



SANTA ANA UNIFIED SCHOOL DISTRICT

Preparing All Students for Success in College and Career

2020-21 Proposed Budget



June 9, 2020

Agenda

- Review the Proposed Budget
- Our Vision, Mission, and Budget
- Budget Reporting Cycle
- Our Financial Position
- Comparability
- Fiscal Outlook

Proposed Budget

Education Code 42127 requires the governing board of each school district to hold a public hearing and adopt the budget for the subsequent fiscal year. The budget to be adopted shall be prepared in accordance with the format prescribed by the Superintendent of Public Instruction.

Staff is recommending the Proposed Budget for consideration and adoption in the next Board Meeting on June 23, 2020. The proposed budget certifies that based upon the current assumptions Santa Ana Unified School District will meet its financial obligations for the current fiscal year and subsequent two fiscal years (*with budget and out-year expenditure adjustments*)



Vision

We will work collaboratively and comprehensively with staff, parents, and the community to strengthen a learning environment focused on raising the achievement of all students and preparing them for success in college and career.

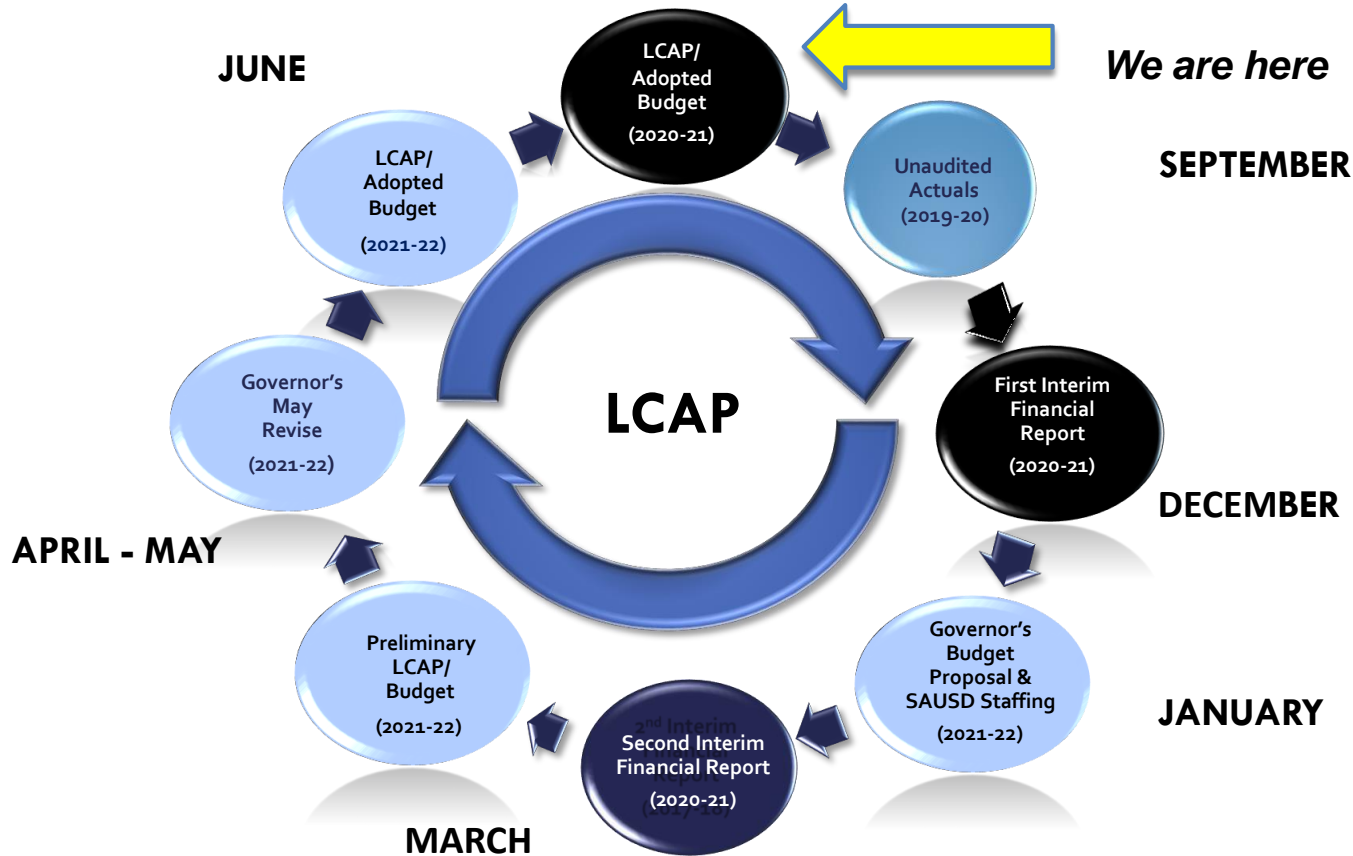
Mission

We assure well-rounded learning experiences, which prepare our students for success in college and career. We engage, inspire, and challenge all of our students to become productive citizens, ethical leaders, and positive contributors to our community, country and a global society.



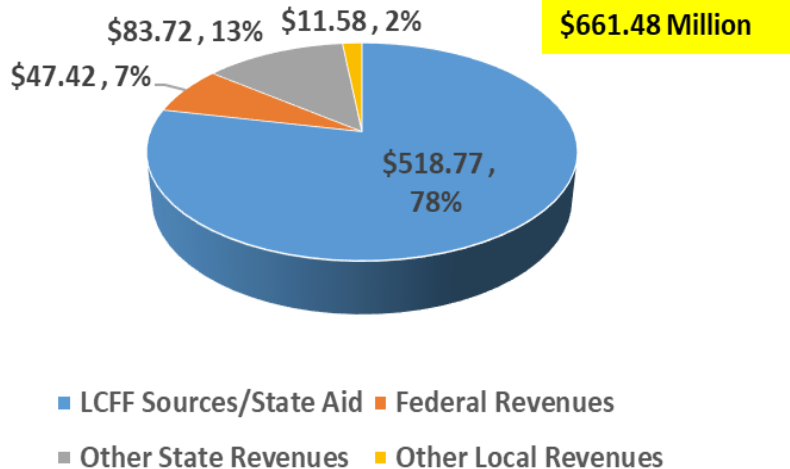
*Maintain District stability, solvency,
and local control*

Budget Reporting Cycle



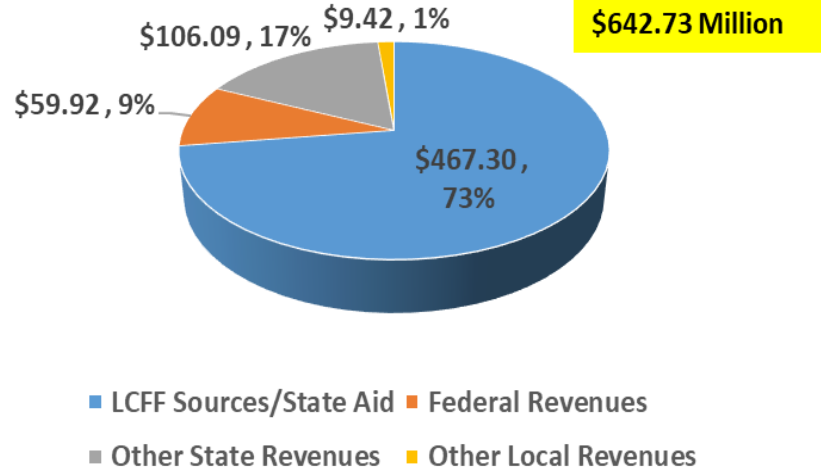
Our Financial Position

2019-20 General Fund Revenues



Enrollment: 45,213
 COLA: 3.26%
 1 Time State SB117 Funding (\$0.78 Million)

2020-21 General Fund Revenues

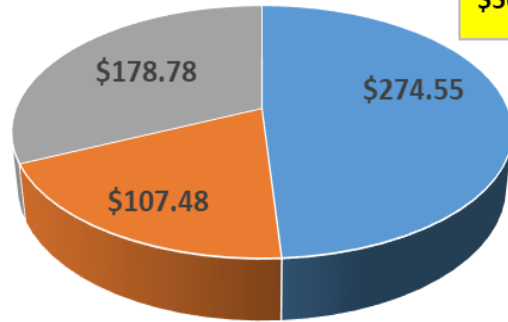


Enrollment: 43,903
 COLA: 0.00%
 LCFF Funding Reduction: 10%
 1 Time State (30 Million) and Federal (\$14 Million) Funding

Our Financial Position

2019-20 Expenditures - Personnel

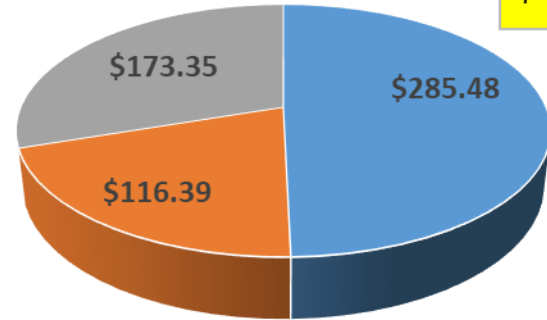
\$560.80 Million



■ Certificated Salaries ■ Classified Salaries ■ Employee Benefits

2020-21 Expenditures - Personnel

\$575.22 Million

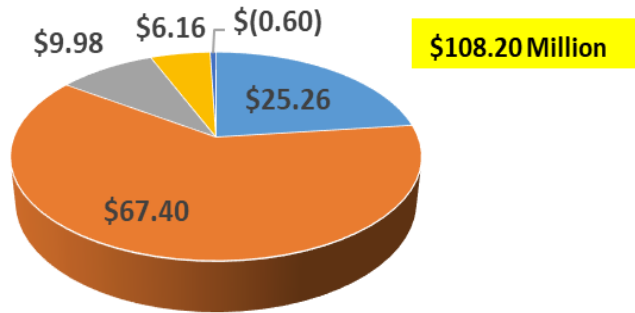


■ Certificated Salaries ■ Classified Salaries ■ Employee Benefits

No Significant Personnel Changes
Step & Column Increases
CalSTRS and CalPERS Increases offset with
State one-time funding

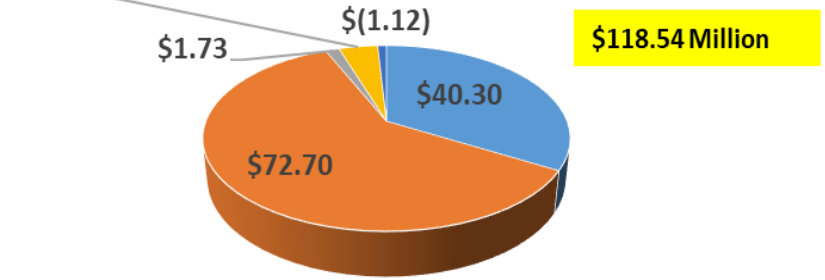
Our Financial Position

2019-20 Expenditures - Non-Personnel



- Books and Supplies
- Services and Other Operating
- Capital Outlay
- Other Outgo
- Direct Support/Indirect Cost

2020-21 Expenditures - Non-Personnel

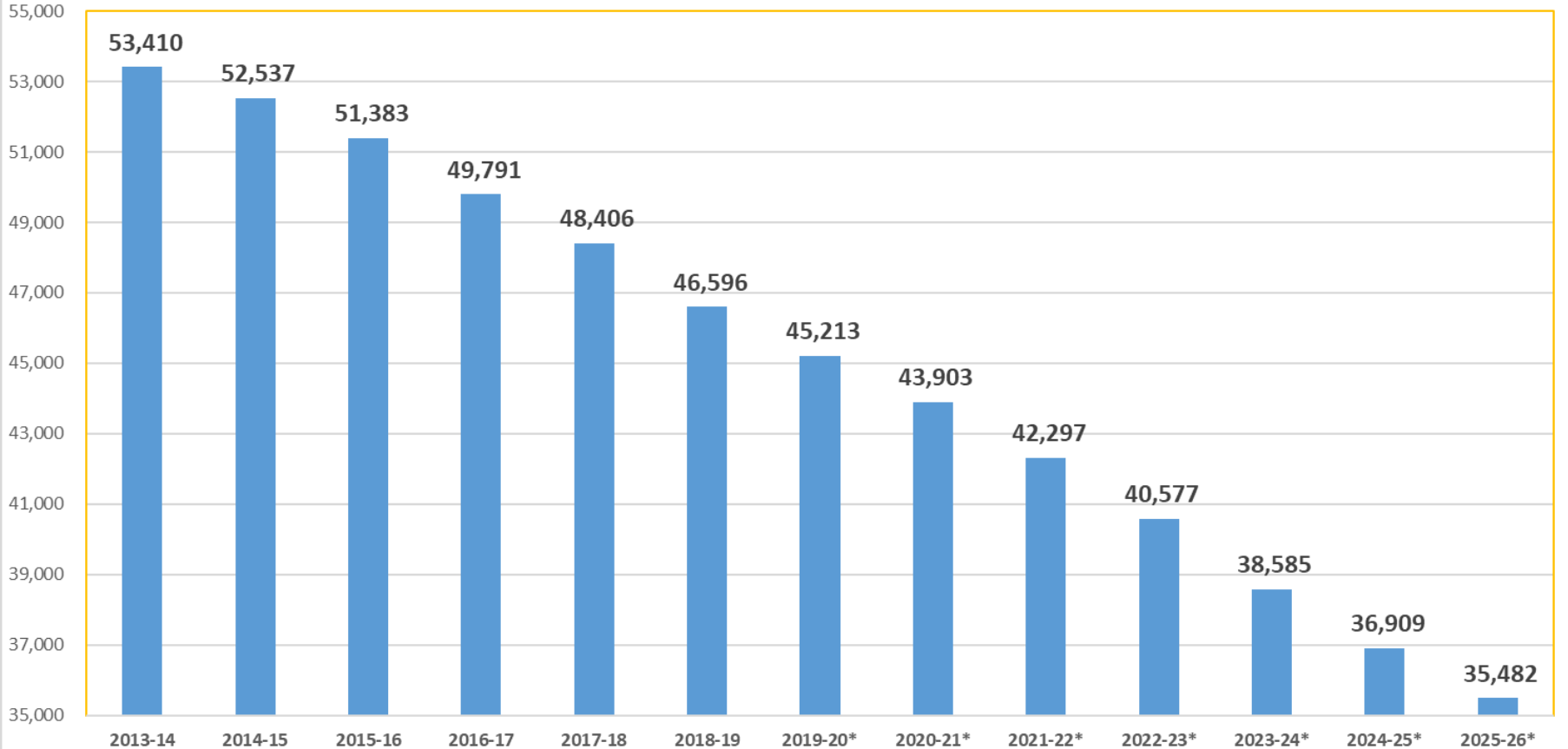


- Books and Supplies
- Services and Other Operating
- Capital Outlay
- Other Outgo
- Direct Support/Indirect Cost

Textbook adoption \$8 Million+
Utilities Increases

Our Financial Position

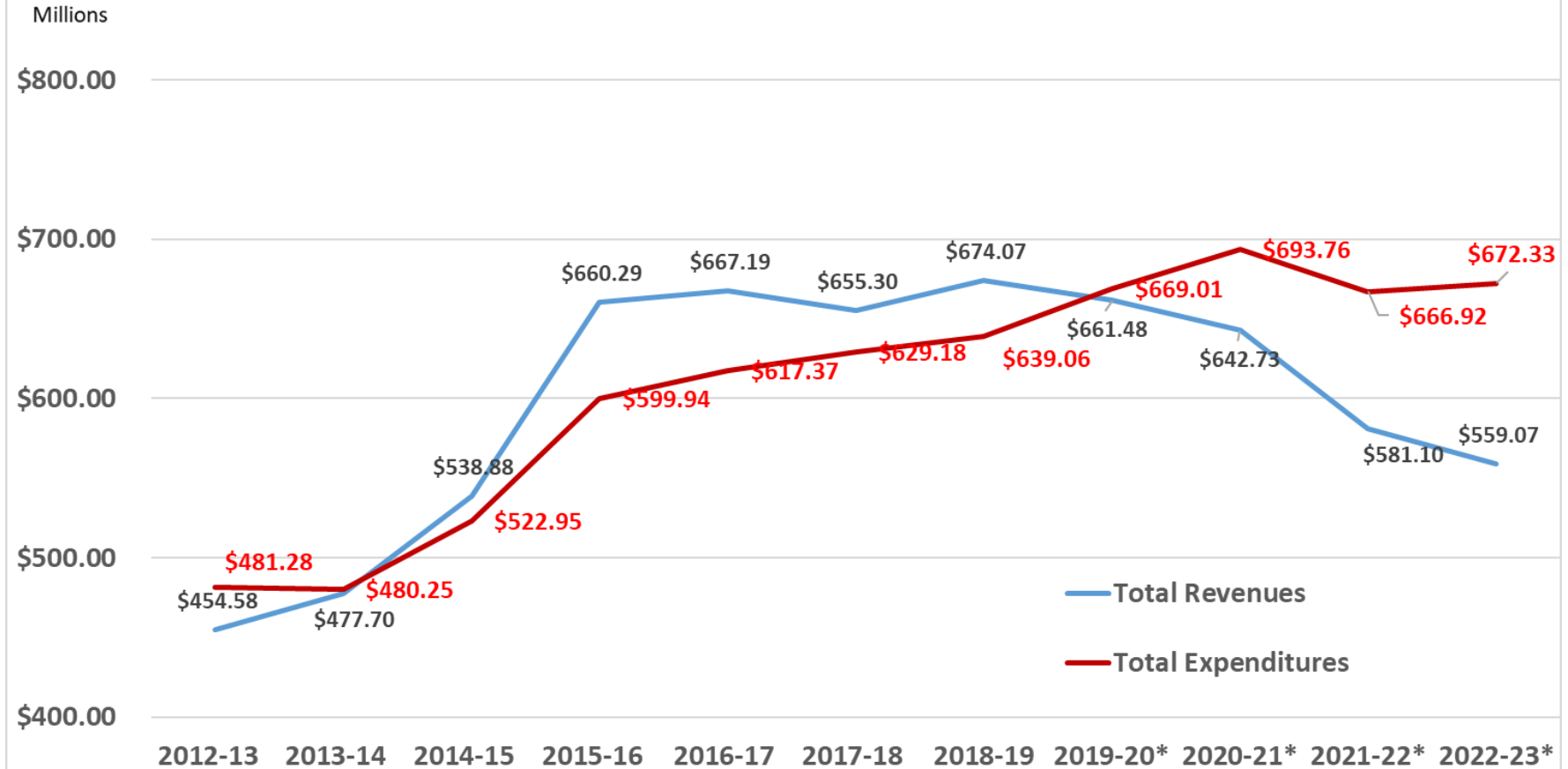
SAUSD Student Enrollment



* Projected

Our Financial Position

Financials *with No Adjustments*



Fiscal Outlook

Local & Statewide challenge with funding of K-12 education

Local Challenges

- Declining enrollment
- High cost of living
- Operational inefficiencies

Statewide Challenges

- COVID-19 Economic Cuts
- Increasing Employer contributions to the retirement systems (STRS & PERS)
- Special education cost increases outpacing state funding
- Inadequate funding to K-12 schools

Fiscal Outlook – Short Term Plan (Pre COVID-19)

	2019-20	2020-21	2021-22	2022-23
1	Realized \$7 Million (one-time) in expenditure savings from vacancies compared to 2019-20 First Interim			
2	Revenue increased by \$3 million (one-time) primarily from increase in Unduplicated Pupil Percentage (UPP) compared to 2019-20 First Interim			
3	Deferred \$8 Million (one-time) Social Studies textbook adoption to 2020-21			
4		Deferred \$4 Million (one-time) Science textbook adoption after 2022-23		
5		Transferring \$25 Million (one-time) from Self Insurance (Workers Compensation) Fund for General Fund Operations		
6		Transferring \$10 Million (ongoing for 5 years) annually from Retirement OPEB Fund for General Fund Operations		
7		Assumed natural attrition of 40 Teacher FTEs (not backfilled)		
8		\$0.27 Million (5%) reduction in Site Discretionary funding		
9		\$4.5 Million (10%) reduction in District Department Discretionary funding		
10			Assumes \$42 Million ongoing reduction in expenditure	Assumes \$42 Million ongoing reduction in expenditure
11	Improving Efficiencies in Operations			
12	Pursuing Grant opportunities			

Fiscal Outlook (Pre COVID-19)

2018 – 19 Budget Second Interim
March 12, 2019

General Fund \$ in Million	2018-19	2019-20	2020-21
Adjustments	-	-	-
Ending Fund Balance	\$104.38	\$80.30	\$64.77

2019 – 20 Budget Adoption
June 25, 2019

General Fund \$ in Million	2019-20	2020-21	2021-22
Adjustments	-	\$(43.00)	\$(43.00)
Ending Fund Balance	\$68.38	\$47.44	\$29.73

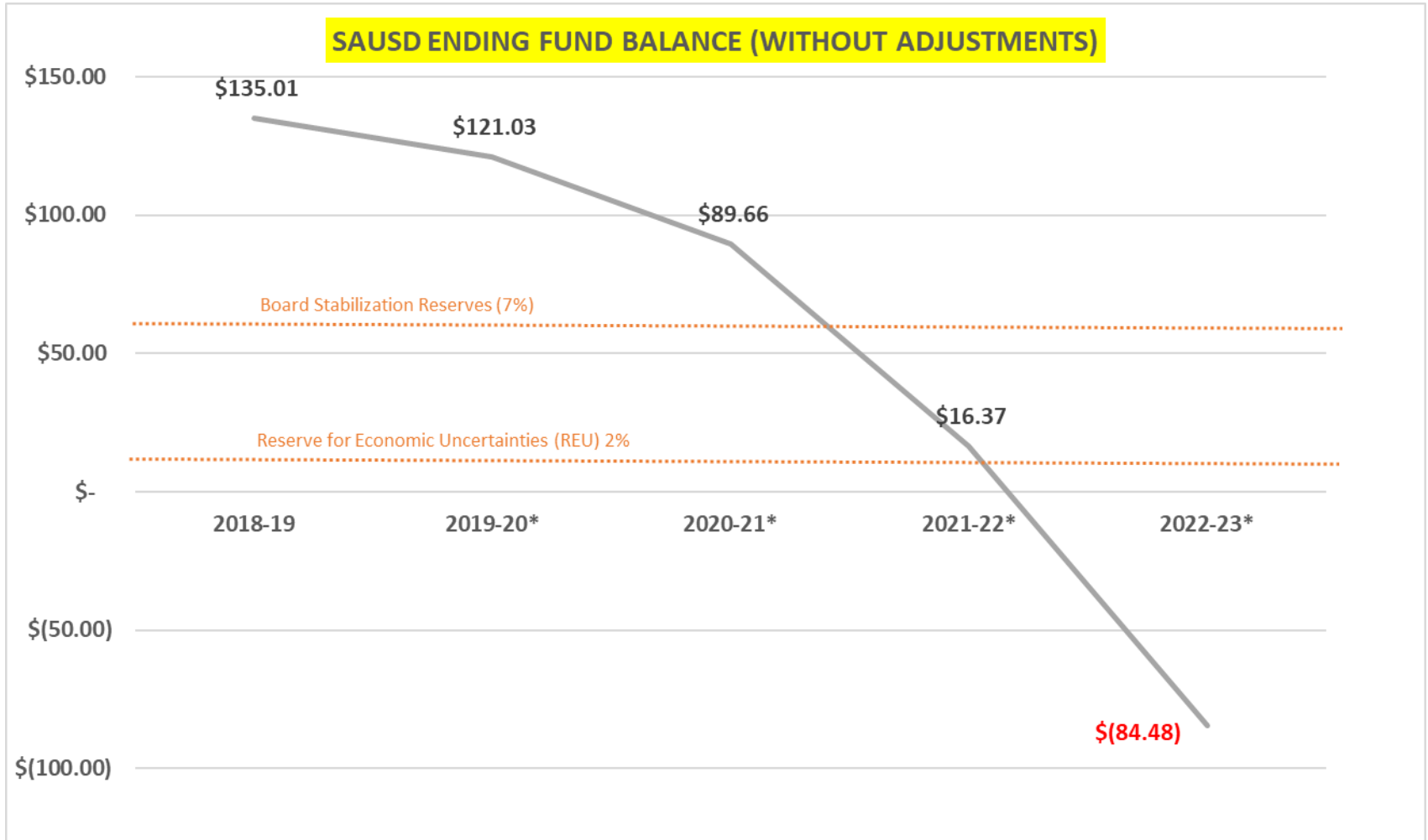
2019 – 20 Budget First Interim
Dec 10, 2019

General Fund \$ in Million	2019-20	2020-21	2021-22
Adjustments	-	\$(52.00)	\$(52.00)
Ending Fund Balance	\$80.13	\$52.77	\$20.58

2019 – 20 Budget Second Interim
March 10, 2020

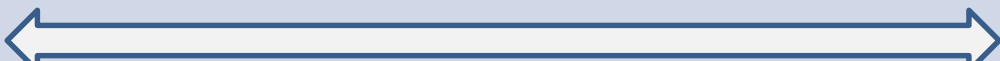
General Fund \$ in Million	2019-20	2020-21	2021-22
Transfers		\$25.00 + \$10.00 Fund 67 Fund 71	\$10.00 Fund 71
Adjustments	-	\$(42.00)	\$(42.00)
Ending Fund Balance	\$98.07	\$73.68	\$60.49

Fiscal Outlook (Post COVID-19)



*Projections

Fiscal Outlook – Short Term Plan (**Post** COVID-19)

	2019-20	2020-21	2021-22	2022-23
1	Realized \$7 Million (one-time) in expenditure savings from vacancies compared to 2019-20 First Interim			
2	Revenue increased by \$3 million (one-time) primarily from increase in Unduplicated Pupil Percentage (UPP) compared to 2019-20 First Interim			
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5		Transferring \$25 Million (one-time) from Self Insurance (Workers Compensation) Fund for General Fund Operations		
6		Transferring \$10 Million (ongoing for 5 years) annually from Retirement OPEB Fund for General Fund Operations		
7		Assumed natural attrition of 40 Teacher FTEs (not backfilled)		
8		\$0.27 Million (5%) reduction in Site Discretionary funding		
9		\$4.5 Million (10%) reduction in District Department Discretionary funding		
10		Assumes \$18 Million ongoing reduction in expenditure	Assumes additional \$42 Million ongoing reduction in expenditure	Assumes additional \$5 Million ongoing reduction in expenditure
11	Improving Efficiencies in Operations			
12	Pursuing Grant opportunities			

Fiscal Outlook (Post COVID-19)

2018 – 19 Budget Second Interim
March 12, 2019

General Fund \$ in Million	2018-19	2019-20	2020-21
Adjustments	-	-	-
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2019 – 20 Budget Adoption
June 25, 2019

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Ending Fund Balance	\$68.38	\$47.44	\$29.73

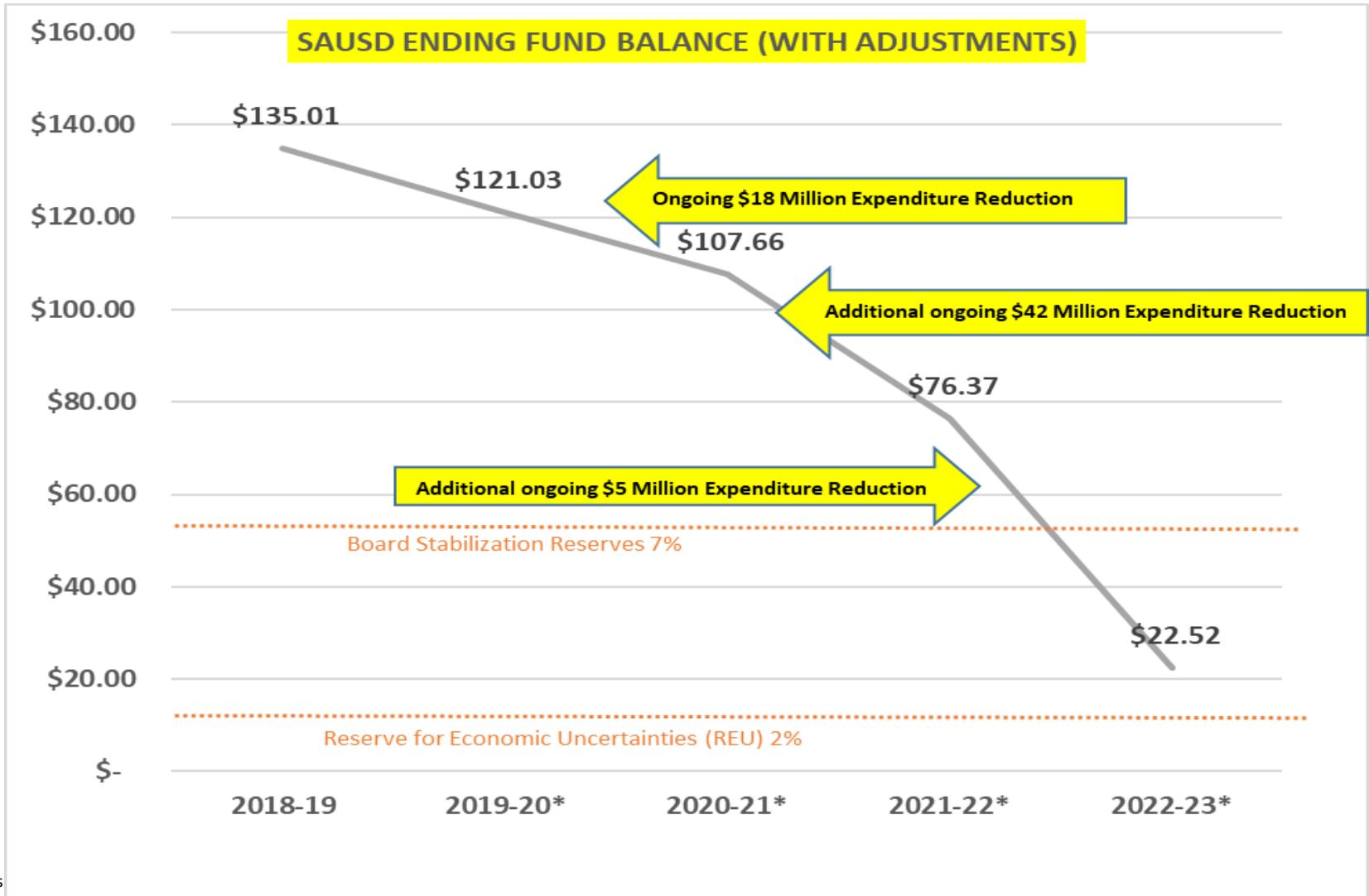
2019 – 20 Budget First Interim
Dec 10, 2019

General Fund \$ in Million	2019-20	2020-21	2021-22
Adjustments	-	\$(52.00)	\$(52.00)
Ending Fund Balance	\$80.13	\$52.77	\$20.58

**2020 – 21 Proposed Budget
June 9, 2020**

General Fund \$ in Million	2019-20	2020-21	2021-22
Transfers		\$25.00 + \$10.00 Fund 67 Fund 71	\$10.00 Fund 71
Adjustments	\$(18.00)	\$(60.00)	\$(65.00)
Ending Fund Balance	\$121.03	\$107.66	\$76.37

Fiscal Outlook



*Projections

State Budget Update & Next Steps

- **State Senate has rejected most of the proposals on the Governor's May Revise and restores most of the cuts in K-12 Education. Assumes the new infusion of Federal Funds**
- **State Assembly is considering the Senate proposal and expect to ratify most of the provisions**
- **Governor has to agree with the budget passed by the Senate and Assembly and adopt the State Budget by July 1, 2020**
- **District will have to adopt the Budget on June 23, 2020**
- **District will likely have to revise the Budget (45 day Revision) on August 11, 2020 to conform to the State adopted Budget**
- **Projected expenditure reduction/adjustments will change**

Questions?