



**Santa Ana**  
Unified School District

# **2012 – 13 Budget Preview**

**(Based on Governor's Proposed Budget)**

***January 10, 2012***

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**2012-13 Governor's K-12 Budget Proposal released on January 5, 2012**

- **2011-12 cuts continue, while adding new ones**
  - Mid-year cut impact to SAUSD: **<\$1.8 million>**
    - Revenue Limit **<\$0.8 million>** and Home-to-School /Special Education transportation **<\$1 million>**
  - 2012-13 Home-to School/Special Ed transportation is fully eliminated
    - Impact to SAUSD approximately **<\$2 million>**
  
- **State's structural budget deficit**
  - In 2012-13: **<\$9.2 billion>**
    - A combination of projected deficit of **<\$4.1 billion>** in 2011-12 and additional spending of **<\$5.1 billion>** in 2012-13
    - Proposed solution: **<\$10.3 billion>** in cuts and revenues to balance and rebuild a \$1.1 billion in reserve
  - The structural deficit will continue until 2015-16
  
- **Prop 98 guarantee**
  - Proposed Funding: \$52.5 billion
    - An increase of \$5.1 billion from 2011-12 level
    - Includes \$2.6 billion in new revenues with the passage of Governor' s tax extension proposal in November to stop further cuts in education and public safety
    - New Proposition 98 revenue have not yet been quantified as revenue for SAUSD



## 2012-13 Governor's K-12 Budget Proposal (continued)

- **Deferrals**
  - \$2.2 billion set aside to reduce inter-year budgetary deferrals
    - Will be executed with the passage of Governor's tax extension proposal in November
- **Cost of Living Adjustment (COLA)**
  - 3.17% COLA will be eliminated through a deficit factor: **<\$1.8 billion>**
    - \$ impact to SAUSD: **<\$8.6 million>**
- **Transitional Kindergarten**
  - No funding is provided, thus resulting in savings of \$224 million for the State. However, the new eligibility requirement for children turning 5 in November beginning 2012-13 remains unchanged
    - Impact to SAUSD (approximately 400 ADA): **<\$2 million>**
- **Provides additional flexibility** by consolidating majority of categorical program and the funding becomes part of revenue limit
  - Exclusion: special education, federally funded child nutrition, after-school program, preschool, and QEIA



## 2012-13 Governor's K-12 Budget Proposal (continued)

- **Special Education**
  - An increase of \$12.3 million for ADA growth
  
- **Mandate Reimbursement**
  - \$200 million for mandate incentive block grant
  - Elimination of more than half of existing mandates
  
- **Child Care**
  - A reduction of **<\$447 million>** in non-Prop 98 funds and <\$70 million> in Prop 98 funds
  
- **November Ballot Trigger Reduction**
  - If proposed temporary tax extensions (sales tax increased by 0.5% and income tax on wealthy from January 1, 2013 to December 31, 2016) does not pass
    - Prop 98 guarantee drops by <\$2.4 billion>
    - Shifts K-14 General Obligation Bond debt service costs into Prop 98, saving the State an additional \$2.4 billion in General Fund
    - In total Prop 98 drops by \$4.8 billion
      - » <\$2.2 billion> repayment of inter-year deferrals will be eliminated
      - » <\$2.6 billion> equates to shortening school year by more than three weeks.
        - » “Administration will work with school officials and stakeholders to develop legislation that protects education programs, but allows schools to develop and implement necessary contingency plans”



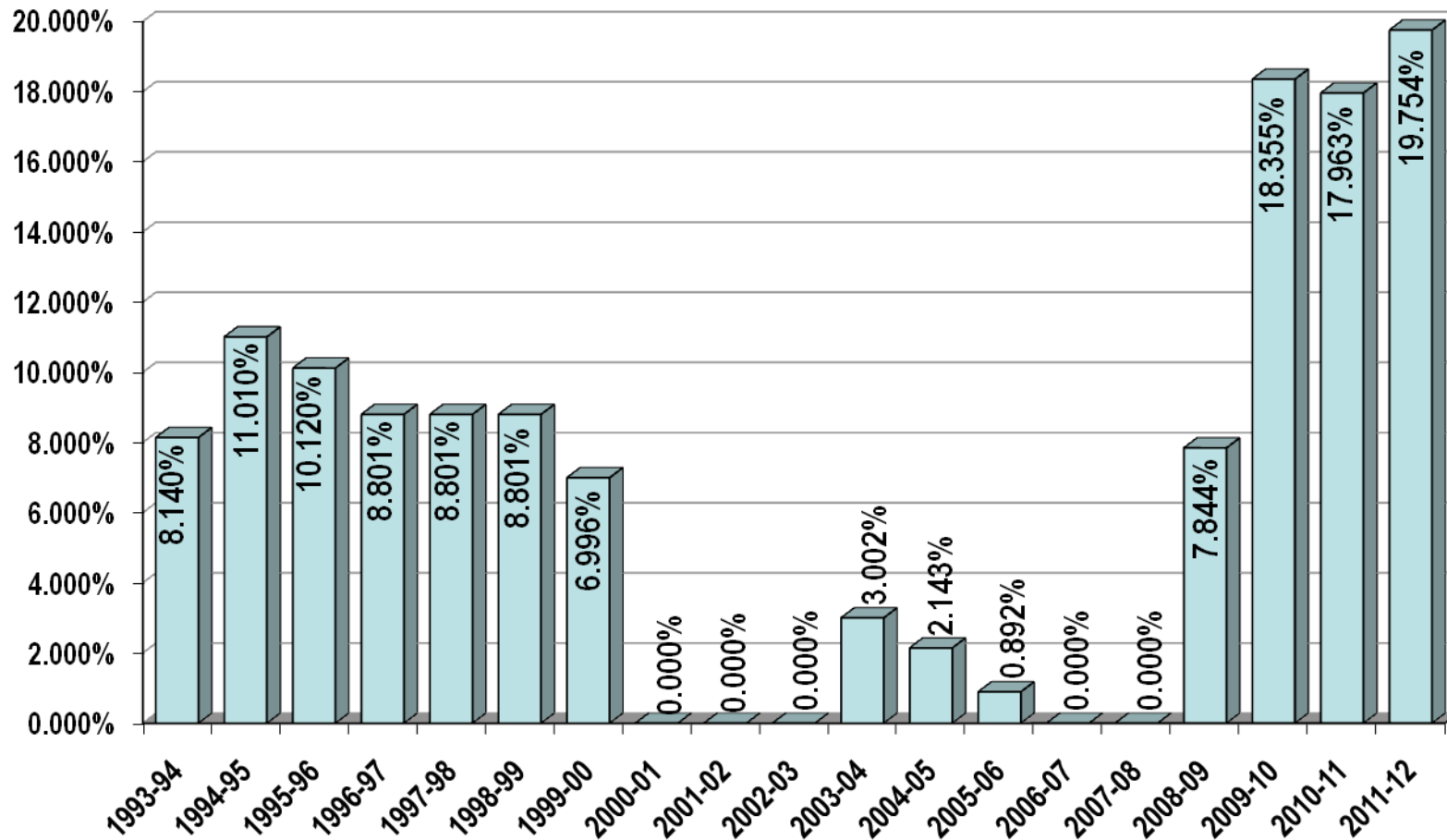
## Board Priorities 2011–12

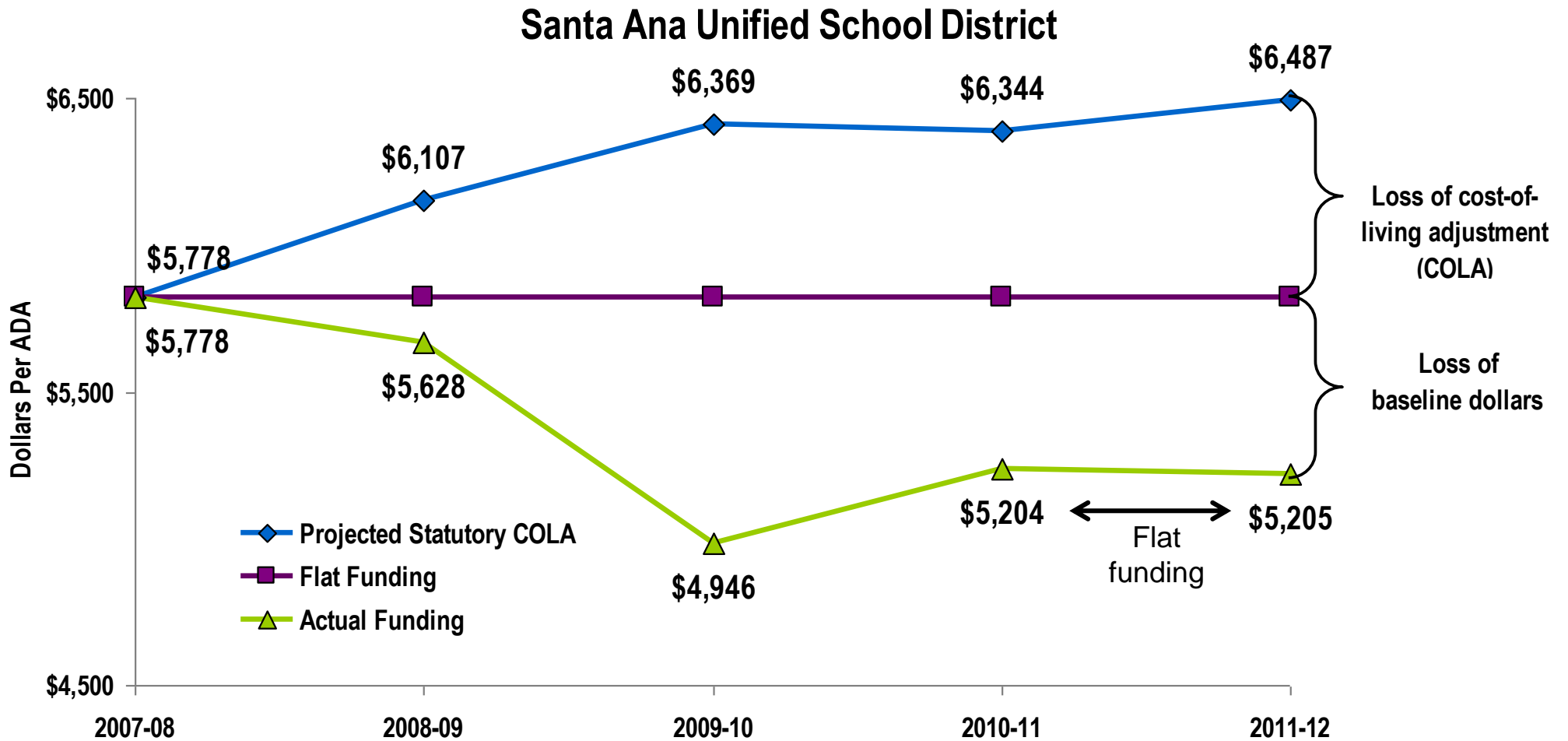


- Ensure fiscal solvency (*legally required*)
- Preserve staff
  - Continue to provide Elementary support staff
- Maintain integrity of programs
  - Continue to protect services to the most vulnerable students
- Find other ways to reduce expenditures
- School Safety
- Maintain athletics and music programs
- Reduced class sizes in grades 1 & 2
- Maintain 180 day instructional calendar



- **No Certificated or Classified Layoffs**
  - Impact of Education Code 44956(a)(5) Preferential Substitute Service
  - Increases 2012-13 reduction target by \$2.5 million to a total of \$34.5 million
- **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**
  - Waivers to be considered at the January 2012 meeting
- **Grades 4 – 8 staffing formula Education Code adjustments**
  - District wide staffing ratio to meet 1964 Education Code 41376
- **Jobs Bill funding that reinstated 5 furlough days for Certificated/Management expires at the end of 2011-12**














\$ in millions


	Description of Reduction	Proposed Amount of Reduction/ Increase	Reductions Required
	New Reductions required for 2012-13		<b>\$30.5</b>
	10-11 Base Revenue Limit ( <b>one-time</b> for 2011-12)	<b>\$13.8</b>	<b>\$44.3</b>
	Jobs Bills ( <b>one-time</b> for 2011-12)	<b>\$5.8</b>	<b>\$50.1</b>
	Tier III ( <b>one-time</b> for 2011-12)	<b>\$5.5</b>	<b>\$55.6</b>
	CSR Penalty Flexibility continues	\$9.9	<b>\$45.7</b>
	<i>One-time Utilization of District Reserve funds (Fund 17) - OPTIONAL</i>	\$13.5	<b>\$32.2</b>
	Enrollment projection (ADA) adjustment	\$1.6	<b>\$30.6</b>
	No certificated/classified layoff for 2012-13	<b>\$2.5</b>	<b>\$33.1</b>
	2012 Mid-year State Cuts, District categorical reorg, Governor's Proposed cuts	<b>\$7.0</b>	<b>\$40.1</b>



\$ in millions

	Description of Reduction	Proposed Amount of Reduction/ Increase	Reductions Required
	Reductions required for 2012-13		<b>\$40.1</b>
	11-12 Base Revenue Limit ( <b>one-time</b> from 2011-12)	\$17.0	<b>\$23.1</b>

## REDUCTIONS REQUIRED FOR 2013-14

	Initial Target		<b>\$30.0</b>
	11-12 Base Revenue Limit ( <b>one-time</b> from 2011-12)	<b>\$17.0</b>	<b>\$47.0</b>



# Santa Ana

Unified School District

## 2012-13 BUDGET CALENDAR

Row#	2012-13 Activity	Start	Finish	Oct	Nov	Dec	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep
1	<b>Budget Development</b>														
2	a. District staff compile Enrollment and Staffing projections	10/1/2011	4/30/2012	[Orange bar from Oct to Apr]											
3	b. Board presentation - Governor's January 10th Proposals and their impact on District's budget	1/24/2012	1/24/2012				[Yellow square]								
4															
5	c. Budget staff work with sites/departments on development of new budget	2/1/2012	5/31/2012					[Green bar]							
6															
7	d. District prepares & sends preliminary layoff notices to teachers	2/1/2012	3/15/2012					[Cyan bar]							
8	e. Submit to OCDE budget publication notice of public hearing and inspection of 2012-13 proposed budget	4/28/2012	4/28/2012							[Grey square]					
9															
10	f. District must send final layoff notices to teachers	5/15/2012	5/15/2012									[Orange square]			
11	g. Board approval to Call for Public Hearing for Adoption of 2012-13 budget	6/12/2012	6/12/2012										[Brown square]		
12															
13	h. Board approval for Public Hearing concerning plan to use flexibility provision for Tier III categorical programs & funds	6/12/2012	6/12/2012										[Brown square]		
14															
15	i. Board approval for Adoption of Resolution concerning the use of flexibility provision for Tier III categorical programs & funds	6/12/2012	6/12/2012										[Brown square]		
16															
17	j. Availability of 2012-13 Adopted budget for inspection	6/21/2012	6/21/2012										[Brown square]		
18	k. Public Hearing for Adoption of 2012-13 Budget	6/26/2012	6/26/2012										[Brown square]		
19	l. Board approval of 2012-13 Adopted Budget	6/26/2012	6/26/2012										[Brown square]		
20	<b>Budget Review and Adoption</b>														
21	a. District files 2012-13 Adopted budget with OCDE	7/1/2012	7/1/2012										[Purple square]		
22	b. Within 45 days after Governor signs the Budget Act, District revises its budget	8/1/2012	8/31/2012											[Orange square]	
23															
24	c. Board approval of prior-year unaudited financial report	9/11/2012	9/11/2012												[Green square]
25	d. Board adopts appropriation limit for current year and actual appropriations limit for the following year	9/11/2012	9/11/2012												[Green square]
26															
27	e. District files prior-year unaudited financial report to OCDE	9/15/2012	9/15/2012												[Green square]
28	f. Board approval of District's First Interim financial status	12/11/2012	12/11/2012			[Purple square]									
29	g. Board approval of prior-year audited financial statement	12/11/2012	12/11/2012												
30	h. Board approval of District's Second Interim financial status	3/12/2013	3/12/2013							[Blue square]					
31	i. Board approval of District's Third Interim financial status	5/28/2013	5/28/2013									[Orange square]			



Days  
Remaining to  
Identify 2012–  
13 Reductions

63



Date	Event or Activity
On-going until Settled	Negotiations with our certificated & classified associations (SAEA & CSEA respectively) for <u>ongoing reductions</u>
Jan 24 Feb 14 & 28, 2012	Board Meetings
March 13, 2012	Approval of 2012 -13 Budget Reduction Measures and 2 <sup>nd</sup> Interim Report

**CURRENT REDUCTION TARGET**  
**\$41.5 Million**