

**FISCAL 2012-2013
ADOPTED BUDGET
June 26, 2012**

***TAMALPAIS UNION HIGH
SCHOOL DISTRICT***

Table of Contents

Tamalpais Union High School District.....	3
Mission Statement	4
By the Numbers, 2012-13.....	5
School District Budget and General Fund Revenue and Expenditures.....	6
Tamalpais Union High School District 2012-13 Adopted Budget	7
General Fund Operating Budget	8
General Fund Revenues, 2012-13	9
State Revenue 2007-08 through 2012-13.....	10
Lottery Income and Its History	11
Parcel Tax.....	12
General Fund Expenditures, 2012-13	13
Special Education Program Costs, 2012-13	14
District Reserves and Net Ending Balances, 2003-04 to 2012-13	15
Enrollment	16
Other Fund Budgets	17
Glossary	19

Tamalpais Union High School District

Board of Trustees

John Wright, President
Bob Walter, Clerk
Monica Bonny, Member
Cindy McCauley, Member
Susan Schmidt, Member

District Administration

Laurie Kimbrel, Superintendent
John Carroll, Assistant Superintendent Human Resources
Lori Parrish, Assistant Superintendent Finance & Facilities
Michael McDowell, Assistant Superintendent Educational Services

School Administration

David Sondheim, Redwood High School Principal
Tom Drescher, Tamalpais High School Principal
Liz Seabury, Sir Francis Drake High School Principal
Gerald Austin, San Andreas High School Principal
Corbett Elsen, Tamiscal High School Principal / Adult School Principal

Tamalpais Union High School District Mission Statement

THE TAMALPAIS UNION HIGH SCHOOL DISTRICT is dedicated to the development of creative, passionate, and self-motivated learners. Upon graduation, students will be prepared for engaged citizenship and able to contribute individually and collaboratively in order to address the challenges of a dynamic and diverse world. To these ends, all students will demonstrate mastery of core competencies and will be offered meaningful learning experiences to enable them to access and critically analyze information, pose substantive questions, and communicate effectively.

(Adopted by the Board 25-August-2009)

By the Numbers, 2012-13

<i>Enrollment:</i>	
Redwood High School	1,535
Tamalpais High School	1,211
Sir Francis Drake High School	979
San Andreas High School	98
Tamiscal High School	98
Total Enrollment	3,921

Expenditure Per Student	\$ 14,601
Total Budget	\$ 57.7 Million

Total Number of Certificated Personnel ¹	241.22 FTE ⁴
Total Number of Administrative Personnel ²	26.35 FTE
Total Number of Classified Personnel ³	122.53 FTE
Total	390.10 FTE

Adult & Community Education Employees	227
---------------------------------------	-----

¹Teachers, Counselors, and Librarians

²Principals, Asst. Principals, Directors,
Asst. Superintendents and Superintendent,
Coordinators, Psychologists

³Support Staff, Paraeducators, Custodians

⁴Full Time Equivalent

School District Budget and General Fund Revenue and Expenditures

School District Budget

A school district budget is a planning document that links financial decisions to educational policy. It reflects the District's priorities and the strategies for achieving those priorities. A district's budget describes the expected revenues and the plans for using them during a fiscal year that begins July 1 and ends June 30. A considerable portion of a school district's budget is regulated by an extensive body of laws, court orders and government regulation.

General Fund Revenue

Funding for K-12 education largely comes through the State of California from local property taxes. A proportion of the taxes we pay as property owners is allocated to K-12 public education. These funds are distributed to school districts on a state-determined dollar amount multiplied by the average number of students who are in attendance throughout the school year (ADA) regardless of the total amount of local taxes collected by the State for K-12 public education.

Basic Aid vs. Revenue Limit: Districts whose portion of local property taxes dedicated to K-12 education exceeds the ADA amount retain the excess property taxes. These school districts are called Basic Aid districts. All other school districts are called Revenue Limit districts. Tamalpais is a Basic Aid district.

Other Local Revenues: The second largest source of revenue in our district is Other Local Revenue which includes Parcel Taxes. Tamalpais will receive 16% of its revenue from Parcel Taxes in 2012/13.

Restricted Revenue: State and Federal categorical income comprise the balance of the General Fund revenues. This funding must be spent for specific programs sometimes called "restricted programs."

Reserves: The district's total resources for expenditure in the budget year include a "beginning balance," which reflects a carryover unexpended balance from the prior year. Under the requirement of state law, TUHSD must retain a portion of the beginning balance as a Reserve for Economic Uncertainties.

General Fund Expenditures

Most of the expenditures of the District are for the salaries and benefits of the employees. Health and welfare benefits of the District include expenses for areas such as retirement, medical insurance plans and worker's compensation expenses.

Tamalpais Union High School District 2012-13 Adopted Budget

	Estimated Fund Balance June 30, 2012	Revenues	Expenditures	Transfers/ Contributions	Surplus +/- (-)	Estimated Fund Balance June 30, 2013
General Fund						
Unrestricted General	\$ 21,991,738	\$ 52,896,068	\$ 46,332,375	\$ (7,134,405)	\$ (570,712)	\$ 21,421,026
Restricted General	1,317,833	4,232,328	10,427,220	6,194,892	-	1,317,833
	<u>\$ 23,309,571</u>	<u>\$ 57,128,396</u>	<u>\$ 56,759,595</u>	<u>\$ (939,513)</u>	<u>\$ (570,712)</u>	<u>\$ 22,738,859</u>
Building Fund						
Bond Funds	<u>\$ 11,763,961</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 11,763,961</u>
Special Revenue Funds						
Adult and Community Education	\$ 1,149,925	\$ 896,361	\$ 1,431,001	\$ 112,465	\$ (422,175)	\$ 727,750
Cafeteria	26,055	675,250	1,032,298	357,048	-	26,055
Deferred Maintenance	1,583,492	158,000	320,000	200,000	38,000	1,621,492
Tam Scholarship	50,369	100	-		100	50,469
Special Reserve-Non Capital Outlay (Other Post Employment Benefits)	1,214,885	1,000	-	-	1,000	1,215,885
	<u>\$ 4,024,726</u>	<u>\$ 1,730,711</u>	<u>\$ 2,783,299</u>	<u>\$ 669,513</u>	<u>\$ (383,075)</u>	<u>\$ 3,641,651</u>
Capital Projects Fund						
Special Reserve-Capital Outlay	<u>\$ 1,844,416</u>	<u>\$ -</u>	<u>\$ 95,000</u>	<u>\$ 270,000</u>	<u>\$ 175,000</u>	<u>\$ 2,019,416</u>
Proprietary Fund						
Self Insurance	<u>\$ 52,805</u>	<u>\$ 25,000</u>	<u>\$ 25,000</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 52,805</u>
Total All Funds	<u><u>\$ 40,995,479</u></u>	<u><u>\$ 58,884,107</u></u>	<u><u>\$ 59,662,894</u></u>	<u><u>\$ -</u></u>	<u><u>\$ (778,787)</u></u>	<u><u>\$ 40,216,692</u></u>

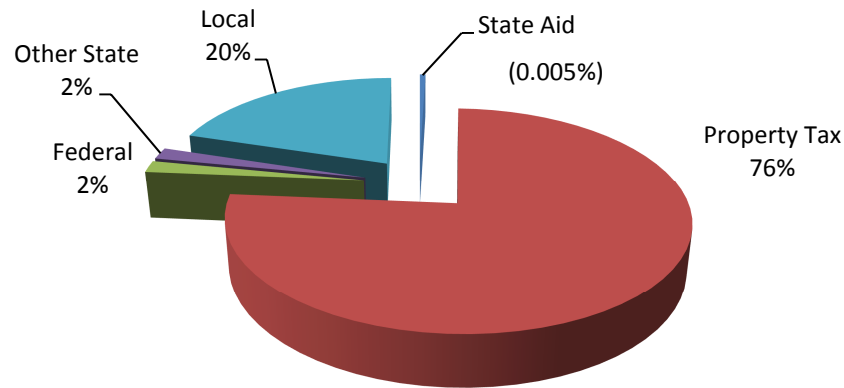
General Fund Operating Budget

REVENUES:		%
Revenue Limit Sources	\$ 43,475,187	76.1%
Federal Revenues	\$ 1,015,274	1.8%
State Revenues	\$ 999,167	1.7%
Parcel Tax	\$ 9,085,190	15.9%
Other Local Revenues	<u>\$ 2,553,578</u>	<u>4.5%</u>
Total Revenues	\$ 57,128,396	100.0%
EXPENDITURES:		
Certificated Salaries	\$ 26,239,756	46.2%
Classified Salaries	\$ 8,050,505	14.2%
Employee Benefits	\$ 12,214,356	21.5%
Materials & Supplies	\$ 2,061,027	3.6%
Contracts and Services	\$ 7,190,726	12.7%
Capital Outlay and Other Outgo	\$ 1,058,753	1.9%
Indirect Support Costs	<u>\$ (55,528)</u>	<u>-0.1%</u>
Total Expenditures	\$ 56,759,595	100.0%
Balance of Revenues	<u>\$ 368,801</u>	
Net Transfer To/From Other Funds	\$ (939,513)	
Decrease in Fund Balance	\$ (570,712)	
Beginning Balance	<u>\$ 19,600,460</u>	
Ending Reserves (Note)	\$ 19,029,748	
Components of Reserves:		
State Mandated 3% of Budget Reserve	\$ 1,731,585	
Designation-08/09, 09/10, 10/11 Surplus	\$ 2,482,127	
Designation-Basic Aid	\$ 14,804,036	
Revolving Cash Account	\$ 12,000	
Undesignated Fund Balance	\$ -	

(Note):

General Fund Revenues, 2012-13

Tamalpais Union High School District Revenue



96% of the District's revenue is generated from the local community

Property taxes are the single largest source of revenue.

The second largest source of revenue is the parcel tax. The District has budgeted collection of \$245.94 per parcel on approximately 37,000 taxable parcels or \$9,085,190.

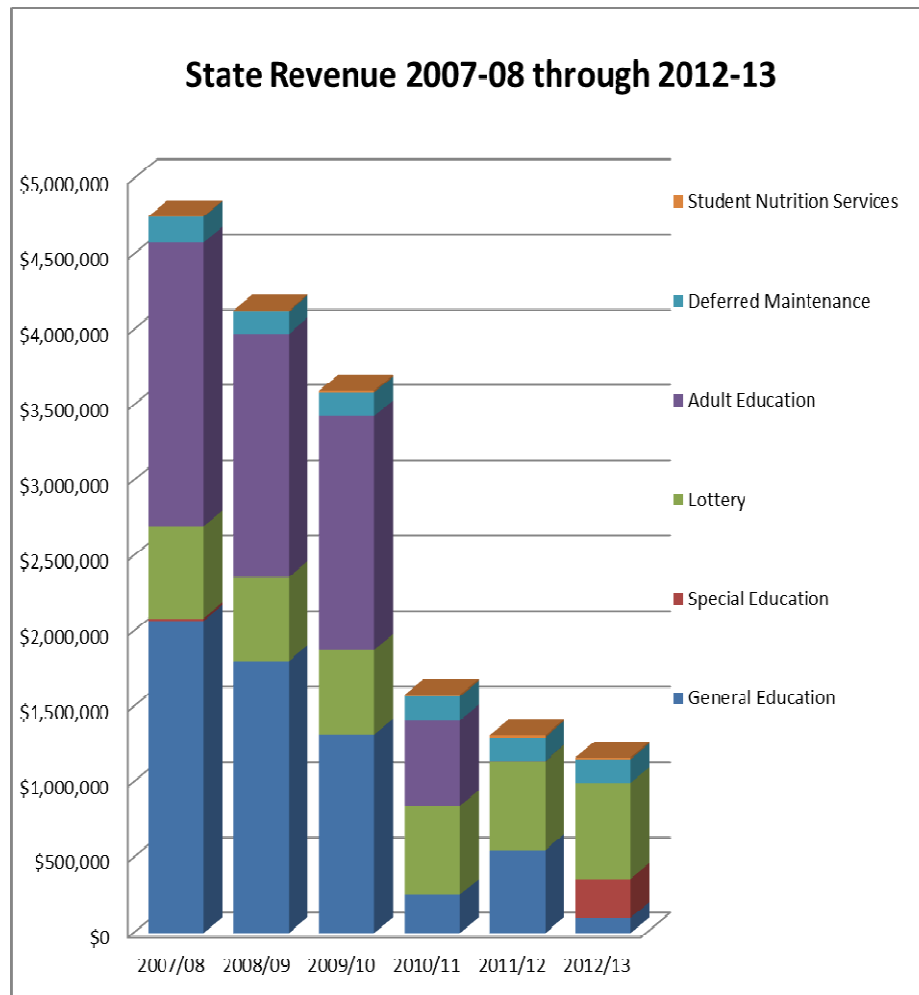
Foundations and Parent Funds provide support at all of our sites. Contributions for 2011/12 totaled approximately \$1,000,000.

General Fund Sources (In Million)

Revenue Limit	\$43.5
Federal	1.0
Other State	1.0
Other Local	11.6
<hr/>	
Total Revenues	57.1
Beginning Balance	19.6
<hr/>	
Total General Fund	\$76.7

State Revenue 2007-08 through 2012-13

As a result of the current economic downturn, funding has been reduced for all school districts in California.



*TUHSD has lost
\$7.6 million in
State revenue
to the
“Fair Share
Reduction”
since 2009/10*

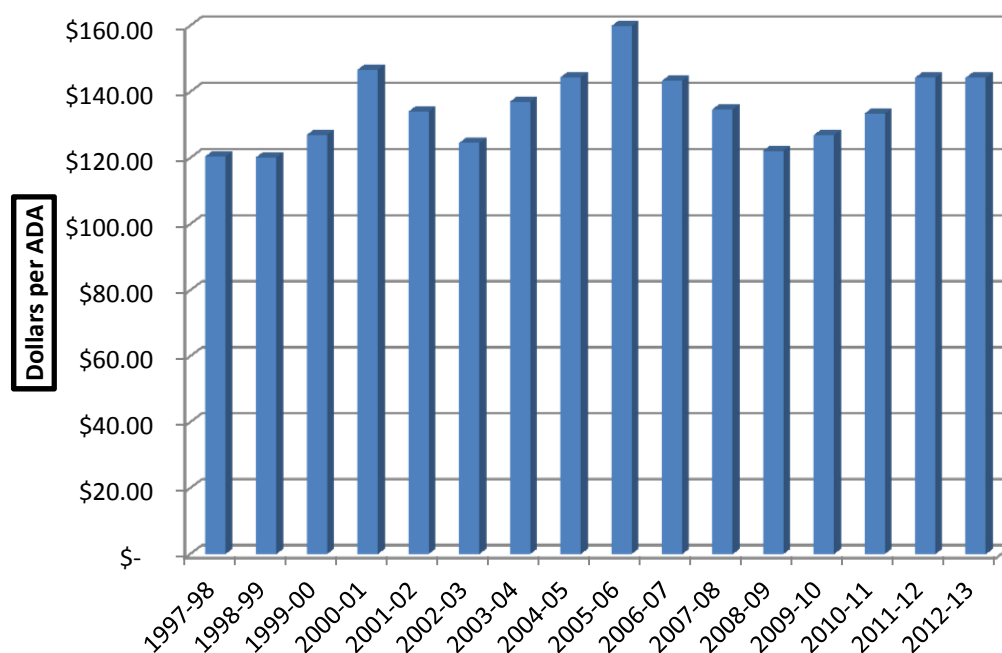
Lottery Income and Its History

The California State Lottery is projected to yield \$541,202, or approximately 1%, of the District's General Fund revenue in 2012-13. Lottery income is used to offset certificated salaries and purchase textbooks.

In 2012-13, it is projected that California school districts will receive \$141.75 per ADA.

Lottery income is projected to yield approximately 1% of the District's General Fund revenue

Lottery Income



Parcel Tax

Tamalpais Union High School District's parcel tax was first approved in 1989 and renewed in 1997 and 2004. In November 2011, the community overwhelmingly approved and renewed the TUHSD parcel tax commencing July 1, 2012 at the current rate of \$245.94 per parcel which includes a 3% annual adjustment for a term of 10 years. For the 2012-13 school year, the parcel tax will generate \$9,085,190. This represents 16% of TUHSD's \$57,128,396 budget.

The funds generated by the parcel tax are used to support all aspects of the District's exceptional educational program for its students. These include science and technology, Advanced Placement and honors courses, a seven period day for students, alternative education programs, student counseling services, fine arts programs, up-to-date instructional materials and equipment, and the recruitment and retention of highly qualified and experienced teachers and staff.

There are 47,657 parcels in the district, with 10,645 of them receiving an exemption annually. An exemption is available to properties that are non-taxable and to any individual in the TUHSD who has attained the age of 65 prior to May 1st of the assessment year, is a beneficial owner and uses the parcel as his or her principal residence.

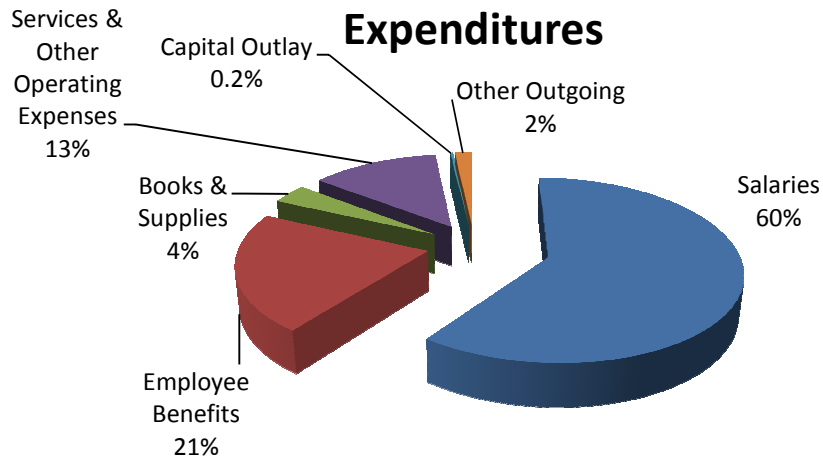
For the 2012-13 school year, the parcel tax will generate \$9,085,190. This represents 16% of TUHSD's \$57,128,396 budget

ELECTION DATE	PER PARCEL AMOUNT	TERM	TYPE OF ELECTION	VOTE REQUIRED	% OF YES VOTES	PASSED/ FAILED
April 1, 1989	\$98.00	8 years	New Tax	2/3	70.60%	Passed
March 1, 1997	\$199.97	8 years	Renewal	2/3	74.60%	Passed
November 2, 2004	\$199.97	7 years	Renewal	2/3	74.63%	Passed
November 8, 2011	\$245.94	10 years	Renewal	2/3	73.37%	Passed

General Fund Expenditures, 2012-13

81% of the District's total expenditures are committed to the employees of the District

Tamalpais Union High School District Expenditures



Employee salaries are divided into three separate line items—certificated, management, and classified employees. Certificated employees include teachers, counselors, librarians and others who provide services that require credentials from the state of California. Management employees include principals, assistant principals, psychologists, classified management personnel, and district office administrators. Classified employees include all of the support personnel in the District, including secretaries, campus staff assistants, maintenance & operations workers, library techs, instructional assistants, instructional and data technicians, clerks and custodial personnel.

Employee benefits include medical, dental and life insurance plans. The benefit plans and the dollar amounts that are contributed by the District per employee are determined by the collective bargaining agreement reached with the unions.

General Fund Expenditures (In Millions)

Salaries	34.2
Employee Benefits	12.2
Books and Supplies	2.1
Operating	7.2
Capital/Other	1.1
Total Expenditures	56.8
Ending Balance	19.0
Total General Fund	\$ 75.8

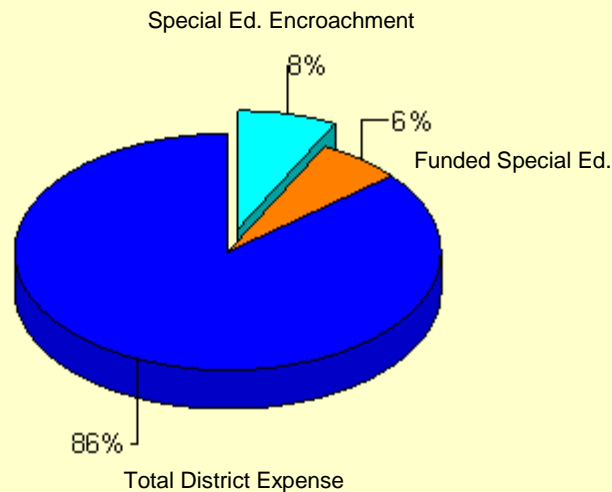
Special Education Program Costs, 2012-13

The federal government is legally committed to provide funding for 40% of the costs of Special Education, but has never actually provided more than about 17% funding

Special Education Costs, 2012-13

Special Education Expense	\$7,923,626
Special Education Funds Received from State & Federal Government	\$3,627,179
Special Education Encroachment to General Fund	\$4,296,447

Special Education as % of Total District Expense, 2012-13



School districts throughout the state face a continuing challenge in funding the costs for serving Special Education students. Tamalpais Union High School District is proud of the Special Education support provided to our students, but the District is also faced with mounting increases in the difference between the federal and state governments' funding and the mandated costs for these vital student services.

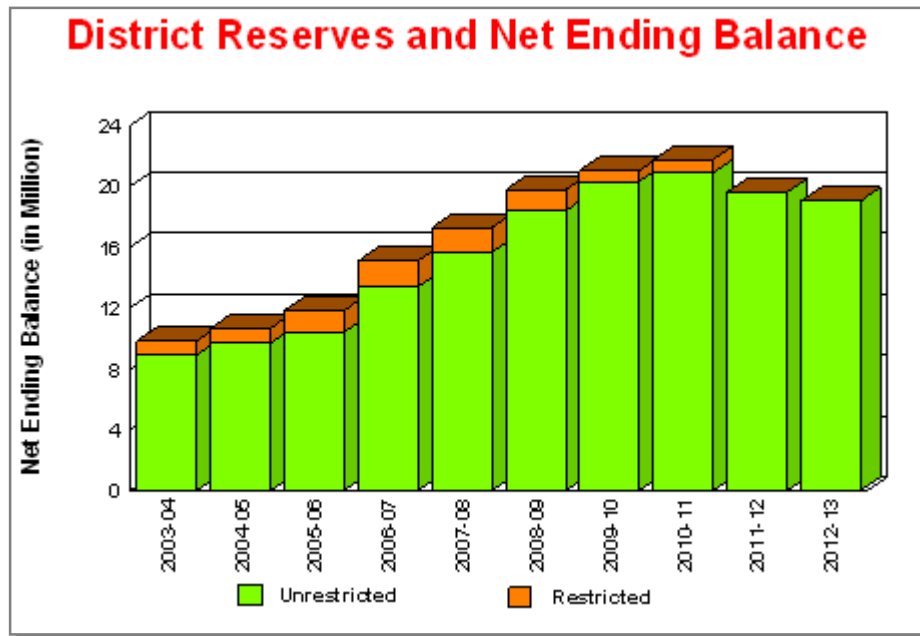
Unfortunately, the federal government has never provided the funding that was promised when the laws mandating programs for Special Education students were adopted. The Federal Government is committed to providing funding for 40% of the costs of Special Education, but has never actually provided more than about 17% funding.

Beginning in 2012-13, changes in the law require the District to provide mental health services for students. Previously, these services were provided by Marin County Mental Health (CMH) with funding going directly from the State to CMH. Mental health services include assessment, non-public school placement, day treatment, case management, and residential care. The District has hired two full time psychologists to handle the increased work.

This shortfall in dedicated funding has led to very significant encroachment into the District's Unrestricted General Fund. During 2012-13, it is estimated that Tamalpais Union High School District will contribute \$4,296,447 from the District's Unrestricted General Fund to cover the encroachment costs for Special Education.

District Reserves and Net Ending Balances, 2003-04 to 2012-13

A school district's reserve is its account to fund unforeseen events or pay for multiyear needs

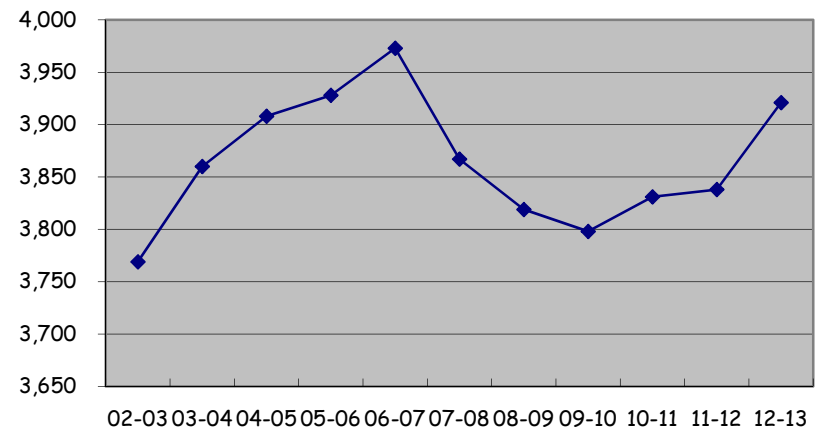


Revenues that have not been expended during a budget year are carried over into the subsequent year and identified as the District's "Net Ending Balance." The Net Ending Balance of one year becomes the Net Beginning Balance of the subsequent year.

Basic aid school districts require larger reserves than revenue limit school districts because they have no protection when property taxes decline or enrollment increases. In the past few years the perfect storm created by the decline in property tax, cuts in state revenue, and threats to basic aid have resulted in fiscal uncertainty. Experts in the area of California School Finance have recommended a reserve in excess of 33%. The TUHSD reserve is 37%.

Enrollment

TUHSD is a basic aid district with revenues generated from local property taxes rather than state funding for student attendance. The impact of rapid enrollment growth must be taken into consideration well in advance because additional students will not generate additional revenues. When a high rate of growth occurs, the additional cost for teachers, new classrooms, instructional materials and support services must be considered.



School	Actual										Projected		
	00-01	01-02	02-03	03-04	04-05	05-06	06-07	07-08	08-09	09-10	10-11	11-12	12-13
Tamalpais	972	1,026	1,066	1,142	1,132	1,147	1,181	1,068	1,118	1,110	1,168	1,231	1,211
Drake	1,031	1,069	1,072	1,045	1,061	1,076	1,063	1,069	1,039	1,049	1,025	980	979
Redwood	1,372	1,393	1,415	1,434	1,467	1,472	1,486	1,489	1,435	1,443	1,458	1,458	1,535
San Andreas	103	116	116	140	135	124	130	128	118	98	85	71	98
Tamiscal	104	91	100	99	113	109	113	113	109	98	95	98	98
Total Enrollment	3,582	3,695	3,769	3,860	3,908	3,928	3,973	3,867	3,819	3,798	3,831	3,838	3,921
Variance		113	74	91	48	20	45	-106	-48	-21	33	7	83

Other Fund Budgets

ADULT & COMMUNITY EDUCATION

Revenues	\$ 896,361
Expenditures	\$ (1,431,001)
Transfers	<u>\$ 112,465</u>
Increase/(Decrease) in Fund Balance	\$ (422,175)
Fund Balance, July 1, 2012	<u>\$ 1,149,925</u>
Fund Balance, June 30, 2013	<u><u>\$ 727,750</u></u>

DEFERRED MAINTENANCE

Revenues	\$ 158,000
Expenditures	\$ (320,000)
Transfers (Contribution From General Fund)	<u>\$ 200,000</u>
Increase/(Decrease) in Fund Balance	\$ 38,000
Fund Balance, July 1, 2012	<u>\$ 1,583,492</u>
Fund Balance, June 30, 2013	<u><u>\$ 1,621,492</u></u>

STUDENT NUTRITION SERVICES

Revenues	\$ 675,250
Expenditures	<u>\$ (1,032,298)</u>
Transfers (Contribution From General Fund)	\$ 357,048
Increase/(Decrease) in Fund Balance	<u>\$ -</u>
Fund Balance, July 1, 2012	\$ 26,055
Fund Balance, June 30, 2013	<u><u>\$ 26,055</u></u>

BOND FUNDS - 2001 and 2006 (Unaudited Actuals 2011-12)

Revenues	\$ 28,641
Expenditures	\$ 1,604,930
Total, Other Financing Sources/Uses	<u>\$ 271,615</u>
Increase/(Decrease) in Fund Balance	\$ (1,304,674)
Fund Balance, July 1, 2011	<u>\$ 1,3068,635</u>
Fund Balance, June 30, 2012	<u><u>\$ 11,763,961</u></u>

Other Fund Budgets Continued

SPECIAL RESERVE FOR CAPITAL OUTLAY

Revenues	\$ -
Expenditures	\$ (95,000)
Transfers	<u>\$ 270,000</u>
Increase/(Decrease) in Fund Balance	\$ 175,000
Fund Balance, July 1, 2012	<u>\$ 1,844,416</u>
Fund Balance, June 30, 2013	<u><u>\$ 2,019,416</u></u>

TAM SCHOLARSHIP FUND

Revenues	\$ 100
Expenditures	\$ -
Transfers	<u>\$ -</u>
Increase/(Decrease) in Fund Balance	\$ 100
Fund Balance, July 1, 2012	<u>\$ 50,369</u>
Fund Balance, June 30, 2013	<u><u>\$ 50,469</u></u>

SPECIAL RESERVE FOR NON CAPITAL OUTLAY

Revenues	\$ 1,000
Expenditures	\$ -
Transfers	<u>\$ -</u>
Increase/(Decrease) in Fund Balance	\$ 1,000
Fund Balance, July 1, 2012	<u>\$ 1,214,885</u>
Fund Balance, June 30, 2013	<u><u>\$ 1,215,885</u></u>

Glossary

ADA Average daily attendance. There are several kinds of attendance, and these are counted in different ways. For regular attendance, ADA is equal to the average number of pupils actually attending classes who are enrolled for at least the minimum school day. In classes for adults and ROC/P, one unit of ADA is credited for each 525 classroom hours.

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

Basic Aid The California Constitution guarantees that each school district will receive a minimum amount of state aid, called "basic aid," equal to \$120 per ADA or \$2,400 per district, whichever is greater. "Basic aid school districts" are those eligible for the basic aid constitutional guarantee only, since all of the balance of the school districts' revenue limit is funded by local property taxes.

Certificated Personnel School employees who hold positions for which a credential is required by the state -- teachers, librarians, counselors, and most administrators.

Classified Personnel School employees who hold positions that do not require a credential, like aides, custodians, etc.

Encroachment The expenditure of school districts' general purpose funds in support of a categorical program, i.e. the categorical expense "encroaches" into the district's general fund for support. Encroachment occurs in most districts and county offices that provide special education and transportation. Other encroachment is caused by deficit factors or local decisions to allocate general-purpose funds to special purpose programs.

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

Glossary

Full-Time Equivalent (FTE) The ratio of time expended in a part-time position to that of a full-time position. The ratio is derived by dividing the amount of employed time required in the part-time position by the amount of employed time required in a corresponding full-time position.

Individualized Education Program (IEP) A written agreement between a school district and parents or guardians of a handicapped child specifying an educational program tailored to the needs of the child, in accordance with PL 94-142 regulations. The program is comprised of a placement team consisting of a certified district employee who is qualified to supervise special education, the child's teacher, one or both parents, the child, if appropriate, and other individuals at the discretion of the parent or school. The program must include a statement of the child's present levels of educational performance, a statement of annual goals and short term instructional objectives, a statement of the specific special education and related services to be provided to the child, the extent to which the child will participate in regular education programs, the projected dates for starting services, appropriate objective criteria, evaluation procedures, and schedules for determining, on at least an annual basis, whether the short term instructional objectives are being achieved.

Parcel Tax A special tax that is a flat amount per parcel and not ad valorem based (i.e. not according to the value of the property). Parcel taxes must be approved by a two-thirds vote of the electorate. (See Government Code Section 50079, et al.)

PERS Public Employees' Retirement System. State law requires that classified employees, their employer, and the state contribute to this retirement fund. The fund is the largest public pension fund in the world with over \$150 billion in investments.

Proposition 13 An initiative amendment passed in June 1978 adding Article XIII A to the California Constitution. Tax rates on secured property are restricted to no more than 1% of full cash value. Proposition 13 also defined assessed value and required a two-thirds vote to change existing or levy other non property or "special" taxes.

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.

Glossary

Revenue Limit The amount of revenue that a district can collect annually for general purposes from local property taxes and state aid. The revenue limit is composed of a base revenue limit -- a basic education amount per unit of ADA computed by formula each year from the previous year's base revenue limit -- and any of the number of revenue limit adjustments that are computed anew each year.

The total revenue limit of a school district is generally determined by multiplying the district's P-2 ADA times the base revenue limit, adding the applicable revenue limit adjustments and applying a deficit factor.

STRS The State Teachers' Retirement System, funded by certificated employees, their employer and the state.