

# GLOSSARY

(Many of the following definitions have been excerpted from the EdSource Web site glossary. Go to [www.edsource.org](http://www.edsource.org) for a complete listing. A finance-specific glossary in more detail may be found on the School Services of California Web site at <http://www.sscal.com/>)

**Academic Performance Index (API)** - A single number index for a school or district using specified measures of student performance. A school's API score is used as the basis for ranking California's public schools.

**Accommodations** - Changes in the way tests are designed or administered to respond to the special needs of students with disabilities and English learners.

**Accountability** - The notion that people (e.g., students or teachers) or an organization (e.g., a school, school district, or state department of education) should be held responsible for improving student achievement and should be rewarded or sanctioned for their success or lack of success in doing so.

**Achievement Gap** - Significant difference in achievement among groups of students. Student achievement tests consistently show that certain groups of children score far below children in other groups. The data document a strong association between poverty and students' academic success or lack of it. And while poverty is not unique to any ethnicity, it does exist in disproportionate rates among African Americans and Hispanics, and among English learners. The reasons behind the achievement gap to some degree stem from factors that children bring with them to school. Other factors that contribute to the gap stem from students' school experiences.

**Adequacy** - An approach to school funding that begins with the premise that the amount of funding schools receive should be based on some estimate of the cost of achieving the state's educational goals. This approach attempts to answer two questions: How much money would be enough to achieve those goals and where would it be best spent?

**Assembly Bill (AB) 1200** - Legislation passed in 1991 that defined a system of fiscal accountability for school districts and county offices of education to prevent bankruptcy. The law requires districts to do multiyear financial projections; identify sources of funding for substantial cost increases, such as employee raises; and make public the cost implications of such increases before approving employee contracts. County offices review district budgets, and the state reviews countywide school districts.

**Assessment** - Another name for a test. An assessment can also be a system for testing and evaluating students, groups of students, schools, or districts.

**Average Class Size** - The number of students in classes divided by the number of classes. Because some teachers, such as reading specialists, have assignments outside the regular classroom, the average class size is usually larger than the pupil-teacher ratio.

**Average Daily Attendance (ADA)** - The total number of days of student attendance divided by the total number of days in the regular school year. A student attending every day would equal one ADA. ADA is not the same as enrollment, which is the number of students enrolled in each school and district. (This number is determined by counting students on a given day in October.) ADA usually is lower than enrollment due to factors such as students moving, dropping out, or staying home due to illness. The state uses a school district's ADA to determine its general purpose (revenue limit) and some other funding.

**Basic Aid School District** - The historical name for a district in which local property taxes equal or exceed the district's revenue limit. These districts may keep the money from local property taxes and still receive constitutionally guaranteed state basic aid funding. Because of budget constraints in 2002–03, lawmakers decided to eliminate the \$120 per student based on average daily attendance (ADA) in basic aid, saying that the state met its constitutional obligation to these districts with other state funding from categorical programs. However, these districts were allowed to keep their excess property taxes.

**Block Grant** - An allotment of money that is the sum of multiple special-purpose funds combined into one. A block grant tends to have fewer restrictions on how the money is spent than the original, disparate funding streams had; and it often combines funds that have similar purposes.

**Butt v. State of California** - In *Butt v. State of California*, the California supreme court made it clear the obligation of the state went well beyond fiscal equity. "[T]he cases suggest that the State's responsibility for basic equality in its system of common schools extends beyond the detached role of fair funder or fair legislator." It is a fundamental state responsibility to provide adequate inputs and assure reasonable outputs.

## **CDE - California Department of Education**

**California Education Code** - A collection of all the laws directly related to California K–12 public schools. Ed Code sections are created or changed by the governor and Legislature when they make laws. Local school boards and county offices of education are responsible for complying with these provisions. The Ed Code is permissive, which means that school districts are free to take any action not specifically prohibited.

## **CEC - California Education Commission**

**California High School Exit Exam (CAHSEE)** - Exam which, beginning with the class of 2006, California public school students must pass in order to graduate. Its purpose is to test whether students have mastered the academic skills necessary to succeed in the adult world.

**California Standards Tests (CSTs)** - CSTs are part of the Standardized Testing and Reporting (STAR) program and are based on the state's academic content standards—what teachers are expected to be teaching and what students are expected to be learning ... CSTs are criterion-referenced tests, and students are scored as "far below basic, below basic, basic, proficient, and advanced." The state goal is for every student to score at "proficient" or above. Only California students take these standards-based tests so their results cannot be compared to test scores of students in other states or nations.

**Categorical Aid/Categorical Programs** - Funds from the state or federal government granted to qualifying schools or districts for specific children with special needs, certain programs such as Class Size Reduction, or special purposes such as transportation. In general, schools or districts must spend the money for the specific purpose. All districts receive categorical aid in varying amounts. In 1999–2000, a little more than a third of the total money for education was earmarked for special uses. This aid is in addition to the funding schools received for their general education program.

**Certificated/Credentialed Employees** - Employees who are required by the state to hold some type of teaching credentials, including most administrators and full-time, part-time, substitute, and temporary teachers.

**Charter School** - A public school operated independently under a performance agreement with a school district, a county office of education (COE), or the State Board of Education. Charter schools are funded on a per-pupil basis, freed from most state regulations that apply to school districts and COEs, usually able to hire their own teachers and other staff, and subject to closure if they fail to meet their promises for student outcomes. Charter schools were

originally authorized in California in 1992 (Senate Bill 1448) and represent about 2% of statewide enrollment. In response to financial misconduct by a few charter schools, state lawmakers passed Assembly Bill 994 (2002), which tightens the charter approval process.

**Class Size Reduction (CSR)** - Initiated in the 1996–97 school year for kindergarten through third grade, the state has two programs that provide incentive funding for schools to reduce or maintain class sizes of no more than 20 students per teacher. One program covers kindergarten through third grade classes. A separate program supports smaller classes for core academic subjects in 9th grade.

**Classified Employees** - School employees who are not required to hold teaching credentials, such as bus drivers, secretaries, custodians, instructional aides, and some management personnel.

**Collective Bargaining** - A process for establishing a contract between a school district and its employee organizations. Senate Bill 160 (1975) defined the manner and scope of negotiations and mandated a state regulatory board. (See Public Employment Relations Board.)

**Consolidation** - The combining of two or more elementary or high school districts with adjoining borders to form a single district.

**Content Standards** - Academic content standards describe what students should know and be able to do in core academic subjects at each grade level. New K–12 academic content standards were adopted by California in 1997. Because they are technically "voluntary," school districts may vary widely in the extent to which they have aligned their curriculum and teaching strategies to the new state standards.

**Core Academic Standards** - Assessed in the statewide testing system for K–12 public schools and include English language arts, mathematics, science, and history/social science.

**Corrective Action** - Under the federal No Child Left Behind Act (NCLB), when a school or school district does not make adequate yearly progress (AYP), the state will place it under a corrective action plan. That plan includes resources to improve teaching, administration, or curriculum. If failure continues, then the state has increased authority to make any necessary additional changes to ensure improvement.

**County Office of Education (COE)** - The agency that provides, in general, educational programs for certain students; business, administrative, and curriculum services to school districts; and financial oversight of districts. These

services are affected by the size and type of districts within the county, the geographical location and size of the county, and the special needs of students that are not met by the districts. Each of California's 58 counties has an office of education.

**Criterion-Referenced Test** - A test that measures specific performance or content standards, often along a continuum from total lack of skill to excellence. These tests can also have cut scores that determine whether a test-taker has passed or failed the test or has basic, proficient, or advanced skills. Criterion-referenced tests, unlike norm-referenced assessments, are not primarily created to compare students to each other. The goal is typically to have everyone attain a passing mark.

**Deferred Maintenance** - Major repairs or replacement of buildings and equipment. Declines in school funding over a number of years led many districts to delay preventive maintenance expenses in order to maintain education programs. As a result, some school facilities were left in a state of disrepair. The state provides some money to match local districts' funds for deferred maintenance.

**Deficit Factor** - The percentage by which an expected allocation of funds to a school district or county office of education is reduced. The state may apply deficit factors to revenue limits and categorical programs when the appropriation is insufficient based on the funding formulas specified by law.

**Developer Fees** - A charge per square foot on residential and commercial construction within a school district. These fees, charged both to developers of new properties and to property owners who remodel, are based on the premise that new construction will lead to additional students. Individual school districts decide whether to levy the fees and at what rate up to the maximum allowed by law. The maximum, adjusted for inflation every two years, is higher for residential than for commercial construction. Districts are required to substantiate the financial impact of new development and show that they have used the revenues to address that impact. Proceeds may be used for building or renovating schools and for portable classrooms.

**Direct Services** - Services, including business, attendance, health, guidance, library, and supervision of instruction (K—8 only), performed without cost by county offices of education for small districts, which are defined as fewer than 901 (elementary), 301 (high school), and (1,501) unified students based on ADA.

**Disaggregated Data** - The presentation of data broken into segments, for example test scores for students from various ethnic groups instead of in the aggregate, for the entire student population. Often test data is broken into groups of

students who are economically disadvantaged, from racial or ethnic minority groups, have disabilities, or have limited English fluency, thereby allowing parents and teachers to see how each student group is performing in a school.

**Economic Impact Aid** - State categorical funds for districts with concentrations of children who are transient, from low-income families, or need to learn English.

**Elementary and Secondary Education Act (ESEA)** - The principal federal law affecting K–12 education. Congress must reauthorize it every six years. No Child Left Behind is the most recent reauthorization. Originally enacted in 1965 as part of the War on Poverty, it was created to support the education of the country's poorest children. That remains its overarching purpose. Each reauthorization has made some changes, but NCLB was the most dramatic revision since its creation, representing a significant change in the federal government's influence in public schools and districts throughout the United States, particularly in terms of assessment and teacher quality.

**Encroachment** - The expenditure of a local education agency's general-purpose funds for mandated special-purpose programs in which the cost of providing the programs exceeds the state or federal funding provided.

**Enrollment** - A count of the students enrolled in each school and district on a given day in October. This is different from Average Daily Attendance (ADA), which is the average number of students who attended school over the course of the year. The number of pupils enrolled in the school is usually larger than the ADA due to factors such as students moving, dropping out, or staying home because of illness.

**Equalization Aid** - Funds allocated, on occasion, by the Legislature to address perceived inequalities and raise the funding level of school districts with lower revenue limits toward the statewide average based on size and type of district.

**Equity** - The belief that state governments have an obligation to equalize students' access to educational opportunities and thus life chances. During the 1970s and 1980s, many state courts found great disparities in base per pupil spending between high and low property-wealth districts. They mandated that these funding disparities be eradicated. In placing districts on a level playing field, the courts often invoked equal protection clauses in state constitutions.

**ESEA** - See Elementary and Secondary Education Act.

**Expenditures Per Pupil** - The amount of money spent on education by a school district or the state, divided by the number of students educated. For most purposes in California, the number of students is determined by average daily attendance (ADA).

**Fees on New Development** - A charge per square foot on residential and commercial construction within a school district. These fees, charged both to developers of new properties and to property owners who remodel, are based on the premise that new construction will lead to additional students. Individual school districts decide whether to levy the fees and at what rate up to the maximum allowed by law. The maximum, adjusted for inflation every two years, is higher for residential than for commercial construction. Districts are required to substantiate the financial impact of new development and show that they have used the revenues to address that impact. Proceeds may be used for building or renovating schools and for portable classrooms.

**Fiscal Crisis and Management Assistance Team (FCMAT)** - A state-funded agency that provides fiscal advice, management assistance, training, and other related school business services, with particular emphasis on districts facing fiscal insolvency. FCMAT operates from the office of the Kern County Superintendent of Schools under contract with the CDE and the governor's office.

**Gann Limit** - A limit on the amount of tax money that state and local governments, including school districts, can legally spend. In November 1979, California voters approved the late Paul Gann's Proposition 4 (the Gann Limit). Senate Bill 1342, the implementing legislation, defined school district Gann limits in a way that has thus far minimized their impact.

**General Fund** - The primary, legally-defined fund used by the state and school districts to differentiate general revenues and expenditures from those placed in other funds for specific uses.

**General Purpose Funding** - Money granted to school districts for general purposes, based on a per-pupil revenue limit. They have discretion to spend this money as they see fit for day-to-day operations of schools, including everything from salaries to the electric bill, within the constraints of certain laws and contracts with employees.

**High Priority Schools Grant Program (HPSG)**  
Program created in 2001-02 by state lawmakers to support schools in the lower half of the state rankings (Deciles 1-5) based on the Academic Performance Index. The initial emphasis is on Decile 1 schools, which are at the bottom of the state's ranking system.

**Highly Qualified Teacher** - According to the No Child Left Behind Act (NCLB), a highly qualified teacher has obtained full state teacher certification or has passed the state teacher licensing examination and holds a license to teach in the state; holds a minimum of a bachelor's degree; and has demonstrated subject area competence in each of the academic subjects in which the teacher teaches.

**Immediate Intervention/Underperforming Schools Program (II/USP)** - A component of California's Public Schools Accountability Act (PSAA) designed to provide assistance and intervention for schools identified as underperforming. In 2002 lawmakers funded instead a similar program, the High Priority Schools Grant Program.

**Intervention Programs** - In general, programs that provide extra support and resources to help improve student or school performance.

**Local Education Agency (LEA)** - A public board of education or other public authority within a state that maintains administrative control of public elementary or secondary schools in a city, county, township, school district, or other political subdivision of a state.

**Mandated Costs** - School district expenditures that are required because of federal or state law, court decisions, administrator regulations, or initiative measures. Since the passage of Proposition 4 in 1979 (the Gann Limit), the California Constitution has required the repayment of mandated costs to school districts.

**Master Plan for Education** - A joint legislative committee established in July 1999 charged with creating a vision for all levels of the public education system. Their goal was to create coherent, coordinated policy and bring clarity around who is responsible for each component of the public education system. In addition the plan would more tightly couple K-12 and higher education policies and reforms. The committee completed its work and presented its recommendations to the Legislature in 2002.

**Mello-Roos Community Facility District** - A portion of a school district, often a new housing development, that can be taxed if two-thirds of property owners vote to approve it. Property owners pay a special tax that is not based directly on the value of the property.

**Nationally Normed Assessment** - A test that has been administered to a national control group that reflects the demographic profile of the target population (e.g., 4th graders) throughout the country. The scores of all subsequent test-takers are then compared against the scores of this control (or "norming") group.

**NCLB** - See No Child Left Behind Act (NCLB).

**Necessary Small Schools** - Schools that need to have small populations, usually because they are in sparsely populated areas or serve special populations (such as Juvenile Court schools). These schools receive extra funding because they cannot realize economies of scale.

**No Child Left Behind Act (NCLB)** - The 2002 reauthorization of the Elementary and Secondary Education Act (ESEA). Originally passed in 1965, ESEA programs provide much of the federal funding for K–12 schools. NCLB's provisions represent a significant change in the federal government's influence in public schools and districts throughout the United States, particularly in terms of assessment, accountability, and teacher quality. It increases the federal focus on the achievement of disadvantaged pupils, including English learners and student who live in poverty, provides funding for innovative programs, and supports the right of parents to transfer their children to a different school if their school is low-performing or unsafe.

**Norm-Referenced Assessment** - An assessment in which an individual or group's performance is compared to a larger group. Usually the larger group is representative of the cross-section of all U.S. students.

**Office of Public School Construction (OPSC)** - The agency that implements and administers the School Facility Program and other programs of the State Allocation Board (SAB). OPSC also verifies that all school districts applying for state funding to modernize or build new facilities meet specific criteria based on the type of funding requested.

**Opportunity To Learn (OTL)** - The standards that measure the extent to which key educational resources—such as experienced teachers, adequate materials, rigorous courses, and safe, clean, uncrowded facilities—are provided at a school site. Providing an "opportunity to learn" helps abolish the achievement gap by making sure students and school staff have what they need to be successful at high levels. In the broadest sense, it means encouraging learning and development by making up the difference between what the most and the least privileged children have.

**Parcel Tax** - In California, an assessment on each parcel of property—not based on assessed value—that must be approved by two-thirds of the voters in a school district. When proposing parcel tax elections, districts indicate how the money will be used. Money from parcel tax elections is generally used for educational programs, not for school construction or renovation, which is normally financed through a general obligation bond measure.

**Performance Standards** - Standard that describes how well or at what level students should be expected to master the content standards.

**Proficiency** - Mastery or ability to do something at grade-level. In California, students take California Standards

Tests (CSTs) and receive scores that range from "far below basic" to "advanced." The state goal is for all students to score at "proficient" or "advanced."

**Program Improvement** - Under the No Child Left Behind Act (NCLB), schools and districts receiving federal Title I funds enter Program Improvement when—for two years in a row—they do not make adequate yearly progress (AYP) toward the goal of having all students become proficient in English language arts and mathematics by 2013-14. If a school hasn't made adequate yearly progress in four years, it could face significant restructuring or takeover in the fifth year. Schools that do not receive Title I funds are not subject to Program Improvement even if they do not make AYP.

**Property Tax** - A tax on local residential and commercial property that is part of a school district's income based on a formula set by the Legislature and signed by the governor in 1978. These taxes, which vary by district, are part of the district's revenue limit income.

**Proposition 13** - An amendment to the California Constitution passed by voter initiative in June 1978 that limits property taxes to no more than 1 percent of full assessed value (plus any additional rates approved by local voters, such as general obligation bonds). Proposition 13 and implementing legislation caused a shift in support for schools from local property taxes to state general funds. Local voters can levy a uniform dollar tax per parcel of land, but they cannot increase property taxes based on value with one exception. In 1986 authority for school districts to levy taxes for general obligation (G.O.) bonds for school construction or renovation was reinstated. (These elections have always required a two-thirds vote.) Because Proposition 13 drastically reduced property taxes, they are no longer the major source of school funding. Until 1978 property taxes furnished about two-thirds of education's revenues. Proposition 13 caused a nearly exact flip-flop when the Legislature bailed out school districts with state funds. The governor and Legislature also took over the allocation of local property taxes to schools, cities, counties, and special districts.

**Proposition 39** - An amendment to the California Constitution passed by voter initiative in November 2000. It added the option of a lower voter-approval threshold (55% vs. two-thirds) for local school district general obligation (G.O.) bonds. If districts choose to seek 55% instead of two-thirds approval, they have added requirements involving financial and performance accountability.

**Propositions 98 and 111** - Voter-approved initiatives that amended the California Constitution in 1988 and 1990 to guarantee a minimum amount of funding from property and state taxes for K–14 (kindergarten through community college) education each year. This guarantee of a minimum funding level is unique in the nation. The propositions included formulas for calculating the guarantee under different economic conditions.

**Public Schools Accountability Act (PSAA)** - A law that outlines a comprehensive process for measuring schools' academic performance and ranking schools based on that performance.

**Revenue Limit** - The amount of general purpose money each district may receive per pupil (ADA) from a combination of state taxes and local property taxes. Categorical aid for specific programs and students is granted in addition to revenue limit income. The Legislature came up with the revenue limit concept to create a more equal distribution of monies for schools.

**Revenues Per Pupil** - The total amount of revenues from all sources received by a school district or state, divided by the number of students as determined, most often, by average daily attendance (ADA). Unlike expenditures per pupil, this formula is based on income per pupil rather than on what is spent per pupil.

**School Improvement Program (SIP)** - Initiated in the late 1970s, SIP programs are in the vast majority of California schools. A School Site Council composed of staff, parents, and students (high school) must agree on a plan that will result in an improved educational program in the school. SIP is one of the few categorical programs that provides discretionary money for schools directly. Typical uses are for instructional aides, classroom materials, technology, and staff development.

**Serrano Band** - Begun in 1968, the *Serrano v. Priest* court case was one of the first lawsuits to challenge the U.S. tradition of funding public schools through local property taxes, saying that approach was unconstitutional based on equal protection under the law. When the case was settled in the mid-1970s, the courts required the California Legislature to reduce disparities in general purpose funding to \$100 per student, commonly called the *Serrano* band. The *Serrano* band is based on a system of "revenue limits" or general purpose funding allocated on a per pupil basis to provide for the day-to-day operation of the school district. Categorical aid for special programs or students is excluded. The court accepted different revenue limits for large and small elementary, high school, and unified districts, effectively creating six separate *Serrano* bands. The guiding principle was that high school programs were costing more to operate and thus needed a higher level of funding per pupil. Small school districts also receive more funds because they cannot take advantage of some of the economies of scale their larger counterparts enjoy. With adjustment for inflation, the *Serrano* band has broadened to about \$350 per student.

**Significant subgroup** - Under both California and federal accountability rules, various data must be reported for significant subgroups of students based on ethnicity, poverty, English learner status, and Special Education designation. To be considered "significant," a subgroup

must include either 100 students or a smaller number if they represent at least 15% of the overall school population.

**Small Districts** - An elementary district with fewer than 101 students (based on average daily attendance or ADA); a high school district with fewer than 301 students based on ADA; and a unified (K–12) district with fewer than 1,501 students based on ADA.

**Standardized Test** - A test that is in the same format for all takers. It often relies heavily or exclusively on multiple-choice questions. The testing conditions are the same for all students, though sometimes accommodations on time limits and instructions are made for disabled students.

**Standards** - A degree or level of achievement. The "standards movement" began as an informal effort grown out of a concern that American students were not learning enough and that American schools did not have a rigorous curriculum.

**Standards-Based Reform** - A recent shift in education policy and school reform toward reaching consensus on and establishing standards for what students need to know and be able to do at each grade or developmental level. Tension still exists over how much influence national, state, or local policy makers should have over setting the standards. Although a strong backlash to national control continues, a growing number of states are taking on this responsibility, including California.

**SBE - State Board of Education**

**SDE - State Department of Education**

**SPI - Superintendent of Public Instruction**

**Title I** - A federal program that provides funds for educationally disadvantaged students, including the children of migrant workers, based on the number of low-income children in a school, generally those eligible for the free/reduced price meals program. Title I is intended to supplement, not replace, state and district funds. The funds are distributed to school districts, which make allocations to eligible schools according to criteria in the federal law. Schools receiving Title I monies are supposed to involve parents in deciding how those funds are spent and in reviewing progress. Title I used to be called Chapter One.