



Santa Ana
Unified School District

State and District Budget Update

January 13, 2009

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December 2008 Update

The legislature approves mid-year budget cuts for 2008-09.

The Governor rejects the proposed mid-year cuts and the legislature takes no further action.



Budget for 2009-10

The Governor releases his budget proposal for both 2008-09 and 2009-10.

- **Mid-Year Cuts for 2008-09**
 - ✂ **Eliminate Cost of Living (COLA) payment for 2008-09**
 - ✂ **Further reduction in Revenue Limit of 4.5%**
 - ✂ **Defers payment of Revenue Limit and K-3 CSR from April to July (\$2.3 billion)**



January 2009 Budget Update (Cont'd)

- **Budget for 2009-10**

- ✂ **Zero Cost of Living Allowance (COLA) Payment**

- ✂ **Reduce K-12 revenue by \$1.1 billion and allow districts to reduce the school year by 5 days.**

- ✂ **Suspends all other mandated activities, except for inter/intra district transfers and CAHSEE.**

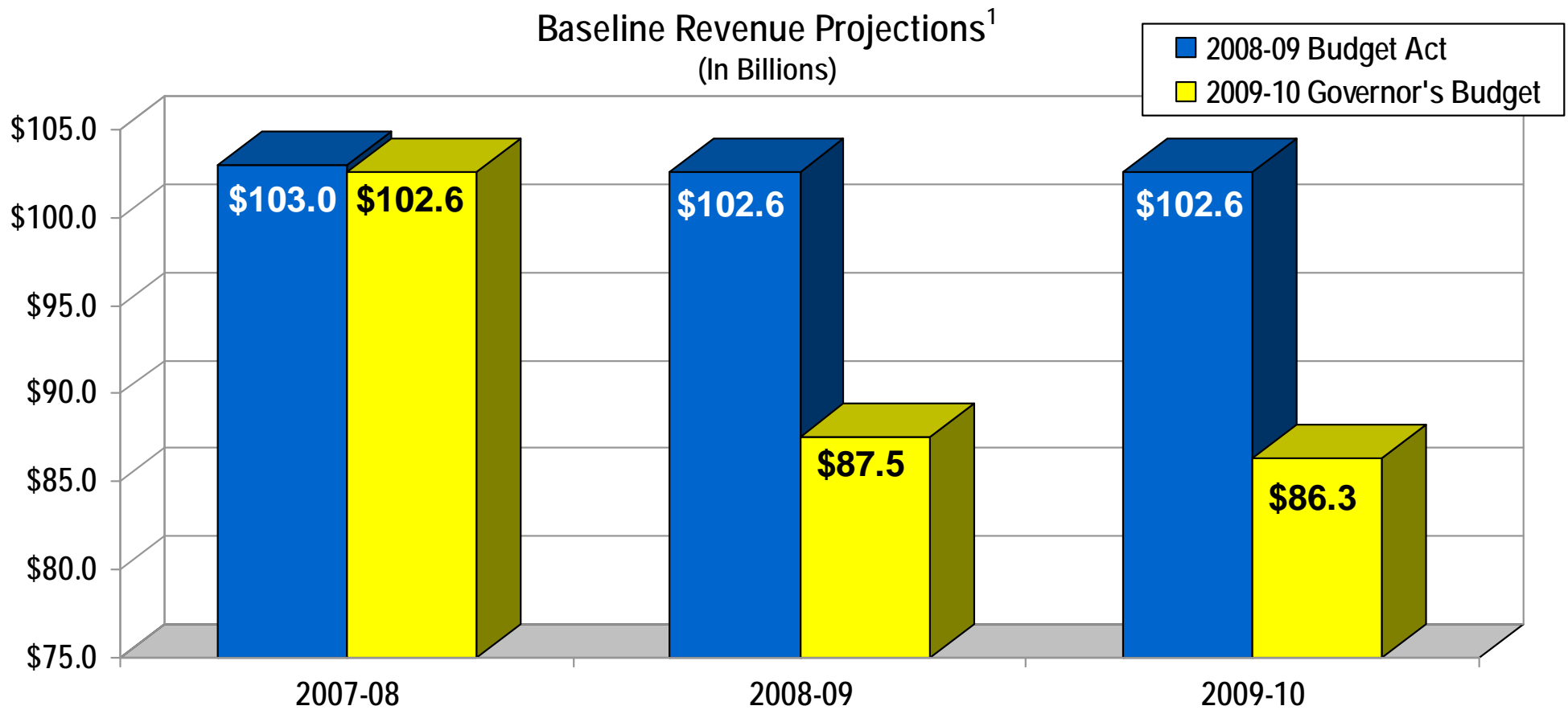


January 2009 Budget Update (Cont'd)

- **Budget for 2009-10 (Flexibility Proposals)**
 - ✓ **Use selected restricted categorical funds for any purpose**
 - ✓ **Reduce Routine Maintenance account to 1%.**
 - ✓ **Eliminate Deferred Maintenance match**
 - ✓ **Reduce General Fund reserve to half of what is required (i.e. SAUSD reserves reduced to 1%).**



- Three-year shortfall totals \$31.3 billion



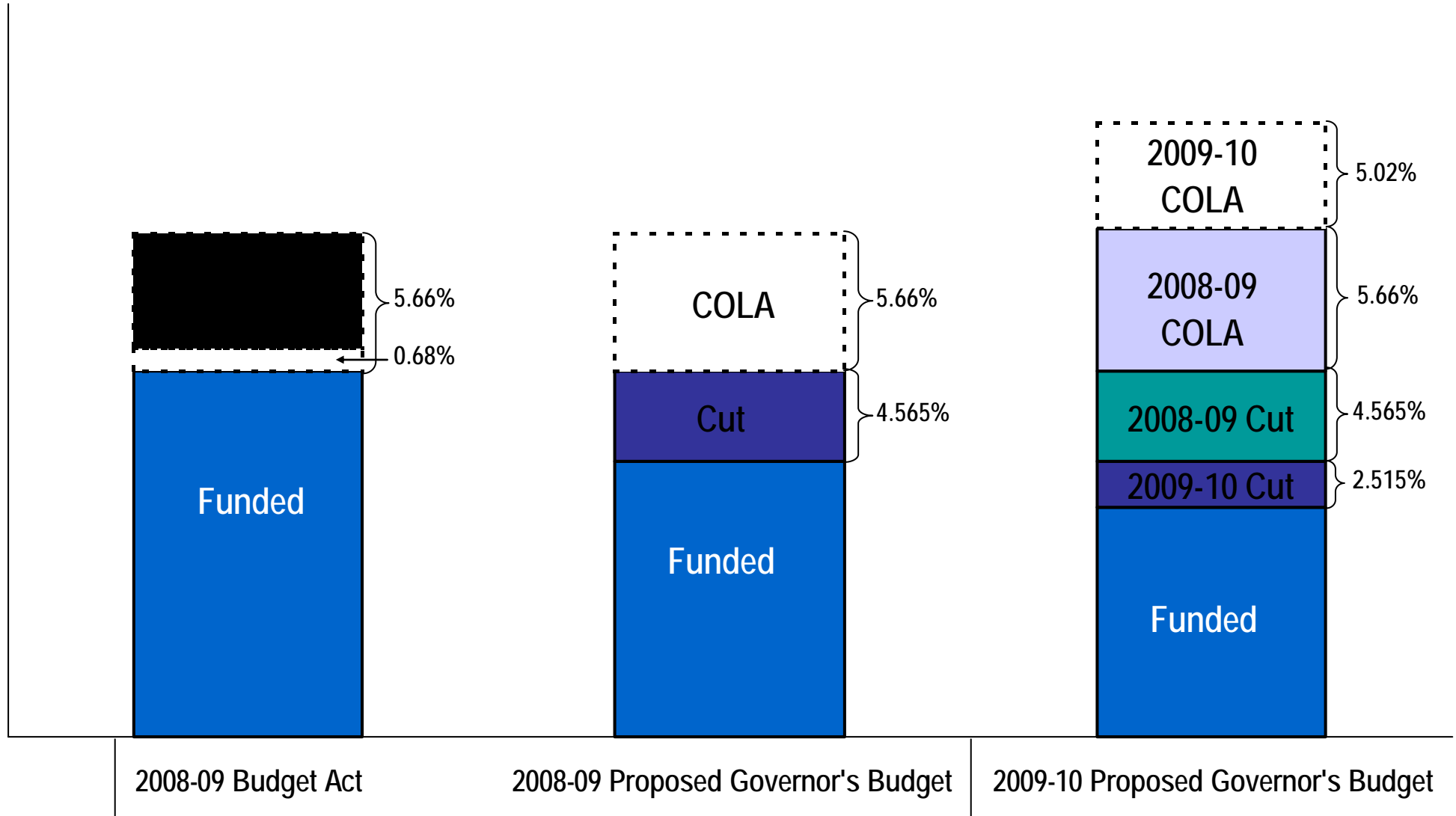
¹ Excludes new tax proposals



- The projected State Budget shortfall is huge and continues to grow
 - The Administration's current estimate is \$40 billion over the two-year period of 2008-09 and 2009-10
 - A "normal" State Budget has expenditures of about \$100 billion
 - So the shortfall equates to 40% of a single year Budget or 20% of the combined expenditures for two years – either way, a huge number
- Meanwhile, time marches on and the cumulative deficit grows unabated



(\$s in millions)	2008-09	2009-10
Elimination of .68% COLA	\$2.0	\$2.0
Further Revenue Limit Reduction (2008-09)	\$14.4	\$14.4
Further Revenue Limit Reduction (2009-10)	---	\$9.9
State Elimination of Unappropriated Funds	\$.5	---
2008-09 Unrestricted Budgeted Deficit	\$4.5	\$4.5
2009-10 Addt'l Expense (Step & Column, etc.)	---	\$5.3
Addt'l Funding – Special Ed Behavioral Intervention Lawsuit Settlement	---	<\$.7>
Total Estimated Cut	\$21.4	\$35.4





Budget Actions taken due to the State's Budget Unknowns

At the beginning of the year all budgets were reduced.

In addition:

- School program carryover funds from last year were frozen.
- Freeze on conferences and limited organizational memberships.
- Additional school budgets from State programs were frozen.

Currently all expenditures have been frozen with exceptions for safety and mandatory reasons.

The administrative budget task force is reviewing all legislative and Governor budget proposals and projecting possible budget scenarios.



Steps taken to communicate Budget Crisis information

- I. Review the legislative and governor's budget proposals to better project how the State budget Crisis may effect SAUSD.
 - * Administrative team reviews of budget impacts
 - * Regular Board meeting Budget Updates
 - * Special session Board meetings

- II. Help the community, staff and local legislators understand the impact of the State's budget crisis is projected to have on our students and staff.
 - * Budget Reallocation Committee and Community partners
 - * Meetings with local Legislators
 - * District web site providing crisis budget information



The State's continued lack of adequate funding of our schools is causing disastrous educational program quality reductions and eliminations of classroom support.

With the cuts proposed by the legislature and the Governor will cause our students to no longer receive the education that they deserve, and will handicap them in their ability to contribute to their communities and families.

Here is what you can do:

- ✓ Contact our Legislators and ask them to:
 1. Keep Education cuts to a minimum
 2. If cuts need to be made, ensure Districts are provided (a) flexibility to utilize restricted funds for unrestricted purposes and (b) Eliminate unfunded mandates.