

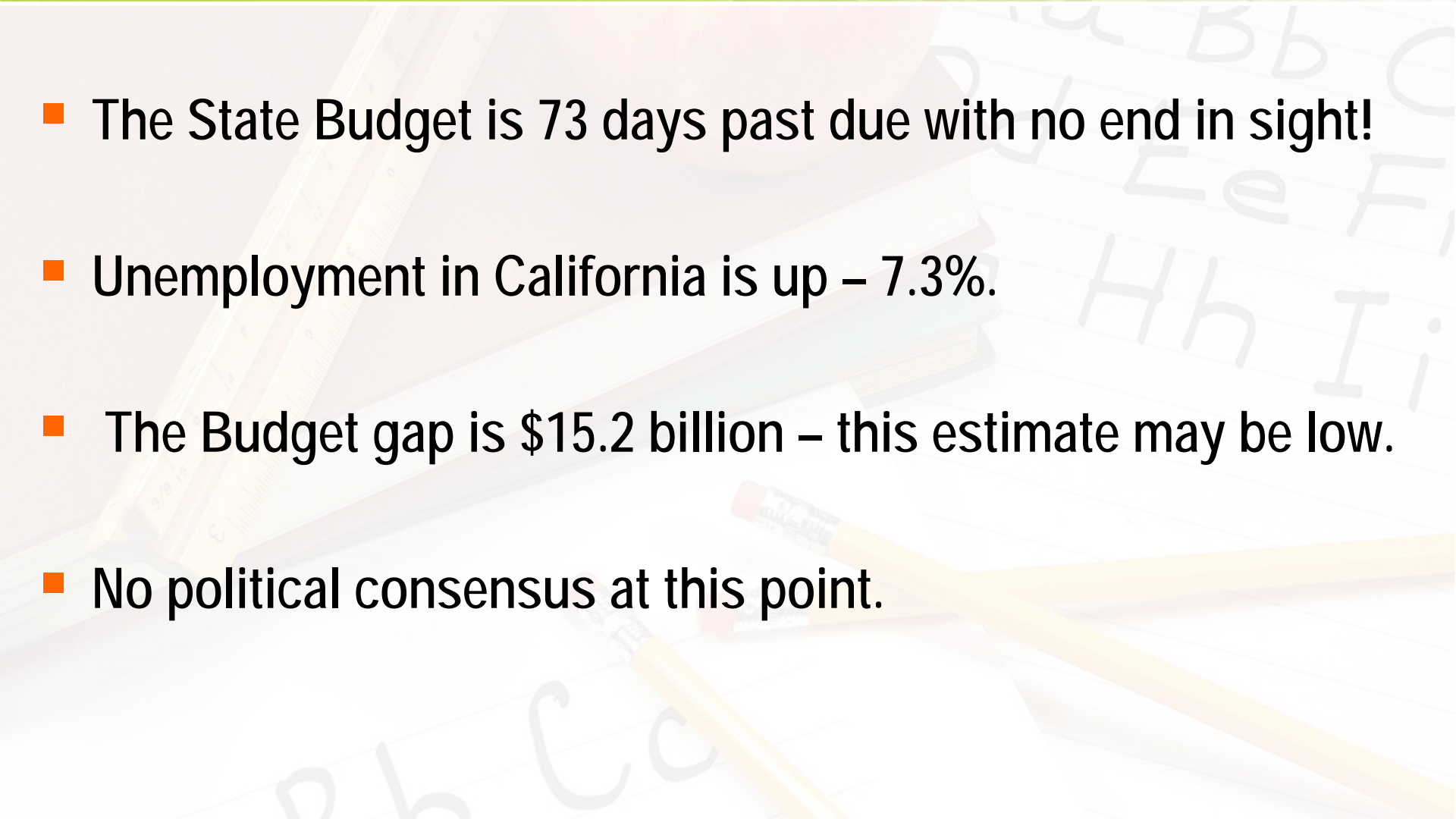
# Orange Unified School District

## *Quick Overview of 2008-09 Final Revised Budget*



# Introduction



- The State Budget is 73 days past due with no end in sight!
  - Unemployment in California is up – 7.3%.
  - The Budget gap is \$15.2 billion – this estimate may be low.
  - No political consensus at this point.
- 



# Budget-Year Proposals 2008-09 Based on the May Revision



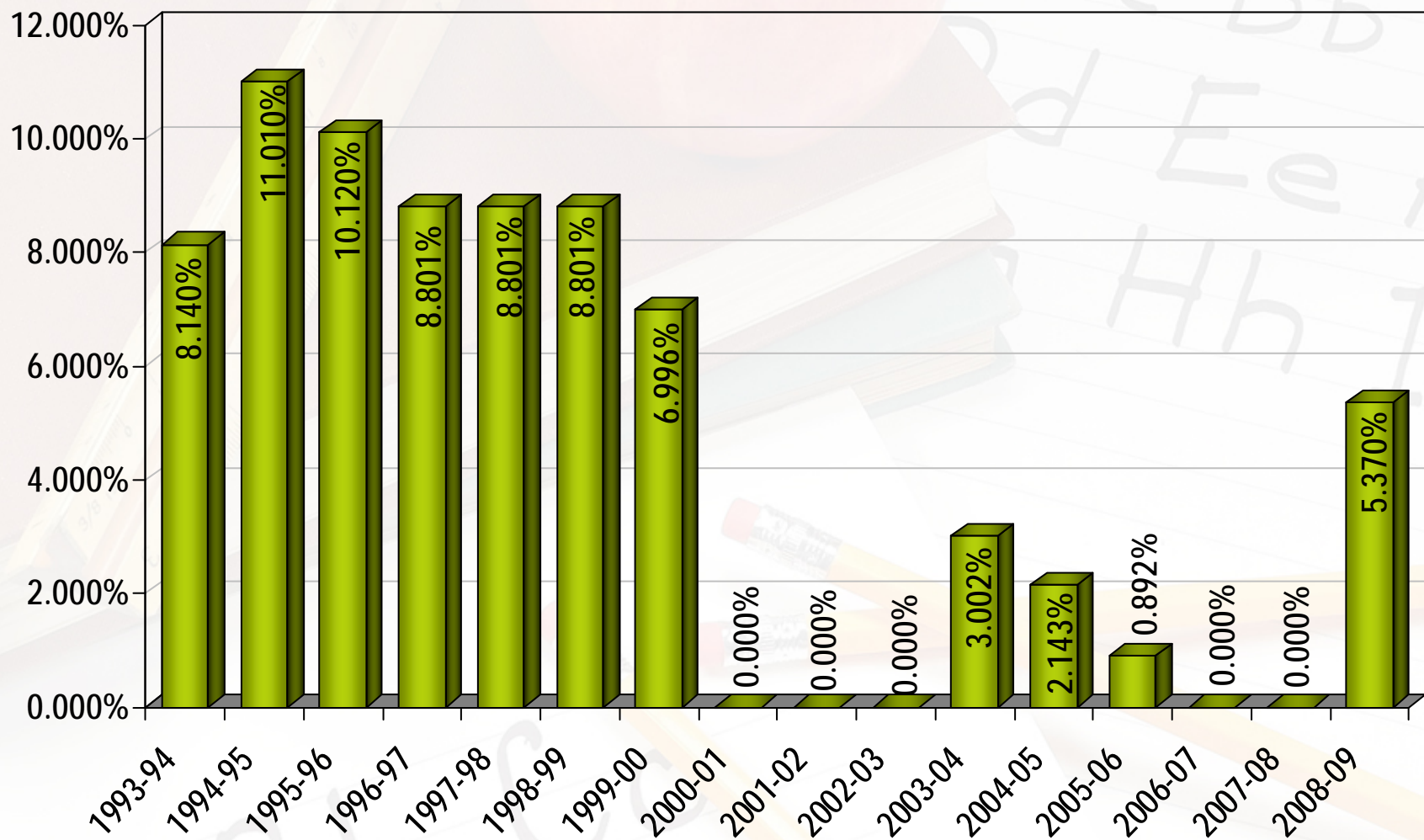
## Revenue Limits – COLA and Deficits

- The statutory COLA is 5.66% with a deficit of 5.357%, eliminating the proposed 2.4% reduction proposed in January.
- The following includes the increases to the base revenue limit that are funded at zero:

District Type	Statutory COLA Undeficited	Funded COLA
All Elementary Districts	\$315	-0-
All High School Districts	\$379	-0-
All Unified Districts	\$329	-0-



# Revenue Limit Deficit Factor



# Categorical Programs

The background of the slide features a collage of educational imagery. At the top, there is a horizontal strip of photos showing diverse students in a classroom setting, some looking at books and others smiling. Below this, the background transitions into a light-colored area with a faint, large-scale pattern of lowercase letters (a, b, c, d, e, f, g, h, i) and a ruler, suggesting a focus on literacy and measurement.

- January proposed cuts are restored for revenue limits and special education, but other categorical programs are not so fortunate.
- May Revision continues to include, on average, 6.5% reduction to most state categorical programs with no COLA.

# Orange Unified School District 2008-09 Budget Assumptions

- Governor's 2008-09 May Revision proposal reduces our revenue by \$8.7 million annually.
- Contractual obligation for step and column increases expenditures by \$3.4 million annually.
- Decreased revenues and increased expenditures total \$12.1 million annually.

# Orange Unified School District 2008-09 Budget Assumptions

- One-time funds available to include in the 2008-09 General Fund budget equal \$6.7 million each year for three years.
- Proposed ongoing budget reductions equal \$5.4 million annually.
  - One-time funds and ongoing budget reductions total \$12.1 million annually.



## Supplementary Retirement Program (SRP)

- Allowed for smooth implementation of program reductions avoiding a complicated, costly layoff process.
- Program reductions related to the SRP resulted in ongoing budget reductions of \$2.45 million annually.
- Additional savings resulting from SRP vs layoff were \$1.58 million the first year and \$6.9 million over five years.
- All savings are net of the program expenses to be paid over the next five years.

# We thought you didn't have any money?

## General Operating Funds vs Restricted Funds

- Professional Staff Development
  - Workshops/Conferences
  - Staff Development Presenters
- Facilities Funds
  - Deferred Maintenance
  - Certificates of Participation
  - Chevron Energy Projects
  - Williams Settlement Emergency Projects

## Budget Update

- The 2008-09 Final Revised Budget is essentially the same budget approved by the Board in June, updated for the actual results of 2007-08.
  - Includes contractual step and column increases.
  - Includes an amount to fund a portion of the 15% health benefit premium increase.
  - Does not include any funds for salary schedule adjustments.



## Other Budget Related Information

- Initial enrollment is up slightly.
- Administrative costs remain low.
  - Lowest rate in Orange County in 2007-08 (2.60%)
  - Drops to 2.17% - one of the lowest rates for K-12 districts in California

Stay tuned..... A User Friendly Budget and a more comprehensive Board presentation will be done once the State Budget is approved.....