



State Budget Update Approach to 2013-14 SAUSD Budget Development January 15, 2013

Getting to the Core



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Purpose of Today's Presentation



- Governor's Preliminary Budget Proposal
 - Why do we need to make cuts when Prop 30 tax initiative passed and the budget proposal has additional funding for education?
- The District's Structural Deficit
 - One-time funds have been used to defer fiscal issues
 - One year at a time budget strategy has expired
- Revisiting Board Goals and Priorities
- Process and Timeline for Budget Development

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Governor's Proposal

- New method of funding base revenue limit – Local Control Funding Formula (LCFF)
- Reduction of \$1.8 billion in deferrals – impact on cash flow, but not new funding
- Increase in Proposition 98 funding for education may slightly reduce the District's structural deficit
- Net impact may be to slightly decrease the Deficit Factor

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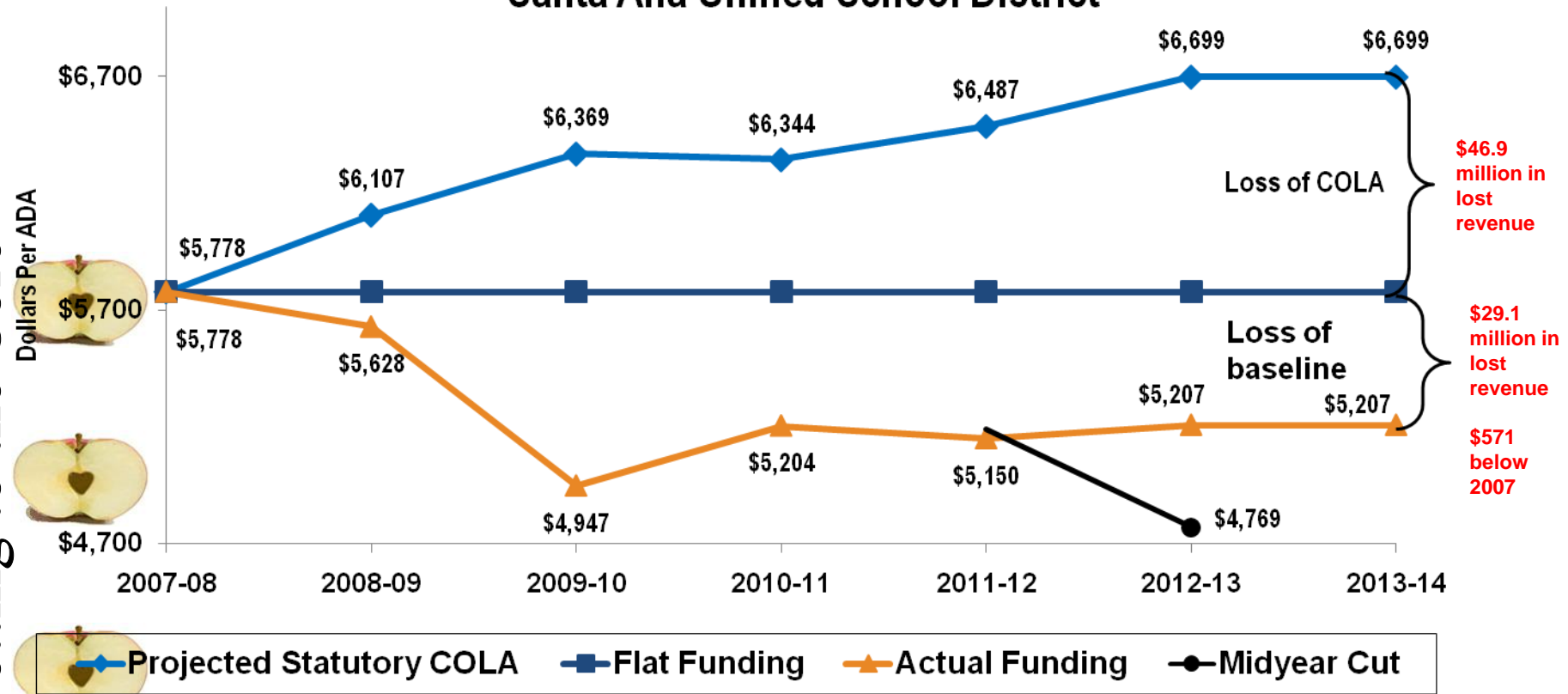
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2012-13 Budget Act – Funding Per ADA: Actual vs. Statutory Level

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



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2007-08 versus 2012-13

- The District has a structural deficit of \$45-\$50 million
 - \$571 / ADA in lost revenue = **\$29 million**
 - Step/Column cost for 6 years @ 2% per year = **\$24 million**
- Since 2007-08 the amount available for operational expenses has decreased by \$12 million
- In 2007 the District received \$5,778 per ADA unrestricted
 - For 2012-13 the amount has dropped to \$5,207 per ADA, which is equal to \$571/ADA just to get back to the rate from 6 years ago

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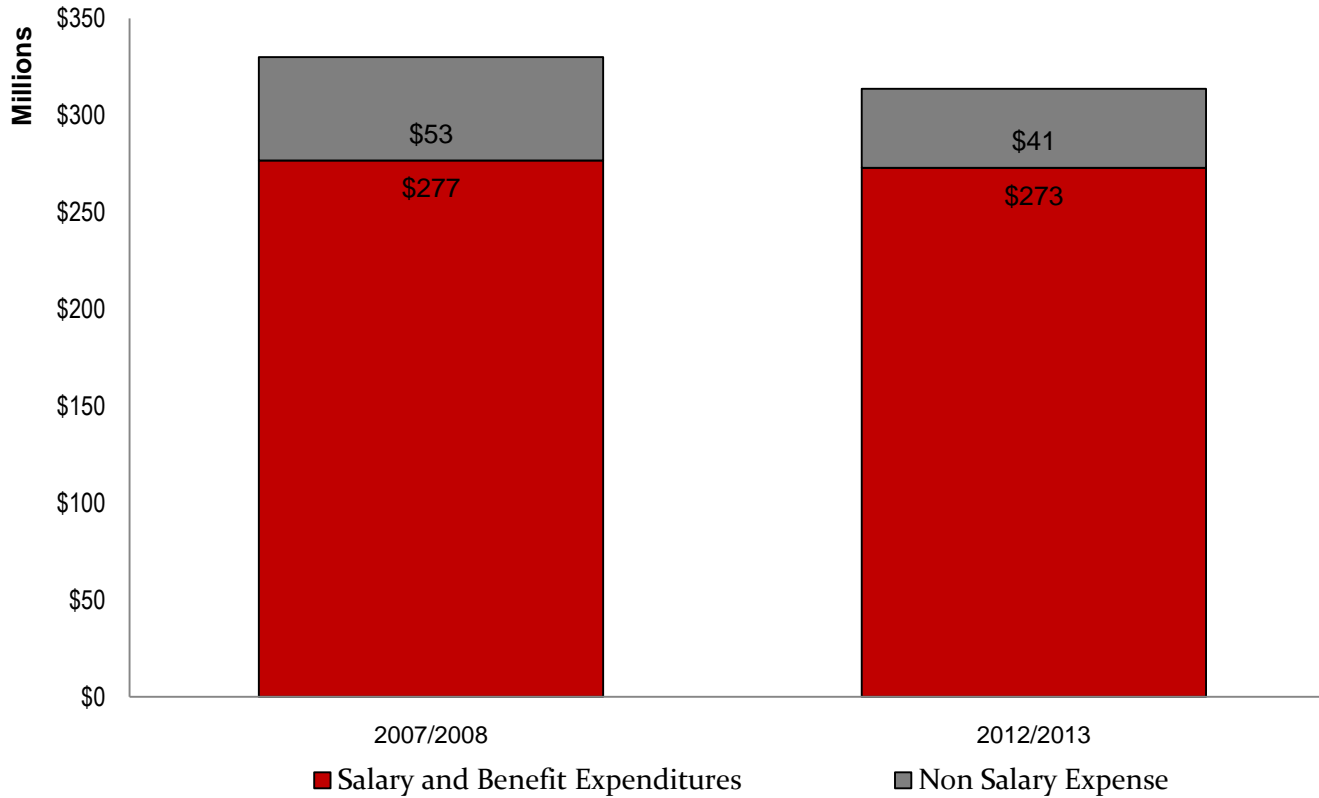
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2007-08 versus 2012-13



Unrestricted General Fund Salary and Benefit Expenditures Analysis by Year
07/08 vs 12/13



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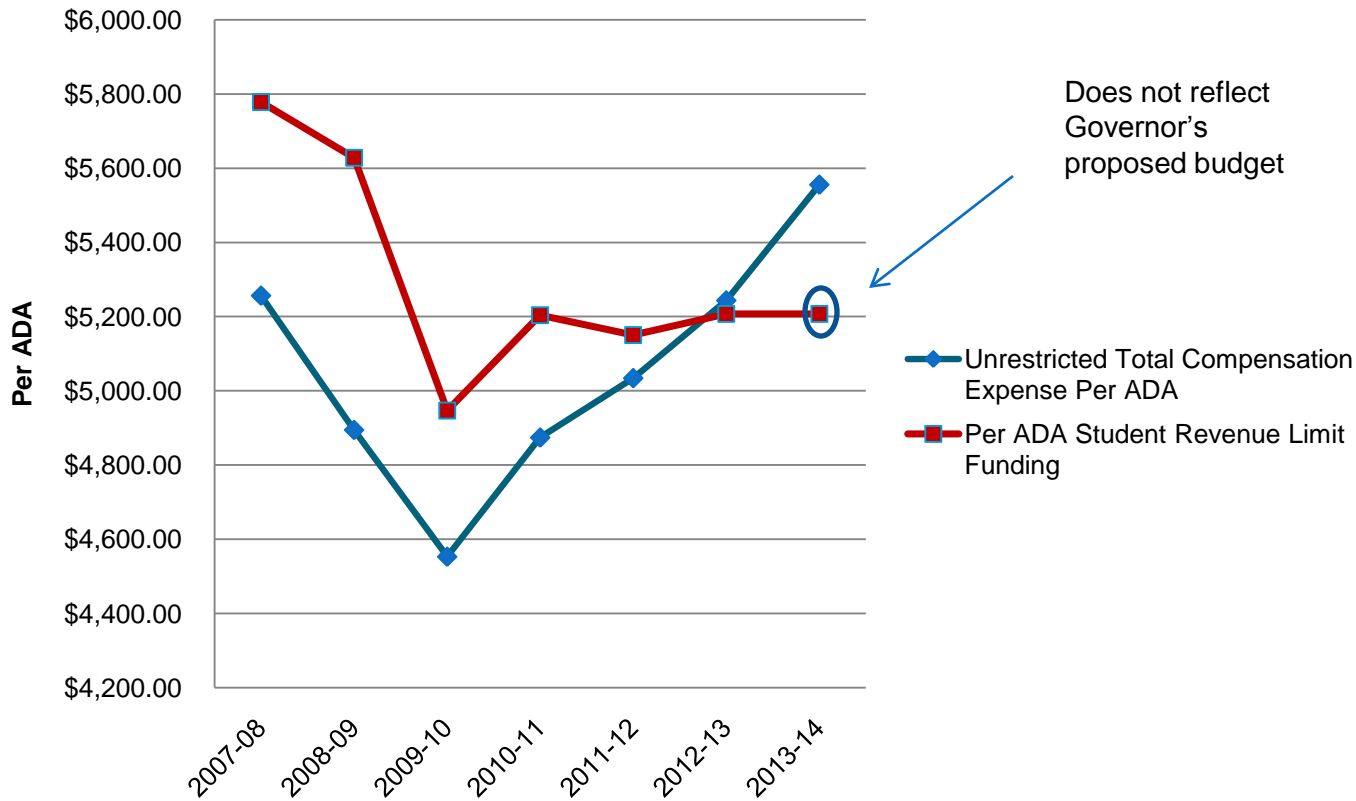
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Total Compensation Cost Per ADA Continues to Increase



Unrestricted Fixed Expense VS Per Student Revenue Limit



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Revisiting Board Goals and Priorities



Board Priorities

- Ensure fiscal solvency
- Preserve staff
- Maintain integrity of programs
- Find other ways to reduce expenditures
- School safety
- Maintain athletics and music programs
- Maintain 180 day instructional calendar

Initiatives & Activities

- Climate / Safety / PBIS
- English language learners
- Implementation of Common Core
- Secondary reform
- Planning for sunset of SIG and QEIA
- Analyzing categorical reform

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Process for Budget Development



- Align the 2013-14 budget development upon the 7 building blocks for SAUSD Success (7 C's) and the Board goals and priorities
- Focus on operational efficiencies

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Next Steps / Timeline

- Board Meetings
- Study Sessions
- Statutory Dates
- 2nd Interim
- Adopted Budget

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