



**Santa Ana**  
Unified School District

# **Budget Study Session**

***March 1, 2011***

**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, Assistant Director, Fiscal Services**

**Christeen Betz, Assistant Director, Fiscal Services**



1. Board Budget Priorities
2. Impact of State Budget to SAUSD
  - › Plan B – If the Governor's Proposed Tax Extension Passes
  - › Plan C – LAO Recommendations for an "all cuts" Budget
3. Ongoing Budget Reduction Considerations
4. Strategies for 2012-13 Reductions
5. Next Steps








## 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**







\$ in millions

	Description of Reduction	Proposed Amount of Reduction/ Increase	Reductions Required
			<b>Plan B</b>
	Reductions required for 2011-12		<b>\$31.5</b>
	10-11 Base Revenue Limit <b><u>(one-time)</u></b>	\$13.8	<b>\$17.7</b>
	Jobs Bills <b><u>(one-time)</u></b>	\$8.3	<b>\$9.4</b>
	Health and Welfare negotiations	\$3.0	<b>\$6.4</b>
	Increase expenditures for 2011-12	<b>&lt;\$4.0&gt;</b>	<b>\$10.4</b>
	Loss of \$79/ADA 2011-12 Base Revenue Limit <b>(Plan B)</b>	<b>&lt;\$4.0&gt;</b>	<b>\$14.4</b>



**Assumes \$14.4 million in unidentified reductions are made in 2011-12 (Slide 4)**

\$ in millions

	Description of Reduction	Proposed Amount of Reduction/ Increase	Reductions Required
	New Reductions required for 2012-13		<b>\$30.5</b>
	10-11 Base Revenue Limit ( <b>one-time</b> from 2011-12)	<b>\$13.8</b>	<b>\$44.3</b>
	Jobs Bills ( <b>one-time</b> from 2011-12)	<b>\$8.3</b>	<b>\$52.6</b>
	CSR Penalty Flexibility continues	\$11.0	<b>\$41.6</b>
	<b>One-time</b> Utilization of District Reserve funds (Fund 17 & 67)	\$13.5	<b>\$28.1</b>



- Utilizing one-time solutions in both 2011-12 (**Jobs bill & unexpected base revenue limit increase from 10-11**) and 2012-13 (**Fund 17 reserve balances**) SAUSD will still be required to make additional unidentified budget reductions of:
  - **\$14.4** million for 2011-12 (by March 8, 2011)
  - **\$28.1** million for 2012-13 (by December 13, 2011)



## Current Worse Case Scenario

- Utilizing one-time solutions in both 2011-12 (**Jobs bill & unexpected base revenue limit increase from 10-11**) and 2012-13 (**Fund 17 reserve balances**) SAUSD will still be required to make additional unidentified budget reductions of:

~~— \$14.4 million for 2011-12~~

— **\$30.9 - \$41.9** million for 2011 – 12

- **\$14.4 million** to be identified by March 8, 2011

— **\$28.1** million for 2012-13 (by December 13, 2011)



Current Worse Case Scenario

\$ in millions

	Description of Reduction	Proposed Amount of Reduction/ Increase	Reductions Required
			<b>Plan C</b>
	Reductions required for 2011-12	<del>\$31.5</del>	<b>\$67.0</b>
	Additional expenditures	<del>\$4.0</del>	
	Loss of \$79/ADA	<del>\$4.0</del>	
	Additional Loss of Revenue (Plan C)	<del>\$16.5</del>	
	Elimination of QEIA (LAO letter to Senate)	<del>\$11.0</del>	
	10-11 Base Revenue Limit <b><u>(one-time)</u></b>	\$13.8	<b>\$53.2</b>
	Jobs Bills <b><u>(one-time)</u></b>	\$8.3	<b>\$44.9</b>
	Health and Welfare negotiations	\$3.0	<b>\$41.9</b>





- Sweep Instructional Materials (Tier III)
  - \$3 million ongoing (through 2014-15)
  - \$5.5 million one-time existing in designated reserves
- Eliminate Unrestricted Funding (Tier III) for Comprehensive High School Summer School
  - \$1 million ongoing (through 2014-15)
- Sweep Tier III ending balances
  - \$1 million one-time
- Fund 17
  - \$13.1 million one-time
- Reduce Reserve to 2%
  - \$15-20 million one-time



- District provides make-up classes for students who are credit deficient
  - General Fund (Tier III) support of over \$1 million
- No “go-ahead,” accelerated, or elective classes can be offered due to budget
- Comprehensive High School Summer School is not a core program
- Facility modifications will require closing of several secondary sites this summer
- Transformational Comprehensive High Schools could use supplemental funds for “extended learning time” that are available for the next 3 years (Godinez and Segerstrom do not have that option).



\$ in millions

	Description of Reduction	Proposed Amount of Reduction/ Increase	Reductions Required
			<b>Plan B</b>
	Reductions required for 2011-12		<b>\$31.5</b>
	10-11 Base Revenue Limit <b><u>(one-time)</u></b>	\$13.8	<b>\$17.7</b>
	Jobs Bills <b><u>(one-time)</u></b>	\$8.3	<b>\$9.4</b>
	Health and Welfare negotiations	\$3.0	<b>\$6.4</b>
	Increase expenditures for 2011-12	<b>&lt;\$4.0&gt;</b>	<b>\$10.4</b>
	Loss of \$79/ADA 2011-12 Base Revenue Limit <b>(Plan B)</b>	<b>&lt;\$4.0&gt;</b>	<b>\$14.4</b>
	<b>Sweep of Instructional Materials (Tier III)</b>	\$2.0	<b>\$12.4</b>
	<b>Eliminate unrestricted funding (Tier III) of Comprehensive High Summer School</b>	\$1.0	<b>\$11.4</b>

**Recommended solution: Temporarily utilize reserves (one-time) and work with associations to identify ongoing cuts for 2011-12 by June 2011 (Third Interim)**



- 2011-12 unidentified budget reductions required = **\$11.4 million**  
= **\$27.9–\$38.9 million**
- 2012-13 unidentified budget reductions required = **\$28.1 million**

**One-time solutions are exhausted  
and remaining solutions are limited**

- › Negotiated Reductions
- › Staffing Reductions (limited by preferential sub requirement)
- › Program Reductions (limited to mostly summer and bell schedule)



- Class sizes K-3 have increased from 20-21 in 2008-09 to approximately 25 in 2010-11
- Grades 4 – 12 class sizes have increased about 3 or more per grade
- 60% of districts have reduced the school year (30% are already down to 175 days)
- 93% of districts have used all, or most, Tier III flexible funding to meet “any educational need”
  - The most common eliminated programs are Arts and Music, Community Based English Tutoring and High School Class Size Reduction
- **One-time** ARRA and Jobs Bill funding is being used by most school districts to maintain positions or reduce temporarily negotiated furlough days
  - ARRA funding expires at the end of the 2010-11 fiscal year
  - Jobs Bill funding expires at the end of the 2011-12 fiscal year



- Substitute Cost Preferential Treatment:  
Education Code 44956(a)(5)
  - Provides laid off permanent, certificated a preferential right to be:
    - The first on the list to be called as a substitute
    - and if they serve as a certificated substitute for 21 or more days within a period of 60 days, will receive their per diem rate of pay (retroactive to the first day of substitute services)
    - Currently the District utilizes approximately 100 certificated substitutes on a daily basis



- One-time Federal funds
  - Must be used to maintain or create jobs
  - Must be expended by the end of 2011-12 school year
- For use as a **one-time** budget reduction
- Currently funded positions must be reduced or eliminated to reduce required budget reductions for 2011-12 for one year by:
  - Allowing the continued employment of a group of employees for 2011-12 **(the employee group would not be funded for 2012-13)**
  - Or, to restore an ongoing negotiated reduction, such as furlough day, for a group of employees **(the reduction would occur in 2012-13)**





Date	Event or Activity
On-going until Settled	Negotiations with our certificated & classified associations (SAEA & CSEA respectively) for <b><u>ongoing reductions</u></b> and utilization of Jobs Bill funds
March 1	Board Budget Study Session
Mar 8	Presentation of Second interim Report Approval of 2011-12 Budget Reduction measures Reach Decision on CSR for 2011-12 & future years