



**Santa Ana**  
Unified School District

# **2012 – 13 Adopted Budget**

***June 26, 2012***

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- State Budget Update
- Goals for Budget Adoption
- Budget Development Assumptions
- Multi Year Projection (MYP) and Ending Fund Balance
- Next Steps



- The State budget gap has increased from **\$9.2 billion** to **\$15.7 billion** citing three major reasons for the change:
  - Lower revenues
  - An increase in Proposition 98 obligations
  - Adverse court decisions regarding some of the Governors' proposals
- The Governor has largely maintained his January positions regarding K-14 education. **If the Governor's tax proposal is approved by voters** in November 2012, K-12 spending remains flat at roughly the 2011-12 level
  - **If the tax initiative fails, schools lose \$5.5 billion (\$20+ million to SAUSD)**
- The State Legislature passed a budget on June 15, 2012 to meet the statutory deadline
  - This budget did not incorporate all of the components of the Governor's plan, Weighted Student Factor in particular, and reduced the number of program reductions
  - The Governor has not yet weighed in on whether or not he will sign the bill(s)



- ✓ **Budget reduction target for 2012-13 nearly met**
- ✓ **Sufficient reserves are available to meet most of the mid-year trigger reductions**
- ✓ **No layoffs for 2012-13**
- ✓ **No need (so far) for furlough days in 2012-13**
- **Contingency Planning**– All goals are contingent upon the passage of the State budget (similar to the Governor’s proposal) and successful passage of the Governor’s tax proposal by the electorate in November 2012



The Adopted Budget is based upon the best available information from the Governor's May Revision and OCDE guidance

- All one-time sources of revenue, including Fund 17 and ARRA and Jobs Bill are exhausted
- Step and column increases are included, however, not included are any salary COLA increases for 2012-13 or any future year
- The Budget reduction target for 2013-14 remains at \$47 million and will be adjusted after the November 2012 election



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## 2012-13 Preliminary Adopted Budget MYP-Combined (including unspecified cuts)

\$s in million	2011-12 Estimated Actuals	2012-13 Preliminary Budget	2013-14 Budget	2014-15 Budget
Beginning Fund Balance (a)	\$ 86.7	\$ 65.1	\$ 47.2	\$ 48.2
Add: Adjustment to Beginning Fund Balance (b)	\$ 0.3	----	----	----
Add: Revenues (c)	\$477.8	\$465.1	\$443.2	\$440.4
Less: Expenditures (incl. Budget Reductions) (d)	\$499.7	\$482.9	\$442.2	\$439.1
<b>Net Increase / (Decrease) (e) = (c) - (d)</b>	<b>(\$21.9)</b>	<b>(\$17.8)</b>	<b>\$1.0</b>	<b>\$1.3</b>
Ending Fund Balance (a) + (e)	\$ 65.1	\$ 47.2	\$ 48.2	\$ 49.5
<u>Non-spendable:</u> Revolving Cash/ Stores / Prepaid Expend.	\$1.2	\$1.2	\$1.2	\$1.2
<u>Restricted:</u> Desig. for Restricted Fund Balance	\$7.2	\$8.0	\$5.4	\$4.8
<u>Committed:</u> Stabilization Arrangements	\$23.1	\$0	\$0.2	\$0.2
<u>Assigned:</u> - Restoration of State Cuts/Future State Cuts/COLA	\$17.2	\$20.0	\$26.7	\$27.4
- Desig. for Unrestricted Reserve (Instr. Mat'l., CalSafe, Community Day, CAHSEE, Summer School, etc.)	\$6.4	\$6.0	\$5.9	\$7.1
- Est. Budget Cuts Solution for 2012-13 Utilizing Ending Fund Balance (one-time)	----	\$2.4	----	----
<u>Unassigned/Unappropriated:</u>				
- Desig. for Economic Uncertainties (f)	\$10.0	\$9.6	\$8.8	\$8.8
(f) / (d)	2.0%	2.0%	2.0%	2.0%
<b>Updated Budget Reduction Target</b>	----	----	<b>\$47.0</b>	<b>\$TBD</b>



\$ (millions)	Event or Activity
	Preliminary Adoption 2012-13 Budget (June 26, 2012)
<b>\$20.0 - \$25.0 million</b>	Mid-year reductions if Governor's tax plan does not pass (\$400-\$475/per ADA) (Built into the "Assigned" category of the ending fund balance)



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## **2012-13 Budget Development Assumptions**

- **No Certificated or Classified Layoffs**
  - Impact of Education Code Section 44956(a)(5) Preferential Substitute Service
  - Cost of maintaining staff built into budget reduction targets
- **Staffing of 1<sup>st</sup> and 2<sup>nd</sup> grade at 30:1**
  - Provides Elementary sites with supplemental funding for research-based support for English learners and at-risk students
- **QEIA waiver denied by State Board of Education**
  - Waiver granted for 4 sites in May (Lathrop, Sierra, Willard and Century)
- **Grades 4 – 8 staffing formula Education Code adjustments**
  - Districtwide staffing ratio to meet 1964 Education Code Section 41376
- **Jobs Bill funding that reinstated five (5) furlough days for Certificated/Management (\$5.5 million) expires at the end of 2011-12**

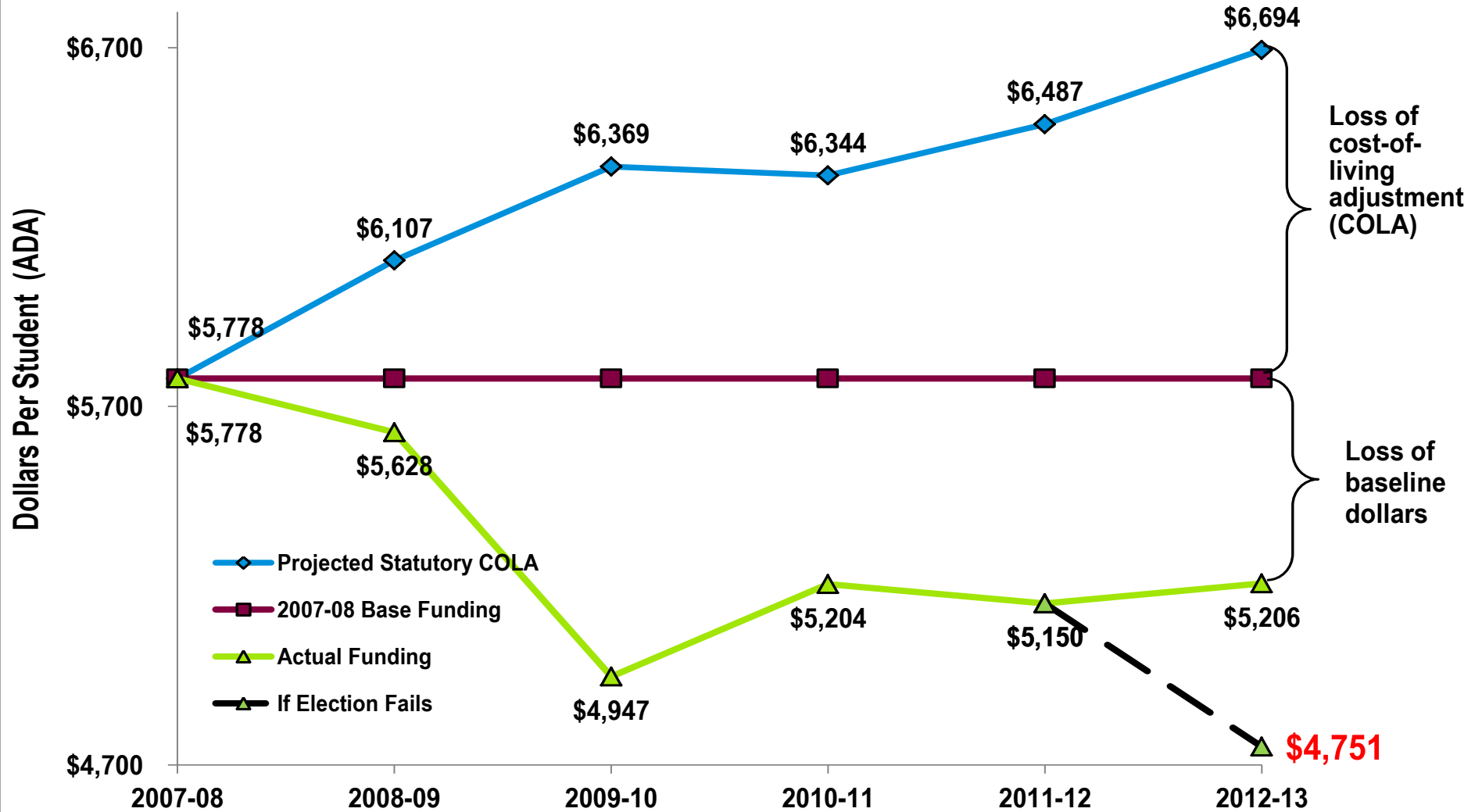




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## Funding Per ADA – Actual vs. Statutory Level

**Per Student Revenue Limit Funding (Statutory vs Actual)  
Santa Ana Unified School District**



Orange County Department of Education: March 7, 2012 (based on chart from School Services of California, Inc.)



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## Revenue Limit Deficit Factors

