

 **Tustin Unified School District**  
2019-20 Second Interim Report  
March 9, 2020

1




**2019-20 Second Interim Report**  
**The "Rs" of the Education Budget**



Resuscitate      Revive      Restore  
Renew      Return  
Resurrect      Repeat

2



## 2019-20 Second Interim Report Agenda

- Governor's January Proposal
- Tustin 2019-20 Budget Projections
  - ❖ First and Second Interims Major Changes
  - ❖ Multi-Year Projections
- Tustin Challenges
- Budget Timeline
- Certification

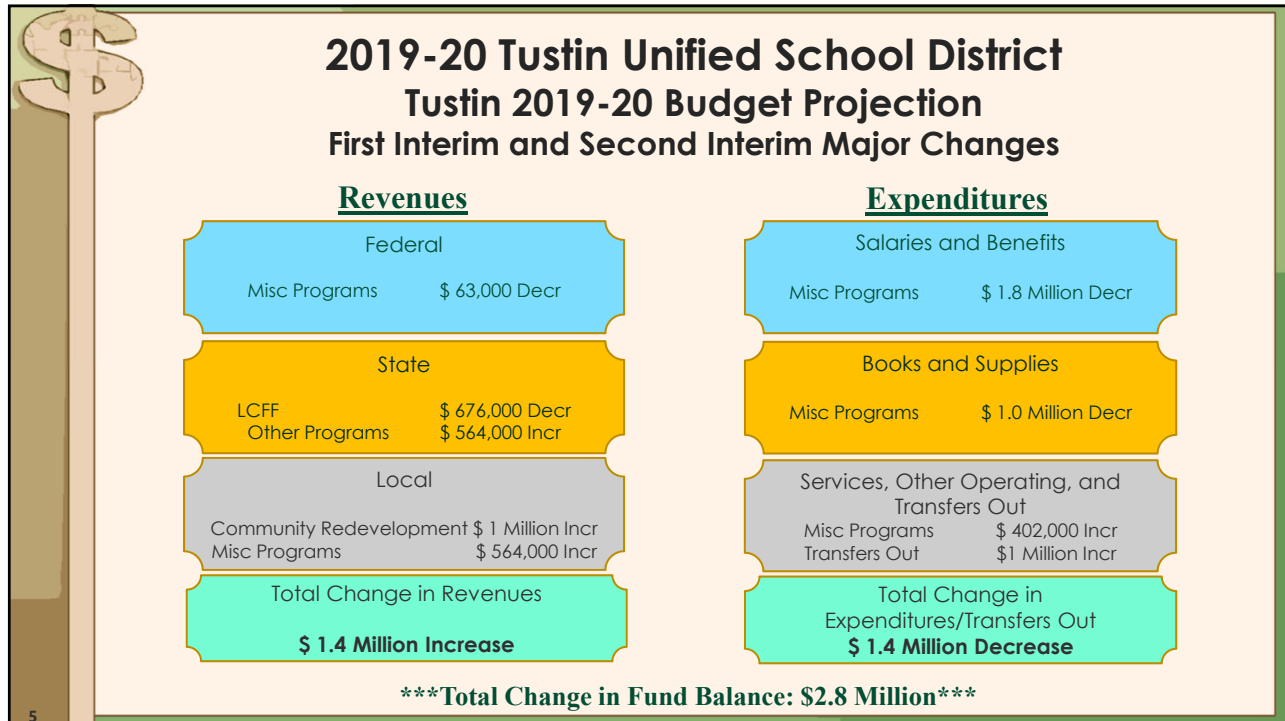
3

## 2019-20 Second Interim Report Governor's January Proposal

First Interim				Second Interim			
	2019-20	2020-21	2021-22		2019-20	2020-21	2021-22
▪ COLA	3.26%	3.00%	2.80%	▪ COLA	3.26%	2.29%*	2.71%*
▪ PERS Rates	19.72%	22.70%	24.60%	▪ PERS Rates	19.72%	22.80%*	24.90%*
▪ STRS Rates	17.10%	18.40%	18.10%	▪ STRS Rates	17.10%	18.40%	18.10%
▪ Lottery	\$ 153	\$ 153	\$ 153	▪ Lottery	\$ 153	\$ 153	\$ 153
	\$ 54	\$ 54	\$ 54		\$ 54	\$ 54	\$ 54
▪ Special Education ✓ 2019-20 -> \$645 million > \$152 million to increase to statewide target rate \$557.27 per ADA (TUSD-> \$500,000) > \$493 million one-time (TUSD -> \$1.9 million)				▪ Special Education > \$645 million to increase to statewide target rate \$660 per ADA (TUSD-> \$2.3 million) > \$250 million one-time (Approx. \$4,570 per ADA, TUSD -> \$1million)			
▪ Educator Workforce Investment Grant (\$141.6million)				▪ Educator Workforce Investment Grant (\$900 million one-time) ▪ Community Schools (\$300 million one-time) ▪ CCEE Grant (\$18 million one-Time) ▪ Opportunity Grants (\$300 million one-Time) ▪ Computer Science (\$15 million) ▪ Early Childhood Education (\$264 million, one-time & ongoing) ▪ School Nutrition (\$60 million ongoing + \$10 million one-time)			

\* Change

4



5

### 2019-20 Second Interim Report Multi-Year Budget Projections

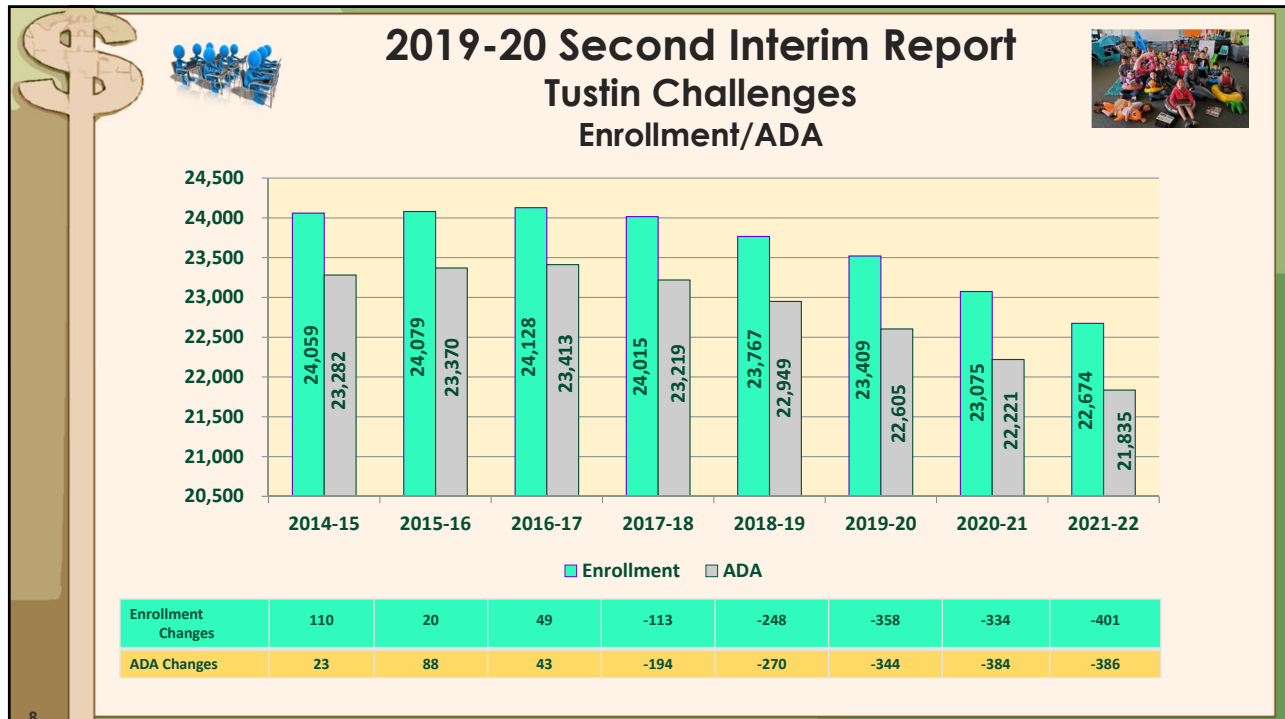
	2019-20	2020-21	2021-22
<b>Revenues</b>	\$277,765,585	\$269,681,638	\$269,577,551
<b>Expenditures</b>	\$277,337,088	\$275,719,624	\$283,333,203
<b>Transfers Out</b>	\$ 4,507,583	\$ 3,100,000	\$ 3,100,000
<b>Net Change (Deficit)</b>	<b>(\$ 4,079,086)</b>	<b>(\$ 9,137,986)</b>	<b>(\$ 16,855,652)</b>
<b>Beginning Balance</b>	\$ 89,864,449	\$ 85,785,363	\$ 76,647,377
<b>Ending Balance</b>	\$ 85,785,363	\$ 76,647,377	\$ 59,791,724
<b>3% Economic Uncertainty</b>	\$ 8,455,341	\$ 8,364,589	\$ 8,592,997

6

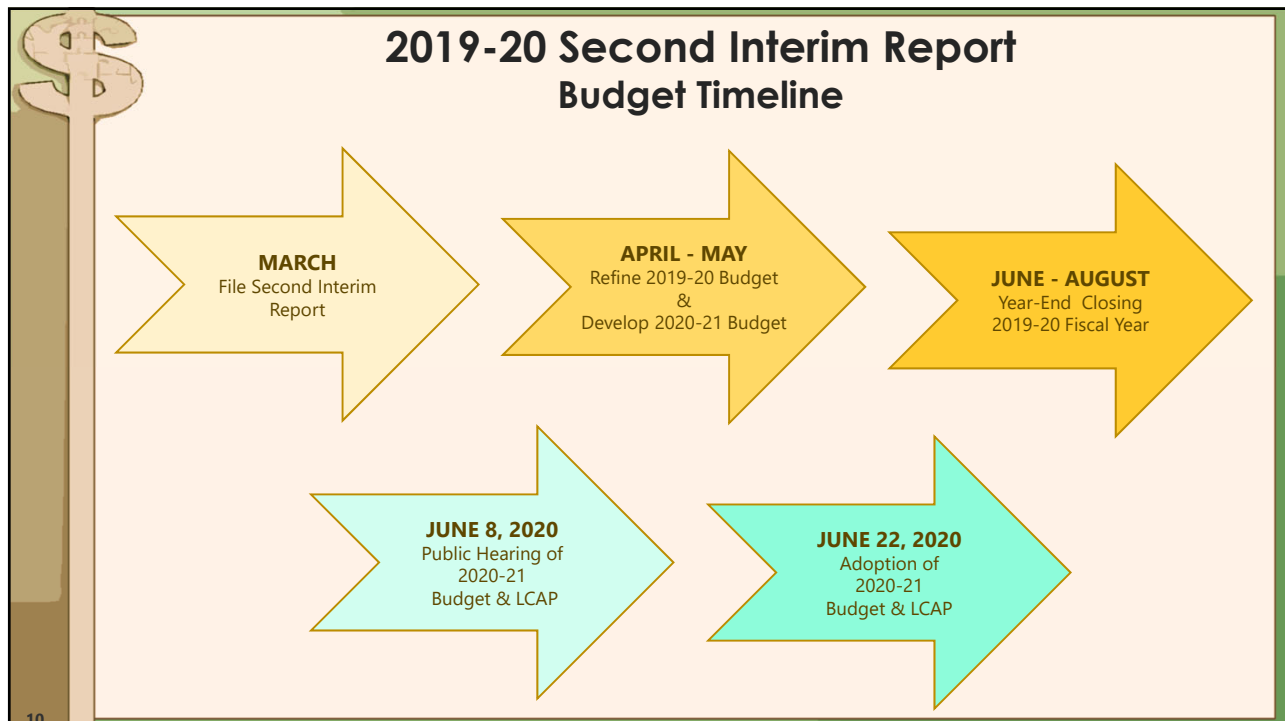
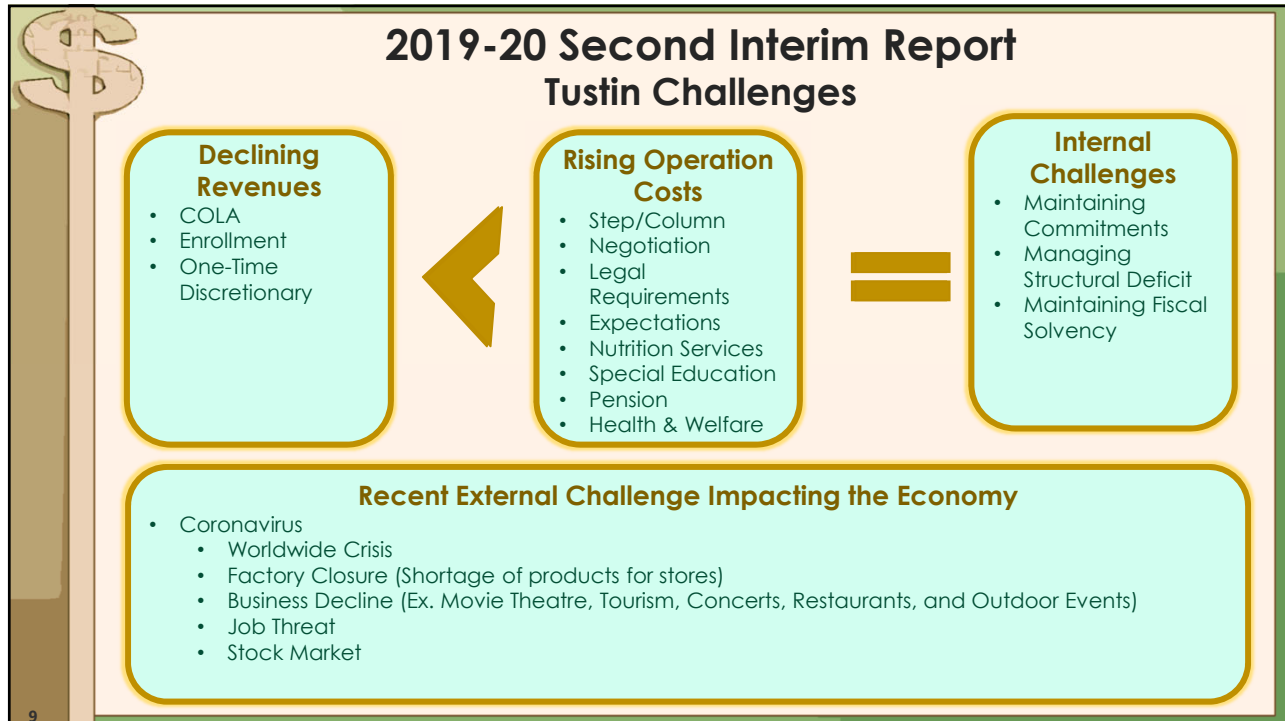
## 2019-20 Second Interim Report Multi-Year Budget Projections Components of Ending Fund Balance

	2019-20	2020-21	2021-22
<b>Non-Spendable: Revolving Cash</b>	\$ 150,000	\$ 150,000	\$ 150,000
<b>Stores</b>	\$ 188,549	\$ 188,549	\$ 188,549
<b>Restricted Programs</b>	\$ 18,680,914	\$ 16,493,558	\$ 11,611,978
<b>Committed Reserves:</b>			
• <b>Benefits Accounts</b>	\$ 140,000	\$ 140,000	\$ 140,000
• <b>Vacation Liability</b>	\$ 1,109,470	\$ 1,109,470	\$ 1,109,470
• <b>Local Protection Reserve</b>	\$ 19,742,522	\$ 14,477,404	\$ 8,782,721
• <b>Facilities Maintenance Reserve</b>	\$ 5,600,262	\$ 5,600,262	\$ 5,600,262
• <b>Technology Reserve</b>	\$ 6,000,000	\$ 6,000,000	\$ 6,000,000
• <b>Pension Liability Reserve</b>	\$ 0	\$ 2,627,421	\$ 378,938
• <b>Future School Opening</b>	\$ 500,000	\$ 500,000	\$ 0
• <b>Textbook Adoption</b>	\$ 6,000,000	\$ 6,000,000	\$ 6,000,000
• <b>One-Time Discretionary</b>	\$ 14,001,512	\$ 12,416,124	\$ 8,656,809
• <b>ELL Carryover</b>	\$ 2,122,250	\$ 0	\$ 0
• <b>Anthem HRA Balance Reserve</b>	\$ 250,000	\$ 250,000	\$ 250,000
• <b>MAA/LEA Medi-Cal Program</b>	\$ 514,543	\$ 0	\$ 0
• <b>Health &amp; Welfare Insurance Rebate</b>	\$ 330,000	\$ 330,000	\$ 330,000
• <b>Declining Enrollment</b>	\$ 2,000,000	\$ 2,000,000	\$ 2,000,000

7



8





## 2019-20 Second Interim Report Certification



In certifying the 2019-20 Second Interim Report as positive, the Board understands its fiduciary responsibility to maintain fiscal solvency for the current and subsequent two fiscal years. The District will implement the necessary budget adjustments to maintain a positive certification.