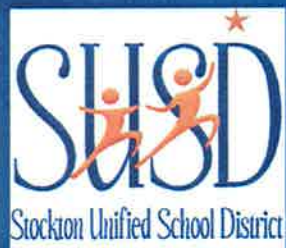


SUSD 2009–10 Budget

Board of Education Special Meeting
Budget Study Session
November 17, 2009



Agenda

- Purpose
- Economic & Fiscal Context
- 2009-10 Budget Breakdown
- Revenue
- Expenditures
- State Budget Update

Purpose

What is the purpose of tonight's budget update?

1. Build on previous budget information shared with the Board by providing more detailed financial data;
2. Provide an update on the State budget;
3. Ask questions and discuss the information presented tonight.

Economic and Fiscal Context: California's National Education Rankings

| Category | # | Rank |
|---|-----------|------------------------|
| • Number of Students ¹ | 6,276,486 | 1 st of 51 |
| • Average Teacher Salary ¹ | \$63,640 | 1 st of 51 |
| • Spending per K-12 pupil ² | \$7,571 | 47 th of 51 |
| • Total school students to staff ³ | 92:1 | 50 th of 51 |

Note: Numbers in table are based on fall enrollment data. District of Columbia is included among the states.
Source #1: National Education Association's *Rankings and Estimates, 2008-09*. From the 2007-08 school year.
Source #2: Education Week. *Quality Counts*. 2009. From the 2005-06 school year.
Source #3: National Center for Education Statistics (NCES) Common Core of Data 2006-07, 1/26/09.



Economic and Fiscal Context: SUSD Rankings Among California Districts

| Category | # | Rank |
|-----------------------------------|----------|---|
| • Number of Students ¹ | 37,831 | 17 th of 1,000 districts |
| • Number of Teachers ² | 1,889 | 16 th of 1,000 districts |
| • Number of Schools ² | 53 | 32 nd of 1,000 districts |
| • Average Class Size ³ | 20.3 | 10 th lowest of 65 districts (over 20,000 students) |

Source #1: Ed-Data.org. 2008-09. Number of students including those enrolled in charter schools.

Source #2: Ed-Data.org. 2008-09. Number of teachers across all school districts in California.

Source #3: Ed-Data.org. 2008-09. Rank is based on school districts with enrollment over 20,000 students in California.



Types of SUSD Resources

Unrestricted

General Fund

- Available for any purpose
- Like cash

Restricted

General Fund

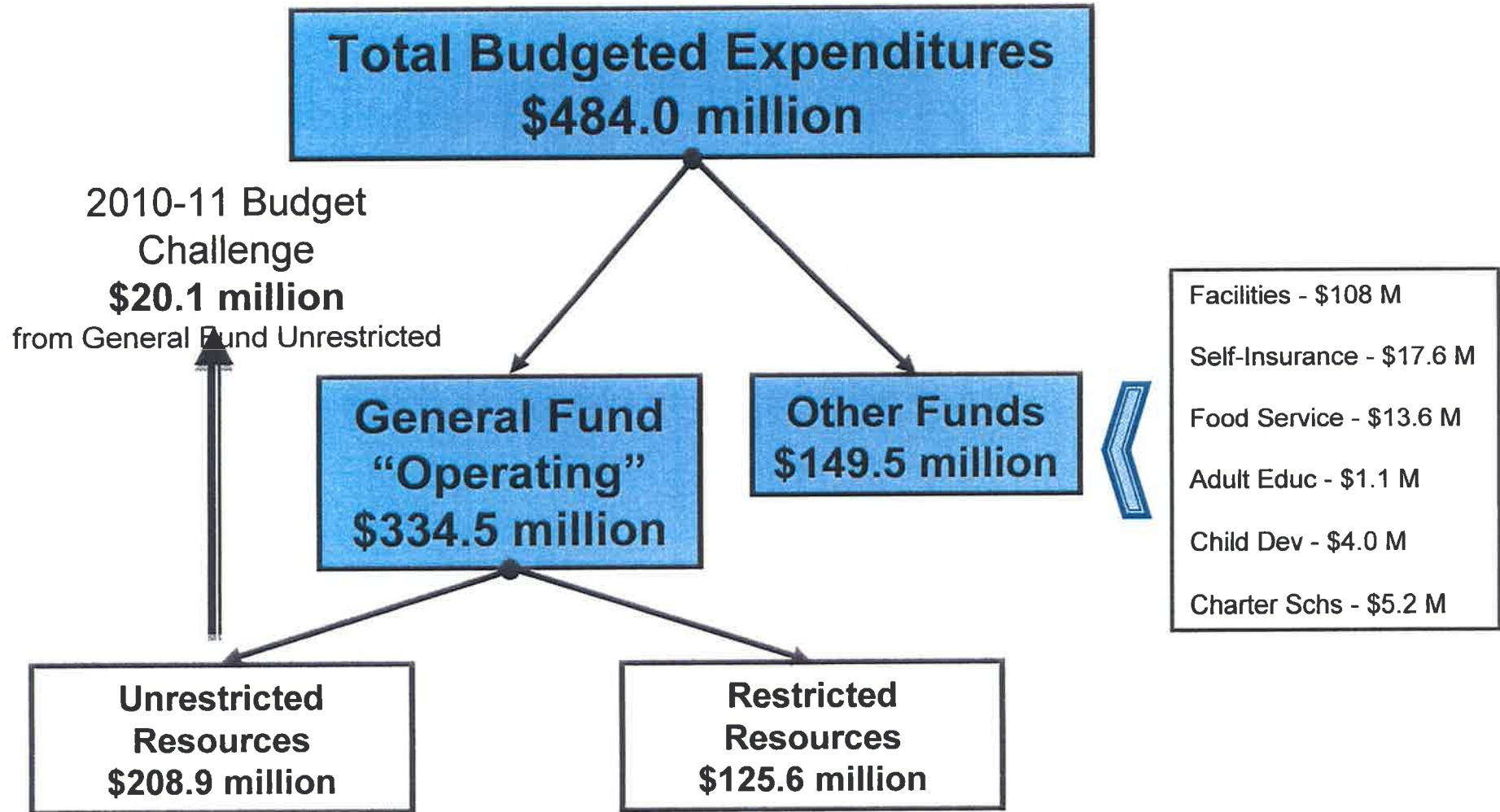
- Rules for how to spend
- Like a gift card

Other Funds

Facilities, Etc.

- Not for day to day operations
- Like a home mortgage

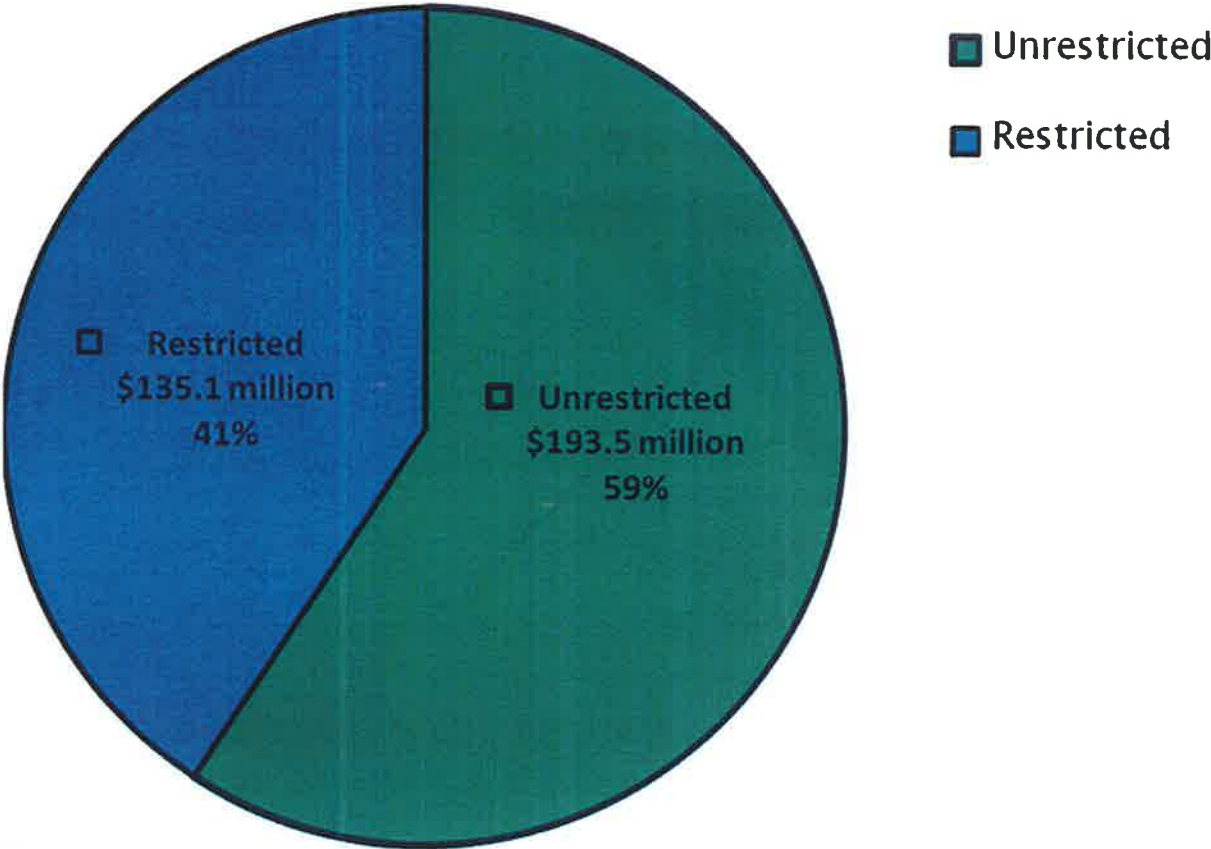
SUSD 2009-10 Budget Breakdown



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

Revenue: General Fund

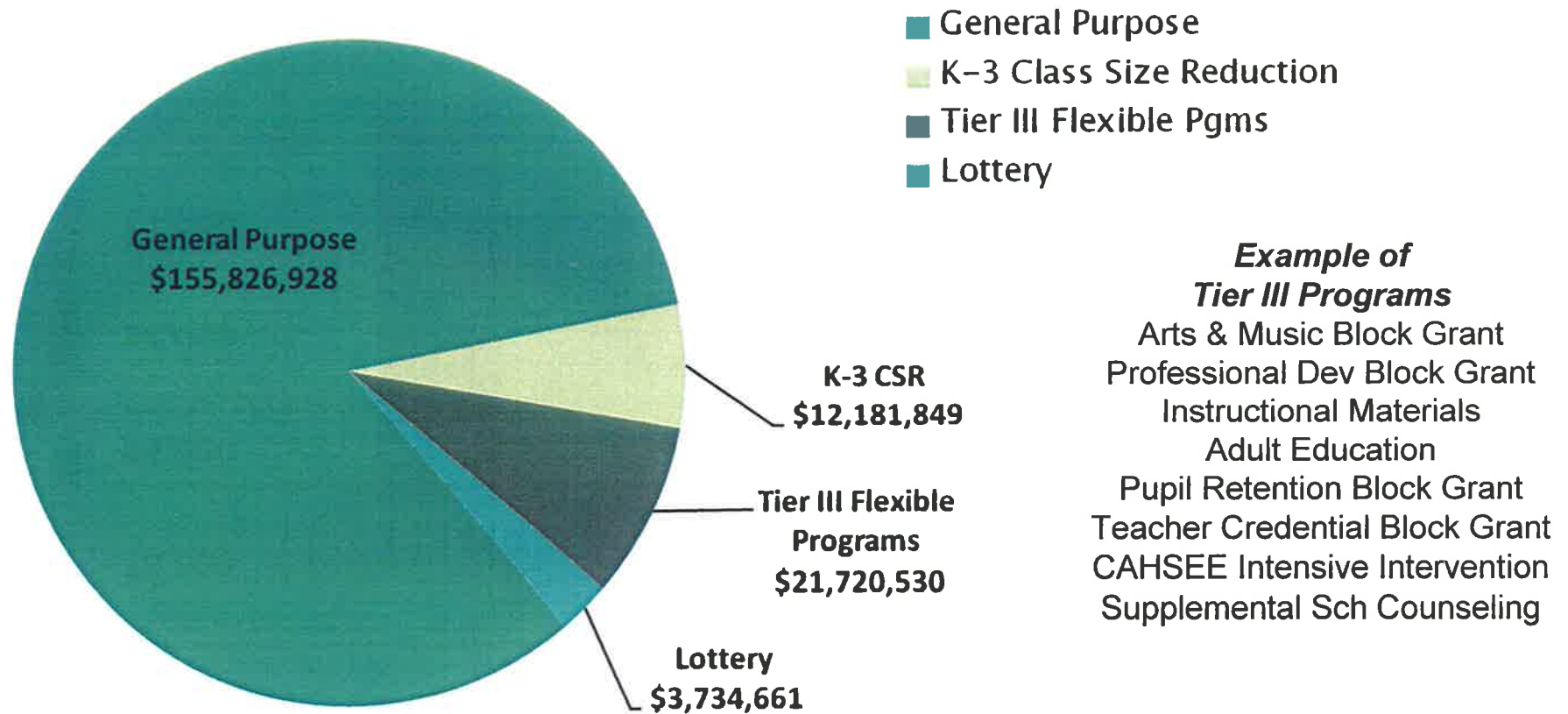
Within the District's operating budget (aka General Fund) there are primarily two types of revenue. The unrestricted portion of the budget is generated largely by student attendance.



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

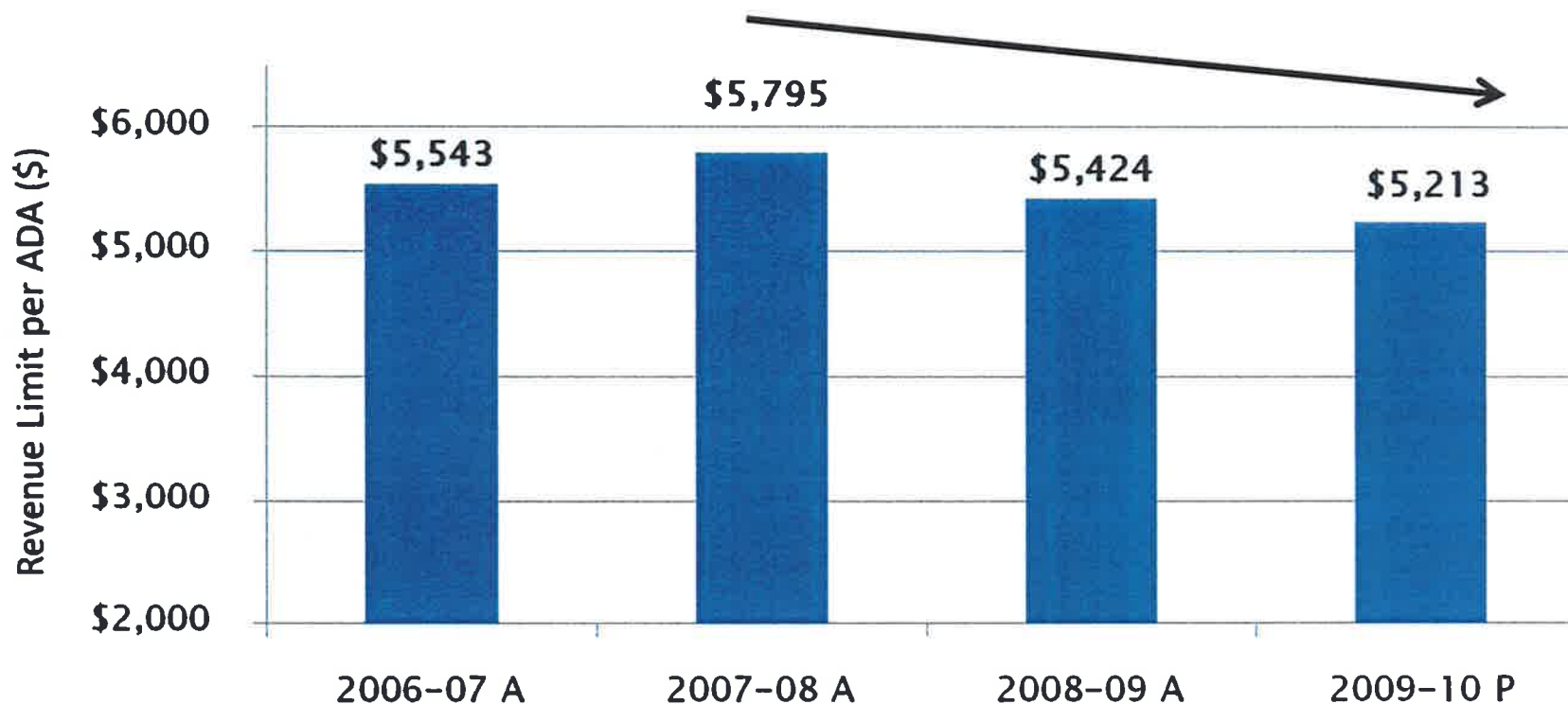
Revenue: Unrestricted

Within unrestricted funds there are primarily three types of resources. General Purpose (or Revenue Limit dollars) make up 85.1%.



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

Revenue: General Purpose



General Purpose Revenue = \$ Per Pupil X Attendance Rate

A = Actual
P = Projected

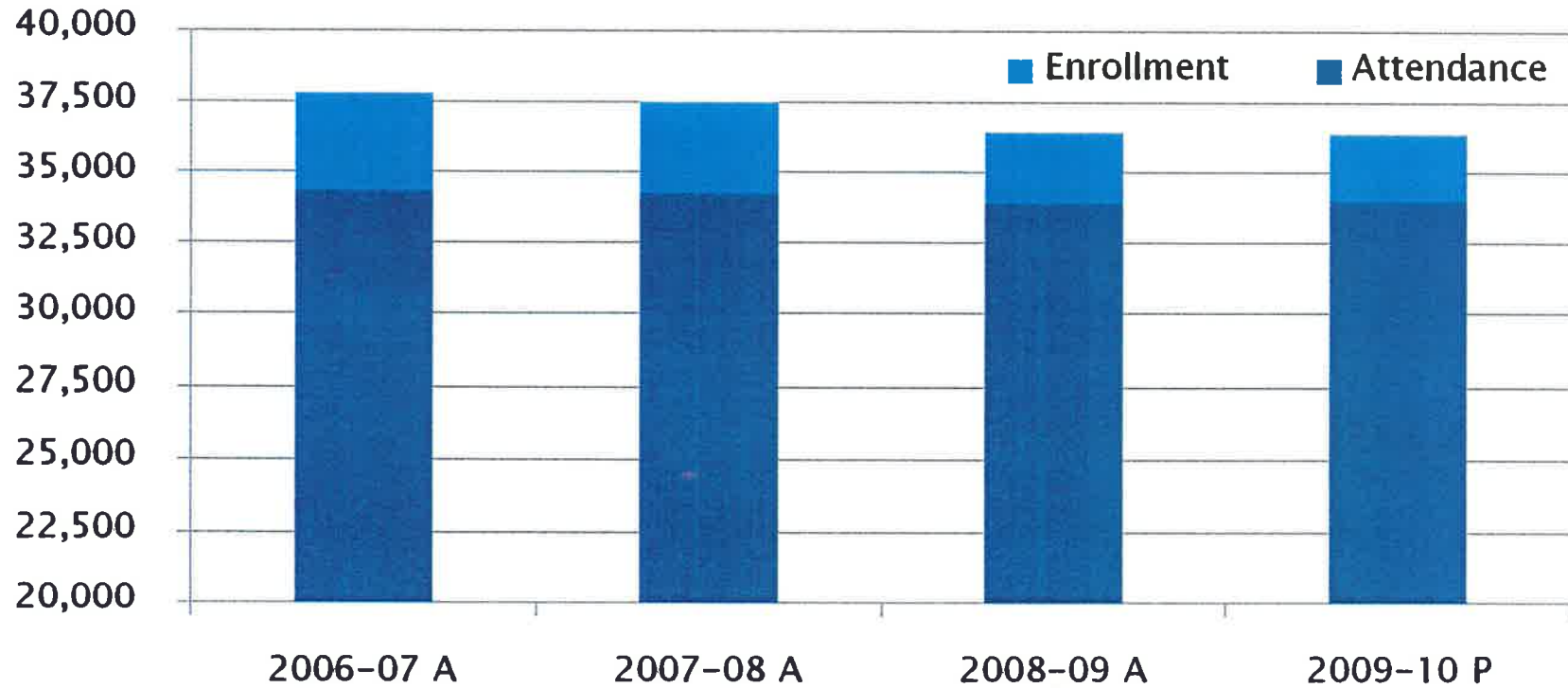
Revenue: Student Attendance

Student attendance in schools is a critical aspect of California education – not only for academic benefits but also for the collection of revenue.

1. Stockton USD receives \$5,213 in General Purpose funding per average daily attendance (ADA);
2. Each day that a student attends school, Stockton USD collects \$36.71.
3. For this year, Stockton USD students are attending school on average 94.6% of the time.

*If SUSD was able to raise it's attendance by 1 percent, it would generate an additional **\$1.8 million** in General Purpose revenue.*

Revenue: Student Attendance



**Attendance
Rate**

95.33%

93.68%

94.0%

94.6%

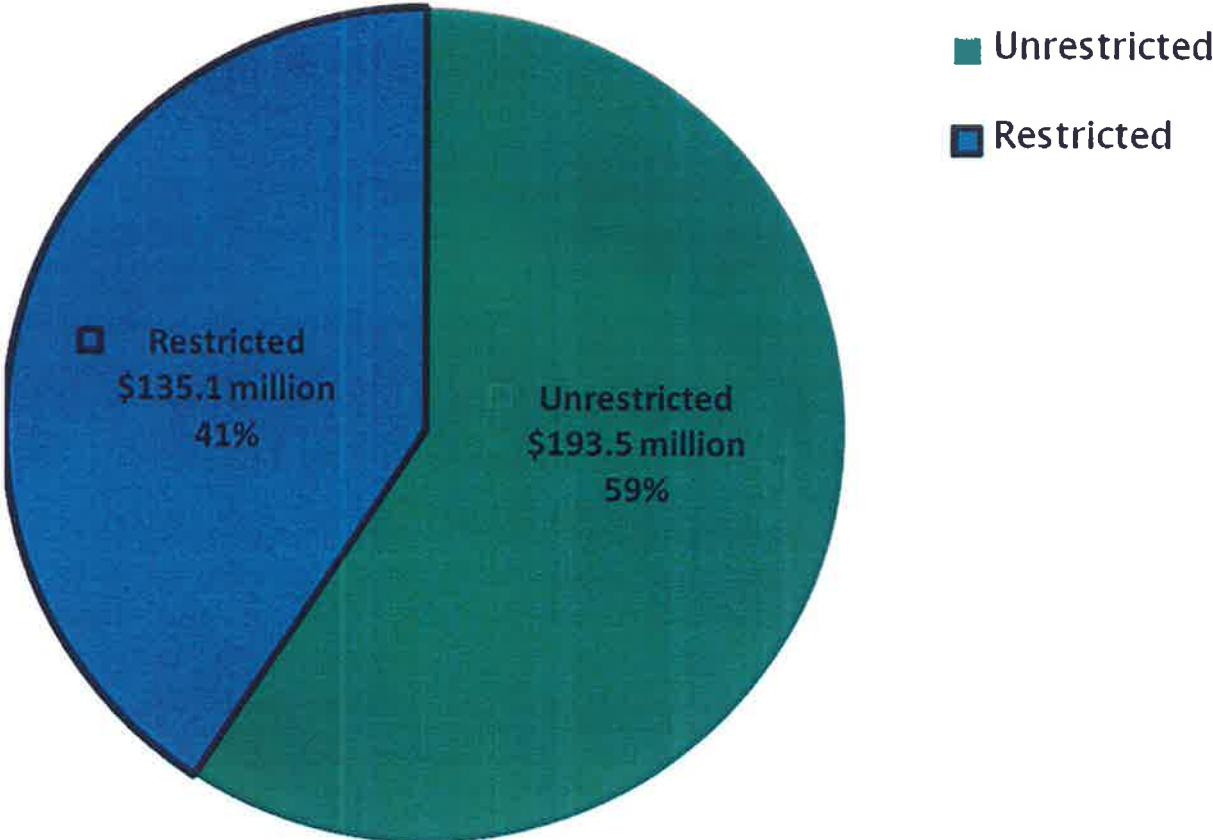
A = Actual
P = Projected

QUESTIONS?



Revenue: General Fund

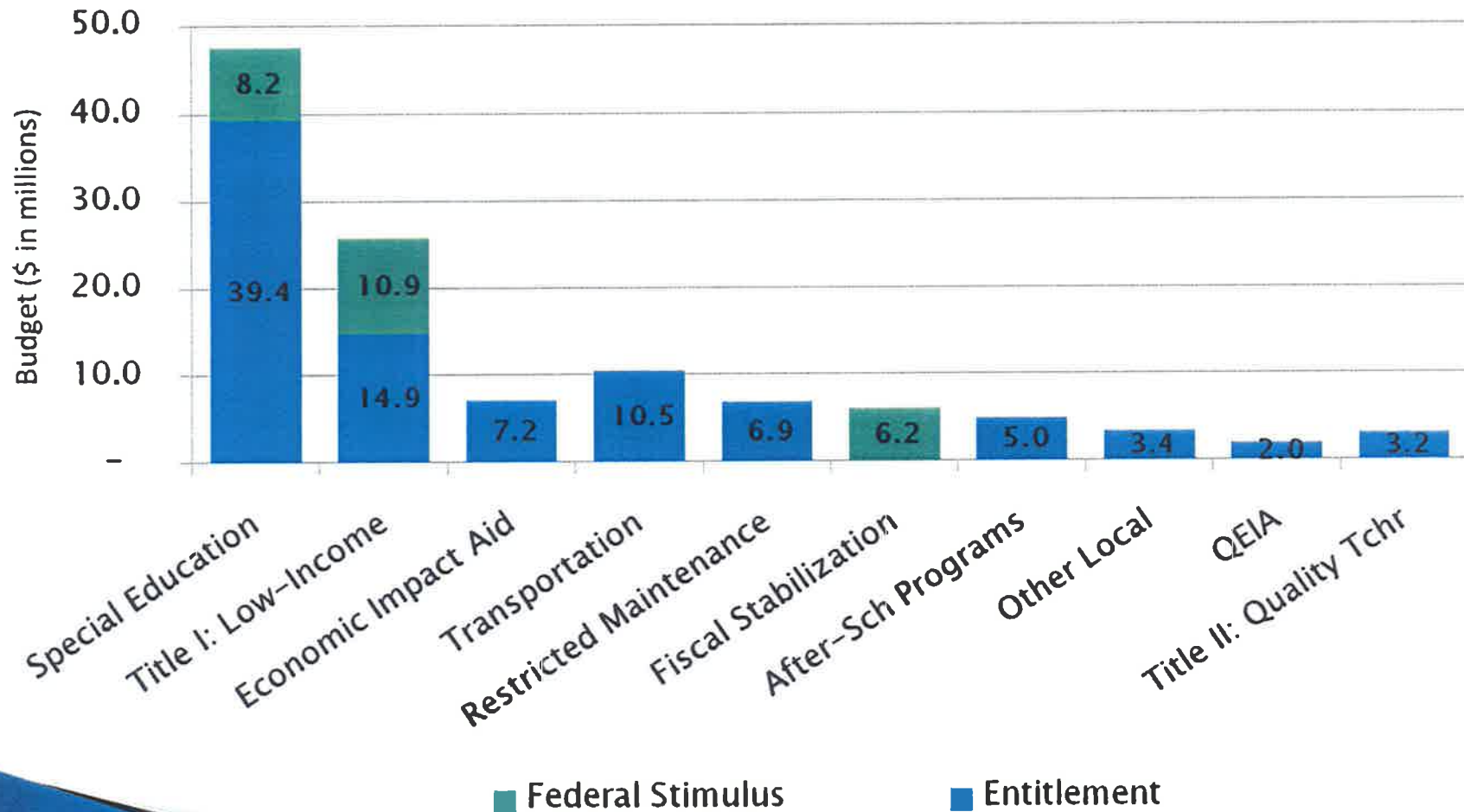
Within the District's operating budget (aka General Fund) there are primarily two types of revenue. The unrestricted portion of the budget is generated largely by student attendance.



Source: Stockton Unified School District's 2009-10 Adoption Budget. Fund 01 – General Fund. Board approved on 6/24/09. 14

Revenue: Restricted Resources

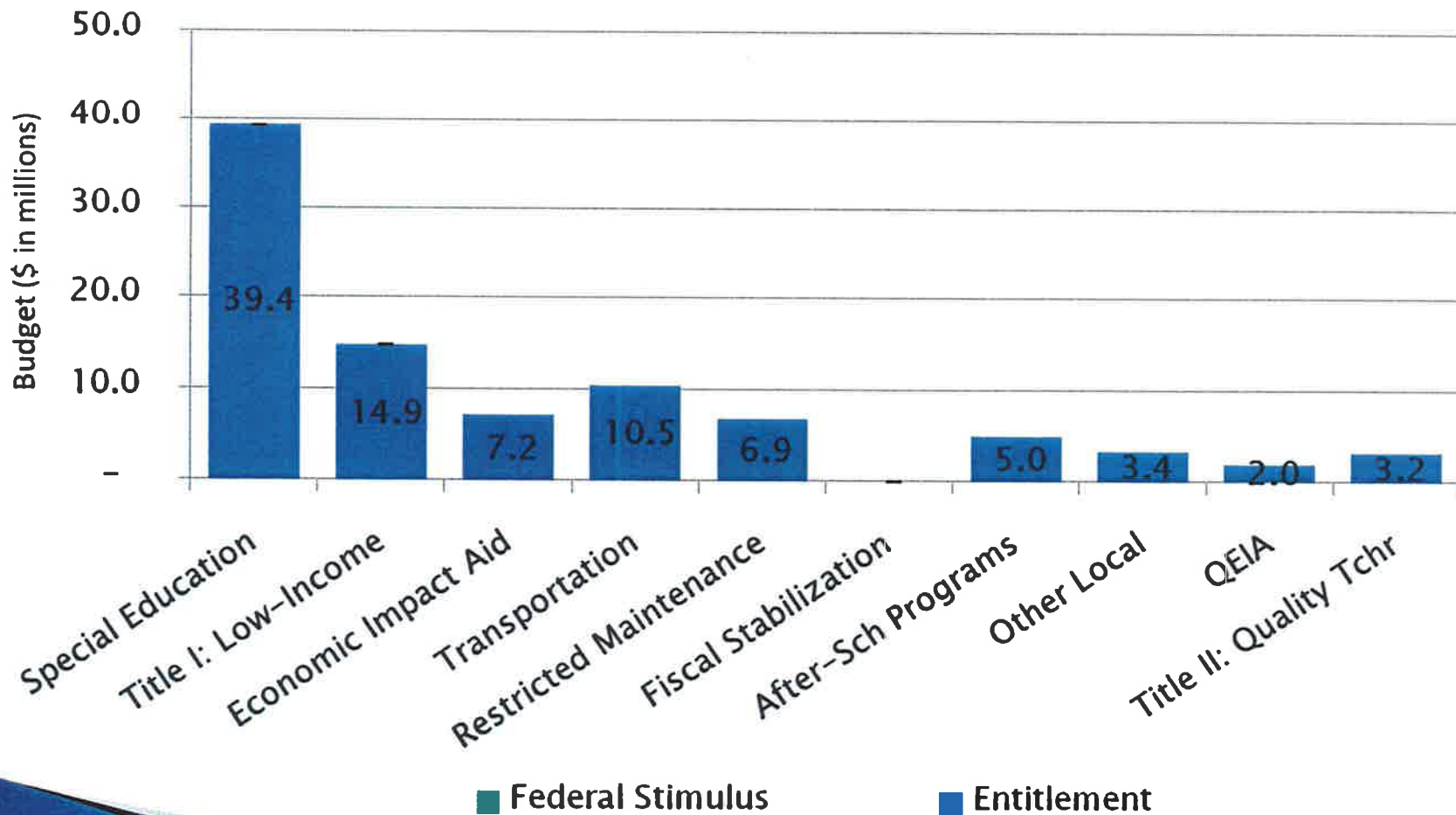
Top 10 with Federal Stimulus



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

Revenue: Restricted Resources

Top 10 without Federal Stimulus



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

Revenue & Expenditures

California Financial Reporting

| | Line Item | Example #1 | Example #2 |
|-------|---|------------|------------|
| A | Income ("Revenue") | \$100 | \$80 |
| B | Spending ("Expenditure") | \$100 | \$100 |
| C=A-B | Income over Expense | \$0 | -\$20 |
| D | Savings Account - Start ("Beginning Balance") | \$30 | \$30 |
| E=D+C | Savings Account - End ("Ending Balance") | \$30 | \$10 |
| F | Minimum Account Balance ("Required Reserve") | \$10 | \$10 |

Revenue & Expenditures

SUSD's 2009-10 Adoption Budget

| | Line Item | Unrestricted General Fund |
|-------|---|---------------------------|
| A | Income ("Revenue") | \$193,463,968 |
| B | Spending ("Expenditure") | \$208,964,848 |
| C=A-B | Income over Expense | (\$15,500,880) |
| D | Savings Account - Start ("Beginning Balance") | \$25,624,768 |
| E=D+C | Savings Account - End ("Ending Balance") | \$10,123,888 |
| F | Minimum Account Balance ("Required Reserve") | \$6,690,587 |

Revenue & Expenditures

Importance of the Ending Fund Balance

Like a savings account, the ending fund balance (EFB) provides a 'cushion' to the District in the event of an emergency. A sufficient EFB is:

1. A requirement by State Education Code. For a unified school district, it is 2% of the total General Fund expenditures.
2. A primary indicator of a school district's fiscal health that the County Office of Education reviews at each interim.

QUESTIONS?



Expenditures

Unrestricted General Fund

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



Compensation:
\$189,656,407 (91 cents)

Books/Supplies:
\$9,860,224 (4 cents)

Services/Operating:
\$13,106,704 (5 cents)

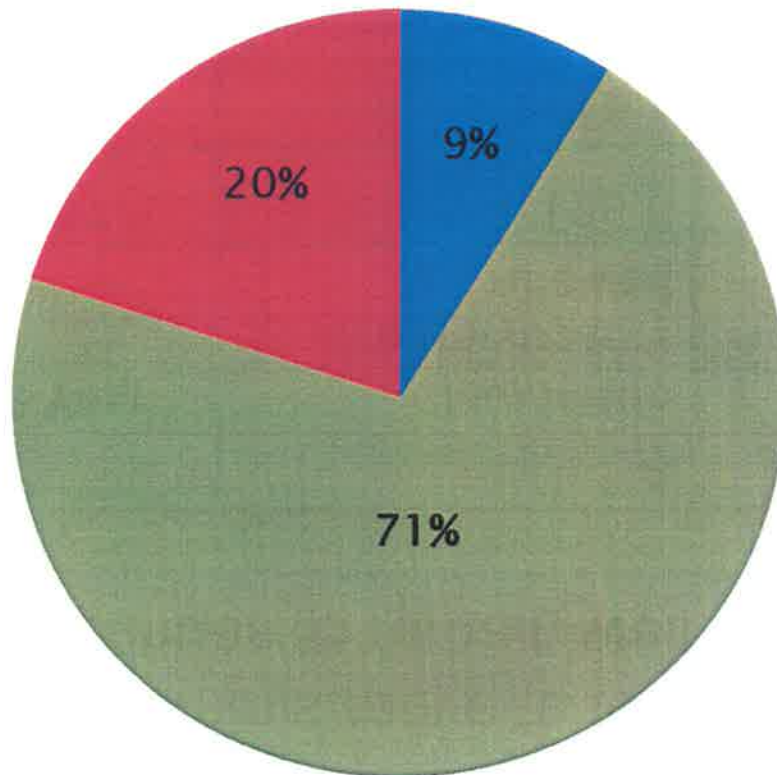
Capital (Outlay/Other):
\$3,683,226 (2 cents)

Types of Non-Labor Spending

| | |
|-----------------------------|---------------------------------------|
| Books & Supplies | Services & Other Operating |
| Approved Textbooks | Travel and Conferences |
| Core Curricula Materials | Insurance |
| Books other than Textbooks | Rentals, Leases, and Repairs |
| Materials and Supplies | Professional/Consulting Services |
| Food | Telephone |
| | Utilities - Gas, Water, Electric |

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

Expenditures: Administration

Looking at administrative to teacher ratios over time, the District continues to remain well below the established max.

| | A | B | C=A-B |
|-------------|--------------------------------|---------------------|--------------------------|
| Fiscal Year | Maximum Administrators Allowed | SUSD Administrators | Number Below the Maximum |
| 2006-07 | 196.0 | 142.0 | 54.0 |
| 2007-08 | 163.4 | 97.0 | 66.4 |
| 2008-09 | 174.6 | 95.6 | 79.0 |
| 2009-10 | 163.9 | 83.2 | 80.7 |

Source: Employee Ratio Worksheet. Completed by SUSD external auditors at end of each fiscal year when reviewing unaudited actual financial information.

State Budget Update

The State entered a deep recession 18 months ago and continues to struggle financially.

- Based on the economic environment, the worst seems to be over;
- However, there continues to be record unemployment; and
- Housing, retail, and manufacturing markets are struggling.

The effect: The State budget continues to struggle to meet projections developed in July of 2009.

*Source: Los Angeles County Economic Development Corporation

State Budget Update

Revenue projections continue to be below projections. LAO is due to release a more detailed analysis of the budget in the next week.

Tax revenues fall short of projections **\$1.8 billion**

Governor's prison plan rejected **\$1.7 billion**

Other cost savings challenged in court **\$3.5 billion**

One-time solutions not available in 2010-11 **\$7.5 billion**

Total projected State Budget shortfall: \$14.5 billion

QUESTIONS?

