



2010-11 First Interim

(Financial Information as of October 31, 2010)

December 14, 2010

Jane A. Russo, Superintendent

Cathie Olsky, Ed.D., Deputy Superintendent

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1. 2010-11 First Interim Report
2. Cash Flow Update
3. Next Steps



2010-11 First Interim Financial Report

- No major changes to the Budget
- Staff recommends self-certifying as qualified
- Assumptions used for MYP are included
- Backup slides also included for lower level detail





- First Interim Report:

Does not include possible mid year or future State cuts

- What will be the outcome of the Special Legislative Session?
- What will be the outcome of the Governor Elect's "Road Show"?
- What will be included/excluded in the Governor Elect's First Budget Proposal?
- What will be the outcome of litigation regarding AB3632 Special Education Behavioral Mental Health Intervention Mandate?
- What will be the impact of persistently escalating Health and Welfare costs?



- The District's 2010-11 Revenue budget is based on:
 - The October 8, 2010 Enacted State Budget information
 - The Board of Education's priorities
 - Ensure Fiscal Solvency
 - Grade K-3 Class Size Reduction (CSR)
 - Continue to offer grade 1 and 2 CSR for 2009-10 & 2010-11 (using unrestricted & categorical funds)
 - Grade 1 @ approximately 23:1; Grade 2 @ approximately 24:1
 - Preserve Counselor & Library Services
 - Maintain Athletics & Music Programs
 - Safety
 - Minimize the Impact of Cuts to Our Employees
 - Continue to Provide Elementary Sites with Support Staff to Ensure Academic Achievement
 - Orange County Department of Education (OCDE) direction.



Santa Ana

Unified School District

2010-11 MYP (Utilizing October 8,
2010 Enacted State Budget Information)

<u>(\$s in millions)</u>	<u>2009-10</u>	<u>2010-11</u>	<u>2011-12</u>	<u>2012-13</u>
Beginning Fund Balance	\$93.2	\$95.3	\$70.1	\$63.8
Adjustment to Beginning Fund Balance	(\$11.4)	---	---	---
Revenues	\$475.0	\$498.2	\$451.1	\$440.1
Expenditures (including Budget Reductions)	\$461.5	\$523.4	\$457.4	\$434.8
Net Increase/(Decrease)	\$ 13.5	(\$25.2)	(\$ 6.3)	\$ 5.3
Proj. Ending Fund Balance	\$ 95.3	\$70.1	\$63.8	\$69.1
Less: Other Designations (incl. Rev. Cash, etc.)	(\$3.1)	(\$3.0)	(\$3.0)	(\$3.0)
Unrestricted Reserves: Future State Cuts	---	(\$13.8)	(\$13.8)	(\$13.8)
Others (Instr Mat'l, etc.)	(\$10.1)	(\$13.0)	(\$15.1)	(\$17.1)
One-time cuts/Budget shifts & TRANS	(\$32.0)	---	---	---
Restricted Reserves	(\$15.0)	(\$3.0)	(\$2.8)	(\$1.5)
Desig. for Economic Uncertainties	\$35.1	\$37.3	\$29.1	\$33.7
Desig. for Economic Uncertainties %	7.6%	7.1%	6.4%	7.8%
Unspecified Budget Cuts Needed	---	---	(\$31.5)	(\$30.5) ⁶

IF WE DID NOTHING



Santa Ana
Unified School District

2010–11 MYP

<u>(\$s in millions)</u>	<u>2010-11</u>	<u>2011-12</u>	<u>2012-13</u>
Reserves <u>with</u> Cuts			
Designation for Economic Uncertainties	\$37.3	\$29.1	\$33.7
Designation for Economic Uncertainties %	7.1%	6.4%	7.8%
Reserves <u>without</u> any Cuts			
Designation for Economic Uncertainties	\$37.3	(\$2.3)	(\$59.8)
Designation for Economic Uncertainties %	7.1%	(0.5%)	(12.0%)



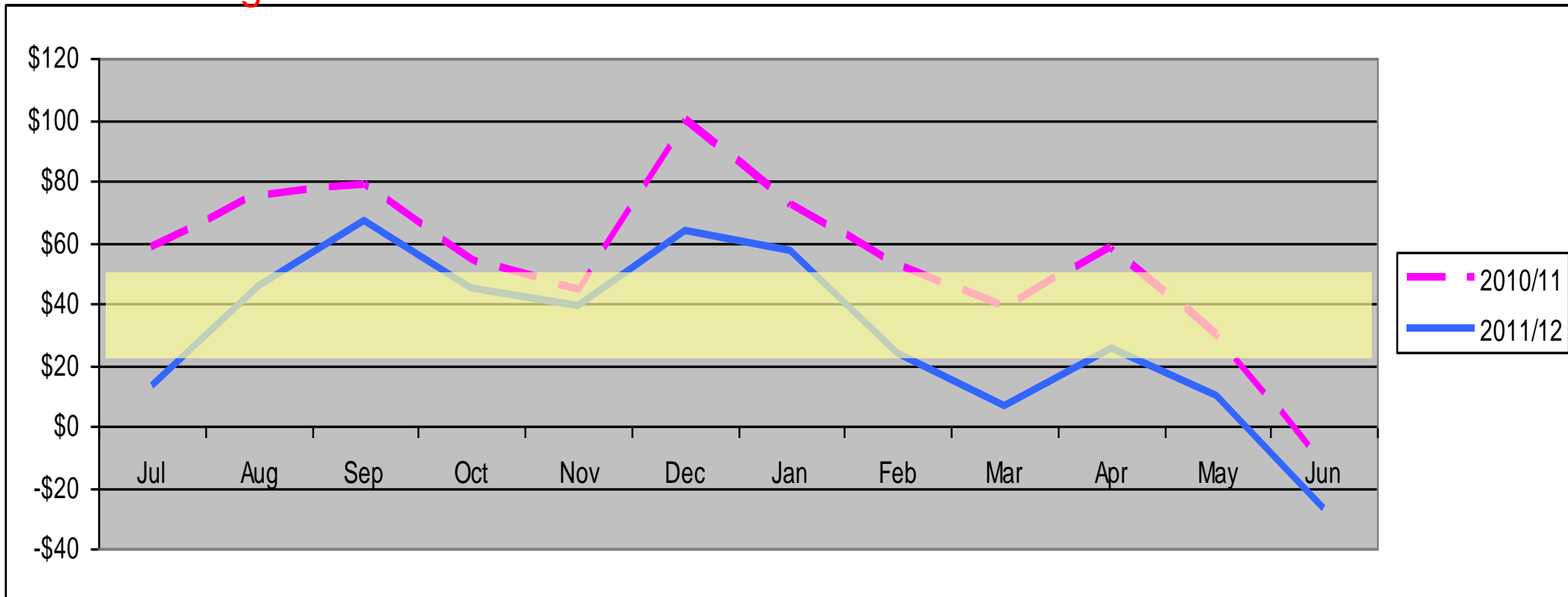
Santa Ana Unified School District

Projected SAUSD Cash Flow (as of October 31, 2010)

State deferrals, totaling **\$170 million** for SAUSD, results in **projected cash shortfalls in 2010-11 & 2011-12** and a **probable need to borrow funds to meet payroll & other district obligations.**

Cash shortfalls projected as follows:

June 2011 (-\$11 million), &
June 2012 (-\$26 million)

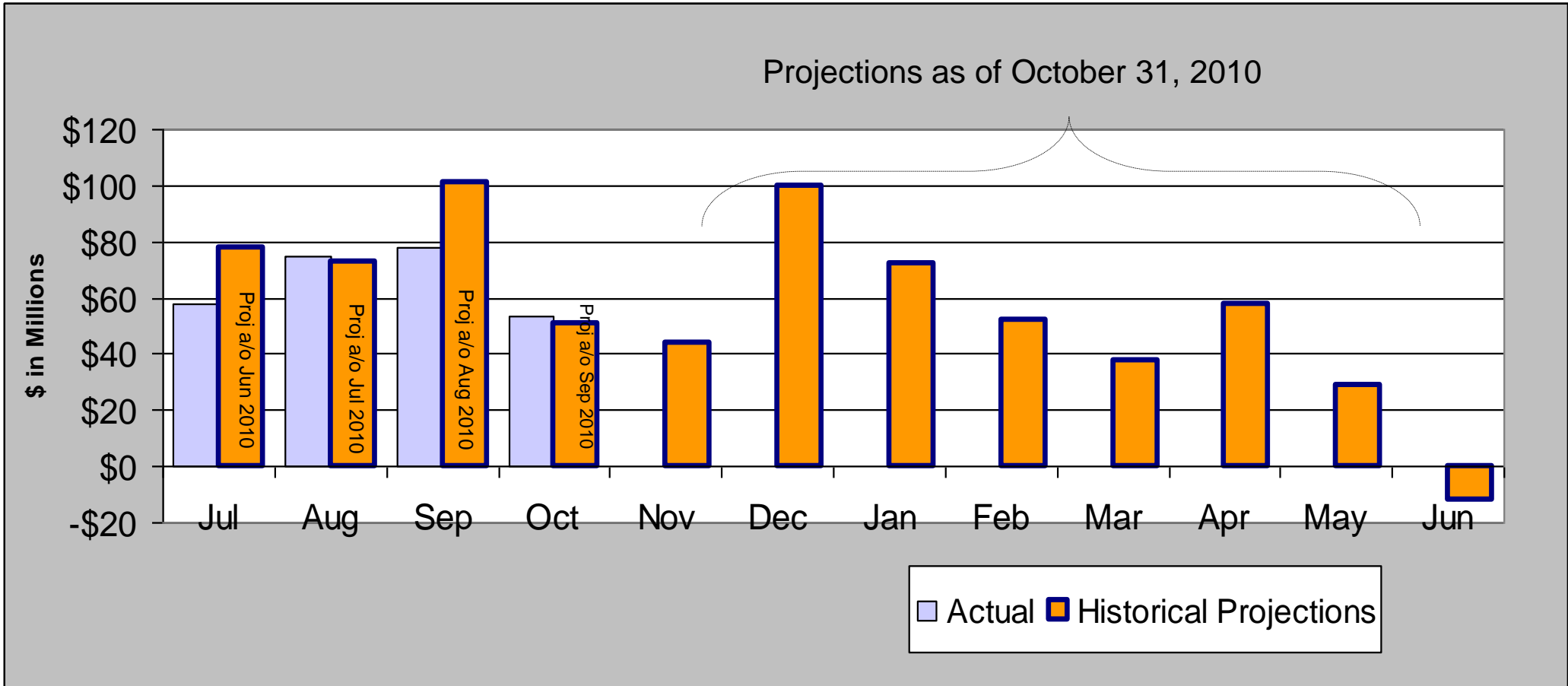


Cash balance as of October, 2010 is \$54 million. Projections for June 2010-11 is -\$11 million. For 2011-12 the District is projecting a negative cash balance of -\$26 million in June.



Santa Ana Unified School District

2010-11 Cash Flow Variance As of October 31, 2010





Date	Event or Activity
On-going until Settled	Negotiations with our certificated & classified associations (SAEA & CSEA respectively)
Jan 11 & 25 Feb 8 & 22	Budget Update
Feb 1 & Feb 15	Special Board Meeting on Proposed Budget Reductions
Mar 8	Presentation of Second interim Report Approval of 2011-12 Budget Reductions Reach Decision on CSR for 2011-12 & future years

