



Twin Rivers Unified School District

2019/20 Proposed ADOPTED BUDGET

PRESENTED TO THE BOARD OF TRUSTEES – FOR PUBLIC HEARING
JUNE 18, 2019

BY KATE INGERSOLL, EXECUTIVE DIRECTOR FISCAL SERVICES

AGENDA

- Budget Reductions
- The Budget Reporting Cycle
- SACS Budget Forms
- 2019/20 General Fund
- 2019/20 Other Funds
- 2020/21 General Fund Projections
- 2021/22 General Fund Projections
- Next Steps

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BUDGET REDUCTIONS

- \$7.2 million budget reductions in 2018/19 (Resolution #756)
- \$9.9 million budget reductions in 2019/20
 - \$6.5 million Resolution #756
 - \$3.2 million additional reductions
 - \$200,000 – computer capital lease less than expected
 - \$600,000 – two capital leases expired
 - \$300,000 – increase in interest income
 - \$150,000 – additional kindergarten teacher for 20:1 CSR average using S/C
 - \$700,000 – additional (at maximum) for portion of teachers' salaries for full day kindergarten using S/C
 - \$100,000 – increase to S/C teacher salaries for instructional minutes
 - \$600,000 – four FTE certificated positions less due to declining enrollment
 - \$500,000 – additional savings from the early retirement incentive over the conservative amount in the 2019/20 projections from the 2018/19 Second Interim
- \$5.4 million in ongoing budget reductions *still to be identified* for 2020/21 (Resolution #756)

Total = \$22.5 million over three years

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BUDGET REDUCTION TIMELINE

The May 17, 2019 letter from Sacramento County Office of Education (SCOE) requests the district submit to their office with the district's Adopted Budget the timeline process for the housing committee and other budget reduction processes for identifying and implementing \$5.4 million in reduction for 2020/2021.

Student Housing Committee (SHC) Timeline (June and moving forward):

- May 22nd through June 2nd - Thought Exchange opened
- June 3rd through 7th - Analyze results
- June 11th – Present results at Board meeting
- June 18th – Board of Trustees provide input on a Board Policy for the optimal school configuration and size
- July 16th, July 30th, August 13th, August 27th, September 3rd & September 17th - SHC meetings
- October 8th – Present school closure plan to Board of Trustees
- October 29th – Take action on school closures at Board meeting

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BUDGET REDUCTION TIMELINE CONTINUED

Budget Reduction Timeline:

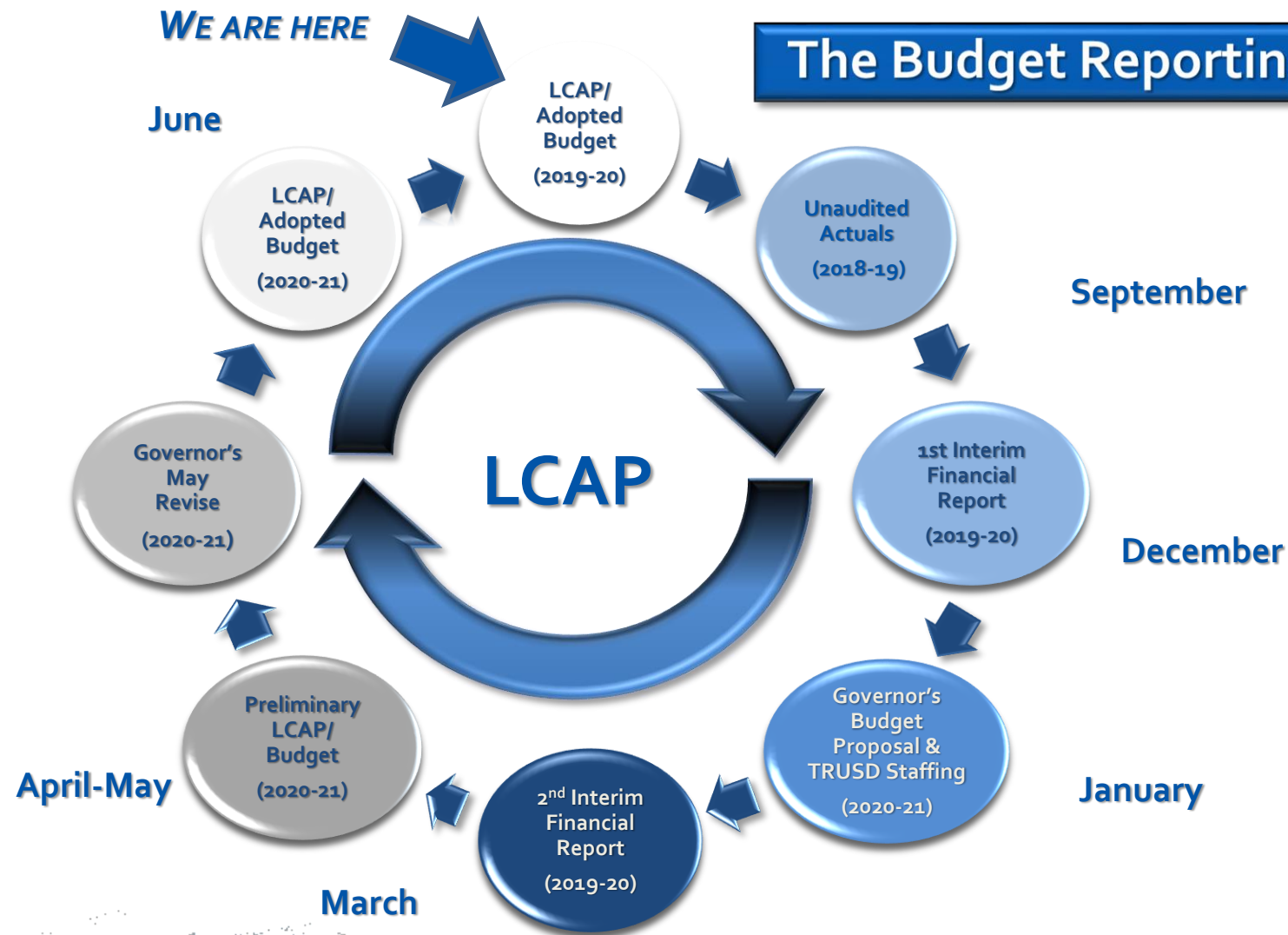
- August, 2019 – Board budget workshop; review, analyze, suggestions
- January, 2020 – Board budget workshop; review, analyze, suggestions
- March 10, 2020 – Take action on budget reductions



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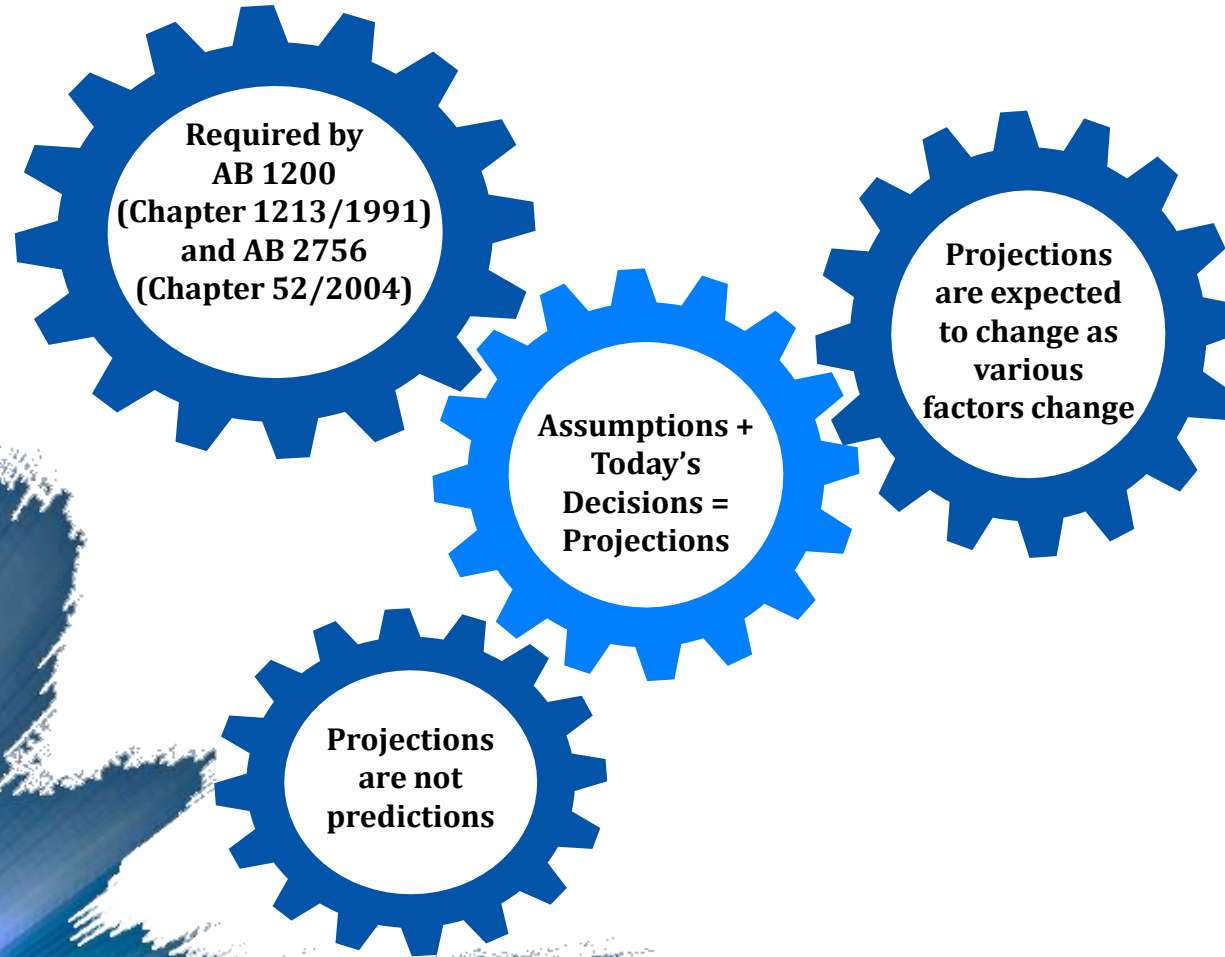
The Budget Reporting Cycle



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BUDGET PROJECTIONS



- Key Factors

- Enrollment
- Attendance
- Unduplicated Pupil Percentage (UPP)
- LCFF Increase
- Position Control/hiring
- STRS/PERS increases
- Special Education Increases
- Collective Bargaining negotiations
- A slowing economy and rising costs pose challenges in the multiyear projection

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SACS BUDGET FORMS

- Budget Certification
- Average Daily Attendance
- Cash Flow Projection
- Multi Year Projections – General Fund
- Summary of Interfund Activities
- Schedule of Capital Assets – 2018/19
- Schedule of Long-Term Liabilities – 2018/19
- Other Funds
- Criteria and Standards

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2019/20 GENERAL FUND

Estimated Beginning Fund Balance	\$ 37,952,743
Revenues	\$ 350,151,872
Expenditures	\$ 348,671,898
Net Increase/(Decrease) Fund Balance	\$ 1,479,974
Ending Fund Balance	\$ 39,432,717
Components of Ending Fund Balance:	
Nonspendable	\$ 425,357
Restricted	\$ -
Assigned	\$ 20,831,118
Unassigned - Economic Uncertainties	\$ 18,176,242
Unassigned	\$ -

\$800,000 short of Board Policy intent for Economic Uncertainties of \$19 million

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2019/20 CHANGE IN ENDING FUND BALANCE

Net Increase/(Decrease) Fund Balance	\$ 1,479,974
Restricted budgeted expenditures (one-time from prior year carryover)	\$ -
Assigned budgeted expenditures (one-time from prior year carryover; i.e. Instructional Materials, Site Base, Charter S/C	\$ -
Surplus/(Deficit) spending	\$ 1,479,974
One-time District cost in the budget	\$ -
On-going District cost in Ending Fund Balance reserve (not in budgeted expenditures):	
- Additional Special Education positions	\$ (410,862)
- Special Education Non Public School increases	\$ (784,212)
- CSEA 4% total on-going	\$ (1,431,716)
- Additional locker room attendant positions	\$ (52,846)
- to meet RRMA 3%	\$ (260,157)
2019/20 Adopted Budget Surplus/(Deficit)	\$ (1,459,819)

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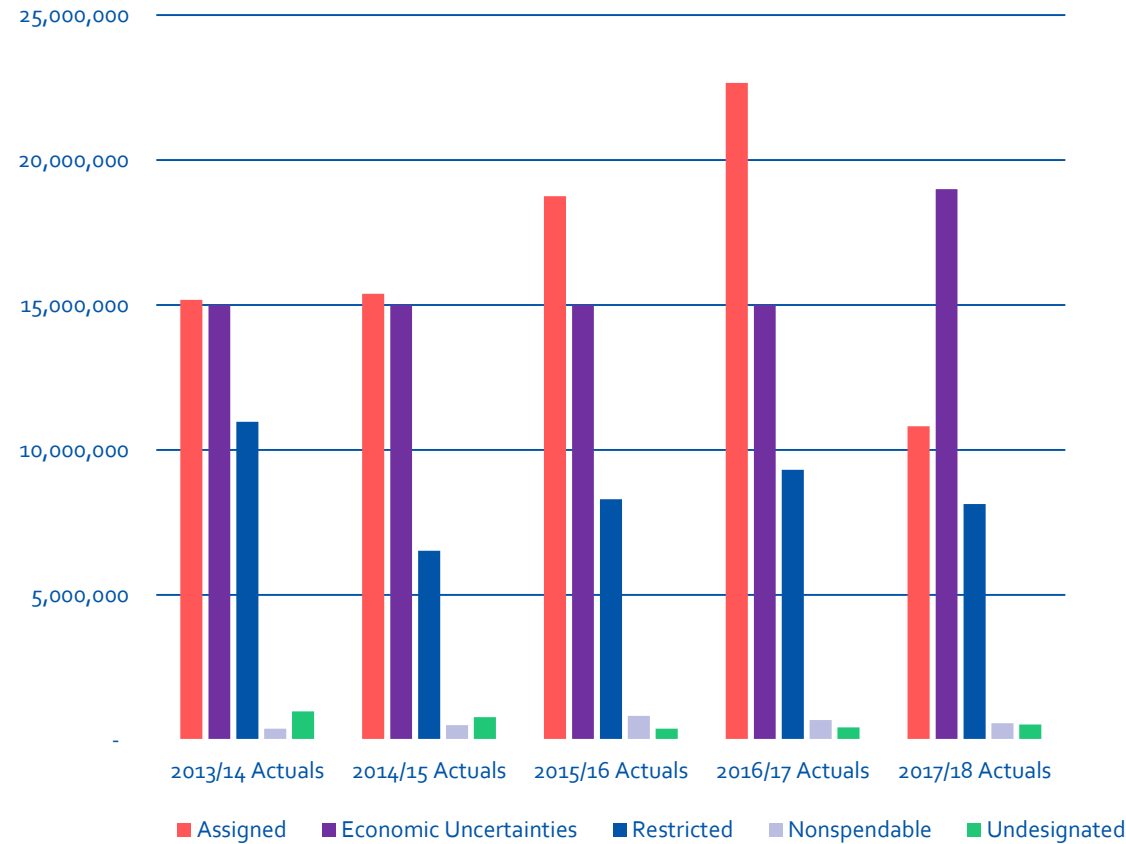
2019/20 ASSIGNED ENDING FUND BALANCES

Instructional Materials C/O	\$12,873,252
CSEA 19/20 total 4% on-going (Unrest.)	\$1,431,716
Spec. Ed. Non Public School increases	\$784,212
CSEA 18/19 2% (Unrest.)	\$715,858
LCFF S/C CTE C/O	\$715,258
LCFF Supplemental - Charters C/O	\$705,380
Zaya Dark Fiber C/O	\$515,673
LCFF S/C Summer Programs	\$480,900
CSEA 18/19 1% (all GF) one-time	\$480,171
Spec. Ed. Teacher & Paraeducators	\$410,862
ROC/P C/O	\$394,941
LCFF S/C Student Engagement C/O	\$345,222
To meet RRMA 3%	\$260,157
Site Base Allocation C/O	\$143,518
Arts & Music C/O	\$112,515
LCFF Supplemental C/O	\$109,095
LCFF Concentration - EL Focus C/O	\$103,510
Police Supplemental C/O	\$70,000
GATE C/O	\$66,168
Paraeducators (locker room)	\$52,846
ASES Matching C/O	\$29,891
Teacher Credentialing C/O	\$25,902
Pacific Infant/Toddler C/O	\$4,071
Total, Assigned Balance	\$20,831,118

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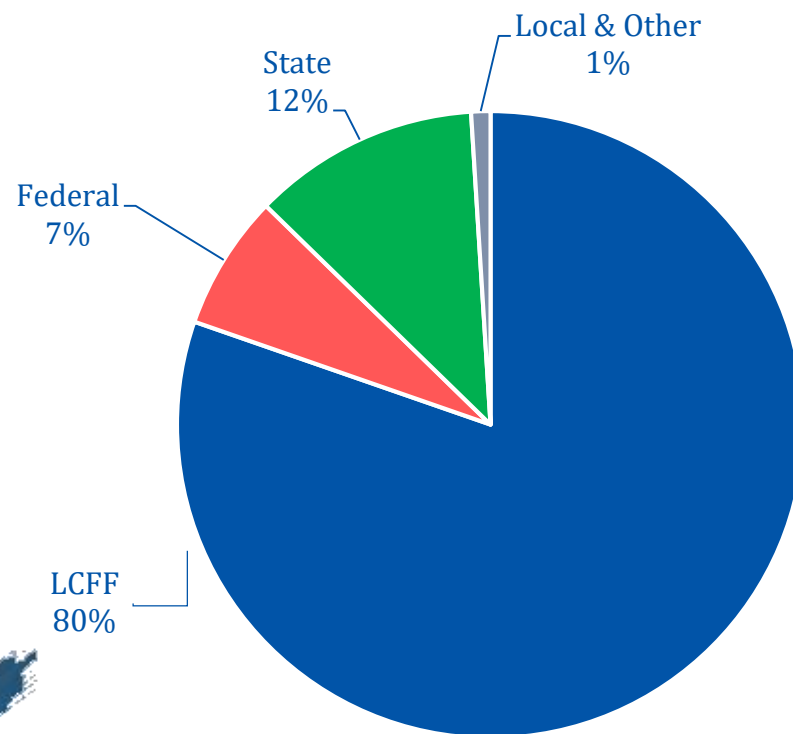
CHANGE IN ENDING FUND BALANCE



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2019/20 GENERAL FUND REVENUES



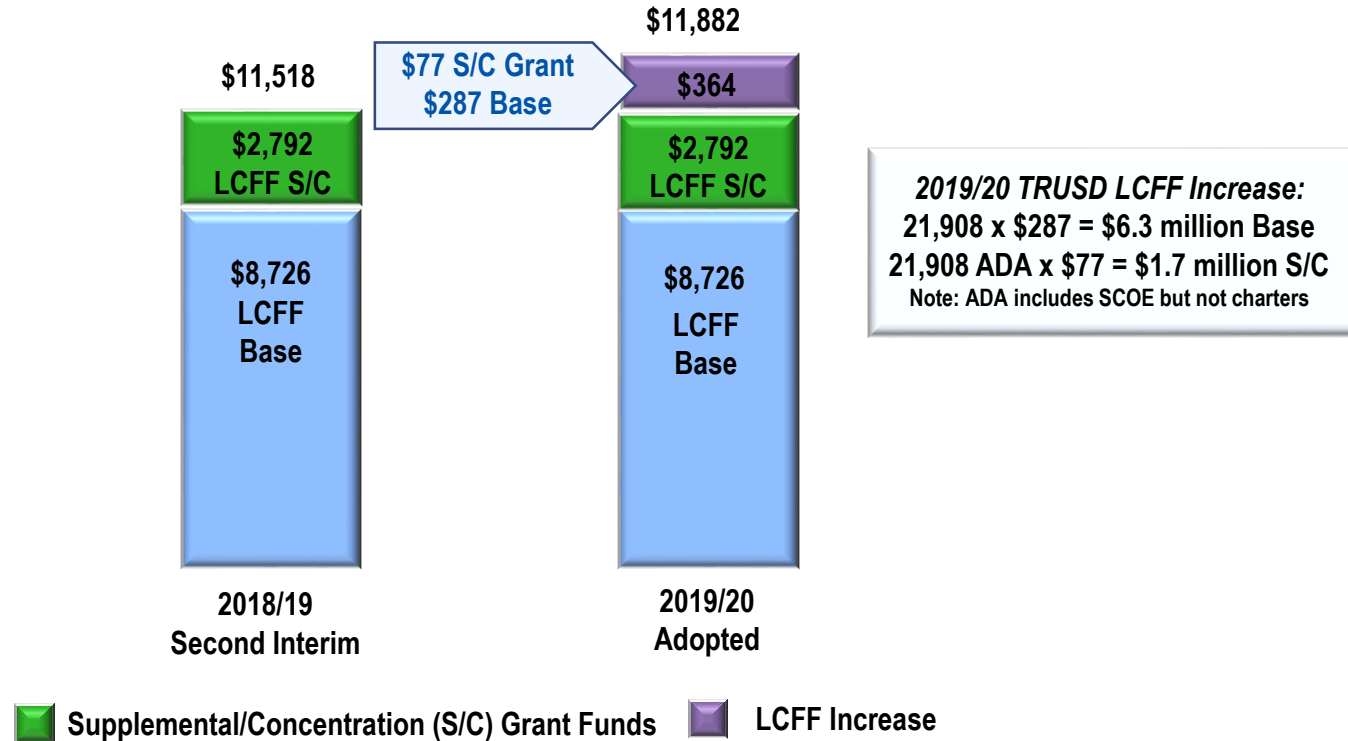
LCFF	\$ 281,251,277
State Aid	202,885,306
Property Tax	43,500,000
Education Protection Account	36,762,351
LCFF Transfer to Fund 14	(1,896,380)
Federal	24,405,604
State	41,016,272
Local & Other	3,478,719

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TRUSD LOCAL CONTROL FUNDING FORMULA (LCFF) PER ADA 2019/20 ADOPTED BUDGET

87.16 % Unduplicated Pupil Percentage (3 year rolling average)



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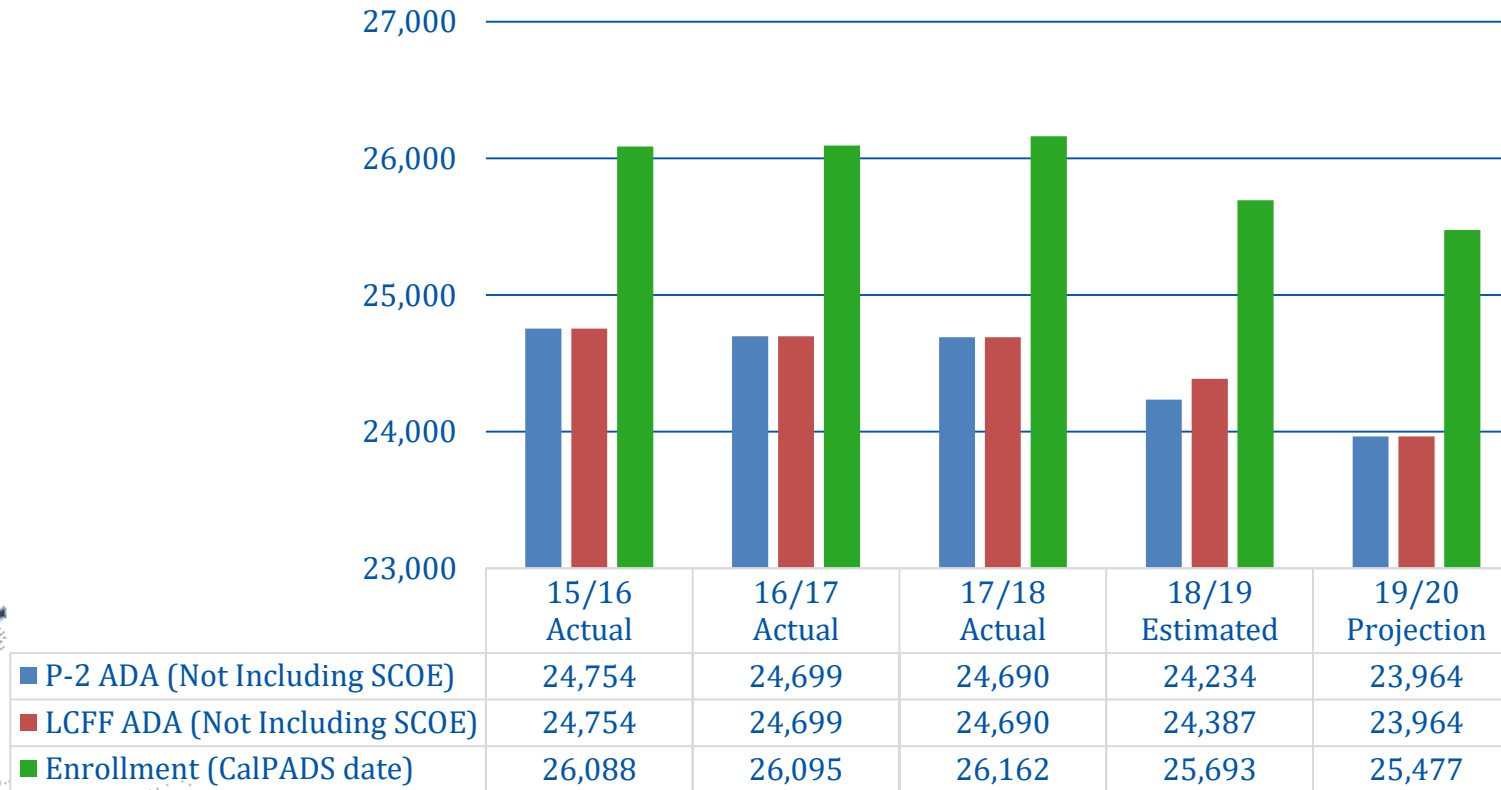
2019/20 LCFF REVENUE

	Twin Rivers Estimated 2019/20	Creative Connections Estimated 2019/20	Smythe Academy Estimated 2019/20	Westside Prep Charter Estimated 2019/20	Total
18/19 Estimated LCFF Entitlement	\$260,319,761	\$7,162,914	\$11,823,000	\$3,841,982	\$283,147,657
Base Funding	\$197,471,573	\$5,968,995	\$8,840,947	\$3,105,410	\$215,386,925
Supplemental/Concentration	\$ 62,848,188	\$1,193,919	\$2,982,053	\$736,572	\$67,760,732
Estimated Unduplicated pupil % (3 year rolling average) (EL, low income and/or foster youth)	87.16%	67.86%	88.25%	73.17%	

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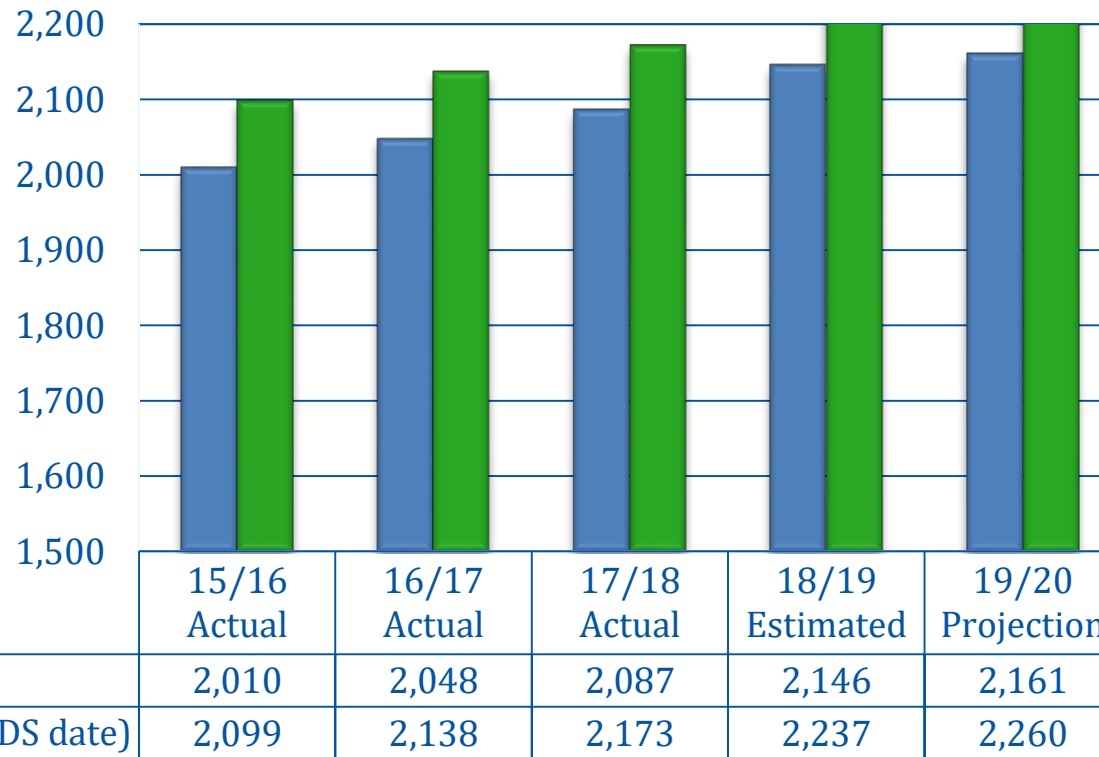
LCFF ADA vs P2 ADA (INCLUDES CHARTERS)



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LCFF /P2 ADA - CHARTERS



■ P-2 ADA	2,010	2,048	2,087	2,146	2,161
■ Enrollment (CalPADS date)	2,099	2,138	2,173	2,237	2,260

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REVENUES

- **FEDERAL REVENUE:**
 - Reduction of prior year carryover funds (\$10.3 million)
 - Continuing programs same/similar to prior year levels except:
 - Title I decrease (\$1.6 million)
 - Title II Teacher Quality decrease (\$160 thousand)
 - Title III increase (\$90 thousand)
 - One-time funding eliminated
 - Deferred Revenue will be budgeted once the actuals are known
- **STATE REVENUE:**
 - Reduction of prior year carryover funds (\$500 thousand)
 - One-time funding eliminated (\$7.3 million)
 - Discretionary Funds (\$4.4 million)
 - Career Tech Ed Incentive Grant (\$2.8 million)
 - No one-time Mandated Cost/Discretionary funds projected
 - On-behalf CalSTRS (revenue & expenditure) of \$13.5 million budget (\$2.4 million increase)
 - Continuing programs same/similar to prior year levels
 - Special Ed SELPA increase (\$15.5 million)
 - Previously in Local Revenue
 - \$5 million more than the prior year
 - Offset by almost \$5 million in SCOE special day class costs (previously paid by the county SELPA)
- **LOCAL REVENUE:**
 - One-time funding eliminated (decrease of \$3.3 million)
 - State Special Ed SELPA – shift of \$10 million to State Revenue
 - Interest income increase (\$300 thousand)

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2019/20 GENERAL FUND EXPENDITURES

Certificated
Salaries
40.17%



Certificated	\$140,044,377
Classified	48,228,295
Employee Benefits	81,878,948
Books & Supplies	15,201,331
Services	45,126,859
Capital & Other	8,192,088
Interfund Transfers Out	10,000,000

Classified Salaries
13.83%

Books and Supplies
4.36%

Employee Benefits
23.48%

Services & Other Operating
12.94%

Capital Outlay & Other
2.35%

Interfund
Transfers Out
2.87%

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EXPENDITURES

- **CERTIFICATED SALARIES:**
 - Current position control
 - 2% salary increase
 - 34 FTE less positions
- **CLASSIFIED SALARIES:**
 - Current position control
 - 2% increase; CSEA reserved in ending fund balance
 - 42 FTE less positions
- **EMPLOYEE BENEFITS:**
 - STRS increased 0.85% (+ \$1.1 million)
 - PERS increased 2.671% (+ \$1.1 million)
 - Health Benefit contribution increased 1%
 - On-behalf CalSTRS (revenue & expenditure) of \$13.5 million (\$2.4 million increase)
- **OTHER OUTGO:**
 - Additional \$5 million for SCOE special day classes; previously paid by the county SELPA

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EXPENDITURES CONTINUED

- 2018/19 PROGRAM AND CATEGORICAL CARRYOVER:
 - Carryovers will be adjusted at First Interim once the actuals are known
 - Estimate \$16.7 million for unrestricted program carryovers (\$0 is within Adopted Budget); reserved in the ending fund balance
 - Anticipate \$5 million for restricted ending fund balance (\$0 is within Adopted Budget)
 - Anticipate \$4 million for deferred revenue carryover (\$0 is within Adopted Budget)
- RRMA @ 3.0%
- CONTRIBUTIONS
 - Routine Restricted Maintenance Account (RRMA) - \$10.2 million
 - Special Education - \$32.9 million
 - \$8.5 million LCFF base for ADA
 - \$24.4 million program contribution

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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

* Funds are self supporting and not deficit spending

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2020/21 GENERAL FUND PROJECTIONS

Beginning Fund Balance	\$ 39,432,717
Revenues	\$ 354,911,237
Expenditures	\$ 361,646,112
Net Increase/(Decrease) Fund Balance	\$ (6,734,875)
Ending Fund Balance	\$ 32,697,842
Components of Ending Fund Balance:	
Nonspendable	\$ 425,357
Restricted	\$ -
Assigned	\$ 16,695,296
Unassigned - Economic Uncertainties	\$ 15,577,189
Unassigned	\$ -

Note: Does not include salary increase for 2020/21

\$3.9 million short of Board Policy intent for Economic Uncertainties of \$19 million

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2020/21 CHANGE IN ENDING FUND BALANCE

Net Increase/(Decrease) Fund Balance	\$ (6,734,875)
Restricted budgeted expenditures (one-time from prior year carryover)	\$ -
Assigned budgeted expenditures (one-time from prior year carryover; i.e. Instructional Materials, Site Base, Charter S/C	\$ -
Deficit spending	\$ (6,734,875)
One-time District cost in the budget	
- CSEA's 2018/19 and 2019/20 salary increase	\$ 2,147,573
- Special Education NPS for 2019/20	\$ 754,212
Adopted Budget Surplus/(Deficit)	\$ (3,803,089)

Note: Does not include salary increases for 2020/21

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2021/22 GENERAL FUND PROJECTIONS

Beginning Fund Balance	\$ 32,697,842
Revenues	\$ 360,392,370
Expenditures	\$ 364,100,482
Net Increase/(Decrease) Fund Balance	\$ (3,708,112)
Ending Fund Balance	\$ 28,989,730
Components of Ending Fund Balance:	
Nonspendable	\$ 425,357
Restricted	\$ -
Assigned	\$ 16,695,296
Unassigned - Economic Uncertainties	\$ 11,869,077
Unassigned	\$ -

Note: Does not include salary increase for 2020/21 or 2021/22

\$7.1 million short of Board Policy intent for Economic Uncertainties of \$19 million

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NEXT STEPS

- Monitor adherence to budget reduction timeline
- 45 Day budget revision if the State budget is materially different
- Close the 2018/19 financial records – 2018/19 Unaudited Actuals at September Board meeting
- The 2019/20 First Interim Budget will be presented to the Board in December
 - Actual carryover and restricted ending fund balance amounts from 2018/19 will be included
- Any questions?

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