



Orange Unified School District 2011-12 Budget Update May 12, 2011



Update on 2011-12 Governor's Budget Proposal



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- \$23.8 billion deficit for the State**
 - **\$11.2 billion in budget solutions approved**
 - **\$12.6 billion Budget remains out of balance**
- Scenario I: No Tax Extensions = -\$349/ADA**
- Scenario II: Tax Extensions = +\$330/ADA**
- Scenario III: All Cuts Budget = -\$890/ADA**
- Scenario IV: No Tax Extensions with Class Size Waivers Grades 3-8 & Bargaining Unit Contract Extensions**
- Cumulative Budget Adjustments**

Scenario I: No Tax Extensions -**\$349/ADA**



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	2010-11	2011-12	2012-13	2013-14
Revenues	\$230,611,360	\$204,286,718	\$206,941,666	\$211,841,557
Total Revenues	\$230,611,360	\$204,286,718	\$206,941,666	\$211,841,557
Expenditures	\$225,539,155	\$217,734,708	\$230,535,240	\$239,904,348
OPEB Reimbursement	(\$5,000,000)	0	0	0
Total Expenditures	\$220,539,155	\$217,734,708	\$230,535,240	\$239,904,348
Inc. (Dec.) in Fund Balance	\$10,072,205	(\$13,447,990)	(\$23,593,574)	(\$28,062,791)
Beginning Balance	\$37,941,250	\$48,013,455	\$34,565,465	\$10,971,891
Ending Balance	\$48,013,455	\$34,565,465	\$10,971,891	(\$17,090,900)
Less: Restricted Reserves	(\$10,447,302)	(\$9,513,168)	(\$7,647,184)	(\$7,928,257)
Unrestricted Balance	\$37,566,153	\$25,052,297	\$3,324,707	<u>(\$25,019,157)</u>

Scenario II: Approval of Tax Extensions +\$330/ADA



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	2010-11	2011-12	2012-13	2013-14
Revenues	\$230,611,360	\$204,286,718	\$206,941,666	\$211,841,557
Approval of Tax Extensions		\$8,949,930	\$8,949,930	\$8,949,930
Total Revenues	\$230,611,360	\$213,236,648	\$215,891,596	\$220,791,487
Expenditures	\$225,539,155	\$217,734,708	\$230,535,240	\$239,904,348
OPEB Reimbursement	(\$5,000,000)	0	0	0
Total Expenditures	\$220,539,155	\$217,734,708	\$230,535,240	\$239,904,348
Inc. (Dec.) in Fund Balance	\$10,072,205	(\$4,498,060)	(\$14,643,644)	(\$19,112,861)
Beginning Balance	\$37,941,250	\$48,013,455	\$43,515,395	\$28,871,751
Ending Balance	\$48,013,455	\$43,515,395	\$28,871,751	\$9,758,890
Less: Restricted Reserves	(\$10,447,302)	(\$9,513,168)	(\$7,647,184)	(\$7,928,257)
Unrestricted Balance	\$37,566,153	\$34,002,227	\$21,224,567	<u>\$1,830,633</u>

Scenario III: “All Cuts” Budget **-\$890/ADA**



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	2010-11	2011-12	2012-13	2013-14
Revenues	\$230,611,360	\$204,286,718	\$206,941,666	\$211,841,557
“All Cuts” budget – Additional \$541(Total of \$890)		(\$14,672,461)	(\$14,672,461)	(\$14,672,461)
Total Revenues	\$230,611,360	\$189,614,257	\$192,269,205	\$197,169,096
Expenditures	\$225,539,155	\$217,734,708	\$230,535,240	\$239,904,348
OPEB Reimbursement	(\$5,000,000)	0	0	0
Total Expenditures	\$220,539,155	\$217,734,708	\$230,266,635	\$239,904,348
Inc. (Dec.) in Fund Balance	\$10,072,205	(\$28,120,451)	(\$38,266,035)	(\$42,735,252)
Beginning Balance	\$37,941,250	\$48,013,455	\$19,893,004	(\$18,373,031)
Ending Balance	\$48,013,455	\$19,893,004	(\$18,373,031)	(\$61,108,283)
Less: Restricted Reserves	(\$10,447,302)	(\$9,513,168)	(\$7,647,184)	(\$7,928,257)
Unrestricted Balance	\$37,566,153	\$10,379,836	<u>(\$26,020,215)</u>	<u>(\$69,036,540)</u>

Scenario IV: 2nd Interim Budget with Class Size Waiver & Bargaining Unit Contract Extensions



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	2010-11	2011-12	2012-13	2013-14
Revenues	\$230,611,360	\$204,286,718	\$206,941,666	\$211,841,557
Total Revenues	\$230,611,360	\$204,286,718	\$206,941,666	\$211,841,557
Expenditures	\$225,539,155	\$217,734,708	\$230,535,240	\$239,904,348
OPEB Reimbursement	(\$5,000,000)	0	0	0
CS Waiver Grades 3-8	0	0	(\$1,900,000)	(\$1,900,000)
Extend Barg. Unit. Contracts	0	0	0	(\$6,200,000)
Total Expenditures	\$220,539,155	\$217,734,708	\$228,635,240	\$231,804,348
Inc. (Dec.) in Fund Balance	\$10,072,205	(\$13,447,990)	(\$21,693,574)	(\$19,962,791)
Beginning Balance	\$37,941,250	\$48,013,455	\$34,565,465	\$12,871,891
Ending Balance	\$48,013,455	\$34,565,465	\$12,871,891	(\$7,090,900)
Less: Restricted Reserves	(\$10,447,302)	(\$9,513,168)	(\$7,590,184)	(\$7,685,257)
Unrestricted Balance	\$37,566,153	\$25,052,297	\$5,281,707	<u>(\$14,776,157)</u>

Cumulative Budget Adjustments



- **Level 1 – Administrative Funding Adjustments**
 - Reduced site and department discretionary budgets
 - Reduced staffing to contractual/legal requirement
 - Froze spending for non-mission critical services and supplies
 - Increased Medi-Cal billing through more aggressive tracking of services
 - Took advantage of the IDEA ARRA flexibility option
 - Charged Fund 71 for retiree health benefits
 - Swept Instructional Materials' fund balance
 - Maximized energy conservation measures

Cumulative Budget Adjustments – cont.



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□ Level 2 – Board of Education Funding Adjustments

- Utilized maximum Tier III flexibility option
- Increased bus pass fees by \$60 and eliminated free GATE busing
- Suspended Elementary Music Program
- Suspended Elementary Summer School
- Restructured Secondary Summer School
- Suspended District Funding for Sports Transportation
- Restructured Custodial Staffing
- Closed 2 Elementary Schools
- Restructured Class Size Reduction Program to 30:1 (K-2nd)
- Reduced Leadership salaries by 2% *(effective 2009-10 thru 2012-13)
- Reduced Leadership salaries by 5 furlough days (effective 2010-11 thru 2012-13)

Cumulative Budget Adjustments – cont.



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□ Level 3 – Adjustments Requiring Negotiations

- Reduced Certificated compensation by 2% (effective 2009-10 thru 2012-13)
- Reduced Certificated salaries by 5 furlough days (effective 2010-11 thru 2012-13)
- Reduced Classified compensation by 2% (effective 2009-10 thru 2012-13)
- Reduced Classified salaries by 5 furlough days effective 2010-11 thru 2012-13
- Increased 3rd thru 12th grade classroom staffing ratios to 33:1
- Reduced the instructional calendar from 180 to 175 days
- Planned Implementation of Full Day Kindergarten (eff. 2011-12)
- Restructured Certificated employee column advancement
- Froze District contribution to H & W plans (all employee groups)

Next Steps



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- State Action:**
 - **May 2011: May Revise**

- Deadlines**
 - **June 30, 2011: Adopt 2011-12 District Budget**