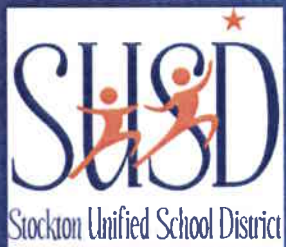
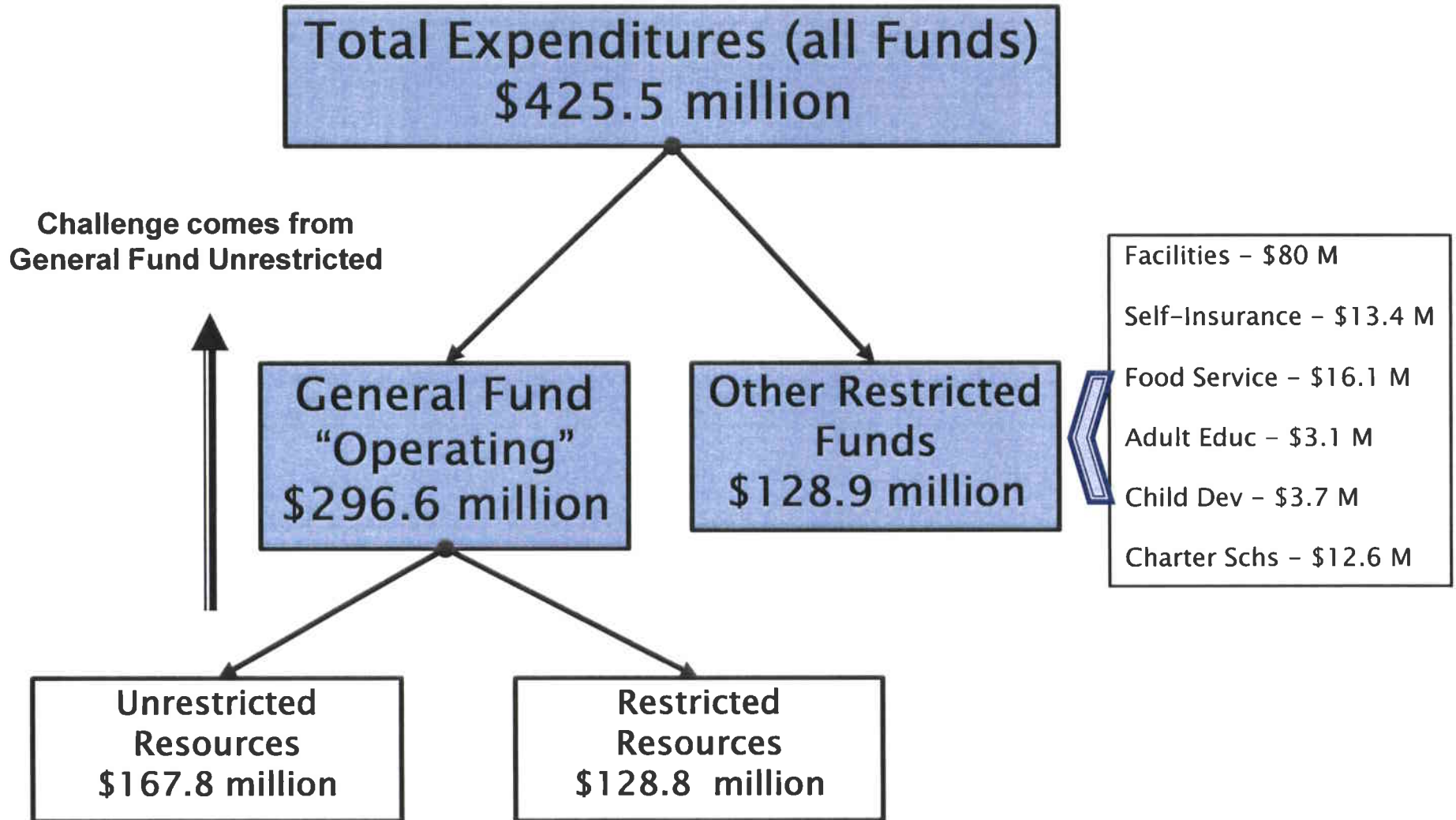


Stockton Unified School District 2011-12 Unaudited Actual Financial Report

September 25, 2012



SUSD 2011-12 Actual Spending



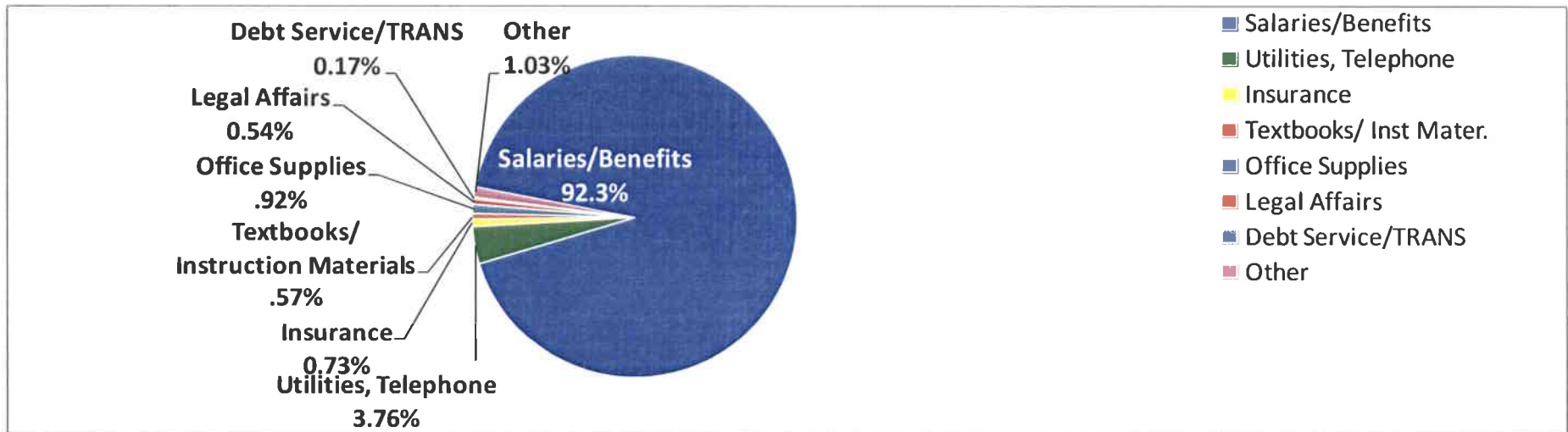
Source: Stockton Unified School District's 2011-12 Unaudited Actual Financial Statement. All Funds. As of 9/25/2012.

Financial Snap Shot: 2011-12

Line	Description	
A	Funded Revenue Limit ADA (based on greater of current or prior year ADA. Does not include charter schools)	32,704.26
B	Revenue Limit Funding per Student (After applied deficit factor of .79398)	\$5,165
C	Total Expenditures- General Fund (includes both Unrestricted and Restricted)	\$296.6 million
D	Fund Balance Increase over prior year- Unrestricted	\$10.3 million
E	Total Reserve for Future Years Deficits: General Purpose Unrestricted based on potential state funding cut	\$35.6 million
F	Reserve for Economic Uncertainties (2% of total expenditures)	\$5.9 million
G	Ending Cash Balance - Total (Unrestricted of \$13 million, Restricted of \$2.3 million)	\$15.3 million
H	Percentage of unrestricted/general purpose salaries/benefits to expenditures	92.3%

Breakdown of Unrestricted Expenditures – 2011–12

92 cents of every dollar to salaries/benefits



Source: SUSD Unaudited Actuals 2011-12. As of 9/25/2012.

**Multi-Year Adopted Budget Projections
2012-13
General Purpose/Unrestricted
Example: With Funding Cut**

	2012-13	2013-14	2014-15
REVENUE			
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)
Total Revenue	\$159,679,147	\$161,206,620	\$163,682,691
EXPENDITURES			
Salaries, Benefits, Books/Supplies, Services, Capital	\$178,576,229	\$179,690,342	\$179,311,876
Total Expenditures	\$178,576,229	\$179,690,342	\$179,311,876
Net Increase/(Decrease)	(\$18,897,082)	(\$18,483,722)	(\$15,629,185)
FUND BALANCE			
Beginning Fund Balance	\$44,777,141	\$25,880,059	\$7,396,337
Ending Fund Balance	\$25,880,059	\$7,396,337	(\$8,232,848)
COMPONENTS OF ENDING			
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	\$1,174,597	\$1,174,597	\$1,174,597
Other Designations	\$17,483,850	(\$897,312)	(\$16,544,520)

Education Funding Initiatives

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
Molly Munger Prop. 38 (PTA supported) “Our Children, Our Future: Local Schools and Early Education Investment and Bond Debt Reduction Act”	\$5 billion in 2012-13; \$10 billion thereafter	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	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	12 years

Impact of State Funding Cut to SUSD

- ▶ Failure of Proposition 30 would mean:
 - A funding cut of about \$15 million or about \$441 per student for our district
 - Cut would occur in February 2013
- ▶ Passage of Proposition 30 would mean:
 - “Flat” funding for school districts at approximately the same funding level received last year (2011–12)
 - Would not add new revenue to the District
 - Since the 2007–08 school year, districts have experienced dramatic reductions in funding

Possible SUSD Reaction to \$15 million State Funding Cut

- ▶ Furlough Days
 - A \$15 million funding might be equivalent to about 20 - 25 fewer instructional days
- ▶ Salary Reductions
 - A \$15 million funding might be equivalent to about a 9.4% salary reduction
- ▶ Increased Class Sizes
 - A \$15 million funding cut might require the District to evaluate current class sizes and potential increases:

Grade Level	Current Class Sizes	Possible Maximums
Kinder	20	32
1 st - 3 rd	32	33 - 34
4 th - 6 th	33	34 - 35
7 th - 8 th	35	36
9 th - 12 th	32	38

- ▶ Other
 - Programs or services

Next Steps

	Description	Timeline
A	Review of year-end financial records by external Auditors	October/November
B	Evaluation of Results from November Election	November
C	Implementation of non-FTE departmental reductions if necessary	November
D	Review of additional categorical flexibility options	November
E	Update financial activity for First Period Interim Report and submission to Board	December
F	Update financial activity for Second Period Interim Report and submission to Board	March
G	Develop 2013-14 District Budget based on "May Revise"	May
H	Adoption of 2013-14 School District Budget	June 11, 2013

Questions

▶ ???????????????

