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Superintendent's Bargaining Update No. 5

March 25, 2011

“232 jobs loom over labor talks,” was headline news in Monday’s Stockton Record. The story was about the City of Stockton’s challenge to close a large, multi-million dollar deficit for the next fiscal year. There are many strong parallels between the City and District’s budget challenges.

Stockton Unified School District moves closer to the upcoming 2011-12 fiscal year with a projected \$28.3 million budget deficit. This is a tragic result of the State’s inability to handle its financial troubles.

In the face of this crisis, the District has opened its finances for review by independent, third-party entities that are both professional and reputable throughout the State of California. These organizations include Fiscal Crisis & Management Assistance Team (FCMAT), the San Joaquin County Office of Education (SJCOE), Perry Smith, LLP (our independent auditor) and School Services of California. Their validation of the projected SUSD budget deficit comes in the context of the State’s requirement that all school districts, including SUSD, present a budget that allows them to meet their financial obligations in the current plus two subsequent fiscal years.

Since 2008-09 California labor unions and school districts have mutually agreed to concessions to help resolve budget shortfalls. Until now, SUSD has not asked our employees for concessions. Neighboring districts (Lodi, Lincoln, Manteca, Tracy and Elk Grove) have all taken concessions including wage reductions and/or reduced work days. Currently, we spend approximately 93 cents out of every dollar on employee wages and benefits. This ratio is among the highest in San Joaquin and surrounding counties.

Just as most other districts throughout the state, we must ask our employees for concessions in order to meet our \$28.3 million shortfall. In order for SUSD to start school in 2011 – 12, concessions are necessary and in lieu of the governor’s proposed tax extension (which does not look favorable at this time) our deficit will increase significantly.

Thus far we have not made progress with one or more of our bargaining units, in fact today we filed for impasse with the Public Employee Relations Board (PERB) involving one of the district’s seven labor groups. This move is because further negotiation with the group is futile. It is my hope that a mediator will be assigned to help the district and teacher’s association expedite and resolve our differences.