



Twin Rivers Unified School District

2019/20 SECOND INTERIM

PRESENTED TO THE BOARD OF TRUSTEES
MARCH 11, 2019

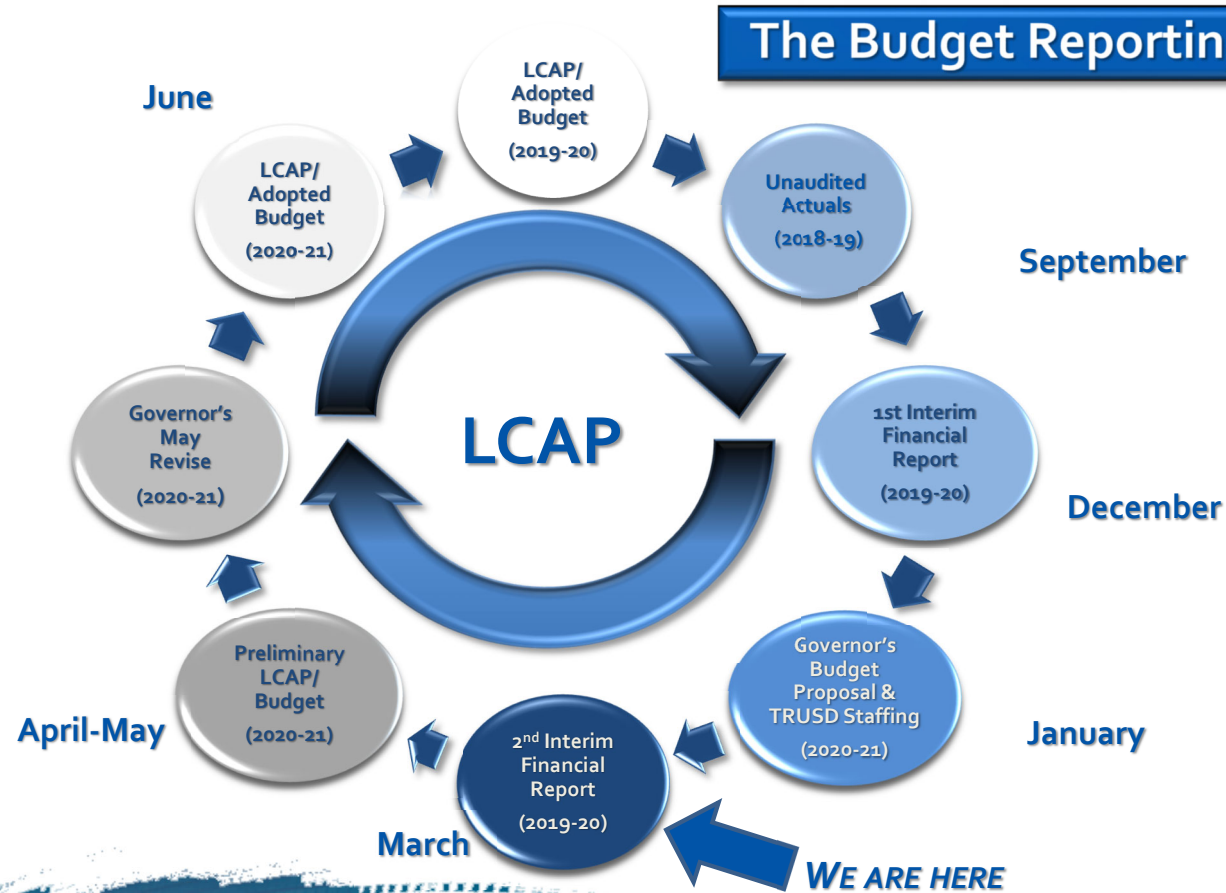
BY KATE INGERSOLL, EXECUTIVE DIRECTOR FISCAL SERVICES

AGENDA

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



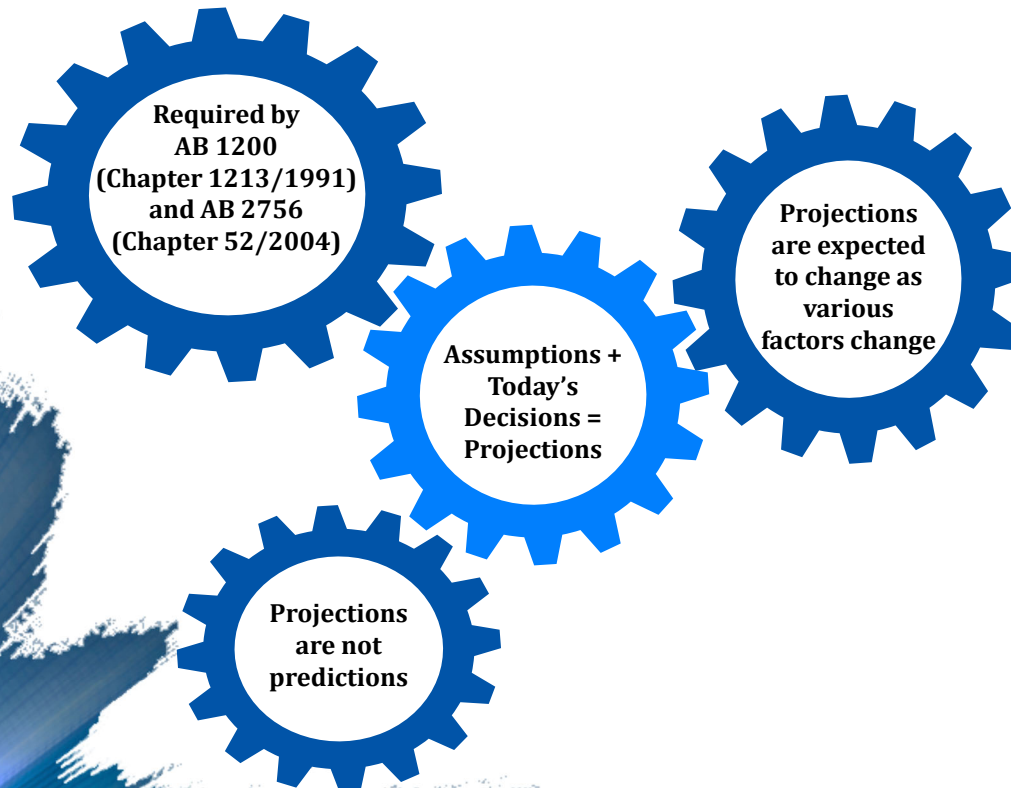
The Budget Reporting Cycle



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BUDGET PROJECTIONS



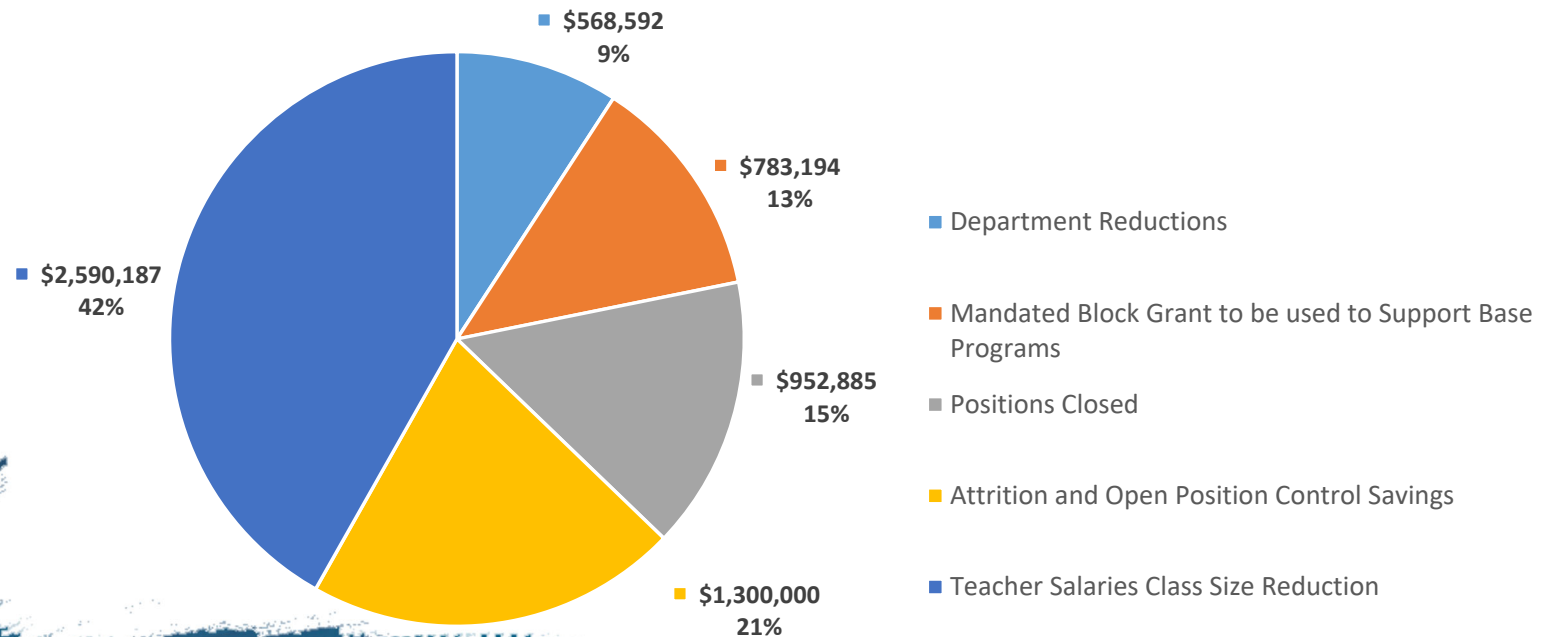
• Key Factors

- 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
- Don't use one-time dollars to justify paying for ongoing expenditures



BUDGET REDUCTIONS

2018-2019 Budget Reductions - \$7.2 million



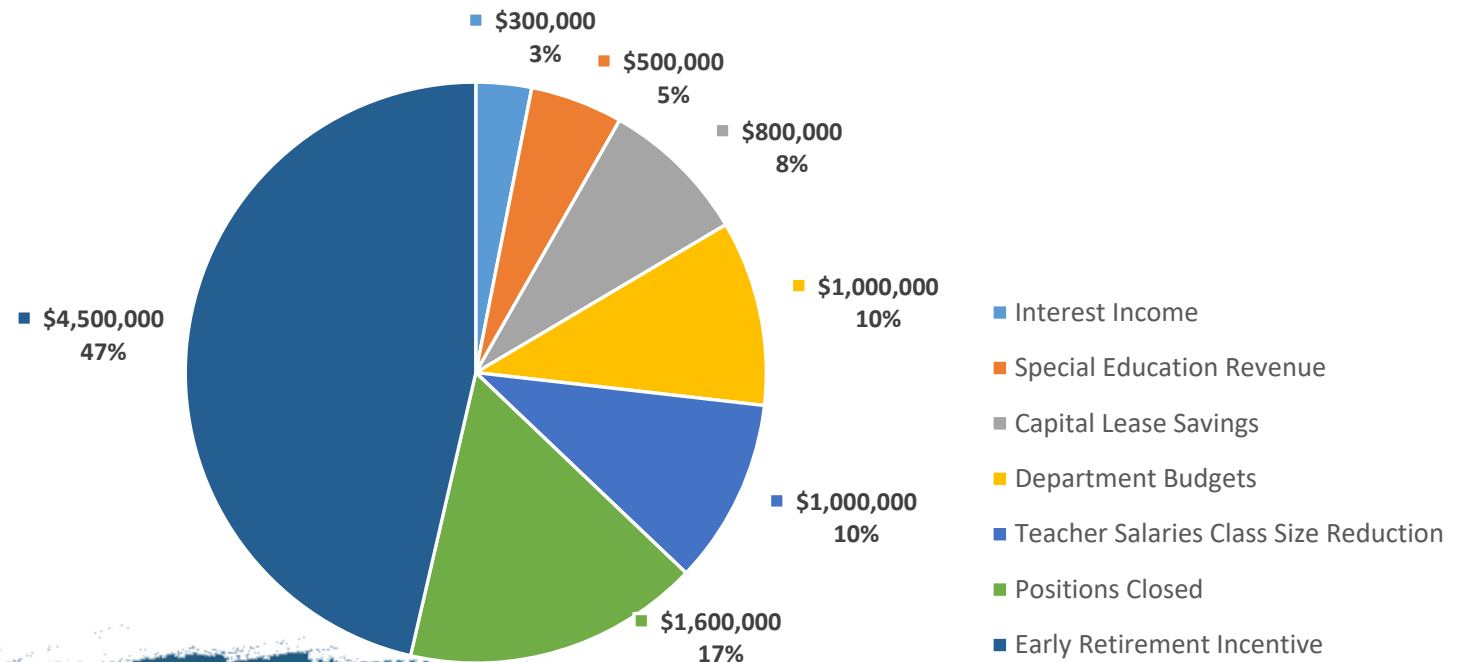
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BUDGET REDUCTIONS

2019-2020 Budget Reductions - \$9.7 million



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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



2019/20 GENERAL FUND

Estimated Beginning Fund Balance	\$ 48,809,343
Revenues	\$ 376,426,398
Expenditures	\$ 393,211,557
Net Increase/(Decrease) Fund Balance	\$ (16,785,159)
Ending Fund Balance	\$ 32,024,184
Components of Ending Fund Balance:	
Nonspendable	\$ 1,556,950
Restricted	\$ 1
Assigned	\$ 9,677,300
Unassigned - Economic Uncertainties	\$ 19,000,000
Unassigned	\$ 1,789,933

State minimum reserve for Economic Uncertainties \$ 11,796,347



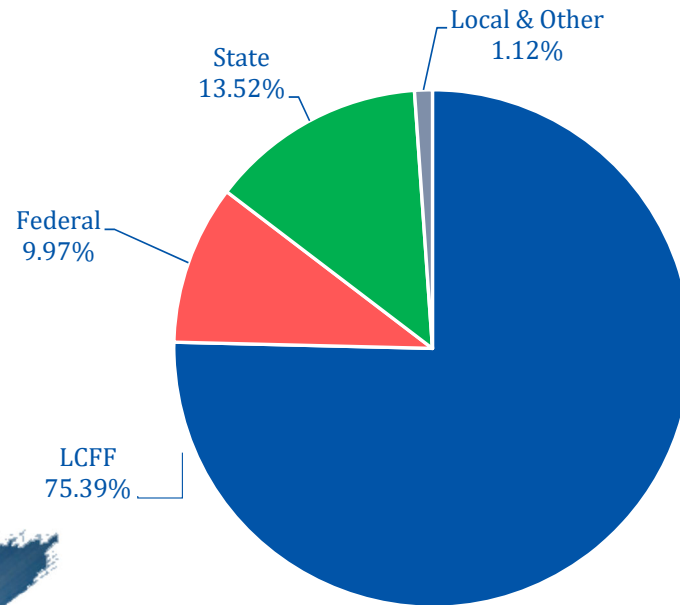
2019/20 CHANGE IN ENDING FUND BALANCE

Net Increase/(Decrease) Fund Balance	\$ (16,785,159)
Restricted budgeted expenditures (one-time from prior year carryover)	9,102,884
Assigned budgeted expenditures (one-time from prior year carryover; i.e. Instructional Materials, Site Base, Charter S/C	\$ 11,606,547
<i>Surplus/(Deficit) spending</i>	\$ 3,924,272
One-time revenue in the budget	\$ (2,923,190)
One-time expenditures in the budget	\$ 0
On-going District cost in Ending Fund Balance reserve (not in budgeted expenditures)	\$ 0
<i>On-going 2019/20 Surplus/(Deficit) spending</i>	\$ 1,001,082

Note: Budget includes \$16.9 million in reductions
(\$7.2 million 2018/19 plus \$9.7 million 2019/20)



2019/20 GENERAL FUND REVENUES



LCFF	\$ 283,791,340
State Aid	201,113,486
Property Tax	41,134,723
Education Protection Account	43,439,511
LCFF Transfer to Fund 14	(1,896,380)
Federal	37,540,035
State	50,894,585
Local & Other	4,200,438



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
2019/20 Estimated LCFF Entitlement	\$ 261,920,849	\$ 7,111,451	\$ 12,268,730	\$ 4,386,690	\$ 285,687,720
Base Funding	\$ 197,393,072	\$ 5,833,219	\$ 9,031,419	\$ 3,493,700	\$ 215,751,410
Supplemental/Concentration	\$ 64,527,777	\$ 1,278,232	\$ 3,237,311	\$ 892,990	\$ 69,936,310
Estimated Unduplicated Pupil % (3 year rolling average; EL, low income and/or foster youth)	88.46%	70.59%	90.50%	75.80%	



REVENUES

- LCFF SOURCES INCREASE \$2.3 million:
 - Increase in the Unduplicated Pupil Percentage (UPP)
- FEDERAL REVENUE INCREASE \$2.2 MILLION:
 - Updated awards
 - Title I, Part A
 - Medi-Cal Billing
- STATE REVENUE INCREASE \$4 MILLION:
 - Increase in special education mental health funds
 - One-time electric bus grant - \$3.8 million



REVENUES CONTINUED

- LOCAL REVENUE INCREASE \$76 THOUSAND:
 - One-time increases
 - Electric bus equipment installation
 - Facility use rental fees
 - Donations
- OTHER FINANCING SOURCES:
 - Contributions from unrestricted to restricted increase \$547 thousand
 - Increases in special education non-public school instruction



2019/20 GENERAL FUND EXPENDITURES



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EXPENDITURES

- SALARIES AND BENEFITS:
 - Certificated increase \$152 thousand
 - \$333 thousand increase – restricted
 - 2 FTE increase Special education teachers; (half year cost)
 - 2 FTE increase Language/speech/hearing specialists; (half year cost)
 - Additional open position savings special education; \$75 thousand
 - \$180 thousand decrease - unrestricted
 - 1 FTE increase Keema teacher; (half year cost)
 - Additional open position savings; \$160 thousand
 - Reduce stipend budget; \$30 thousand
 - Site S/C shift to other types of expenditures; \$66 thousand



EXPENDITURES CONTINUED

- SALARIES AND BENEFITS:
 - Classified decrease \$65 thousand
 - \$47 thousand decrease – restricted
 - Decrease Paraeducator independence facilitation positions
 - \$18 thousand decrease - unrestricted
 - 5 FTE increase van driver positions (10 @ .50 FTE); \$210 thousand (funds shifted from within the transportation budget)
 - Increase to custodial substitute and overtime salaries; \$100 thousand
 - Savings from Deputy Superintendent position change to CBO; \$35 thousand (half year savings)
 - Reduce stipend budget; \$90 thousand
 - Additional open position savings; \$190 thousand



EXPENDITURES CONTINUED

- SALARIES AND BENEFITS:
 - Benefits increase \$60 thousand
- BOOKS AND SUPPLIES:
 - \$2.1 million increase
 - \$1.6 million increase – Restricted
 - Title I revenue
 - RRMA shifts between object codes
 - \$501 thousand increase – Unrestricted
 - S/C Charters



EXPENDITURES CONTINUED

- SERVICES AND OTHER OPERATING:
 - \$1.8 million increase
 - \$1.6 million increase – Restricted
 - Title I
 - Medi-Cal billing
 - Special education mental health
 - Electric bus grant
 - Title II shifts between object codes
 - CTE shifts between object codes
 - RRMA shifts between object codes
 - Special education shifts between object codes
 - \$146 thousand increase – Unrestricted
 - Vineland fire repairs



EXPENDITURES CONTINUED

- CAPITAL OUTLAY:
 - \$3.3 million increase
 - \$3.3 million increase – Restricted
 - Busses from the electric bus grant
 - \$60 thousand increase – Unrestricted
- OTHER OUTGO:
 - \$106 thousand decrease
- INTERFUND TRANSFERS OUT:
 - \$838 thousand increase
 - Facility projects



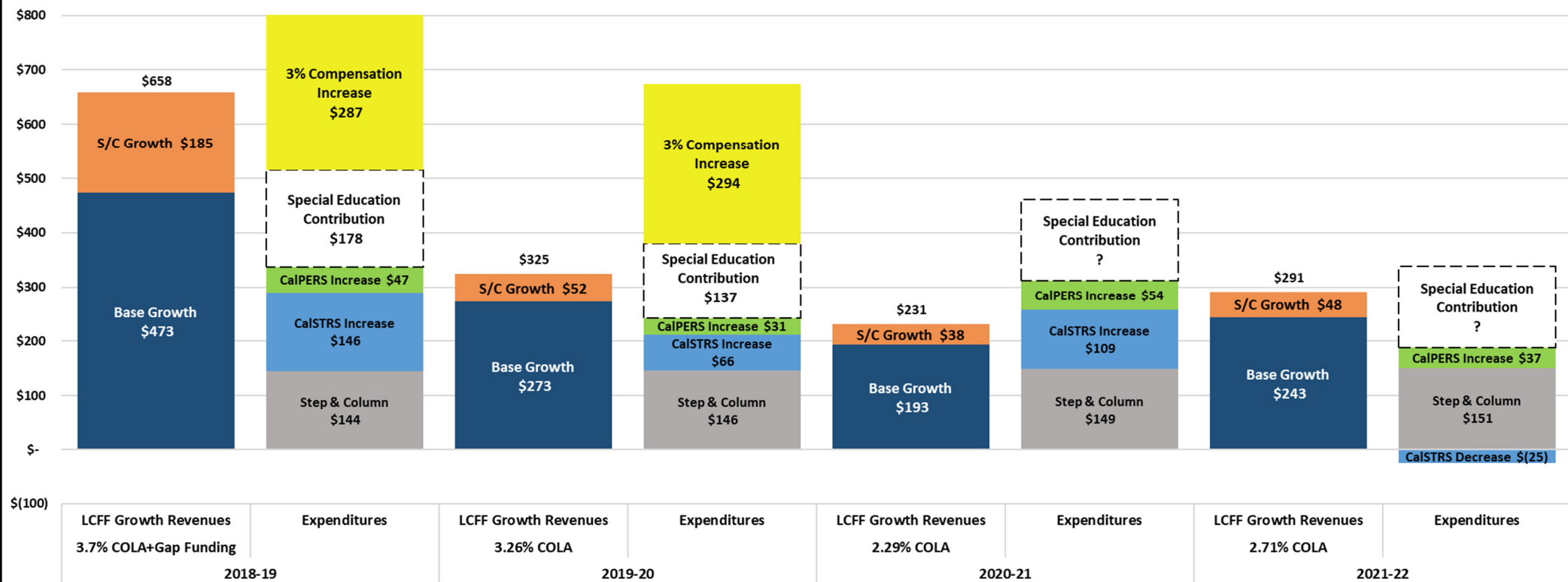
OTHER FUNDS

- 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

* The Adult Education Fund and Child Development Fund have minimal to no deficit spending. However, the multiyear projections are deficit spending due to the automatic step/column increases, STRS & PERS increases, salary schedule increases and health contribution increases. Deficits will be greatly reduced or eliminated with the 2020/21 Adopted budget. Both funds have ending fund balance reserves to accommodate one-time deficit spending.



LCFF Per ADA



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2020/21 GENERAL FUND PROJECTIONS

Beginning Fund Balance	\$ 32,024,184
Revenues	\$ 363,265,220
Expenditures	\$ 366,942,520
Net Increase/(Decrease) Fund Balance	\$ (3,677,300)
Ending Fund Balance	\$ 28,346,884
Components of Ending Fund Balance:	
Nonspendable	\$ 430,989
Restricted	\$ -
Assigned	\$ 5,000,000
Unassigned - Economic Uncertainties	\$ 19,000,000
Unassigned	\$ 3,915,895

Structural Deficit

State minimum reserve for Economic Uncertainties \$ 11,008,276



2020/21 GENERAL FUND – KEY ASSUMPTIONS

- LCFF Revenue increase \$2.4 million; Base \$1.4 million increase and supplemental/concentration \$1 million increase
 - 2.29% increase
 - 401 ADA decrease (funded); actual projected decrease 268 ADA
- No one-time funds; decrease revenue \$2.9 million
- Increase revenue \$2 million; proposed new special education funding formula
- Salary and benefits
 - Step/column increase – unrestricted \$2.5 million
 - STRS + 1.85%; unrestricted increase \$1.4 million
 - PERS + 2.867%; unrestricted increase \$1.1 million
 - Increased contribution for SpecEd and RRMA - \$438 thousand
 - Teacher salaries CSR from S/C decrease - \$600 thousand
 - Teacher positions; unrestricted decrease \$441 thousand
- Insurance and utilities costs; increase \$850 thousand
- Use of 2019/20 ongoing surplus of \$1 million

\$1.4 million	New Base Revenue
- \$2.9 million	One-time Revenue
+ \$2.0 million	Special Ed. Revenue
- \$4.4 million	Salaries & Benefits
- \$0.8 million	Insurance/Utilities
+ \$1.0 million	PY Surplus
(\$3.7 million)	Structural Deficit Spending

\$4.4 million



2021/22 GENERAL FUND PROJECTIONS

Beginning Fund Balance	\$ 28,346,884
Revenues	\$ 370,313,952
Expenditures	\$ 373,702,616
Net Increase/(Decrease) Fund Balance	\$ (3,388,664)
Ending Fund Balance	\$ 24,958,220
Components of Ending Fund Balance:	
Nonspendable	\$ 430,989
Restricted	\$ -
Assigned	\$ 5,000,000
Unassigned - Economic Uncertainties	\$ 19,000,000
Unassigned	\$ 527,231

Structural Deficit

State minimum reserve for Economic Uncertainties \$ 11,211,078



2021/22 GENERAL FUND – KEY ASSUMPTIONS

- LCFF Revenue increase \$7 million; Base \$3.9 million increase and supplemental/concentration \$3.1 million increase
 - 2.71% increase
 - 206 ADA decrease

\$3.9 million	New Base Revenue
- \$3.3 million	Salaries & Benefits
- \$0.3 million	Insurance/Utilities
- <u>\$3.7 million</u>	PY Deficit Spending
(\$3.4 million)	Structural Deficit Spending

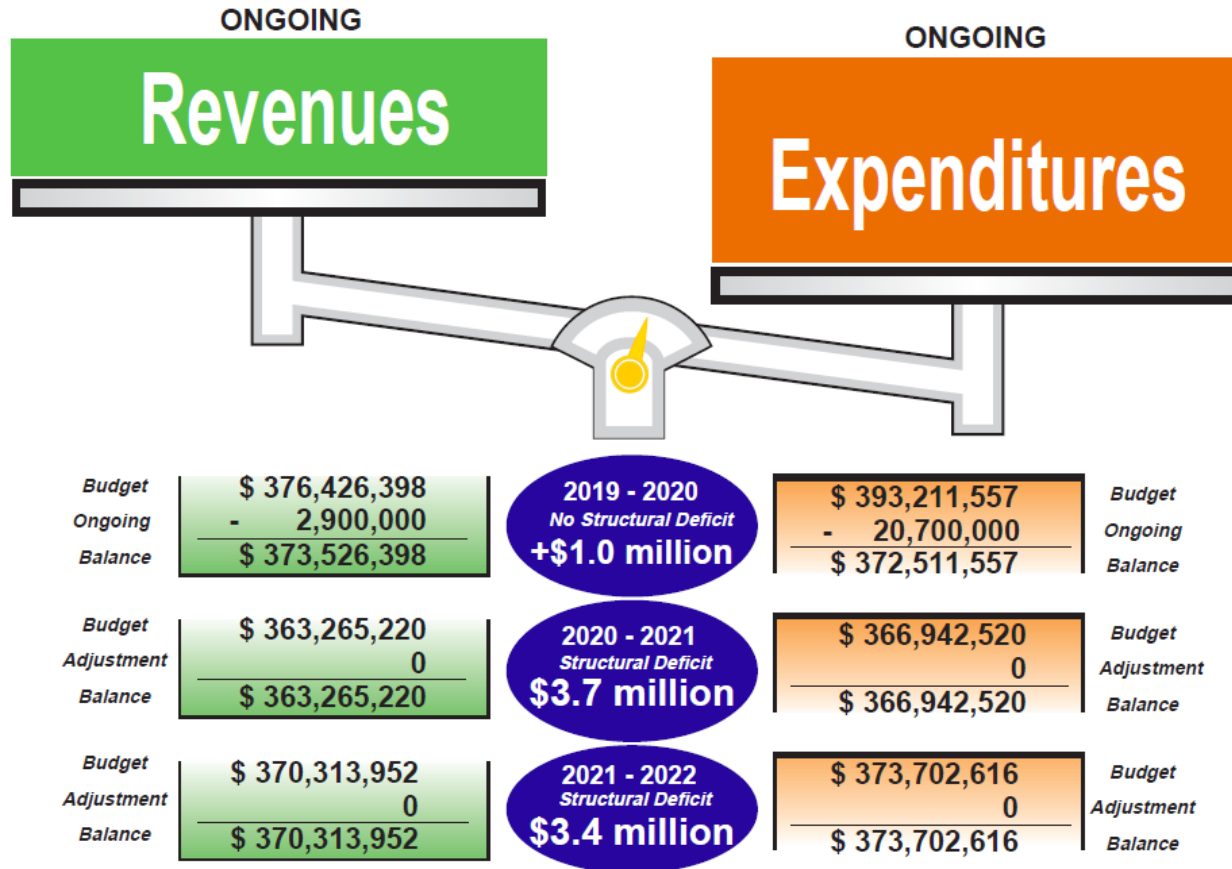
- Salary and benefits
 - Step/column increase – unrestricted \$2.7 million
 - STRS (0.30%); unrestricted decrease \$300 thousand
 - PERS + 1.30%; unrestricted increase \$500 thousand
 - Increased contribution for SpecEd and RRMA - \$440 thousand
- Insurance and utilities costs; increase \$297 thousand
- Prior year on-going deficit spending \$3.7 million

} \$3.3 million



Twin Rivers Unified School District *Structural Deficit*

Second Interim March 2020



Structural deficit refers to deficits that are ongoing. Deficit is the amount by which spending exceeds revenue over a particular period of time.

Note: 2020-2021 and 2021-2022 do not include salary schedule increases.

NEXT STEPS

- June 16, 2020 Board meeting for public hearing of Budget and LCAP
- June 23, 2020 Board meeting for Budget adoption and LCAP approval
- Identify any one-time unspent funds at year-end closing (unspent department budgets, amounts over site carryover maximums, etc.)
- Identify and incorporate additional budget reductions of \$3.4 million for 2021/22 in the 2020/21 First Interim report (beginning December 2020)
- Any salary schedule increases will require additional budget reductions
- Any questions?

