

Santa Ana Unified School District Budget

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Our Student's Education at Risk

- What level of educational services will/can we provide and for how long?
 - In 2010-11, due to continuing State cuts, we may not be able to afford the positions, programs and school year days that are funded this year.

What level of educational services will we provide and for how long?

People +

Educational **P**rograms +

Fiduciary Responsibility (PPF) =



Student Achievement

People



Educational
Programs

Fiduciary
Responsibility

The Budget Scenarios have been built utilizing Board Priorities for Staffing

- **Priorities were developed at the January 26, 2009 Board Study Session and used as the basis of budget presentations:**
 - February 10, 2009 Board Meeting
 - March 6, 2009 Special Study Session
 - March 10, 2009 2nd Interim Budget Presentation
 - **Included a “bare bones” staffing with all categorical out-of-classroom positions including Outreach Consultants/ATM/BRT included in the layoff**
- Board directed staff to add Elementary support to the priorities after discussion at the March 24, 2009 meeting
 - Revised staffing to include Elementary AP and TOSA support was built into the budget presentations along with “must have” staffing for all sites
 - April 9, 2009 Special Study Session
 - April 14, 2009 Board Meeting
 - April 28, 2009 Board Meeting
 - May 12, 2009 Board Meeting
 - May 26, 2009 3rd Interim Budget Presentation
 - June 9, 2009
 - **June 23, 2009 Board Adopted 2009 – 10 Budget including “must have” staffing**
- **The Board directed staff to add 23:1 CSR for Grade 1 using EIA funds**
 - **July 14, 2009 Board Meeting**

Budget Focus

- Maintain fiscal solvency
 - The 2009-10 budget projects we will spend \$13 million more than revenues (i.e. deficit spending)
 - In 2010-11, spending equals revenues but only because we assume \$33 million in unspecified budget reductions will be made

2009-10 Budget

Board Approved June 23, 2009

(\$s in Millions)	Unrestricted	Restricted	Total
Adopted Budget:			
Revenue	\$275.1	\$171.3	\$446.4
Expenditures	<u><\$288.7></u>	<u><\$185.5></u>	<u><\$474.2></u>
Deficit	<u><\$13.6></u>	<u><\$14.2> *</u>	<u><\$27.8></u>
2009-10 Original Beginning Reserves	<u>\$26.9</u>	<u>\$23.3</u>	<u>\$50.2</u>
2009-10 Projected Ending Reserves	\$13.3	\$9.1**	\$22.4
Unrestricted Reserve %	2.8%		2.8%

*Spending down of Restricted carryover \$. ** Categorical carry over set asides (QEIA and prior year textbook funds)..

2009-10 Budget

Based upon July 24, 2009 State Budget

(\$s in Millions)	Unrestricted	Restricted	Total
Adopted Budget:			
Revenue	\$275.1	\$171.3	\$446.4
Expenditures	<u><\$288.7></u>	<u><\$185.5></u>	<u><\$474.2></u>
Deficit	<u><\$13.6></u>	<u><\$14.2> *</u>	<u><\$27.8></u>
2009-10 Original Beginning Reserves	<u>\$26.9</u>	<u>\$23.3</u>	<u>\$50.2</u>
2009-10 Projected Ending Reserves	\$13.3	\$9.1**	\$22.4
Unrestricted Reserve %	2.8%		2.8%
Subsequent Changes			
Addt'l QEIA - Revenue Limit Cut (State Adopted Budget 7/24/09)	<u><\$11.0></u>	---	<u><\$11.0></u>
Revised Deficit	<u><\$24.6></u>	<u><\$14.2></u>	<u><\$38.8></u>
2009-10 Projected Revised Ending Reserves	\$2.3	\$9.1	\$11.4
Revised Unrestricted Reserves %	0.5% ***		0.5% ***

*Spending down of Restricted carryover \$s. ** Categorical carry over set asides (QEIA and prior year textbook funds). *** Reserves of at least 0.7% is required.

2010-11 Budget

(\$s in Millions)	Unrestricted	Restricted	Total
Adopted Budget:			
Revenue (includes QEIA restoration)	\$269.7	\$178.4	\$448.1
Expenditures	<u><\$268.7></u>	<u><\$178.3></u>	<u><\$447.0></u>
Excess	\$1.0	\$0.1	\$1.1
Reserve for Instr. Materials	<\$3.2>		<\$3.2>
2010-11 Beginning Reserves	<u>\$2.3</u>	<u>\$9.1</u>	<u>\$11.4</u>
2010-11 Projected Ending Reserves	\$0.1	\$9.2*	\$9.3
Unrestricted Reserve %	0.0%		0.0%

* Categorical carry over set asides (QEIA and prior year textbook funds).

** Reserves of at least 0.7% is required.

CALifornia in CRISIS

Be Prepared

Multi-Year Projections (AB1200)

Unrestricted Reserves	<u>2008-09</u>	<u>2009-10</u>	<u>2010-11</u>	<u>2011-12</u>
June 30, 2009 Adopted budget	5.8%	2.8%	2.5%	2.6%
July 24, 2009 Revised budget	5.8%	0.5%	0.0%	0.1%

The minimum reserve is .67%; previously it was 2%.

A reserve of .5% will result in a negative budget certification at First Interim.

Categorical Funding Sources

(\$s in millions)	Total Award	Total Received	Total Allocated	Balance	Comments / Recommendations
ARRA Stabilization (one-time)	\$19.2	\$19.2	\$14.3	\$4.9	Can be used to minimize cuts due to the QEIA revenue limit reduction, increase elementary activity supervisor budget & increase safety support.
ARRA IDEA (funding over 2 years)	\$11.3	\$2.3	\$2.3	\$9.0	To fund new positions/programs related to Autism and Severe/Moderate. Funding to be used over 2 years for Special Education services and encroachment
ARRA Title I (funding over 2 years)	<u>\$11.3</u>	<u>\$5.3</u>	<u>\$0.0</u>	<u>\$11.3</u>	Includes mandated \$2.1 million in set-asides; \$6.0 million to be used for 2010-11
Elementary 09-10 Allocation		\$1.6	\$0.0	\$1.6	Recommended for site instructional priorities &/or CSR
Secondary 09-10 Allocation		\$1.6	\$0.0	\$1.6	Recommended for site instructional priorities
Mandated 09-10 Set Aside		\$2.1	\$2.1	\$0.0	Utilized for mandated set asides.
EIA (ongoing) –	<u>\$16.0</u>	<u>\$0</u>	<u>\$5.1</u>	<u>\$10.9</u>	Site-based allocations. Includes mandated set-asides used to support site activities. (20% usually reserved)
Elementary 09-10 Allocation	\$8.6	\$0.0	\$4.5	\$4.1	Balance after approx. 23:1 Grade 1 CSR; recommended to be used to fund site priorities &/or CSR
Secondary 09-10 Allocation	\$6.8	\$0.0	\$0.0	\$6.8	Recommended for site instructional priorities
Mandated 09-10 Set Aside	\$0.6	\$0.0	\$0.6	\$0.0	Utilized for mandated set asides.
Total Funds Available	\$57.8	\$26.8	\$21.7	\$36.1	

Summary of Other Available Funds

(\$s in millions)	Amount	Comments
(QEIA) Revenue Limit Cut	<\$11.0>	Unrestricted budget reductions are required.
Fund 17	\$9.5	Hold for mid-year budget reduction
Fund 40	\$2.0	Hold for mid-year budget reductions
Restricted Categorical Funds	\$9.0	Restricted balances from QEIA, Instructional Materials

Summary of Categorical Funds available

(\$s in millions)	Amount	Comments
ARRA Stabilization	\$4.9	Used to maintain positions, increase elementary activity supervisor budget & increase safety support.
ARRA IDEA	\$0.0	Any addtl funds received will be utilized to continue to fund new positions/programs related to Autism and Severe/Moderate over a 2 year period.
ARRA Title I – Elementary	\$1.6	Recommended for site educational priorities
ARRA Title I – Secondary	\$1.6	Recommended for site educational priorities
EIA (ongoing) - Elementary	\$4.1	Balance after approx. 23:1 Grade 1 CSR (20% usually reserved)
EIA (ongoing) - Secondary	\$6.8	
Total Available Elementary	\$5.7	
Total Available Secondary	\$8.4	

(\$s in millions)	Amount	Comments
(QEIA) Revenue Limit Cut	<\$11.0>	Budget reductions are required.
Fund 17	\$9.5	Hold for mid-year budget reduction
Fund 40	\$2.0	Hold for mid-year budget reductions
Restricted Categorical Funds	\$9.0	Restricted balances from QEIA, Instructional Materials

Secondary School Priorities - Summary

(as Identified by Secondary Principals)

Priorities	Est. Per site	Estimated Cost for all sites	Possible Funding Sources
Support Teacher – 1 per site (ELD Coord/Lit Coach/Intervention Teacher) Principals #1 Priority	\$130,000	\$1.9 million	EIA
CAHSEE Support sections and tutoring / intervention	\$75,000	\$1.1 million	EIA
AVID sections / staff development / support	\$50,000	\$0.8 million	EIA
Restore Outreach Consultant @ 4 non-fundamental H.S. + Largest Intermediate (5 FTE)	\$100,000	\$0.5 million	EIA
Funds to address Site Specific Needs (using EIA funds) *	\$165,000 (balance)	\$2.5 million	EIA
Funds to address Site Specific Needs (using ARRA Title I funds) *	\$100,000 (balance)	\$1.6 million	ARRA Title I

* Secondary Principals had identified \$475K in additional site specific educational program needs beyond those listed above.

Elementary School Priorities

(as Identified by Elementary Principals)

Priorities	Est. Per site	Estimated Cost for all sites	Possible Funding
Additional Activity Supervision – Safety	\$10,000	\$0.36 million	ARRA Stabilization
Funds to address Site Specific Needs (Using EIA funds)	\$115,000 * (balance)	\$4.1 million	EIA
Funds to address Site Specific Needs (Using ARRA Title I funds)	\$50,000 * (balance)	\$1.8 million	ARRA Title I
Grades 2 and/or 3 Class Size Reduction	Ranges from \$77K to \$217K	Ranges from \$2.7 to \$7.6 million	EIA and/or ARRA Title I

- Elementary Principals had identified total site specific educational program needs of \$353K/site.

- Elementary balance is lower due to cost of 1st grade CSR

Recently Identified Safety Priorities

(As identified by School Police Services)

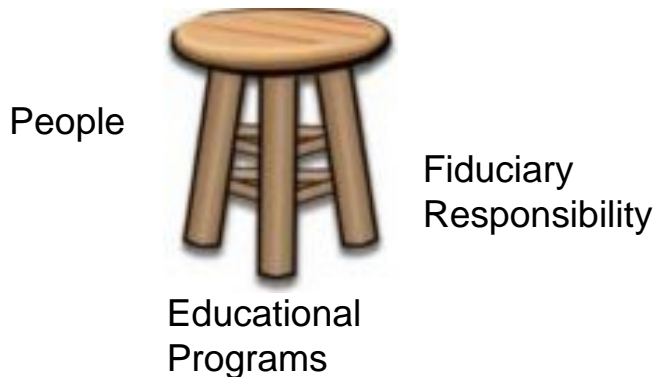
Priorities	Est. Per site	Estimated Cost for all sites	Possible Funding Sources
Return 18 sworn officer positions to 12 months		\$175,000	ARRA Stabilization

\$5.7 million available in Elementary Site-Level Categorical Funds



There is categorical funding only for one of the following 2 choices:

1. Site identified priorities and an additional grade level of CSR or
2. Grades 2 and 3 CSR (no site priorities)



Updated CSR Costs and Revenue

Total EIA funds available = **\$4.1 million (categorical ongoing)**

Total ARRA Title I = **\$1.6 million (for 2 years)**

Total = \$5.7 million (CSR or Site Priorities)

Student to Teacher Ratio	FTE	Add'l FTE	Facility Cost	Total Cost*	Total Incremental Revenue	Net Cost
Grade 2 @30:1	141				*	
27:1	171	30	\$240,000	\$2.8 million	\$0.37 million	\$2.67 million
24:1	181	40 - 45**	\$240,000	\$4.2 million	\$0.5 million	\$4.0 million
Grade 3 @ 30:1	139					
27:1	169	30	\$240,000	\$2.8 million	\$0.37 million	\$2.67 million
24:1	179	40 - 45**	\$240,000	\$4.2 million	\$0.5 million	\$4.0 million
Grade 2 & 3 @ 30:1	280					
27:1	340	60	\$480,000	\$5.6 million	\$0.8 million	\$5.3 million
24:1	359	80-90	\$480,000	\$8.3 million	\$1.2 million	\$7.58 million

* Additional Grade 2 & 3 CSR will incur facility costs and reconstruction timeline issue

** Enrollment totals are not even at all sites which may require FTE adjustments

Decisions

- **Maintain the Budget (as of July 14, 2009) with the addition of Grade 1 CSR at 23:1 to preserve cash flow and fiscal solvency due to concern regarding further State budget reductions**
-

AND/OR

Secondary (\$8.4 million categorical funds available)

- **Fund site priorities (\$5.9M) with site-level categorical funds including additional support for Secondary (ELD Coordinators and Outreach Consultants) (\$2.5M)**

Elementary (\$5.7 million categorical funds available)

- **Fund a combination of site-level priorities (\$3.0M) and one additional grade level of CSR (\$2.7M)**
- **Fund Grade 2 and 3 CSR (\$5.3) with no site priorities**

Safety (General Fund)

- **Restore School Police to 12 months - \$175K**

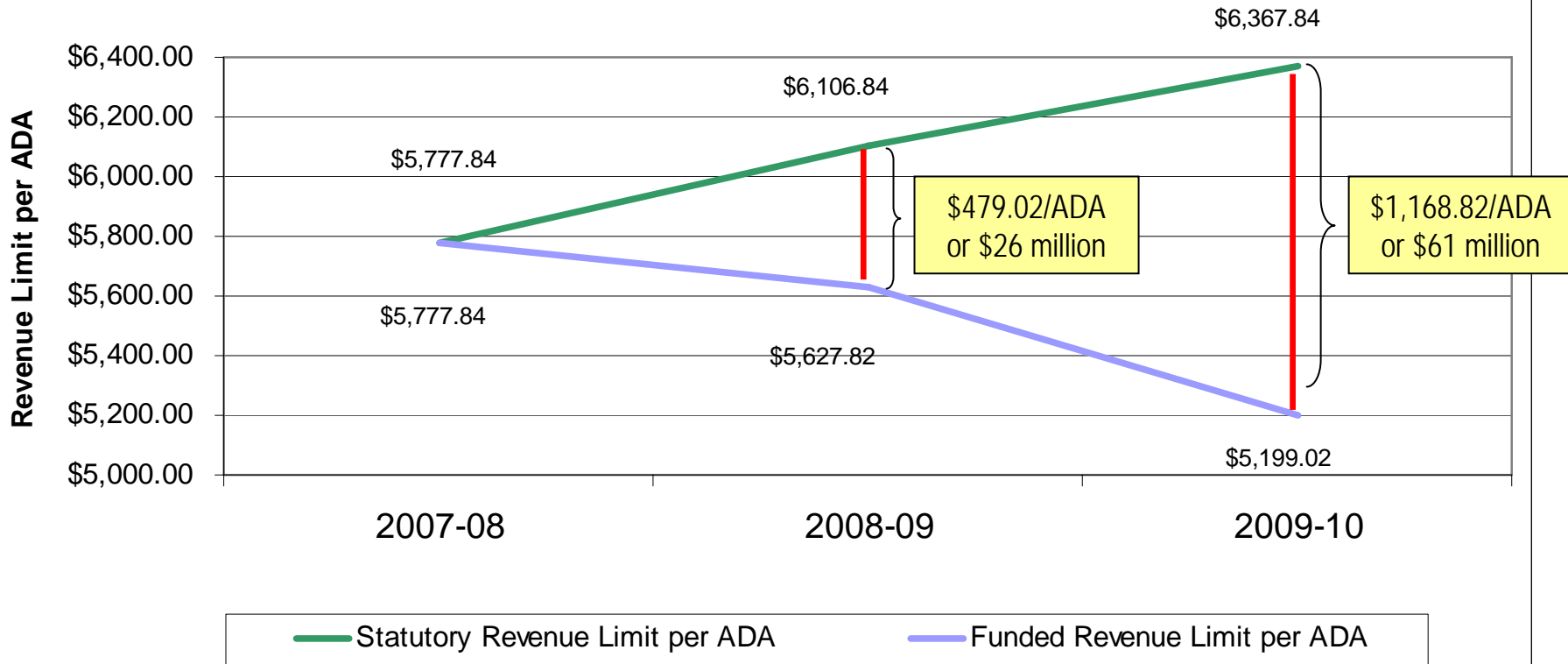
Addendum

General Fund - Unrestricted

- Purpose: Provides general purpose education funding
- Funding: On-going but significantly reduced
- Use: Unrestricted
- 2009-10 Funding: \$264.1 million
- Funding Received to Date: \$13.6 million
- Concerns:
 - 1) There will be early, mid and late year State budget cuts
 - 2) Funding will continue to be deferred resulting in projected cash shortages for the district in late 2009-10
 - 3) There continues to be unfunded mandates.

Recommendation: Don't spend any additional dollars from this source

Revenue Limit Comparison for Santa Ana Unified



Title I (On-going)

- Purpose: Supplemental funding for economically disadvantaged students
- Funding: On-going
- Use: Restricted, site allocated with required central (district office) set asides
- 2009-10 Funding: \$16.0 million (allocated for staff)
 - Elementary: \$6.5 million
 - Secondary: \$5.5 million
 - Central set aside: \$4.0 million
- Funding Received to Date: \$0.0 million
- Concerns:
 - 1) Funding assured for 2009-10 but 2010-11 allocations will be reduced.

Recommendation: No need to worry about this year but next year's funding will be reduced.

EIA (Economic Impact Aid) On-going

- Purpose: Supplemental funding for English learners & economically disadvantaged students
- Funding: On-going
- Use: Restricted & Site Allocated with Required Central (District Office) set asides
- 2009-10 Funding: \$16.0 million
 - Elementary: \$8.6 million
 - Secondary: \$6.8 million
 - Central set aside: \$0.6 million
- 2009-10 Funding Received to Date: \$0.0 million
- Concerns:
 - 1) EIA funding may be reduced given on-going State Budget crisis
 - 2) Funding may be deferred by the State

Recommendation: Use cautiously. Hold some funding in reserve in event of addt'l State cuts.

QEIA (Quality Educational Investment Act)

- Purpose: To reduce class size for Grades K-12
- Background:
 - CTA settlement with the State to restore education funds per Prop 98 requirements.
 - Settlement returned these funds as non-Prop 98 dollars.
 - Schools chosen by lottery (14 of 29 eligible SAUSD sites selected)
- Funding: 7 years + 1 year (just added)
- Use: Restricted & site allocated
- 2009-10 Funding: \$11.0 million
- 2009-10 Funding Received to Date: \$0.0 million
- Concerns:
 - 1) 2009-10 General Fund-Unrestricted reduced by amount of QEIA allocation.
 - 2) State Budget authorized after May 15th layoff date. District contractually obligated for full fiscal year to 100+ QEIA funded teachers.
 - 3) Funding is insufficient to sustain the program through 2013-14.

Recommendation: Don't spend any additional dollars from this source



ARRA – Title I

- Purpose:
 - “Stimulate economy & invest in education and other essential public services to ensure the long-term economic health of our nation.” Source: USDE web-site.
 - Supplemental funding for economically disadvantaged students
- Funding: One-time (intended to be spent over 2 years)
- Use: Restricted (follows regular Title I guidelines only), site allocated with required central (district office) set asides & spent over 2 years
- Total One-time Funding: \$11.3 million
 - Elementary: \$1.6 million
 - Secondary: \$1.6 million
 - Central set aside: \$1.9 million
- Funding Received to Date: \$5.1 million
- Additional Funds to be Received: \$6.2 million (anticipated Oct. 2009)
- Concerns:
 - 1) Since these are one-time funds, once utilized the funds will be gone forever.
 - 2) Avoid funding permanent positions with these one-time funds if possible.

Recommendation: Ensure dollars last over 2 years. Avoid funding cliff.

ARRA – IDEA (Special Education)



- General Purpose:
 - “Stimulate economy & invest in education and other essential public services to ensure the long-term economic health of our nation.” Source: USDE web-site.
 - 50% of funds must be utilized on new special education programs. The remaining 50% can be utilized to reduced special education encroachment.
- Funding: One-time
- Use: Restricted & intended to be spent over 2 Years
- Total One-time Funding: \$11.3 million
- Funding Received to Date: \$2.3 million
- Additional Funds to be Received: \$9.0 million (Anticipated Aug.–Oct. 2009)
- Concerns:
 - 1) Since these are one-time funds, once utilized the funds will be gone forever.
 - 2) Avoid funding permanent positions with these one-time funds if possible.

Recommendation: Ensure dollars last over 2 years. Avoid funding cliff.



ARRA - Stabilization

- General Purpose:
 - “Stimulate economy & invest in education and other essential public services to ensure the long-term economic health of our nation.”
Source: USDE web-site.
 - Key use is to maintain jobs
 - Can be utilized to meet almost any education purpose. Exceptions include expenditures on facility projects, etc.
- Funding: One-time
- Use: Unrestricted & intended to be spent over 2 Years
- Total One-time Funding: \$19.2 million
- Funding Received to Date: \$19.2 million
- Additional Funds to be Received: \$0.0 million
- Concerns:
 - 1) Since these are one-time funds, once utilized the funds will be gone forever.

Recommendation: Funds are needed to replace lost QEIA Revenue Limit cuts. Do not spend any add'l dollars.

Fund 17

- Purpose: Utilize to augment District funds.
- Funding: One-time
- Use: Unrestricted
- Total One-time Funding: \$9.5 million
- Funding Received to Date: \$9.5 million
- Concerns:
 - 1) Since these are one-time funds, once utilized the funds will be gone forever.
 - 2) At one point in time, these funds were slated to be as an initial down-payment to meet GASB-45 funding requirements related to Other Post Employment Benefits. Using these funds for another purpose will result in no available down-payment for GASB-45.

Recommendation: Hold as reserves in anticipation of addt'l State cuts. Do not spend any addt'l dollars.

Fund 40

- Purpose: A reserve fund for District projects and expenditures.
- Funding: One-time
- Use: Unrestricted
- Total One-time Funding: \$2.0 million
- Funding Received to Date: \$0.0 million
- Concerns:
 - 1) Since these are one-time funds, once utilized the funds will be gone forever.

Recommendation: Hold as reserves in anticipation of addt'l State cuts. Do not spend any addt'l dollars.

Priorities Identified by Principals -Secondary Schools

Secondary Principals Identified Program or Staffing Need	Est. Per site	Estimated Cost for all sites	Possible Funding
<u>Principal's Recommend</u> as first priority Support Teacher – 1 per site (ELD Coord/Lit Coach/Intervention Teacher)	\$130,000	\$1.17 million – INT \$0.78 million - HS	EIA / ARRA Title I
CAHSEE Support sections and tutoring / intervention	\$75,000	\$1.13 million	ARRA Title I, EIA
AVID sections / staff development / support	\$50,000	\$0.75 million	ARRA Title I, EIA
Restore Outreach Consultant @ 4 non-fundamental H.S. + Largest Intermediate (5 FTE)	\$100,000	\$0. 5 million	ARRA Title I, EIA
Additional Classroom FTE 32:1 Int (20 FTE) 31:1 HS (21 FTE)		\$1.72 million – INT \$1.80 million - HS	EIA / ARRA Title I
Instructional Supplies and Materials discretionary \$	\$30,000	\$0.45 million	ARRA Title I, EIA
Funds for Teacher Extra Duty activities	\$30,000	\$0.45 million	ARRA Title I, EIA
PSAT / WASC / Safe Civil Schools / Training for All / substitute support for Instructional meetings	\$65,000	\$1.0 million	ARRA Title I, EIA
Additional Clerical hours / (Athletic Secretary) –HS Additional Clerical hours / (School Account Clerk) – Int	\$65,000	\$1.0 million	GF, Stimulus
Discretionary funding for PI, extra site-based support	\$50,000	\$0.75 million	ARRA Title I, EIA
TOTAL OF ALL LISTED ABOVE	\$730,000	\$11.5 million	

Priorities Identified by Principals - Elementary Schools

Elementary Principals Identified Program or Staffing Needs	Est. Per site	Estimated Cost for all sites	Possible Funding
Additional Activity Supervision – Safety	\$10,000	\$0.36 million	GF, Stimulus
Substitute Allocations for Data release days / Staff Development (.3FTE Sub)	\$20,000	\$0.72 million	ARRA Title I, EIA
Instructional Supplies and Materials discretionary \$	\$15,000	\$0.54 million	ARRA Title I, EIA
Funds for Teacher Extra Duty activities	\$10,000	\$0.36 million	ARRA Title I, EIA
Tutoring / Intervention support	\$40,000	\$1.4 million	ARRA Title I, EIA
Additional Certificated Support Teacher	\$130,000	\$4.68 million	ARRA Title I, EIA
Discretionary funding for Deciles 1-3 sites, extra site-based support based on site needs	\$30,000	\$1.08 million	ARRA Title I, EIA
Increased Elementary Clerical Support (3.75/4 hour positions increased to 8)	\$35,000	\$1.25 million	GF, Stimulus
Additional hours for Library / Computer Tech support / Community Liaison position (flexibility)	\$65,000	\$2.34 million	GF, Stimulus
TOTAL OF ALL LISTED ABOVE	\$353,000	\$12.73 million	