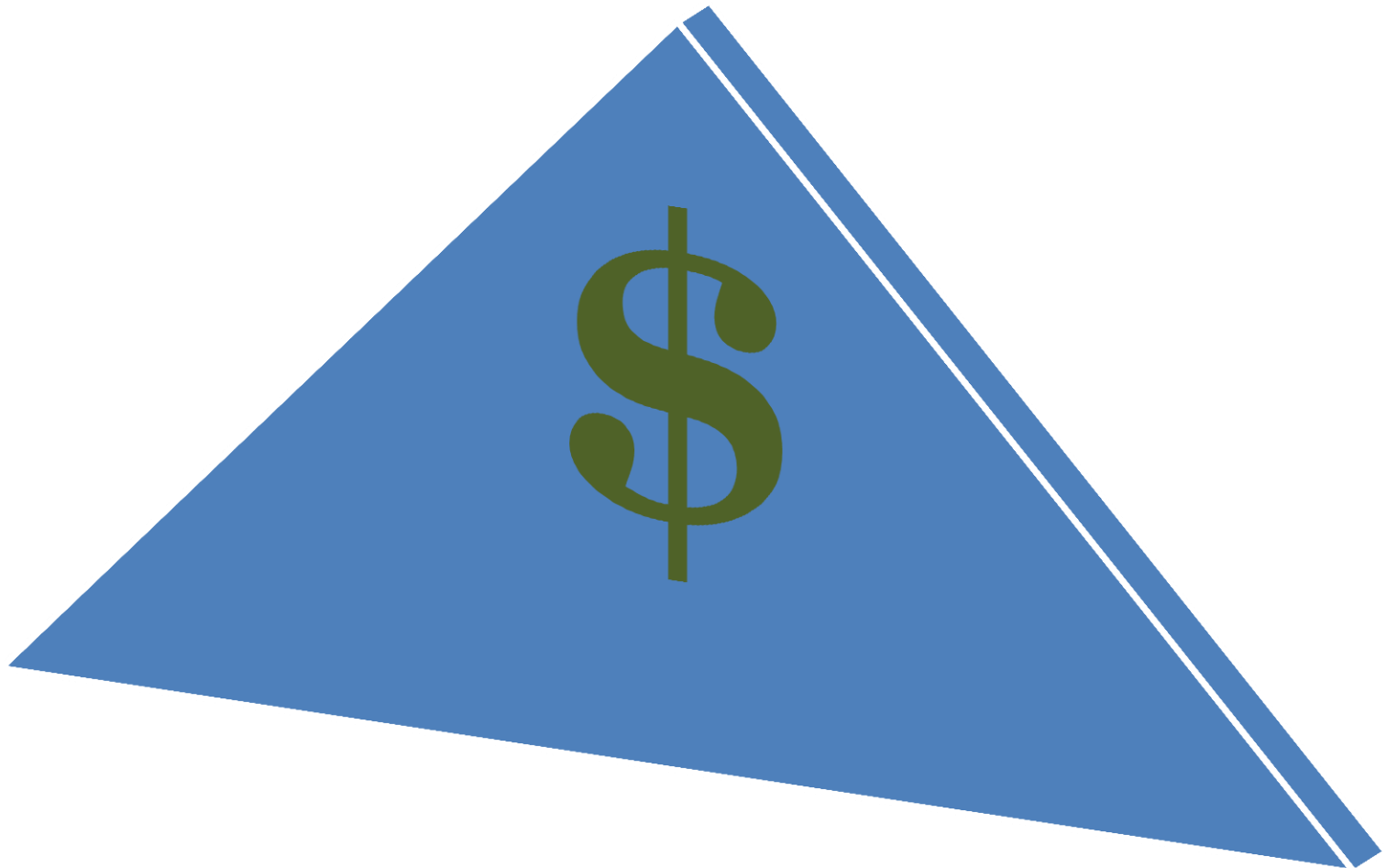


Tustin Unified School District 2015-16 First Interim Report



December 14, 2015

Adapting Fiscally to Changes



Agenda



- State Budget Update
- Budget Planning Considerations
- 2015-16 Projected Revenues
- 2015-16 Projected Expenditures
- Looking Ahead
- Multi-Year Projections
- What's Next....
- Certification

State Budget Update



Revenue



Expenditure



Proposition 98

Budget Planning Considerations

*Negotiation
Settlement*

Benefits

*LCFF
Factors*

Enrollment

*One-time
Revenues*



*LCAP &
District Priorities*

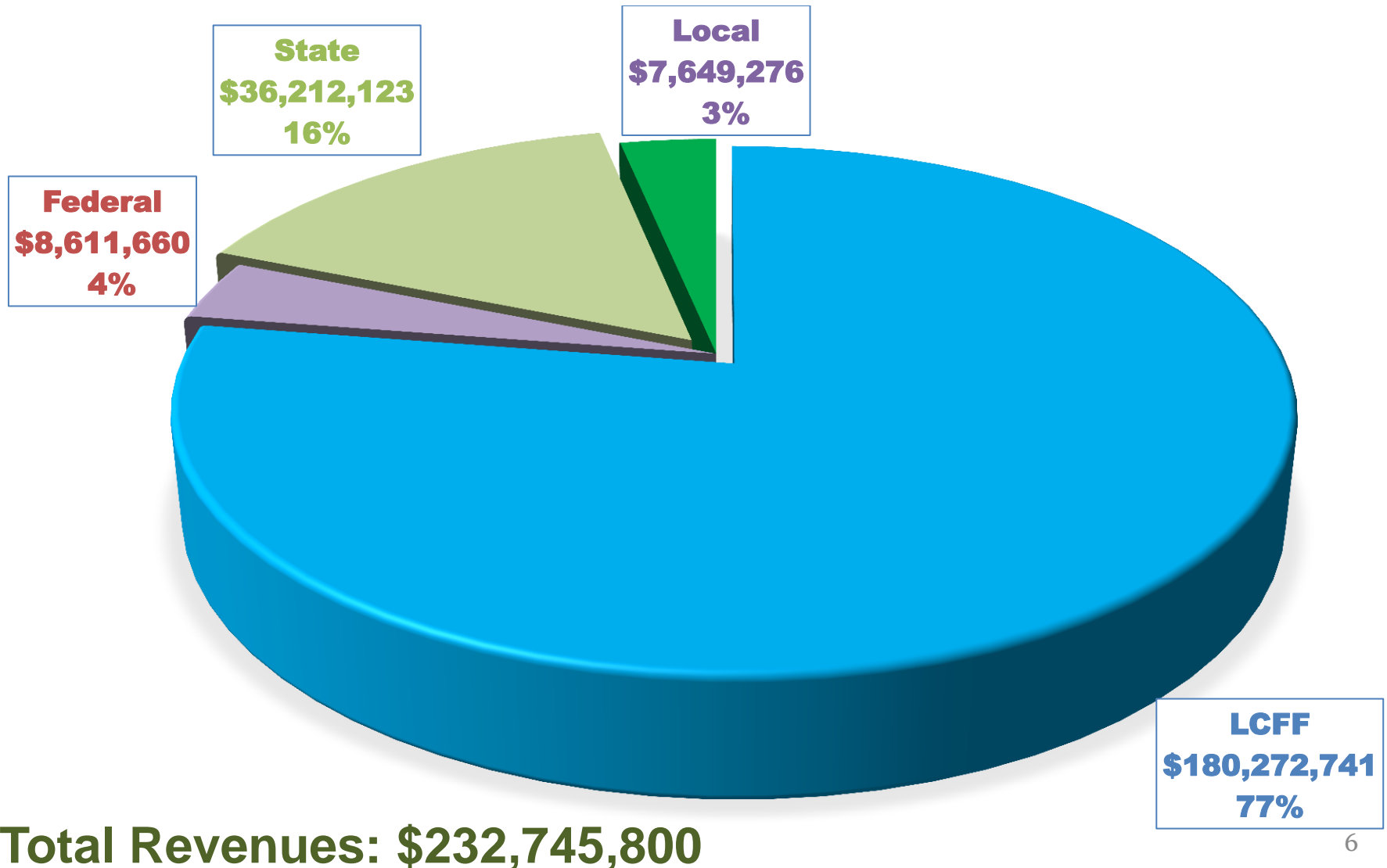
*Step &
Column*

Contracts

*Prior Year
Carryovers*

*New
Revenues*

2015-16 Projected Revenues



2015-16 Projected Expenditures

Salaries & Benefits:	\$184,519,136	81%
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Books & Supplies:	\$ 12,524,401	5%
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Services & Other Operating:	\$ 23,613,565	10%
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Capital Outlay :	\$ 2,295,280	1%
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Other Outgo & Transfers:	\$ 6,161,075	3%
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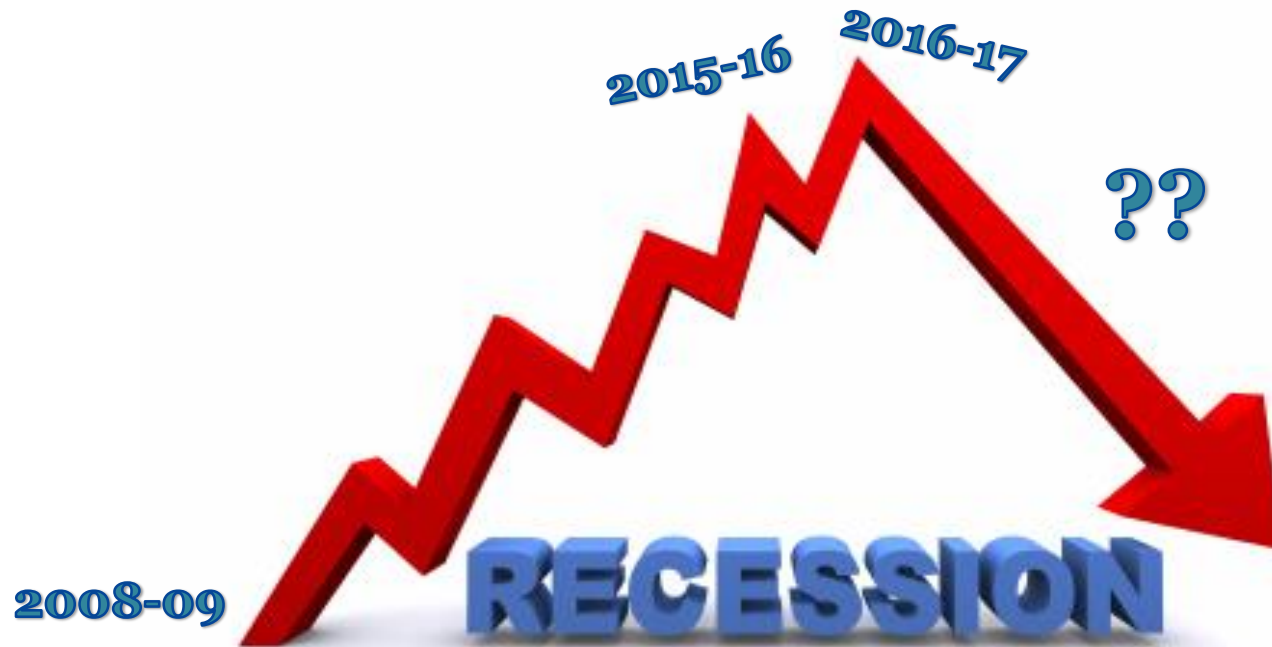
Total Expenditures:	\$229,113,457	
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Looking Ahead



Looking Ahead

Return of Recession



1980-82

1990-91

2001

2008-09

Looking Ahead

Tax Initiative – November, 2016



Proposition 30
Income Tax Extension

Looking Ahead

Proposed Personal Income Tax Rates Under This Proposal

Single Filer's Taxable Income ^a	Joint Filers' Taxable Income ^a	Marginal Tax Rate ^b		
		Through 2018	2019 and Later	2019-2030
		With Proposition 30 Still in Effect	If Proposition 30 Expires as Scheduled	If This Proposal Is Approved by Voters
\$0-\$7,850	\$0-\$15,700	1.0%	1.0%	1.0%
7,850-18,610	15,700-37,220	2.0	2.0	2.0
18,610-29,372	37,220-58,744	4.0	4.0	4.0
29,372-40,773	58,744-81,546	6.0	6.0	6.0
40,773-51,530	81,546-103,060	8.0	8.0	8.0
51,530-263,222	103,060-526,444	9.3	9.3	9.3
263,222-315,866	526,444-631,732	10.3	9.3	10.3
315,866-526,443	631,732-1,052,886	11.3	9.3	11.3
Over 526,443	Over 1,052,886	12.3	9.3	12.3

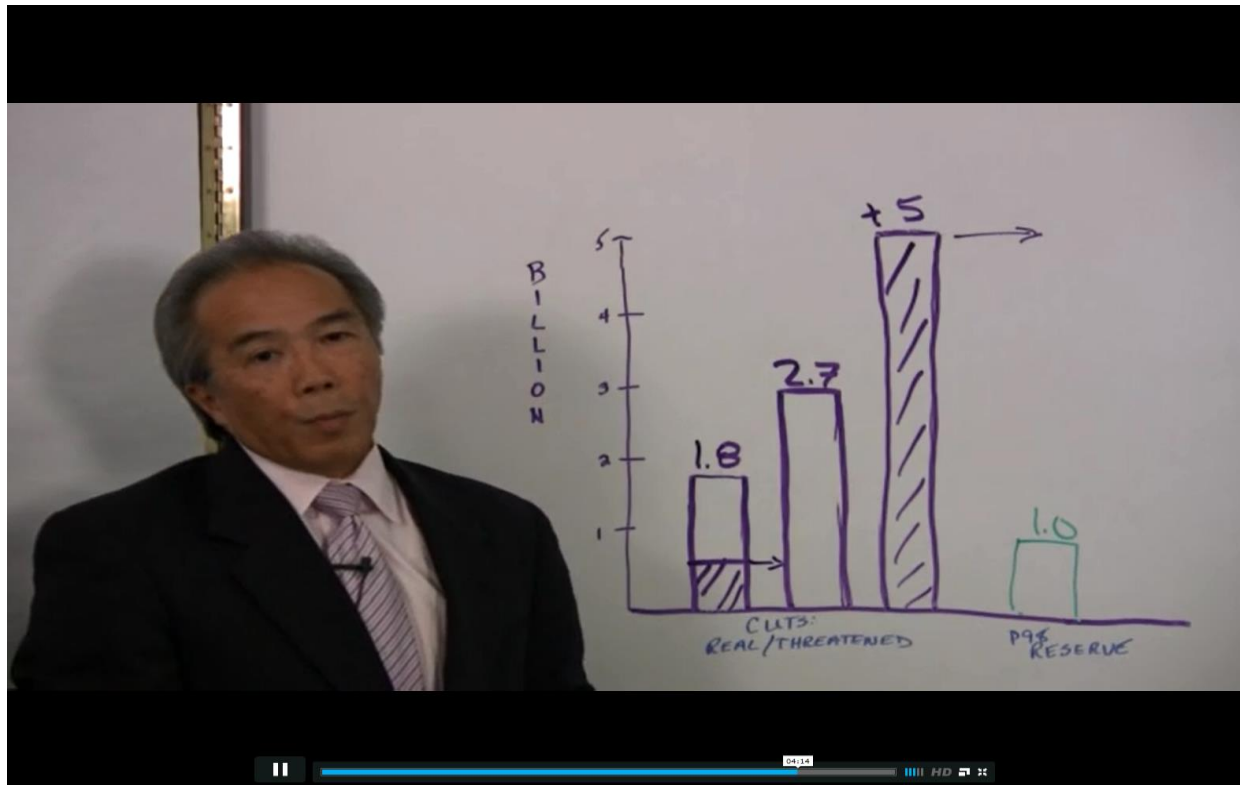
^a Income brackets shown are in effect for 2015 and are adjusted for inflation in future years. Single filers include married individuals and registered domestic partners (RDPs) who file taxes separately. Joint filers include married and RDP couples who file jointly, as well as qualified widows or widowers with a dependent child. Income brackets for head-of-household filers are not listed, but those filers with taxable income of \$357,981 and greater (as of 2015) also are subject to 10.3 percent, 11.3 percent, or 12.3 percent marginal tax rates under Proposition 30 and through 2030 if this proposal is approved by voters.

^b Marginal tax rates apply to taxable income in each tax bracket listed. Tax rates listed exclude the mental health tax rate of 1 percent for taxable income in excess of \$1 million.

Looking Ahead

Proposition 98 Reserve: How Much Protection Will It Provide School Districts—Video

Watch Robert Miyashiro discuss whether the state-level Proposition 98 reserve will provide K-12 districts adequate protection from state funding cut when the next recession occurs.



Looking Ahead

Increase in Pension Costs



Looking Ahead

El Nino



Looking Ahead

La Nina



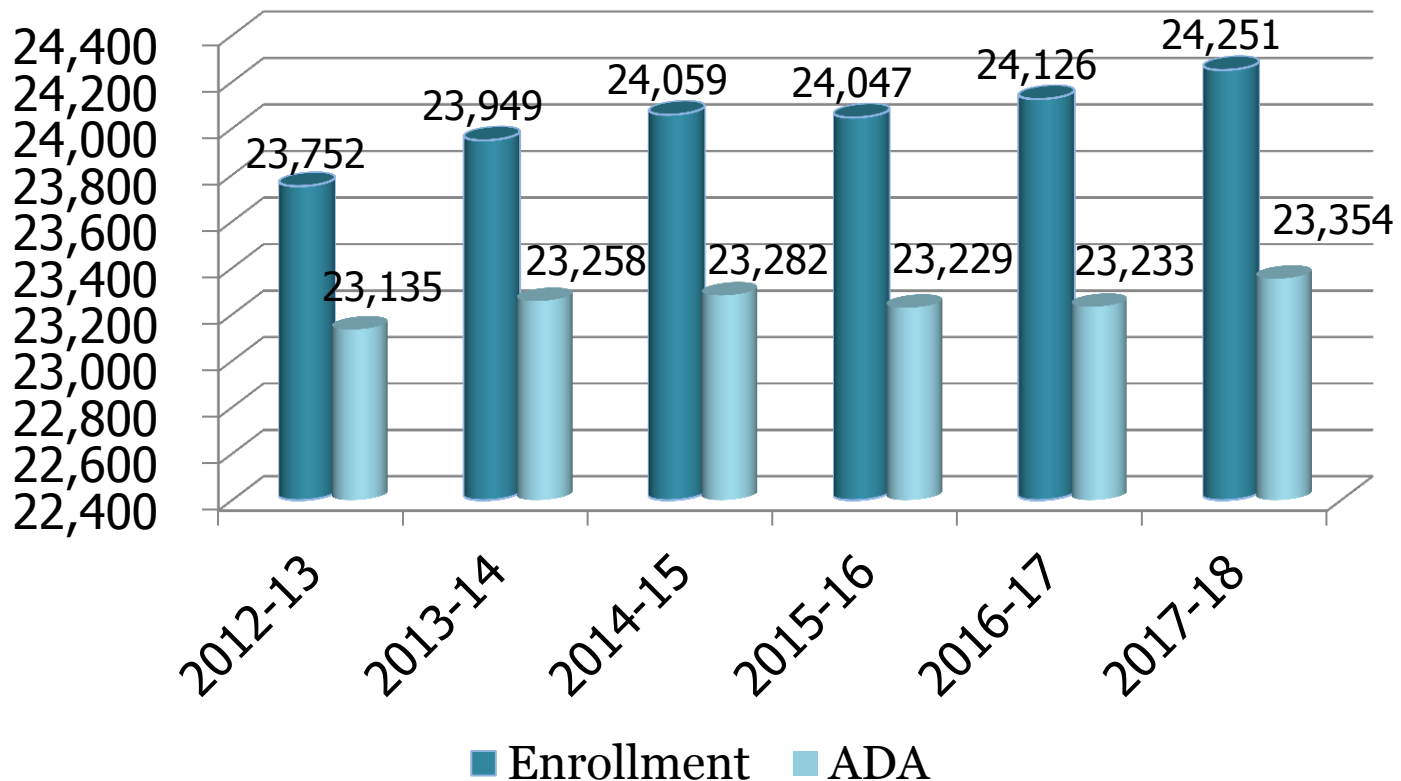
Looking Ahead

Student Enrollment



Looking Ahead

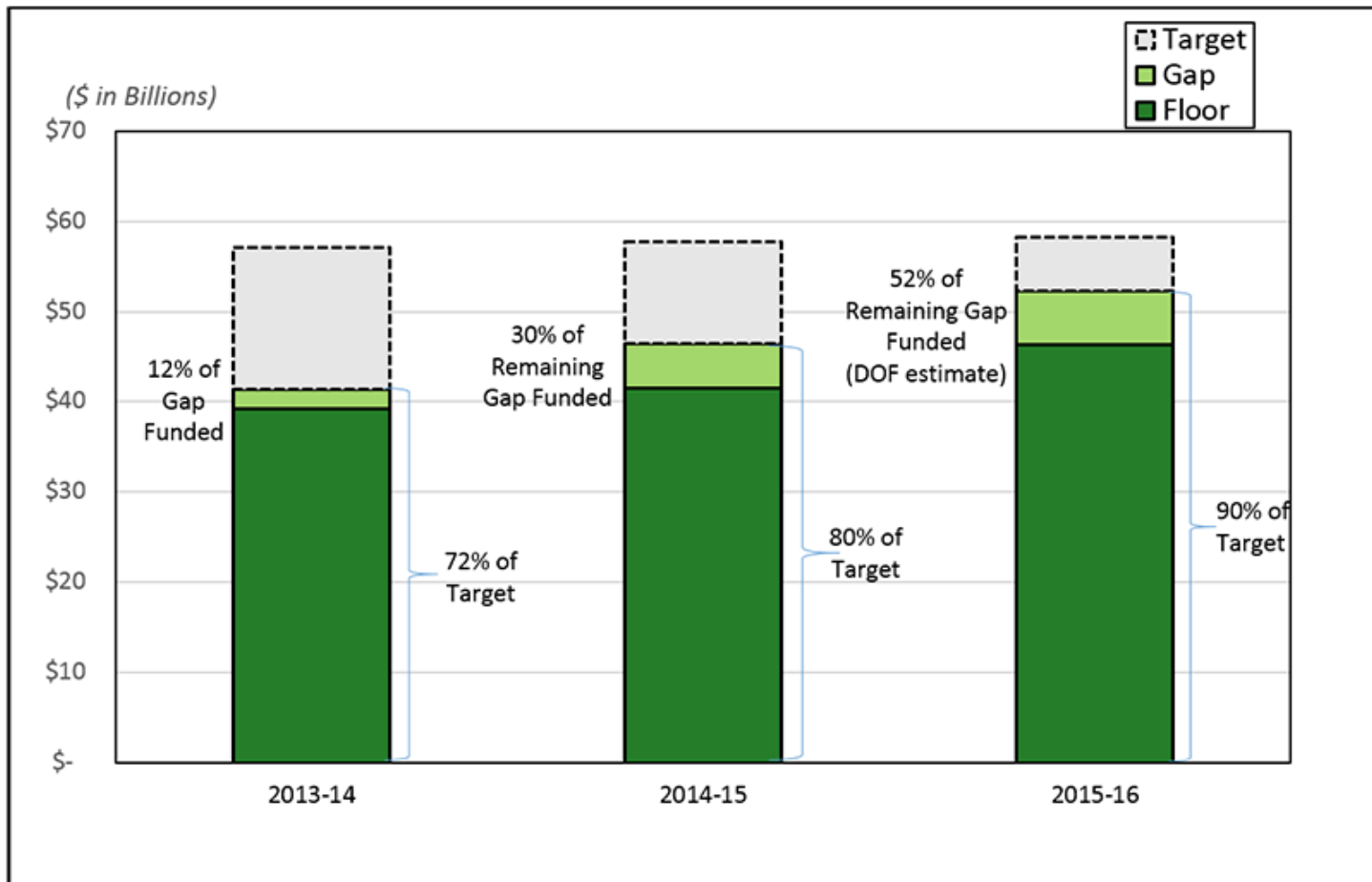
Student Enrollment



Enrollment Changes	247	197	110	-12	79	125
ADA Changes	245	123	24	-53	4	121

Looking Ahead

Statewide Percentage of LCFF Targets Funded by Year



Multi-Year Projections

2015-16

2016-17

2017-18

- Revenues
- Expenditures
- Transfers Out

\$232,745,800
\$226,000,486
\$ 3,112,971

\$218,916,027
\$226,515,479
\$ 3,112,971

\$224,502,026
\$235,053,728
\$ 3,112,971

- Net Change
- Beginning Balance
- Ending Balance

\$ 3,632,343
\$ 60,047,307
\$ 63,679,650

(\$ 10,712,423)
\$ 63,679,650
\$ 52,967,227

(\$ 13,664,673)
\$ 52,967,227
\$ 39,302,554

- Economic Uncertainty

\$ 6,873,404

\$ 6,888,854

\$ 7,145,001

Multi-Year Projections

Components of Ending Fund Balance

2015-16

2016-17

2017-18

Revolving Cash
Stores
Restricted

\$ 150,000
\$ 269,799
\$12,057,719

\$ 150,000
\$ 269,799
\$ 9,294,711

\$ 150,000
\$ 269,799
\$ 6,476,989

Commitments:

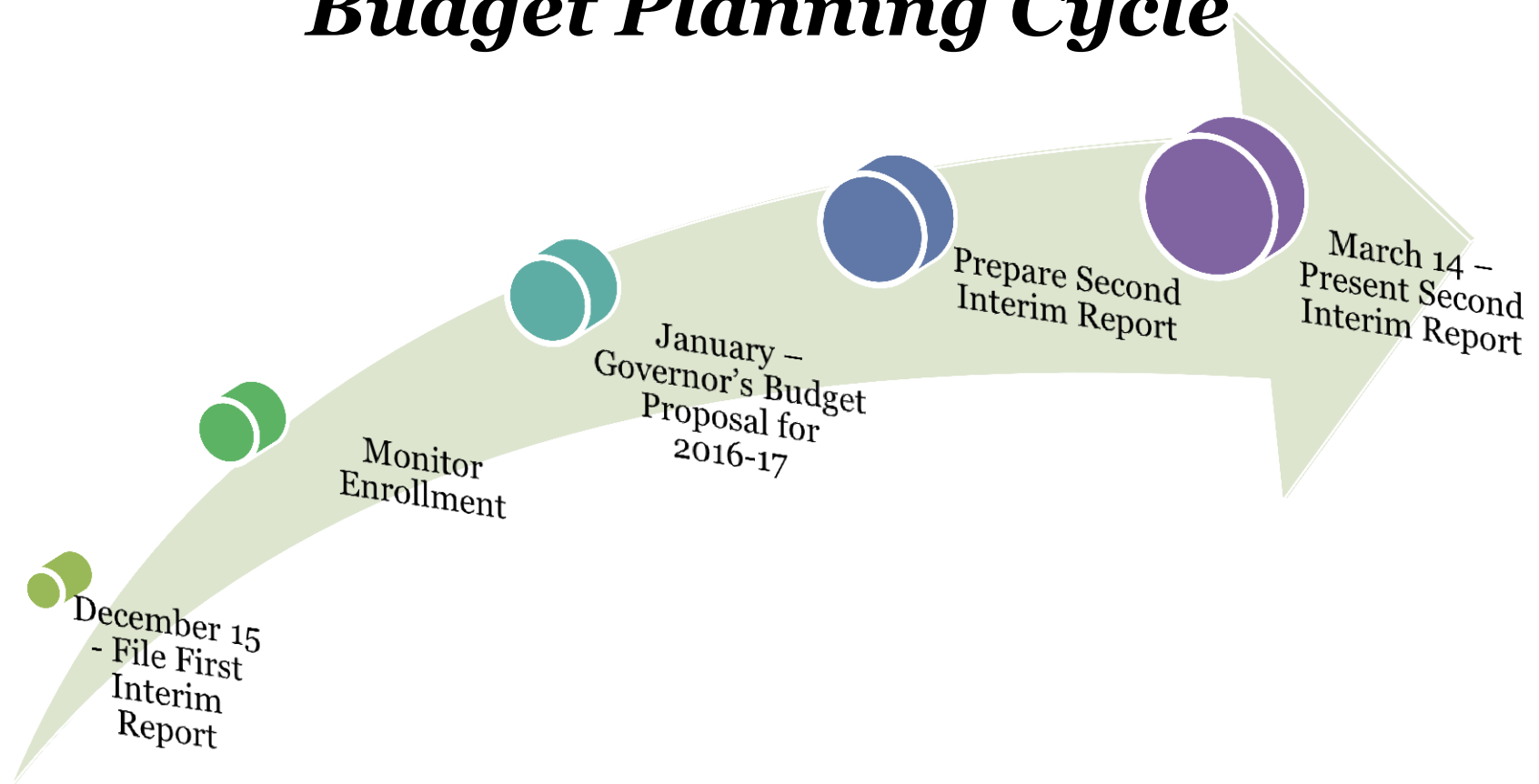
- Benefit Accounts
- Vacation Liability
- Local Protection
- Pension Liability
- Facilities Maintenance
- Technology
- Classroom Furniture
- Future School Opening
- One-Time Discretionary
- LCAP & District Priorities

\$ 140,000
\$ 1,266,931
\$16,102,222
\$ -0-
\$ 2,900,262
\$ 2,721,468
\$ 6,183,200
\$ 500,000
\$12,316,218
\$ 2,198,427

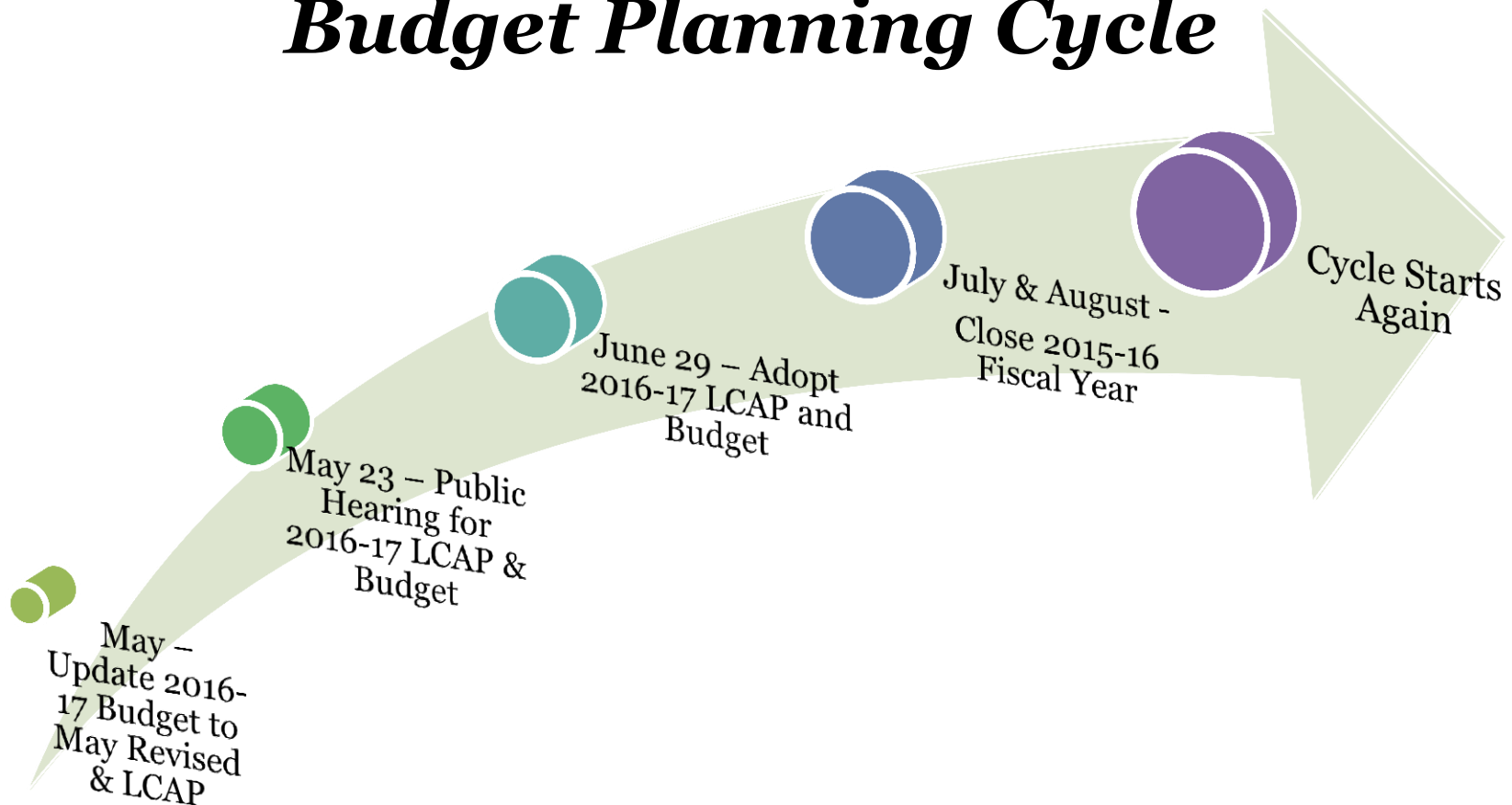
\$ 140,000
\$ 1,266,931
\$11,401,910
\$ 2,677,026
\$ 3,008,298
\$ 2,829,503
\$ 6,183,200
\$ 500,000
\$ 6,158,568
\$ 2,198,427

\$ 140,000
\$ 1,266,931
\$ 7,149,120
\$ 2,485,285
\$ 3,008,298
\$ 2,829,503
\$ 6,183,200
\$ -0-
\$ -0-
\$ 2,198,427

What's next..... Budget Planning Cycle



What's next..... Budget Planning Cycle





Certification
of Financial
Solvency

Certification

In certifying the 2015-16 First 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.