



Santa Ana
Unified School District

State & District Budget Update

May 12, 2009

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- Continued Weakness in the Economy
 - Legislative Analyst's Office (LAO) is projecting:
 - \$8 billion revenue shortfall (for 2009-10)
 - State operating deficit for the next 5 years
 - If May 19th special election propositions fail, results in add'l \$6 billion revenue shortfall
 - Further cuts to Education are possible in 2009-10 and 2010-11
- Federal Stimulus offers Welcome News, but there are Concerns:
 - Dollars come with restrictions
 - A one-time source of funds
 - Dollars will help but will not resolve all of our budget issues
 - Governor's application for Federal Educational Stabilization funding may provide an education funding "floor" but there are possible loopholes
 - State may offset any dollars received by reducing State funding in other areas.



- What does this mean to SAUSD?
 - Shared various scenarios (Scenarios A – F)
 - 2009-10 cuts range from \$18 to \$63 million depending on the scenario
 - Due to the timing of events, our Board is forced to make decisions without complete information
 - Certificated lay-off decision needs to be made by May 15th
 - Date is prior to the May 19th Special Election results being known and prior to May/June Revision details being publicized
 - The Board / District is taking action to:
 - Standardize site staffing
 - Redirecting use of categorical dollars
 - Forced to issue layoff notices to over 600 certificated & classified employees.



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School Services of California video clip

(Please refer to attached video clip)



- Schools Service's message is nearly identical to the message that we have been delivering
 - Revenue outlook is poor
 - Districts need to “control expenditures and to leave all (expenditure) options open.”
- News Update:
 - State budget deficit now forecasted at \$21.3 billion
 - Governor's May Revise to be issued this Thursday, May 14.