

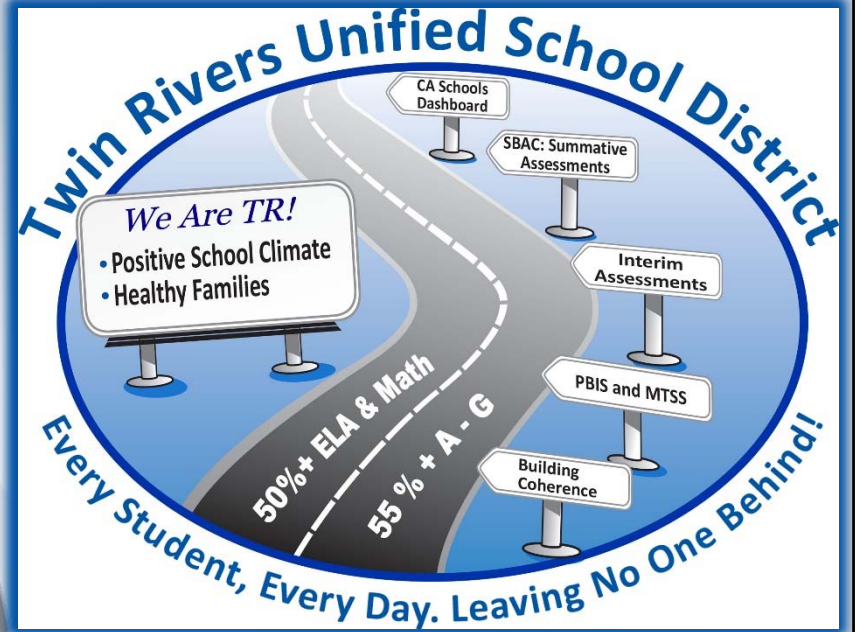
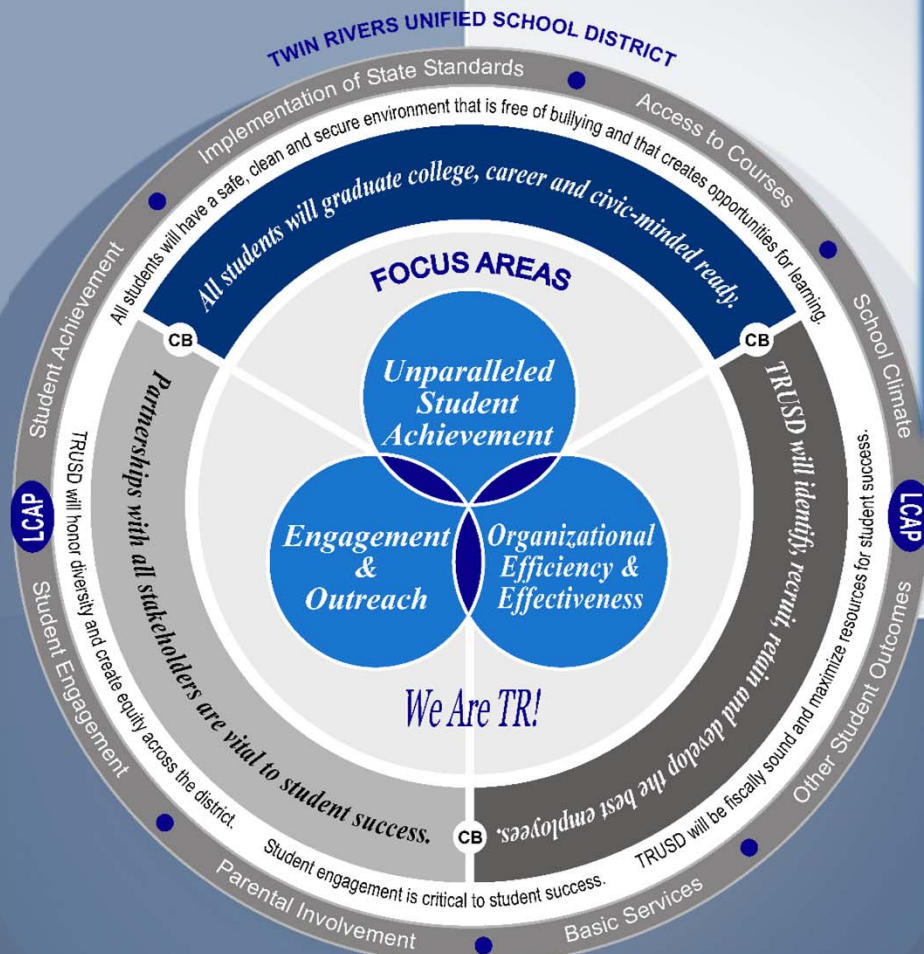


# **Twin Rivers Unified School District**

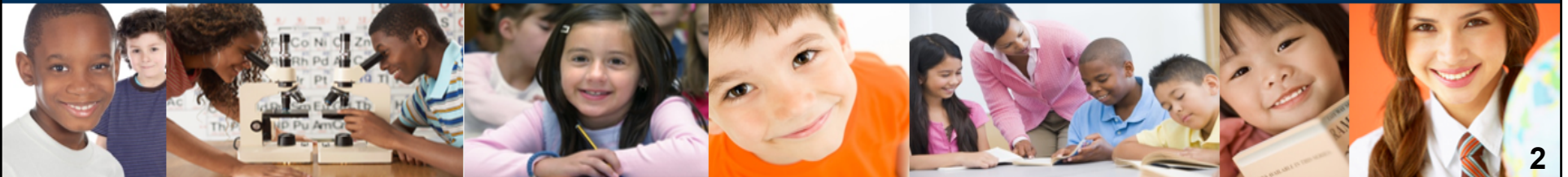
## **2020/21 FIRST INTERIM**

**PRESENTED TO THE BOARD OF TRUSTEES**  
**DECEMBER 16, 2020**

*By Kate Ingersoll*  
*Executive Director*  
*Fiscal Services*



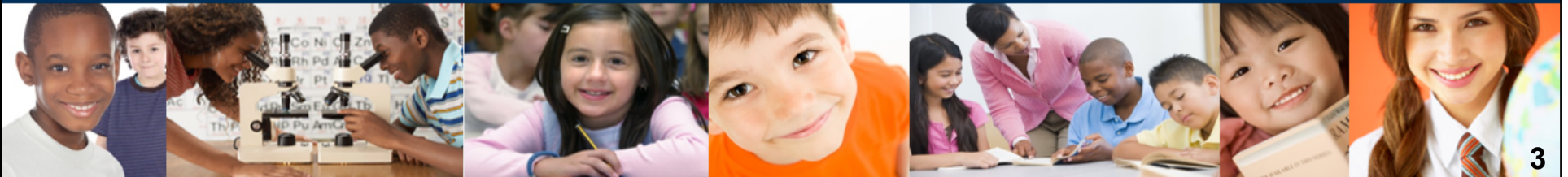
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# Agenda

- The Budget Reporting Cycle
- Budget Projections – School Services of California
- Budget Reductions
- SACS Budget Forms
- 2020/21 General Fund
- 2020/21 Other Funds
- 2021/22 General Fund Projections
- 2022/23 General Fund Projections
- Next Steps

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# Acronyms

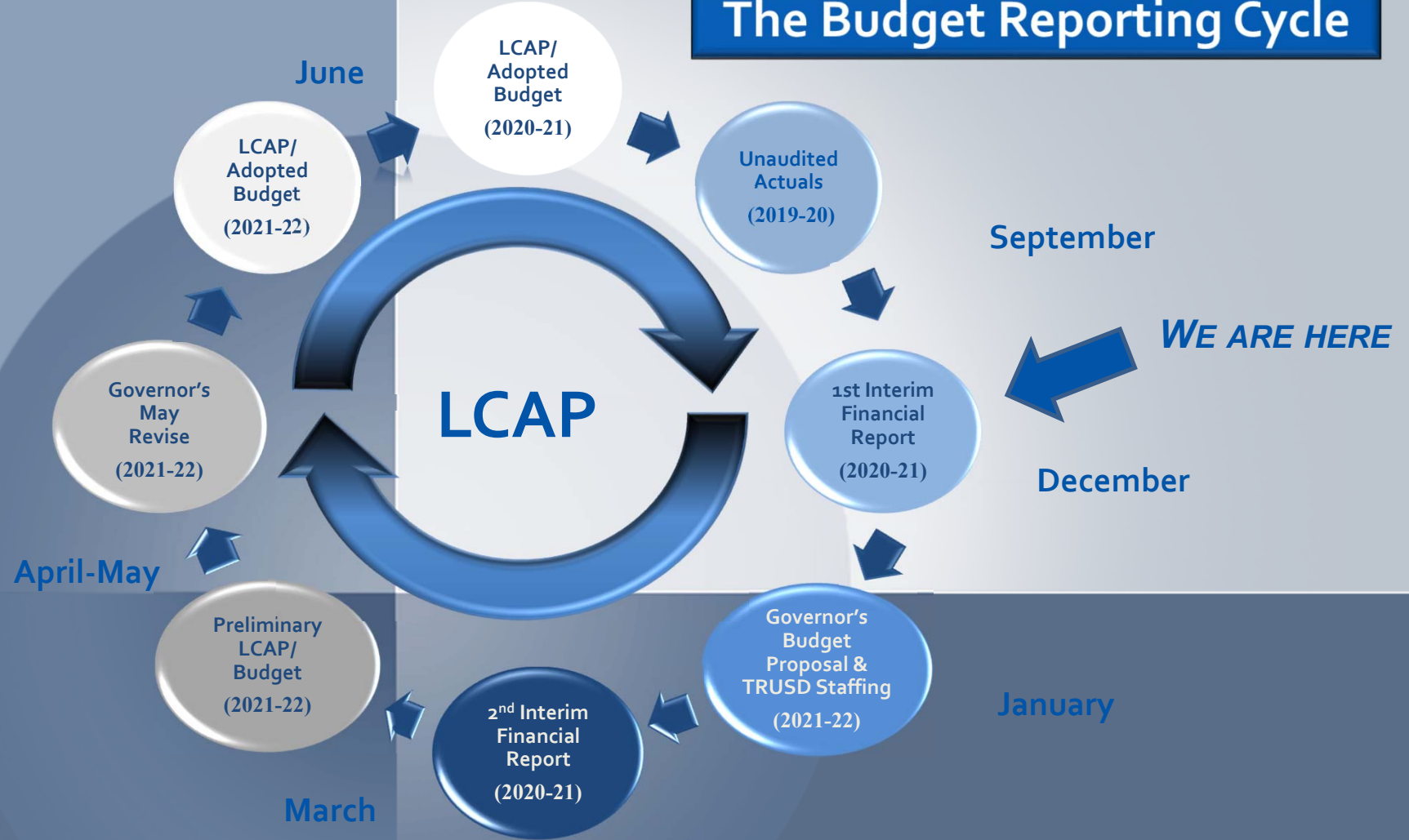
- AB – Assembly Bill
- ADA – Average Daily Attendance
- ASES – After School Education and Safety
- COP – Certificate of Participation
- COVID – Coronavirus Disease
- CRF – Coronavirus Relief Fund
- CSEA – Classified School Employees Association
- CSI – Comprehensive Support and Improvement
- CSR – Class Size Reduction
- CTEIG – California Career Technical Education Incentive Grant
- EL – English Learner
- ESSER – Elementary and Secondary School Emergency Relief
- FTE – Full Time Equivalent
- GEER – Governor’s Emergency Education Relief
- IT – Information Technology
- LCAP – Local Control and Accountability Plan
- LCFF – Local Control Funding Formula
- LLM – Learning Loss Mitigation
- OT – Overtime
- PERS – Public Employees Retirement System
- PY – Prior Year
- S/C – Supplemental/Concentration
- SACS – Standardized Account Code Structure
- STRS – State Teachers Retirement System
- TRUE – Twin Rivers United Educators
- VP – Vice Principal

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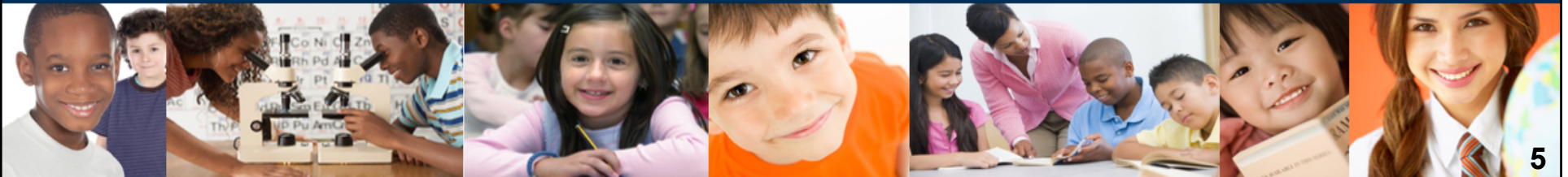




# The Budget Reporting Cycle



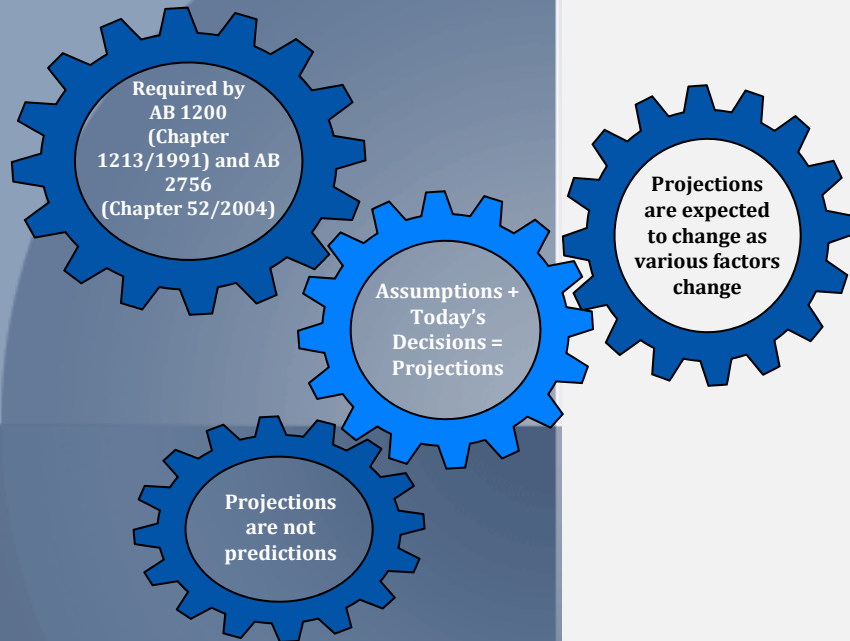
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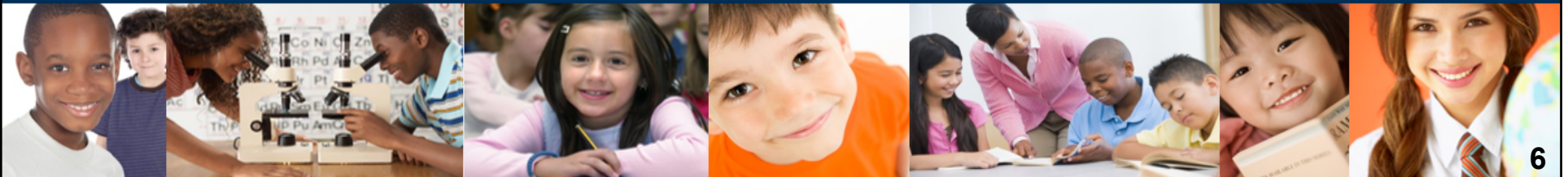
# Budget Projections

## ■ Key Factors

- Enrollment
- Attendance
- Unduplicated Pupil Percentage (UPP)
- LCFF Increase/Decrease
- Position Control/hiring
- STRS/PERS increases
- Special Education Increases
- Collective Bargaining negotiations
- A slowing economy and rising costs pose challenges in the multiyear projection
- Don't use one-time dollars to justify paying for ongoing expenditures

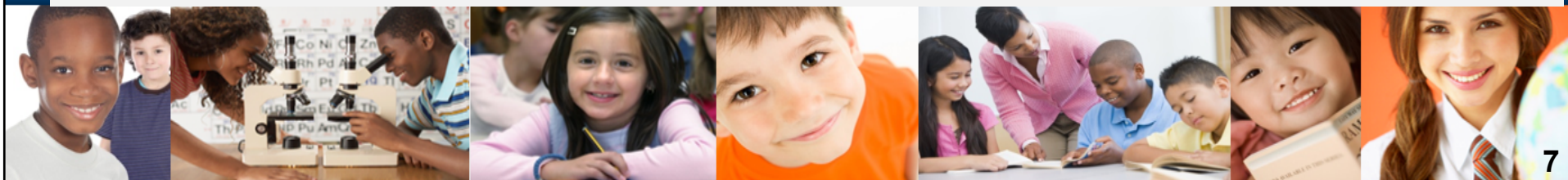


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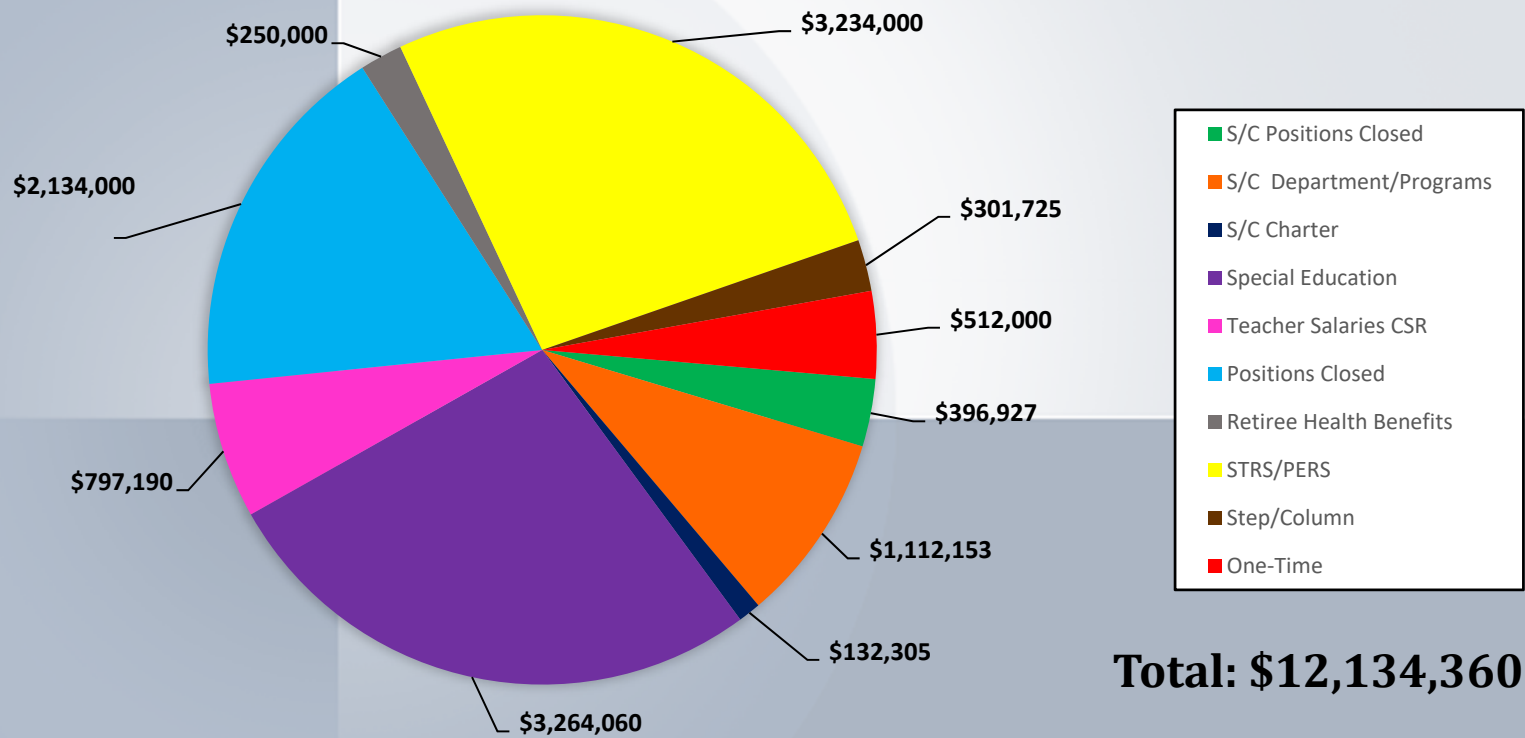


# 2020-2021 Budget Reductions

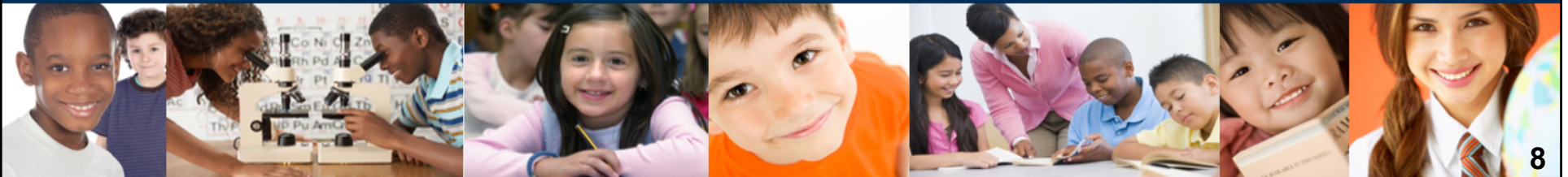
- \$12.1 million budget reduction at **First Interim** for 2020-2021:
  - \$3.5 million less than at Adopted Budget
- \$15.6 million budget reductions at **Adopted Budget** for 2020-2021:
  - \$10 million LCFF Base
    - \$3,264,060 – Special Education
    - \$3,234,000 – STRS/PERS increases proposed to be covered by the state
    - \$1,690,000 – Thirteen additional FTE teaching positions due to declining enrollment
    - \$223,000 – 1.50 FTE Principal/VP
    - \$126,000 – 1.0 FTE Executive Assistant II
    - \$95,000 – 1.50 FTE school office positions now in S/C
    - \$250,000 – Retiree health benefits
    - \$375,190 – Charter S/C teacher offsets
    - \$310,000 – Additional for portion of teachers' salaries for full day kindergarten using S/C
    - \$112,000 – Increase to S/C teacher salaries for instructional minutes
    - \$184,000 – Step/column less for certificated
    - \$117,725 – Step/column less for classified
  - \$1.6 million LCFF S/C
    - \$1,112,153 Various Programs
    - \$197,249 – 1.0 FTE Executive Director Student Engagement
    - \$199,678 – 1.0 FTE Director Co-Curricular Athletics
  - ~~\$4 million~~ one-time from COP 2007 savings; **changed to \$500 thousand at First Interim**



# 2020-2021 Budget Reductions Updated at First Interim



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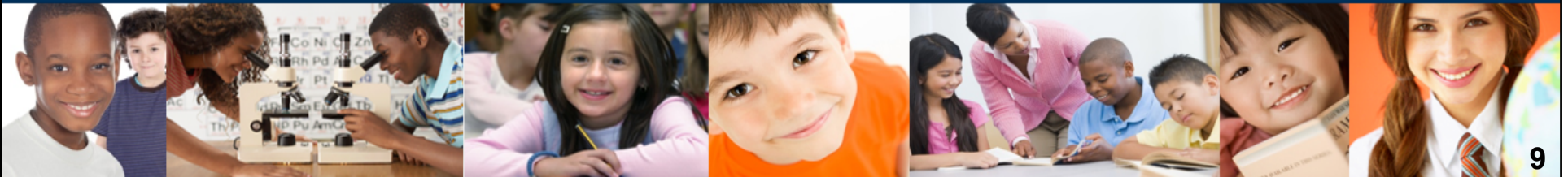




# SACS Budget Forms

- Interim Certification – Positive
- Executive Summary and Internal Budget Documents for all Funds
- Interim Reports for all Funds – Statement of Revenues, Expenditures and Changes in Fund Balance
- Cash Flow Projection
- Average Daily Attendance
- Multi-Year Projection Assumptions – General Fund
- Multi-Year Projections – General Fund
- Multi-Year Projections and Assumptions – Other Funds
- Criteria and Standards

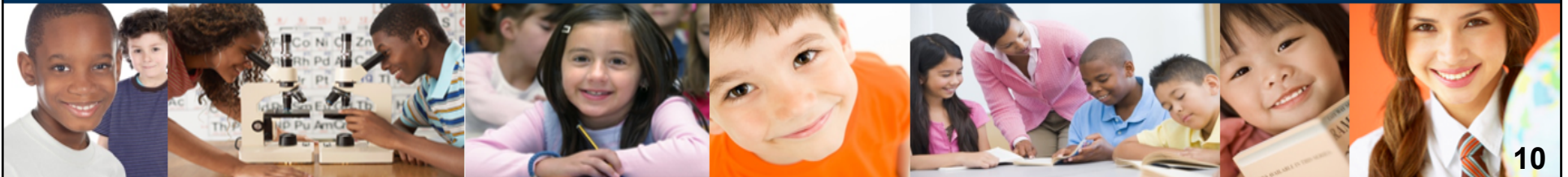
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# 2020/21 General Fund

Estimated Beginning Fund Balance	\$ 50,485,428
Revenues	\$ 428,548,592
Expenditures	\$ 436,768,784
Net Increase/(Decrease) Fund Balance	\$ (8,220,192)
Ending Fund Balance	\$ 42,265,236
Components of Ending Fund Balance:	
Nonspendable	\$ 671,813
Restricted	\$ 2
Assigned	\$ 20,511,101
Unassigned - Economic Uncertainties*	\$ 19,000,000
Unassigned	\$ 2,082,320
Meet Board Policy intent for Economic Uncertainties of \$19 million	

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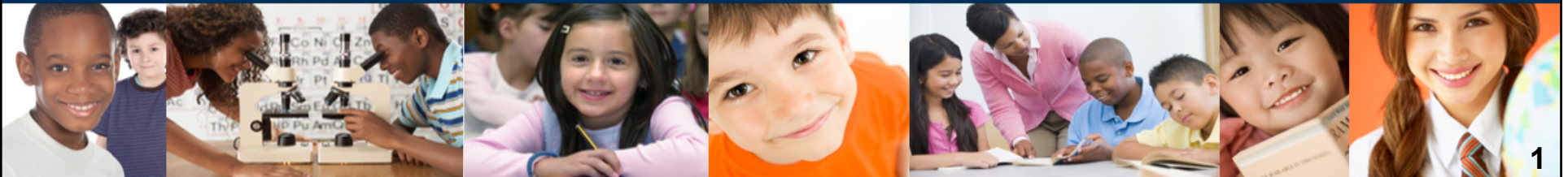


# 2020/21 General Fund Ending Fund Balances

## ASSIGNED

Cover 22/23 Structural Deficit	\$ 16,639,927
Cover 21/22 Structural Deficit	\$ 2,868,201
2% one time cost CSEA - Unrestricted	\$ 1,002,973
<b>Total, Assigned Balance</b>	<b>\$ 20,511,101</b>

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# 2020/21 Change in Ending Fund Balance

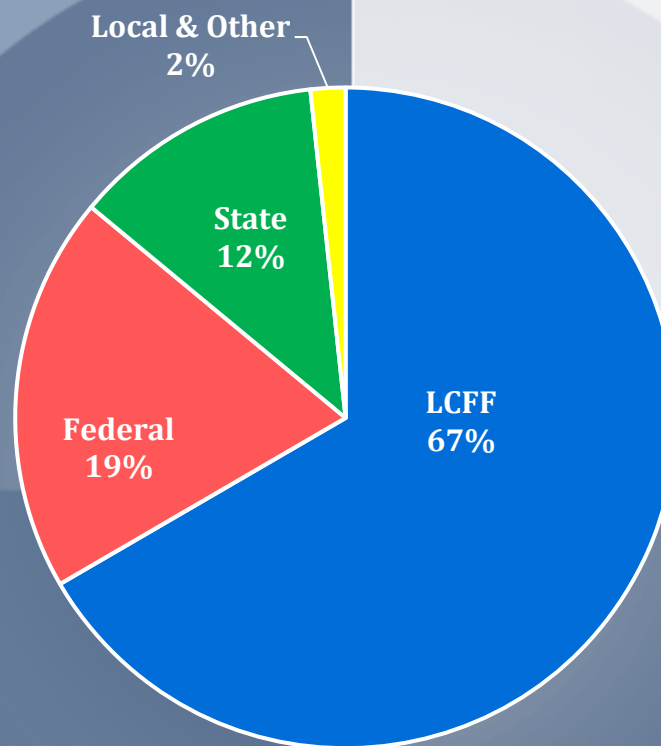
Net Increase/(Decrease) Fund Balance	\$ (8,220,192)
Restricted budgeted expenditures (one-time from prior year carryover)	\$ 339,427
Assigned budgeted expenditures (one-time from prior year carryover; i.e. Instructional Materials, Site Base, Charter S/C)	\$ 6,674,169
Surplus/(Deficit) spending	\$ (1,206,596)
One-time revenue in the budget	\$ (383,347)
One-time expenditures in the budget	\$ 4,862,366
One-time expenditure savings in the budget (COVID)	\$ (1,070,000)
One-time Police and Nurse saving to Unrestricted	\$ (3,931,722)
One-time expenditure Transfer Out to facilities	\$ 3,931,722
On-going 2020/21 Surplus/(Deficit) spending	\$ 2,202,423

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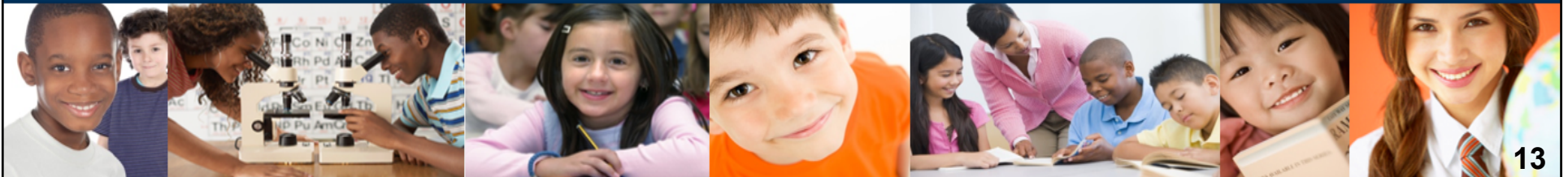


# 2020/21 General Fund Revenues



LCFF	\$ 285,474,118
State Aid	193,390,498
Property Tax	41,264,846
Education Protection Account	51,591,112
LCFF Transfer to Fund 14	(1,896,380)
Property Tax Transfer - Spec. Ed.	1,124,042
Federal	83,127,025
State	52,637,435
Local & Other	7,310,014

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# 2020/21 LCFF Revenue

	Twin Rivers Estimated 2020/21	Creative Connections Estimated 2020/21	Smythe Academy Estimated 2020/21	Westside Prep Charter Estimated 2020/21	Total
20/21 Estimated LCFF Entitlement	\$262,171,951	\$7,238,853	\$12,258,385	\$4,577,267	\$286,246,456
Base Funding	\$196,240,998	\$5,846,743	\$9,015,242	\$3,614,450	\$212,629,632
Supplemental/Concentration	\$ 65,930,953	\$1,392,110	\$3,243,143	\$962,817	\$ 71,529,023
Estimated Unduplicated pupil % (3 year rolling average) (EL, low income and/or foster youth)	89.84%	73.30%	92.77%	77.34%	

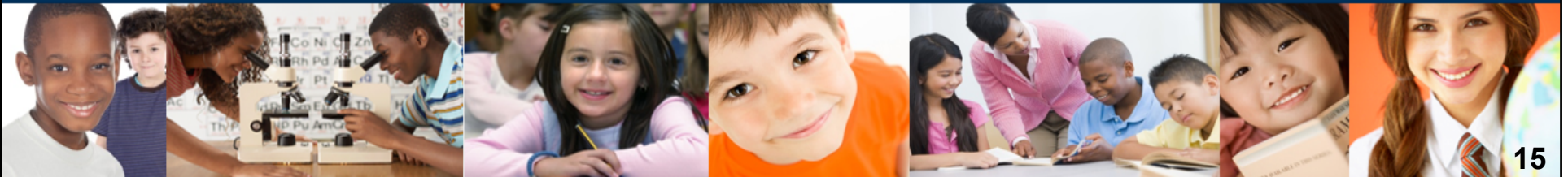
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# Revenues

- LCFF Sources Increase \$2.5 million
  - “Funded” increase is 294 ADA; removed Charter shift
  - “Funded” decrease is 51 ADA (Dependent Charters)
- Federal Revenue Increase \$43 million
  - Increase \$9.9 million; one-time carryover funds
    - \$6.8 million increase; Title I, Part A
    - \$1.1 million increase; Title II, Teacher Quality
    - \$1.2 million increase; Student Support and Academic Enrichment
  - Updated awards; increase \$33.1 million
    - \$30.5 million increase; LLM COVID funds
    - \$1 million increase; Title I, Part A
    - \$1.7 million increase; Title I, CSI Program Improvement

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# Revenues Continued

- State Revenue Increase \$8.6 million
  - \$1.4 million increase; one-time carryovers
  - \$7.2 million increase; updated awards
    - \$491 thousand; Special Education
    - \$577 thousand; Career Tech Ed Incentive Grant (CTEIG)
    - \$762 thousand; K12 Strong Workforce
    - \$2.4 million one-time increase; LLM COVID funds
    - \$2.2 million one-time increase; electric busses
- Local Revenue Increase \$2.9 million
  - \$2.7 million one-time increase; electric busses
  - \$250 thousand one-time increase; workers compensation dividend
- Other Financing Sources:
  - \$3.4 million decrease Transfers In; move COP 2007 savings to facilities projects

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# 2020/21 General Fund Expenditures

Certificated Salaries  
33%



Interfund Transfers Out  
4%

Certificated	\$146,032,060
Classified	50,643,955
Employee Benefits	81,439,314
Books & Supplies	50,883,000
Services	72,415,136
Capital & Other	17,423,597
Interfund Transfers Out	17,931,722

Classified Salaries  
12%

Employee Benefits  
19%

Books and Supplies  
12%

Services & Other Operating  
16%

Capital Outlay & Other  
4%

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# Expenditures

## ■ Salaries and Benefits

- Certificated increase \$5.9 million
  - \$5.5 million increase – restricted
    - \$1.3 million increase; nurses shift funding to ESSER COVID
    - \$447 thousand increase; LLM-CRF COVID variable pay
    - \$818 thousand increase; 2% one-time off salary schedule TRUE and management
    - \$1.5 million increase; Title I carryover funds
    - \$215 thousand increase; Title I, CSI carryover funds
    - \$597 thousand increase; Title II carryover funds
    - \$223 thousand increase; CTEIG carryover funds
    - \$232 thousand increase; K-12 Strong Workforce carryover funds
  - \$381 thousand increase – unrestricted
    - \$1.3 million decrease; nurses shift funding to ESSER COVID
    - \$300 thousand decrease; substitutes
    - \$1.8 million increase; 2% one-time off salary schedule TRUE and management
    - \$150 thousand increase; S/C one-time carryover funds

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# Expenditures Continued

## ■ Salaries and Benefits

- Classified increase \$445 thousand
  - \$2 million increase – restricted
    - \$1.6 million increase; police shift funding to ESSER COVID
    - \$195 thousand increase; LLM-CRF COVID variable pay
    - \$87 thousand increase; Title I carryover funds
  - \$1.5 million decrease – unrestricted
    - \$1.6 million decrease; police shift funding to ESSER COVID
    - \$54 thousand decrease; Secretary and Clerk closed; partial year (2.375 FTE)
    - \$40 thousand decrease; substitutes
    - \$112 thousand decrease; transportation OT and extra
    - \$142 thousand increase; new IT User Support technicians (4 FTE)
    - \$91 thousand increase; 2% one-time off salary schedule management and confidential
    - \$61 thousand increase; one-time vacation pay offs for custodial retirements

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# Expenditures Continued

- Employee Benefits
  - \$735 thousand increase; corresponding salary increases
- Books and Supplies
  - \$24.4 million increase
    - \$18.7 million increase – restricted
      - \$7.9 million increase; Lottery instructional materials
      - \$3 million increase; Title I
      - \$1.2 million increase; Title I, CSI Program Improvement
      - \$500 thousand increase; Medi-Cal
      - \$456 thousand increase; ASES
      - \$9.9 million increase; LLM- CRF
      - \$4.5 million decrease; shift ESSER to salaries and benefits
    - \$5.7 million increase – unrestricted
      - \$3.1 million increase; instructional materials
      - \$350 thousand increase; IT inventory
      - \$316 thousand increase; Site Base Allocation

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# Expenditures Continued

- Services and Other Operating
  - \$17.6 million increase
    - \$17.8 million increase – Restricted
      - \$2.9 million increase; Title I
      - \$600 thousand increase; Title I CSI Program Improvement
      - \$10.3 million increase; LLM-CRF
      - \$600 thousand increase; ESSER
      - \$1 million increase; Title II
      - \$600 thousand increase; Title IV
      - \$350 thousand increase; Medi-Cal
      - \$550 thousand increase; K-12 Strong Workforce
      - \$550 thousand increase; Ca. Energy Commission
    - \$216 thousand decrease – Unrestricted
      - \$584 thousand increase; carryover funds
      - \$313 thousand one-time decrease; insurance premiums
      - \$487 thousand one-time decrease; utilities due to COVID

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# Expenditures Continued

## ■ Capital Outlay

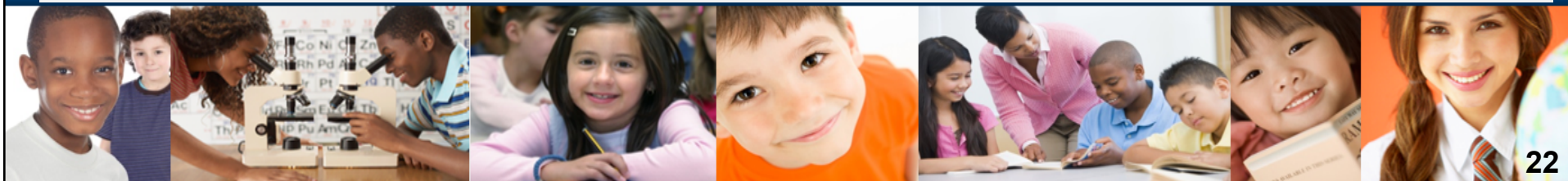
- \$9.9 million increase
  - \$8.8 million increase – Restricted
    - \$1.8 million increase; LLM-GEER
    - \$2.4 million increase; LLM-Proposition 98
    - \$1.7 million increase; Ca. Energy Commission
    - \$2.7 million increase; Sacramento Metropolitan Air Quality Management District
  - \$1.1 million increase – Unrestricted
    - Carryover funds

## ■ Other Outgo

- \$327 thousand increase - Restricted

## ■ Transfers Out

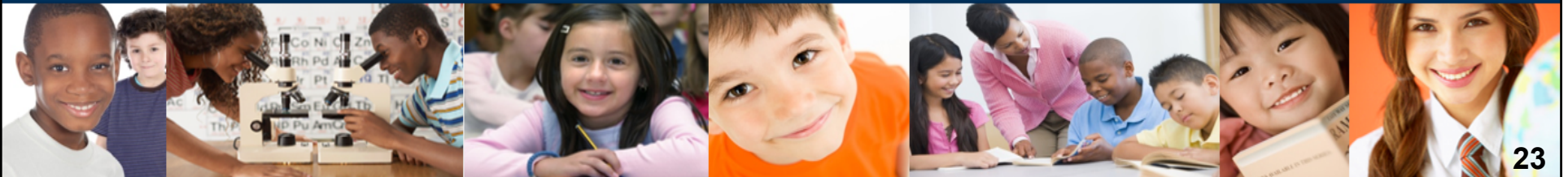
- \$7.9 million increase – Unrestricted
  - Towards Highlands High School Complex and the Student/Teacher Learning Center



# Other Funds

- Adult Education Fund
- Child Development Fund
- Special Reserve Fund for Post-Employment
- Cafeteria Fund
- Deferred Maintenance Fund
- Building Fund
- Capital Facilities Fund-Developer Fees
- County School Facilities Fund
- Special Reserve Capital Outlay Fund

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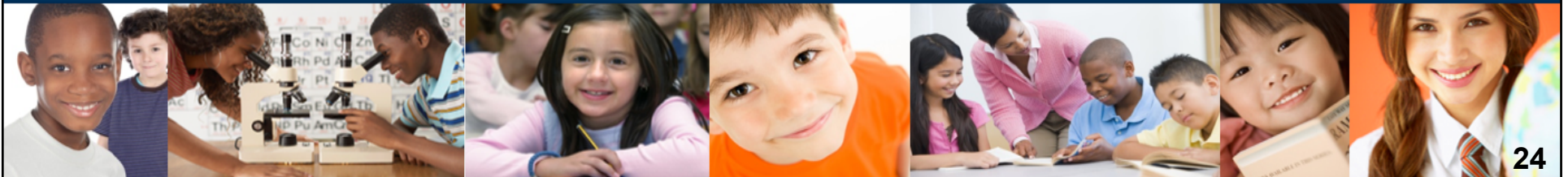


# 2021/22 General Fund Projections

Beginning Fund Balance	\$ 42,265,235
Revenues	\$ 378,992,866
Expenditures	\$ 381,861,067
Net Increase/(Decrease) Fund Balance	\$ (2,868,201)
Ending Fund Balance	\$ 39,397,034
Components of Ending Fund Balance:	
Nonspendable	\$ 671,813
Restricted	\$ -
Assigned	\$ 17,642,900
Unassigned - Economic Uncertainties	\$ 19,000,000
Unassigned	\$ 2,082,321

Note: Meets Board Policy intent for Economic Uncertainties of \$19 million

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# 2021/22 General Fund – Key Assumptions

- LCFF Revenue decrease \$3.5 million

- 0% increase
- 297 ADA decrease (funded)

- Salary and benefits

\$2.9  
million

- Step/column increase – unrestricted \$3 million
- STRS -0.15%; unrestricted decrease \$200 thousand
- PERS +2.30%; unrestricted increase \$900 thousand
- Teacher position 15 FTE decrease – unrestricted \$1.8 million
- Cost of 2% CSEA; unrestricted increase \$1 million

- Utilities increase \$200 thousand

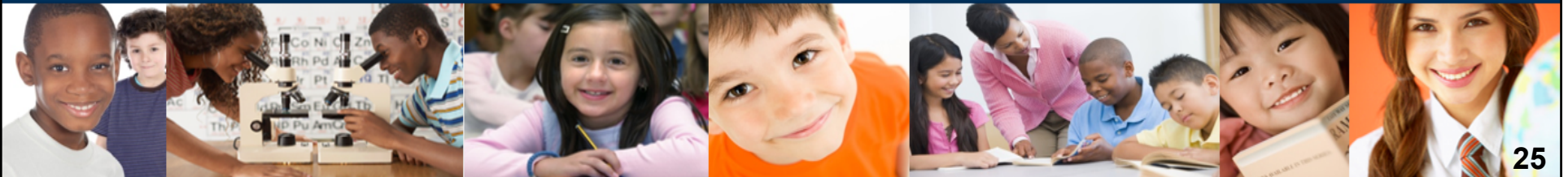
- One-time prior year technology project expense decrease \$2.5 million

- Indirect (less to unrestricted) \$1 million

\$(1.3)  
million

- \$3.5 million	Base Revenue
- \$2.9 million	Salaries & Benefits Budget
+\$1.3 million	Other
<u>+\$2.2 million</u>	<u>PY Surplus</u>
(\$2.9 million)	Deficit Spending

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# 2022/23 General Fund Projections

Beginning Fund Balance	\$ 39,397,034
Revenues	\$ 371,031,907
Expenditures	\$ 387,671,834
Net Increase/(Decrease) Fund Balance	\$ (16,639,927)
Ending Fund Balance	\$ 22,757,107
Components of Ending Fund Balance:	
Nonspendable	\$ 671,813
Restricted	\$ -
Assigned	\$ 3,085,294
Unassigned - Economic Uncertainties	\$ 19,000,000
Unassigned	\$ -

Note: Does not include salary increase for 2022/23

Meets Board Policy intent for Economic Uncertainties of \$19 million

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# 2022/23 General Fund – Key Assumptions

- LCFF Revenue decrease \$7.9 million

- 0% increase
- 669 ADA decrease (funded)

- Salary and benefits

- \$6.8 million** {
- Step/column increase – unrestricted \$3.1 million
  - STRS +2.10%; unrestricted increase \$2.4 million
  - PERS +3.30%; unrestricted increase \$1.3 million

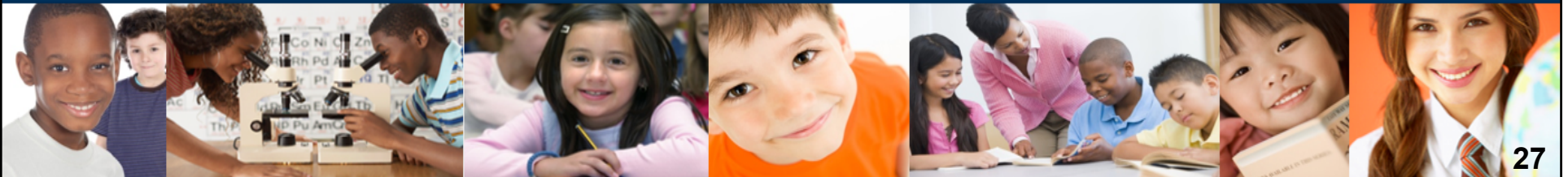
- Utilities increase \$200 thousand

- Capital lease ends – decrease \$1.2 million

} **\$(1.0) million**

- \$7.9 million	Base Revenue
- \$6.8 million	Salaries & Benefits Budget
+\$1.0 million	Other
- \$2.9 million	PY Deficit Spending
<b>(\$16.6 million)</b>	<b>Deficit Spending</b>

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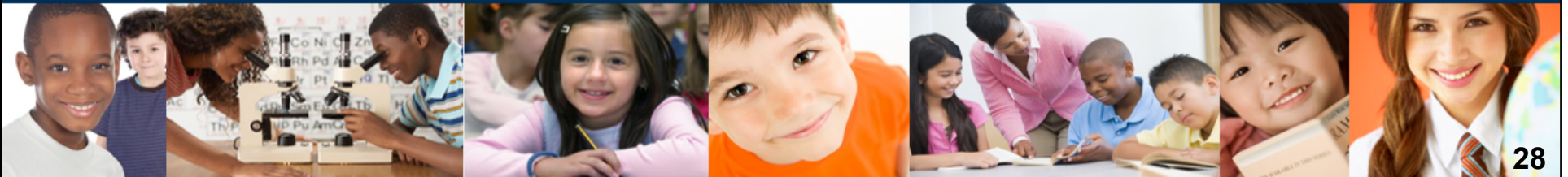


# 2023/24 General Fund Projections

Beginning Fund Balance	\$ 22,757,107
2022/23 Structural Deficit	\$ (16,639,927)
Ending Fund Balance	\$ 6,117,180
Components of Ending Fund Balance:	
Nonspendable	\$ 671,813
Restricted	\$ -
Assigned	\$ -
Unassigned - Economic Uncertainties	\$ 19,000,000
Unassigned	\$ (13,554,633)

**Note: Must make reductions in 2022/23 to meet the financial obligations in 2023/24**

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# Next Steps

- January – Governor's 2021/22 State budget proposal
- January 26, 2021 – Board of Trustees Budget Workshop
  - 2019/20 Independent Financial Audit Report
- The Second Interim report will be presented at the March 23, 2021 Board meeting.
- Any questions?

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