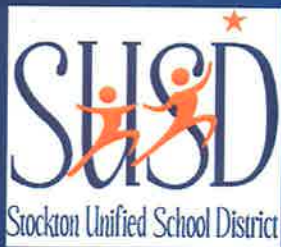


Stockton Unified School District “May Revise”



May 28, 2013



Overview

- ▶ May Revise – What is it? What does it mean to SUSD?
- ▶ Governor's view on Revenue Limits and Deficit Factors? Why is the Governor silent on the revenue limit and deficit factor?
- ▶ Local Control Funding Formula (LCFF) – What impact does it have on SUSD? Is the district better-off or worse-off?
- ▶ County Office's position on multi-year projections – Why are county offices taking a conservative approach to Multi-year Budget Projections?

May Revise

- ▶ Provides an opportunity for the Governor to update current and future year projections based on more recent economic data
 - Proposed boost in current year State revenues of \$4.5 billion
 - Revenue projections for State have dropped for next year \$1.3 billion from the January estimate
 - News paper articles provide a more generic view of public education and do not focus on individual differences among or between school districts
 - Uncertainty regarding the Governor's 2013-14 Budget proposal creates a "Tug-of-war" between current law and the Local Control Funding Formula (LCFF)

2013-14 Revenue Limit Factors

- ▶ For 2013-14, the estimated COLA is 1.565%

	Statutory COLA	
District Type	2012-13 3.24% (actual)	2013-14 1.565% (actual)
Elementary	\$202	\$101
High School	\$243	\$121
Unified	\$212	\$106

Governor's View

- ▶ The LCFF would provide additional funding and expenditures for some districts, however, other districts would receive less funding
 - Governor remains committed to the new funding model to replace revenue limits and deficit factors
 - The LCFF, if approved by the Legislature, would provide funding to school districts based on the following three (3) elements:
 - Base grant
 - Differential adjustment
 - Additional funding based on demographics of the school
 - Model different from the current model which provides funding based on a dollar amount per student
 - Legislature has a June 15th constitutional deadline to adopt the State Budget



Major LCFF Elements

- ▶ The LCFF would replace revenue limits and most categorical program funding
 - Funding allocated through the formula would generally be flexible and could be used for any educational purpose, however, requires oversight by county offices
- ▶ Elements of the proposed formula
 - A base grant per ADA equal to the undeficited statewide average base revenue limit per ADA - \$6,816
 - Differential adjustments for early primary, primary, middle, and high school grade spans; added funding for K-3 Class-Size Reduction (CSR) and 9-12 Career Technical Education (CTE)
 - Additional funding based on the demographics of the schools, including:
 - English Learner population
 - Pupils eligible for free and reduced-price meals
 - Foster youth
 - Seven (7) year phase -in period beginning in next year

LCFF Grade Spans

▶ Entitlement Calculation:

- Grade span per pupil grants, based on 2012–13 statewide average *undeficited* revenue limit (est. \$6,816 per ADA)

Factors	K-3	4-6	7-8	9-12
Grade Span Base Grant per ADA	\$6,441	\$6,538	\$6,732	\$7,800
Adjustment factors	11.23% CSR	--	--	2.8% CTE
CSR, CTE amounts	\$723	--	--	\$218
Add the following amounts to the base grant and adjustments above:				
<ul style="list-style-type: none"> • 35% of the grade span base grant multiplied by the districtwide % eligible students 				
<ul style="list-style-type: none"> • 35% of the grade span base grant multiplied by the districtwide % eligible students that exceed 50% of total enrollment 				

County Office Position

- Developing a “Common Message” focusing on uncertainty of LCFF and will direct school districts to take a conservative budgetary approach until laws are changed
- SUSD’s 2013–14 Budget is based on direction from county office which will result in a statutory COLA of 1.565% and a status quo deficit factor of .77728
- SUSD’s estimated deficit spending is higher than usual for next year and other outgoing years
- 45 Day Revision timeline in preparation for the 2013–14 First Interim Financial Report

Next Steps

	Description	Timeline
A	Adoption of 2013–14 District Budget	June 11th
B	Review of District Budget by County Office of Education	After June 11
C	Approval of State Budget	On or before June 15th
D	Development of District Spending Plan for estimated LCFF dollars (based on passage of LCFF and District priorities)	June – August
E	Submission of 45 Day Budget Revisions to County Office	August