

TUSTIN UNIFIED SCHOOL DISTRICT



2022-23

First Interim Report

December 12, 2022



2022-23 First Interim Report

Agenda



Multi-Year Budget Projections

- 2022-23 thru 2024-25



Budget Planning

- COVID Relief Funds and Other District Support Funds



Tustin Future

- Risks and Challenges
- Enrollment



Budget Cycle Timeline



Budget Certification





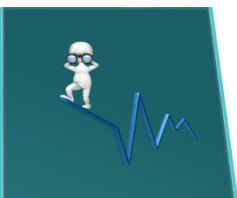
2022-23 First Interim Report

Combined Summary – General Fund

Multi-Year Projections

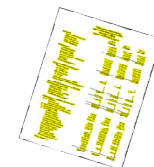


	2022-23 June Budget Adoption	2022-23 Changes		2022-23 First Interim Report	2023-24 Budget Projection	2024-25 Budget Projection
LCFF COLA Projection Factor ->	6.56%	6.70% Augmentation	=	13.26%	5.38%	4.02%
REVENUES:						
LCFF Source	\$ 220,656,471	\$ 29,174,419	=	\$ 249,830,890	\$ 255,032,923	\$ 254,936,843
Federal	26,688,880	2,644,547	=	29,333,427	22,087,732	8,827,380
Other State	49,655,839	46,133,437	=	95,789,276	54,612,190	54,994,092
Other Local	10,162,489	1,577,018	=	11,739,507	8,504,211	8,039,276
TOTAL REVENUES	\$ 307,163,679	\$ 79,529,421	=	\$ 386,693,100	\$ 340,237,056	\$ 326,797,591
EXPENDITURES:						
Certificated Salaries	\$ 125,711,453	\$ 13,085,876	=	\$ 138,797,329	\$ 141,506,958	\$ 134,853,547
Classified Salaries	49,450,024	3,666,662	=	53,116,686	55,599,563	54,267,018
Employee Benefits	82,502,013	4,553,611	=	87,055,624	91,258,965	89,872,791
Books and Supplies	18,190,676	462,963	=	18,653,639	21,760,842	23,348,690
Services and Other Operating Expenditures	32,733,672	6,537,280	=	39,270,952	44,217,156	47,871,926
Capital Outlay	817,615	1,051,740	=	1,869,355	1,917,584	1,959,771
Other Outgo – Payments and Indirect	3,551,666	512,357	=	4,064,023	3,502,716	3,474,362
TOTAL EXPENDITURES	\$ 312,957,119	\$ 29,870,489	=	\$ 342,827,608	\$ 359,763,784	\$ 355,648,105
TOTAL TRANSFERS OUT	\$ 3,500,000	\$ 0	=	\$ 3,500,000	\$ 3,500,000	\$ 3,500,000
NET CHANGE IN FUND BALANCE	(\$ 9,293,440)	\$ 49,658,932	=	\$ 40,365,492	(\$ 23,026,728)	(\$ 32,350,514)
BEGINNING FUND BALANCE	\$ 131,847,099	\$ 7,874,196	=	\$ 139,721,295	\$ 180,086,787	\$ 157,060,059
ENDING FUND BALANCE	\$ 122,553,659	\$ 57,533,128	=	\$ 180,086,787	\$ 157,060,059	\$ 124,709,545
3% Requirement for Economic Uncertainty	\$ 9,493,714	\$ 896,115		\$ 10,389,829	\$ 10,897,914	\$ 10,774,444
Other Required Reserves	\$ 113,059,945	\$ 56,637,013		\$ 169,696,958	\$ 146,162,145	\$ 113,935,101

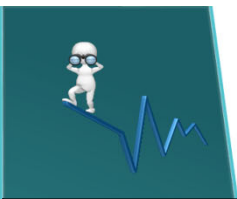


2022-23 First Interim Report

Summary – General Fund, Unrestricted Multi-Year Projections



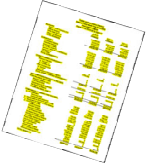
	2022-23 June Budget Adoption	2022-23 Changes		2022-23 First Interim Report	2023-24 Budget Projection	2024-25 Budget Projection
LCFF COLA Projection Factor ->	6.56%	6.70% Augmentation	=	13.26%	5.38%	4.02%
REVENUES:						
LCFF Source	\$ 220,656,471	\$ 29,174,419	=	\$ 249,830,890	\$ 255,032,923	\$ 254,936,843
Federal	0	0	=	0	0	0
Other State	4,761,634	2,655,655	=	7,417,289	7,217,076	7,130,532
Other Local	7,705,001	1,432,415	=	9,137,416	7,279,019	7,129,019
TOTAL REVENUES	\$ 233,123,106	\$ 33,262,489	=	\$ 266,385,595	\$ 269,529,018	\$ 269,196,394
EXPENDITURES:						
Certificated Salaries	\$ 94,007,124	\$ 10,731,612	=	\$ 104,738,736	\$ 106,848,113	\$ 106,946,614
Classified Salaries	28,790,027	2,163,584	=	30,953,611	32,181,814	32,813,468
Employee Benefits	47,885,122	3,907,476	=	51,792,598	54,525,262	56,520,057
Books and Supplies	8,379,432	1,518,140	=	9,897,572	10,152,929	10,376,294
Services and Other Operating Expenditures	22,235,731	1,712,982	=	23,948,713	25,625,123	27,044,382
Capital Outlay	342,615	59,494	=	402,109	412,484	421,557
Other Outgo – Payments and Indirect	(1,053,020)	194,059	=	(858,961)	(881,122)	(900,507)
TOTAL EXPENDITURES	\$ 200,587,031	\$ 20,287,347	=	\$ 220,874,378	\$ 228,864,603	\$ 233,221,865
TOTAL TRANSFERS OUT	\$ 3,500,000	\$ 0	=	\$ 3,500,000	\$ 3,500,000	\$ 3,500,000
CONTRIBUTIONS	(\$ 38,977,596)	(\$ 3,844,797)	=	(\$ 42,822,393)	(\$ 43,665,553)	(\$ 44,823,986)
NET CHANGE IN FUND BALANCE	(\$ 9,941,521)	\$ 9,130,345	=	(\$ 811,176)	(\$ 6,501,138)	(\$ 12,349,457)
BEGINNING FUND BALANCE	\$ 98,607,370	\$ 7,977,812	=	\$ 106,585,182	\$ 105,774,006	\$ 99,272,868
ENDING FUND BALANCE	\$ 88,665,849	\$ 17,108,157	=	\$ 105,774,006	\$ 99,272,868	\$ 86,923,411
3% Requirement for Economic Uncertainty	\$ 9,493,714	\$ 896,115	=	\$ 10,389,829	\$ 10,897,914	\$ 10,774,444
Other Required Reserves	\$ 79,172,135	\$ 16,212,042	=	\$ 95,384,177	\$ 88,374,954	\$ 76,148,967



2022-23 First Interim Report

Combined Summary – General Fund

Multi-Year Projections Cont.



Component of Fund Balances	2022-23 June Budget Adoption	2022-23 Changes		2022-23 First Interim Report	2023-24 Budget Projection	2024-25 Budget Projection
Projection Factor: LCFF COLA ->	6.56%	6.70% Augmentation	=	13.26%	5.38%	4.02%
3% Requirement for Economic Uncertainties	\$ 9,493,714	\$ 896,115	=	\$ 10,389,829	\$ 10,897,914	\$ 10,774,444
Non-Spendable Reserves:						
▪ Revolving Cash	\$ 150,000	\$ 0	=	\$ 150,000	\$ 150,000	\$ 150,000
▪ Stores/Prepaid Expenses	309,297	780,415	=	1,089,712	1,089,712	1,089,712
▪ Benefits Bank Accounts	170,000	0	=	170,000	170,000	170,000
Restricted Fund Balance	\$ 33,887,810	\$ 40,424,971	=	\$ 74,312,781	\$ 57,787,190	\$ 37,786,132
Committed Reserves:						
▪ Vacation Liability	\$ 2,935,686	\$ 0	=	\$ 2,935,686	\$ 2,935,686	\$ 2,935,686
▪ Declining Enrollment	3,000,000	0	=	3,000,000	3,000,000	3,000,000
▪ Local Protection	25,915,952	2,000,000	=	27,915,952	27,915,952	27,915,952
▪ Facilities Maintenance	6,000,262	3,000,000	=	9,000,262	9,000,262	9,000,262
▪ Technology Refresh	6,500,000	3,000,000	=	9,500,000	9,500,000	9,500,000
▪ Classroom Furniture	100,000	0	=	100,000	100,000	100,000
▪ Future School Opening	100,000	0	=	100,000	100,000	100,000
▪ One-Time Discretionary	19,346,884	11,461,257	=	30,808,141	23,798,919	11,572,933
▪ Textbook Adoption	6,000,000	0	=	6,000,000	6,000,000	6,000,000
▪ Increased Pension Liability	3,774,510	(3,774,510)	=	0	0	0
▪ Anthem Health Reimbursement Account	147,916	0	=	147,916	147,916	147,916
▪ Health & Welfare Insurance Rebate	1,875,856	(351,118)	=	1,524,738	1,524,738	1,524,738
▪ Wellness Program - Carryover	105,479	(105,479)	=	0	0	0
▪ MAA/LEA Medical Program - Carryover	1,512,361	(141,237)	=	1,371,124	1,371,124	1,371,124
▪ School/Instructional Programs –Carryover	1,227,932	(1,227,932)	=	0	0	0
▪ LCAP Programs – Carryover	0	1,570,646	=	1,570,646	1,570,646	1,570,646

2022-23 First Interim Report

Budget Planning

COVID Relief Funds and Other Support Funds

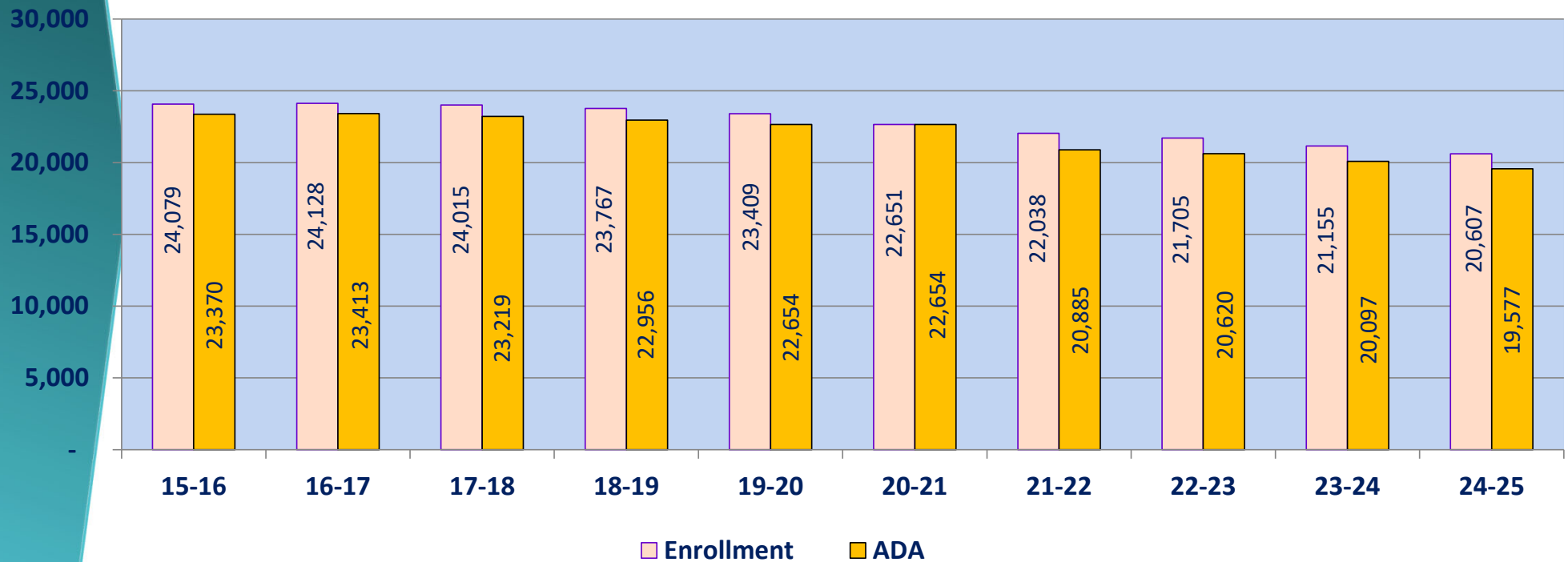


Program Description	One-Time vs Ongoing	Spending Deadlines	Amount	Expenditures	Balance
SB 117 COVID-19 LEA Response Funds (Funded 2019-20)	One-Time		\$ 398,812	\$ 398,812	-
State Learning Loss Mitigation Funds (Funded 2020-21)	One-Time		1,852,684	1,852,684	-
Elementary and Secondary Emergency Relief (ESSER) Fund (Funded 2020-21)	One-Time		2,593,130	2,593,130	-
Coronavirus Relief Fund (CRF): Learning Loss Mitigation (Funded 2020-21)	One-Time		10,456,005	10,456,005	-
Governor's Emergency Education Relief (GEER) Fund: Learning Loss Mitigation (Funded 2020-21)	One-Time		1,173,489	1,173,489	-
In-Person Instruction (IP) Grant (Funded 2020-21)	One-Time	9/30/2024	8,227,410	5,789,503	2,437,907
Expanded Learning Opportunities (ELO) Grant (Prop 98 FY 2019) (Funded 2020-21)	One-Time	9/30/2024	7,060,855	7,060,855	-
Expanded Learning Opportunities (ELO) Grant -Paraprofessional Staff (Funded 2020-21)	One-Time	9/30/2024	1,488,314	1,488,314	-
Elementary and Secondary School Emergency Relief II (ESSER II) Fund (Funded 2020-21)	One-Time	9/30/2023	10,278,602	4,803,738	5,474,864
Elementary and Secondary School Emergency Relief III (ESSER III) Fund (Funded 2021-22)	One-Time	9/30/2024	18,462,040	1,707,908	16,754,132
Elementary and Secondary School Emergency Relief III (ESSER III) Fund: Learning Loss Mitigation (Funded 2021-22)	One-Time	9/30/2024	4,615,510	1,045,211	3,570,299
.....					
Expanded Learning Opportunities (ELO) Grant ESSER II, State Reserve (Funded 2021-22)	One-Time	9/30/2023	2,257,796	2,146,148	111,648
Expanded Learning Opportunities (ELO) Grant GEER II (Funded 2021-22)	One-Time	9/30/2023	518,184	307,560	210,624
Expanded Learning Opportunities (ELO) Grant: ESSER III State Reserve, Emergency Needs (Funded 2021-22)	One-Time	9/30/2024	1,471,821	749,068	722,753
.....					
Expanded Learning Opportunities (ELO) Grant: ESSER III State Reserve, Learning Loss Mitigation (Funded 2021-22)	One-Time	9/30/2024	2,537,166	2,302,932	234,234
.....					
American Rescue Plan -Homeless Children and Youth II (ARP HYC II) (Funded 2021-22)	One-Time		87,343	427	86,916
Special Ed: ARP IDEA Part B, Sec 619, Preschool Grants (Funded 2021-22)	One-Time		78,727	78,727	-
Special Ed: ARP IDEA Part B, Sec 611, Local Assistance Entitlement (Funded 2021-22)	One-Time		918,933	918,933	-
Expanded Learning Opportunities Program (ELOP) (Funded 2021-22)	Ongoing	6/30/2023	3,293,090	3,293,090	-
Expanded Learning Opportunities Program (ELOP) (New 2022-23)	Ongoing	6/30/2024	8,641,511	852,880	7,788,631
Art, Music, & Instructional Materials Discretionary Block Grant (New 2022-23)	One-Time	6/30/2026	13,904,904	-	13,904,904
Learning Recovery Emergency Block Grant (New 2022-23)	One-Time	6/30/2028	21,308,627	615,520	20,693,107
Educator Effectiveness (Funded 2021-22)	One-Time	6/30/2026	5,039,404	68,900	4,970,504
TOTAL			126,664,357	49,703,834	76,960,523

2022-23 First Interim Report

Tustin Future Risks/Challenges

Enrollment/ADA



Enrollment Changes	18	49	-113	-248	-358	-758	-613	-333	-550	-548
ADA Changes	88	43	-194	-263	-302	N/A	-1,769	-265	-523	-520
Funded ADA						2019-20 ADA 22,654	2019-20 ADA 22,654	3-Year Average Method	3-Year Average Method	3-Year Average Method

2022-23 First Interim Report

Tustin Future Risks/Challenges

State/National Level

- Inflation
- Economy (stock market)
- Volatility of School Finances
- Coronavirus Impact
- Future State Deficit
- Unemployment Rate
- Climate Change (Wildfire, Drought, and Earthquake)
- Homeless Crisis
- Housing Affordability
- Equity
- Policy Changes (Immigrations, Trades, etc.)
- Minimum Wage



Local Level

- Impact of Declining Enrollment/ADA
- Structural Deficit –Maintaining Fiscal Solvency
- Pension Cost Increase (CalPERS/CalSTRS)
- Special Education Costs
- Escalating Technology Costs
- Managing One-Time Funds
- Coronavirus Impact
- Maintaining Commitments
- LCFF Funding COLA
- Legal Requirements
- Cash Flow – Payment Deferrals
- Collective Bargaining
- Ongoing Cost Increases (Step & Column/H&W/Utility/Water/Legal/Contracts/Others)
- Other Local Expectations



2022-23 First Interim Report Budget Cycle Timeline

**December
2022**

File 2022-23 First
Interim Report

Monitor Enrollment
&
Funding Updates

**January
2023**

Governor's Budget
Proposal for 2023-24

Present 2021-22
Financial Audit Report

**February
2023**

Review Governor's
Budget Proposal

Prepare Second Interim
Report

**March
2023**

Present 2022-23 Second
Interim Report

**April-May
2023**

Budget Development
Process 2023-24

2023-24 May Revision

2022-23 First Interim Report Certification



In certifying the 2022-23 First Interim Report as positive, the Board understands its fiduciary responsibility to maintain the fiscal solvency for the current and subsequent two fiscal years. The District will implement the necessary budget adjustments to maintain a positive certification.

THANK YOU!

