

California School Finance: The Basics

Board of Education Meeting
October 13, 2009



Agenda

- Purpose
- Financial Reporting Timelines
- Financial Oversight
- Revenue: Unrestricted/Restricted
- Spending
- Additional Information

Purpose

Why do we need several forums to discuss budget and school finance issues (including this one)?

1. Continue to build the knowledge and capacity of the Stockton Board and community to understand the **basics** about California school finance.
2. Provide **accurate and timely information** regarding: (a) State's budget situation and (b) it's impact on Stockton Unified.
3. Continue to provide mandated, interim financial reports to the Board and community.

Financial Reporting Timelines

By Education Code, school districts are required to report it's financial activity at regular intervals.

Month	December 2008	March 2008	June 2009	September 2009	December 2009	March 2010
2008-09 Fiscal Year	1 st Interim	2 nd Interim	Estimated Actuals	Unaudited Actuals		
2009-10 Fiscal Year			Adoption Budget	↔	1 st Interim	2 nd Interim

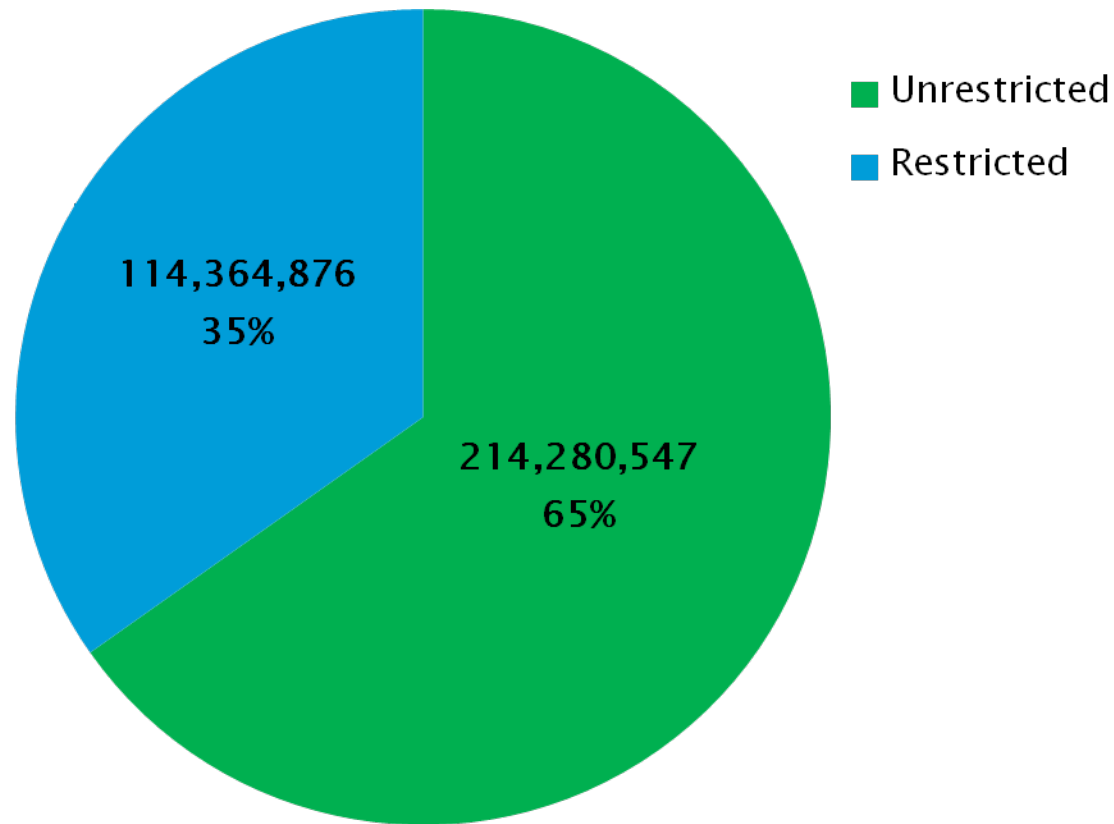
Financial Oversight

AB1200 and AB2756 requires all school districts to engage in regular financial reporting, including:

- Thorough reviews by the County Office of Education (SJCOE) including review of all funds and activity.
 - Positive, qualified, or negative certification provided.
 - The District has always had a positive certification.
- Each year a third-party, external auditor reviews the District's unaudited actual reports each September.
 - There is a review of all financial activity across all funds including supplemental information, such as attendance.
 - Auditors have provided a favorable review of the District's financial activity.

Revenue: Unrestricted/Restricted

Within the District's operating budget (aka General Fund) there are primarily two types of revenue. The unrestricted portion of the budget is generated largely by student attendance.



Spending

The District, similar to other California school districts, spends the largest portion of the operating budget on compensation (salaries and benefits) for District employees.



Compensation:
\$260,837,655 (78%)

Books/Supplies:
\$40,547,599 (12%)

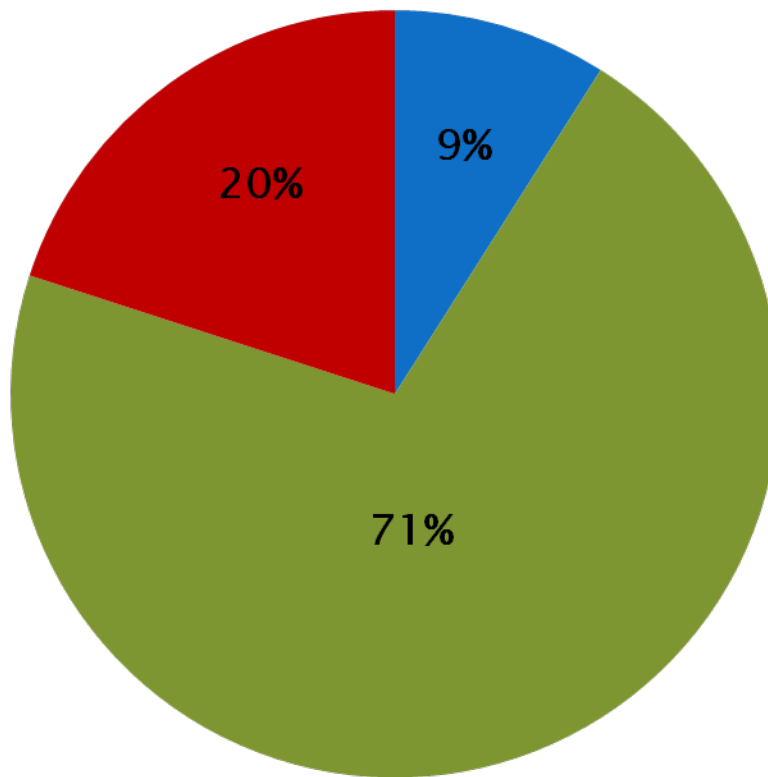
Services/Operating:
\$32,412,802 (9%)

Capital Outlay/Other:
\$652,319 (1%)

Source: Stockton Unified School District's 2009-10 Adoption Budget.
Fund 01 – General Fund. Board approved on 6/24/09.

Compensation by Employee Type

Breaking down the portion of the District's budget dedicated to compensation by employee type, the organization invests the majority of its money in certificated and classified staff.



- Management
- Certificated Staff
- Classified Staff

Bargaining Units Included:

Management – Management, Confidential, USA, Board

Certificated – STA, SPPA

Classified – CSEA 821, CSEA 318, OE-3, SUSU, Police

Additional Information

For additional information regarding California school finance please refer to the following sources:

EdSource – www.edsource.org, go to the Issues & Research/School Finance Basics portion of the website.

- Budget Basics
- Budget Calendar
- Finance System
- District Budget

COMING SOON! An updated section of the SUSD website dedicated to the District's budget and financial information.

Thank You.

QUESTIONS?