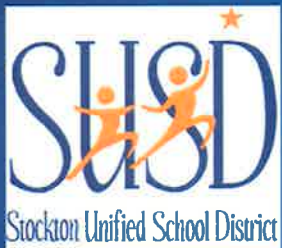


Stockton Unified School District First Interim Financial Report 2012-13: Open Session

December 11, 2012



Positive Filing of SUSD 2012–13 First Interim Certification

- ▶ **Positive:** The district has filed a “Positive” certification for the Second Interim Report because it has the ability to meet its financial obligations for the current fiscal year and subsequent two fiscal years
- ▶ **Qualified:** The district may or may not meet its financial obligations for the current fiscal year or two subsequent fiscal years
- ▶ **Negative:** The district will be unable to meet its financial obligations for the remainder of the current fiscal year or for the subsequent fiscal year

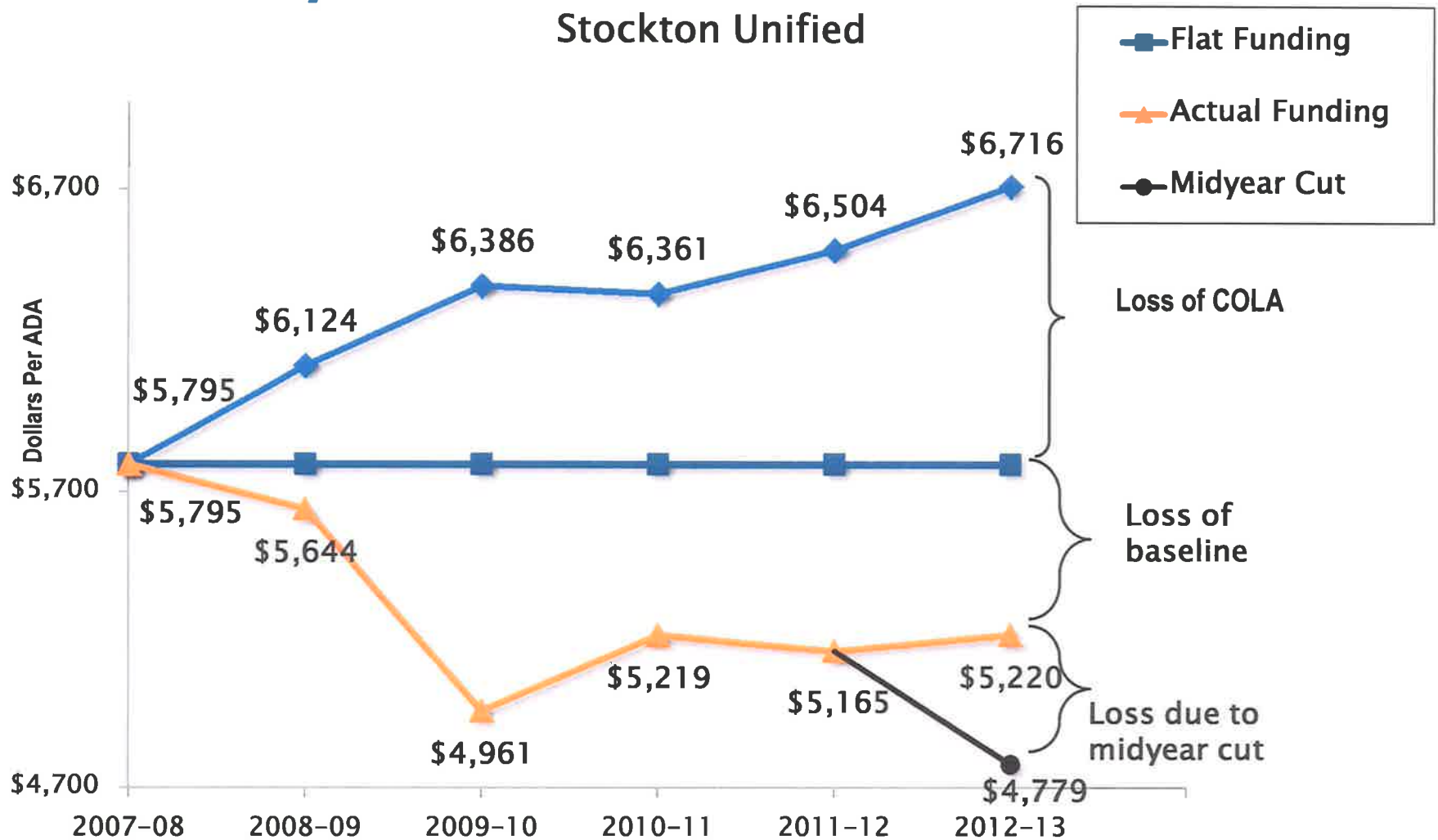
Proposition 30: What it means

Proponent and Title	Total Revenues Generated	Education Revenues Generated	Source of Additional Revenues	Duration
Governor Jerry Brown – Prop. 30 “The Schools and Local Public Protection Act of 2012”	\$8.5 billion in 2012-13; \$6.5 billion thereafter	Limited – additional funds offset State General Fund (GF) obligation; \$2.9 billion increase in Proposition 98 first year	Quarter-cent sales tax increase; up to 3% increase in personal income tax rate for high-income earners (\$250,000 and above)	4 years sales tax, 7 years income tax

Post Proposition 30: Impact on SUSD

- ▶ Passage of Proposition 30 means:
 - “Flat” funding for at approximately the same funding level received last year (2011–12)
 - Does not add new revenue to the District
- ▶ Failure of Proposition 30 would have resulted in :
 - A funding cut of about \$15 million or about \$441 per student

Funding Per ADA – Actual vs. Statutory Level



Multi-Year Projections - First Interim Report
2012-13
General Purpose/Unrestricted
Post Proposition 30

	2012-13	2013-14	2014-15
REVENUE			
Revenue Limit	\$167,022,831	\$164,927,181	\$167,925,265
Potential Funding Cut (\$441/ADA)	\$0	\$0	\$0
Other Revenue	\$38,204,056	\$36,704,762	\$37,180,250
Contributions	(\$28,821,936)	(\$27,824,910)	(\$27,818,823)
Total Revenue	\$176,404,951	\$173,807,033	\$177,286,692
EXPENDITURES			
Salaries, Benefits, Books/Supplies, Services, Capital	\$177,684,387	\$178,589,818	\$179,307,418
Total Expenditures	\$177,684,387	\$178,589,818	\$179,307,418
Net Increase/(Decrease)	(\$1,279,436)	(\$4,782,785)	(\$2,020,726)
FUND BALANCE			
Beginning Fund Balance	\$44,777,141	\$43,497,705	\$38,714,920
Ending Fund Balance	\$43,497,705	\$38,714,920	\$36,694,194
COMPONENTS OF ENDING			
Revolving Cash & Stores	\$1,270,000	\$1,270,000	\$1,270,000
Economic Uncertainty (2%)	\$6,627,984	\$6,124,964	\$6,161,345
Redevelopment Agency Repayment	\$1,029,916	\$763,513	\$503,164
Deficit Spending (2013-14 & 2014-15)	\$6,803,511	\$2,020,726	\$0
Deferred Maintenance Projects	\$1,500,000	\$3,000,000	\$4,500,000
Undesignated/Unappropriated	\$26,266,294	\$25,535,717	\$24,259,685

Fast Facts: 2012–13 First Interim Financial Report – Negotiations

Line	Description	Item
A	Revenue Limit Funding per Student (After applied deficit factor of .77728)	\$5,220
B	Step/Column Movement	Cert: 1.7% Class: 1.3%
C	Ratio of Projected ADA to Enrollment	94.6%
D	General Fund Budget (includes both Unrestricted and Restricted)	\$331.4 million
E	Reserve for Economic Uncertainties (2% of total expenditures)	\$6.6 million
F	Percentage of unrestricted/general purpose salaries/benefits to expenditures	92.4%
G	Cost of 1% Increase/Decrease in Salaries– District wide	\$2 million

What to Watch

	Description	Timeline
A	Economic indicators to determine where the economy is heading	Ongoing
B	Federal Sequestration which may impact categorical allocations	January
C	Release of Governor's 2013-14 Budget Proposal	January
D	March 15 th Notices	March
E	2012-13 Second Period Interim Report and submission to Board	March
F	"May Revise" - Updates on Governor's January Budget Proposal	May
G	Adoption of SUSD 2013-14 School District Budget	June 11, 2013