



Monterey County Office of Education


Leadership, Support, and Service to Prepare All Students for Success

Dr. Nancy Kotowski
County Superintendent of Schools

District Advisory and Financial Services
Finance and Business Services

Bulletin No. 13-002

TO: Chief Business Officials, Fiscal Directors, Business Managers

FROM:  Karen Hennessy, Director
District Advisory and Financial Services

DATE: July 30, 2012

RE: Cash Flow

The current effect of California's economy continues to make it challenging to manage cash flows and budget. For cash flow projection we recommend that your school district assume that the Governor's tax initiative does not pass until the outcome of the November 2012 election is known. The charts below are courtesy of SSC.

Month	Education Code Section (E.C.) 14041(a)(2)	2012-13 Estimated Advanced Apportionment-Taxes Pass	2012-13 Estimated Advanced Apportionment-Taxes Fail
July 2012	5.00%	0.00%	0.00%
August 2012	5.00%	2.02%	2.02%
September 2012	9.00%	12.73%	12.73%
October 2012	9.00%	4.86%	4.86%
November 2012	9.00%	9.00%	9.00%
December 2012	9.00%	9.00%	9.00%
January 2013	9.00%	17.38%	17.38%
February 2013	9.00%	5.90%	1.69%
March 2013	9.00%	0.00%	0.95%
April 2013	9.00%	6.33%	5.49%
May 2013	9.00%	0.00%	2.42%
June 2013	9.00% + EPA*	0.00% + EPA*	0.00%
July 2013	-	19.23%	20.77%
August 2013	-	13.55%	13.69%
Total Principal Apportionment	100.00%	100.00%	100.00%

Month	Education Code Section (E.C.) 14041(a)(7)	2012-13 Estimated Advanced Apportionment-Taxes Pass	2012-13 Estimated Advanced Apportionment-Taxes Fail
July 2012	15.00%	0.00%	0.00%
August 2012	15.00%	6.07%	6.07%
September 2012	15.00%	26.19%	26.19%
October 2012	15.00%	8.11%	8.11%
November 2012	0.00%	0.00%	0.00%
December 2012	0.00%	0.00%	0.00%
January 2013	6.00%	25.63%	25.63%
February 2013	6.80%	4.45%	1.04%
March 2013	6.80%	0.00%	0.46%
April 2013	6.80%	4.78%	4.03%
May 2013	6.80%	0.00%	1.61%
June 2013	6.80% + EPA*	0.00% + EPA*	0.00%
July 2013	-	16.83%	19.02%
August 2013	-	7.94%	7.84%
Total Principal Apportionment	100.00%	100.00%	100.00%
Month	Education Code Section (E.C.) 14041(a)(8)	2012-13 Estimated Advanced Apportionment-Taxes Pass	2012-13 Estimated Advanced Apportionment-Taxes Fail
July 2012	15.00%	0.00%	0.00%
August 2012	30.00%	12.13%	12.13%
September 2012	30.00%	41.19%	41.19%
October 2012	15.00%	8.11%	8.11%
November 2012	0.00%	0.00%	0.00%
December 2012	0.00%	0.00%	0.00%
January 2013	6.00%	34.57%	34.57%
February 2013	0.00%	0.00%	0.00%
March 2013	0.00%	0.00%	0.00%
April 2013	0.00%	0.00%	0.00%
May 2013	0.00%	0.00%	0.00%
June 2013	4.00% + EPA*	0.00% + EPA*	0.00%
July 2013	-	4.00%	4.00%
August 2013	-	0.00%	0.00%
Total Apportionment	100.00%	100.00%	100.00%

***Education Protection Account funds provided from the Governor's tax initiative in addition to the Principal Apportionment**

The three scenarios provided in the table above are as follows:

1. The Education Code Section (E.C.) 14041(a)(2) statutory 5-5-9 schedule is the underlying basis for state allocations through the Principal Apportionment before deferrals and other adjustments. We have not yet actually received cash on this schedule because of the cash deferrals that have been in place.
2. The schedule for the 2012-13 Advanced Apportionment, assuming that the Governor's tax initiative passes. This schedule incorporates the interyear deferrals assuming the buyback of over \$2 billion in 2012-13 deferrals, and that the equivalent of the cash to be accumulated in the Education Protection Account (EPA) from the tax initiative is withheld from the Principal Apportionment starting in July 2012. The EPA accumulates the funds from the tax initiative, which are then issued to school agencies in June 2013.
3. The schedule for the 2012-13 Advanced Apportionment, assuming that the Governor's tax initiative fails. This schedule incorporates the same level of interyear deferrals as for 2011-12 because they are not bought back, assumes that revenue limits are recalculated in February to apply the midyear trigger cut, and that no adjustment is made for the EPA, which is created only if the initiative passes. Use these charts as you prepare cash flow projections for short-term borrowing and other financing needs.