



Santa Ana
Unified School District

State & District Budget Update

June 9, 2009

Jane A. Russo, Superintendent

Cathie Olsky, Ed.D., Deputy Superintendent

Ron Murrey, Associate Superintendent, Business Services

Kelvin Tsunezumi, Executive Director, Business Services

Tony Wold, Ed.D., Director, Program Quality Analysis



- 5 days ago, (on June 4th), staff attended the School Services' May Revise Workshop and learned the following:
 - Economy is still very weak
 - State Budget Crisis is worsening [State Budget Deficit of \$24.3 Billion]
 - Governor's May Revise includes additional budget reductions
 - Further reduces Revenue Limit (SAUSD loss: \$3.6 million)
 - Reduction in Home to School Transportation (SAUSD loss: \$.7 million)
 - A program already under funded by \$3.4 million!
 - Additional cash deferrals (District will need to borrow funds)
 - Education Code 44956(a)(5) - Certificated Substitute Cost (est. \$8 million)

Note: Select slides provided courtesy of
School Services of California



- Education Code 44956(a)(5)
 - Provides laid-off permanent certificated employees 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)



Date	Description	Dollar Amount
Sept. 2008	2008-09 State Adopted Budget	\$15.0 million
Feb. 2009	17 Month State Adopted Budget (for 2008-09 & 2009-10)	
	- Revenue Limit cuts	\$10.0 million
	- Categorical cuts (Tier II & III)	\$4.0 million
May 2009	2009-10 May Revision – Current Governor's Proposal	\$11.8 million
	Total 2008-09 Cuts	\$40.8 million



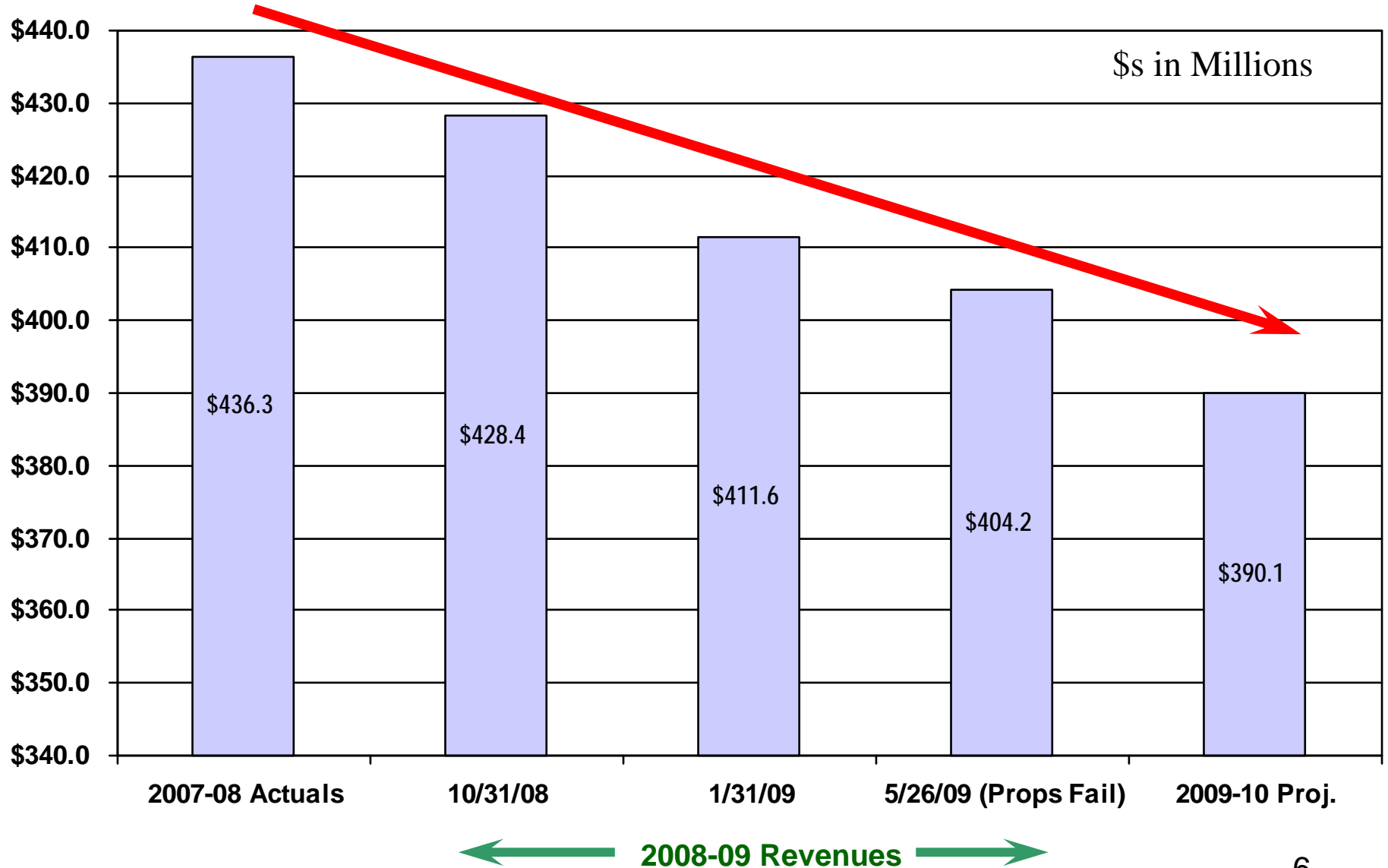
Date	Description	Dollar Amount
Sept. 2008	2008-09 State Adopted Budget (for 2009-10)	\$18.0 million
Feb. 2009	17 Month State Adopted Budget (for 2008-09 & 2009-10)	
	- Revenue Limit cuts	\$26.0 million
	- Categorical cuts (Tier II & III)	\$5.0 million
May 2009	2009-10 May Revision – Proposal	
	- Revenue Limit cuts	\$12.8 million
	- Categorical cuts (High Priority Schools Grant)	\$.6 million
June 2009	- Addt'l Revenue Limit cuts (June)	\$3.6 million
	- Home to School Transportation cuts (June)	\$.7 million
	Total 2009-10 Cuts	\$66.7 million



Santa Ana

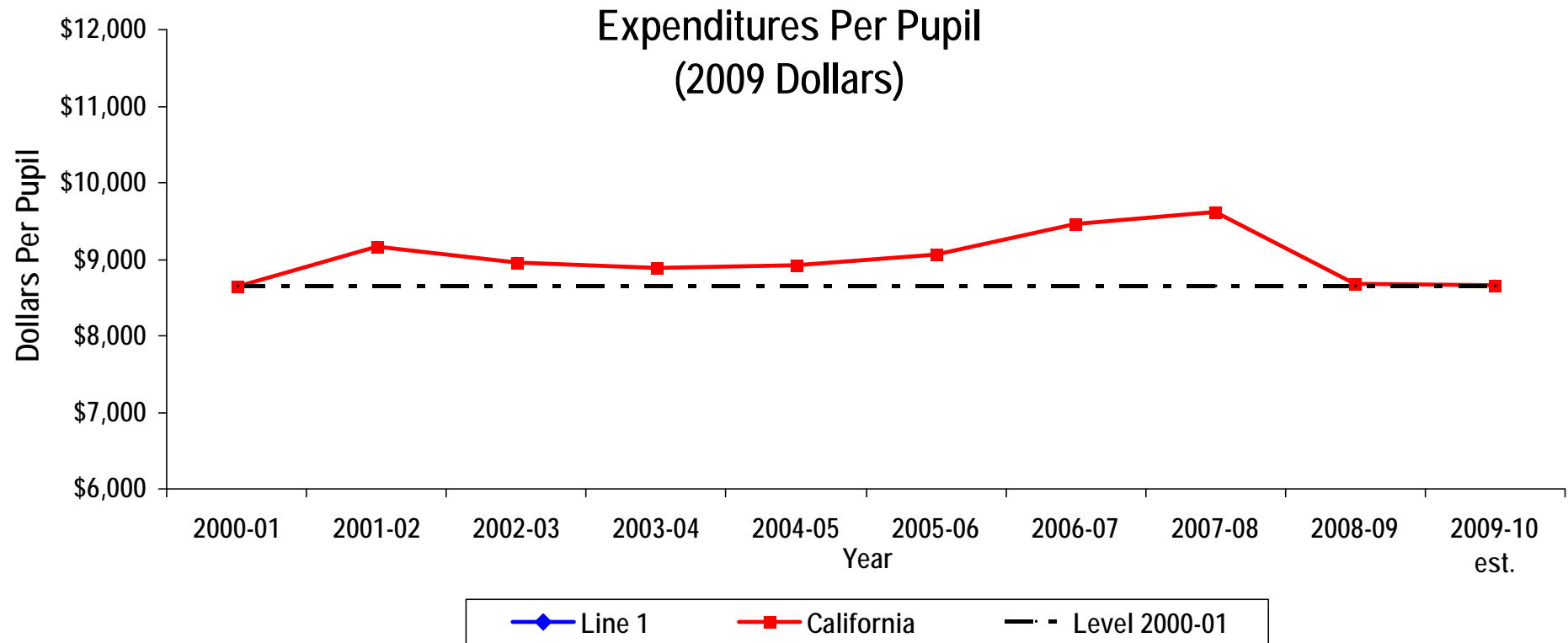
Unified School District

Change in SAUSD State Revenues 2007-08 to 2009-10



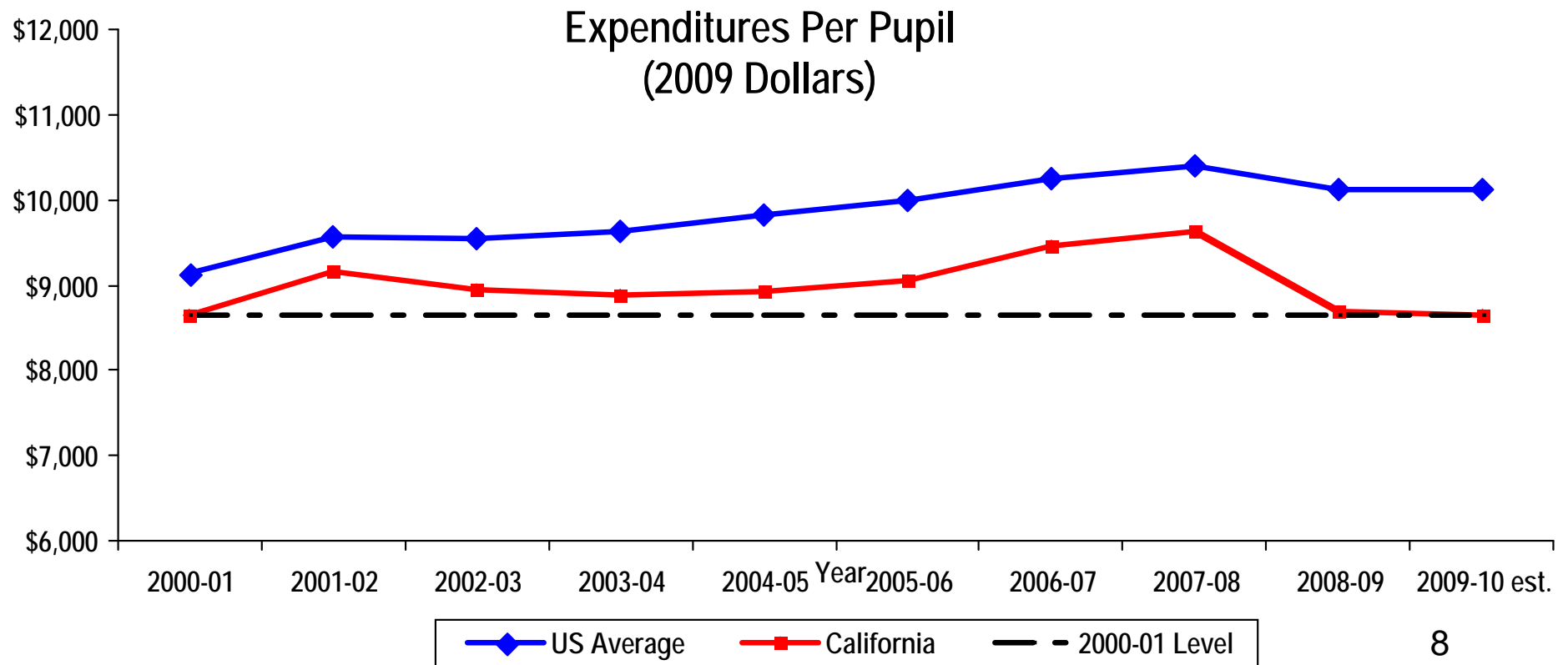


- The cuts sustained so far plus the May Revision's additional cuts erase almost a decade's worth of increased spending power for California schools
 - The last time California's per-pupil spending was at this level, adjusted for inflation, was 2000-01





- Meanwhile expenditures by other states continues to show growth.





- **Good News:** The District finally received a portion of our stimulus dollars (\$14.3 million) on June 4th!
 - While \$14.3 million is a significant amount and will certainly help, it doesn't even equate to one month's payroll for SAUSD (\$35 million)
 - **Bad News:** Due to additional State budget cuts & projected increases in substitute costs, the following is needed:
 - 2009-10: Preliminarily, designated use of the above fiscal stabilization dollars to offset new cuts / new cost additions *
 - 2010-11: Increased unspecified budget reductions to **\$31.0 million** (previously \$21.0 million)
 - 2011-12: Increased unspecified budget reductions to **\$5.0 million** (previously \$2.5 million)
- * We will provide a finalized direction on the above, at our next Board Meeting, when the 2009-10 Budget is presented.



The 2009-10 Budget will be presented for adoption at the June 23rd Board meeting.

- Using estimated 2009-10 numbers from Third Interim & including the following:
 - Additional Revenue Limit Cuts
 - Reductions to Home to School Transportation funding
 - \$14.3 million in Federal Stimulus dollars already received
 - Additional costs related to 39 month preferential right, teacher substitute clause
 - Unspecified budget reductions in 2010-11 & 2011-12
 - Use Board priorities



- and by using Board Priorities*:
 - Preserve Counselor & Library Services
 - Maintaining Athletics & Music Programs (Urban Impact)
 - Ensuring Safety (Urban Impact)
 - Minimizing the Impact of Cuts to Our Students & Employees
 - Providing Elementary Sites with Support Staff to Ensure Academic Achievement
 - Ensuring Fiscal Solvency
- Restores **77** Certificated and maintains/restores **153** Classified, critical “must have” staff positions to provide efficient and safe schools
 - Pending no further crises or additional blows to our budget, we are comfortable saying that we have no plans to impose the August 15th option.

* Due to the extent of State budget reductions, the District could not meet Board priorities related to Class Size Reduction for Grades 1-3.

provides an estimated Multi-Year Projection outlook as follows.....

These estimated numbers will definitely change when we present the 2009-10 Budget at the Next Board Meeting.

Estimated MYP

(Adjusted for new Cuts, Revenues & Costs)

(\$s in 000's)	2008-09	2009-10	2010-11
Revenues*	\$497,177	\$458,131	\$460,454
Expenditures*	\$504,270	\$486,785	\$463,181
Net Increase – Decrease	(\$7,093)	(\$28,654) ^	(\$2,727) ^
Unrestricted	\$1,332	(\$14,664)	(\$4,032)
Restricted	(\$8,425)***	(\$13,990)	\$1,305
Required Reserve	5.7%	2.9% **	2.2% **

^ Does not include anticipated negotiations savings

* Includes Other Sources & Uses. 2010-11 figures include **\$31 million in unspecified budget reductions.**

** COLA Salary increases for these years (with the exception of 2008-09) have not yet been negotiated and are thus not included. However, all revenues associated with COLAs for these years are included as is the cost of step, column & longevity are budgeted.

*** Deficit is due primarily to spending down of State categorical carryovers from prior years.



- The 2009-10 Budget is a long way from being done
 - It will take time for the Legislature and the Administration to respond.
 - The State Controller has announced that the State will be out of money in July if appropriate action is not taken.
 - It appears that the economy continues to weaken
- California cannot legislate or wish this problem away
- Nearly every state is taking action to deal with the worldwide economic crisis – but, California’s problems are bigger and more uncertain.....
- **School Services foresees continuing revisions throughout 2009-10**
 - **There will likely be early, midyear, & late-year cuts**
 - **Advises districts to, “Hold on to reserves!”**



- Unfortunately, the State's funding is grossly inadequate to operate our schools and our Board is legally obligated to maintain fiscal solvency which requires painful, difficult budget decisions to be made, often without complete information from the Governor and Legislature.
- Translation: Our Board of Education will need to **continue to**:
 - Prioritize programs, services and functions
 - Act proactively and make required budget decisions while ensuring continued improvement in student performance
 - **Work with the anticipation of further budget reductions (i.e. early, midyear, & late-year cuts)**
 - **Hold on to our reserves.**



Santa Ana
Unified School District

How the Public & Community can Help the School District



Santa Ana

Unified School District

Go to our Website at
www.sausd.us

Santa Ana Unified School District - Microsoft Internet Explorer

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Address <http://www.sausd.us/sausd/site/default.asp> Go

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Unified School District

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SAUSD Calendar

Today

08:00 AM - 10:30 AM [DAC/DELAC Meeting](#)

Tomorrow

06:00 PM - [2009 Dinner of Champions](#)

May 21, 2009

[Senior Awards Night](#)

Welcome to SAUSD

**FAILURE IS UNACCEPTABLE!
SUCCESS IS THE STANDARD...
IT'S UP TO US ALL!**

Mission
The Santa Ana Unified School District is dedicated to high academic achievement, in a scholarly and supportive environment, ensuring that all students are prepared to accomplish their goals in life.

District News

Santa Ana Students Show Off Artistic Flair In Arts on the Lawn Event

Century High School Senior Selected as of 2009 District Scholar

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Santa Ana

Unified School District

Go to our Website at www.sausd.us

SAUSD Calendar

Today
08:00 AM - 10:30 AM [DAC/DELAC Meeting](#)

Tomorrow
06:00 PM - [2009 Dinner of Champions](#)

May 21, 2009
[Senior Awards Night](#)
02:00 PM - 05:00 PM [Student Health Fair at Valley High School](#)
06:30 PM - [CAC Meeting](#)

May 22, 2009
09:00 AM - [Roy Russell Dedication Ceremony](#)
11:00 AM - 11:30 AM [Dan Salcedo Bench Dedication Ceremony](#)

May 25, 2009
[Memorial Day](#)

May 26, 2009
06:00 PM - [Board Meeting](#)

May 27, 2009
05:00 PM - 06:00 PM [Madison Elementary Open House](#)
07:00 PM - [District Honor Choir](#)

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Important Information on Flu for Parents & Community

State Budget Crisis
Keep informed with the latest updates

District News

Santa Ana Students Show Off Artistic Flair In Arts on the Lawn Event

Century High School Senior Selected as a Class of 2009 Dell Scholar

Santa Ana School Police Officer Receives Commendation

SAUSD Hosting A Southeast Asian Parent Conference

SAUSD Seeks Applications to Fill a Vacant Seat on the Bond Oversight Committee

[More »](#)

[RSS Feed](#)

Quick Announcements

Internet Explorer 8 users: Click [here](#) for help viewing our website.

The Santa Ana Youth Employment Program is

Step #1: Click on the "State Budget Crisis" icon



Key State Decision Maker's Contact Information

- Governor Arnold Schwarzenegger (Republican)**
State Capitol Building
Sacramento, CA 95814
Phone: (916) 445-2841
Fax: (916) 558-3160



- Mr. Darrell Steinberg (Democrat)**
Senate President *pro tempore*
1020 N Street, #576
Sacramento, CA 95814
Phone: (916) 651-1529
Fax: (916) 327-8754



- Ms. Karen Bass (Democrat)**
Assembly Speaker
5750 Wilshire Blvd., Suite 565
Los Angeles, CA 90036
Phone: (323) 937-4747
Fax: (323) 937-3466



- Mr. Dennis Hollingsworth (Republican)**
Senate Minority Leader
27555 Ynez Road, #204
Temecula, CA 92591
Phone: (951) 676-1020
Fax: (951) 676-1030



- Mr. Sam Blakeslee (Republican)**
Assembly Minority Leader
1104 Palm Street
San Luis Obispo, CA 93401
Phone: (805) 549-3381
Fax: (805) 549-3400



Step #2: Contact these key individuals.



Contact Information

- **Senator Lou Correa (Democrat)**
2323 N. Broadway, Ste. 245
Santa Ana, CA 92706
Phone: (714) 558-4400
Fax: (714) 558-4111



- **Senator Tom Harman (Republican)**
950 South Coast Drive, Ste. 240
Costa Mesa, CA 92626
Phone: (714) 957-4555
Fax: (714) 957-4560



- **Assemblyman Jose Solorio (Democrat)**
2400 E. Katella Avenue, Suite 640
Anaheim, CA 92806
Phone: (714) 939-8469
Fax: (714) 939-8986



- **Assemblyman Van Tran (Republican)**
1503 South Coast Dr. #205
Costa Mesa, CA 92626
Phone: (714)668-2100
Fax: (714)668-2104



- **Assemblyman Chuck DeVore (Republican)**
3 Park Plaza, Suite 275
Irvine, CA 92614
Phone: (949) 863-7070
Fax: (949) 863-9337



Step #3: Contact our local legislators.



reductions as required by law by March 25. The potential reductions could impact 310 certificated and administrative staff members.

The community was invited to attend the special study session regarding the budget on Thursday, April 9. View the [study session presentation](#) made to the Board, and the subsequent [April 14 budget update](#).

Budget Reductions To Date

Previous Budget Reductions have totaled over \$100 million over the past five years. Here are some of the cuts made and savings realized:

- Closed a school site
- Eliminated Administrative positions to a 4% administrative ratio
- Imposed unpaid furlough days for administrators
- Hiring freeze
- Adjusted health benefits
- Reduced Instructional Assistants to 3.75 hours
- Reduced the number of elementary music teachers
- Reduced the number of nurses
- Reduced summer school offerings
- Slashed department budgets

Advocating For Flexibility

Contact your local State [Assembly member](#) or [Senator](#) to discourage further cuts to education and to urge future flexibility in restricted funding earmarked for certain programs.

Sample template [message](#).

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Step #4: If desired, find the name and address of other Legislators.

Step #5: Use the sample template (or your own letter) asking for our Legislator's help in eliminating further cuts to Education. Please mail and if possible also call these decision makers to voice your concerns.