098	2,343,904	6,264,002
Dental Insurance			
Active Employees	325,018	183,789	508,807
Retired Employees	14,143	7,927	22,070
Subtotal, Dental	339,161	191,716	530,877
Life Insurance	8,413	6,461	14,874
Disability Insurance		48,829	48,829
Total, Health & Welfare	4,267,672	2,590,910	6,858,582
Other (TSA)			0
Other (Medical Opt-Out)	116,084		116,084
Grand Total	14,258,037	7,608,970	21,867,007
<i>Note: Grand Total includes benefit costs in all funds and excludes medical opt-out stipends as well as PERS Reduction Transfer to state, an expense item charged to Benefits category.</i>			

27% of Total
Budget

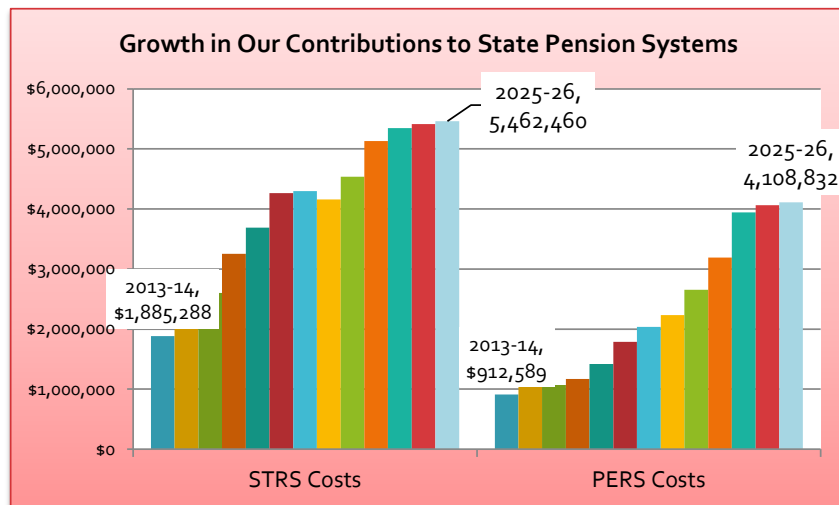
The district also provides health and welfare benefits to employees who work at least half-time. These benefits include medical and dental insurance, life insurance, and disability insurance. They are projected to cost \$6.8 million in total for 2023–24. The cost of retiree health benefits (approximately \$843,000) is included in that total. The budget year cost of health and welfare benefits is expected to be 7.5% higher than in the current year due to premium increases that take effect mid-year (January 2024).

The district purchases medical benefits through Cal PERS, a consortium of many public agencies in California. Cal PERS covers more than 1.4 million lives and is one of the single largest buyers of medical insurance in the country. Representing so many lives gives Cal PERS significant bargaining power with insurance companies.

LOS ALTOS SCHOOL DISTRICT 2023-24 BUDGET

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

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



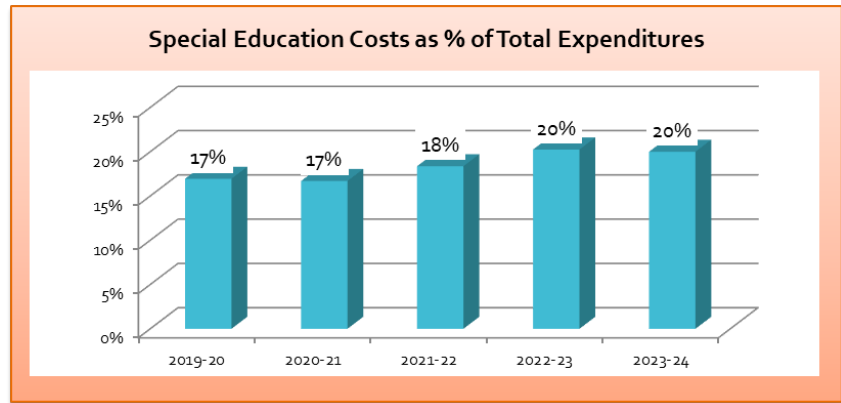
RETIREE BENEFITS

The district provides retiree healthcare benefits to district employees. Retiree medical benefits are available to all employees, with dental and spousal coverage dependent on hire date and employee classification. Benefit coverage requires attainment of age 55 with ten years of service in the district. Retiree contributions are required for employees hired after certain dates in 1988 and 1989, depending on employee classification. A benefits consulting firm prepared an actuarial valuation of the district's liability for retiree benefits. The total present value of all projected benefits is \$35.6 million. The district's unfunded liability is \$14.4 million, roughly 52% of the total.

SPECIAL EDUCATION

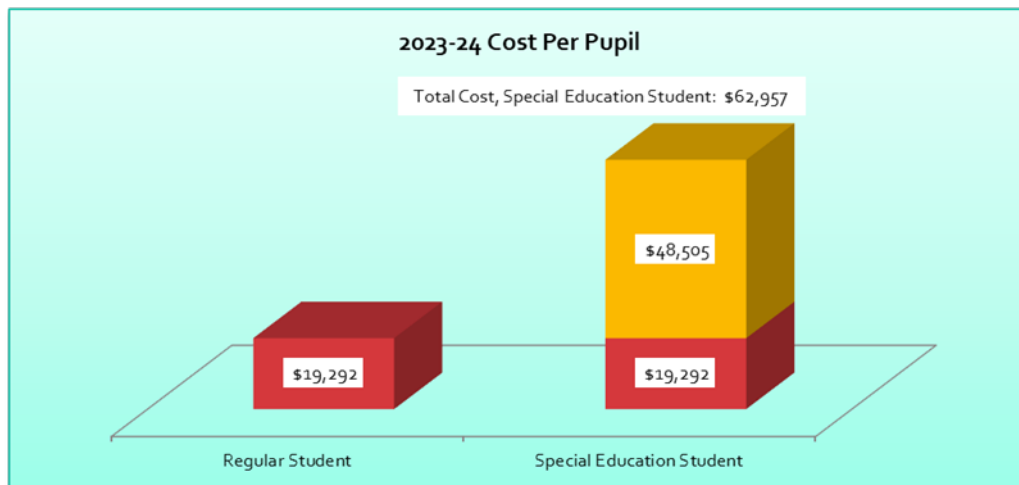
As required by federal and state law we provide services to students with special educational needs. Federal law requires public schools to provide appropriate services for these children as early as age three and up until age twenty-one. We have some preschool programs that serve children who have not yet entered our school system. State and federal law requires that an individual education plan (IEP) be developed for each special education student. This plan is developed by our teachers and administrators in consultation with the student's parents. 10% of our students are eligible for and receive some kind of special education service.

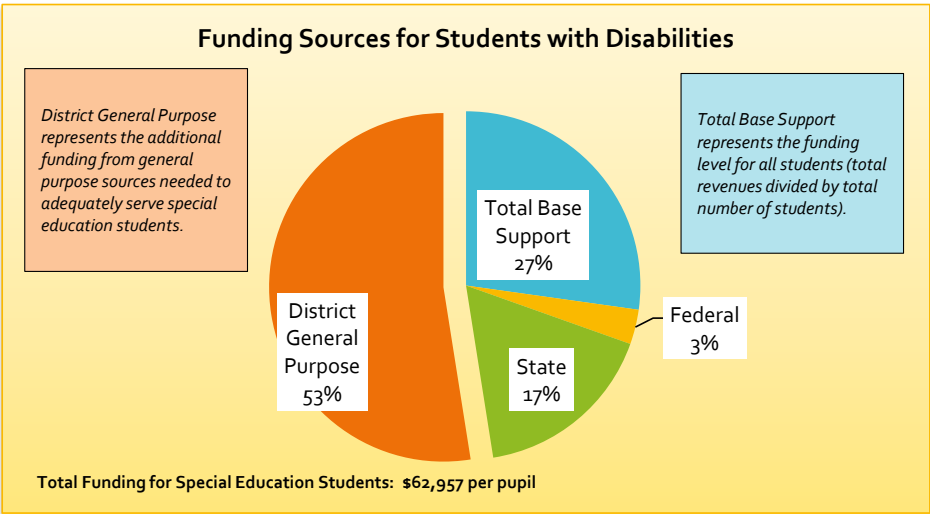
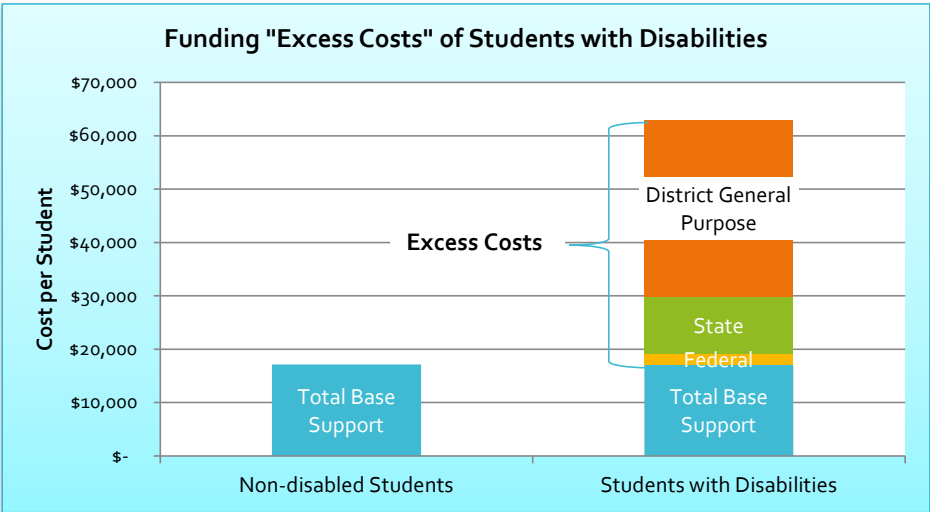
Because the cost of providing services to these students is a significant portion of our total spending, our special education administrators try to find the most efficient way to deliver services. For the budget year we expect to spend \$15.8 million, 20% of our total expenditures. We get funding from the state and federal government that covers 27% of this total. The district contributes \$11 million or 73% of the total cost of our special education program.



Special education costs are rising faster than other areas of the budget. Special education costs have risen by 35% from five years ago while total spending increased by 7.5%. The number of students receiving special education services remains fairly constant—around 9% – 11% of the total student population—while the cost of certain programs (services to autistic children in particular) has risen dramatically. Caseloads of autism continue growing year after year. Typically, these students require specialized one-to-one services, costing an average of \$50,000 or more per student per year.

Special education students cost more to educate than students not receiving these additional services. Excluding special education costs, we are spending \$19,292 per student in 2022–23. This average cost of all students is shown on the accompanying charts (on the next page) as “Total Base Support.” The cost of special education services alone is \$48,505 per special education student. Thus, the total cost of educating our special education students averages \$62,957 per pupil, the sum of the average per-pupil cost plus the average per-pupil cost of special education services.





State funding for special education flows through our Special Education Local Plan Area (SELPA), a consortium of four districts in this geographic area of our county. The four districts in our SELPA include ours as well as Palo Alto Unified School District, Mountain View-Whisman School District, Mountain View-Los Altos High School District. The districts work together to consolidate programs where appropriate in serving students from the entire SELPA in the most cost-efficient manner. We get reimbursed from the other districts for serving their students in this program. Our county office of education supports our SELPA and other SELPAs in the county with some financial and management services.

Our special education programs are located at every school in the district. Special Day Classes (SDC), which require a full-time teacher for every classroom, are located at six sites. These classes serve students from throughout the district. Our SDC classes this coming year will be located at the Covington, Loyola, Santa Rita, and Springer sites for preschool and elementary age students and at Blach and Egan for junior high age students. More specialized services are provided outside the district—at SELPA classes in other districts, at county classes, and at non-public schools and agencies.

STAFFING ALLOCATIONS

Staffing at our schools is determined based on specific staffing ratios, which are included in the district's Budget Development Guidelines booklet. While the district usually follows the staffing ratios guidelines, occasionally the Superintendent determines the need for staffing beyond the number indicated by the ratios. An example of this is the hiring of an additional teacher at an elementary school in order to avoid having a combination class.

Staffing at the district level is determined annually according to the needs of the district. Prior year staffing acts as a baseline, to which staffing FTE is either added or subtracted. The district has endeavored over the years to maintain as small a district level staff as possible, preferring to allocate resources directly to the school sites. The teacher to administrator ratio is well below the guidelines developed by the California Department of Education. These guidelines allow for .09 certificated administrators for every teacher. With 202 FTE teachers employed for 2023–24, the district is allowed up to 18.2 administrators. The district is employing 16.8 FTE administrators. The staffing allocation table below is similar to the current year allocations.

Authorized Staffing Allocations	Elementary Schools	Intermediate Schools
Principal	1 per school	1 per school
Secretary	1 per school	1 per school
Clerk	.5 FTE per school (small school) .625 FTE per school (medium school) .75 FTE per school (large school or school with specialized programs)	
Counselor/Psychologist	1.0 per school	.8 FTE per school
Academic Counselor		1.0 FTE per school
Custodians	1 per school (Day) 1 FTE per school (Night)	1 per school (Day) 1.5 per school (Night)
Teacher-in-charge		.333 FTE per small school .500 FTE per large school
Classroom Teachers	24:1 (K-3) 27:1 (4-6)	26:1
Resource Specialists (Special Education)	1 per school	1 per school
Library Aides	10 hours per week + 0.5 hours per class (average 25 hrs/week)	25 hours per week + 1 after school hour daily
Noon Duty	1 hour per day (Classified)	1 hour per day (Certificated)

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

LOS ALTOS SCHOOL DISTRICT 2023-24 BUDGET

History of District Staffing (Full-Time Equivalents)					
	2019-20	2020-21	2021-22	2022-23	2023-24
Superintendent	1.00	1.00	1.00	1.00	1.00
Assistant Superintendent	2.00	2.00	2.00	2.00	2.00
Director	2.80	2.80	3.80	3.80	5.80
Program Coordinator, Certificated	4.00	4.00	4.00	5.00	4.00
Principal	9.00	9.00	9.00	9.00	9.00
Teacher, Classroom	205.10	195.52	183.17	178.17	154.93
Teacher, Support	3.50	3.50	8.00	8.00	19.05
Teacher, Special Education	23.20	24.00	31.00	30.00	22.80
Teacher, Bilingual	3.00	4.00	2.00	2.00	2.00
Program Specialist (Spec Ed)	2.61	2.76	1.84	2.03	3.10
Guidance/Counseling	1.20	1.20	2.00	2.00	1.00
Psychologist	8.50	8.50	10.52	9.40	9.60
Nurse	2.00	2.00	2.00	2.00	2.00
Behavior Specialists	2.61	3.60	2.00	2.00	2.00
Instructional Assistant	108.07	108.58	100.76	111.75	106.44
Computer Networking	2.00	2.00	2.00	2.00	2.00
Food Services				11.25	11.25
Program Coordinator, Classified	0.70	0.70	1.45	2.45	3.45
Secretary/Clerical/Office	39.43	40.60	43.31	56.05	49.66
Custodian	15.00	15.00	19.13	19.13	18.12
Warehouseman	1.00	1.00	1.00	1.00	1.00
Maintenance	5.00	5.00	5.00	5.00	5.00
Grounds	2.00	2.00	2.00	2.00	2.00
Total	443.72	438.76	436.98	467.02	437.20

	2014-15	2015-16	2016-17	2017-18	2018-19
Student Enrollment:	4,670	4,636	4,522	4,400	4,242
Number of Teachers (FTE):	258	252	252	256	250
Student-Teacher Ratio:	18.12	18.43	17.97	17.17	16.97

	2019-20	2020-21	2021-22	2022-23	2023-24
Student Enrollment:	3,996	3,574	3,344	3,353	3,360
Number of Teachers (FTE):	234	227	224	218	202
Student-Teacher Ratio:	17.09	15.74	14.92	15.54	16.60

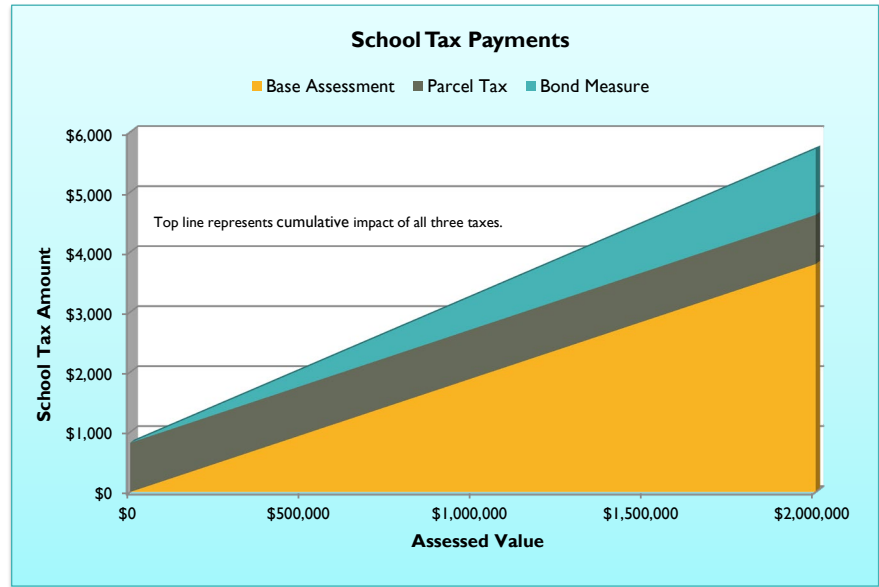
PROPERTY TAXES/ASSESSED VALUATIONS

Prior to the passage of Proposition 13 in 1978, there was a direct relationship between the assessed value (AV) of property and the market value of property. Assessed value was adjusted regularly based either on the increasing or, in rare cases, the decreasing market value of the property. Under Proposition 13, the County Assessor can increase the base year value only by a maximum of 2% each year for inflation. Therefore, as housing prices have increased in California since 1978, the increases in assessed value have been capped at the base year as adjusted by the small inflationary increase. Houses are reassessed at market value only when ownership changes hands. Thus, one finds all over the state situations in which the owners of identical houses next door to each other pay radically different levels of property tax. This also means that the assessed values carried on the roll show minimal relationship in many cases to the actual market value of the property. The County Assessor maintains a database of assessed values. There is no database of the market value of properties.

Also, with Proposition 13, property tax rates were fixed at 1% of the assessed value of the property. Only certain special tax overrides (requiring a two-thirds majority vote) are permitted to increase that tax rate. A taxpayer's bill thus has a base rate of 1% of the assessed value of his/her property.

There are 41 tax rate areas within the school district, especially high because the district boundaries cross several city jurisdictions. Because the majority of our students reside within Los Altos, we will assume a City of Los Altos resident is our typical taxpayer. Approximately 19 cents of that taxpayer's dollar goes to our district.

Parcel Tax. In 1989 voters in the district passed a parcel tax measure (Measure A) to support our educational program. A parcel tax is a fixed dollar assessment per parcel for all parcels of property within the district boundaries. The 1989 tax assessment was \$168 per parcel. In 1997 voters approved an increase in the parcel tax to \$264. In November 2002 voters approved another increase, making the current tax \$597 per parcel. This tax generates \$7.5 million annually for the district.



A taxpayer in our district thus is paying a portion of the 1% of AV that is collected for our schools, plus a fixed annual amount of \$597 (no matter the value of the property). Taxpayers are now paying an additional \$223 per parcel for a second parcel tax—which was authorized by voters in November 2016 and lasts eight years. A portion of that tax is earmarked for the charter school based on the ratio of their enrollment to the district’s enrollment.

General Obligation Bonds. In response to the need to reopen a closed school (because of increased enrollment) and to renovate and modernize our schools, voters approved a \$94.7 million general obligation bond measure in 1998. The tax impact of this measure averages \$55 per \$100,000 of AV and is not to exceed \$60 per \$100,000 AV. Debt service on the bonds issued to finance the reconstruction continues through 2023. Voters approved a \$150 million bond measure in November 2014. General Obligation Bonds and Bond Anticipation Notes were issued in October 2019 and monies were used to purchase a new school site (December 2019). Remaining funds likely will be used to build a school on the new site and make some improvements to existing campuses.

TAX BURDEN

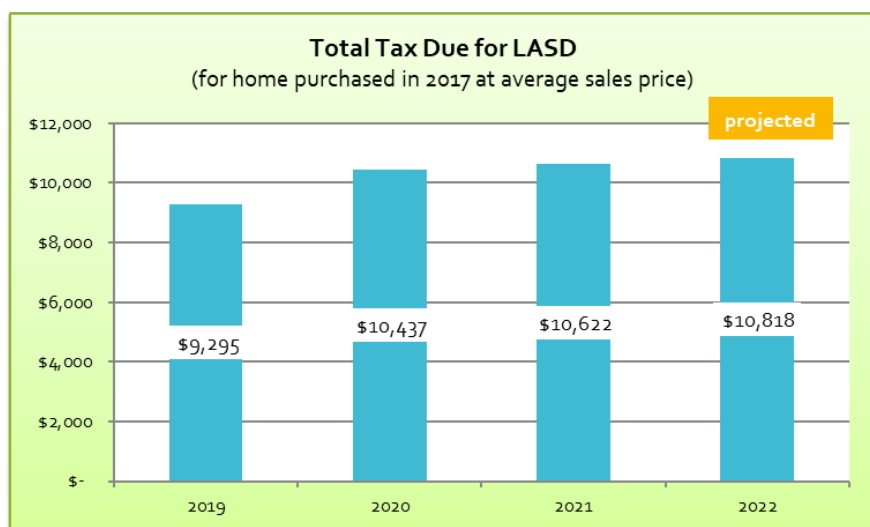
The impact on the typical taxpayer at present is the sum of these three components – the normal share (19%) of the 1% of AV earmarked for our schools, \$820 in parcel taxes, and a % of AV calculated to pay off the bonded indebtedness from the general obligation bond measure. This impact is shown on the accompanying table and charts.

The table below shows the tax burden on an “average” homeowner in Los Altos. The data assumes that the homeowner bought his house in 2017 for \$3,445,744 (the average price of a home in that year). The increase/decrease in market value reflects the increase/decrease in the average price of a home. As discussed earlier, the assessed value equals the market value at the time a property is sold but can increase no more than 2% per year until it is sold again. Property tax rates are fixed at 1% of AV and the district receives approximately 19% of the property taxes collected (thus the average tax rate shown). On top of the regular property tax, homeowners in our district are assessed no more than \$60 per \$100,000 of AV for our general obligation bonds and a flat \$820 per parcel. The table also shows what is perceived as a tax inequity—the difference in tax between what this homeowner would pay and what someone buying an identical house in 2021 would pay.

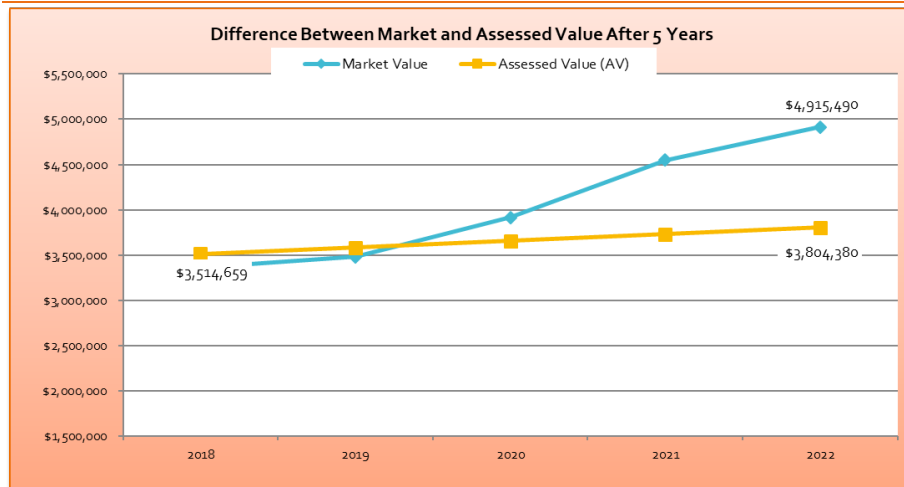
LOS ALTOS SCHOOL DISTRICT 2023-24 BUDGET

	2018	2019	2020	2021	2022
Market Value	\$ 3,365,394	\$ 3,484,074	\$ 3,917,829	\$ 4,551,380	\$ 4,915,490
Assessed Value (AV)	\$ 3,514,659	\$ 3,584,952	\$ 3,656,651	\$ 3,729,784	\$ 3,804,380
% Change in AV	2.00%	2.00%	2.00%	2.00%	2.00%
Property Tax Rate	0.1911%	0.1915%	0.1917%	0.1915%	0.1915%
Tax Due for LASD	\$ 6,717	\$ 6,865	\$ 7,010	\$ 7,143	\$ 7,285
LASD Bond Tax Rate	0.0463%	0.0449%	0.0713%	0.0713%	0.0713%
Tax Due for LASD	\$ 1,627	\$ 1,610	\$ 2,607	\$ 2,659	\$ 2,713
LASD Parcel Tax	\$ 820	\$ 820	\$ 820	\$ 820	\$ 820
Total Tax Due for LASD	\$ 9,164	\$ 9,295	\$ 10,437	\$ 10,622	\$ 10,818
% Change in Tax Due	1.30%	1.43%	12.29%	1.77%	1.85%
Tax, if property sold in 2021				\$ 13,738	

The chart below extracts from the table above to show the tax impact on the homeowner who might have purchased a home at the average sales price in 2017. It includes the actual taxes due to the district for four years as well as the projected tax level for the upcoming year.



The accompanying chart illustrates the difference between market value and assessed value for the same home during a five-year period.



ASSESSED VALUATIONS

The recent history of assessed valuation (AV) in the district is shown in the accompanying table, along with four years of projected values. The table also shows that school tax collections, on average, cost taxpayers around 19 cents per \$100 AV. Housing turnover has been mainly responsible for the recent growth or decline in the district's AV. Changes in AV affect general fund revenues and how much debt we can issue. Assessed valuations are determined each year in July by the county assessor. *As noted earlier, there is no direct relationship between assessed values and market values, except at the time property is sold.*

Voters gave approval for \$94.7 million of bonds to finance our construction program and we have issued all \$94.7 million worth of bonds. Voters approved a second bond measure in 2014, for \$150 million. In October 2019 we issued \$65 million in general obligation bonds and \$79 million in bond anticipation notes—in order to finance the purchase of a new school site. Our total AV in 2021–22 was \$29.2 billion. Our legal debt limit is \$365 million, against which we have \$67 million outstanding for a balance of \$298 million (our debt capacity).

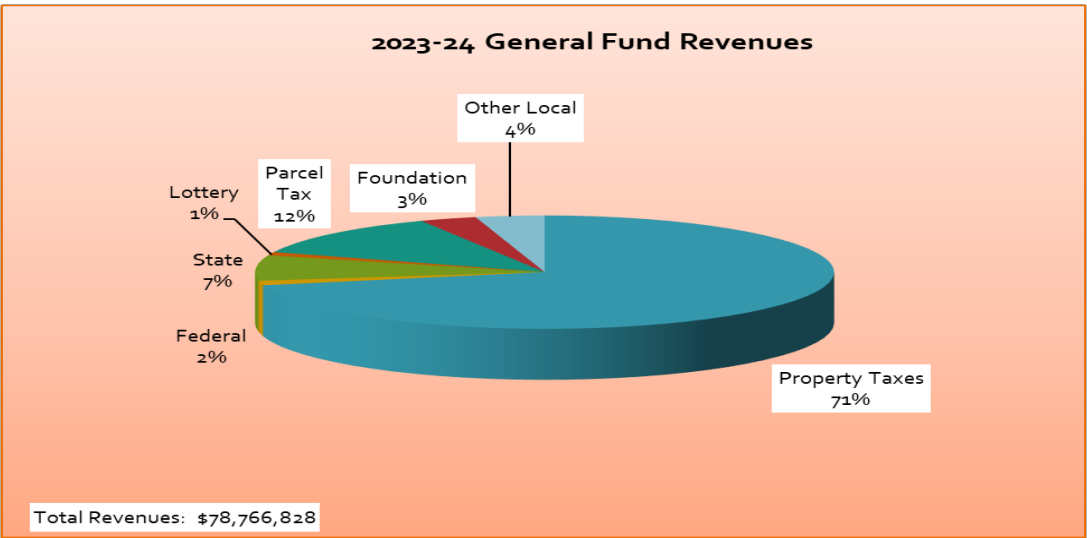
Assessed Valuations					Tax Collections		
Fiscal Year	Local Secured	Unsecured	Total	% Change	Prop Tax Collections	Tax Revenue per \$100 AV	% Change
2012/13	15,076,574,802	129,074,735	15,205,649,537	5.11%	28,854,897	0.1898	5.95%
2013/14	16,496,455,947	145,005,237	16,641,461,184	9.44%	31,564,315	0.1897	9.39%
2014/15	17,653,473,179	162,809,230	17,816,282,409	7.06%	34,178,091	0.1918	8.28%
2015/16	19,217,494,204	175,234,379	19,392,728,583	8.85%	37,402,066	0.1929	9.43%
2016/17	20,633,198,666	128,384,160	20,761,582,826	7.06%	39,808,468	0.1917	6.43%
2017/18	22,238,694,016	135,916,742	22,374,610,758	7.77%	42,650,198	0.1906	7.14%
2018/19	23,933,720,789	165,433,682	24,099,154,471	7.71%	46,143,240	0.1915	8.19%
2019/20	25,563,786,568	188,479,601	25,752,266,169	6.86%	49,371,651	0.1917	7.00%
2020/21	27,432,560,189	218,979,160	27,651,539,349	7.38%	52,939,339	0.1915	7.23%
2021/22	28,958,897,998	254,959,234	29,213,857,232	5.65%	55,615,000	0.1904	5.05%
2022/23	31,156,878,356	274,310,640	31,431,188,996	7.59%	60,225,484	0.1916	8.29%
2023/24	32,870,506,666	289,397,725	33,159,904,391	5.50%	63,537,885	0.1916	5.50%
2024/25	34,185,326,932	300,973,634	34,486,300,566	4.00%	66,079,400	0.1916	4.00%
2025/26	35,210,886,740	310,002,843	35,520,889,583	3.00%	68,061,783	0.1916	3.00%

Note: Data highlighted in blue is either estimated or projected. AV finalized as of July 1 each year. Tax collections finalized in August each year.

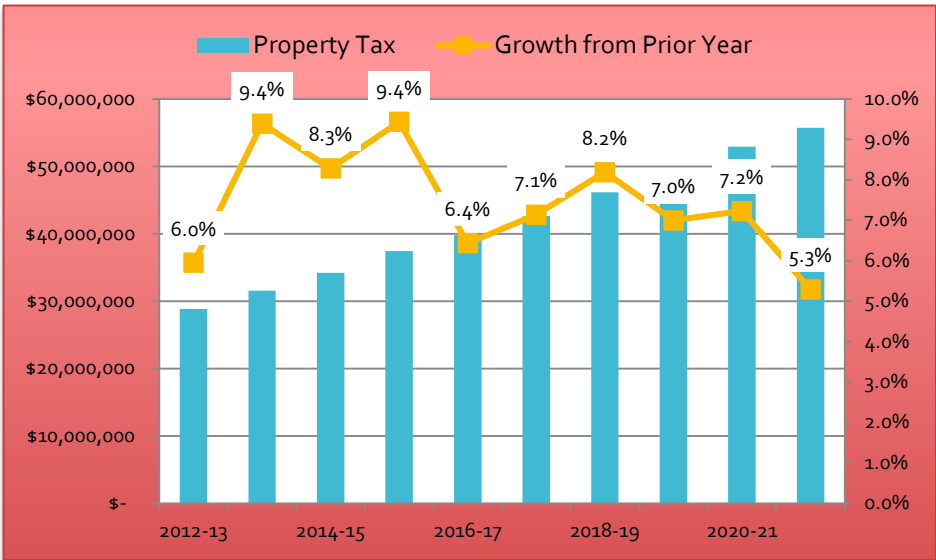
LOS ALTOS SCHOOL DISTRICT 2023-24 BUDGET

PROPERTY TAX REVENUES

As noted previously we are highly dependent on property tax revenues since they are far and away the largest portion of our total operating revenues, as the chart below illustrates.



The chart below shows the most recent ten-year history of property tax growth within our district, showing both the dollar growth and percentage growth. The ten-year average growth has been just over 7.4%.



LONG TERM FINANCIAL COMMITMENTS

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

OPERATING LEASES

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

Office Equipment

Office Equipment	Number	Annual Costs	Expiration Dates
Photocopy Machines	27	\$85,140	August 2024
Postage Machines	1	\$4,727	January 2027

Portable Buildings. In July 2007 the district purchased twenty-five portable buildings, most of which were being leased at the time of the purchase. We continue to lease a number of portable classrooms and other buildings, the number growing as the need for additional student housing grows. The following table summarizes the cost of these leases.

School	# of Leased Portables	Cost	Fund
Almond	7	\$ 50,184	Capital Facilities Fund
Gardner Bullis	12	\$ 94,092	Capital Facilities Fund
		\$ 42,924	Building Fund
Covington/DO	8	\$ 74,496	Capital Facilities Fund
		\$ 11,704	Building Fund
Egan	7	\$ 88,152	Capital Facilities Fund
Loyola	6	\$ 56,652	Capital Facilities Fund
Oak	6	\$ 68,352	Capital Facilities Fund
Santa Rita	11	\$ 105,276	Capital Facilities Fund
Springer	7	\$ 61,584	Capital Facilities Fund
Stepping Stones	4	\$ 92,436	General Fund
BCS	66	\$ 280,728	Building Fund
		\$ 544,151	Capital Facilities Fund
Total	134	\$ 1,570,731	

LONG TERM DEBT

General Obligation Bonds. To finance our facilities modernization program we issued three series of bonds starting in February 1999. In June 2006 we refinanced most of our outstanding debt and in January 2013 we refinanced part of the debt on the 2006 bonds. In January 2016 we again refinanced the remaining debt not refinanced in 2013. As noted above we issued additional debt in October 2019 to help finance the purchase of a new school site. Our outstanding general obligation bond debt as of June 30, 2022 is \$66.8 million, which is 18%

LOS ALTOS SCHOOL DISTRICT 2023-24 BUDGET

of our legal debt limit of \$365 million. The debt service on all outstanding debt (bonds and BANs) amounts to \$178 million.

The accompanying tables show the amortization schedule for the 2013 and 2016 refunding bonds, as well as the amortization schedule for the Election 2014 bonds and notes. Principal and interest payments are made during each fiscal year as shown.

Bond Amortization Schedule 2013 General Obligation Refunding Bonds			
Fiscal Year	Principal	Interest	Total
2024	380,000	5,700	385,700
2025	-	-	-
2026 and beyond	-	-	-
Total	\$380,000	\$5,700	\$385,700

Bond Amortization Schedule Election 2014 Series A-1 General Obligation Bonds			
Fiscal Year	Principal	Interest	Total
2024	2,000,000	1,980,650	3,980,650
2025	850,000	1,923,650	2,773,650
2026 and beyond	52,150,000	24,199,275	76,349,275
Total	\$55,000,000	\$28,103,575	\$87,144,875

Bond Amortization Schedule Election 2014 Bond Anticipation Notes			
Fiscal Year	Principal	Interest	Total
2024	19,000,000	1,483,970	20,483,970
2025	60,000,000	642,900	60,642,900
2026 and beyond	-	-	-
Total	79,000,000	2,126,870	81,126,870

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

In the following table we summarize our debt service on the capital leases, the general obligation bonds, and the bond anticipation notes.

Debt Service				Debt Service				Debt Service				Combined Debt Service			
Capital Leases				General Obligation Bonds				Bond Anticipations Notes (BANs)				Capital Leases & General Obligation Bonds & BANs			
FY	Principal	Interest	Total	Principal	Interest	Total		Principal	Interest	Total		Principal	Interest	Total	
2024	266,386	66,416	332,803	2,380,000	1,980,650	4,366,350		19,000,000	1,483,970	20,483,970		21,646,386	3,536,736	25,183,123	
2025	279,244	53,558	332,803	850,000	1,923,650	2,773,650		60,000,000	642,900	60,642,900		61,129,244	2,620,108	63,749,353	
2026 and beyond	911,609	79,029	990,638	52,150,000	24,199,275	76,349,275		-	-	-		53,061,609	24,278,304	77,339,913	
	\$ 1,457,239	\$ 199,003	\$ 1,656,243	\$ 55,380,000	\$ 28,109,275	\$ 83,489,275		\$ 79,000,000	\$ 2,126,870	\$ 81,126,870		\$ 135,837,239	\$ 30,435,148	\$ 166,272,388	

Compensated Absences. As of June 30, 2023, the district anticipates having \$718,453 worth of unused vacation leave on its books. It is anticipated that some of that will be used up during the summer months.

RETIREE MEDICAL BENEFITS

The district has an unfunded liability for retiree medical benefits. In 2023–24 the estimated cost of providing retiree medical benefits is \$843,000. An actuarial study of the district’s liability was completed in July 2021. The study indicates that the district’s unfunded liability is \$14.4 million. The figure is based on a number of assumptions, including estimated medical plan rate increases. As the assumptions change, so will the outstanding liability. Additional information regarding this liability was presented earlier, in the Financial Section.

DISTRICT INSTRUCTIONAL PROGRAM

The nine schools making up the Los Altos School District have adopted and implemented a program that emphasizes reading, writing, and mathematics for all students. TK–6 children work within self-contained classrooms—each taught by one teacher and supported by specialist staff as appropriate. The upper elementary grades often departmentalize for subject-specific teaching, though this is not universal. Seventh and eighth graders work through a rich departmentalized program of core subjects, health guidance, and self-selected electives. Instructors at all grade levels use a myriad of teaching techniques and specialized materials to meet the needs of all children. Reading for meaning, guided reading, literacy centers, and computer-assisted instruction are four examples of techniques used to help insure that each child has access to the district’s core curriculum.

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

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

Language Arts/Reading. Reading, writing, listening, and speaking are at the core of the English Language Arts curriculum. With the adopted units of study in reading and writing, all students are guaranteed access to core materials at their learning level. Leveled reading that is associated with content standards in reading, social studies and science are provided through their lessons. Teachers use the Fountas and Pinnell Reading Benchmark Assessment System to identify the instructional and independent reading levels of all students and document student progress through one-on-one assessments.

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

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

Mathematics. Math instruction includes the Common Core State Standards as well as mathematical practices. With the state adopted Scott Foresman EnVision Math curriculum for grades K–5, all students are guaranteed access to core materials at their learning level. Qualified students complete an accelerated math course in grade 6, learning both sixth and seventh grade standards. Math in Focus is the primary adopted curriculum for 6th grade students and was officially adopted this past year to be used in the grade level math courses for 6–8 grade students. Most junior high school students complete algebra as they exit the eighth grade; however, we do offer Geometry and Common Core 8 classes. Differentiated math instruction strikes a balance between skill development and mastery of major math concepts. Using in-service learning opportunities, teachers learn how to move children from basic procedural to application levels of learning. Strands from the standards are supported with manipulative materials and math tools, including MARS tasks.

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

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

Science. As part of a hands-on-Science Program, the district has implemented three science units (life, physical, earth) for use at each grade level, K–6. In grades K–5 teachers implement science lessons through the FOSS hands-on science program that have been locally aligned to support Next Generation Science Standards (NGSS). The 6–8 grade teachers have designed new, NGSS aligned units. All teachers are invited to receive in-service training on the science kits, leadership training, summer institute training, and case study work. All schools are currently in the process of transitioning to the new NGSS, with focus on the science and engineering practices. Technology is infused into numerous lessons and lab settings. All schools use pair learning, group learning, computer assisted instruction, and cooperative learning to help each child succeed in science. Guided reading is also used to help children read for specific information. All elementary schools hold yearly STEM Expos. Teacher-made tests, observation scales, and science notebooks are used for student/program evaluation.

Computer Science. LASD's cSTEM program for 6th grade brings Science, Technology, Engineering and Math (STEM) subjects through the 3 C's—Creativity, Collaboration and Computer Science. Students learn to

Standards Based Teaching and Learning

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

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

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

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

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

LOS ALTOS SCHOOL DISTRICT 2023-24 BUDGET

demonstrate their creativity through technology by creating original video games that combine art and design with computer programming. Students are introduced to the fundamental concepts of computer science and then apply these concepts to projects in science and math. They learn the critical digital age skill of computational thinking through computer programming. A computer science elective is offered at both junior high schools. This class allows students an opportunity to get deeper into computer science, including programming with Python.

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

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

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

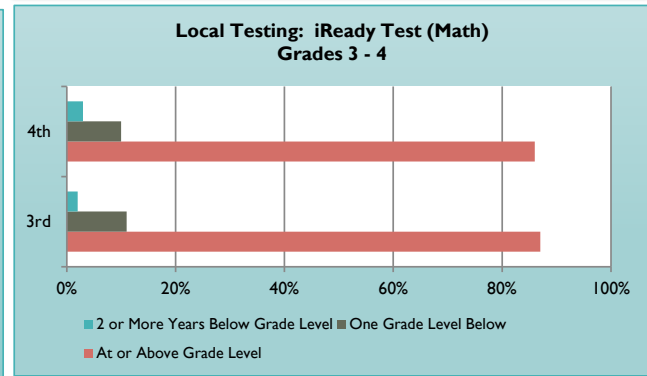
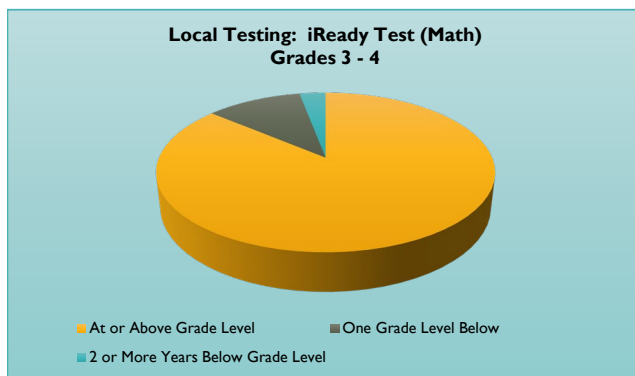
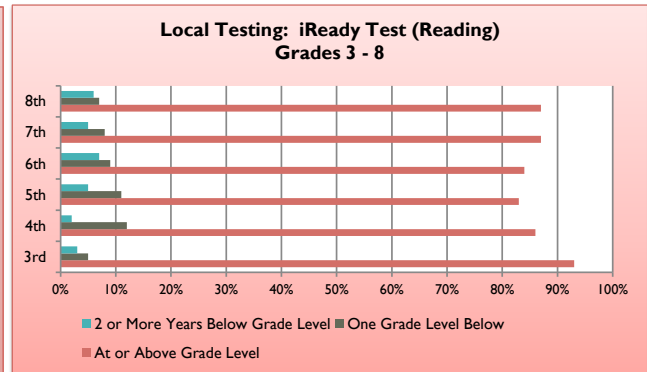
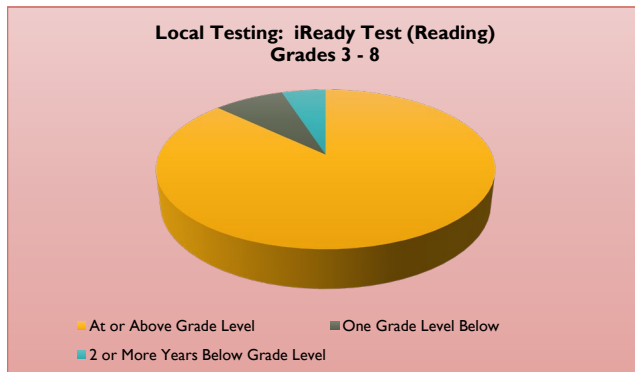
Physical Education. Funded by the Los Altos Educational Foundation (LAEF), trained physical education specialists work with all TK–6 grade children two days per week. Classroom teachers provide other physical education lessons to meet the required 200 minutes every ten days. The Los Altos Junior Olympics,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

Music. Primary grade music consists of singing, rhythm activities, and voice practice led by the classroom teacher or music specialists. Fourth graders receive one vocal and/or recorder lesson per week, while fifth graders complete one vocal lesson and one instrumental (small group and either band or orchestra) lessons each week. Sixth graders participate in a one-hour music block of Band, Orchestra, or General Music. Seventh and eighth graders may elect to take vocal music (half or whole year), theater, band or orchestra.

Art. The district art program directs attention to aesthetic perception, creative expression, art heritage and aesthetic valuing. All children learn how to use art elements, art principles, and color schemes effectively. Classroom teachers teach "art for art's sake" and integrate art lessons into various disciplines. Seventh and eighth graders may choose to take art as one of their semester electives. The Art Docent program also supports each classroom teacher with both hands-on and art appreciation lessons that align with grade level curriculum. A sampling of the Art Docent volunteer lessons include: Owl Masks (Kindergarten), Mexican Folk Art (grade 2), Printmaking (grade 3), and Creatures of the Tidal Zone (grade 6).

STUDENT ACHIEVEMENT

SPRING 2020 LOCAL TEST RESULTS



INFORMATION FROM PREVIOUS YEARS

2022 was just the eighth year of student data reports on the California Assessment of Student Performance and Progress (CAASPP), the new computer-based tests for English language arts/literacy and mathematics that replaced the former paper-based tests for these subjects. These exams are part of California's comprehensive plan for supporting high-quality learning at every school. They are based on California's new, more challenging academic standards, which are designed to help all students graduate ready for college and to pursue a career. These tests include a wider variety of questions than the multiple-choice tests they replaced, requiring students to explain how they solve problems, think critically, and write analytically. These skills take time and effort to master, but our students will need them to succeed in the long run. Like the new learning goals they were designed to measure, the new tests are too different from the old exams to make any comparisons between old scores and new.

Starting in Spring 2022 students in selected grades took the new standards-based California Science Test (CAST), replacing an older science testing system. For our district, the test applied only to students in grades 5 and 8.

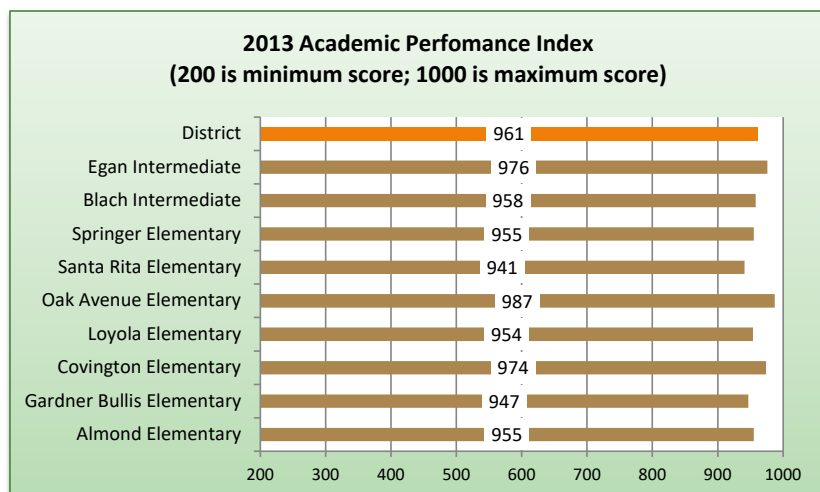
Results from both the CAASPP and CAST tests are shown on the accompanying page.

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API

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

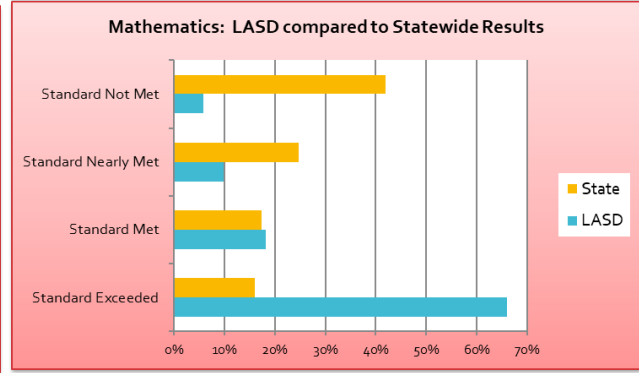
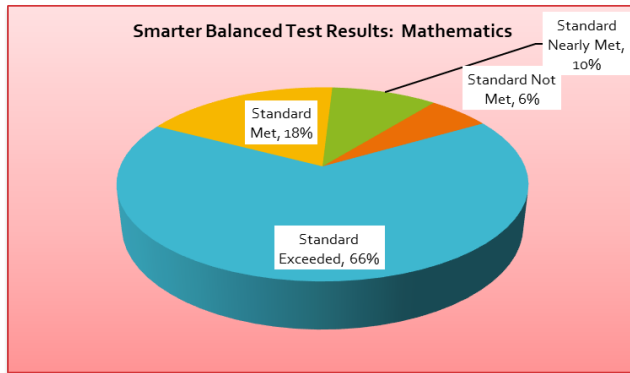
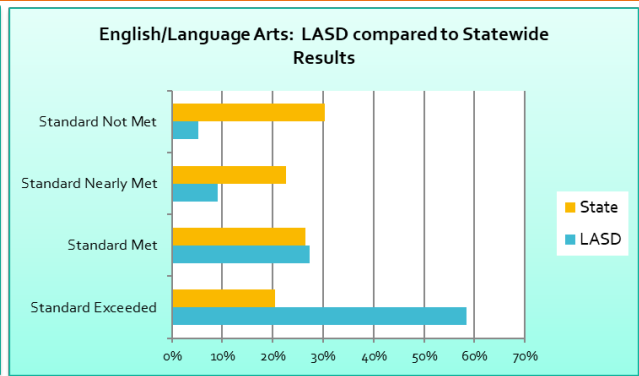
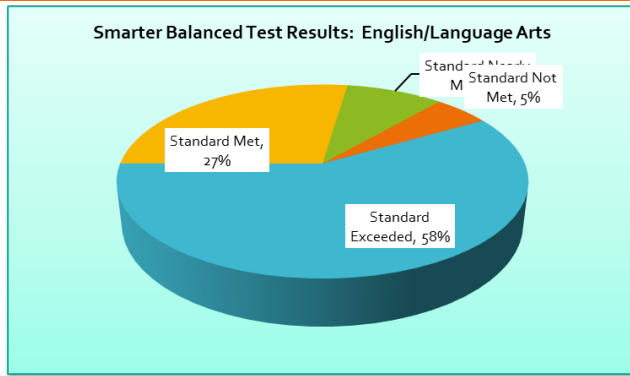
The state is currently rethinking how it will calculate an Academic Performance Index.



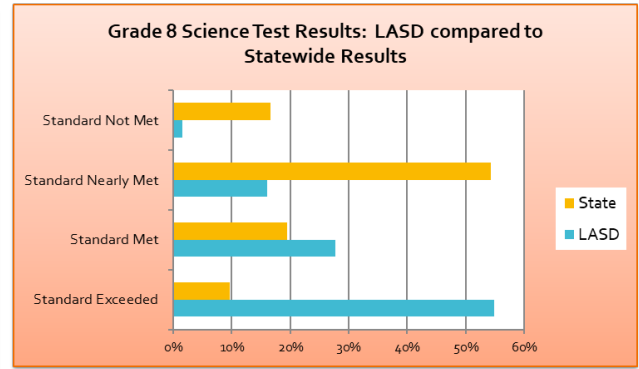
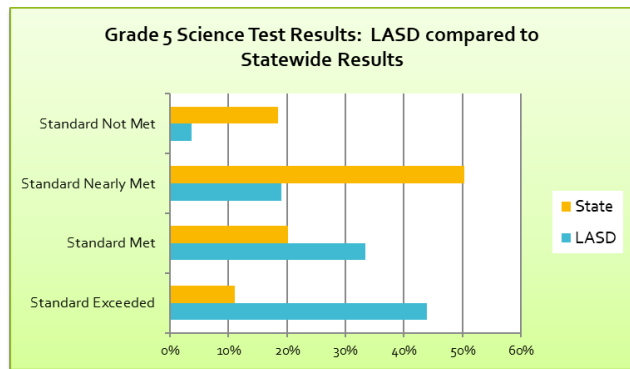
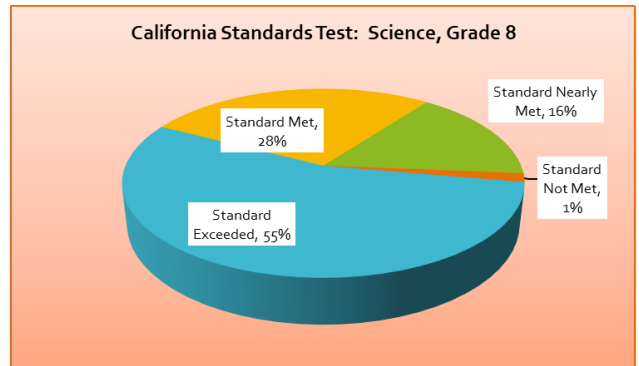
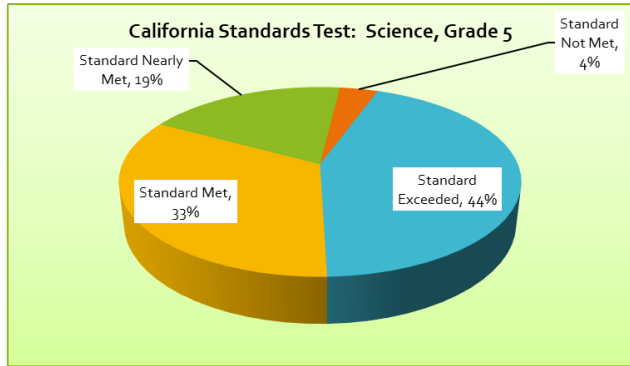
CAASPP TEST

In spring 2022 our students in grades 3 through 8 took part in the statewide standardized testing program for CAASPP. The assessments that comprise the CAASPP administration are computer-based assessments. These assessments are the Smarter Balanced English language arts/literacy (ELA) and mathematics tests. These tests include questions that address the Common Core State Standards in the areas of English/Language Arts and Mathematics.

Our students' baseline test results from 2022 were notably higher than both county and state averages. The charts below show our overall district test results within English/Language Arts and Mathematics and how our students fared compared to students statewide.



The following 2022 Science test results display the percentage of students meeting or exceeding state standards and how our students performed compared to statewide results.



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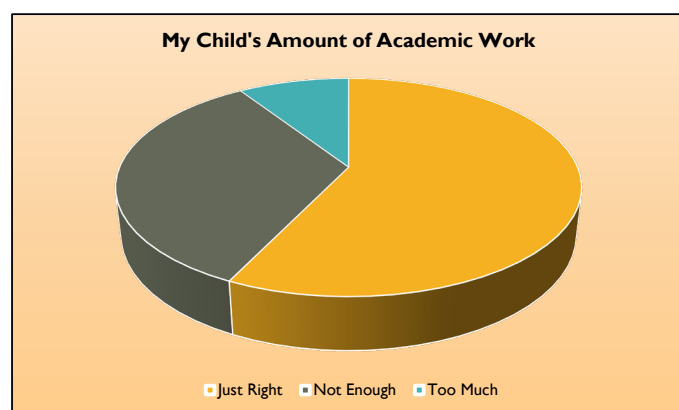
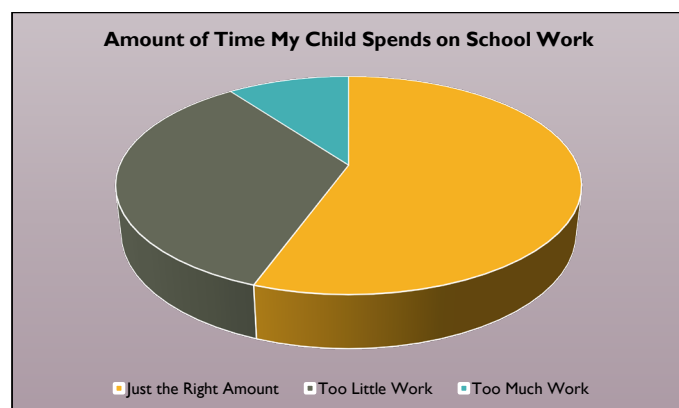
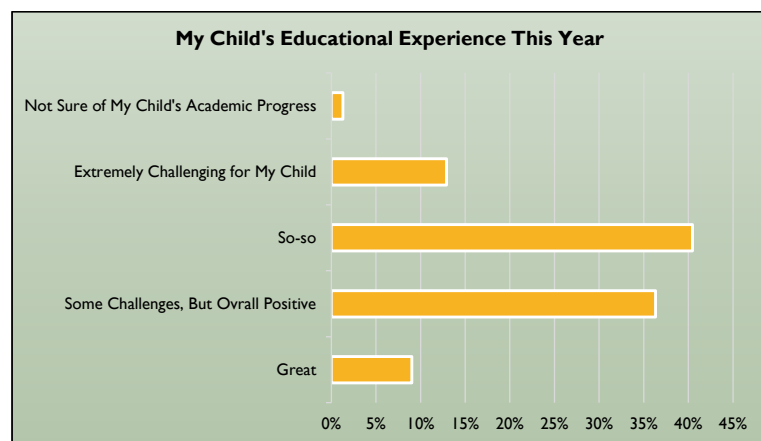
DROPOUTS

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

SURVEY RESULTS

Due to the COVID pandemic, our typical social-emotional surveys have not been conducted since Spring 2018. However, during 2020–21 we did survey parents related to the educational experience their children were receiving during the pandemic. Key survey results are shown immediately below. Following those results, we have included the results from Spring 2018 which were reported in our budget document last year.

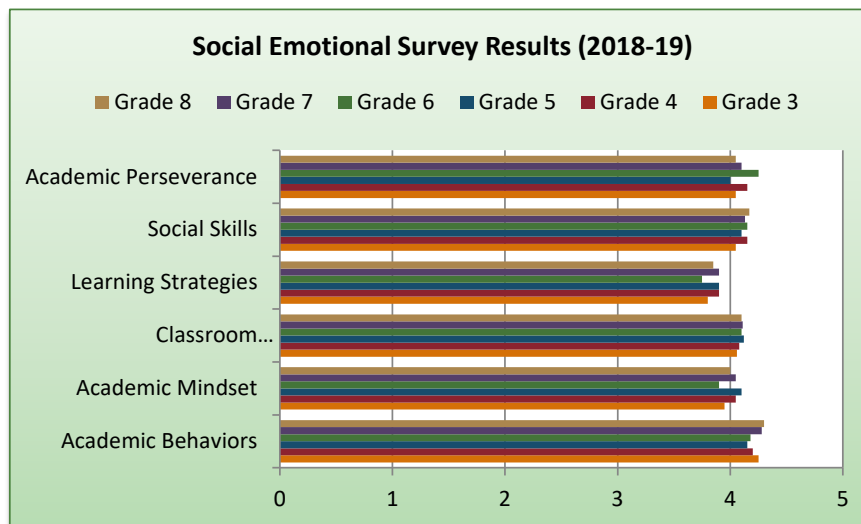
PARENT SURVEY RESULTS FROM SPRING 2021.



SPRING 2018 SURVEY RESULTS

During Spring 2018 the district, in conjunction with our county office of education, developed and implemented a survey of students regarding social and emotional learning. This survey, titled the Social Emotional Learning Survey (SEL), was given to students in grades 3 through 8. One of the key findings of the survey is that our students feel emotionally and socially safe at our schools. The survey addressed the following categories—academic behaviors, academic mindset, classroom content, learning strategies, social skills, and academic perseverance. Survey results were very similar from grade to grade, as shown below. The highest ranking (a score of 5) indicated a student felt very emotionally safe and secure.

Data was collected by school so our schools may use survey results to inform their site-based goals for the upcoming year. As a district we intend to use the data to inform our LCAP goals. Since this was the first year of implementation, we will use the data collected as a baseline and continue surveying students in the years ahead.



Top Level Results of SEL Survey

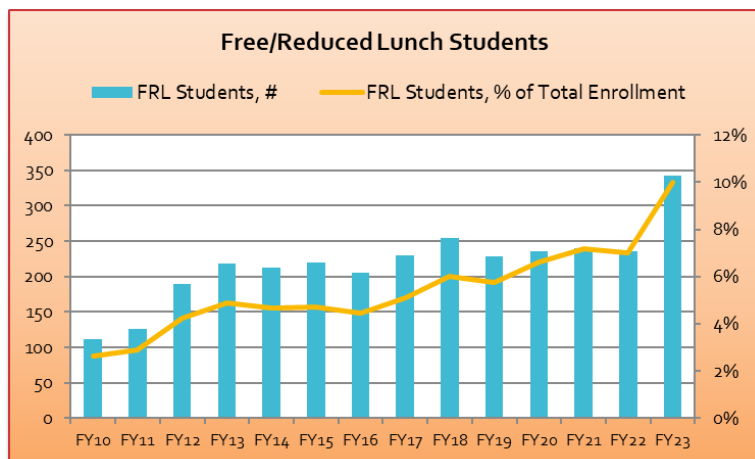
70% of all students responded that they actively participate in class discussions.

78% said they feel like they belong at their school.

83% responded as follows: **"I feel safe at my school."**

FREE AND REDUCED-PRICE MEALS

As the following chart shows, the percentage of students eligible for free or reduced-price meals has grown significantly in recent years.



In 2009–10 there were 112 students eligible for free or reduced-price meals. By 2022–23 that number rose to 235 students, a 110% increase. Even more telling is the increase in the percentage of eligible students, rising from 3% of total enrollment to 7% over the last thirteen years. This shift reflects the change in demographics as more and more students come from the northern section of our district. With future additional housing projected in that area, we expect this trend to continue.

GLOSSARY

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

Parcel Tax. A fixed tax amount assessed on each parcel in the district regardless of size or value. Exemptions are granted for certain parcels (those for which a property tax is not normally assessed—e.g., churches; parcels unable to be developed, usually because of size; or annually upon application to senior citizens who reside on the parcel). The LASD assessed tax is currently \$820 per parcel and generates over \$10 million for the district.

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

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

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

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

Pupil Teacher Ratio and Average Class Size. The total student enrollment divided by the full-time equivalent teachers. The average class size is the number of students in classes divided by the number of classes. Since

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some teachers have special assignments outside regular classrooms or work part-time, the average class size is always larger than the pupil-teacher ratio.

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

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

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

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

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

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

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

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

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

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

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

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

Teeter Plan. First enacted 1949 it provides California counties with an optional alternative method for allocating delinquent property tax revenues. Using the accrual method of accounting under the Teeter Plan, counties allocate property tax revenues based on the total amount of property taxes billed, but not yet collected. The Teeter Plan allows counties to finance property tax receipts for local agencies by borrowing money to advance cash to each taxing jurisdiction in an amount equal to the current year's delinquent property taxes. In exchange, the counties receive the penalties and interest on the delinquent taxes when collected. For counties not under the Teeter Plan, interest and penalty are allocated to all agencies based on their pro rata

share of the delinquent property tax. However, the county retains the penalty on delinquent property taxes if the delinquency is cleared up within the same fiscal year.

Title I, Title VI. Federal funds from the Elementary and Secondary Education Act as amended by Improving America's Students Act. Title I is for educationally disadvantaged children; Title VI is for innovative education program strategies. These programs were formerly called Chapter 1 and Chapter 2.

Types of Districts. An elementary district is generally kindergarten through 8th grade, high school is generally grades 9 through 12, and unified is generally kindergarten through 12th grade.

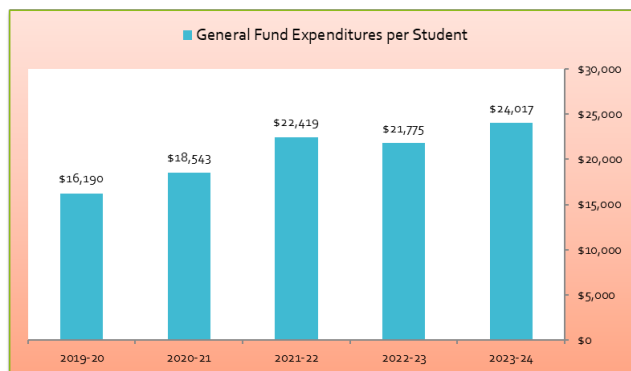
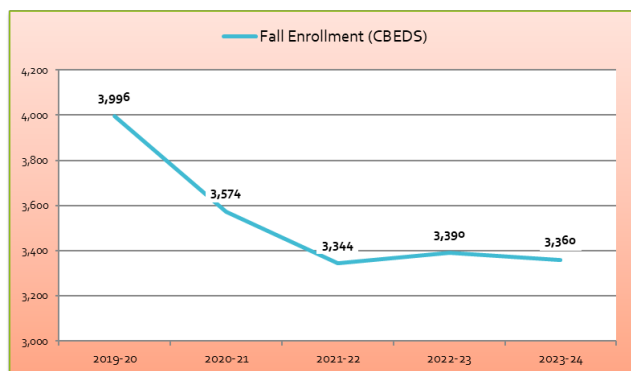
Unrestricted Funds. Monies whose use is not restricted by legal requirement or by the donor.

Unsecured Roll. Assessed value of personal property other than secured property (e.g., personal property or improvements on leased land).

LOS ALTOS SCHOOL DISTRICT 2023-24 BUDGET

FACTS AT A GLANCE

		2019-20	2020-21	2021-22	2022-23	2023-24
Students	Fall Enrollment (CBEDS)	3,996	3,574	3,344	3,390	3,360
	Average Daily Attendance (ADA)	3,897	3,485	3,277	3,322	3,290
	Average Class Size (composite)	24	23	23	24	24
	Average Class Size, grades K-3	22	19	20	22	22
	Average Class Size, grades 4-6	25	25	25	25	25
	Average Class Size, grades 7-8	26	25	23	26	26
Financial	Total General Fund Revenue	\$68,115,280	\$73,340,644	\$74,865,217	\$74,286,575	\$78,766,828
	Total General Fund Expenditures	\$64,693,294	\$66,271,625	\$74,970,602	\$73,816,144	\$80,698,216
	General Fund Revenue per Student	\$17,046	\$20,521	\$22,388	\$21,913	\$23,443
	General Fund Expenditures per Student	\$16,190	\$18,543	\$22,419	\$21,775	\$24,017
	LCFF Funded per Student (weighted average)	\$8,489	\$8,489	\$8,805	\$9,471	\$10,943
Taxes	Assessed Valuation (AV)	\$25,752,266,169	\$27,651,539,349	\$29,213,857,232	\$30,966,688,666	\$33,739,954,494
	Property Tax Collections (gross)	\$49,371,651	\$52,939,339	\$55,738,000	\$58,524,900	\$63,730,440
	Property Tax Growth	7.00%	7.23%	5.29%	5.00%	5.50%
	Property Tax, \$ per ADA	\$12,669	\$15,191	\$17,009	\$17,617	\$19,371
	Property Tax Collections (net) ¹	\$41,101,703	\$43,740,320	\$46,823,558	\$48,633,950	\$52,946,659
	Net Property Tax, \$ per ADA	\$10,547	\$12,551	\$14,289	\$14,640	\$16,093
	Amount in Excess of LCFF (state guarantee) ²	\$6,845,957	\$12,019,708	\$12,737,809	\$14,210,620	\$15,744,313
Staffing	Teacher Salary Schedule Improvement	2.5%	2.0%	7.0%	6.0%	6.0%
	Total Teacher Salaries	\$21,368,909	\$22,439,623	\$21,559,809	\$22,528,986	\$23,338,310
	Average Teacher Salary	\$89,787	\$101,007	\$96,806	\$102,327	\$115,033
	Average Teacher Benefits Package	\$32,710	\$35,006	\$35,506	\$38,317	\$42,780
	Number of Teachers (FTE)	234	222	222	220	203
	Number of Other Certificated Staff (FTE)	33	28	30	29	22
	Number of Classified Staff (FTE)	177	185	190	206	213
Miscellaneous	Number of Elementary Schools (K-6)	7	7	7	7	7
	Number of Intermediate Schools (Gr. 7-8)	2	2	2	2	2
	Ratio, Administrators to Teachers (state standard - 9% maximum)	5.9%	6.1%	6.2%	7.2%	9.0%
	% Spent on Direct Classroom Instruction (state standard - 60% minimum)	62%	59%	56%	60%	60%



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