



Santa Ana
Unified School District

2010-11 Budget Update

November 9, 2010

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- State Budget Update
- Election Impact to State Budget
- Adopted State Budget & Budget Reductions
- Next Steps



- State Funding Changes (on-going? funds)
 - The adopted State Budget eliminated several of the Governor's original reductions, adding approximately \$271/ADA or **\$13.8 million** for SAUSD through
 - Elimination of **negative 0.39%** COLA
 - Elimination of on-going revenue limit reduction of **negative 3.85%**
 - Additional changes related to mandated claims funding and County mental health have not been quantified
- Federal Funding Changes (**one-time funds**)
 - Jobs Bill (subject to statutory guidelines)
 - Award amount for SAUSD: **\$10.3 million** (\$9.2 million received)
 - ARRA Stabilization
 - State to distribute remaining 10% of ARRA Stabilization funds held
 - Projected award amount: **\$2 million** (?)





	at May Revise	at State Adopted Budget	\$ Impact due to Change (\$s in millions) *
Revenue Limit Reduction	On-going Revenue Limit Reduction of -3.85%	Eliminates Revenue Limit Reduction	+\$13.8 million
2010-11 COLA	Negative 0.39% COLA	Eliminates negative COLA	
Mandate Claims Funding	No funding for prior year mandates	\$300 million set aside for prior year mandate claims	No impact; Mandate claims revenue budgeted only when received
County Mental Health Mandate	Suspends existing AB3632 special ed county mental health mandate	No suspension of mandate but not funded	Impact currently unknown
Additional ARRA Stabilization Allocation	No additional allocations	State to distribute its remaining 10% of ARRA Stabilization funds	Assume no impact until an award letter is received

* Dollar amounts are approximate and subject to change



While now both houses and the Governor's office are all from the same political party, there are significant concerns as the newly elected officials move to Sacramento.

– **“It is likely there will be a midyear budget session.”**

Senate President Pro Tem Darrell Steinberg D-Sacramento, stating that 2011 – 12 budget deficit could be as large as \$12 Billion

November 4, 2010 San Francisco Chronicle



- Proposition 25 was approved allowing the State to adopt a budget by a simple majority rather than the two-thirds vote.
- Proposition 26 was also approved which classifies some fees as taxes which then require a two-thirds vote.
- Proposition 22 limits the State's ability to take local funds immediately creating a **new \$1 billion hole** in the current year State budget.



- The real budget will be developed by the new Governor, when he takes office and at that time, there may be significant cuts to Education as soon as the January budget proposal.
- Newly elected Governor Jerry Brown stated that he would begin taking action on the State budget immediately, with some actions coming even before he takes office.





- School Services of California (SSC) is equally concerned and advises districts to:

“Open the planning books but close the checkbook.”

- In other words,
 - Include the additional revenues for budget purposes
 -but don't spend any of the dollars
 - Instead, wait until the January 2011 Governor's Proposal or better yet, the May Revise (2011) before spending any of these dollars.





- The Orange County Department of Education has issued guidance that require districts to revise their budget to the current State adopted budget
- Utilizing the State Adopted Budget assumptions, preliminarily projected budget reductions will be adjusted as follows for the first interim:

(\$s in millions) Reductions Required to Eliminate Deficit	2011-12	2012-13
Budget Cuts (May Revise assumptions)	<\$31.5>	<\$30.5>
Budget Cuts (State Adopted Budget assumptions)	<\$18.0>	<\$24.0>

- OCDE will require districts to identify ongoing budget reductions for 2011-12 by the 2nd interim budget (March 8, 2011)





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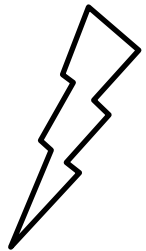
Orange County Department
of Education Guidance

In submitting the 2010-11 First Interim Report and an implementation plan for budget reductions in 2010-11, the Board understands its fiduciary responsibility to maintain fiscal solvency for the current and subsequent two fiscal years. If necessary, it is recognized that based on the 2010-11 Enacted State Budget, the school district will implement \$(18.0 million*) in ongoing budget reductions in 2011-12 and an additional \$(24.0 million*) reductions in 2012-13 to maintain fiscal solvency. It is further recognized that the school district will submit a revised detailed list of Board approved ongoing budget reductions for 2011-12 with the 2010-11 Second Interim Report.

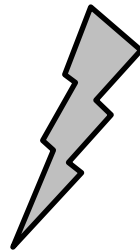




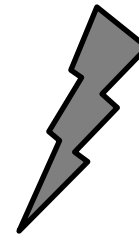
2010-11



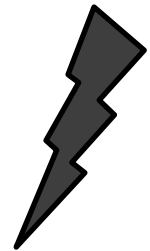
2011 - 12



2012 - 13



2013-14



- 2010-11 “Get out of Town” budget
- Mid-Year Cuts?
- Will 2010-11 revenue deferred into 2011-12 be received?

- ARRA ends
- Jobs Bill ends
- Temporary State tax end
- \$18.0 million in cuts needed (revised)

- CSR Flexibility ends
- Temporary State tax ends
- \$24.0 million in cuts needed (revised)

- Tier III flexibility ends
- Ability to reduce instructional year ends



Date	Event or Activity
On-going until Settled	Negotiations with our certificated & classified associations (SAEA & CSEA respectively)
Nov. 9	Presentation of Proposed 2011-12 Budget Reductions & (if applicable) 45 Day Budget Revision
Nov. ?	Special Board Meeting on Proposed Budget Reductions
Nov. 9 & 23	Budget Update
Dec. 14	Presentation of First Interim Report & 2009-10 Annual Audit
Jan. / Feb ?	Special Board Meeting(s) on Proposed Budget Reductions
Mar. 8, 2011	Presentation of Second Interim Report, Approval of 2011-12 Budget Reductions & Reach Decision on CSR for 2011-12 & future years

