

# Tustin Unified School District

## General Fund

## Second Interim Budget

**2008-09**

March 9, 2009





**2007-08**

# Budget Reductions

● **State Revenue was Reduced** **\$5,400,000**

## TUSD Response:

● **Reduced Certif. Staff & Management** **\$1,200,000**

- Includes 8 District Administrators

● **Reduced Classified Staff** **\$ 806,000**

- Includes Non-School Site - Secretaries, Clerks, Groundsmen, Custodians, etc.

● **Reduced Other** **\$ 858,000**

- Reduced Energy Consumption, Conferences and Materials for all operations

**Total Expenditure Reductions:** **\$2,900,000**

**Remainder from Reserves:** **\$2,500,000**



## Budget Reductions Implemented for 2008-09 School Year

Reduced Staffing at the Start of School - September 2008

<b>District Administration</b>		FTE	
<b>Certificated DO:</b>		FTE	
	Assistant Principals - Elementary	3	320,490
	Coordinator - Student Service	1	116,000
	Coordinator - Instructional Services	1	119,052
	Coordinator - AVID	1	50,634
	Director - Special Ed	1	137,294
	Nurse	1	77,349
	Assistant Principals - HS (shorten yr) (9 FTE)		29,832
		<b>8</b>	<b>\$ 850,651</b>
<b>Classified DO:</b>			
	Computer Tech	1	63,860
	Accounting Clerk	0.5	23,071
	Payroll Clerk	1	51,320
	Secretary 3	3	164,739
	IRC Clerk	0.49	14,814
	Personnel Position	1	65,024
	Health Services Clerk	0.49	14,687
	Groundsmen	2	111,914
	Custodians	6	250,800
		<b>15.48</b>	<b>\$ 760,229</b>
	<b>District Office Total:</b>		<b>\$ 1,610,880</b>
<b>Site Administrators / Staff</b>			
	Counselors	3	258,000
	Opportunity Program Teachers	2	142,000
	Opportunity Program Classified Staff	1.49	46,024
	<b>Site Admin / Staff Total:</b>	<b>6.49</b>	<b>\$ 446,024</b>
<b>Other</b>			
	MS Sports and Intermural (Stipends)		\$ 58,714
	Materials		\$ 500,000
	Reduced Energy Costs		\$ 200,000
	Limit Conferences		\$ 100,000
	<b>Other Total:</b>		<b>\$ 858,714</b>
<b>Total Reductions Implemented in 08-09 Budget Year:</b>		<b>29.97</b>	<b>\$ 2,915,618</b>



# State's February 2009 Budget

- Largest Cuts to Education in California History
- Suspension of Proposition 98
- **\$42 Billion Budget Deficit**
- Devastating to K-12 Education
  - **\$8.6 Billion** over next 17 months

**What does this mean to TUSD?**





# Revenue Reductions 2008 - 2011

Budget Year	Annual Average Daily Attendance (ADA)	Lost Revenue
2008 - 09	\$ 269	\$ 5,603,082
2009 - 10	\$ 472	\$10,000,788
2010 - 11	\$ 675	\$14,550,764
<b>Total:</b>	<b>\$1,416</b>	<b>\$30,154,634</b>

**\$30,154,634 Since 1<sup>st</sup> Interim**

**\$35.5M Revenue Reduction over 4 Years**






## General Fund Multi-Year Projection

### State Proposed Budget – **No Reductions**

	<b>2008-09 Budget</b>	<b>2009-10 Projected</b>	<b>2010-11 Projected</b>
<b>Economic Uncertainties</b>	8,209,592	1,251,138	(9,536,831)
<b>% of Economic Uncertainties</b>	4.63%	0.73%	-5.41%
<b>State mandated 3% reserve</b>			

**Based on the information received from the State regarding expected revenue reductions, this chart clearly indicates the District would not meet its financial obligations in 2009-10 or 2010-11. If we don't take action, the District would not be solvent.**






# Categorical Funds

Mandates or “categorical funding” make up more than 30 percent of education spending and impose rigid requirements on how local schools can spend this money. As a result, many schools have been unable to shift funds to the areas of greatest need.

Schools have had to reduce funding for core classroom services even while having unspent funds remaining in special or non-core programs.

In the budget that was just passed the Legislature cut the strings to some 40 different categorical programs, giving schools more freedom to minimize the impact of the budget reductions. Now free from many of the spending requirements imposed by the Legislature, school districts can focus on how best to ensure academic excellence.





# **Categorical Flexibility**

## **State's Answer to School Funding Crisis**

- **53 State Categorical Programs in Total**

- **3 Tier System: (40 Programs)**

- **Tier I**                      **No Reduction**                      **No Flexibility**
  - **Example: Economic Impact Aid (EIA), K-3 Class Size Reduction (CSR)**
- **Tier II**                      **20% Reduction**                      **No Flexibility**
  - **Example: School Testing, Limited English Language Program**
- **Tier III**                      **20% Reduction**                      **Flexibility**
  - **Example: 9<sup>th</sup> Grade Class Size Reduction (Morgan Hart), Instructional Materials**

**This will help offset the impact of Categorical and Revenue**

**Limit cuts – \$ 6.5 Million over 2 years**





<b>Proposed Budget Reductions 2009-10</b>			
	Possible Reduction	FTE *	Recommended Reductions
<b>Certificated</b>			
	Counselor	3	304,711
(Gr 1 24.5) (Gr2-3 29.5)	CSR 1,2,3	80	6,066,955
	Nurse	1	86,807
(Gr 6-8 .5) (Gr 9-12 1.5)	Teacher (Increase class size 6-12)	15	1,140,405
	Teacher - 9th grd. CSR	11	836,297
	Teacher - RSP	3	228,081
	Teachers - Elementary Music	3.5	266,751
	<b>Certificated Total:</b>	<b>116.5</b>	<b>\$8,930,007</b>
<b>Classified</b>			
	Clerical Support		
	Custodial Services		
	Nutrition Services		To Be Determined
	Para-Educator		
	Warehouse Operations		
	Other Positions (Categorically Funded)		
	<b>Approx. Classified Total:</b>		<b>\$600,000</b>
<b>Other</b>			
	Delay Opening Orchard Hills - 1 yr		559,023
	Elim. Certificate of Participation Debt Service		650,000
	MS Sports and Intramural (Stipends)		110,000
	Reduce Reg. Transportation to State Funded Allocation		1,721,433
	<b>Other Total:</b>		<b>\$3,040,456</b>
	<b>Total Proposed Savings:</b>		<b>\$12,552,052</b>
	* Fulltime Equivalent - number of positions		





# General Fund

## Multi-Year Projection – **With Reductions**

	<b>2008-09 Budget</b>	<b>2009-10 Projected</b>	<b>2010-11 Projected</b>
<b>Economic Uncertainties</b>	9,851,723	9,634,731	5,340,671
<b>% of Economic Uncertainties</b>	5.71%	5.92%	3.14%
<b>State mandated 3% reserve</b>			

**Based on proposed cuts of \$12.5 Million, the following projections indicate the District would be solvent in the current and the two subsequent budget years.**





# Future Uncertainties

## ● 6 Propositions – May 19 Election

- If passed, the flexibility we've been given will last five years; if not passed, the flexibility will end in two years.
- All must pass for the assumptions built into the new State budget to be realized.


## ● State Tax Collection

- The success of the February 2009 budget is based on the State's estimated tax collection, i.e., sales tax, property tax, and income tax. There are already indications that tax collections will come in below projections.

## ● May – June Budget Revise

- The State will propose a preliminary budget with the May Revise / June Budget. This could lead to unknown additional mid-year cuts to schools due to the tax collections coming in below projections and/or the failure of any of the six propositions.

## ● Federal Stimulus Money

- The amount of money, when the funds will actually arrive and the strings they will have attached are all unknowns at this time. The County will not allow school districts to include these funds at this time in our projected budgets due to these unknowns.
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# Your State Elected Officials

● Available on TUSD Web site -  
<http://www.tustin.k12.ca.us>

## Community Links – State

- The Honorable Arnold Schwarzenegger – Governor (916) 445-2841
  - Jack O’Connell – State Super. of Public Instruction (916) 319-0800
  - The Honorable Mimi Walters – State Senator 33<sup>rd</sup> District (949) 457-7333
  - The Honorable Louis Correa – State Senator 34<sup>th</sup> District (714) 558-4400
  - The Honorable Jose Solorio – State Assembly 69<sup>th</sup> District (714) 939-8469
  - The Honorable Chuck Devore – State Assembly 70<sup>th</sup> District (949) 863-7070
  - The Honorable Jeff Miller – State Assembly 71<sup>st</sup> District (714) 998-0980
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