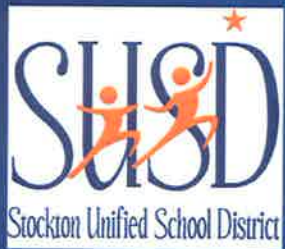


# Stockton Unified School District : 2012-13 Budget

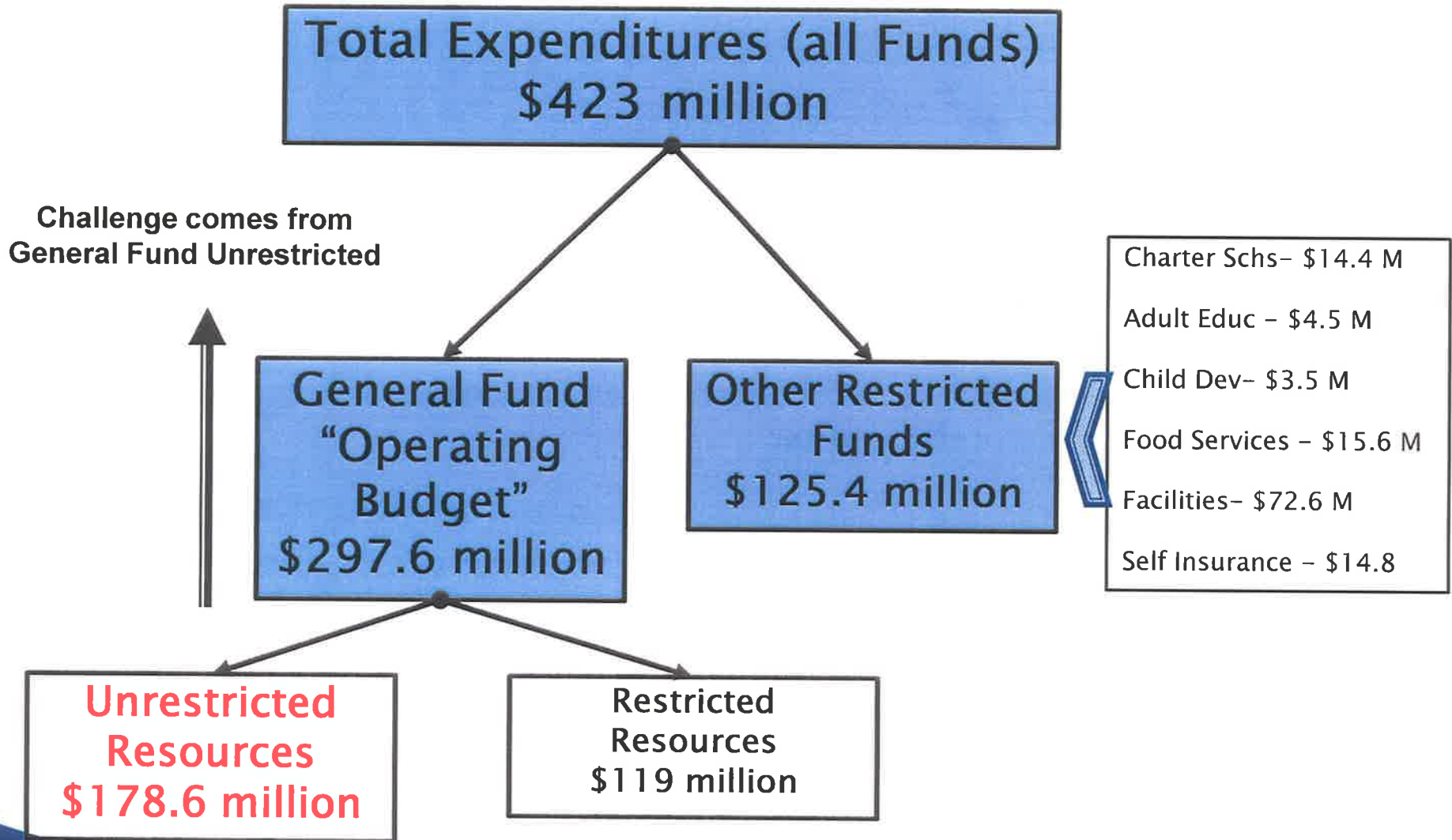
June 26, 2012



## Education Funding Initiatives

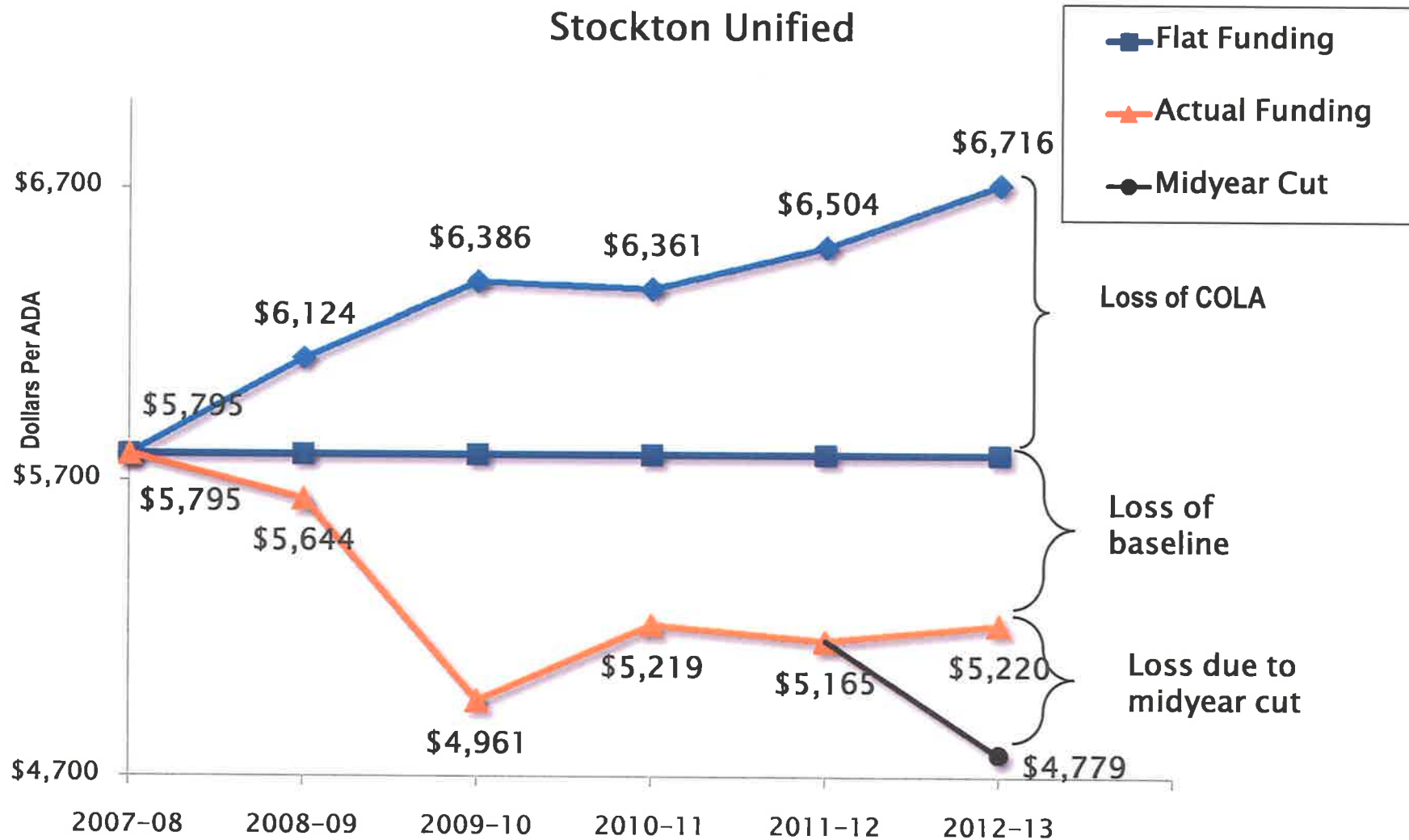
Proponent and Title	Total Revenues Generated	Education Revenues Generated	Source of Additional Revenues	Duration
<b>Governor Jerry Brown – “The Schools and Local Public Protection Act of 2012”</b>	<b>\$8.5 billion in 2012-13; \$6.5 billion thereafter</b>	<b>Limited – additional funds offset State General Fund (GF) obligation; \$2.9 billion increase in Proposition 98 first year</b>	<b>Quarter-cent sales tax increase; up to 3% increase in personal income tax rate for high-income earners (\$250,000 and above)</b>	<b>4 years sales tax, 7 years income tax</b>
<b>Molly Munger (PTA supported) “Our Children, Our Future: Local Schools and Early Education Investment and Bond Debt Reduction Act”</b>	<b>\$5 billion in 2012-13; \$10 billion thereafter</b>	<b>First 3 years: 60% K-12 schools 10% Early childhood education (ECE) 30% State GF bond debt  Remaining years: 85% K-12 schools 15% ECE</b>	<b>Increase in personal income tax for all but low-income earners, from 0.4% for lowest income individuals to 2.2% for individuals earning more than \$2.5 million</b>	<b>12 years</b>

# 2012-13 Budget



Source: Stockton Unified School District's 2012-13 Budget Report. All Funds. As of 6/26/2012.

# Funding Per ADA – Actual vs. Statutory Level



# What assumptions were used in developing SUSD's 2012-13 Budget ?

## ▶ Revenue:

- “Flat” funding– Based on “May Revise” provides about the same per student amount as current year
- Enrollment/ADA –Percent of average ADA to enrollment increased is 93.6%
- Transportation funding ongoing in nature
- One-time Federal Stimulus Package removed from revenue

# 2012–13 Budget Assumptions (continued)

## ▶ Expenditures/Savings:

- Salary and benefit adjustments – Due to step/column:
  - Certificated: 1.68%
  - Classified: 1.34%
- Redefined CORE Program – Based on roughly \$3 million ongoing
- Carryover Balances – Removed and re-budgeted after financial closing of books
- School site budgets – Based on projected enrollment and staffing ratios established for high schools and elementary schools
- Transportation Services – Restructuring of existing services would result in savings of \$500,000

# 2012–13 Budget Assumptions (continued)

- ▶ Expenditures / Savings (continued)
  - Energy Savings – Reduced utility costs of \$700,000
  - Categorical Flexibility – Authorization through 2012–13 to use designated Tier III programs for any educational purpose
  - Routine Restricted Maintenance Account (RRM) – Reduced expenditures by \$500,000 for alignment expenditure trends (maintenance of roofs and structures)

# Key Points: Components of 2012-13 Ending Fund Balance

	<b>Unrestricted</b>	<b>Restricted</b>	<b>Total</b>
<b>Beginning Fund Balance (Est. 2011-12)</b>	\$46,456,700	\$3,000,000	\$49,456,700
<b>Excess of Revenues over Expenditures</b>	-\$4,198,755	-\$3,000,000	-\$7,198,755
<b>Ending Fund Balance</b>	\$42,257,945	\$0	\$42,257,945

<b>Components of Ending Fund Balance:</b>	<b>Unrestricted</b>	<b>Restricted</b>	<b>Total</b>
Revolving Cash	\$70,000	\$0	\$70,000
Stores	\$1,200,000	\$0	\$1,200,000
Reserve for Economic Uncertainty (2%)	\$5,951,612	\$0	\$5,951,612
Reserve for potential \$441/ADA funding cut	\$14,698,327	\$0	\$14,698,327
Redevelopment Agency Repayment	\$1,453,110	\$0	\$1,453,110
Other Designations	\$18,884,896	\$0	\$18,884,896



**Multi-Year Budget Projections  
2012-13  
General Purpose/Unrestricted  
Example: Another View**

	<b>2012-13</b>	<b>2013-14</b>	<b>2014-15</b>
<b>REVENUE</b>			
Revenue Limit	\$166,583,055	\$167,291,877	\$169,383,399
Potential Funding Cut (\$441/ADA)	(\$14,698,327)	(\$14,419,033)	(\$14,229,835)
Other Revenue	\$35,153,776	\$35,582,241	\$36,089,057
Contributions	(\$27,359,357)	(\$27,248,465)	(\$27,559,930)
<b>Total Revenue</b>	<b>\$159,679,147</b>	<b>\$161,206,620</b>	<b>\$163,682,691</b>
<b>EXPENDITURES</b>			
Salaries, Benefits, Books/Supplies, Services, Capital	\$178,576,229	\$179,690,342	\$179,311,876
<b>Total Expenditures</b>	<b>\$178,576,229</b>	<b>\$179,690,342</b>	<b>\$179,311,876</b>
<b>Net Increase/(Decrease)</b>	<b>(\$18,897,082)</b>	<b>(\$18,483,722)</b>	<b>(\$15,629,185)</b>
<b>FUND BALANCE</b>			
Beginning Fund Balance	\$46,456,700	\$27,559,618	\$9,075,896
Ending Fund Balance	<b>\$27,559,618</b>	<b>\$9,075,896</b>	<b>(\$6,553,289)</b>
<b>COMPONENTS OF ENDING</b>			
Revolving Cash & Stores	\$1,270,000	\$1,270,000	\$1,270,000
Economic Uncertainty (2%)	\$5,951,612	\$5,849,052	\$5,867,075
Redevelopment Agency Repayment	\$1,453,110	\$1,453,110	\$1,453,110
Other Designations	\$18,884,896	\$503,734	(\$15,143,474)

# County Office of Education: What reaction do we expect on SUSD's 2012-13 Budget?

- ▶ The county office will review enrollment/ADA, deficit spending, fund balance, reserves and take one of three (3) actions:
  - Approved: Budget meets fiscal solvency criteria (SUSD)
  - Conditionally Approved: Approved, however, corrections are necessary to meet fiscal solvency criteria
  - Disapproved: The district's budget does not meet the fiscal solvency criteria

# Thank You

- ▶ Questions??????????

