

# APPENDICES



**SAN JOSE UNIFIED SCHOOL INSURANCE PROGRAM  
RATE SCHEDULE FOR 2008-2009  
SJAA**

**APPENDIX A**

EMPLOYEE		EMPLOYEE +1		FAMILY		
EMPLOYEE	DISTRICT	EMPLOYEE	DISTRICT	EMPLOYEE	DISTRICT	
<b>KAISER MEDICAL (EFFECTIVE JUNE 30, 2008 PAYROLL DEDUCTION FOR JULY 1, 2008 COVERAGE)</b>						
%						
50	235.20	244.45	495.68	463.62	710.31	647.10
62.5	174.09	305.56	379.77	579.53	548.53	808.88
75	112.98	366.67	263.87	695.43	386.76	970.65
87.5	51.87	427.78	147.96	811.34	224.98	1132.43
100	0.00	479.65	32.06	927.24	63.21	1294.20
		479.65		959.30		1357.41

<b>FOUNDATION PLUS (EFFECTIVE JUNE 30, 2008 PAYROLL DEDUCTION FOR JULY 1, 2008 COVERAGE)</b>						
%						
50	244.44	244.45	518.12	463.62	728.85	647.10
62.5	183.33	305.56	402.21	579.53	567.07	808.88
75	122.22	366.67	286.31	695.43	405.30	970.65
87.5	61.11	427.78	170.40	811.34	243.52	1132.43
100	0.00	488.89	54.50	927.24	81.75	1294.20
		488.89		981.74		1375.95

<b>DENTAL PLAN (EFFECTIVE JUNE 30, 2008 PAYROLL DEDUCTION FOR JULY 1, 2008 COVERAGE)</b>						
%						
50	37.91	37.91	75.82	75.82		
62.5	28.43	47.39	56.86	94.78		
75	18.95	56.87	37.91	113.73		
87.5	9.48	66.34	18.95	132.69		
100	0	75.82	0	151.64		
		COMPOSITE	129.42	COMPOSITE	129.42	

<b>ADMINISTRATORS LIFE INSURANCE</b>		\$50,000
%		
50	4.12	4.13
62.5	3.09	5.16
75	2.06	6.19
87.5	1.03	7.22
100	0.00	8.25
	COMPOSITE	8.25

HOURS	%	FTE%
7.5 - 8	100	93.75-100%
6.5 - 7.49	87.5	81.25-93.74%
5.5 - 6.49	75	68.75-81.24%
4.5 - 5.49	62.5	56.25-68.74%
4	50	50.00-56.24%

Kaiser	4.96%
Foundation	0%
Dental	(-6%)
Life	(-91%)

pww 06/10/08  
Revised Life 10/22/08 ymc

**SAN JOSE UNIFIED SCHOOL INSURANCE PROGRAM  
RATE SCHEDULE FOR 2008-2009  
CSEA/AFSCME CAP ON BENEFITS**

APPENDIX A

<b>EMPLOYEE</b>			<b>EMPLOYEE +1</b>			<b>FAMILY</b>		
<u>EMPLOYEE</u>	<u>DISTRICT</u>		<u>EMPLOYEE</u>	<u>DISTRICT</u>		<u>EMPLOYEE</u>	<u>DISTRICT</u>	
<b>KAISER MEDICAL (EFFECTIVE JUNE 30, 2008 PAYROLL DEDUCTION FOR JULY 1, 2008 COVERAGE)</b>								
%								
50	252.46	227.19	503.07	456.23		718.04	639.37	
62.5	195.67	283.98	389.02	570.28		558.20	799.21	
75	138.87	340.78	274.96	684.34		398.35	959.06	
87.5	82.08	397.57	160.91	798.39		238.51	1,118.90	
100	25.28	454.37	46.85	912.45		78.67	1,278.74	
			<b>479.65</b>			<b>959.30</b>		<b>1,357.41</b>
<b>FOUNDATION PLUS (EFFECTIVE JUNE 30, 2008 PAYROLL DEDUCTION FOR JULY 1, 2008 COVERAGE)</b>								
%								
50	261.71	227.19	525.51	456.23		736.58	639.37	
62.5	204.91	283.98	411.46	570.28		576.74	799.21	
75	148.11	340.78	297.40	684.34		416.89	959.06	
87.5	91.32	397.57	183.35	798.39		257.05	1,118.90	
100	34.52	454.37	69.29	912.45		97.21	1,278.74	
			<b>488.89</b>			<b>981.74</b>		<b>1375.95</b>
<b>DENTAL PLAN (EFFECTIVE JUNE 30, 2008 PAYROLL DEDUCTION FOR JULY 1, 2008 COVERAGE)</b>								
%								
50	37.91	37.91	75.82	75.82				
62.5	28.43	47.39	56.86	94.78				
75	18.95	56.87	37.91	113.73				
87.5	9.48	66.34	18.95	132.69				
100	0	75.82	0	151.64				
			<b>COMPOSITE 129.42</b>			<b>COMPOSITE 129.42</b>		
<b>LIFE INSURANCE \$15,000</b>								
%								
50	1.24	1.24						
62.5	0.93	1.55						
75	0.62	1.86						
87.5	0.31	2.17						
100	0.00	2.48						
			<b>COMPOSITE 2.48</b>					

HOURS	%	FTE%
7.5 - 8	100	93.75-100%
6.5 - 7.49	87.5	81.25-93.74%
5.5 - 6.49	75	68.75-81.24%
4.5 - 5.49	62.5	56.25-68.74%
4	50	50.00-56.24%

Kaiser 4.96%  
 Foundation 0%  
 Dental (-6%)  
 Life (-.91%)

pvw 6/4/08  
 Revised Life 10/22/08 ymc

REVISED RATE SCHEDULE FOR 2008-2009  
SJTA/AFT

APPENDIX A

EMPLOYEE			EMPLOYEE +1			FAMILY		
EMPLOYEE	DISTRICT		EMPLOYEE	DISTRICT		EMPLOYEE	DISTRICT	
<b>KAISER MEDICAL (EFFECTIVE JUNE 30, 2008 PAYROLL DEDUCTION FOR JULY 1, 2008 COVERAGE)</b>								
%								
50	239.82	239.83	479.65	479.65	678.70	678.71		
62.5	179.87	299.78	359.74	599.56	509.03	848.38		
75	119.91	359.74	239.82	719.48	339.35	1018.06		
87.5	59.96	419.69	119.91	839.39	169.68	1187.73		
100	0.00	<del>479.65</del>	0.00	<del>959.30</del>	0.00	<del>1357.41</del>		
	COMPOSITE	899.09	COMPOSITE	899.09	COMPOSITE	899.09		

<b>FOUNDATION PLUS (EFFECTIVE JUNE 30, 2008 PAYROLL DEDUCTION FOR JULY 1, 2008 COVERAGE)</b>								
%								
50	244.44	244.45	490.87	490.87	687.97	687.98		
62.5	183.33	305.56	368.15	613.59	515.98	859.97		
75	122.22	366.67	245.43	736.31	343.99	1031.96		
87.5	61.11	427.78	122.72	859.02	171.99	1203.96		
100	0.00	<del>488.89</del>	0.00	<del>981.74</del>	0.00	<del>1,375.95</del>		
	COMPOSITE	1088.11	COMPOSITE	1088.11	COMPOSITE	1088.11		

<b>DENTAL PLAN (EFFECTIVE JUNE 30, 2008 PAYROLL DEDUCTION FOR JULY 1, 2008 COVERAGE)</b>								
%								
50	37.91	37.91	75.82	75.82				
62.5	28.43	47.39	56.86	94.78				
75	18.95	56.87	37.91	113.73				
87.5	9.48	66.34	18.95	132.69				
100	0	<del>75.82</del>	0	<del>151.64</del>				
	COMPOSITE	129.42	COMPOSITE	129.42				

<b>LIFE INSURANCE</b>		
%		
50	1.24	1.24
62.5	0.93	1.55
75	0.62	1.86
87.5	0.31	2.17
100	0.00	2.48
	COMPOSITE	2.48

Kaiser	4.96%
Foundation	0%
Dental	(-6%)
Life	(-.91%)

HOURS	%	FTE%
7.5 - 8	100	93.75-100%
6.5 - 7.49	87.5	81.25-93.74%
5.5 - 6.49	75	68.75-81.24%
4.5 - 5.49	62.5	56.25-68.74%
4	50	50.00-56.24%

pvw 6/4/08

**APPENDIX A**

**SAN JOSE UNIFIED SCHOOL INSURANCE PROGRAM  
RATE SCHEDULE FOR 2008-2009  
TRADES**

<b>EMPLOYEE</b>			<b>EMPLOYEE +1</b>			<b>FAMILY</b>		
<u>EMPLOYEE</u>	<u>DISTRICT</u>		<u>EMPLOYEE</u>	<u>DISTRICT</u>		<u>EMPLOYEE</u>	<u>DISTRICT</u>	
<b>KAISER MEDICAL (EFFECTIVE JUNE 30, 2008 PAYROLL DEDUCTION FOR JULY 1, 2008 COVERAGE)</b>								
%								
50	252.46	227.19	503.07	456.23		718.04	639.37	
62.5	195.67	283.98	389.02	570.28		558.20	799.21	
75	138.87	340.78	274.96	684.34		398.35	959.06	
87.5	82.08	397.57	160.91	798.39		238.51	1,118.90	
100	25.28	454.37	46.85	912.45		78.67	1,278.74	
		<b>479.65</b>				<b>959.30</b>		<b>1357.41</b>
<b>FOUNDATION PLUS (EFFECTIVE JUNE 30, 2008 PAYROLL DEDUCTION FOR JULY 1, 2008 COVERAGE)</b>								
%								
50	261.70	227.19	525.51	456.23		736.58	639.37	
62.5	204.91	283.98	411.46	570.28		576.74	799.21	
75	148.11	340.78	297.40	684.34		416.89	959.06	
87.5	91.32	397.57	183.35	798.39		257.05	1,118.90	
100	34.52	454.37	69.29	912.45		97.21	1,278.74	
		<b>488.89</b>				<b>981.74</b>		<b>1375.95</b>
<b>DENTAL PLAN (EFFECTIVE JUNE 30, 2008 PAYROLL DEDUCTION FOR JULY 1, 2008 COVERAGE)</b>								
%								
50	39.46	36.36	78.93	72.71				
62.5	30.38	45.44	60.75	90.89				
75	21.29	54.53	42.57	109.07				
87.5	12.20	63.62	24.40	127.24				
100	3.11	72.71	6.22	145.42				
			<b>75.82</b>			<b>151.64</b>		
<b>LIFE INSURANCE</b>								
%								
50	1.24	1.24						
62.5	0.93	1.55						
75	0.62	1.86						
87.5	0.31	2.17						
100	0.00	2.48						
		<b>COMPOSITE</b>	<b>2.48</b>					

HOURS	%	FTE%
7.5 - 8	100	93.75-100%
6.5 - 7.49	87.5	81.25-93.74%
5.5 - 6.49	75	68.75-81.24%
4.5 - 5.49	62.5	56.25-68.74%
4	50	50.00-56.24%

Kaiser 4.96%  
 Foundation 0%  
 Dental (-6%)  
 Life (-.91%)

pvw 6/4/08  
 Revised Life 10/22/08 ymc

**APPENDIX B**  
**School Finance Chronology**

**1972 SB 90** - Established revenue limits, a ceiling on the amount of general-purpose money each school district can spend per pupil.

**1977 Serrano v Priest** - The California Supreme Court ruling that the system of school finance was inequitable.

**1977 AB 65** - Long-term funding bill responding to the Serrano c Priest court decision. Initiated the School Improvement Program (SIP)

**1978 Proposition 13** - The Constitutional amendment limiting property tax rates and increases.

**1979 AB 8** - The funding structure for school after Proposition 13, with a revised formula for dividing property taxes. Created the “Serrano Squeeze” by granting larger increases to low spending districts.

**1981 AB 777** - Revisions to school finance formulas, procedures for requesting waivers from portions of the Education Code, and consolidation of some categorical programs at the local level.

**1983 SB 813** - Major reform law to improve California schools through such programs as mentor teacher, longer school day/year, higher beginning teachers salaries, more rigorous graduation requirements, and statewide curriculum standards.

**1984 Lottery** - Constitutional amendment creating the California State Lottery, with a percentage of winnings for education.

**1988 Proposition 98** - Constitutional amendment guaranteeing a minimum funding level for schools.

In years in which no special school finance laws are passed, funding for education is written into the Budget Act and follow-up legislation.

EdSource

**APPENDIX C**  
**Serrano v Priest**

The 1976 California Court decision that found the existing system of financing school unconstitutional because it violated the Equal Protection Clause of the State Constitution. The court ruled that property tax rates and per pupil expenditures should be equalized and that, by 1980, the difference in revenue limits per pupil should be less than \$100 (Serrano band). Special purpose or categorical funds are excluded from the calculation.

**October 1980** - Plaintiffs filed a “bill of particulars” stating that equalization had not been accomplished and the deadline for the \$100 band had not been met. They asked that some expenditure in addition to revenue limits be equalized.

**December 1982** - Superior Court in Los Angeles heard the Serrano v Priest, Gonzalez v. Riles, Placentia USD v. Riles, and Lucia Mar USD v Graves cases.

**April 1983** - Superior Court trial judge found that the current school finance system is constitutional and that sufficient parity exists with the \$100 band adjusted for inflation.

**June 1985** - Plaintiffs filed an appeal in the Second District Court of Appeals.

**May 1986** - Court of Appeals upheld the 1983 Superior Court decision.

**September 1986** - California Supreme Court voted to hear the appeal of the Superior Court decision.

**May 1987** - Defendants filed for dismissal of Supreme Court review.

**April 1989** - Plaintiffs withdrew. Case was declared closed.

Ed Source

**APPENDIX D**  
Glossary of Common School Finance Terms

**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, or have a valid excuse. In classes for adults and ROC/P, one unit of ADA is credited for each 525 classroom hours. Attendance is counted every day of the school year and is reported to the California Department of Education three times a year (see Attendance Reports). See also Concurrently Enrolled for a further definition of ADA.

**AB 1200** Reference to AB 1200 (Chapter 1213/1991) that imposed major fiscal accountability controls on school districts and county offices of education, by establishing significant administrative hurdles and obligations for agency budgets and fiscal practices.

**ABATEMENT** A complete or partial cancellation of an expenditure or revenue.

**AD VALOREM TAXES** Taxes based on the value of property –such as the standard property tax- are called ad valorem taxes. The only new taxes bases on the value of property that are allowed today are those imposed with a two-thirds voter approval for capital facilities bonded indebtedness. Ever since Proposition 13, properties in California are adjusted to the true market value at the time of property transfer.

**APPORTIONMENT** State aid given to a school district or county office of education. Apportionments are calculated three times for each school year. The First Principal Apportionment (P-1) is calculated in February of the school year corresponding to the P-1 ADA (see Attendance Reports); the Second Principal Apportionment (P-2) is calculated in June corresponding to the P-2 ADA; and, the annual recalculation of the apportionment is made in February following the school year and is based on P-2 DA, except for programs where the annual count of ADA is used.

**APPROPRIATION** A bill before the Legislature authorizing the expenditure of public money and stipulating the amount, manner and purpose for the expenditure terms.

**APPROPRIATION FOR CONTINGENCIES** That portion of the current fiscal year's budget that is not appropriated for any specific purpose bus is held subject to intrabudget transfer; i.e. transfer to other specific appropriation accounts as needed during the fiscal year.

**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 percentage growth in statewide AV from one year to the next is an important ingredient in determining appropriation levels required from the state for fully district and county revenue limits, as well as for Proposition 98 calculations.

**APPENDIX D**  
Glossary of Common School Finance Terms

**ASSUMPTIONS** Statements accepted as true without proof. They are necessary as to expected conditions, which will impact the outcome of events (i.e. enrollment, staffing, revenue, and costs).

**ATTENDANCE REPORTS** Each school district reports its attendance three times during a school year. The First Principal Apportionment ADA, called the P-1 ADA or the P-1 count, is counted from July 1 through the last school month ending on or before December 31 of a school year. The Second Principal Apportionment ADA, called the P-2 ADA, is counted from July 1 through the last school month ending on or before April 15 of a school year. Fiscal or annual ADA is based on the count from July 1 through June 30. The final recalculation of the apportionment is based on the P-2 ADA except for adult education programs, regional occupational centers and programs and nonpublic school funding, all of which use the annual count of ADA.

**BASE REVENUE LIMIT** See Revenue Limit.

**BOND** A certificate containing a written promise to pay as specified sum of money, called the face value, at a fixed time in the future, called the date of maturity, and specifying interest at a fixed rate, usually payable periodically.

**BONDED INDEBTEDNESS** An obligation incurred by the sale of bonds for acquisition of school facilities or other capital expenditures. Since 1986, districts have been able to levy a local property tax to amortize bonded indebtedness provided the taxes are approved by a two-thirds vote of the electorate.

**BUDGET** A plan of financial operation consisting of an estimate of proposed revenues and expenditures for a given period and purpose.

**CAPITAL OUTLAY** Expenditure for new equipment, major renovation or reconstruction, or new schools.

**CATEGORICAL AID** Funds from the state or federal government granted to qualifying school districts for specialized programs regulate and controlled by federal or state law or regulation. Examples include programs for children with special needs, such as special education, special programs, such as the School Improvement Program; or, special purpose, such as transportation. Expenditure of most categorical aid is restricted to its particular purpose. The funds are granted to districts in addition to their revenue limits.

**CBEDS** California Basic Education Data System –the statewide system of collecting enrollment, staffing, and salary data from all school districts on an "Information Day" each October.

**APPENDIX D**  
Glossary of Common School Finance Terms

**CERTIFICATED PERSONNEL** School employees who hold a position for which a credential is required by the state – teachers, librarians, counselors, and most administrators.

**CERTIFICATES OF PARTICIPATION** A financing technique, which provides long term financing through a lease (with an option to purchase or a conditional sale agreement).

**CHART OF ACCOUNTS** A list of accounts, systematically arranged, that are applicable to a specific Local Educational Agency (LEA). Components are: Programs, Objects, Funds, and Sub-funds.

**CLASS SIZE PENALTIES** The penalties imposed on school districts that have classes in excess of certain maximum sizes. Class size penalties result in a reduction in ADA, which, in turn, results in a loss in revenue limit income.

**CLASSIFIED PERSONNEL** School employees who hold positions that do not require a credential, such as secretaries, aides, custodians, bus drivers and some management personnel.

**COLLECTIVE BARGAINING** Senate Bill 160 (1975) defines the manner and scope of negotiations between school districts and employees' organizations. The law also mandates a state regulatory board. (See PERB)

**CONCURRENTLY ENROLLED** Pupils who are enrolled both in regular program for at least the minimum school day and also in a regional occupational center or program (ROC/P) or class for adults. Such a student will generate both regular ADA for the time in the regular programs plus concurrently enrolled ADA for the time in the regular program plus concurrently enrolled ADA for the time in ROC/P or adult classes. By qualifying for both regular ADA and concurrently enrolled ADA, such a student can generate more than one unit of ADA.

**COST-OF-LIVING ADJUSTMENT (COLA)** An increase in funding for government programs, including revenue limits or categorical programs. Current law ties the COLA to various indices of inflation, although different amounts are appropriated in some years.

**CRITERIA AND STANDARDS** Local district budgets must meet state-adopted provisions of "criteria and standards". These provisions establish minimum fiscal standards that school districts, county offices of education and the State use to monitor district fiscal solvency and accountability.

**DECLINING ENROLLMENT ADJUSTMENT** A Revenue Limit adjustment, which districts may receive as a result of a decline ADA. Under current law, districts can count the higher of either last or current year ADA.

**APPENDIX D**  
Glossary of Common School Finance Terms

**DEFERRED MAINTENANCE** Major repairs of building and equipment, which have been postponed by school districts. Some matching state funds are available to districts, which establish a deferred maintenance program.

**DEFERRED REVENUE** Revenue received in a given period, but unearned, which is set up as a liability to be included as revenue in subsequent period.

**DEFICIT FACTOR** When an appropriation to the State School Fund for revenue limits – or for any specific 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.

**DEVELOPER FEES** A specified charge per square foot on new residential and commercial construction. Developer fees are levied by school districts for building or renovating schools.

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

**ENCROACHMENT** The expenditure of school districts general-purpose funds in support of a 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.

**ENCUMBRANCES** Obligations in the form of purchase orders, contracts, salaries, and other commitments chargeable to an appropriation for which a part of the appropriation is reserved.

**ENTITLEMENT** An apportionment that is based on specific qualifications.

**EQUALIZATION AID** The extra state aid provided in some years – such as 1995-96 – to a low revenue district to increase its base revenue limit toward the statewide average.

**FACT FINDING** The culmination of the Impasse Procedures, Article 9, of the State's collective bargaining law. A tripartite panel, with the chairperson appointed and paid for by PERB, considers several specifically enumerated facts and makes findings of fact and recommendations in terms of settlement to a negotiation agreement. Such recommendations are advisory only and may be adopted or rejected in whole or in part by the parties.

**APPENDIX D**  
Glossary of Common School Finance Terms

**FISCAL YEAR** A period of one year, the beginning and the ending dates of which are fixed by statute; in California, the period beginning on July 1 and ending on June 30.

**FOUNDATION AMOUNT** The tax revenues, which count toward a school districts Gann limit. The districts other tax revenues are included in the state's limit.

**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.

**GANN SPENDING LIMIT** A ceiling, or limit, on each year's appropriations of tax dollars by the state, cities, counties, school districts, and special districts. Proposition 4, an initiative passed in November 1979, added appropriations limits in Article XIII B of the California Constitution. Using 1978-79 as a base year, subsequent years' limits have been adjusted for: (1) an inflation increase equal to the change in the Consumer Price Index or per capita personal income, whichever is smaller; and, (2) the change in population or, for school agencies, change in ADA. Proposition 111, adopted in June 1990, amended the Gann limit inflation factor to be based only on the change in per.

**GENERAL OBLIGATION BONDS** Bonds that are a "general obligation" of the government agency issuing them, i.e. their repayment is not tied to a selected revenue stream. Bond elections in a school district must be approved by a two-thirds vote of the electorate, but state bond measures require only a majority vote.

**GIFTED AND TALENTED (GATE)** Student in grades 1 through 12 who have shown potential abilities of high performance capability and needing differentiated or accelerated education. "Gifted child educational programs" are those special instructional programs, supportive services, unique educational materials, learning setting, and other services which differentiate, supplement, and support the regular educational program in meeting the needs of gifted students.

**GRANT** A contribution, either in money or material goods, made by one government entity to another.

**INDIRECT EXPENSE AND OVERHEAD** Those elements of indirect cost necessary in the operation of the district or in the performance of a service that are of such nature that the amount applicable to each accounting unit cannot be separately identified.

**LONG TERM DEBT** Debt that matures more than one year after the date of issuance.

## APPENDIX D

## Glossary of Common School Finance Terms

**LOTTERY** Approved by voters in November 1984, lottery games began in October 1985. The minimum of 34% of lottery revenues distributed to public schools and colleges must be used for "education of pupils". Lottery income has added about 2 to 3% to K-12 education funding.

**MANDATED COSTS** School district expenses, which occur because of federal or state laws, decisions of state or federal courts, federal or state administrative regulations.

**NECESSARY SMALL SCHOOL** An elementary school with less than 101 ADA or high school increases or decreases in cash expenditures will have upon future budgets.

**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.

**PERB** Public Employment Relations Boards. Five persons appointed by the Governor to regulate collective bargaining between school employers and employee organizations.

**PERS** Public Employees' Retirement System. State law requires that classified employees, their employer, and the state contribute to this retirement fund.

**PL94-142** Federal law that mandates a "free and appropriate" education for all handicapped children.

**PROCEEDS OF TAXES** Revenues from taxes, licensing fees, user, charges, and user fees (in excess of expenses). The amount, which exceeds the state's Gann limit, must be rebated to taxpayers. (See Gann Spending Limit.)

**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% full cash value. Proposition 13 also defined assessed value and required a two-thirds vote to change existing or levy other new taxes.

**PROPOSITION 98** An initiative adopted in 1988 and then amended by Proposition 111 in 1990; Proposition 98 contains three major provisions: (1) a minimum level of state funding for K-14 school agencies (unless suspended by the Legislature); (2) a formula for allocating any state tax revenues in excess of the state's Gann Limit; (3) the requirement that a School Accountability Report Card be prepared for every school. The minimum funding base is set equal to the greater of the amount of state aid determined by two formulas, commonly called "Test 1" and "Test 2" – unless an alternative formula, known as "Test 3", applies.

**APPENDIX D**  
Glossary of Common School Finance Terms

\* "Test 1" originally provided that K-14 school agencies shall receive at least 40.319% of state general fund tax revenues in each year, the same percentage as was appropriated for K-14 school agencies in 1986-87. Due to the shift in property taxes from local government to K-14 agencies, the "Test 1" percentage has been reset at 34.0%

\* "Test 2" provides that K-14 school agencies shall receive at least the same amount of combined state aid and local tax dollar as was received in the prior year, adjusted for the statewide growth in K-12 ADA and an inflation factor equal to the annual percentage change in per capita personal income.

\* "Test 3" only applies in year in which the annual percentage change in per capita state general fund tax revenues plus 1/2% is lower than the "Test 2" inflation factor (i.e. change in per capita personal income), and in this case the "Test 2" inflation factor is reduced to the annual percentage change in per capita state general fund tax revenues plus 1/2%.

One of the provisions of Proposition 98/111 is that if the minimum funding level is reduced due to either to "Test 3" or the suspension of the minimum funding level by the Legislature and Governor, a "maintenance factor" is calculated as the amount of the funding reduction. In subsequent years when state taxes grow quickly, this "maintenance factor" is added to the minimum funding level until the funding base is fully restored.

**PURCHASE ORDER** An encumbrance document that shows the vendor from whom a purchase is being made, what is being purchased by the school district, the amount of the purchase, the fund from which the purchase is being made (general, building or bond fun), an accounting code to which the purchase shall be applied, the signature or initial approval or the designed central office personnel responsible for approving.

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

**RESTRICTED FUNDS** Moneys whose use is for restricted by legal requirements or by the donor.

**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 a new each year.

## APPENDIX D

### Glossary of Common School Finance Terms

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.

**ROC/P Regional Occupational Center or Program** A vocational educational program for high school students and adults. A ROC/P may be operated by a single district, but a consortium of districts under a joint power agreement (JPA), or by a county office of education for districts within the county.

**SB 90** Reference to senate Bill 90/1972 that established the revenue limit system for funding school districts. The first revenue limit amount was determined by dividing the district's 1972-73 state and local income by that year's ADA. This per-ADA amount is the historical base for all subsequent revenue limit calculations.

**SB 813** Reference to Senate Bill 813/1983 that provides a series of education "reforms" in funding calculations. Longer day, longer year, mentor teachers, and beginning teacher salary adjustments are a few of the programs implemented by this 1983 legislation.

**SCHOOL DISTRICTS Unified** - A school district is serving students, kindergarten through 12th grade.

**Elementary** - A school district serving students, kindergarten through 8th grade.

**High School** - A school district serving students, 9th through 12th grade.

**SERRANO v PRIEST** The California Supreme Court decision which declare the system of financing schools unconstitutional because it violated the Equal Protection clause of the state Constitution. The Court said that by 1980 the relative effort (tax rate ) required of taxpayers for local school must be nearly same throughout the state and that differences in annual per pupil expenditures due to

local wealth must be less than \$100. The impact of Proposition 13 settled the taxpayer equity provision. In 1983 a court review determined that sufficient compliance in reducing expenditure disparities had been achieved; subsequent appeals have not succeeded.

**SPECIAL EDUCATION** Programs to identify and meet the educational needs of exceptional children, such as those with learning or physical handicaps. PL94-142 requires that all handicapped children between 3 and 21 years be provided free and appropriate education.

**STAFFING** Anticipating the staffing needs and the effects it will have on projected budgets is based on various enrollment assumptions.

**STATE ALLOCATION BOARD (SAB)** The regulatory agency that controls most state-aided capital outlay and deferred maintenance projects and distributes funds for them.

**APPENDIX D**

**Glossary of Common School Finance Terms**

**STATE SCHOOL FUND** Each year the state appropriates money to this fund, which is then used to make state aid payments to school districts. Section A of the State School Fund is for K-12 education and Section B is for community college education.

**STRS** The State Teacher's Retirement System, funded by certificate employees, their employer and the state.

**SUBVENTIONS** The term used to describe assistance or financial support, usually from higher governmental units to local governments or school agencies. State aid to school agencies is a state subvention.

**SUNSET** The termination of a categorical program. A schedule is in current law for the Legislature to consider the "sunset" of most state categorical programs. If a program sunsets under this schedule, the funding for the program shall continue but the specific regulations shall no longer apply.

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

**UNSECURED ROLL** That portion of assessed property that is movable, such as boats, planes, etc.

**WAIVERS** Permission from the State Board of Education – or, in some cases, from the Superintendent of Public Instruction – to set aside the requirements of an Education Code provision upon the request of a school district.

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