



# **State Budget Update Post-Election Impact to SAUSD**

## **November 13, 2012**

Getting to the Core



**Thelma Meléndez de Santa Ana, Ph.D.,  
Superintendent**

**Michael P. Bishop, Sr., CBO, Deputy Superintendent, Operations**

**Tony Wold, Ed.D., Executive Director, Business Operations**

**Swandayani Singgih, Director, Budget**

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# Purpose of Today's Presentation



- District's Fiscal Outlook
  - Why do we need to make cuts when Prop 30 tax initiative passed?
- The District's Structural Deficit
  - One-time funds have been used to defer fiscal issues
  - One year at a time budget strategy has expired
- Where do we look to make budget reductions?
- Next Steps

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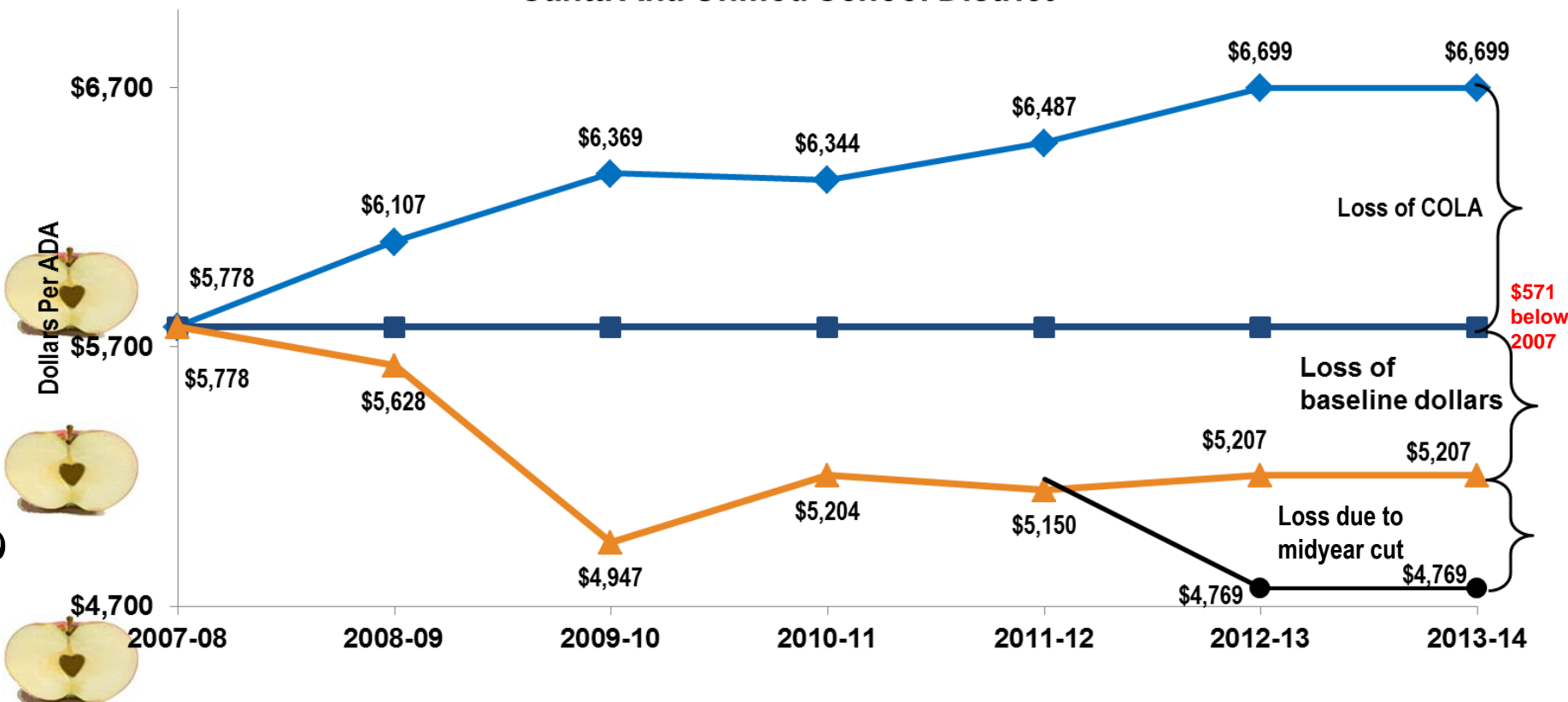
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# 2012-13 Budget Act – Funding Per ADA: Actual vs. Statutory Level

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

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◆ Projected Statutory COLA   
 ■ Flat Funding   
 ▲ Actual Funding   
 ● Midyear Cut

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# 2012-13 Budget Update

## MYP – Fund 01 Combined (including unspecified cuts)



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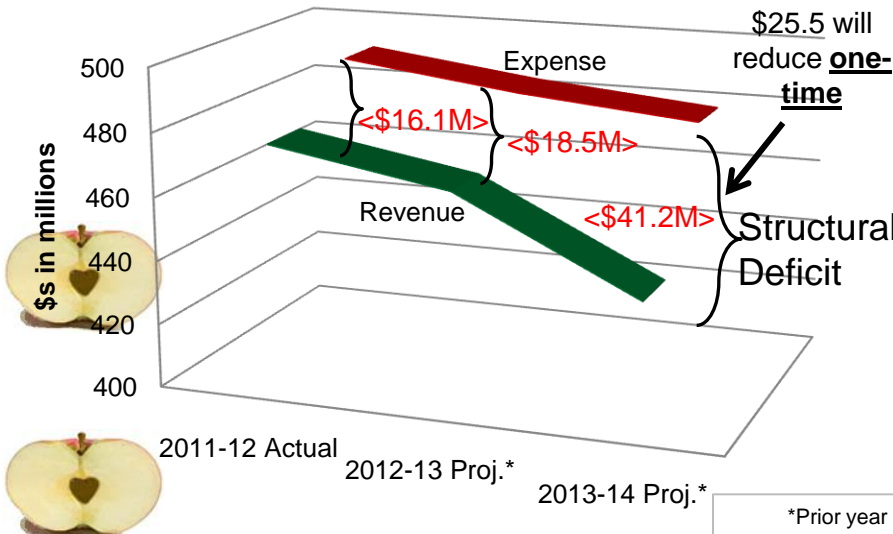
\$s in millions	If Mid-year Cuts <b>NOT</b> Imposed	
	2012-13 Budget	2013-14 Budget
Beginning Fund Balance (a)	\$ 70.6	\$ 52.1
Add: Adjustment to Beginning Fund Balance (b)	----	----
Add: Revenues (c)	\$465.4	\$437.5
Less: Expenditures (incl. Budget Reductions) (d)	\$483.9	\$478.7
<b>Structural Deficit (e) = (c) - (d)</b>	<b>(\$18.5)</b>	<b>(\$41.2)</b>
Ending Fund Balance (a) + (e)	\$ 52.1	\$ 10.9
<u>Non-spendable:</u> Revolving Cash/ Stores / Prepaid Expend.	\$1.2	\$1.2
<u>Restricted:</u> Desig. For Restricted Fund Balance	\$9.7	\$9.8
<u>Committed:</u> Stabilization Arrangements	\$0.0	\$0.0
<u>Assigned:</u> - Restoration of State Cuts / COLA	----	----
- Desig. For Unrestricted Reserve (Instr Mat'l, CalSafe, Community Day, CAHSEE, Site carry-over etc.)	\$6.0	\$5.9
- Reserve for mid-year cuts	\$25.5	----
Will be used one-time in 2013-14 to reduce structural deficit		\$26.4
<u>Unassigned/Unappropriated:</u>		
- Desig. for Economic Uncertainties (f)	\$9.7	\$9.5
(f) / (d)	2.0%	2.0%
<b>Updated Budget Reduction Target</b>	----	<b>\$15.5</b>



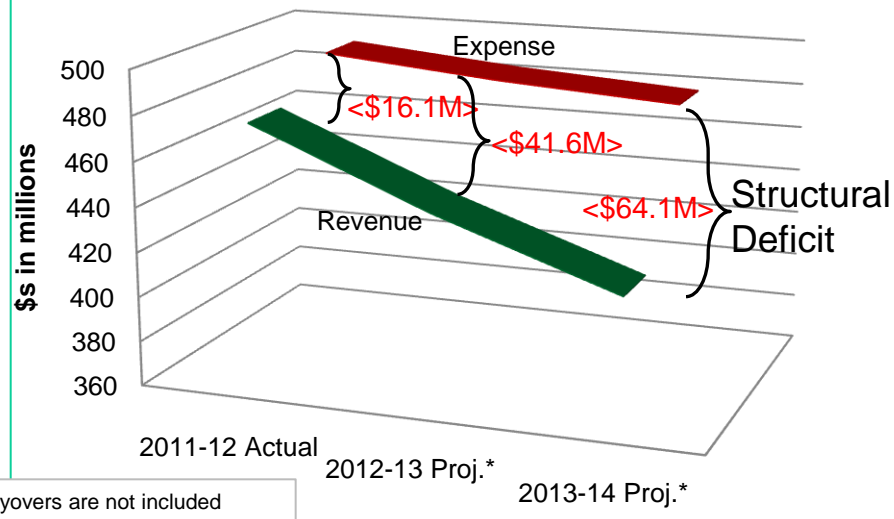
# The District's Net Structural Deficit Continues to Grow as One-time Solutions are Exhausted

## Revenue vs. Expense Prop 30 Passed

**FINAL**  
utilization of 2012-13 ending Fund balance of \$25.5 will reduce one-time



## Revenue vs. Expense If Prop 30 had failed



\*Prior year carryovers are not included

### ➤ Major Attributes:

- Decrease in State Aid revenue
  - Deficit factor increases to 22.272%
- Increase in Step & Column expense
- Increase in H/W expense
- Increase in cost of goods/services expense

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# One-time Funding Solutions to Defer Fiscal Issue

**Restricted funds** have been used to maintain positions and **one-time funds** have helped “push” the issue of a structural budget deficit from one year to the next.

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Spending (\$s in millions)	2009-10	2010-11	2011-12	2012-13	2013-14	TOTAL
ARRA Title I	\$2.9	\$7.6	\$1.6			\$12.1
ARRA Title I QEIA	\$0.1	\$4.2	\$0.6			\$4.9
ARRA Title I SIG		\$7.2	\$13.2	\$11.7		\$32.1
ARRA Homeless Children & Youth		\$0.4				\$0.4
<b>TOTAL Restricted One-time funds</b>	<b>\$3.0</b>	<b>\$20.3</b>	<b>\$15.9</b>	<b>\$11.7</b>	<b>\$0</b>	<b>\$50.9</b>
ARRA SFSF	<u>\$19.2</u>	<u>\$6.1</u>				\$25.3
ARRA IDEA	<u>\$10.0</u>	<u>\$2.7</u>	<u>\$0.1</u>			\$12.8
ARRA Education Jobs		<u>\$2.5</u>	<u>\$7.9</u>			\$10.4
Fund 17 Transfer to Fund 01				<u>\$13.6</u>		\$13.6
Utilization of Ending Fund Balance					<u>\$25.5</u>	\$25.5
<b>Total Unrestricted One-time Funds</b>	<b>\$29.2</b>	<b>\$11.3</b>	<b>\$8.0</b>	<b>\$13.6</b>	<b>\$25.5</b>	<b>\$87.6</b>

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# Next Steps



\$ (millions)	Event or Activity
	First Interim December 11, 2012
	Begin Identification of Budget Reductions for 2013-14 School Year
	<b>POSSIBLE BOARD STUDY SESSIONS:</b> December 15, 2012 - Saturday AM January 15, 2013 - Tuesday PM February 5 - Tuesday PM March 5 and/or March 19 - Tuesday PM April 2 - Tuesday PM May 7 - Tuesday PM June 6, Thursday and/or June 18 - Tuesday PM

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