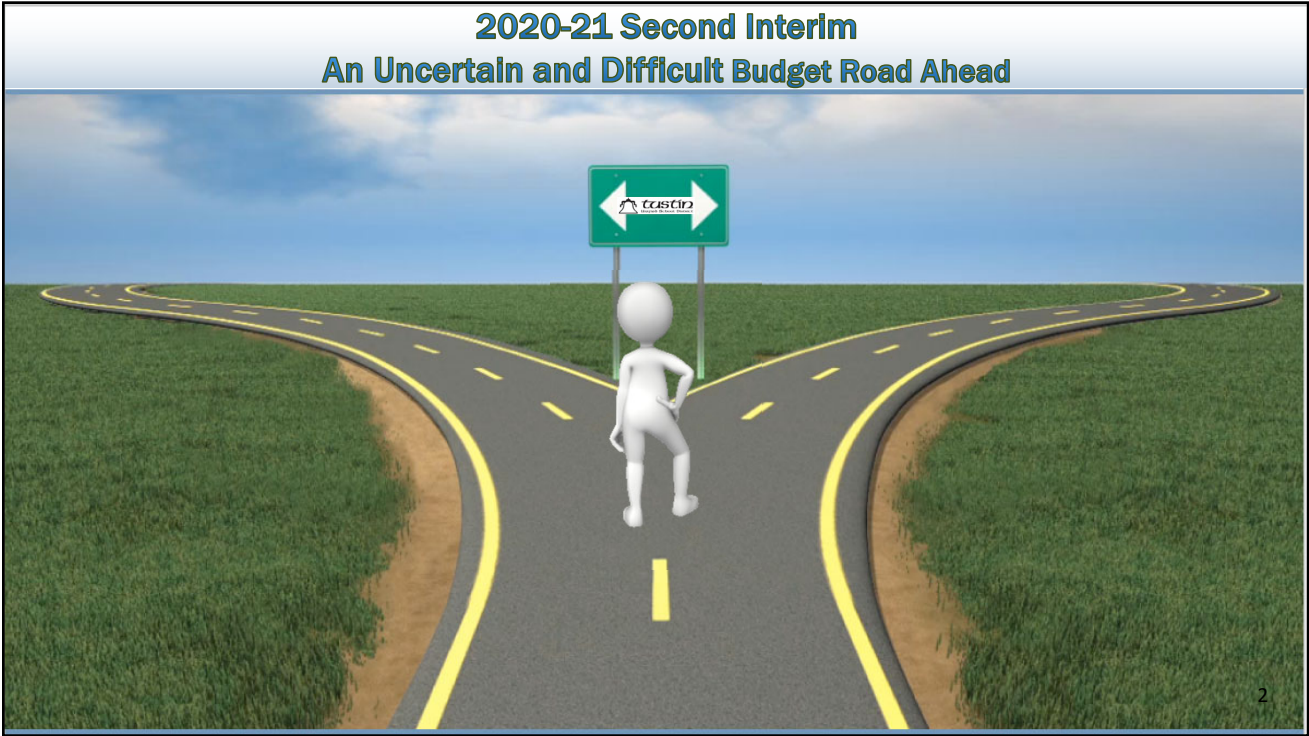





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2020-21 Second Interim Report Agenda





- Governor's January Proposal
 - Budget Comparison
- COVID-19 Funds Update
- Tustin 2020-21 Budget Projections
 - Multi-Year Projections
 - Deficit Structure –First and Second Interim Reports
- Tustin Challenging Road Ahead
 - Tustin Enrollment and ADA
 - Budget Considerations and Long-Term Planning
- Budget Timeline
- Certification

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2020-21 Second Interim Report Governor's January Proposal and Budget Comparison








First Interim				Second Interim			
	2020-21	2021-22	2022-23		2020-21	2021-22	2022-23
➤ COLA	0.00%	0.00%	0.00%	➤ COLA	0.00%	3.84% *	1.28% *
➤ PERS Rates	20.70%	23.00%	26.30%	➤ PERS Rates	20.70%	23.00%	26.30%
➤ STRS Rates	16.15%	16.00%	18.10%	➤ STRS Rates	16.15%	15.92% *	18.00% *
➤ COVID-19 Funds -> \$16.5 million in Fiscal Year 2020-21							
				➔			
				➤ Categorical Programs - Statutory COLA of 1.5% ➤ Title I -> 5% Increase ➤ Additional Federal Stimulus Funds (CRSSA) in Fiscal Year 2021-22 <ul style="list-style-type: none"> ○ COVID-19 ESSER II (TUSD \$10.3 million) ○ COVID-19 GEER II (CA \$341.4 million statewide) ➤ Partial Paydown of Cash Deferrals (Feb – May 2022) ➤ Special Education <ul style="list-style-type: none"> ○ Statutory COLA 1.5% ○ Early Intervention Preschool Grant (TUSD \$1.1 million) ○ Federal Medi-Cal (\$5 million statewide) ○ NPS Oversight (\$250,000 statewide) ➤ One-time Supplemental Payment ➤ Early Learning and Care Grant/TK (\$300 million statewide) ➤ Improving State Economy			

* Changes

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2020-21 Second Interim Report COVID-19 Funds Update

Tustin Unified School District 2019-20 & 2020-21 COVID-19 Funds						
						
HEALTH & SAFETY	STAFF EXPENSES	TRANSPORATION	NUTRITION SERVICES	TECHNOLOGY	INSTRUCTIONAL MATERIALS & SUPPLIES	SPECIAL EDUCATION
Disinfecting supplies PPE for staff and students Handwashing stations Electrostatic sprayers Air Purifiers Additional Custodial	Mental Health Learning Loss State Instruction Staff Development Excess staffing over enrollment Substitutes	First Student Transportation Services Special Ed Transportation	Non-food supplies Food Supplies and Equipment	Instructional Platforms Student Devices Internet Access, Software and Equipment	Additional Learning Materials and Supplies Outdoor Learning Equipment	NPA/NPS Consultants and Staffing Mental Health Materials and Supplies Parent Reimbursement
\$3,492,400	\$3,835,171	\$878,794	\$696,146	\$4,273,033	\$1,021,586	\$1,720,353
COVID-19 Funding Allocation: \$16,456,567						
Total Expenditures/Commitments: \$15,917,483 Other Operational Costs: \$179,949 2019-20 & 2020-21 Total Expenditures: \$16,097,432 2021-22 Balance: \$359,135 COVID-19 Total Funds: \$16,456,567						

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2020-21 Second Interim Report Multi-Year Budget Projections

	2020-21	2021-22	2022-23
REVENUES:			
LCFF Source	\$ 212,766,168	\$ 220,959,948	\$ 210,825,795
Federal	23,882,334	19,633,859	9,355,257
Other State	38,382,233	35,980,731	35,925,570
Other Local	10,945,457	7,781,679	7,660,886
TOTAL REVENUES	\$ 285,976,192	\$ 284,356,217	\$ 263,767,508
EXPENDITURES:			
Certificated Salaries	\$ 115,315,466	\$ 112,398,515	\$ 112,571,859
Classified Salaries	44,234,231	44,892,541	45,974,750
Employee Benefits	71,518,207	70,155,119	72,525,777
Books and Supplies	18,753,808	17,762,247	12,999,249
Services and Other Operating Expenditures	32,866,180	35,055,407	30,704,774
Capital Outlay	795,725	808,218	822,927
Other Outgo – Payment and Indirect Transfers	2,677,802	2,488,392	2,533,681
TOTAL EXPENDITURES	\$ 286,161,419	\$ 283,560,439	\$ 278,133,017
TOTAL TRANSFERS OUT	\$ 4,656,825	\$ 3,000,000	\$ 3,000,000
NET CHANGE	(\$ 4,842,052)	(\$ 2,204,222)	(\$ 17,365,509)
BEGINNING BALANCE	\$ 97,563,357	\$ 92,721,305	\$ 90,517,084
ENDING FUND BALANCE	\$ 92,721,305	\$ 90,517,084	\$ 73,151,575
3% Requirement for Economic Uncertainty	\$ 8,724,548	\$ 8,596,813	\$ 8,433,991
Other Required Reserves	\$ 83,996,757	\$ 81,920,271	\$ 64,717,584

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2020-21 Second Interim Report Multi-Year Budget Projections – Fund Balance



Components of Ending Fund Balance	2020-21	2021-22	2022-23
3% Requirement for Economic Uncertainties	\$ 8,724,548	\$ 8,596,813	\$ 8,433,991
Non-Spendable Reserves:			
• Revolving Cash	150,000	150,000	150,000
• Stores/Prepaid Expenses	309,297	309,297	309,297
• Benefits Bank Accounts	270,000	270,000	270,000
Restricted Fund Balance	18,294,371	18,021,307	13,139,727
Committed Reserves:			
• Vacation Liability	2,397,235	2,397,235	2,397,235
• Declining Enrollment	2,500,000	2,500,000	2,500,000
• Local Protection	22,942,522	22,942,522	14,108,849
• Pension Liability	0	619,133	3,631,086
• Facilities Maintenance	5,600,262	5,600,262	5,600,262
• Technology Refresh	4,000,000	4,000,000	4,000,000
• Future School Opening	100,000	0	0
• One-Time Discretionary	17,067,989	16,866,846	12,473,920
• Textbook Adoption	6,000,000	6,000,000	6,000,000
• ELL Carryover	2,121,412	0	0
• Anthem HRA Liability	137,207	137,207	137,207
• Health & Welfare Insurance Rebate	1,497,125	1,497,125	0
• MAA/Medi-Cal Program Carryover	609,337	609,337	0

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2020-21 Second Interim Report Deficit Structure- First Interim to Second Interim

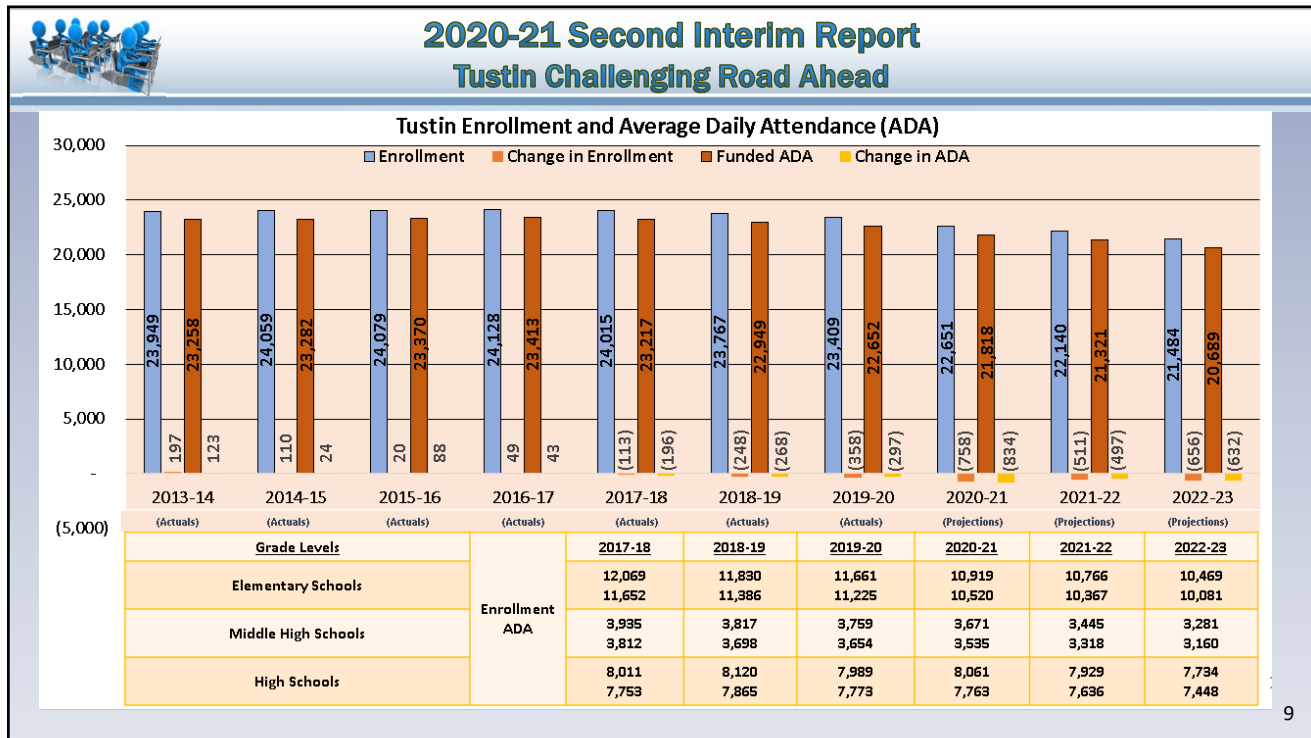


	2020-21	2021-22	2022-23
First Interim ->	(\$4,962,307)	(\$16,243,528)	(\$33,085,065)
Second Interim ->	(\$4,842,052)	(\$ 2,204,222)	(\$17,365,509)
Changes ->	\$120,255	\$14,039,306	\$15,719,556



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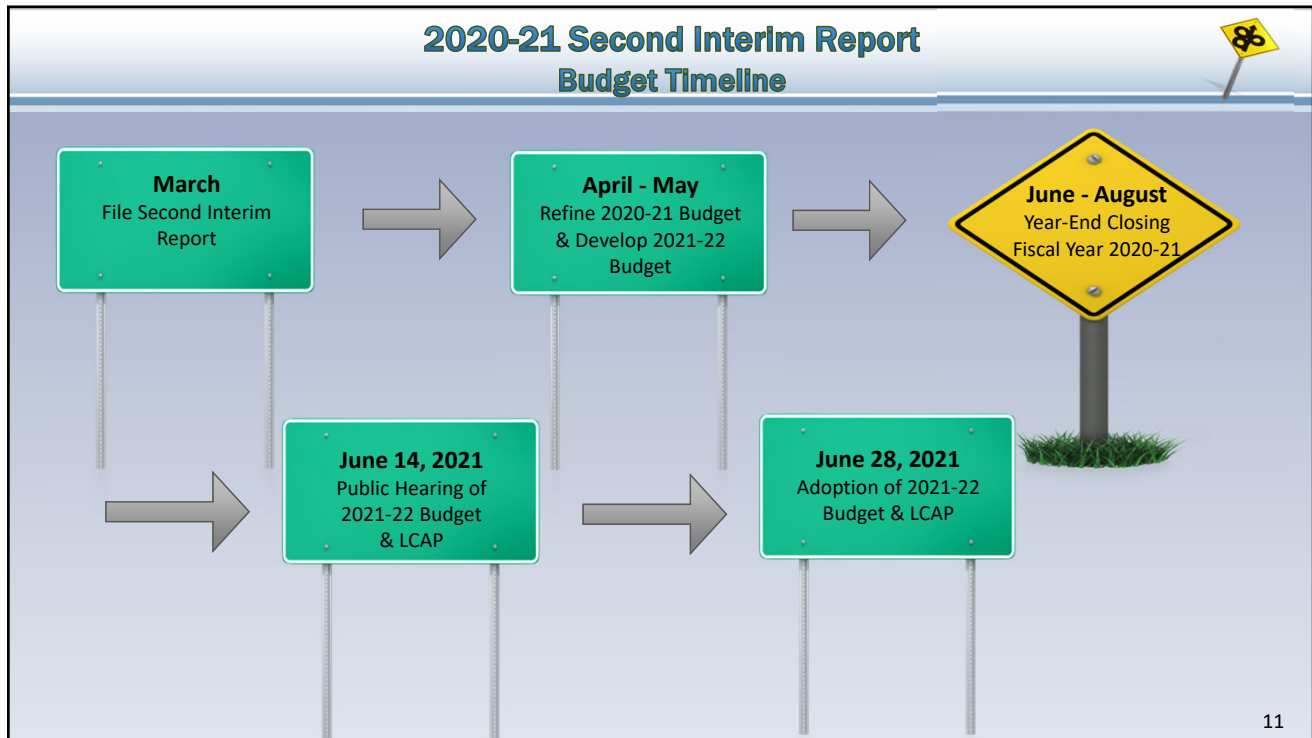
2020-21 Second Interim Report
Tustin Challenging Road Ahead

Budget Considerations and Long-Term Planning

- Recession –Economy Recovery
- State Finances and Deficit
- COVID-19 Unknown Impact (Health and Cost)
- Declining Enrollment/ADA
- On-going Cost Increases (Salaries, Pension, Utility, Water, Health & Welfare, Legal and Other Expenses)
- Uncertainty of Federal Additional One-Time Fund Support
- Managing One-Time Funds
- Structural Deficit – Maintaining Fiscal Solvency (General Fund and Cafeteria Fund)
- Learning Continuity and Attendance Plan (LCP) Requirements (LCAP 2021-22)
- Cash Flow – Payment Deferrals
- Special Education Cost and Requirements
- Other State and Local Expectations



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2020-21 Second Interim Report Certification

In certifying the 2020-21 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.



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