



**Santa Ana**  
Unified School District

# **Budget Update**

***July 27, 2010***

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1. State Budget Update



2. District's 2010-11 Budget: MYP, Budget Cuts, etc.

3. Next Steps

4. Salary & Benefit Settlements - Other OC Districts



- There is no new news from Sacramento
- The silence has been deafening
- Many speculate that:
  - The Governor and Legislature will eventually pass a State budget but one that does not address the State's \$19.9 billion deficit
  - They will wait until after the November elections to make difficult decisions related to new taxes and/or budget reductions
  - School Services states that the May Revise may be the best case scenario (i.e. further cuts to Education may be forthcoming)
- The State's budget crisis has increased the number of Negative & Qualified Districts





- A “Negative” certification is assigned or selected when it is determined that the LEA **will not** be able to meet its financial obligations for the current fiscal year & the following subsequent year
- A total of **14 districts** received or submitted negative certifications for 2009-10 2<sup>nd</sup> Interim Reporting

District	County	Total Budget (\$s in millions)
Hayward Unified	Alameda	\$209.8
John Swett Unified	Contra Costa	\$16.0
Westwood Unified	Lassen	\$3.1
Lynwood Unified	Los Angeles	\$148.7
Mariposa County Unified	Mariposa	\$19.4
Natomas Unified	Sacramento	\$77.5
Aromas/San Juan Unified	San Benito	\$10.7
Franklin-McKinley Elementary	Santa Clara	\$81.4
Orchard Elementary	Santa Clara	\$6.1
Travis Unified	Solano	\$41.3
Vallejo City Unified	Solano	\$144.2
Cloverdale Unified	Sonoma	\$12.8
Cotati-Rohnert Park Unified	Sonoma	\$52.0
Healdsburg Unified	Sonoma	\$19.6



- A “Qualified” certification is assigned or selected when it is determined that the LEA **may not** be able to meet its financial obligations for the current fiscal year and two (2) subsequent years
- A total of **160 districts** received or submitted qualified certifications for 2009-10 2<sup>nd</sup> Interim Reporting

Districts
Newark Unified, Oakland Unified, Amador COE, Amador County Unified, Chico Unified, Paradise Unified, Mark Twain Union Elementary, Antioch Unified, Knightsen Elementary, Martinez Unified, San Ramon Valley Unified, West Contra Costa Unified, Buckeye Union Elementary, Gold Oak Union Elementary, Gold Trail Union Elementary, Golden Plains Unified, Orange Center (Elementary), Parlier Unified, Willows Unified, Eureka City Unified, Mattole Unified, Scotia Union Elementary, Southern Humboldt Joint Unified, Imperial Unified, El Tejon Unified, Lost Hills Union Elementary, Muroc Joint Unified, Panama-Buena Vista Union (Elementary), Southern Kern Unified, Upper Lake Union Elementary, Janesville Union Elementary, Antelope Valley Union High, Azusa Unified, Burbank Unified, Covina-Valley Unified, Culver City Unified, El Rancho Unified, Garvey Elementary, Glendale Unified, Hawthorne (Elementary), Inglewood Unified, Lancaster Elementary, Las Virgenes Unified, Lennox (Elementary), Little Lake City Elementary, Los Angeles Unified, Los Nietos (Elementary), Loweel Joint (Elementary), Montebello Unified, Newhall (Elementary), Norwalk-La Mirada Unified, Paramount Unified, Pomona Unified, Rosemead Elementary, Rowland Unified, San Gabriel Unified, Santa Monica-Malibu Unified, South Pasadena Unified, Whittier City Elementary, William S. Hart Union High, .....



Districts

(Note: 11 Orange County districts submitted/received a Qualified certification.)

Wilsona Elementary, Mariposa COE, Laytonville Unified, Potter Valley Community Unified, Round Valley Unified, Ukiah Unified, Dos Palos Oro Loma Joint Unified, Le Grand Union High, Eastern Sierra Unified, King City Union (Elementary), King City Joint Union, North Monterey County Unified, Santa Rita Union Elementary, Washington Union Elementary, Nevada City Elementary, **Anaheim City (Elementary), Buena Park Elementary, Capistrano Unified, Centralia Elementary, Fullerton Elementary, Garden Grove Unified, Huntington Beach City Elementary, La Habra City Elementary, Saddleback Valley Unified, Santa Ana Unified, Westminster Elementary,** Auburn Union Elementary, Colfax Elementary, Placer Hills Union Elementary, Rocklin Unified, Alvord Unified, Coachella Valley Unified, Desert Sands Unified, Menifee Union Elementary, Moreno Valley Unified, Nuvview Union Elementary, Palo Verde Unified, Riverside Unified, Temecula Valley Unified, Val Verde Unified, Elk Grove Unified, Folsom-Cordova Unified, Robla Elementary, Sacramento City Unified, San Juan Unified, Twin Rivers Unified, Hollister (Elementary), Alta Loma Elementary, Baker Valley Unified, Bear Valley Unified, Central Elementary, Chino Valley Unified, Etiwanda Elementary, Hesperia Unified, Lucerne Valley Unified, Rialto Unified, Yucaipa-Calimesa Joint Unified, La Mesa-Spring Valley, Oceanside Unified, Ramona City Unified, San Ysidro Elementary, Atascadero Unified, Lucia Mar Unified, Paso Robles Joint Unified, Pleasant Valley Joint Union Elementary, San Miguel Joint Union (Elementary), Shandon joint Unified, Belmont-Redwood Shores Elementary, La Honda-Pescadero Unified, East Side Union High, Milpitas Unified, Santa Cruz City Elementary, Santa Cruz City High, Anderson Union High, Cascade Union Elementary, Castle Rock Union Elementary, Cottonwood Union Elementary, happy Valley Union Elementary, Oak Run Elementary, Pacheco Union Elementary, Dixon Unified, Fairfield-Suisun Unified, Forestville Union Elementary, Geyserville Unified, Piner-Olivet Union Elementary, Sebastopol Union Elementary, West Sonoma County Union High, West County Transportation, Ceres Unified, Salida Union Elementary, Stanislaus Union Elementary, Antelope Elementary, Reeds Creek Elementary, Stone Corral Elementary, Curtis Creek Elementary, Summerville Union High, Hueneme Elementary, Rio Elementary, Santa Paula Elementary & Marysville Joint Union.



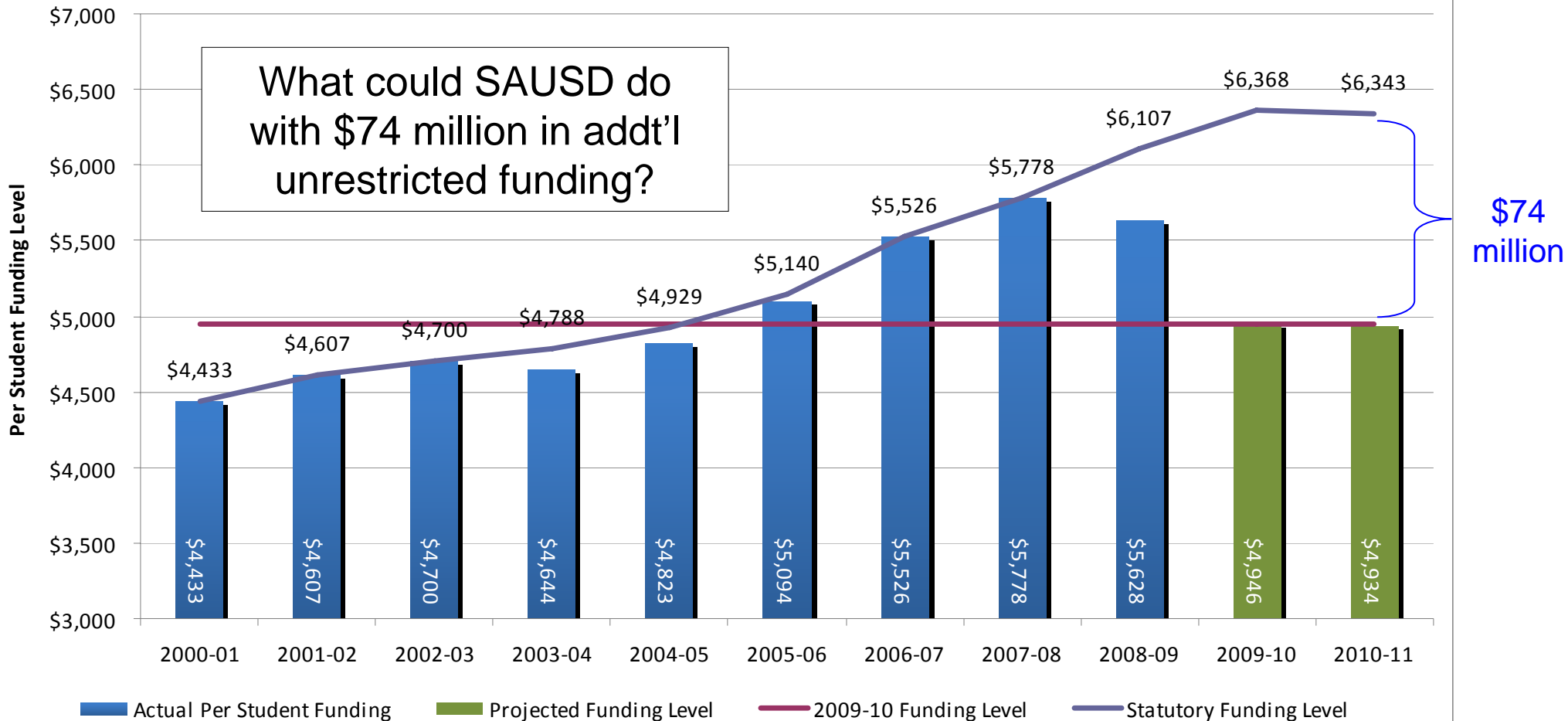
- **State budget cuts, have significantly reduced funding for SAUSD**
  - SAUSD's 2010-11 Revenue Limit (i.e. the main source of our District's funding) is **\$74 million** less than what the State should be remitting
- **Our MYP reveals a deficit spending trend and a projected decline in reserves from 8.4% (2009-10 est. as of 6/22/10) to 2.9% (2012-13)**
  - Note: Deficit spending and a decline in reserves continues despite significant budget reductions (see below)
- **Reductions in State funding coupled with declining enrollment has resulted in the need for significant District cuts**
  - 2004-05 to date: **<\$166.2 million>**
  - 2004-05 to 2012-13: **<\$229.2 million>**



# Santa Ana

Unified School District

## Historical Funded Base Revenue Limit - Santa Ana







<u>(\$s in millions)</u>	<u>2009-10*</u>	<u>2010-11</u>	<u>2011-12</u>	<u>2012-13</u>
<b>Beginning Fund Balance (at Second Interim)</b>	\$93.2	\$83.3	\$48.0	\$31.1
<b>Revenues</b>	\$464.5	\$447.8	\$434.3	\$428.2
<b>Expenditures (including Budget Reductions)</b>	\$474.4	\$483.1	\$451.2	\$429.8
<b>Net Increase/(Decrease)</b>	<b>(\$9.9)</b>	<b>(\$35.3)</b>	<b>(\$16.9)</b>	<b>(\$1.6)</b>
<b>Proj. Ending Fund Balance (at Third Interim)</b>	\$83.3	\$48.0	\$31.1	\$29.5
<b>Less: Other Designations (incl. Rev. Cash, etc.)</b>	<b>(\$2.8)</b>	<b>(\$2.8)</b>	<b>(\$2.8)</b>	<b>(\$2.8)</b>
<b>Unrestricted Reserves (incl. Instr. Materials, etc.)</b>	<b>(\$10.3)</b>	<b>(\$9.5)</b>	<b>(\$11.5)</b>	<b>(\$13.5)</b>
<b>QEIA Reserve</b>	<b>(\$0.0)</b>	<b>(\$0.0)</b>	<b>(\$0.0)</b>	<b>(\$0.0)</b>
<b>One-time cuts / Budget shifts – Deferred</b>	<b>(\$23.0)</b>	---	---	---
<b>Restricted Reserves</b>	<b>(\$7.5)</b>	<b>(\$1.8)</b>	<b>(\$0.6)</b>	<b>(\$0.9)</b>
<b>Desig. for Economic Uncertainties</b>	\$39.7	\$33.9	\$16.2	\$12.3
<b>Desig. for Economic Uncertainties %</b>	8.4%	7.0%	3.6%	2.9%
<b>Addt'l Unspecified Budget Cuts Needed</b>	---	---	<b>(\$32.5)</b>	<b>(\$30.5)</b>

\* Estimate as of June 22, 2010.



Inadequate State funding of our schools has resulted in Educational program reductions. The latest projected budget reductions for 2011-12 & 2012-13 are **-\$32.5 million** & **-\$30.5 million** respectively.

- 2004-05, **<\$29 million>**
- 2005-06, **<\$14 million>**
- 2006-07, **<\$15 million>**
- 2007-08, **<\$21 million>**
- 2008-09, **<\$41.6 million>**
- 2009-10, **<\$11.6 million>**
- 2010-11, **<\$34.0 million>**

Budget Cuts (2004-05 thru 2010-11): **<\$166.2 million>**

- 2011-12, **<\$32.5 million>**
- 2012-13, **<\$30.5 million>**

**Total Budget Cuts (2004-05 thru 2012-13): <\$229.2 million>**





(\$s in millions)	2010-11	2010-11	2011-12	2012-13
Budget Cuts <u>not</u> yet Identified &/or Approved	---	---	<\$32.5>	<\$30.5>
Reserves <b>with</b> above cuts	8.4%	7.0%	3.6%	2.9%
Reserves <b>without</b> above cuts	8.4%	7.0%	<3.4%>	<16.9%>



- OCDE review of our 2010-11 Budget is pending
- OCDE reviewed our 2009-10 3<sup>rd</sup> Interim Report & recommends / warns of the following:
  - *“closely monitor cash and maintain unrestricted reserves above the State recommended minimum.” (i.e. 2%)*
  - *“the longer the District waits to implement budget reductions, the more the District is exhausting its fund balance and cash reserves.”*
  - Main concerns as noted by OCDE:
    - *“The District has not settled salary or benefit negotiations for the 2010-11 fiscal year or future years.”*
    - *“..... the district closely monitor future enrollment trends and prepare for appropriate budget adjustments should enrollment fluctuate adversely.”*
    - *“..... the Governor's May Revision is the best case scenario and education may be cut further as the legislative process unfolds.”*



- Once State adopts their budget, revise our district budget
  - Note: As previously mentioned, we do not anticipate significant changes in our budget until after the November elections.
- By Dec. 15, 2010, identify \$32.5 million in 2011-12 budget cuts \*
  - We can't do everything we want, but we can prioritize and provide those services essential to academic success
  - Salaries/benefits constitutes over 93% of our unrestricted budget
  - We need to work with our administrative, certificated and classified associations to achieve expenditure reductions
- As part of the above, reach decision on CSR for 2011-12 & future years.



\* Dollar amount of the cuts may change depending on the State's adopted budget.



# Santa Ana

Unified School District

## Salary & Benefit Settlements - Other OC Districts (The 8 Largest Unified Districts)





District	2009-10	2010-11	2011-12
Santa Ana	<u>Certificated / Classified:</u> a) 0.0% <u>Management Only:</u> a) Up to 10 furlough days <u>Instructional Days:</u> a) Reduced 0 days	<u>Certificated / Classified:</u> a) Negotiating <u>Management Only:</u> a) Up to 10 furlough days <u>Instructional Days:</u> a) Negotiating	<u>Certificated / Classified:</u> a) Negotiating <u>Management Only:</u> a) Negotiating <u>Instructional Days:</u> a) Negotiating
Capistrano	<u>Certificated:</u> a) 4 Furlough Days  <u>Classified:</u> a) Negotiating <u>Instructional Days:</u> a) Reduced 3 days	<u>Certificated:</u> a) 5 Furlough Days b) 3.7% Salary Rollback c) H&W capped at 2010 rate d) Step/Column Freeze (6 Months)  <u>Classified:</u> a) Negotiating <u>Instructional Days:</u> a) Reduced 2 days	<u>Certificated:</u> a) 5 Furlough Days b) 3.7% Salary Rollback c) H&W capped at 2010 rate  <u>Classified:</u> a) Negotiating <u>Instructional Days:</u> a) Reduced 2 days



District	2009-10	2010-11	2011-12
Garden Grove	<u>Certificated / Classified:</u> a) 0.0% <u>Instructional Days:</u> a) Reduced 0 days	<u>Certificated / Classified:</u> a) Negotiating <u>Instructional Days:</u> a) Negotiating	<u>Certificated / Classified:</u> a) Negotiating <u>Instructional Days:</u> a) Negotiating
Saddleback	<u>Certificated:</u> a) 3 Furlough Days  <u>Classified:</u> a) Negotiating <u>Instructional Days:</u> a) Reduced 3 days	<u>Certificated:</u> a) 9 Furlough Days b) 2.85% Salary Rollback c) Raise H&W contributions d) Increase class size by 0.5  <u>Classified:</u> a) Negotiating <u>Instructional Days:</u> a) Reduced 5 days	<u>Certificated:</u> a) 9 Furlough Days b) 2.85% Salary Rollback c) Raise H&W contributions d) Increase class size by 2.0  <u>Classified:</u> a) Negotiating <u>Instructional Days:</u> a) Reduced 5 days





District	2009-10	2010-11	2011-12
Orange	<p><b>Certificated:</b> a) 4 Furlough Days</p> <p><b>Classified:</b> a) 4 Furlough Days</p> <p><b><u>Instructional Days:</u></b> a) Reduced 0 days</p>	<p><b>Certificated:</b> a) 9 Furlough Days b) Increase class size to 33:1</p> <p><b>Classified:</b> a) Tentative: 9 Furlough Days b) H&amp;W capped at 2010-11 rate</p> <p><b><u>Instructional Days:</u></b> a) Reduced 5 days</p>	<p><b>Certificated:</b> a) 9 Furlough Days b) Increase class size to 33:1</p> <p><b>Classified:</b> a) Tentative: 9 Furlough Days b) H&amp;W capped at 2010-11 rate</p> <p><b><u>Instructional Days:</u></b> a) Reduced 5 days</p>
Irvine Unified	<p><b>Certificated:</b> a) 4 Furlough Days</p> <p><b>Classified:</b> a) Negotiating</p> <p><b><u>Instructional Days:</u></b> a) Reduced 4 days</p>	<p><b>Certificated:</b> a) 8 Furlough Days</p> <p><b>Classified:</b> a) Negotiating</p> <p><b><u>Instructional Days:</u></b> a) Reduced 5 days</p>	<p><b>Certificated:</b> a) Negotiating</p> <p><b>Classified:</b> a) Negotiating</p> <p><b><u>Instructional Days:</u></b> a) Negotiating</p>



District	2009-10	2010-11	2011-12
Placentia-Yorba Linda	<p><b>Certificated:</b> a) 4 Furlough Days</p> <p><b>Classified:</b> a) 4 Furlough Days</p> <p><b><u>Instructional Days:</u></b> a) Reduced 0 days</p>	<p><b>Certificated:</b> a) 6 Furlough Days</p> <p><b>Classified:</b> a) 6 Furlough Days</p> <p><b><u>Instructional Days:</u></b> a) Reduced 4 days</p>	<p><b>Certificated:</b> a) Negotiating</p> <p><b>Classified:</b> a) Negotiating</p> <p><b><u>Instructional Days:</u></b> a) Negotiating</p>
Tustin	<p><b>Certificated:</b> a) 0.0%</p> <p><b>Classified:</b> a) 0.0%</p> <p><b><u>Instructional Days:</u></b> a) Reduced 0days</p>	<p><b>Certificated:</b> a) 7 Furlough Days</p> <p><b>Classified:</b> a) Negotiating</p> <p><b><u>Instructional Days:</u></b> a) Reduced 5 days</p>	<p><b>Certificated:</b> a) 7 Furlough Days</p> <p><b>Classified:</b> a) Negotiating</p> <p><b><u>Instructional Days:</u></b> a) Reduced 5 days</p>