



**Santa Ana**  
Unified School District



# **State and District Budget Update**

***February 10, 2009***

**Jane A. Russo, Superintendent**

**Ron Murrey, Associate Superintendent, Business Services**

**Kelvin Tsunezumi, Executive Director, Fiscal Services**

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



## **Overview of Tonight's Presentation**

- State Budget Crisis (2008-09 & 2009-10)
- Possibility of Layoffs – Due to State Budget Crisis
- SAUSD Impact & Review of Budget Information / Assumptions
- Recommendations to the State Legislature & Governor



## State Budget Crisis

- State Deficit currently at \$42 Billion .....and growing
- Legislature still deadlocked on proposals to resolve the crisis
- Orange County Department of Education's (OCDE) directive:
  - Utilize Governor's proposal for budgeting purposes including upcoming Second Interim Report
  - **Identify & approve needed budget reductions for 2009-10 by March 15<sup>th</sup>**





(\$s in millions)	2008-09	2009-10
Elimination of .68% COLA	\$2.0	\$2.0
Further Revenue Limit Reduction (2008-09)	\$14.4	\$14.4
Further Revenue Limit Reduction (2009-10)	---	\$9.9
Elimination of State Unappropriated Funds	\$.5	---
2008-09 Unrestricted Budgeted Deficit	\$4.5	\$4.5
2009-10 Addt'l Expense (Step & Column, etc.)	---	\$5.3
Lowered Lottery Revenue Projection (Unrestricted)	\$.5	\$.5
Add'l Funding – Special Ed Behavioral Intervention Lawsuit Settlement	---	<\$0.7>
<b>Total Estimated Cut</b>	<b>\$21.9</b>	<b>\$35.9</b>

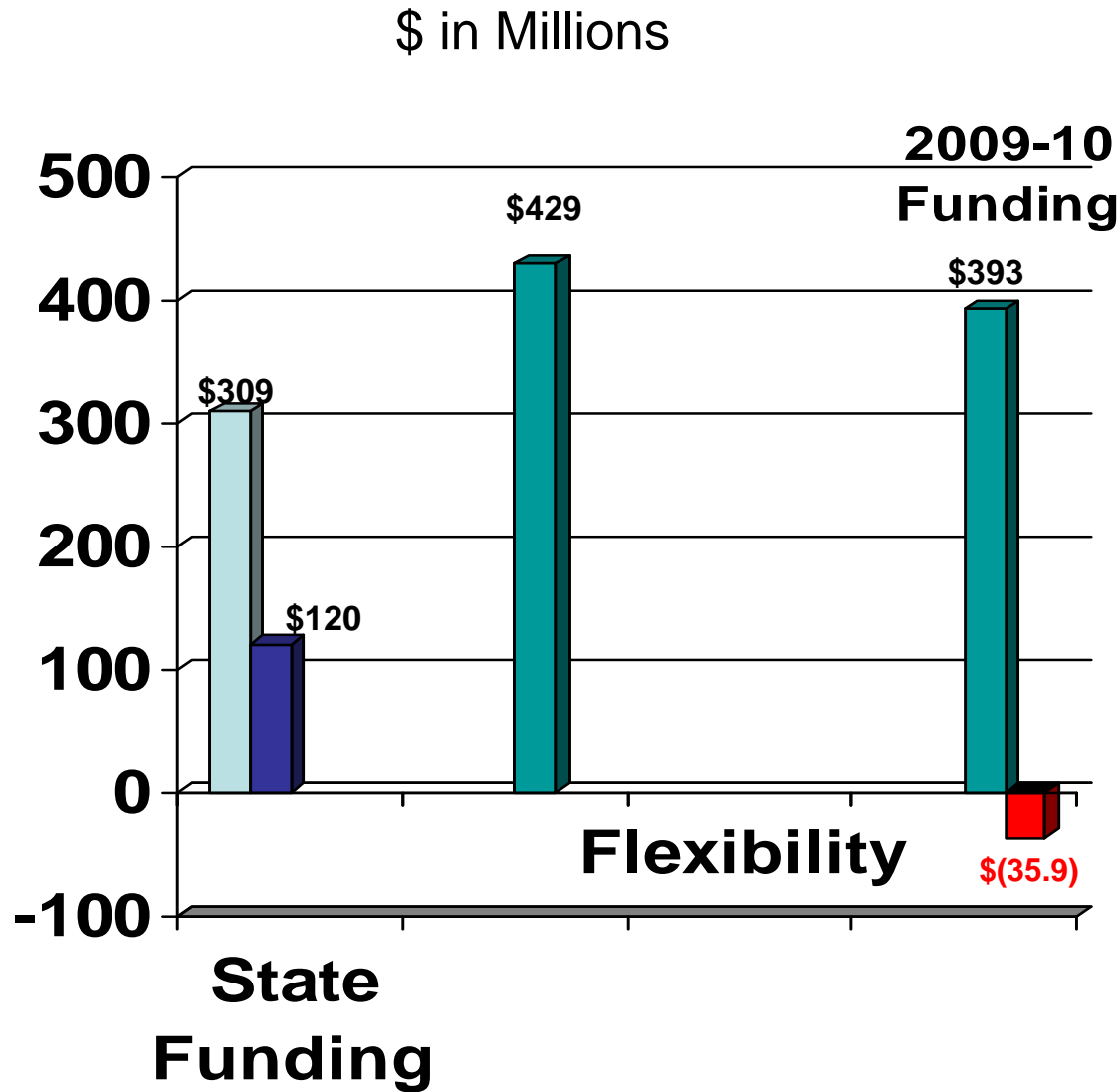


- I. Permanent loss of approximately \$1200 per student in the next 18 months
- II. Potential loss of 750 jobs
- III. The Federal Stimulus Plan is not a permanent solution
- IV. Urban Impact on Students
- V. School Districts need the flexibility to make local decisions to support the basic instructional program



## **2009-10 Governor's Flexibility Proposals**

- ✓ **Use selected restricted categorical funds for any purpose**
- ✓ **Reduce Routine Maintenance account to 1%**
- ✓ **Eliminate Deferred Maintenance match**
- ✓ **Reduce General Fund reserve to half of what is required (i.e. SAUSD reserves reduced to 1%).**



\* Use State categorical funds for any purpose (currently just a proposal, needs Legislative approval).

- General Fund
- Categorical
- Flexibility Provisions
- 2009-10 Cut



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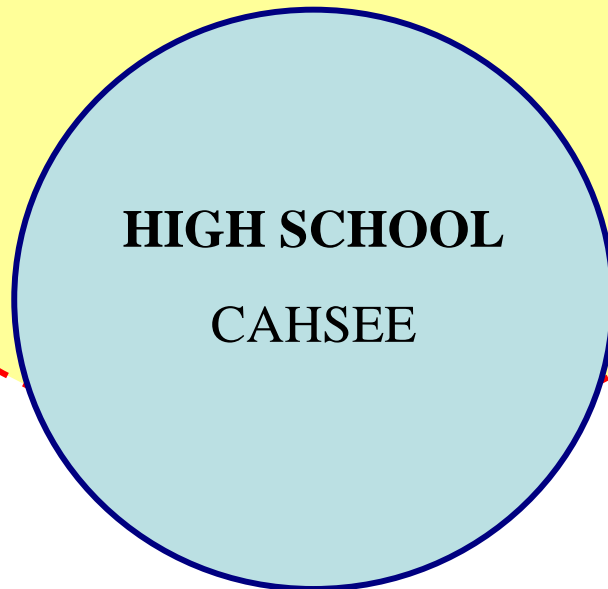
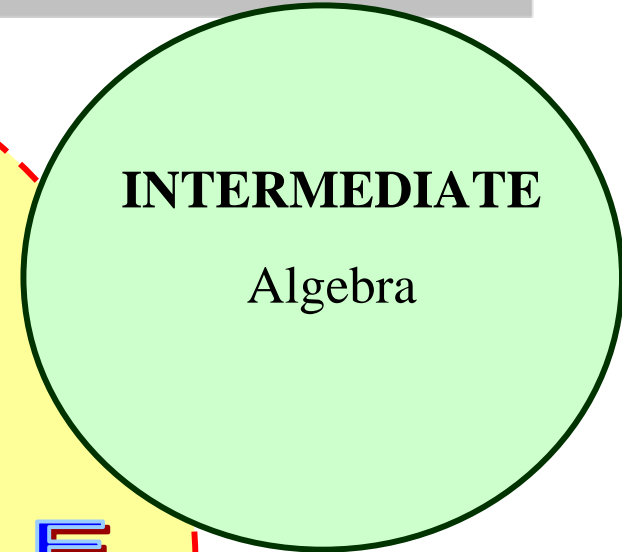
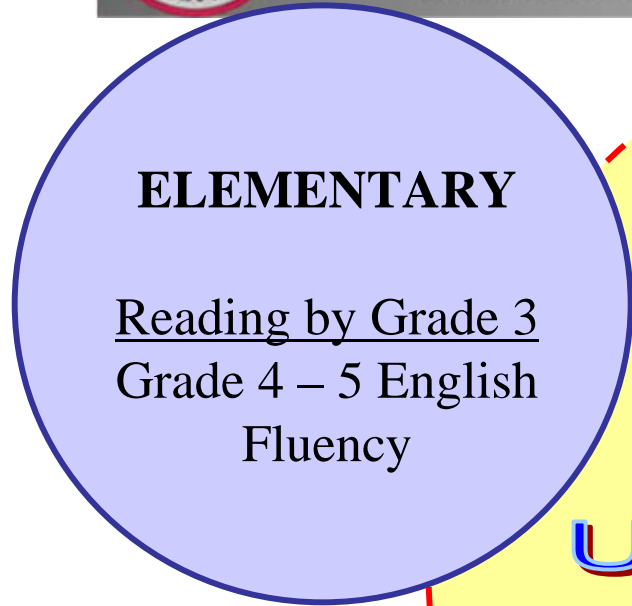
# Board of Education / District Goals & Priorities



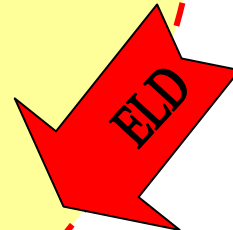
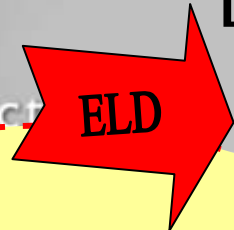


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District Educational Goals



**FAILURE  
IS  
UNACCEPTABLE**





- Continue to offer K-3 Class Size Reduction (CSR)
- Preserve Counselor & Library Services
- Maintain Athletics & Music Programs (Urban Impact)
- Safety (Urban Impact)
- Minimize the Impact of Cuts to our Students & Employees
- Maintain Fiscal Solvency



**Economics shouldn't deny students in urban schools the benefit of music and arts education or the opportunity to participate in scholastic competitions, band, choir, and athletics.**

- State funding does not fully support the cost of operating urban area schools
  - **89%** of SAUSD students identified as socioeconomically disadvantaged
- Due to economic factors, urban school districts must fully fund many supplemental programs including: Music, Art, Performing Arts & Athletics
- Urban schools must also provide:
  - basic classroom supplies such as paper and pencils.
  - Security costs to protect schools in urban areas are millions per year.
- In other districts, these costs are absorbed in part, or in whole, by parents and/or through donations.



**What Elementary School Programs / Support  
May Look Like in the 2009-10 School Year:**

- Class Size Reduction K – 3 maintained (using categorical funds)
- Elementary Music Program maintained
- Library Services maintained
  - Part-time position at every school site
- Office Support maintained
  - Full-time School Office Manager
  - Part-time Site Clerk at every school site.



## **What Intermediate School Programs / Support May Look Like in the 2009-10 School Year:**

- Class Size maintained
- Counseling Support maintained
- Safety Programs maintained
- Library Services maintained
  - Part-time position at every school site
- Office support maintained



## What High School Programs / Support May Look Like in the 2009-10 School Year:

- Class Size maintained
  - Morgan Hart (9<sup>th</sup> grade CSR) funding eliminated by the State
- Counseling Support maintained
- Safety Programs maintained
- CAHSEE Success Plan maintained
- Athletic Programs maintained
- Office Support maintained



## Items/Positions That May No Longer Be Provided Due to Loss / Redirection of Categorical Funding

- Out of Classroom Certificated Support Positions
- Supplemental Instructional Assistants (not Special Education)
- Supplemental Instructional Programs
- Supplemental Tutoring and Interventions
- Teacher Staff Development
- Collaboration Time (using substitutes)
- Specified Interest-Based Grants
- Reduction in Site and District Administrative Support (due to loss of other funding)



## **District's Proactive Actions to Minimize Lay-offs**

- Vacant positions frozen wherever possible
- Early retirement incentive offered to qualified, credentialed staff
- Layoff impact now needs to be considered as part of budget assumptions





## Potential Lay-offs Caused by State Funding Cuts

- Given the magnitude of the cuts, we estimate a total of 750 teacher, support staff and administrative positions will need to receive lay-off notices
  - Required due to the lack of an adopted State Budget
- 750 positions = 12% of our employees!
- These reductions will impact our students!



**Santa Ana**  
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**Board of Education  
Direction  
on  
Budget Priorities**



- Continue to offer K-3 Class Size Reduction (CSR)
- Preserve Counselor & Library Services
- Maintain Athletics & Music Programs (Urban Impact)
- Safety (Urban Impact)
- Minimize the Impact of Cuts to our Students & Employees
- Maintain Fiscal Solvency



- February 10<sup>th</sup> Board Meeting
  - Identify priorities and items no longer funded or provided
  - Approve Reduction Force Notifications to meet statutory deadlines and maintain fiscal solvency
  
- February 24<sup>th</sup> Board Meeting
  - Review preliminary 2<sup>nd</sup> Interim Budget data
  - Review proposed budget reductions (for 2008-09 & 2009-10)
    - ❑ **Reminder: Per OCDE guidelines, cuts need to be approved by March 15<sup>th</sup>**
      - ❑ **Mid-year 2008-09 Budget Reductions; and**
      - ❑ **2009-10 Budget Reductions**
  - Schedule additional special board meeting(s) as needed
  
- March 10<sup>th</sup> Board Meeting
  - Approve budget reductions (for 2008-09 & 2009-10)
  - Approve 2<sup>nd</sup> Interim Report
    - ❑ Positive, Qualified or Negative Certification