

Twin Rivers Unified School District 2022/2023 PROPOSED ADOPTED BUDGET

PRESENTED TO THE BOARD OF TRUSTEES
- FOR PUBLIC HEARING
JUNE 14, 2022

*By Kate Ingersoll
Executive Director
Fiscal Services*



Twin Rivers Unified School District: *Inspiring each student to extraordinary achievement every day!*



Acronyms

- AB – Assembly Bill
- ADA – Average Daily Attendance
- ARP – American Rescue Plan
- ASES – After School Education and Safety
- CB – Core Belief
- CA – California
- CalPADS – California Longitudinal Pupil Achievement Data System
- CalSTRS - California State Teachers' Retirement System
- CARES - Coronavirus Aid, Relief, and Economic Security Act
- CEA - Current Expense of Education
- COLA – Cost-of-Living Adjustment
- COVID – Coronavirus Disease
- CRF – Coronavirus Relief Fund
- CRRSA – Coronavirus Response and Relief Supplemental Appropriation
- EC – Education Code
- EL – English Learner
- ELA – English Language Arts
- ELO - Expanded Learning Opportunities
- ESSER – Elementary and Secondary School Emergency Relief
- GEER – Governor's Emergency Education Relief
- HVAC - Heating, ventilation, and air conditioning
- IPI – In-Person Instruction
- LCAP – Local Control and Accountability Plan



Acronyms

- LCFF – Local Control Funding Formula
- LLM – Learning Loss Mitigation
- MOU – Memorandum of Understanding
- MTSS - Multi-Tiered System of Supports
- PBIS - Positive Behavioral Interventions and Supports
- N/A – Not Applicable
- PBIS – Positive Behavioral Interventions and Supports
- PERS – Public Employees Retirement System
- P2 – Period 2
- RRMA - Routine Restricted Maintenance Account
- S/C – Supplemental/Concentration
- SACS – Standardized Account Code Structure
- SB – Senate Bill
- SBAC - Smarter Balanced Assessment Consortium
- SCOE – Sacramento County Office of Education
- STRS – State Teachers Retirement System
- TK – Transitional Kindergarten
- TR – Twin Rivers
- TRUSD – Twin Rivers Unified School District
- UPP – Unduplicated Pupil Percentage

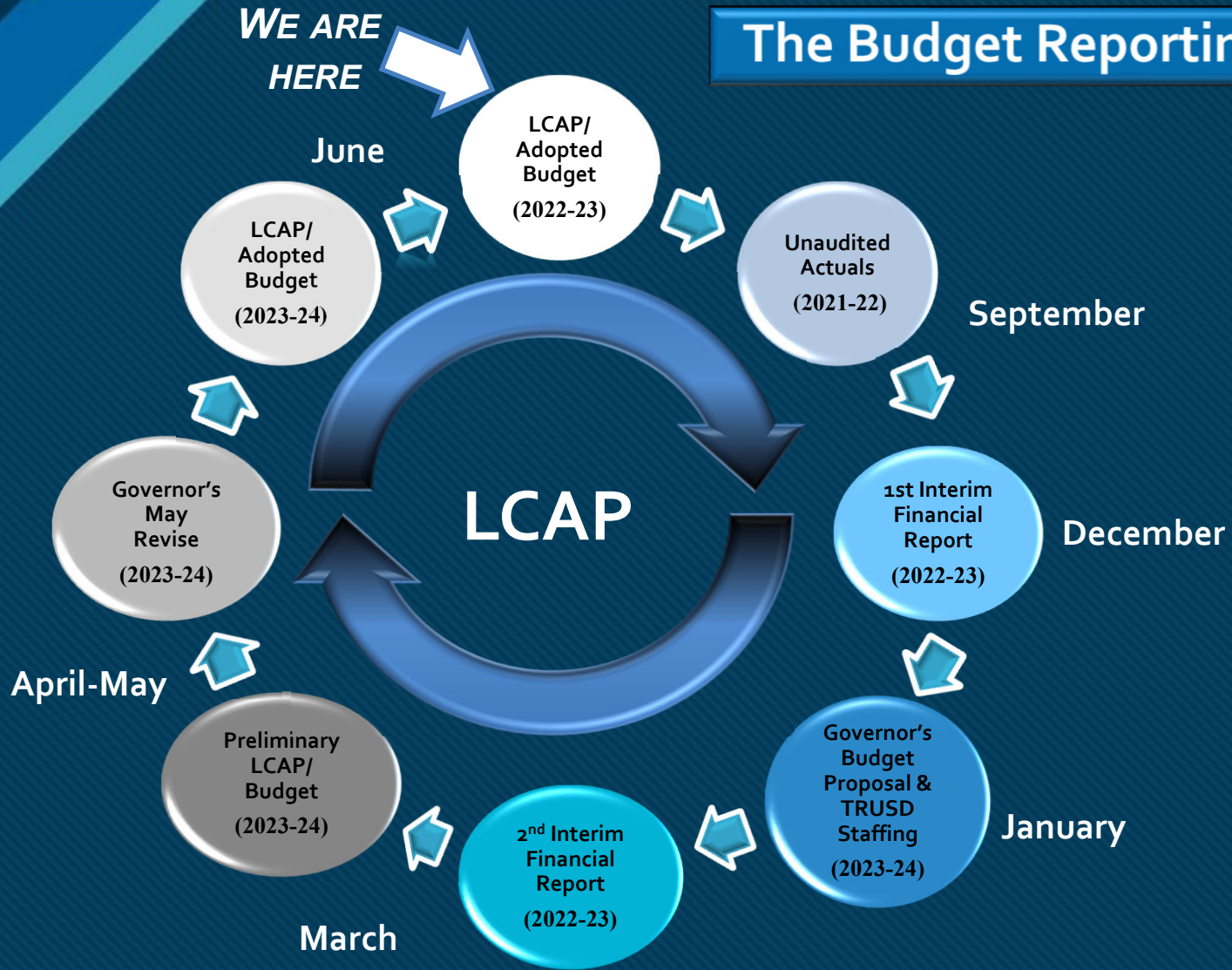


Agenda

- The Budget Reporting Cycle
- State Budget May Revision
- SACS Budget Forms
- 2022/23 General Fund
- 2022/23 Other Funds
- 2023/24 General Fund Projections
- 2024/25 General Fund Projections
- COVID Funds
- Next Steps



The Budget Reporting Cycle



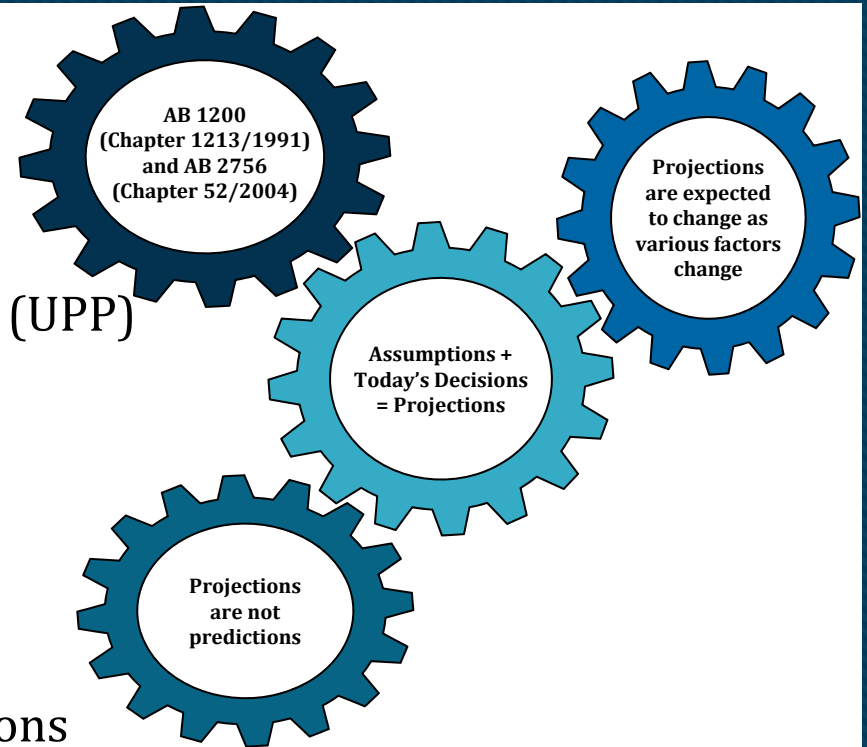
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Budget Projections

■ Key Factors

- Enrollment
- Attendance
- Unduplicated Pupil Percentage (UPP)
- LCFF Increase/Decrease
- Position Control/hiring
- STRS/PERS increases
- Special Education Increases
- Collective Bargaining negotiations
- Don't use one-time dollars to justify paying for ongoing expenditures



State Budget May Revision

The Governor's May Revision is the last statutory step in the State Budget process before the Legislator adopts the State's spending plan by June 15th. The Governor has until the end of June to adopt the budget.

- Key proposed budget items for K-12 include:
 - LCFF COLA of 6.56%
 - Special Education per ADA increase to \$820, but TRUSD enrollment decreased
 - Categorical Programs = 6.56% COLA
 - Additional \$3.4 billion ongoing for ELO Program



State Budget May Revision

- May Revision Proposals not in TRUSD's Adopted Budget:
 - Additional ongoing Proposition 98 General Fund monies above the COLA to increase LCFF base funding
 - \$8.5 million for Twin Rivers
 - A third option in calculating ADA for LCFF funding (3 year average)
 - \$10.7 million for Twin Rivers
 - Transitional kindergarten add-on of \$2,813 per TK ADA
 - \$1.2 million for Twin Rivers
 - One-time discretionary block grant
 - \$33 million for Twin Rivers



SACS

Budget Forms

- Budget Certification
- Average Daily Attendance
- Cash Flow Projection
- Multi Year Projections – General Fund
- Summary of Interfund Activities
- Other Funds
- Criteria and Standards



2022/2023 General Fund

Estimated Beginning Fund Balance	\$	55,089,465
Revenues	\$	516,436,937
Expenditures	\$	506,304,005
Net Increase/(Decrease) Fund Balance	\$	10,132,932
Ending Fund Balance	\$	65,222,397
Components of Ending Fund Balance:		
Nonspendable	\$	1,667,344
Restricted	\$	2
Committed	\$	14,000,000
Assigned	\$	-
Unassigned - Economic Uncertainties	\$	49,555,051
Unassigned	\$	-

9.79%

Meets Board Policy intent for Economic Uncertainties.

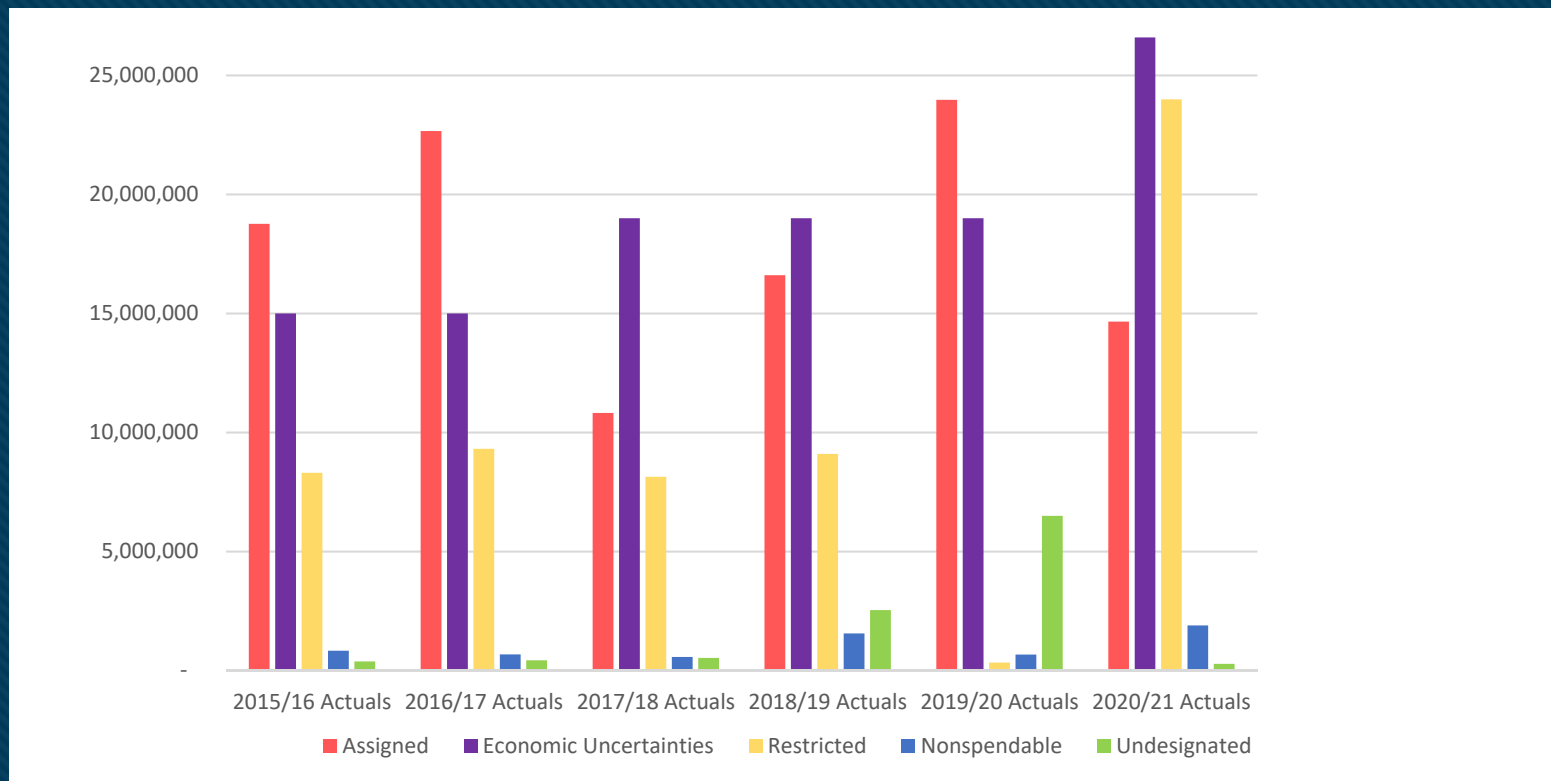


2022/2023 Committed Ending Fund Balances

Board Resolution for Technology	\$ 4,000,000
Board Resolution for HVAC	\$ 10,000,000
Total Committed Balance	\$ 14,000,000



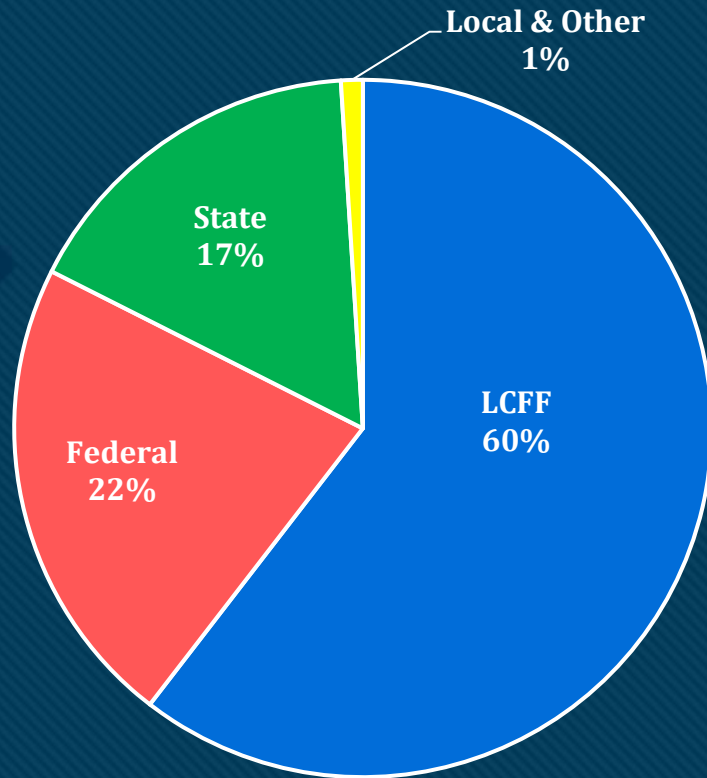
Change in Ending Fund Balance



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2022/2023 General Fund Revenues



LCFF	\$ 312,236,459
State Aid	206,053,878
Property Tax	41,207,065
Education Protection Account	65,250,516
LCFF Transfer to Fund 14	(1,775,000)
Property Tax Transfer - Spec. Ed.	1,500,000
Federal	113,497,659
State	85,509,906
Local & Other	5,192,913

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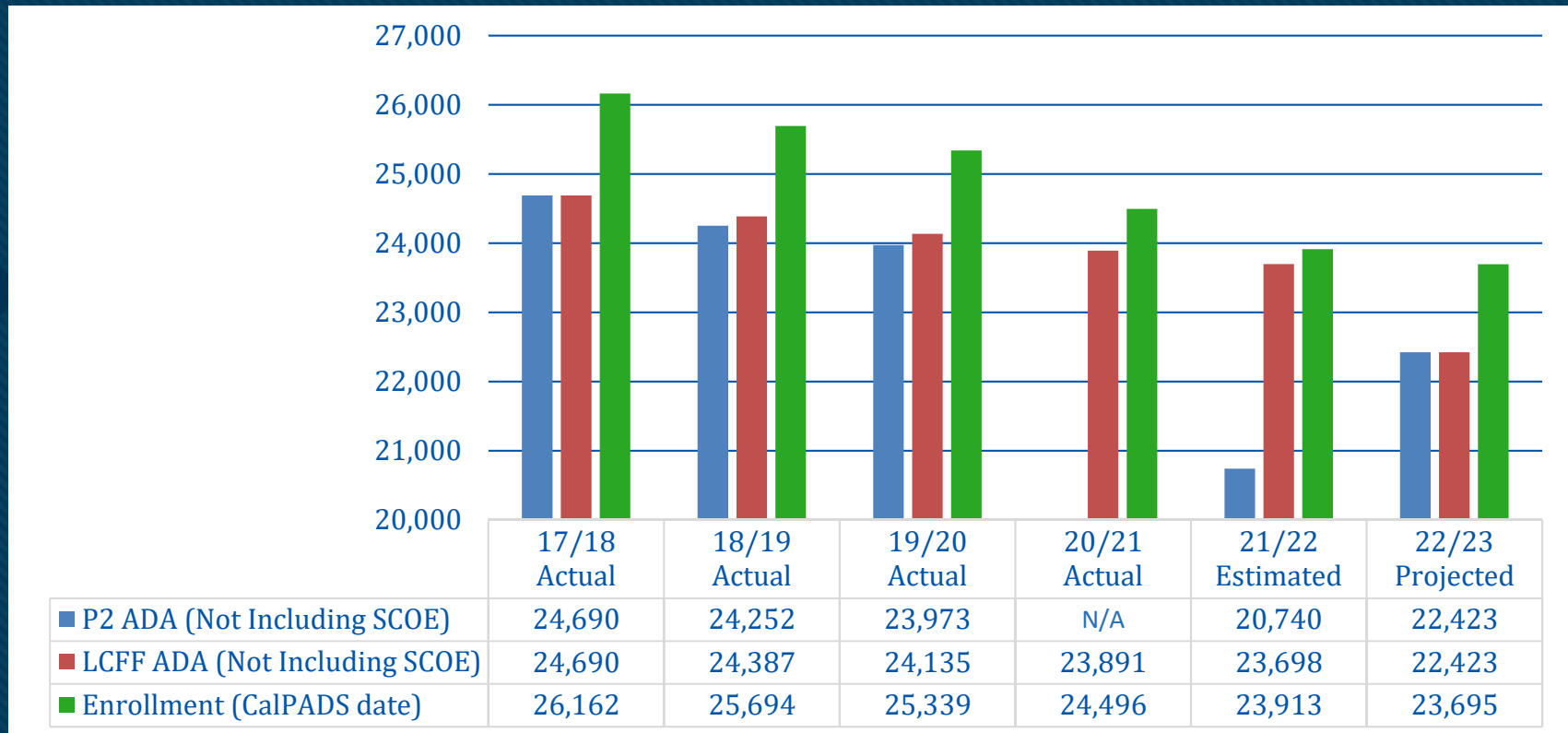
2022/2023 LCFF Revenue

	Twin Rivers Estimated 2022/23	Creative Connections Estimated 2022/23	Smythe Academy Estimated 2022/23	Westside Prep Charter Estimated 2022/23	Total
2022/23 Estimated LCFF Entitlement	\$286,284,258	\$7,787,068	\$13,817,060	\$4,623,073	\$312,511,459
Base Funding	\$206,037,839	\$6,039,929	\$ 9,766,778	\$3,510,146	\$225,354,692
Supplemental/Concentration	\$ 80,246,419	\$1,747,139	\$ 4,050,282	\$1,112,927	\$ 87,156,767
Estimated Unduplicated pupil % (3 year rolling average) (EL, low income and/or foster youth)	90.20%	76.09%	92.95%	79.36%	



LCFF ADA vs P2 ADA

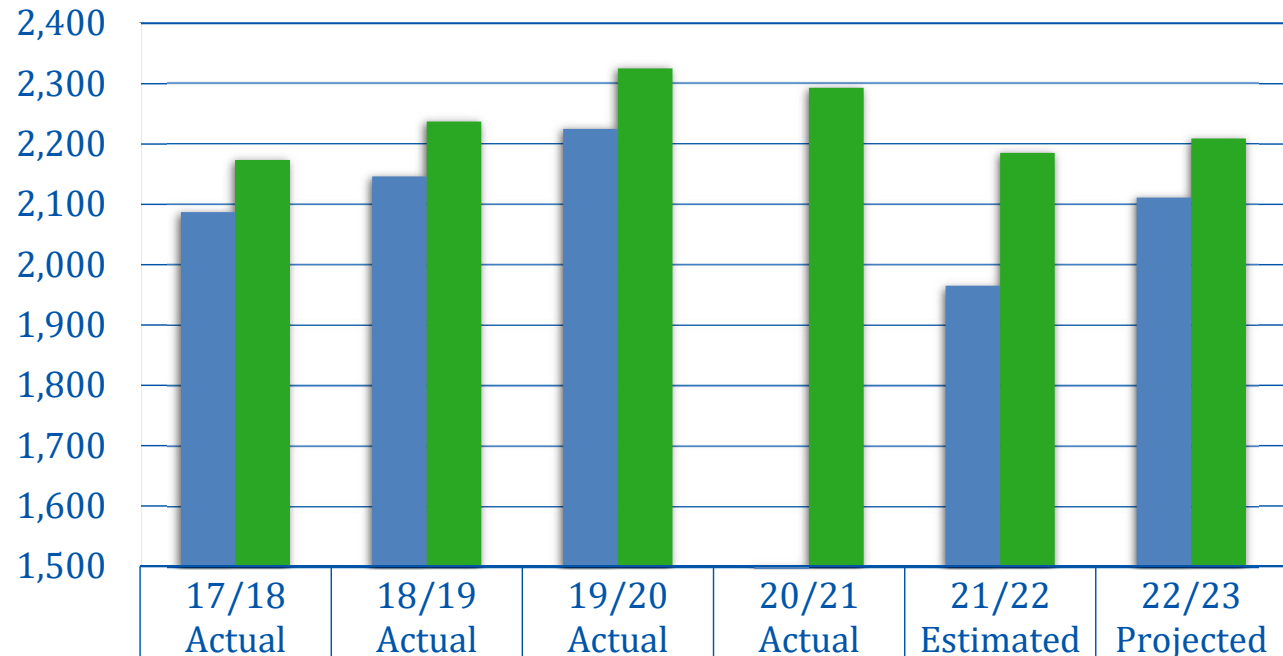
(Includes Charters)



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LCFF/P2 ADA - Charters



■ P2 ADA	2,087	2,146	2,225	N/A	1,965	2,111
■ Enrollment (CalPADS date)	2,173	2,237	2,325	2,293	2,185	2,209

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Revenues

- Federal Revenue:
 - Reduction of prior year carryover funds (\$9.7 million)
 - Elimination of one-time grants/changes in grant funding
 - Various COVID one-time funds (\$88.4 million)
 - Title I funds decrease (\$1.5 million)
 - Continuing programs similar to prior year levels except for as noted above
 - Deferred Revenue will be budgeted once the actuals are known from the 2021-2022 year end closing.



Revenues

- State Revenue:
 - Reduction of prior year carryover funds (\$1.1 million)
 - Net increase for various grants (\$11.9 million)
 - Mostly the Expanded Learning Opportunity Program
 - Significant State revenues include:
 - Expanded Learning Opportunity Program(\$31 million)
 - Special Education (\$22.5 million)
 - Lottery (\$5.3 million)
 - ASES (\$5.1 million)
 - Mental Health (\$1.9 million)
 - On-behalf CalSTRS contribution (\$16.1 million)
 - Discretionary Block Grant (one-time) anticipated to be over \$33 million
 - Potential increase; not in the Adopted Budget; will be added to the budget upon adoption of the Governor’s final State budget.



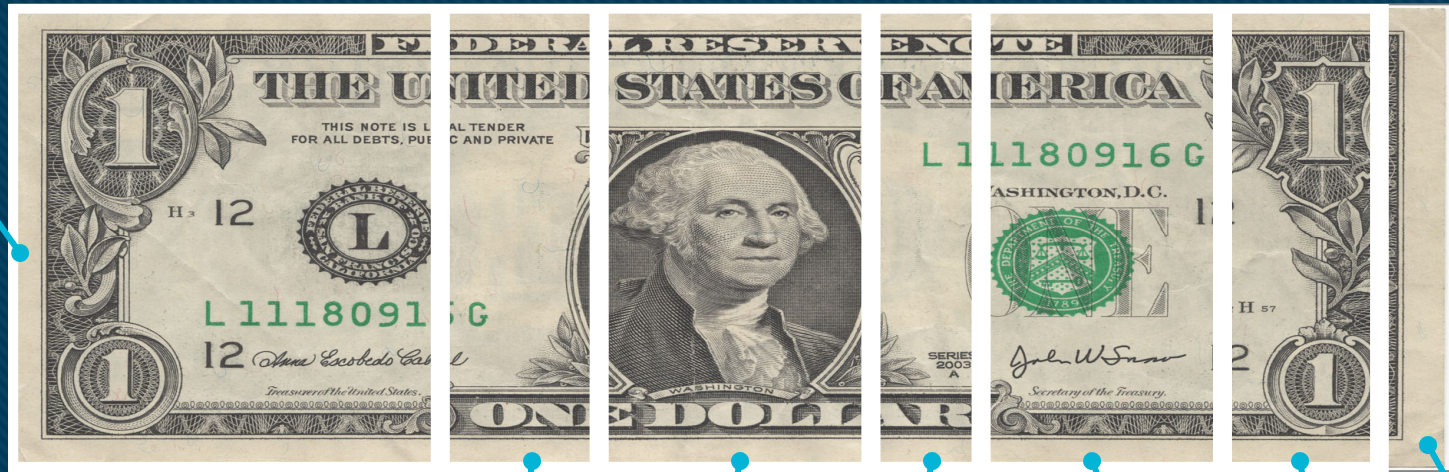
Revenues

- Local Revenue:
 - Various one-time donation and grant reduction (\$2.5 million); significant reductions include:
 - Sacramento Metropolitan Air Quality Management District (\$2.7 million)
 - Significant Local revenues include:
 - Interest Income (\$650 thousand)
 - MOUs with Independent Charter Schools for facility use and required administrative support services (\$3.3 million)
- Transfers In:
 - Annual rent from Adult Education
- Contributions from Unrestricted to Restricted Programs (\$42.6 million);
 - Special Education
 - Routine Restricted Maintenance



2022/2023 General Fund Expenditures

Certificated Salaries
30%



Certificated	\$151,511,354
Classified	55,788,807
Employee Benefits	95,459,700
Books & Supplies	38,666,806
Services & Other Operating	84,778,782
Capital & Other	55,098,556
Interfund Transfers Out	25,000,000

Classified Salaries
11%

Employee Benefits
19%

Books and Supplies
8%

Services & Other Operating
17%

Capital Outlay & Other
11%

Interfund Transfers Out
5%

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Expenditures

- **Certificated Salaries:**
 - Net decrease of \$14 million compared to 2021/2022 Estimated Actuals due to:
 - Current position control
 - 1.2% step/column increase
 - No salary schedule increase
 - Unrestricted increase of \$1 million
 - Restricted decrease of \$15 million
 - One-time COVID MOU employee payment and extra duty

- **Classified Salaries:**
 - Net decrease of \$1 million compared to 2020/2021 Estimated Actuals due to:
 - Current position control
 - 1.8% step increase
 - No salary schedule increase
 - Unrestricted increase of \$3 million
 - Restricted decrease of \$4 million
 - One-time COVID MOU employee payment and overtime



Expenditures

- **Employee Benefits:**
 - STRS increase 2.18% (19.10%)
 - PERS increase 2.46% (25.37%)
- **2021/2022 Categorical carryover (\$7.9 million):**
 - Carryovers will be adjusted at First Interim once the actuals are known from the 2021-2022 year end closing
- **Routine Restricted Maintenance Account (RRMA) @ \$11.3 million**
- **Books and Supplies:**
 - Elimination of carryover budgets and one-time budgets, mostly COVID funds (\$16 million decrease)
- **Services and Other Operating:**
 - Elimination of carryover budgets and one-time budgets, mostly COVID funds (\$84 million decrease)



Expenditures

- Capital Outlay:
 - Increase due to ESSER III funds (\$2 million increase)
- Other Outgo:
 - Decrease is in unrestricted and is mainly from the a partial year reduction of a facility capital lease
- Interfund Transfers Out:
 - \$10 million from S/C for facility projects
 - \$15 million towards Board approved facility projects
- The LCAP actions are within the budget



Other Funds

- Student Activity Special Revenue Fund
- Adult Education Fund
- Child Development Fund
- Cafeteria Fund
- Special Reserve Fund for Postemployment Benefits
- Deferred Maintenance Fund
- Building Fund
- Capital Facilities Fund-Developer Fees
- County School Facilities Fund
- Special Reserve Capital Outlay Fund



2023/2024 General Fund Projections

Estimated Beginning Fund Balance	\$	65,222,397
Revenues	\$	448,606,371
Expenditures	\$	457,537,264
Net Increase/(Decrease) Fund Balance	\$	(8,930,893)
Ending Fund Balance	\$	56,291,504
Components of Ending Fund Balance:		
Nonspendable	\$	1,667,344
Restricted	\$	1
Committed	\$	14,000,000
Assigned	\$	-
Unassigned - Economic Uncertainties	\$	40,624,159
Unassigned	\$	-

8.88%

Meets Board Policy intent for Economic Uncertainties.



2023/2024 Change in Ending Fund Balance

Net Increase/(Decrease) Fund Balance	\$ (8,930,893)
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	\$ (8,930,893)
Remove one-time salary expenditures	\$ 11,700,000
2023/2024 Budget Surplus/(Deficit)	\$ 2,769,107



2024/2025 General Fund Projections

Estimated Beginning Fund Balance	\$	56,291,504
Revenues	\$	451,663,383
Expenditures	\$	448,800,261
Net Increase/(Decrease) Fund Balance	\$	2,863,122
Ending Fund Balance	\$	59,154,626
Components of Ending Fund Balance:		
Nonspendable	\$	1,667,344
Restricted	\$	1
Committed	\$	14,000,000
Assigned	\$	-
Unassigned - Economic Uncertainties	\$	43,487,281
Unassigned	\$	-

9.69%

Meets Board Policy intent for Economic Uncertainties.



COVID Funds

Funding Source	Allocation	Deadline for Use	Spent/Encumbered as of May 31, 2022
LLM - CRF	\$ 28,635,940	5/31/2021	\$ 28,635,940
LLM - Prop 98	\$ 2,436,763	6/30/2021	\$ 2,436,763
LLM - GEER	\$ 1,822,104	9/30/2022	\$ 1,822,104
CARES - ESSSER	\$ 12,459,391	9/30/2022	\$ 12,459,391
CRRSA - ESSER II	\$ 54,271,784	9/30/2023	\$ 54,271,784
IPI Grant	\$ 10,980,373	9/30/2024	\$ 10,980,373
ELO Grant	\$ 18,523,845	9/30/2024	\$ 10,897,183
ELO Grant - Paraprofessionals	\$ 1,986,317	9/30/2024	\$ 1,082,146
ARP - ESSER III	\$ 121,974,168	9/30/2024	\$ 23,154,647
SB 117	\$ 418,174	no end date	\$ 4,894



Why Do We Have to Do a Form CEA?

- The calculation of the Current Expense of Education Actuals (CEA) is a legal requirement (EC § 41372) and used to determine the percentage of expenditures for the direct classroom cost of teaching students at Unaudited Actuals.
- Included in the calculation are the salaries and benefits of teachers and paraprofessionals measured against the total expenditures of the district (General Fund only).
- Certain categorical programs and types of costs are excluded from the calculation.
- Required percentages have not been amended per the LCFF and are:

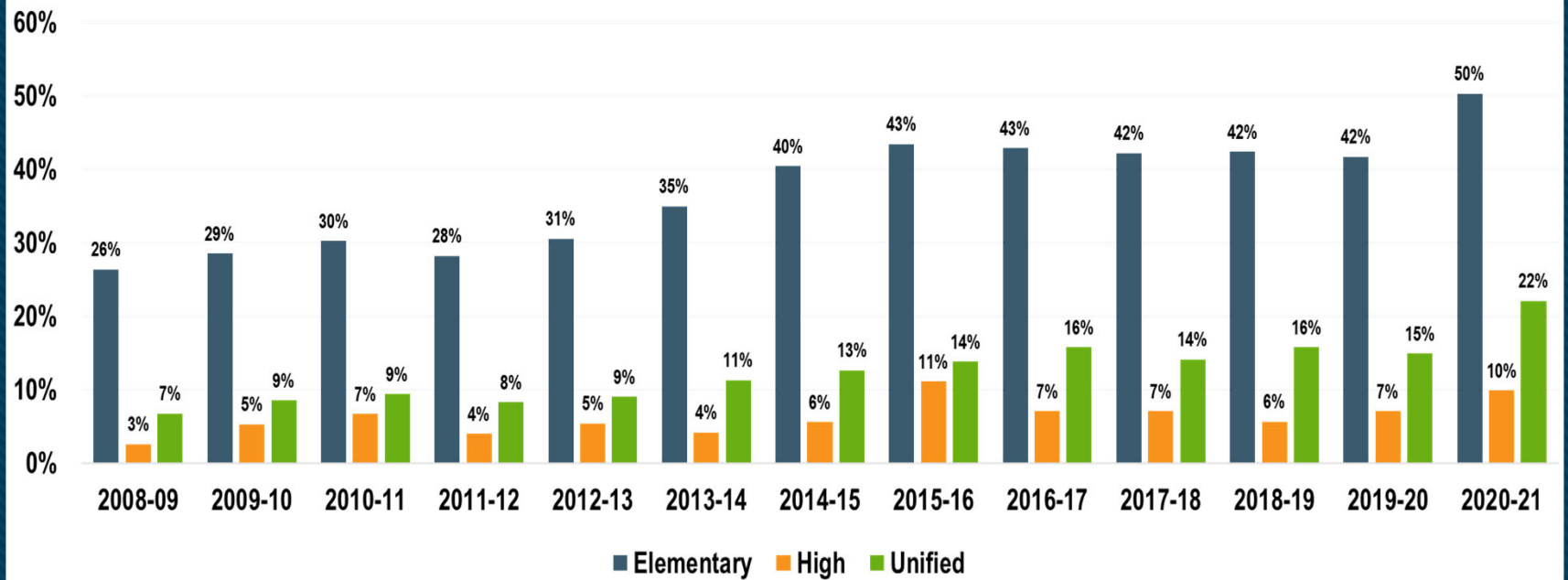
Elementary	High	Unified
60%	50%	55%



How Many Districts Fail to Meet the Requirements?

- Unified districts increased by 7% (50% increase) to 22% in 2020-2021.

Did Not Meet CEA Percent by Type of District



Form CEA

- COVID-19 funds have had an adverse impact on the Form CEA.
- LEAs should be judicious in using column 4b to back out eligible expenditures.

PART I - CURRENT EXPENSE FORMULA	Total Expense for Year (1)	EDP No.	Reductions (See Note 1) (2)	EDP No.	Current Expense of Education (Col 1 - Col 2) (3)	EDP No.	Reductions (Extracted) (See Note 2) (4a)	Reductions (Overrides)* (See Note 2) (4b)	EDP No.	Current Expense-Part II (Col 3 - Col 4) (5)	EDP No.		
1000 - Certificated Salaries	23,994,047.99	301	0.00	303	23,994,047.99	305	116,507.73		307	23,877,540.26	309		
2000 - Classified Salaries	9,350,467.27	311	0.00	313	9,350,467.27	315	109,556.55		317	9,240,910.72	319		
3000 - Employee Benefits	16,424,043.60	321	440,379.04	323	15,983,664.56	325	67,729.10		327	15,915,935.46	329		
4000 - Books, Supplies Equip Replace. (6500)	1,339,716.14	331	0.00	333	1,339,716.14	335	146,907.23		337	1,192,808.91	339		
5000 - Services . . . & 7300 - Indirect Costs	5,386,117.46	341	7,370.50	343	5,378,746.96	345	2,278,481.29		347	3,100,265.67	349		
TOTAL					56,046,642.92	365	TOTAL					53,327,461.02	369

Note 1 - In Column 2, report expenditures for the following programs: Nonagency (Goals 7100-7199), Community Services (Goal 8100), Food Services (Function 3700), Fringe Benefits for Retired Persons (Objects 3701-3702), and Facilities Acquisition & Construction (Function 8500).

Note 2 - In Column 4, report expenditures for: Transportation (Function 3600), Lottery Expenditures (Resource 1100), Special Education Students in Nonpublic Schools (Function 1180), and other federal or state categorical aid in which funds were granted for expenditures in a program not incurring any teacher salary expenditures or requiring disbursement of the funds without regard to the requirements of EC Section 41372.

* If an amount (even zero) is entered in any row of Column 4b or in Line 13b, the form uses only the values in Column 4b and Line 13b rather than the values in Column 4a and Line 13a.



2021/2022 CEA

- TRUSD is not projected to meet the 55% CEA requirement.
- The one-time COVID funds increase the total expenditures making it impossible for TRUSD to meet the 55% CEA requirement.
- TRUSD will request an exemption through SCOE.
 - An exemption is granted if the district's classroom teacher salaries are in excess of three comparable school districts.



Next Steps

- TRUSD 45 Day budget revision if the State Adopted budget is materially different
- Close the 2021/2022 financial records – 2021/2022 Unaudited Actuals at September Board meeting
- The 2022/2023 First Interim Budget will be presented to the Board in December
 - Actual carryover and restricted ending fund balance amounts from 2021/2022 will be included
- Any questions?

