

Glossary of Common School Finance Terms

AB 1200

AB 1200 is a statewide plan for county offices of education and school districts to work together on the local level to improve fiscal procedures, standards and accountability. AB 1200 expands the role of county offices of education in monitoring school districts and mandates that they intervene, under certain circumstances, to ensure districts can meet their financial obligations.

Apportionments

Federal or state taxes distributed to school districts according to established formulas.

Appropriations

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

Attendance Reports

Each school district reports its attendance three times during the school year. The First Principal Apportionment ADA is called the P-1, the Second Principal Apportionment ADA is called P-2 and the third Apportionment ADA is called P Annual.

Average Daily Attendance-ADA

For regular attendance, ADA is equal to the average number of pupils actually attending classes who are enrolled for at least the minimum school day. Attendance is counted everyday of the school year and is reported to the California Department of Education three times a year. A school district's revenue limit income is based on its ADA.

Basic Aid

The California Constitution guarantees that each school district will receive a minimum amount of State aid.

California Basic Education Data System-CBEDS

California Basic Education Data System is an annual data collection process conducted in October whereby the following data elements from California Public Schools (K-12) are collected: enrollment, graduates, dropouts, vocational education, alternative education, adult education, course enrollment, classified staff, certificated staff, teacher shortage and demand.

Categorical Aid

Funds from the state or federal government granted to school districts for children with special needs, such as educationally handicapped; for special programs, such as the School Improvement Program; or for special purposes, such as transportation. Expenditure of most Categorical aid is restricted to its particular purpose.

Certificated Employees

School employees who hold positions for which a credential is required by the state. This includes teachers, librarians, counselors and most administrators, including full time, part time, substitute, and temporary teachers.

Class Size Reduction-CSR

State and federal programs which provide funding for smaller class sizes (20 students to 1 teacher) for improving the educational program, especially in reading and mathematics in grades K-3 and ninth.

Classified Employees

School employees who hold positions that do not require a credential, for example an instructional aide, accountant, custodian, clerical support staff, cafeteria worker, bus driver, etc.

Cost of Living Allowance-COLA

An increase in funding for revenue limits or categorical programs in order to offset inflation. Current law ties COLA's to various economic indicators.

Credential Teacher

A teacher holding a credential to teach by the State Commission on Teachers Credentialing.

Deferred Maintenance

Major repairs of buildings and equipment that have been postponed by the school district. Some matching state funds are available to districts that establish a deferred maintenance program.

Deficits

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

Deficit Factor

When an appropriation to the State School Fund for revenue limits or for any special categorical program is insufficient to pay all claims for state aid, a deficit factor is applied to reduce the allocation of state aid to the amount appropriated, commonly referred to by public schools as the California dollar.

Direct Support

Charges for support programs and services that directly benefit other programs.

Economic Impact Aid-EIA

State categorical aid for districts with concentrations of children who are limited English proficient, transient, or from families with low income.

Education Code

The body of law which regulates education in California. Additional regulations are contained in the California Administrative code, Titles 5 and 8, the Government Code, and general statutes.

Encroachment

The expenditure of school districts' general purpose funds in support of a categorical program.

Encumbrances

Obligations in the form of purchase orders, contracts, salaries, and other commitments.

Equalization Aid

The extra state aid provided in some year to low revenue districts to promote revenue equalization among districts.

ERAF

Education Revenue Augmentation Fund - the fund used to collect the property taxes that are shifted from cities, the county and special districts within each county, prior to their distribution to K-14 school agencies.

Full Time Equivalent-FTE

Term used to indicate an employee or combination of employees working an equivalent number of hours in a day or week to constitute a full time position.

GANN Spending Limit

A ceiling, or limit, on each year's appropriations of tax dollars by the state, cities, counties, school district, and special districts.

GASB 34

The 34th statement issued by the Governmental Accounting Board. This statement fundamentally changes the reporting model for governmental accounting. It enhances understandability and usefulness for users of external financial reports, while providing better management of capital assets. It incorporates Management's discussion and Analysis, Government-wide statements, and expanded budgetary comparison.

Gifted and Talented Education-GATE

Program providing educational services to children who are identified as exceptionally able or talented.

Indirect Support

Charges for routine services which are not performed for a specific program, but which benefits many programs. These costs are allocated to the programs that benefit from them.

Mandated Costs

School district expenditures that occur as a result of federal or state law, court decisions, administrative regulations, or initiative measures that place additional requirements on school district policies or procedures.

No Child Left Behind

NCLB is to ensure that all students have a fair, equal, and significant opportunity to obtain a high-quality education and reach, at a minimum, proficiency on the state content standards and assessments. Districts and schools are to ensure that they are meeting the educational needs of low-achieving students in the highest poverty schools and are closing the achievement gap between high and low-performing students, especially the achievement gaps between minority and non-minority students and between socioeconomically disadvantaged students and their more advanced peers.

Proposition 98

Proposition 98 contains three major provisions; (1) a minimum level of state funding for K-14 school agencies (unless suspended by the Legislature); (2) a formula for allocating any state tax revenues in excess of the state's Gann Limit; and, (3) the requirement that a School Accountability Report Card be prepared for every school.

Public Employees Retirement System-PERS

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

Purchase Order

An encumbrance document that includes the vendor from whom a purchase is being made, the item or service being purchased by the school agency, the amount of the purchase, and the fund from which the purchase is being made.

Reserves

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

Revenue Limit

The specified amount of money a school district can collect annually for its general education program from local taxes and state aid. Categorical aid is granted in addition to the revenue limit.

School Improvement Programs-SIP

Money granted by the state to selected schools to carry out a plan developed by the school site council for improvement of the school's program.

School Site Council

Parents, teachers, other staff, and at some levels, students selected by their peers to prepare a school plan and to assist in seeing that the planned activities are carried out and evaluated.

Secured Roll Taxes

Local taxes based upon the assessed value of stationary property, such as land or building.

Shortfall

An insufficient allocation of money, requiring an additional appropriation or spending that results in a deficit.

State Teachers' Retirement System-STRS

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

Title I

A federal grant for educationally disadvantaged children.

Title II

Federal funds consolidated into block grants to states and local districts. These funds are used primarily for curriculum development, teacher training programs, and instructional materials.

Unencumbered Balance

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