

**Orange Unified School District
Budget Update
February 16, 2012**



Presentation Overview

- **Governor's Proposal's for 2012-13**
- **Impact of Governor's Proposal to OUSD**
- **Base Revenue Limit *after* Deficit Factor**
- **Historical Impact of Revenue Limit Deficit**
- **Multi-Year Budget Scenarios**
- **Next Steps**

Governor's Proposals for 2012-13

- **The Governor's Budget Proposals for 2012-13 represents a budget gap of \$9.2 billion**
 - **\$6.9 Billion: Tax Initiative in the November 2012 Election**
 - **Increase in Sales tax by ½ cent**
 - **Increase income tax rate by 2% on the wealthiest taxpayers**
 - **\$1.4 Billion: Other revenue sources (fees, loans etc.)**
 - **\$2 Billion: In various cuts (including education)**
- **The Governor's Budget provides for "Trigger Reductions" of \$5.4 billion should the Tax Initiative Fail**
 - **\$370/ADA**

Governor's Proposals for 2012-13 – cont.

● Other Funding Proposals

- Weighted Student Funding Formula
- Expansion of categorical flexibility

● Specific Cuts to Education Include:

- No funding increase for the estimated 3.17% statutory COLA
- 100% Elimination of home-to-school and special education transportation funding
- Elimination of Transitional Kindergarten Funding

Impact of Governor's Proposal to OUSD

Proposal	Impact
<input type="checkbox"/> No Funding increase for estimated 3.17% statutory COLA: On-going	(\$5,545,045)
<input type="checkbox"/> Additional Revenue Limit Reduction of \$370/ADA* Five Years (OCDE Common Message)	*(\$10,070,623)
<input type="checkbox"/> Transportation	(\$2,148,419)
<input type="checkbox"/> Transitional Kindergarten	(\$524,900)
Total	(\$18,288,987)

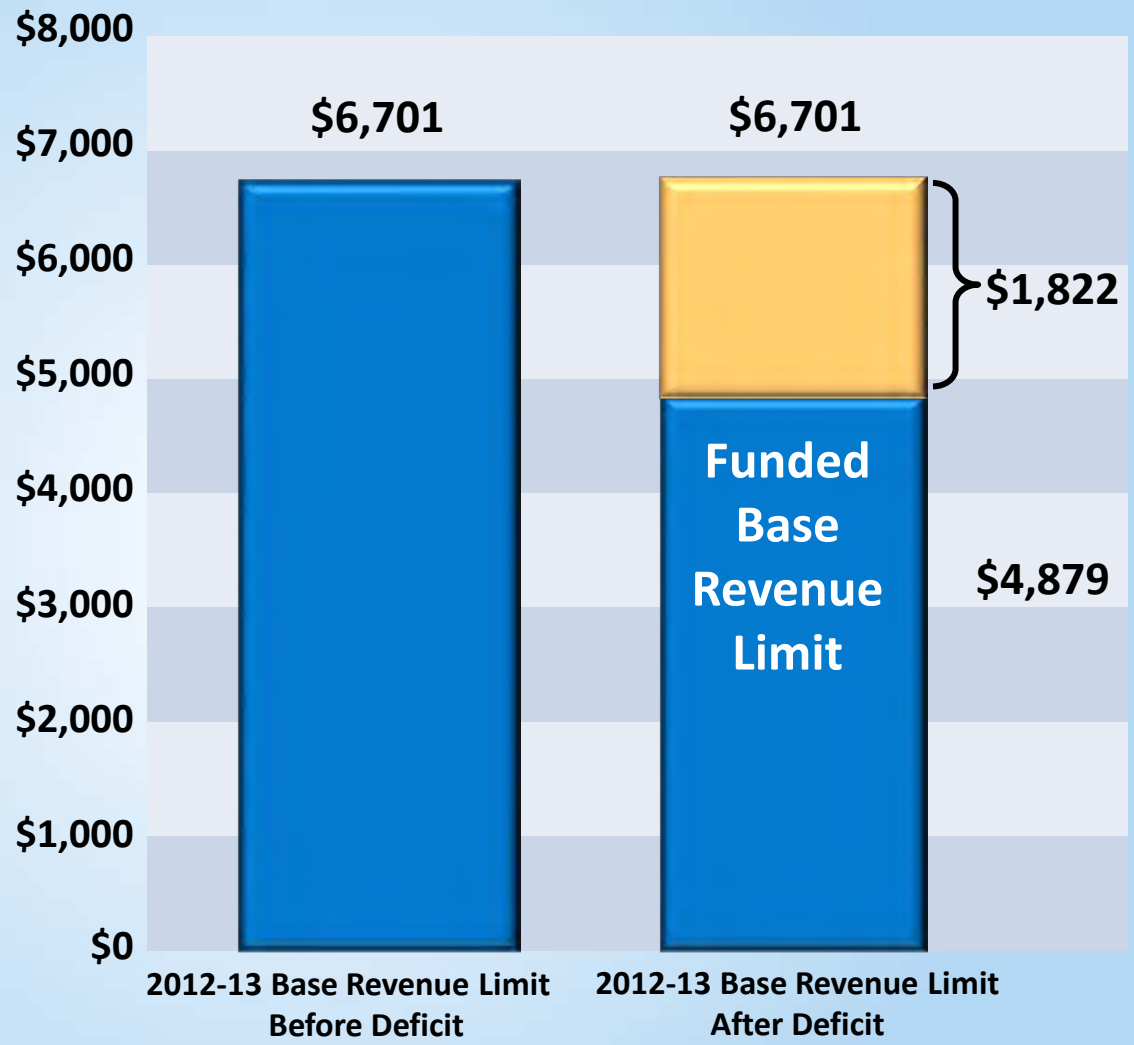
*If tax initiative passes this amount will be added back to the budget

Base Revenue Limit *after* Deficit Factor

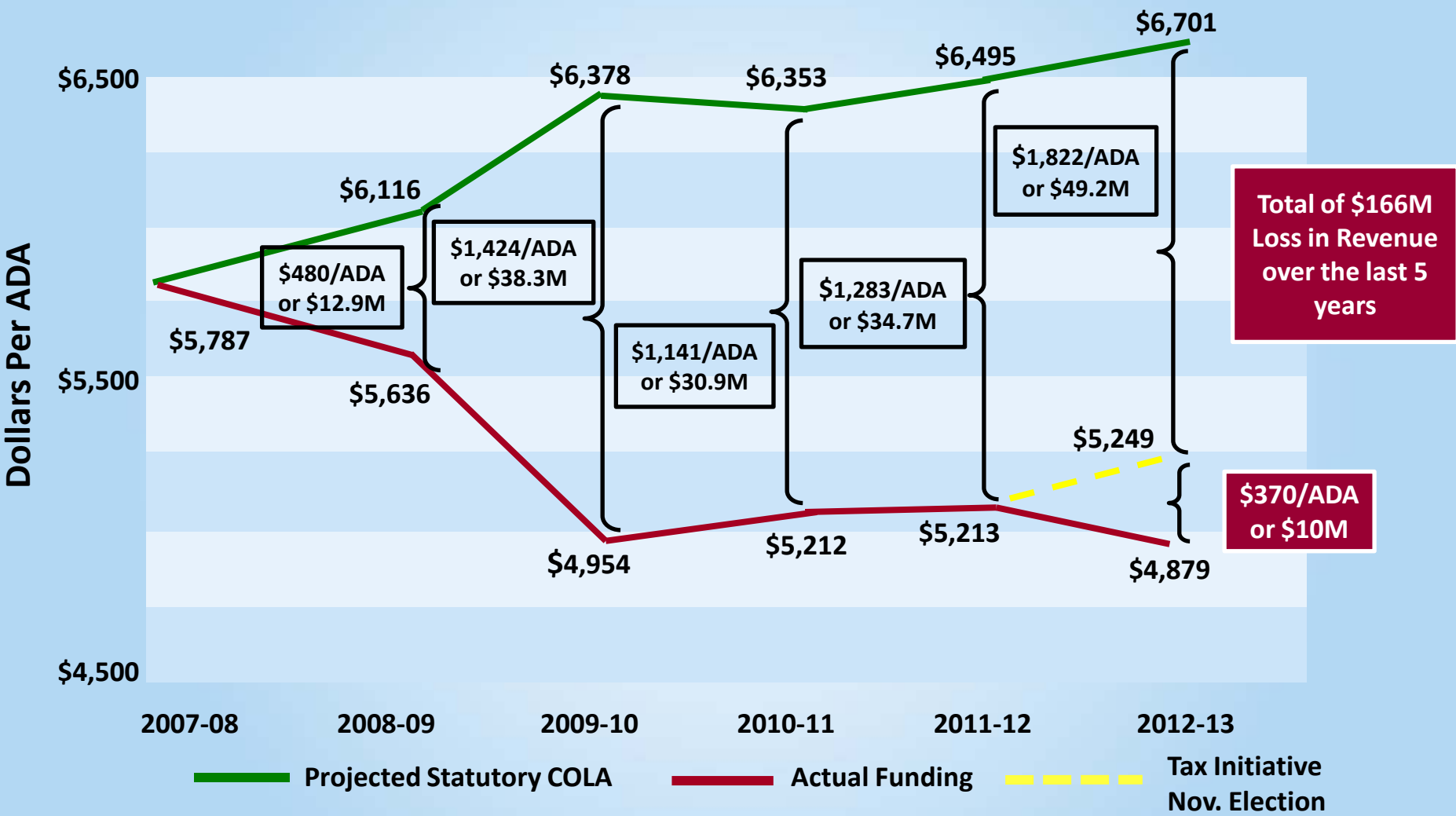


Apply the 2012-13 deficit of 21.666% to the undeficit base revenue limit

Orange Unified District
Funded revenue limit
= $\$6,701 \times (1 - 0.21666)$
= $\$6,701 \times 0.78334$
= $\$5,249$
= - $\$370/\text{ADA}$
= $\$4,879$



Historical Impact of Revenue Limit Deficit



Multi Year Projections – 2nd Interim Before Governor's Proposed Budget

	2011-12	2012-13	2013-14
Revenues	\$226,345,568	\$216,054,648	\$215,277,226
Total Revenues	\$226,345,568	\$216,054,648	\$215,277,226
Expenditures	\$235,796,440	\$227,923,480	\$235,678,985
Retiree Benefit Premium Savings	(\$1,642,459)	(\$1,541,190)	(\$1,400,373)
Total Expenditures	\$234,153,981	\$226,382,290	\$234,278,612
Inc. (Dec.) in Fund Balance	(\$7,808,413)	(\$10,327,642)	(\$19,001,386)
Beginning Fund Balance	\$59,938,316	\$52,129,903	\$41,802,261
Ending Balance	\$52,129,903	\$41,802,261	\$22,800,875
Less: Restricted Reserves	(\$8,855,746)	(\$7,522,596)	(\$7,759,485)
Unrestricted Balance	\$43,274,157	\$34,279,665	\$15,041,390

Multi Year Projections – 2nd Interim Governor's Proposed Budget

	2011-12	2012-13	2013-14
Revenues	\$226,345,568	\$216,579,548	\$215,802,126
\$370 Cut to Rev Limit if Tax Initiative Fails		(\$10,070,623)	(\$10,070,623)
Zero funding for Transportation		(\$2,141,623)	(\$2,141,623)
Move K Enroll Eligibility dates		(\$524,900)	(\$524,900)
Total Revenues	\$226,345,568	\$203,842,189	\$203,064,767
Expenditures	\$235,796,440	\$227,923,480	\$235,678,985
Retiree Benefit Premium Savings	(\$1,642,459)	(\$1,541,190)	(\$1,400,373)
Total Expenditures	\$234,153,981	\$226,382,290	\$234,278,612
Inc. (Dec.) in Fund Balance	(\$7,808,413)	(\$22,540,101)	(\$31,213,845)
Beginning Fund Balance	\$59,938,316	\$52,129,903	\$29,589,802
Ending Balance	\$52,129,903	\$29,589,802	(\$1,624,043)
Less: Restricted Reserves	(\$8,855,746)	(\$7,522,596)	(\$7,759,485)
Unrestricted Balance	\$43,274,157	\$22,067,206	(\$9,323,528)

2nd Interim *With* Budget Solutions

10

	2011-12	2012-13	2013-14
Revenues	\$226,345,568	\$216,579,548	\$215,802,126
\$370 Cut to Rev Limit if Tax Initiative Fails		(\$10,070,623)	(\$10,070,623)
Zero funding for Transportation		(\$2,141,836)	(\$2,141,836)
Move K Enroll. Eligibility dates		(\$524,900)	(\$524,900)
Total Revenues	\$226,345,568	\$203,842,189	\$203,064,767
Expenditures	\$235,796,440	\$227,923,480	\$235,678,985
Retiree Benefit Premium Savings	(\$1,642,459)	(\$1,541,190)	(\$1,400,373)
Class Size Waiver Extensions		*(\$1,900,000)	(\$1,900,000)
Extension of Furlough Days			(\$6,200,000)
Total Expenditures	\$234,153,981	\$224,482,290	\$226,178,612
Inc. (Dec.) in Fund Balance	(\$7,808,413)	(\$20,640,101)	(\$23,113,845)
Beginning Fund Balance	\$59,938,316	\$52,129,903	\$31,489,802
Ending Balance	\$52,129,903	\$31,489,802	\$8,375,957
Less: Restricted Reserves	(\$8,855,746)	(\$7,465,596)	(\$7,516,485)
Unrestricted Balance	\$43,274,157	\$24,024,206	\$859,472

*** Already negotiated – waiting for Calif. Dept. of Education approval in May 2012**

Multi Year Projections – 2nd Interim

IF Tax Initiative is Passed

11

© 2012 School

	2011-12	2012-13	2013-14
Revenues	\$226,345,568	\$203,842,189	\$203,064,767
\$370 Addition to Rev Limit if Tax Initiative is Passed		\$10,070,623	\$10,070,623
Total Revenues	\$226,345,568	\$213,912,812	\$213,135,390
Expenditures	\$235,796,440	\$227,923,480	\$235,678,985
Retiree Benefit Premium Savings	(\$1,642,459)	(\$1,541,190)	(\$1,400,373)
Total Expenditures	\$234,153,981	\$226,382,290	\$234,278,612
Inc. (Dec.) in Fund Balance	(\$7,808,323)	(\$12,469,478)	(\$21,143,222)
Beginning Fund Balance	\$59,938,316	\$52,129,903	\$39,660,425
Ending Balance	\$52,129,903	\$39,660,425	\$18,517,203
Less: Restricted Reserves	(\$8,855,746)	(\$7,522,596)	(\$7,759,485)
Unrestricted Balance	\$43,274,157	\$32,137,829	\$10,757,718

Next Steps

- **Deadlines: Education Code (42127, 42130)**

- **March 15, 2012: Adopt 2011-12 Second Interim Budget**

- **June 30, 2012: Adopt 2012-13 District Budget**

- **State Action:**

- **May 2012: May Revise**

- **November 2012: Voters will decide Governor's Tax Initiative**