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*To inspire each student to
extraordinary achievement
every day*

May 22, 2020

To Staff and the Twin Rivers School Community,

Leadership during difficult times requires trust, stability and hope while also making difficult decisions. Trust comes from providing accurate information based on facts—our commitment to you. Hope is knowing and communicating that we will get through this, together.

We now face an estimated \$27.6 million in reductions due to the Governor’s recent 2020-21 budget proposal, which includes a 10 percent cut to the Local Control Funding Formula (LCFF), the primary source of funding for K-12 education. Keep in mind that our projected deficit may change in June with the Governor’s final adopted budget. We are also waiting to see if the federal government will provide additional funding beyond what it has to date.

Given this information, we have a tough road ahead. Like other K-12 districts around the state, we are identifying ways to manage revenue reductions with the changing information available from the state.

You are going to hear from different sources that the district’s projections are way off; that we only need to make \$57,000 in reductions. That is completely inaccurate. This is a difficult reality, but it is my job to be honest and give you the facts.

In sticking with the facts and using the Governor’s May Revise budget proposal, here is Twin Rivers’ bottom line.

2020-21 - Deficit Calculation

LCFF Revenue Reduction	- \$28,159,760
STRS/PERS Expenditure Reduction	+ \$3,234,000
SPED Revenue Increase	+ \$1,000,000
Structural Deficit	- \$3,700,000

Total Deficit - \$27,625,760

In the process of identifying and implementing budget reductions for 20/21 Adopted Budget.

COVID Revenues and Expenditures

Federal (CARES) Revenue	+ \$12,500,000
State COVID Revenue	+ \$418,174
COVID Expenses	- \$6,918,174

For school opening **anticipated expenses** and Chromebook replacements - \$6,000,000

TOTAL \$0

** There is a proposal for a stimulus package that hasn’t been approved through Congress; therefore, our plan must be based on the funding actually allocated at this time. Our plan will change as actual funding sources change.*

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Our responsibility now requires a focus on identifying solutions to this financial catastrophe that has impacted districts around the state. We have a heavy lift ahead to manage this \$27.6 million cut from our district. **We anticipate a one-time savings of \$4.4 million due to COVID-19 school closures in the current year to help with next year's revenue reduction.**

In finding solutions we are committed to making tough decisions in the best interest of our students, staff and families, while using factual information and the Governor's May revise budget proposal.

As I stated in my May 15 update, this is a lot to absorb and understand. As we move forward and continue to modify the budget based on the latest information from the state, we will keep you informed with regular Friday updates.

Let's continue to be resilient together, keeping trust, stability and hope at the forefront.

Stay safe and enjoy the Memorial Day weekend.

Respectfully,

A handwritten signature in blue ink, appearing to read "Steve Martinez".

Steve Martinez, Ed.D.
Superintendent, Twin Rivers Unified