

2017 - 2018

Unaudited Actuals Financial Report

**San Ysidro School District
Board Meeting
September 13, 2018**

General Fund Revenues

Revenues	Object Codes	Unrestricted	Restricted	Total Unrestricted & Restricted
LCFF Sources	8010-8099	\$46,064,931.10	\$234,098.00	\$46,299,029.10
Federal Revenue	8100-8299	217,124.04	3,117,587.55	\$3,334,711.59
Other State	8300-8599	1,518,833.11	2,496,953.69	\$4,015,786.80
Other Local	8600-8799	453,414.78	3,161,867.11	\$3,615,281.89
Transfers In	8900-8929	0.00	253,630.00	\$253,630.00
Sources	8930-8979	0.00	15,333,885.30	\$15,333,885.30
Contributions	8980-8999	(7,795,700.27)	7,795,700.27	\$0.00
Total		\$40,458,602.76	\$32,393,721.92	\$72,852,324.68

General Fund Expenditures

Expenditures	Object Codes	Unrestricted	Restricted	Total Unrestricted & Restricted
Certificated Salaries	1000-1999	\$21,179,248.33	\$4,017,473.13	\$25,196,721.46
Classified Salaries	2000-2999	7,797,028.02	3,081,096.11	\$10,878,124.13
Employee Benefits	3000-3999	9,049,905.54	4,267,012.06	\$13,316,917.60
Books & Supplies	4000-4999	2,346,516.07	1,339,083.12	\$3,685,599.19
Services & Other Operating	5000-5999	5,603,205.67	4,044,483.34	\$9,647,689.01
Capital Outlay	6000-6999	1,979,070.91	389,499.32	\$2,368,570.23
Other Outgo / Transfers Out	7100-7299 7400-7629	318,510.18	12,377,648.62	\$12,696,158.80
Transfers of Indirect/Direct	7300-7399	(268,288.34)	169,949.86	(\$98,338.48)
Total		\$48,005,196.38	\$29,686,245.56	\$77,691,441.94

Projected Multi-Year Deficit Spending as of 2018-19 **Adopted Budget**

	2018-19	2019-2020	2020-21
Beginning Balance	\$11,160,310.49	\$9,143,871.49	\$6,008,397.49
Revenue	\$57,950,214.00	\$57,793,257.00	\$59,179,649.00
Expense	\$59,966,653.00	\$60,928,731.00	\$62,309,935.00
Deficit Spending - w/o Budget Reductions	(\$2,016,439.00)	(\$3,135,474.00)	(\$3,130,286.00)
Restricted Reserve			\$3,085,082.53
Ending Fund Balance	\$9,143,871.49 Qualified Budget	\$6,008,397.49 Qualified Budget	(\$206,971.04) Negative Budget


SDCOE will require a **Spending Reduction Plan** for Qualified & Negative District Budget Certifications @ 1st Interim & 2nd Interim budget periods.

Top 4 Issues Impacting the SYSD Budget

1. Declining Enrollment
2. STRS/PERS Cost Increases
3. Construction Project Debt
4. Special Education Costs

2018-19

Student Actual Enrollment vs Projected Enrollment



School Site	Actual Enrollment (Synergy)	Projected Enrollment (DecisionInsite)	Difference
La Mirada	356	371	-15
Smythe	610	723	-113
Sunset	652	678	-26
Willow	757	761	-4
Ocean View Hills	952	1007	-55
Vista Del Mar MS	400	478	-78
San Ysidro MS	616	610	6
TOTALS	4343	4628	-285

As of 8-22-18; TK-8 enrollment (preschool & SDC not included)

2018-19 State Adopted Budget vs Actual Declining Enrollment

Projected Impact to SYSD

Proposed State Budget Education Funding Source	State Budget	Projected SYSD Impact
Proposition 98 Guarantee -Funding 18-19 thru 20-21 -LCFF Fully Funded in 18-19	\$78.4 Billion Increase of \$2.8 Billion	LCFF Base Grant - Estimated increase = \$2,543,005 (Actual enrollment as of 8-22-18: est. increase = \$1,787,383) -\$755,622 LCFF Supplemental/Concentration - Estimated decrease = -\$814,503 (Actual enrollment as of 8-22-18: est. decrease = -\$1,063,654) -\$249,151
COLA	3.7% (LCFF target rates only)	3.7% (LCFF target rates only)
TK-3 GSA Funding (included in the LCFF calculation)	\$776/ADA	TK-3 ADA: 2,009 Estimated allocation = \$1,558,984 (Actual enrollment as of 8-22-18: est. allocation = \$1,461,045)
One-Time Discretionary Funding	\$1.0 Billion @ \$184/ADA	FY18-19 Projected TK-8 ADA = 4,600 Estimated allocation = \$846,400 (Actual enrollment as of 8-22-18: est. = \$785,496)

Projected Multi-Year Deficit Spending as of Declining Enrollment

As of 08-22-18

	2018-19	2019-2020	2020-21
Beginning Balance	\$10,768,435.50	\$7,747,223.50	\$1,092,668.50
Revenue	\$56,945,441.00	\$54,274,176.00	\$55,533,715.00
Expense	\$59,966,653.00	\$60,928,731.00	\$62,309,935.00
Deficit Spending - w/o Budget Reductions As of Actual Enrollment dated 08-22-18	(\$3,021,212.00)	(\$6,654,555.00)	(\$6,776,220.00)
Ending Fund Balance	\$7,747,223.50 Qualified Budget	\$1,092,668.50 Qualified Budget	(\$5,683,551.50) Negative Budget

SDCOE will require a **Spending Reduction Plan** for Qualified & Negative District Budget Certifications @ 1st Interim (Dec) & 2nd₈ Interim (March) budget periods.

Impact of Projected STRS & PERS Pension Cost Increases

YEAR	STRS	PERS	STRS & PERS	Annual STRS/PERS Increases	LCFF Base Grant Increase
2013-14	\$1,584,736	\$828,460	\$2,413,196		-
2017-18	\$3,494,333	\$1,659,174	\$5,153,507	\$1,015,370	\$1,716,356
2018-19	\$4,017,070	\$1,990,405	\$6,007,475	\$853,968	\$1,787,383
2020-21	\$4,903,303	\$2,694,287	\$7,597,590	\$696,592	\$1,630,996
2014-21			Cost Triples		\$12,551,998

STRS & PERS Cost Increases & LCFF Base Grant Increases

Total est. LCFF Base Grant Increases	Total est. STRS & PERS Increased Costs	%
2014-21	2014-21	
\$12,551,998	\$5,184,394	41% of SYSD Total LCFF Base Grant increases will go to STRS/PERS Cost Increases
2018-19	2018-19	
\$1,787,383	\$853,968	48% of SYSD Total LCFF Base Grant increase will go to STRS/PERS Cost Increase

Financial Concerns Causing Budget Deficits

ISSUES	ESTIMATED COST
Salary Schedule Step & Column	\$856,200
Benefit Cost Increases	TBD
Increased Pension Costs - STRS & PERS (2014-2021)	\$853,968 (2018-19 inc) \$6,007,475 (2018-19 Total Cost) \$5,184,394 (2014-21 Inc) \$7,597,590 (2021 Total Cost)
Other Post Employment Benefits (OPEB)	\$470,127 pay-as-you-go \$14,463,634 OPEB Liability
Litigation	\$1,000,000
Declining Enrollment <i>Actual Enrollment vs Projected Enrollment (as of 08/22/18)</i>	4,343 vs 4,628 Est. Loss in LCFF Base Grant & S/C -\$1,004,773₁

Financial Concerns Causing Budget Deficits

ISSUES	ESTIMATED COST
Special Education	\$5.5M (contributed from GF) Approx \$7.8M Total Cost
Negotiations	TBD
Average Daily Attendance Overstatement Repayment - CDE Finding (15-16 and 16-17 @ \$2.6M/yr)	Approx \$5.2M 4 Year Repayment begins 18-19
Certificates of Participation (COPs) Annual Debt Payments: <ul style="list-style-type: none"> - Modernization of La Mirada & Smythe - 2017 COPs - \$29,662,168 - 30 annual payments from 18-19 to 47-48 	Approx \$470K - \$870K/yr General Fund Payments + \$353,718 - \$800,069/yr RDA Payments/YR
PNC Loan Debt Payments - Borrowed \$2M <ul style="list-style-type: none"> - Additional funds to enhance Prop 39 funds of \$1 million for larger scope HVAC construction project - La Mirada, Smythe, SYMS, & DO 	\$250K/yr Total borrowed - \$2M Term - 10 years beginning 17-18

Budget Reduction Options

#	OPTION	INFO	One Time OR On Going Savings	EST SAVINGS
1	Hiring Freeze <ul style="list-style-type: none"> Fill only essential positions Reduce by natural attrition 		On Going	TBD
2	Spending Freeze <ul style="list-style-type: none"> Purchase essential supplies Reallocate final 25% allocation to schools towards Deficit Spending (Base Grant) 		One Time	TBD
3	Supplemental/Concentration Shifts from Gen Fund		On Going	\$600K
4	Actual Cost Savings from Solar Systems	Analysis in Progress	Varies - SDGE Rates Change every 3 Years	TBD
5	Supplemental Retirement Plan - PARS	PARS will run SRP viability Analysis	On Going	TBD

...Budget Reduction Options

#	OPTION	INFO	One Time OR On Going Savings	EST SAVINGS
6	Apply Staffing Ratios <ul style="list-style-type: none"> • Management Layoff Resolution • Classified Layoff Resolution • Certificated Layoff Resolution 	See Budget Development Timeline	On Going	TBD
7	Temporary Release Resolution		On Going	TBD
8	Non Reelect Resolution		On Going	TBD
9	Possible Auxiliary Program Reductions		On Going	TBD
10	Elimination of Non Essential Contracts		On Going	TBD

2019-20 Proposed Budget Development Timeline

NEXT STEPS	BOARD ACTION	BOARD ACTION CONT.
JANUARY <ul style="list-style-type: none"> Governor's State Proposed Budget Board Workshop - Budget (Jan/Feb) Seniority Lists P-1 Attendance 	JANUARY <ul style="list-style-type: none"> FY19-20 Projected Enrollment & Staffing District 17-18 Audit Report Review Supplemental Retirement Program Viability Study Results & Board Determination (Dec-Jan Board Meeting) 	MAY <ul style="list-style-type: none"> LCAP/DBAC Board Presentation LCAP Annual Review Public Hearing
APRIL <ul style="list-style-type: none"> P-2 Attendance 	FEBRUARY 28 (Special Board Meeting) <ul style="list-style-type: none"> Certificated Layoff Resolution - Part 1 Certificated Non Re-Elect Resolution Certificated Temporary Release 	JUNE <ul style="list-style-type: none"> Public Hearings - Proposed FY19-20 Budget & Proposed LCAP FY19-20 Adopted Budget
MAY <ul style="list-style-type: none"> Governor's May Revise State Budget 	MARCH 14 <ul style="list-style-type: none"> Classified Layoff Resolution - Part 1 Certificated Layoff Resolution - Part 2 (optional) Second Interim Budget Report 	
JULY <ul style="list-style-type: none"> FY19-20 Adopted Budget due to SDCOE SDCOE Review of LCAP due Aug 2019 Annual Attendance Report 	APRIL 10 <ul style="list-style-type: none"> Classified Layoff Resolution - Part 2 (optional) Final Certificated Layoff Notice 	

Questions?

