

Tustin Unified School District

General Fund


Second Interim Budget

2009-10

March 8, 2010




Governor's January 2010 Budget Proposal

- State Budget Gap -\$19.9 Billion
 - 2009-10: \$6.6 Billion shortfall
 - 2010-11: \$13.3 Billion shortfall
 - -0.38% cost of living adjustment (-\$24 / ADA)
 - Per student funding is deficiated 18.355%
 - -\$251 / ADA cut to Unified School Districts
 - Governor proposes to lower the minimum funding guarantee for schools from \$49.1B to \$46.8B
 - Governor's Jan. Proposal is best case scenario
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Uncertain State Budget Assumptions

- Declining Tax Revenue
 - Governor's proposals might not materialize
 - \$3.5B Employee Compensation & Social Services Cuts
 - \$6.9B Unrealistic Federal Funding
 - Long Road to Recovery – Low point 2012-13
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Significant Changes Since First Interim Two Year Impact

● Revenue Limit COLA Adjustment (-0.38%)	-\$1.0M
● -\$251 / ADA Cut	-\$10.9M
● Special Ed & Categorical Cuts	-\$1.9M
● Increased Unemployment Costs	-\$1.0M

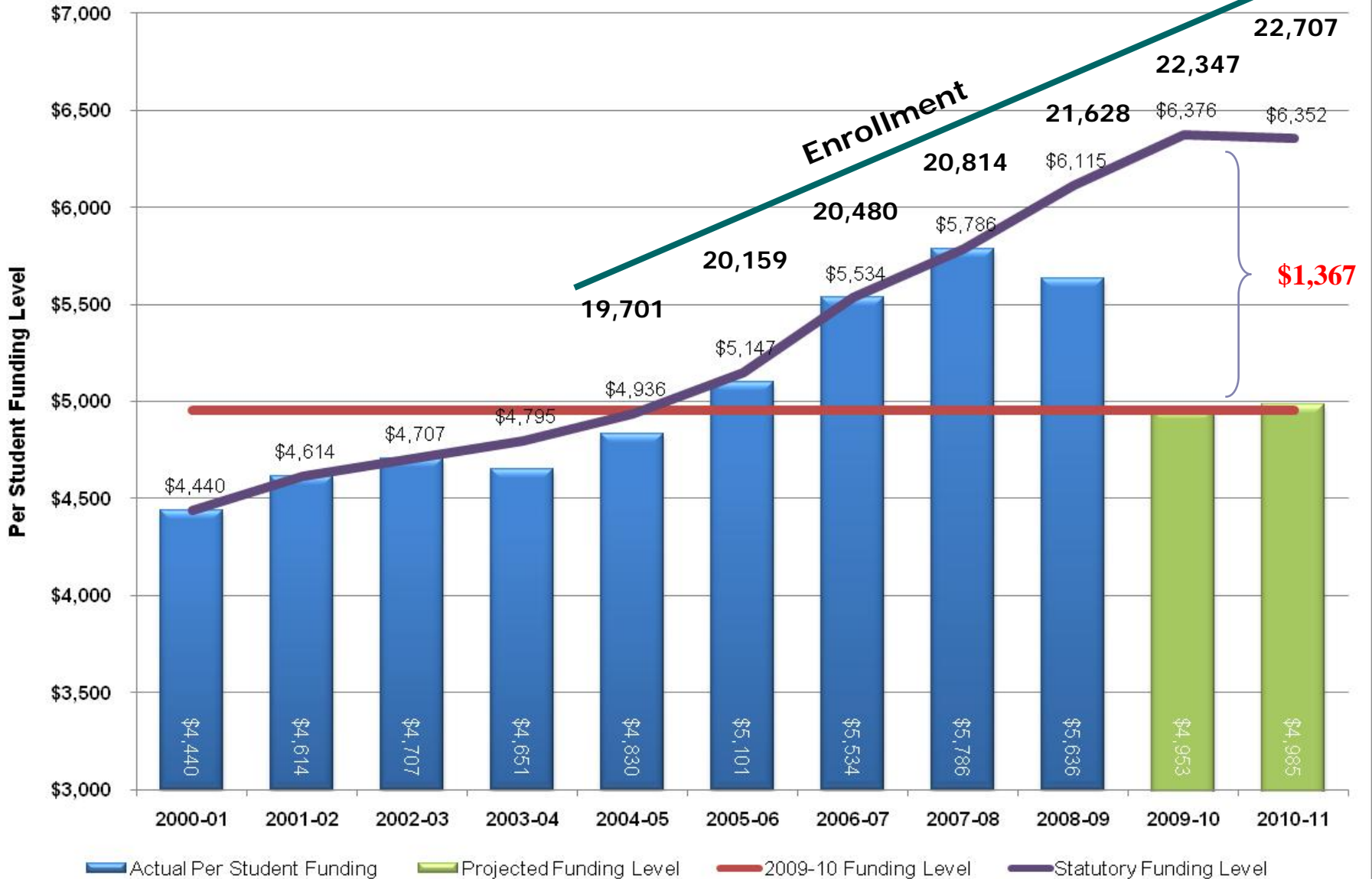
2010-11 thru 2011-12

Total Impact: **-\$14.8M**



Per Student Funding

Historical Funded Base Revenue Limit - Tustin



General Fund
Multi-Year Projection – No Expenditure Reductions
Components of Ending Balance

	09-10 Projected	10-11 Projected	11-12 Projected
End Balance	25,192,931	5,628,352	(12,199,331)
Other Designated / Restricted Reserves	14,622,860	9,163,121	4,328,730
Reserves Economic Uncertainties	10,570,071	(3,534,769)	(16,528,061)
Percentage	6.24%	-2.06%	- 9.52%
Excess / (Shortfall) Of 3% Reserve	5,484,414	(8,690,380)	(21,736,417)



Proposed Budget Reductions

2010-11


Certificated

Management Reduction Total:	\$966,213
Teaching Reduction Total:	<u>\$5,892,392</u>
Total Certificated Reductions:	\$6,858,605

Classified

Classified-Regular & Management Total:	<u>\$537,360</u>
Total Proposed Savings:	<u><u>\$7,395,965</u></u>

Estimated Cost for 1 Day Furlough - All	\$500,000
Estimated Cost of 1% Salary Reduction - All	\$1,142,000



General Fund
Multi-Year Projection – With Reductions
Components of Ending Balance

	09-10 Projected	10-11 Projected	11-12 Projected
End Balance	25,192,931	13,164,721	4,005,092
Other Designated / Restricted Reserves	14,622,860	9,163,121	4,328,731
Reserves Economic Uncertainties	10,570,071	4,001,600	(323,639)
Percentage	6.24%	2.44%	- 0.20%
Excess / (Shortfall) Of 3% Reserve	5,484,414	(927,920)	(5,271,953)



Certification

In Certifying the 2009-10 Second Interim Report as positive and to maintain the positive certification for the subsequent two fiscal years, the Board will implement the recommended \$7.4 M in ongoing Budget Reductions and if State's fiscal condition further deteriorates other reductions necessary to maintain a positive certification for 2010-11 and 2011-12 .

