



Tustin Unified School District
General Fund
Revised Final Budget
2012-2013

August 27, 2012

State Budget Issues

- Uncertain State Economy
 - State Budget shortfall grows:
 - January 2012 \$ 9.2 Billion (DOF)
 - May Revise 2012 \$15.7 Billion (DOF)
 - June 2012 Balanced Budget?
 - Weak State Revenues expected to continue into the future
 - Redevelopment Agency tax shift may not materialize
 - Structural Deficit Continues:
 - Legislature is finding it difficult to cut social programs
 - Lawsuits from Prisons, RDA's & Social Programs are resulting in unrealized projected budget savings

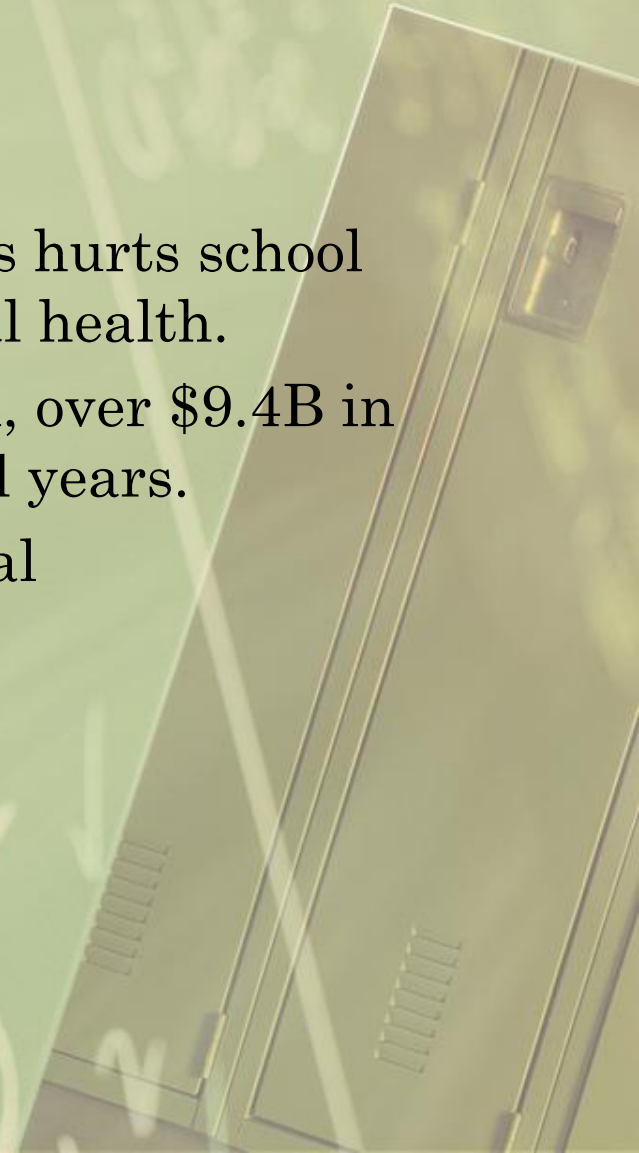
Education Budget Issues

- Education faces another uncertain funding year
 - Competing Tax Proposals
 - Uncertain Outcome:
 - At best, flat funding if tax initiative passes
 - At worst, \$5.5 billion in cuts if the initiative fails
 - Reverse previous deferral buy back - \$2.8 billion
 - Reducing apportionment for K-14 - \$2.7 billion
 - K-12 share is about \$457/ADA

Education Budget Issues

Continued

- Cash Flow Concerns
 - Constant delays in cash apportionments hurts school district's short-term and long term fiscal health.
 - Should the Governor's tax initiative fail, over \$9.4B in payments will be delayed between fiscal years.
 - RDA dissolution creates another deferral
- Fifth Consecutive year of Cuts

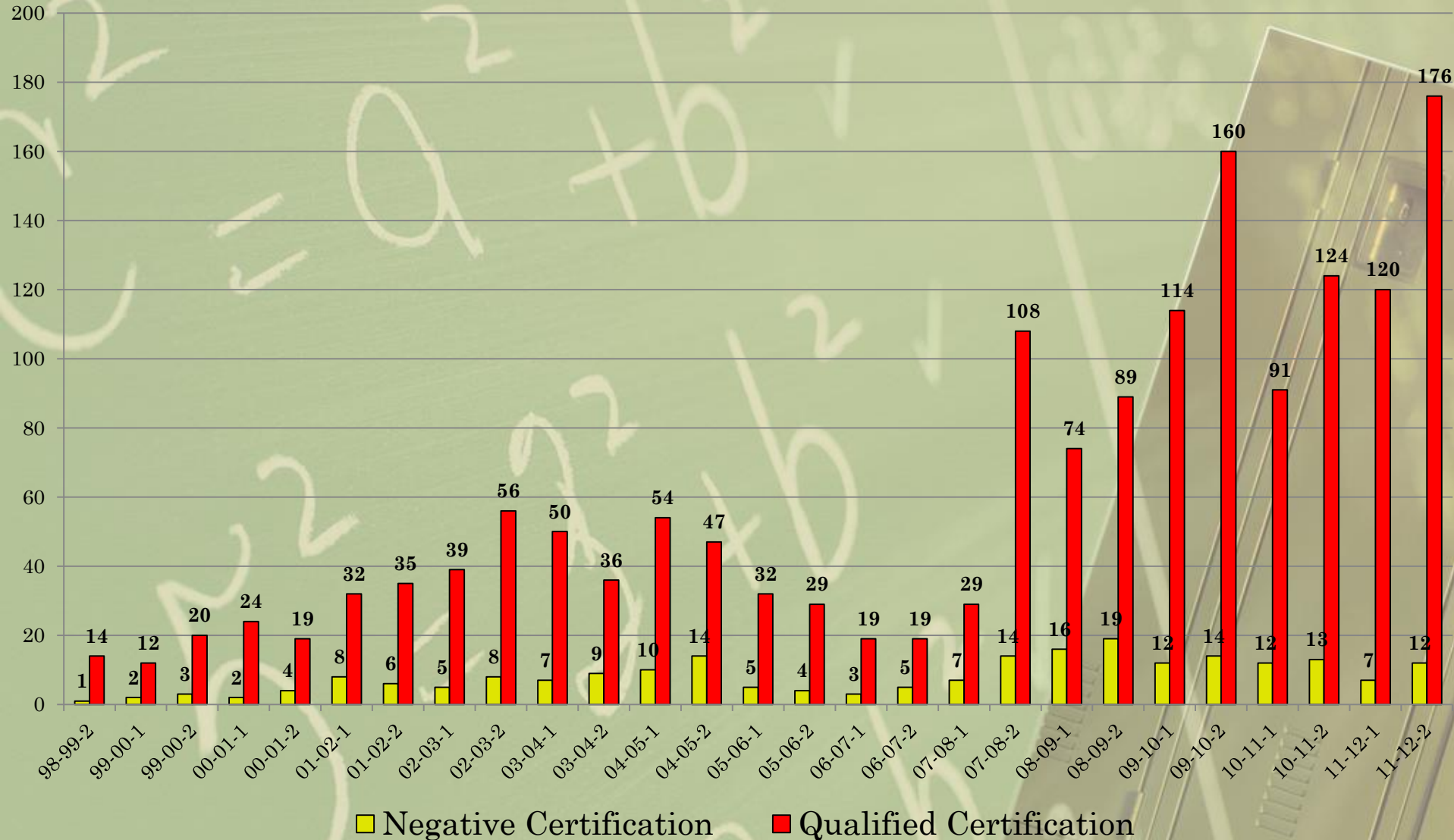


Certification of Financial Reports

California School District - 1998 to Present

Education Code Section 42130 (Reports by District Superintendent)

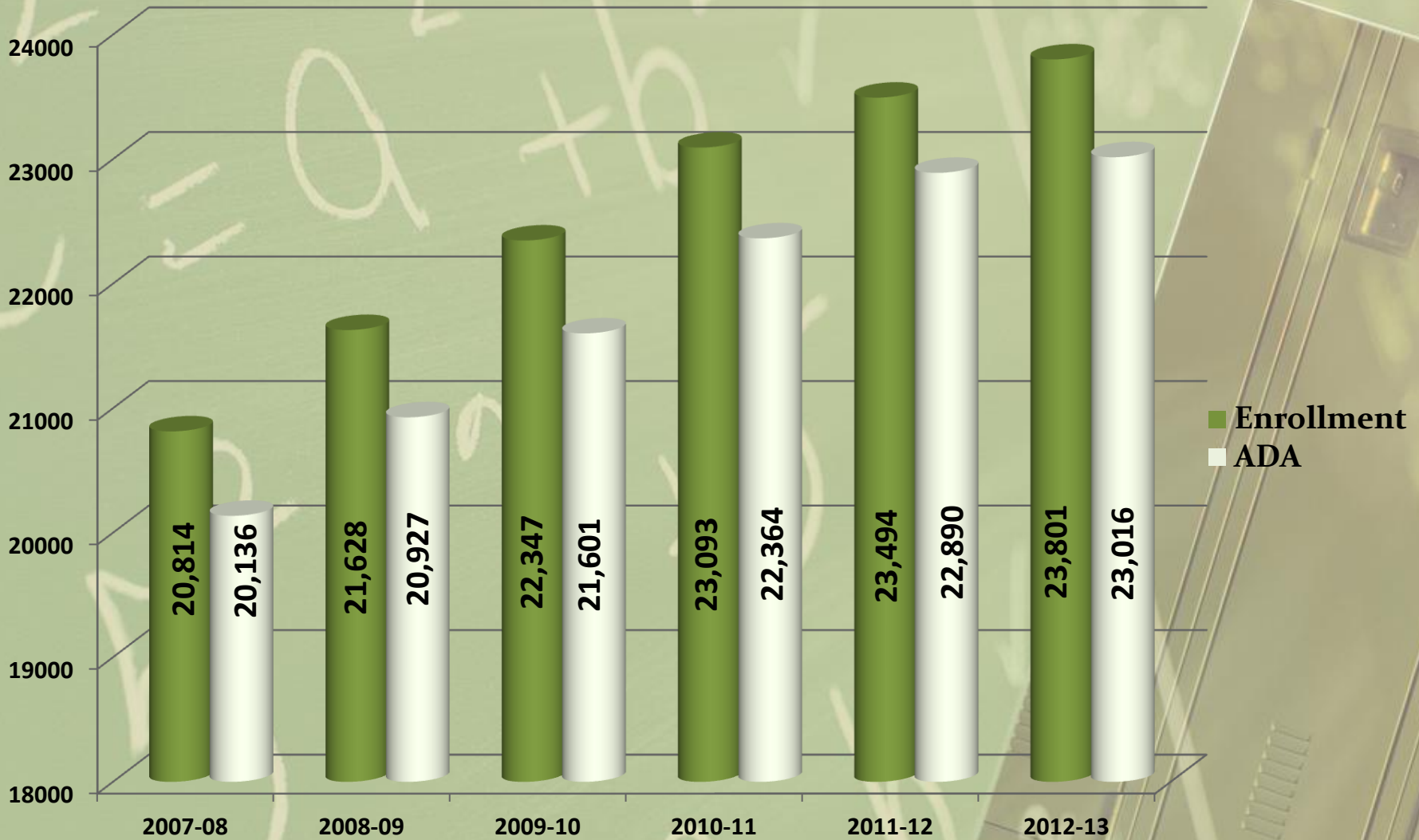
1st Interim report covers periods ending October 31st and Board Approved by December 15th – 2nd Interim covers period ending January 31st and Board Approved by March 16th



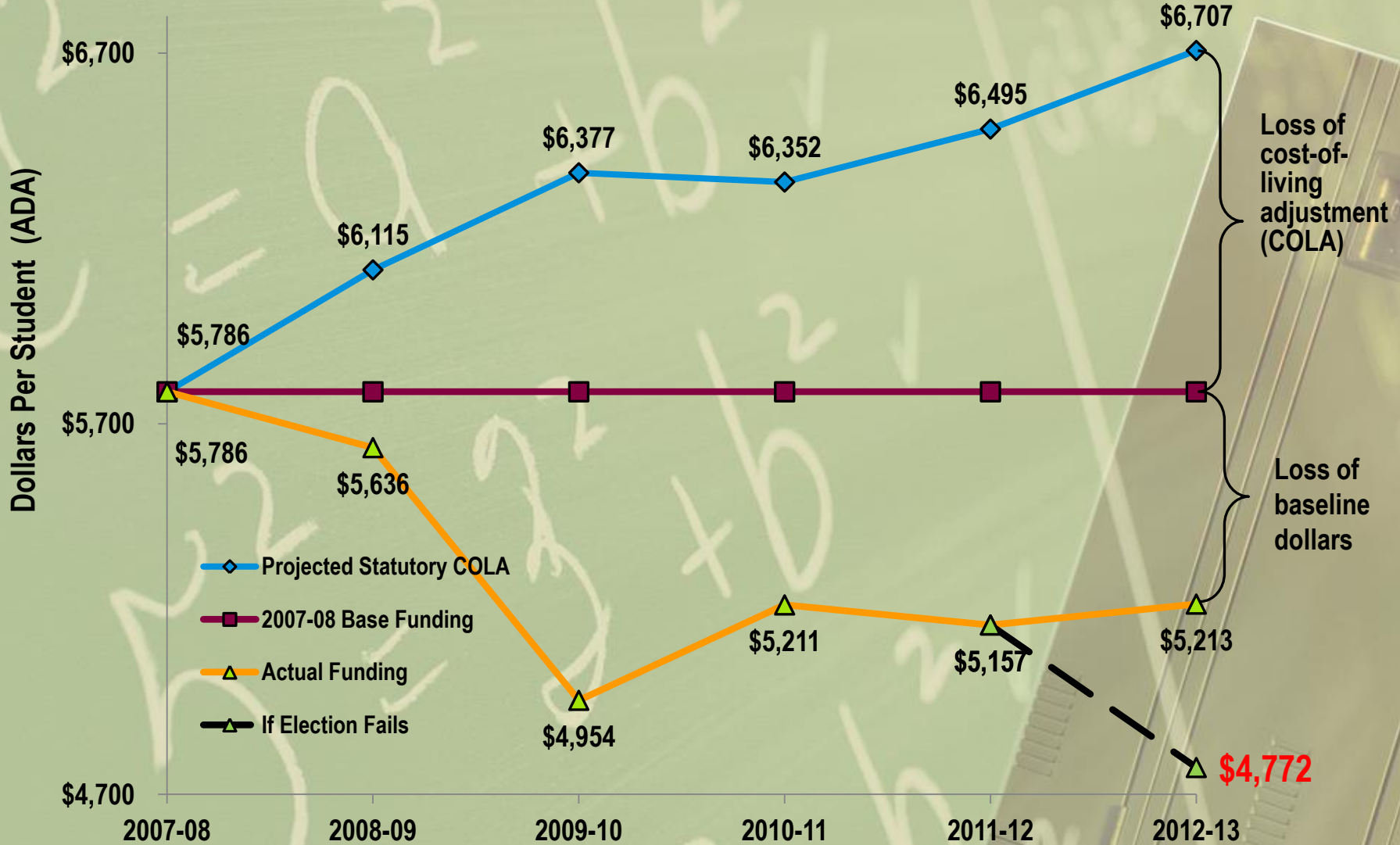
■ Negative Certification

■ Qualified Certification

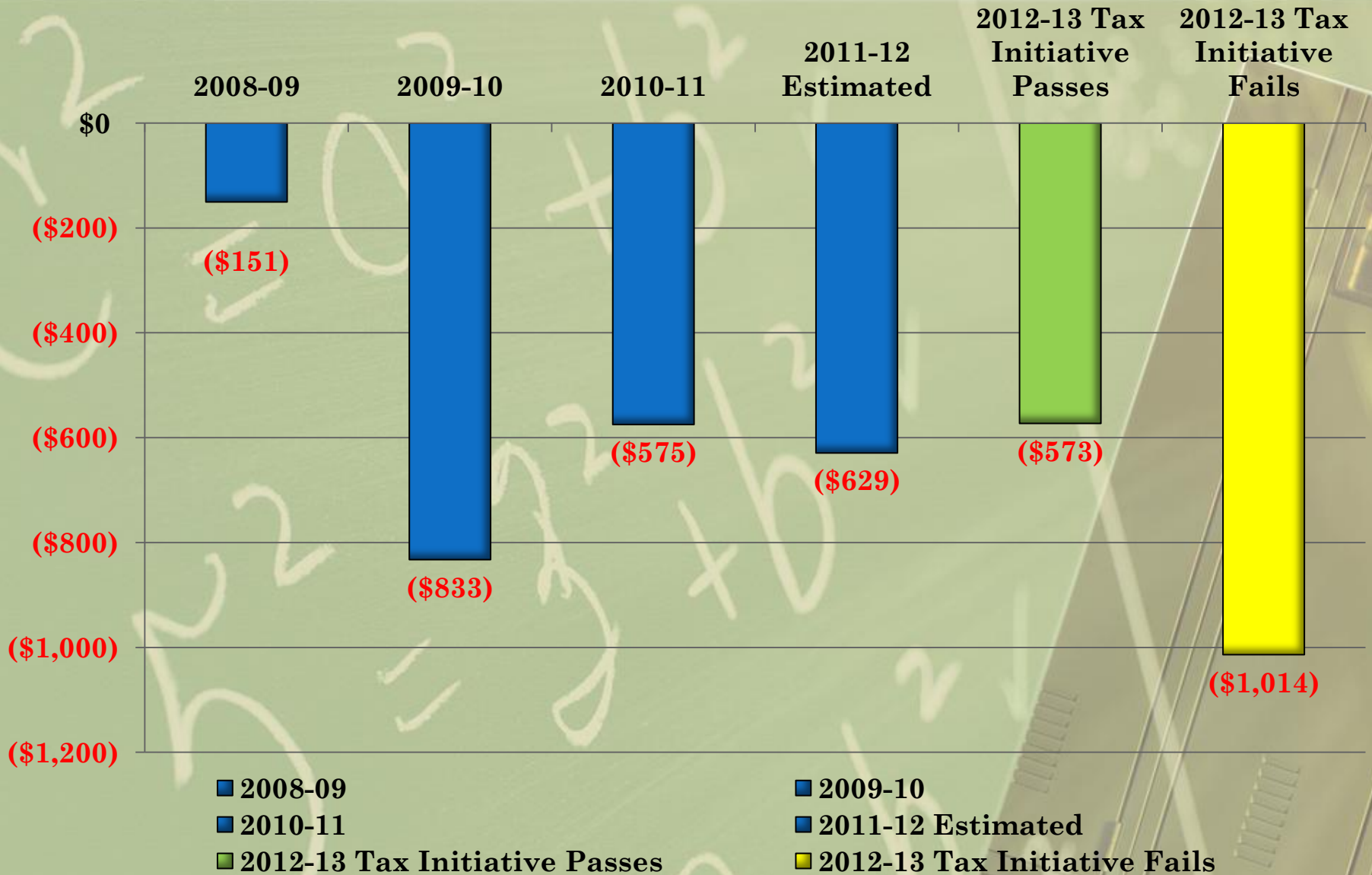
Average Daily Attendance
2.72% Average Growth Last 5 Years
Projected ADA = 23016



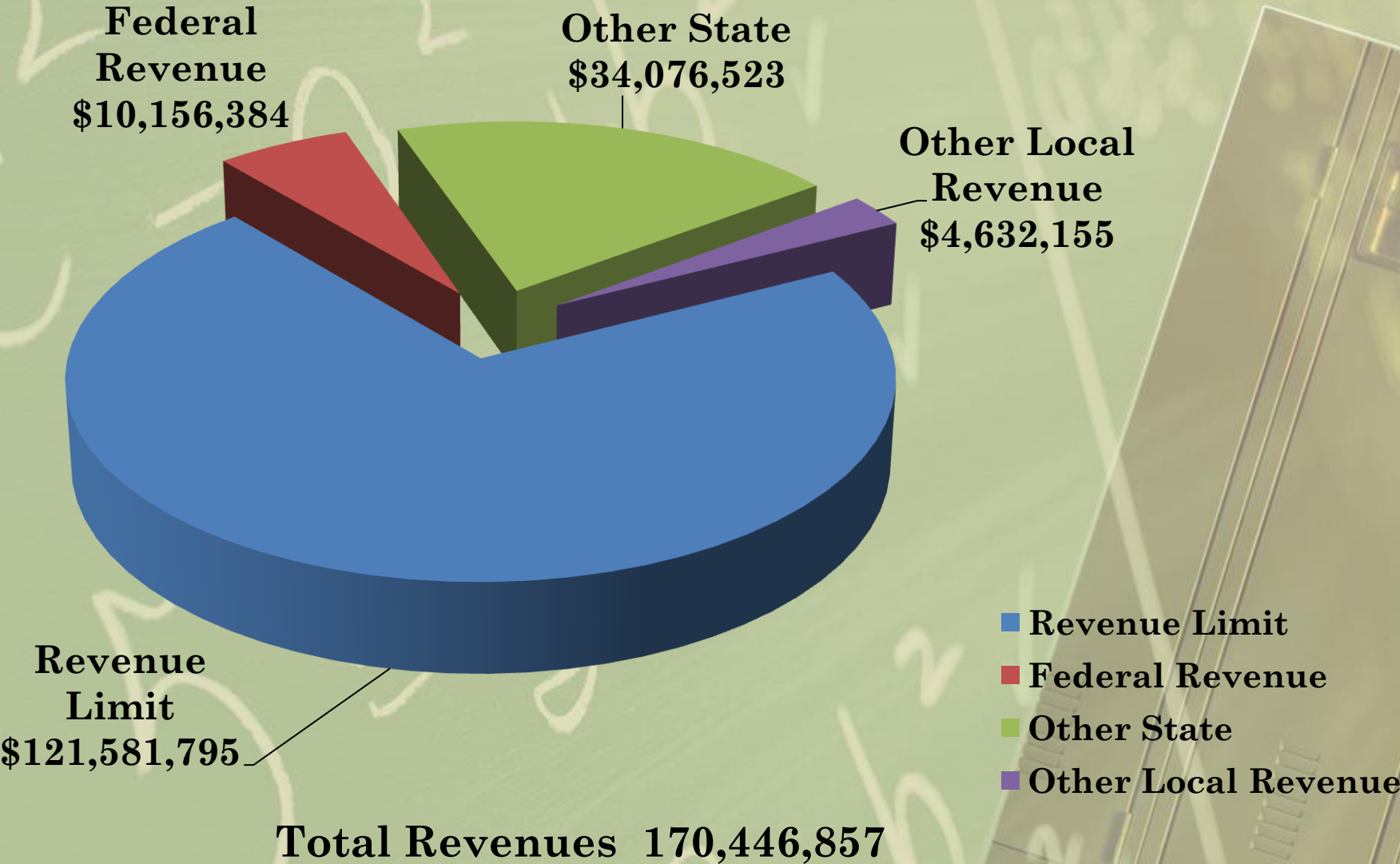
Per Student Revenue Limit Funding (Statutory vs Actual) Tustin Unified School District



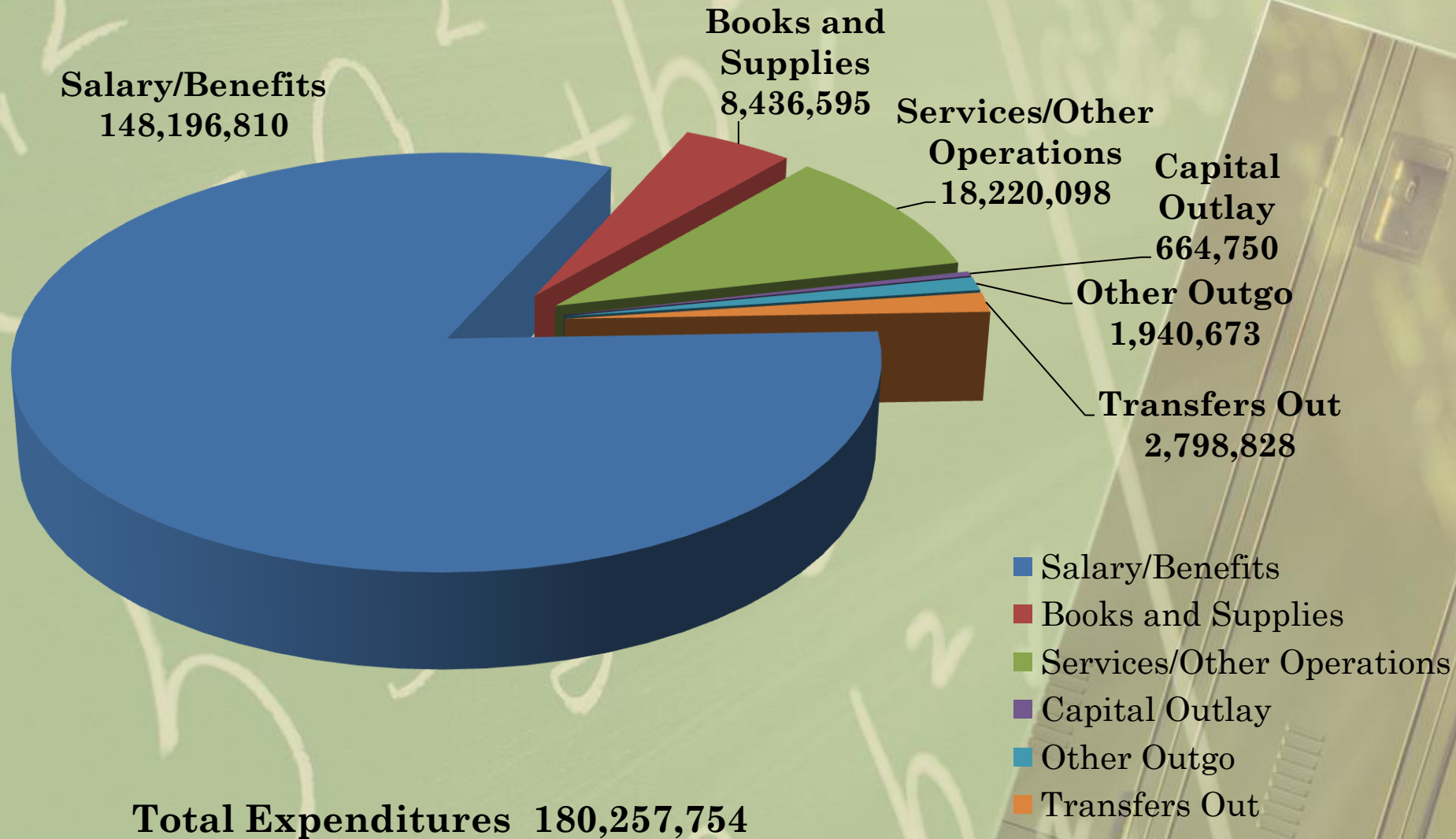
Per ADA Revenue Limit Reductions Compared to 2007-08 Tustin Unified School District



Revenues



Expenditures



Multi-Year Budget Issues

- Impact of continuing state economic uncertainty
- No COLA's for 2013/2014 and 2014/2015
- Funding cliff : One year closer 2013/14
- Midyear trigger cuts slated for 2012/13 if ballot measure fails – \$10.5 million
- Possible Federal Funding reductions in 2013/14
- Projected deceleration of enrollment growth
- End of flexibility: CSR 2014/15; Tier III 2015/16
- Deferrals: Continuing reality
- Deterioration of projected cash flows
- Conclusion of negotiated furlough days

General Fund Multi-Year Projection

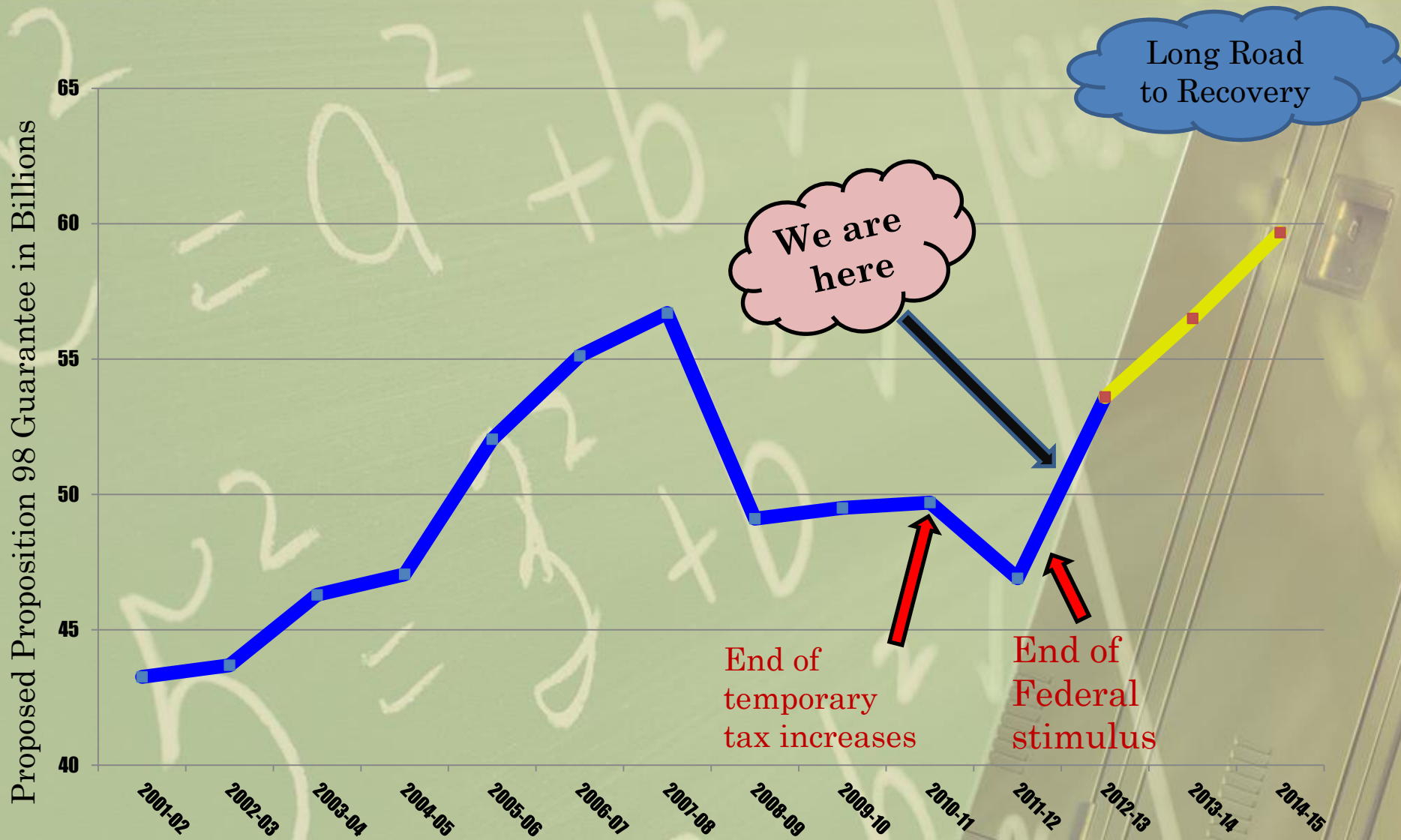
	11-12	12-13	13-14	14-15
	Un –Audited Actuals	Projected	Projected	Projected
Revenue	170,406,345	170,446,857	166,906,363	163,907,379
Expenditures	158,684,611	177,458,926	183,012,451	191,372,584
Transfers Out	5,714,530	2,798,828	2,808,068	2,818,370
Beginning Balance	44,659,505	50,666,709	40,855,812	21,941,656
Ending Balance	50,666,709	40,855,812	21,941,656	-8,341,919

Multi-Year Projections

Components of Ending Fund Balance

	11-12	12-13	13-14	14-15
	Un-Audited Actuals	Projected	Projected	Projected
Ending Balance	50,666,709	40,855,812	21,941,656	-8,341,919
Revolving Cash	150,000	150,000	150,000	150,000
Stores	326,749	326,749	326,749	326,749
Benefit Accounts	120,000	120,000	120,000	120,000
Accrued Vacation	1,261,885	1,261,885	1,000,000	1,000,000
Tier III/Categorical Reserves	11,518,565	9,091,378	0	0
Restricted Fund Balance	8,364,413	7,790,274	4,766,612	499,994
Uncertain Deficit/COLA	10,518,312	10,518,312	21,116,599	31,770,183
Designated for School Site Fees/ERRP	871,407	638,968	0	0
Designated for Economic Uncertainties	17,535,378	10,958,246	-5,538,306	-42,208,846
Percent of Economic Uncertainties	10.67%	6.08%	-2.98%	-21.74%
Excess/(Shortfall) of 3%	12,603,404	5,550,513	-11,112,922	-48,034,575

Long Road to Economic Recovery



Closing Comments

- State manipulation of Prop 98 guarantee
 - No COLA
- Budget contingency plan – a necessity
 - Protecting the future of the District

Certification

In certifying the 2012-13 Revised Final Budget 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 reductions to maintain a positive certification.