

# Orange Unified School District

Budget Update  
November 17, 2011



# Presentation Overview



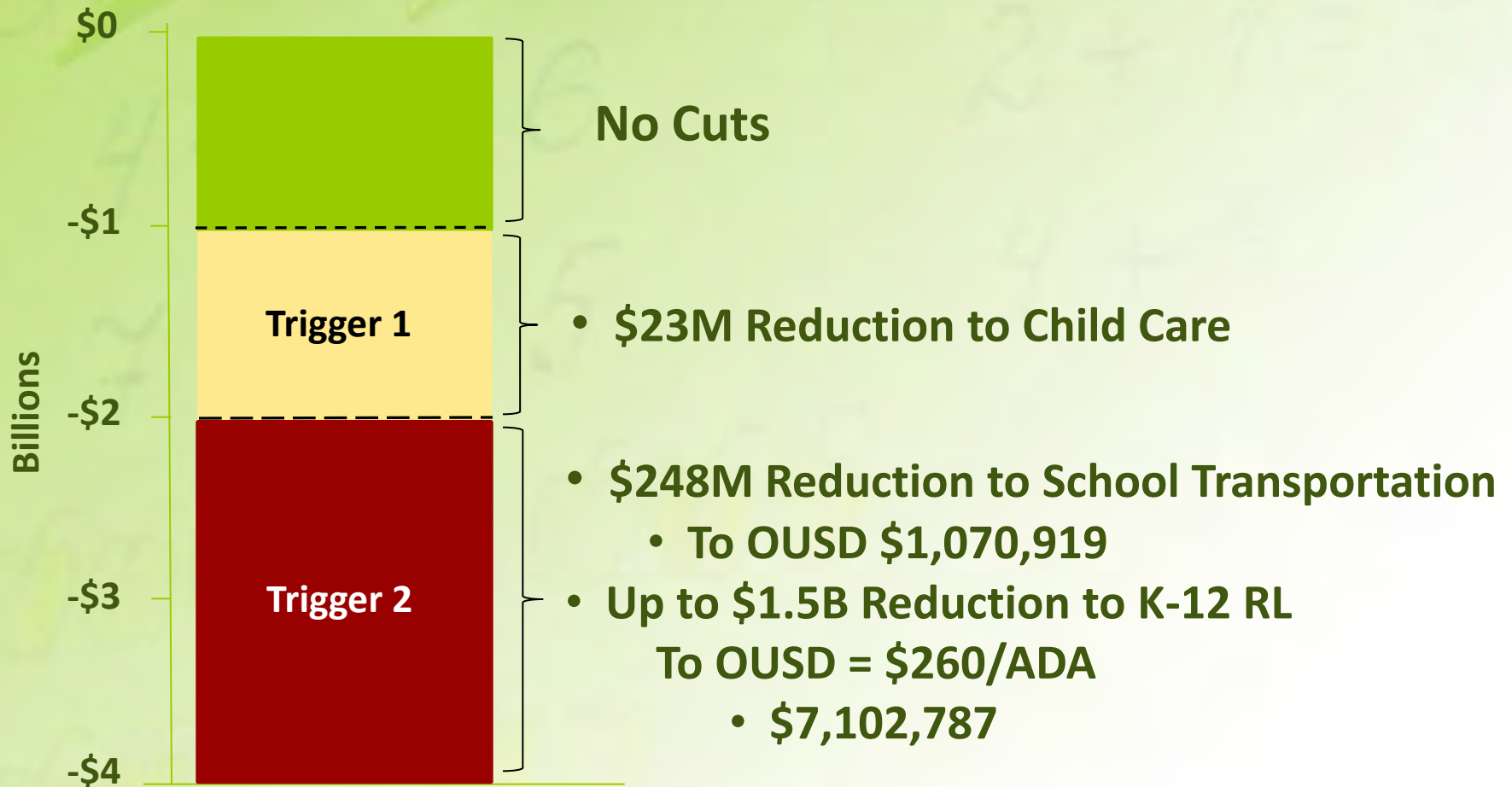
- 2011-12 State Adopted Budget
- Trigger Reductions
- Trigger Tracker
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- 2011-12 Budget With Class Size Waiver & Bargaining Unit Contract Extensions
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# 2011-12 State Adopted Budget



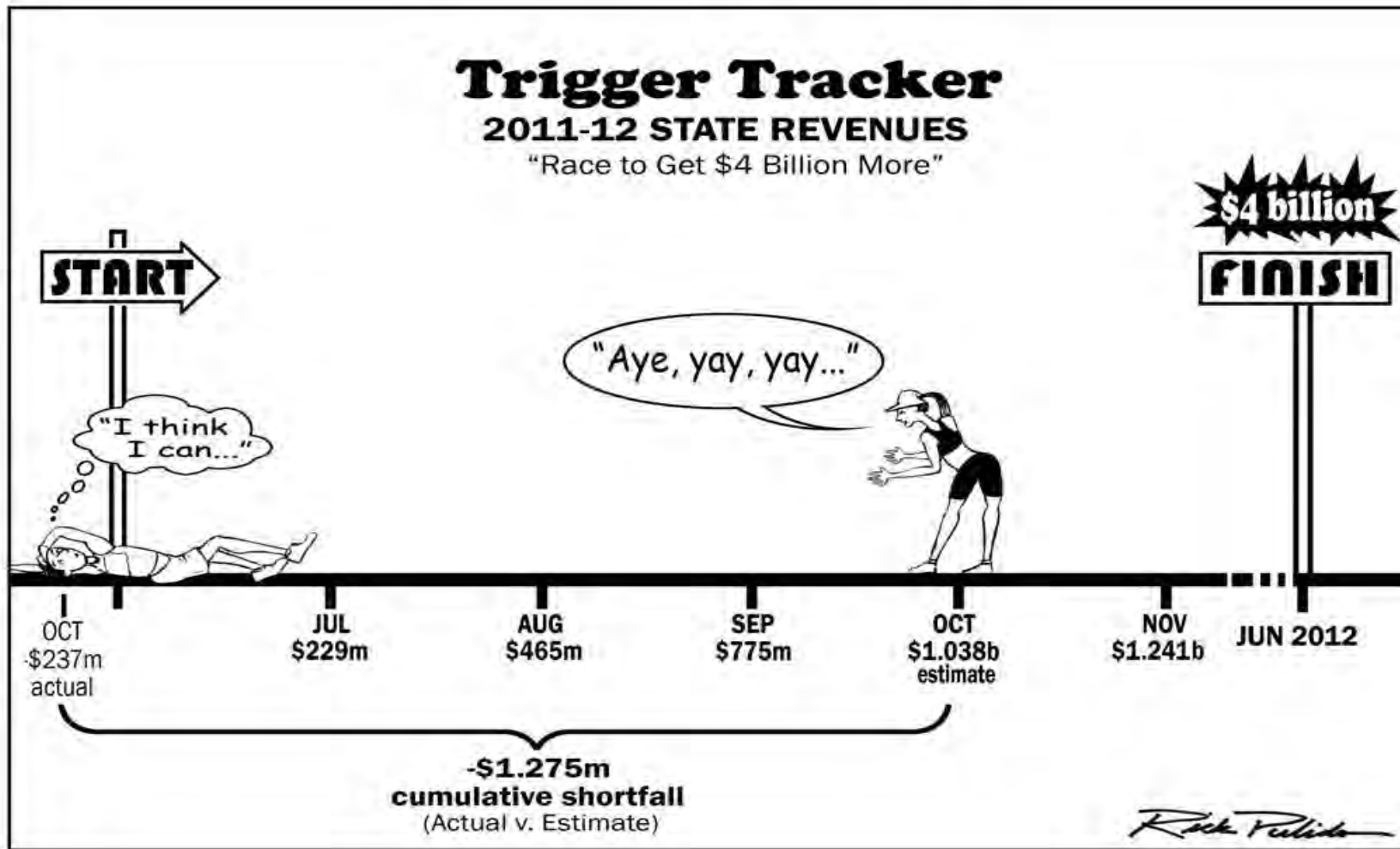
- **Budget Act: Need to fill a \$9.6 Billion hole**
  - **\$5.1 Billion: Re-designate a portion of the sales tax as local revenue**
  - **\$4 Billion: General fund revenues above May Revision forecast**
  - **Other cuts**
- **Revenue Shortfall will “Trigger” specific actions in January 2012**
  - **i.e. Mid-year budget cuts**

# Summary of Potential “Trigger” Cuts if State Revenue Assumptions Are Not Met



\*2011-12 Total Potential Trigger Reduction = \$8,173,706

# Trigger Tracker



# Before Trigger Reductions



	2011-12	2012-13	2013-14
Revenues	\$225,952,959	\$219,673,848	\$223,940,491
Total Revenues	\$225,952,959	\$219,673,123	\$223,940,491
Expenditures	\$238,410,053	\$229,858,621	\$239,398,120
Total Expenditures	\$238,410,053	\$229,858,621	\$239,398,120
Inc. (Dec.) in Fund Balance	<b>(\$12,457,094)</b>	<b>(\$10,184,773)</b>	<b>(\$15,457,629)</b>
Beginning Balance	\$59,938,316	\$47,481,222	\$37,296,449
Ending Balance	\$47,481,222	\$37,296,449	\$21,838,820
Less: Restricted Reserves	<b>(\$8,983,429)</b>	<b>(\$7,626,886)</b>	<b>(\$7,913,071)</b>
Unrestricted Balance	\$38,497,793	\$29,669,563	<u>\$13,925,749</u>

# With Trigger Reductions



	2011-12	2012-13	2013-14
Revenues	\$225,952,959	\$219,673,848	\$223,940,491
<b>AB 114 Trigger Reductions</b>	<b>(\$8,173,706)</b>		
<b>No Funding of 3.10% COLA</b>		<b>(\$5,542,860)</b>	<b>(\$5,542,860)</b>
Total Revenues	\$217,779,253	\$214,130,988	\$218,397,120
Expenditures	\$238,410,053	\$229,858,621	\$239,398,120
<b>Reduction in OPEB Interest</b>	<b>(\$3,400,000)</b>		
Total Expenditures	\$235,010,053	\$229,858,621	\$239,398,120
Inc. (Dec.) in Fund Balance	<b>(\$17,230,800)</b>	<b>(\$15,727,633)</b>	<b>(\$21,000,489)</b>
Beginning Balance	\$59,938,316	\$42,707,516	\$26,979,883
Ending Balance	\$42,707,516	\$26,979,883	\$5,979,394
Less: Restricted Reserves	<b>(\$8,881,429)</b>	<b>(\$7,626,886)</b>	<b>(\$7,913,071)</b>
Unrestricted Balance	\$33,826,087	\$19,352,997	<b>(\$1,933,677)</b>

# With Class Size Waiver & Extensions of Bargaining Unit Contracts



	2011-12	2012-13	2013-14
Revenues	\$225,952,959	\$219,673,848	\$223,940,491
AB 114 Trigger Reductions	(\$8,173,706)		
No Funding of 3.10% COLA		(\$5,542,860)	(\$5,542,860)
Total Revenues	\$217,779,253	\$214,130,988	\$218,397,631
Expenditures	\$238,410,053	\$229,858,621	\$239,398,120
Reduction in OPEB Interest	(\$3,400,000)		
Class Size Waiver Grades 3-8		(\$1,900,000)	(\$1,900,000)
Extend Barg. Unit Contracts			(\$6,200,000)
Total Expenditures	\$235,010,053	\$227,958,621	\$231,298,120
Inc. (Dec.) in Fund Balance	(\$17,230,800)	(\$13,827,633)	(\$12,900,489)
Beginning Balance	\$59,938,316	\$42,707,516	\$28,879,883
Ending Balance	\$42,707,516	\$28,879,883	\$15,979,394
Less: Restricted Reserves	(\$8,881,429)	(\$7,569,886)	(\$7,670,071)
Unrestricted Balance	\$33,826,087	\$21,309,997	<u>\$8,309,323</u>



# Flexibility Continues



- SB 70 was signed into law in March and extends existing flexibility options by two additional years to 2014-15:

Original Expiration Date	New Expiration Date	Description of Flexibility
June 30, 2012	June 30, 2014	K-3 Class-Size Reduction relaxed penalties
June 30, 2013	June 30, 2015	Routine Restricted Maintenance set aside reduced from 3% to 1%
		Suspension of Deferred Maintenance local match requirement
		Flexibility of Tier III categorical programs (funding level based on 2008-09)
		Reduction of school year by five days

# Next Steps



- ◆ Watch State Revenues and Provide Updates
- ◆ Deadlines
  - December 15, 2011: Adopt 2011-12 1<sup>st</sup> Interim Report
  - January 2012: Possible Implementation of Trigger Reductions
  - March 15, 2012: 2011-12 2<sup>nd</sup> Interim Report
  - June 30, 2012: Adopt the 2012-13 All Funds Budget