



Santa Ana
Unified School District

2009-10 Budget Update

October 27, 2009

Jane A. Russo, Superintendent

Cathie Olsky, Ed.D., Deputy Superintendent

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- Current Budget Update
 - State Update
 - 2009-10 Newspaper headlines
- Cash Flow Update
- OCDE Review of 2008-09 Unaudited Actuals Report



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Unified School District

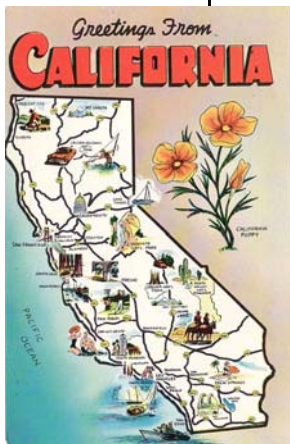
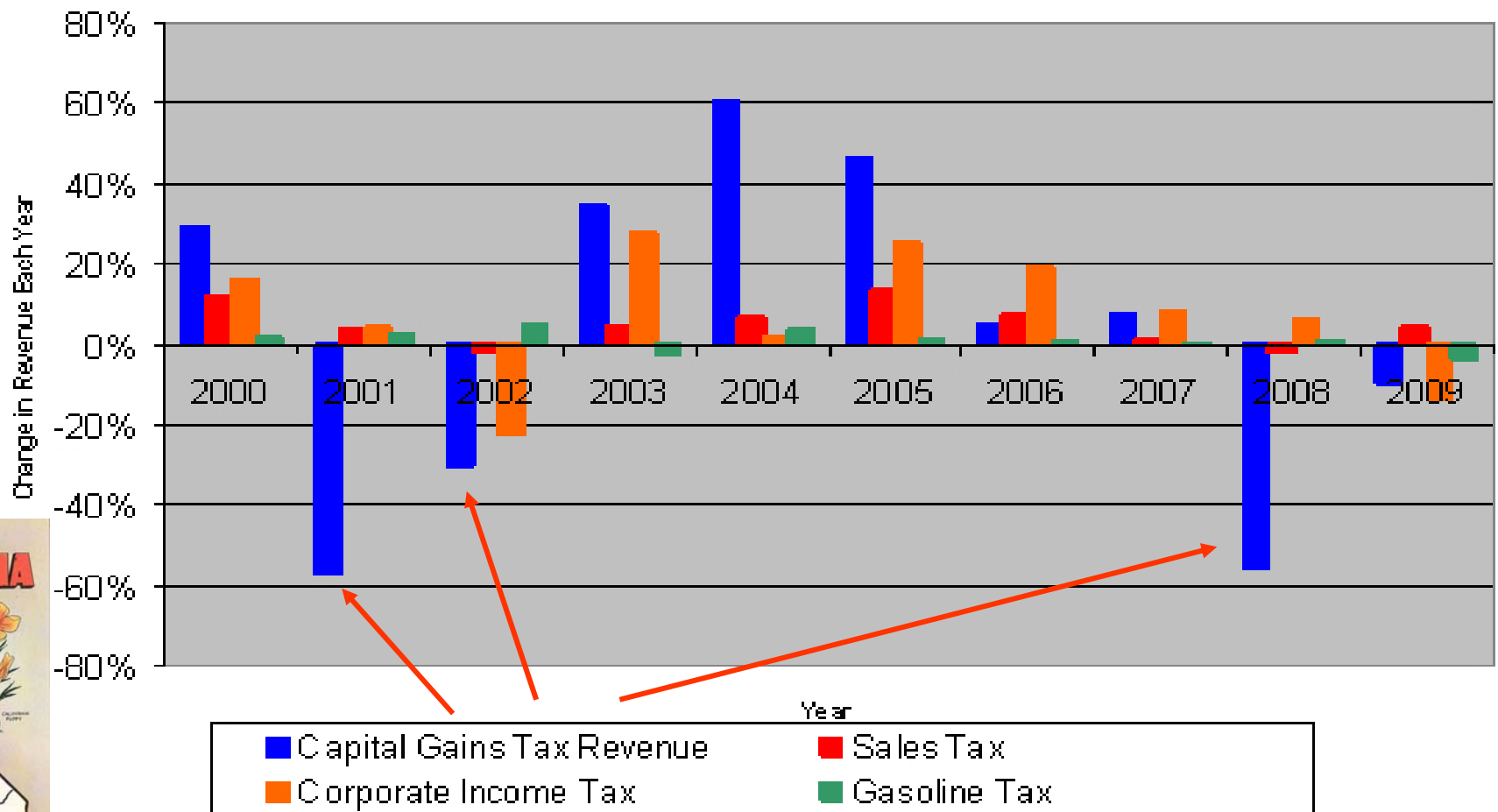
2008-09 State Budgeta roller coaster ride



2009-10 is expected to bring more of the same!



Capital Gains and Corporate Income Taxes Relied on By California Are Unstable

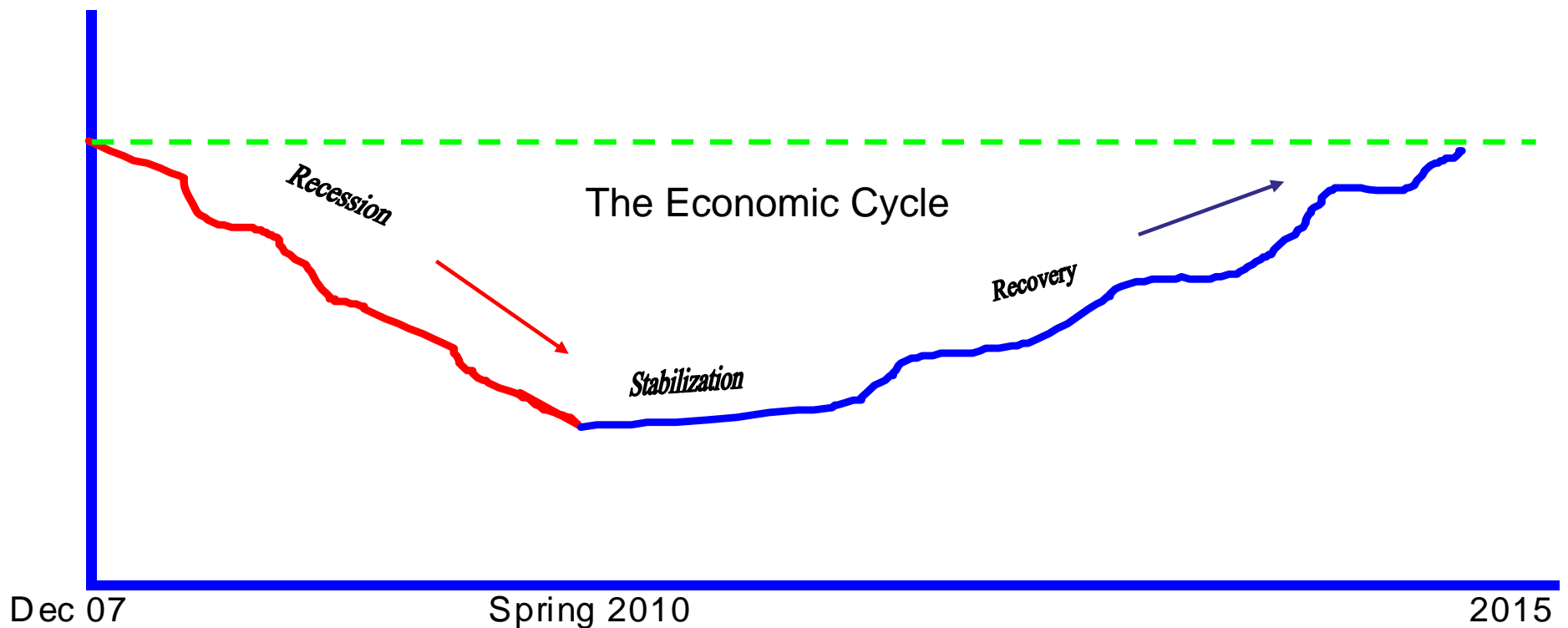




- The Department of Finance (DOF) reports September State revenues short of projections by \$810 million
 - This is AFTER revenue projections were already reduced by \$3 Billion
- The Employment Development Department (EDD) reports California lost 39,300 jobs in September (vs. loss of 7,200 in August)
 - The state's unemployment rate currently at 12.2% (vs. 12.3% in August)
 - The national unemployment rate at 9.8%.



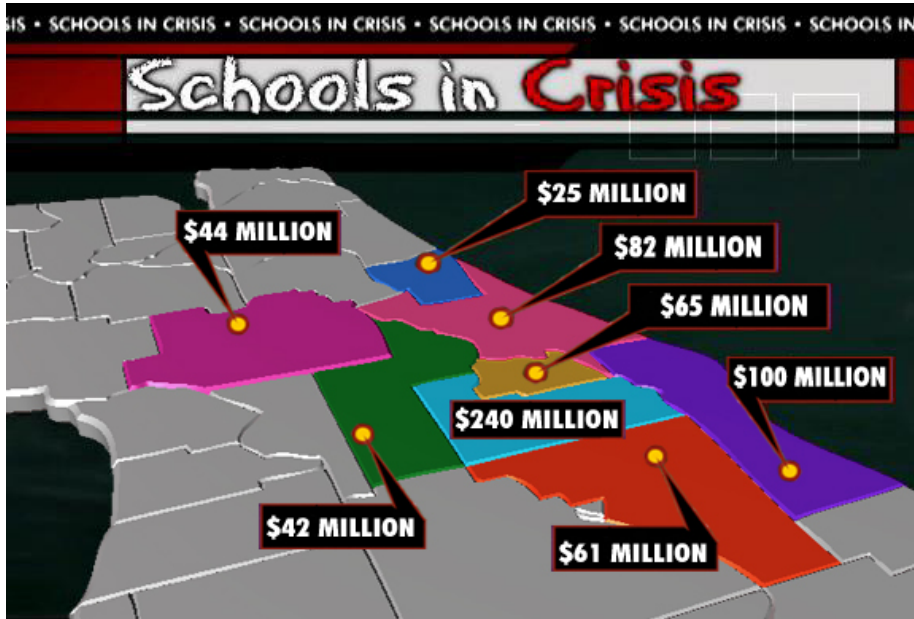
School Services of California reports that the State economy is not expected to recover to 2007 levels (i.e. the level before the recession) until **2015!**





Santa Ana Unified School District

Recent News on Education Cuts



- ❑ “Anaheim teachers face up to 11.75% pay cut”
- ❑ “2% pay cut approved for Orange teachers”
- ❑ “PYLUSD teacher union bracing for cuts”
- ❑ “Oxnard Union looks to cut school year by 6 days”
- ❑ “Lodi USD facing \$20 million budget shortfall”
- ❑ “Riverside school trustees hear grim budget report”
- ❑ “Natomas schools hit by harsh budget bloodletting”
- ❑ “South Whittier school budget approved, but teachers still upset over cuts”
- ❑ “Superintendent tells of rough road ahead for Elk Grove Unified
- ❑ Shorter school year could be on tap for San Gabriel Valley, Whittier-area schools
- ❑ Editorial: “Parcel taxes in Fremont Union, Santa Clara deserve ‘yes’ vote
- ❑ “UCI to close for 7 days to reduce costs”
- ❑ “Big teaching cuts this week at CSUF”
- ❑ “3 O.C. colleges cut classes for 2000 students”
- ❑ LAUSD coaches face 50% cut in stipend pay
- ❑ Jurupa school board scraps class-size reduction a second time
- ❑ LBUSD to attempt parcel tax for school funding



Budget Study session scheduled for November 3, 2009

- Budget reductions are needed to be identified by December 15, 2009 for the 1st Financial Interim Report.
- Further troubling information is the prospect of new mid-year State budget cuts to education



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\$82 Million in State Cash Deferrals



Cash flow.

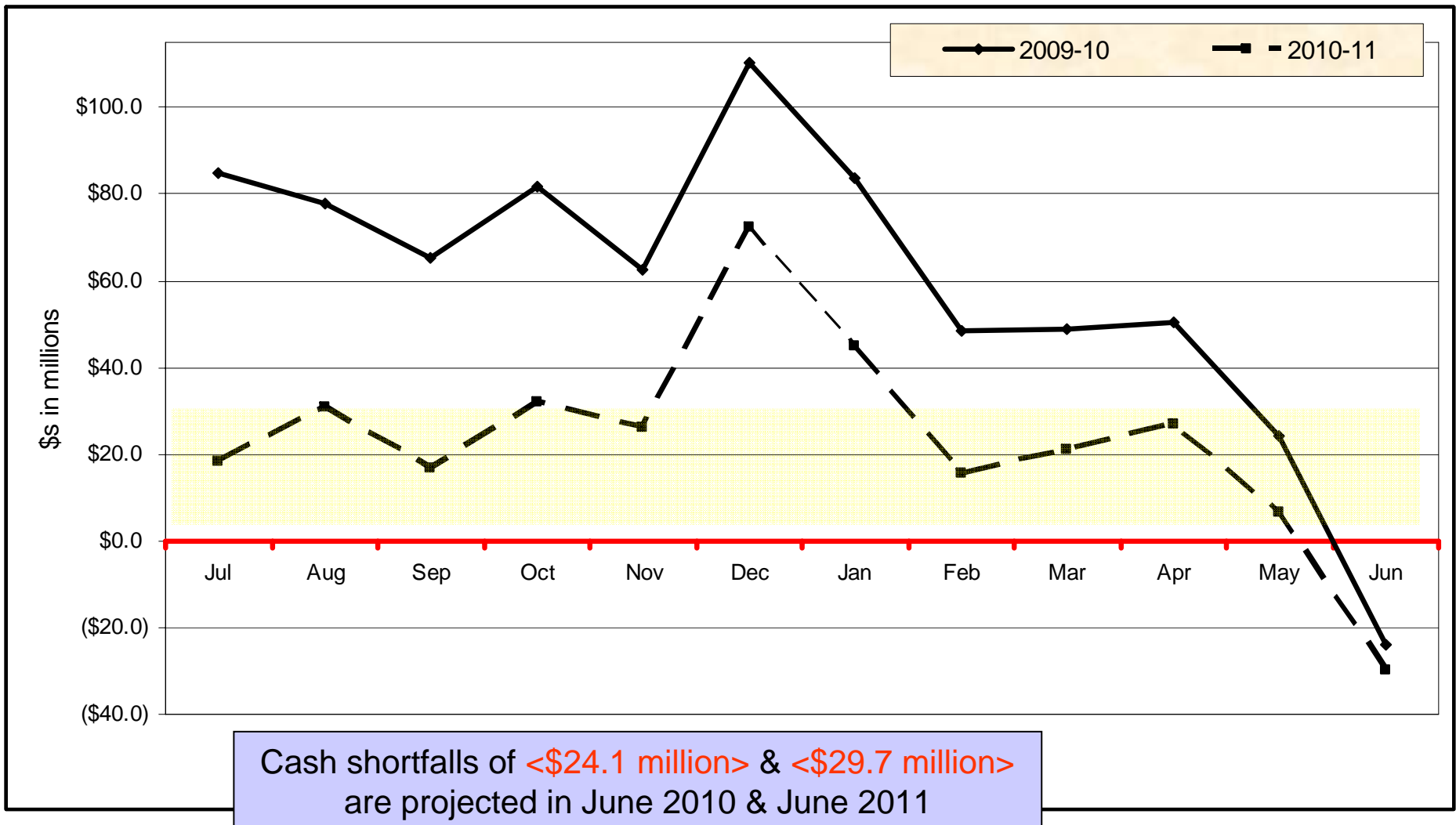


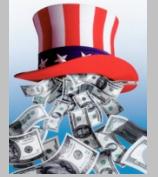
The State will pay the District, not on Tuesday but several months later, for money they owe us!

They will pay us late even though we have obligations such as payroll, vendor invoices that must be paid on a timely basis.



State deferrals results in projected cash shortfalls in 2009-10 & 2010-11 and a need to borrow funds to meet payroll & other district obligations.





- SAUSD was projected to receive ARRA dollars as follows: **The State is using the Funds for the State's cash flow!**

(\$s in millions)	Estimated Total Award	June 2009	July 2009	Aug. 2009	Sep. 2009	Oct. 2009	Nov. 2009	Feb. 2010	Apr. 2010	June 2010	TBD
Title I Restricted (site based)	\$11.3	\$5.1	---	---	---	<u>\$0**</u>	<u>\$1.55</u> **	<u>\$1.55</u> **	<u>\$1.55</u> **	<u>\$1.55</u> **	---
IDEA Restricted (Special Ed)	\$11.3	\$2.3	<u>\$0*</u>	<u>\$0*</u>	<u>\$0*</u>	<u>\$0*</u>	---	---	---	---	<u>\$9.0*</u>
Stabilization	\$19.2	\$14.3	\$4.9	---	---	---	---	---	---	---	---
Total	\$41.8	\$21.7	\$4.9	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$1.55</u>	<u>\$1.55</u>	<u>\$1.55</u>	<u>\$1.55</u>	<u>\$9.0</u>

* ARRA Special Education funds have not been received! \$1.1 million in July, Aug, Sept and \$5.7 in October were delayed at the State with no revised timeline for distribution.

** ARRA Title I funds have not been received. \$6.2 million in October 2009 has been delayed at the State with a revised timeline for distribution

Funds from Both ARRA Title I and ARRA IDEA are planned to be used over 2 years



WILLIAM M. HABERMEHL
County Superintendent of Schools

Orange County Department of Education

*Dedicated to World Class Education...
Where Every Student Succeeds*

Review of SAUSD's \$93 Million Ending Fund Balance

Wendy Benkert, Ed.D., Assistant Superintendent, Business Services
Darren Dang, Director, Business Services
Orange County Department of Education (OCDE)

Unaudited Actuals
General Fund
Unrestricted and Restricted
Expenditures by Object

Description	Resource Codes	Object Codes	2008-09 Unaudited Actuals			2009-10 Budget			% Diff Column C & F
			Unrestricted (A)	Restricted (B)	Total Fund col. A + B (C)	Unrestricted (D)	Restricted (E)	Total Fund col. D + E (F)	
E. NET INCREASE (DECREASE) IN FUND BALANCE (C + D4)			30,700,233.52	(1,041,197.72)	29,659,035.80	(13,634,732.57)	(14,216,297.52)	(27,851,030.09)	-193.9%
F. FUND BALANCE, RESERVES									
1) Beginning Fund Balance									
a) As of July 1 - Unaudited		9791	30,222,345.03	33,333,121.75	63,555,466.78	60,922,578.55	32,291,924.03	93,214,502.58	46.7%
b) Audit Adjustments		9793	0.00	0.00	0.00	0.00	0.00	0.00	0.0%
c) As of July 1 - Audited (F1a + F1b)			30,222,345.03	33,333,121.75	63,555,466.78	60,922,578.55	32,291,924.03	93,214,502.58	46.7%
d) Other Restatements		9795	0.00	0.00	0.00	0.00	0.00	0.00	0.0%
e) Adjusted Beginning Balance (F1c + F1d)			30,222,345.03	33,333,121.75	63,555,466.78	60,922,578.55	32,291,924.03	93,214,502.58	46.7%
2) Ending Balance, June 30 (E + F1e)			60,922,578.55	32,291,924.03	93,214,502.58	47,287,845.98	18,075,626.51	65,363,472.49	-29.9%
Components of Ending Fund Balance									
a) Reserve for									
Revolving Cash		9711	150,000.00	0.00	150,000.00	150,000.00	0.00	150,000.00	0.0%
Stores		9712	787,094.54	0.00	787,094.54	440,000.00	0.00	440,000.00	-44.1%
Prepaid Expenditures		9713	130,694.25	0.00	130,694.25	2,200,000.00	0.00	2,200,000.00	1583.3%
All Others		9719	0.00	0.00	0.00	0.00	0.00	0.00	0.0%
General Reserve		9730	0.00	0.00	0.00	0.00	0.00	0.00	0.0%
Legally Restricted Balance		9740	0.00	32,291,924.03	32,291,924.03	0.00	18,075,626.51	18,075,626.51	-44.0%
b) Designated Amounts									
Designated for Economic Uncertainties		9770	39,658,706.57	0.00	39,658,706.57	21,129,913.79	0.00	21,129,913.79	-46.7%
Designated for the Unrealized Gains of Investments and Cash in County Treasury		9775	0.00	0.00	0.00	0.00	0.00	0.00	0.0%
Other Designations		9780	20,196,083.19	0.00	20,196,083.19	23,367,932.19	0.00	23,367,932.19	15.7%
0032 Civic Center Rental Fees	0000	9780	237,508.30		237,508.30				
0800 CASHEE Intensive	0000	9780	569,894.00		569,894.00				
0801 CalSafe	0000	9780	594,774.26		594,774.26				
0803 IMFRP	0000	9780	3,530,782.62		3,530,782.62				
Deferred Maint (Swept Reserve)	0000	9780	582,977.63		582,977.63				
OMMA (Swept Reserve)	0000	9780	1,463,646.38		1,463,646.38				
09-10 Rev Limit \$250/ADA (SBX3 4)	0000	9780	13,216,500.00		13,216,500.00				
c) Undesignated Amount			0.00	0.00	0.00				
d) Unappropriated Amount						0.00	0.00	0.00	