



Santa Ana
Unified School District

2011–12 Budget Update

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Jane A. Russo, Superintendent

Cathie Olsky, Ed.D., Deputy Superintendent

Michael P. Bishop, Sr., CBO, Associate Superintendent, Business Services

Tony Wold, Ed.D., Director, Program Quality Analysis

Swandayani Singgih, Director, Budget

Christeen Betz, Director, Accounting



1. State Budget Update
2. SAUSD's 2011–12 Adopted Budget
3. Next Steps





- Legislative democrats and Governor have created a budget plan that will likely be passed by a party-line vote
 - Plan assumes an additional \$4 billion in State Revenues
 - K-12 Education budget under Prop 98 has small adjustments
 - ‘Realignment’ of 1% of State Sales Tax reduces Prop 98 guarantee
 - If revenues do not materialize mid-year cuts to education will be triggered
 - If the State receives less than \$2 billion of the revenue a reduction of up to 7 additional instructional days (168 days) would be allowed to address a cut of \$1.5 billion to Education
- Expect the 2012–13 budget challenge to be more difficult than fiscal 2011–12
 - Federal ARRA funds have been utilized
 - **\$32.0 million** in reductions are needed
 - This is AFTER utilizing Fund 17 reserves
 - 166 days remaining until ongoing reductions must be identified



Santa Ana
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SAUSD's 2011–12 Adopted Budget





Board Priorities 2011–12 through 2015–16



- 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



- 2011-12 numbers shown as part of the Adopted Budget will undoubtedly change as:
 - Additional Budget details are released
 - 2011-12 Budget development incorporates detailed review of positions, expenditures & programs while 2011-12 projections from the Third Interim are developed via a macro approach.

Mitigation for potential mid year cuts



Projection in million dollars	2011-12 Adopted Budget
Beginning Fund Balance (a)	\$ 85.3
Add: Revenues (b)	\$457.8
Less: Expenditures (including Budget Reductions) (c)	\$486.5
Deficit Spending (d) = (b) - (c)	(\$28.6)
Ending Fund Balance (a) + (d)	\$ 56.6
<u>Non-spendable:</u> Revolving Cash/ Stores / Prepaid Exp.	\$3.0
<u>Restricted:</u>	
- Desig. For Restricted Fund Balance	\$5.6
<u>Committed:</u> Stabilization Arrangements	\$15.0
<u>Assigned:</u>	
- Future State cuts (if tax extensions do not pass)	\$17.2
- Desig. for Unrestricted Reserve	\$5.9
<u>Unassigned/Unappropriated:</u>	
- Desig. for Economic Uncertainties	\$9.9
	2.0%









- **<u>\$32.0 million</u>** in reductions must be identified by December 13, 2011
- This target is **AFTER** one-time reserves from Fund 17 are committed
- **One-time solutions** used in 2009–10, 2010–11 and 2011-12 **are exhausted**
- Real **ongoing reductions** will need to be identified in the next 6 months for 2012–13



No Change in 2012-13 Budget Targets based upon current Governor’s May Revision

\$ in millions

	Description of Reduction	Proposed Amount of Reduction/ Increase	Reductions Required
	New Reductions required for 2012-13		\$30.5
	10-11 Base Revenue Limit (one-time from 2011-12)	\$13.8	\$44.3
	Jobs Bills (one-time from 2011-12)	\$8.3	\$52.6
	Tier III (one-time from 2011-12)	\$5.5	\$58.1
	CSR Penalty Flexibility continues	\$11.0	\$47.1
	One-time Utilization of District Reserve funds (Fund 17)	\$13.5	\$33.6
	Revised enrollment projection adjustment	\$1.6	\$32.0



Days
Remaining to
Identify 2012–
13 Reductions

166



Date	Event or Activity
On-going until Settled	Negotiations with our certificated & classified associations (SAEA & CSEA respectively) for <u>ongoing reductions</u>
July 26 August 23	Board Meetings
December 13, 2011	Approval of 2012 -13 Budget Reduction Measures

CURRENT REDUCTION TARGET
\$32.0 Million