

San Ysidro School District

2025-2026 Proposed Budget

Governing Board Meeting - June 5, 2025

Presented by Chief Business Official, Marilyn Adrianzen

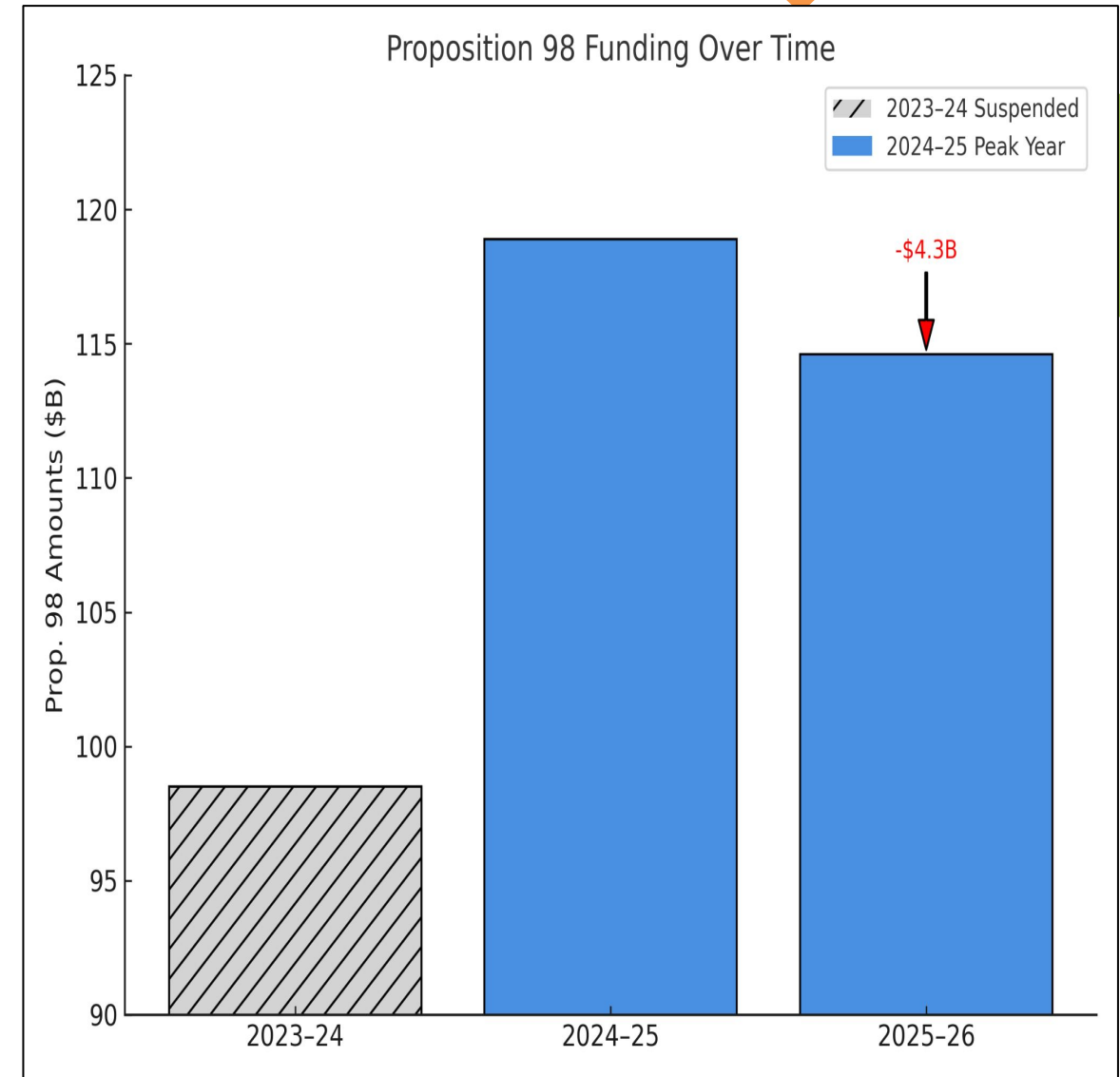
State May Revise Budget

From Surplus to Shortfall: What happened?

- **\$12B deficit** projected for 2025-26
- Revenue collections **sharply down**
 - Federal tax policy shifts are a key driver.
- Major **cost pressures**
 - Medi-Cal & Social Services.

Prop. 98 Guarantee Levels

- **2023-24**
 - \$98.5B (Suspended)
- **2024-25**
 - \$118.9B
- **2025-26**
 - \$114.6B (↓ \$4.6B from January)
 - *SYSD Estimated Loss = \$3 million*
- **COLA**
 - 2.3% for LCFF & other programs (not State Preschool)



Fiscal Risks & Considerations



- **Prop. 98 Under-Appropriation (2024-25)**
 - \$1.3B below Guarantee
- **Deferrals**
 - \$1.8B pushed from June to July 2026
 - May cause a cash flow crisis & need to borrow through a TRANS or TTF
- **Prop. 98 State Reserve**
 - Fully depleted

Federal FY 2026 Education Budget Proposal



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- Proposed **15.3% cut** to U.S. Department of Education
 - Title I and IDEA funding **levels maintained**
 - **\$20B School Choice Proposal**
 - Increased funding for **Charter Schools Program**
 - Proposed elimination of programs including **Title III** and **Migrant Education**
 - Budget proposal subject to **congressional approval** and filibuster

Potential District Loss in Federal Funding

Federal Program Title	Resource code	Projected Budget
National School Lunch Program: Community Eligibility Program (CEP)	5310	\$2.6 million
Federal Special Education	3310, 3315, 3345	\$1.1 million
Title I	3010	\$1.3 million
Title II	4035	\$160,000
Title III	4203	\$300,000
Title IV	4127	\$100,000

District Fund Codes

Fund Code	Description
0100	General Fund
0800	Associated Student Body
1200	Child Development Fund
1300	Cafeteria Fund
2110	Building Fund
2133	GO Bond Measure U
2139	GO Bond Measure T
2134	GO Bond Measure KK
2137	GO Bond Measure LL
2138	GO Bond Measure MM

Fund Code	Description
2518	Capital Facilities Fund
3500	State School Facilities Fund
4000	Special Reserves/Capital Projects
4901	Capital Project Fund for Blended Component Units (Mello Roos) CFD #1
4902	Capital Project Fund for Blended Component Units (Mello Roos) CFD #2
4903	Capital Project Fund for Blended Component Units (Mello Roos) CFD #3
5201	Debt Service Fund for Blended Component Units CFD #1
5202	Debt Service Fund for Blended Component Units CFD #2
5203	Debt Service Fund for Blended Component Units CFD #3

Object Codes

Object Codes	Description
1000-1999	Certificated Salaries
2000-2999	Classified Salaries
3000-3999	Benefits
4000-4999	Books and Supplies
5000-5999	Services and Other Operating Expenditures
6000-6999	Capital Outlay
7000-7699	Other Outgo, Other Financing Uses
8000-8999	Revenues

Locations

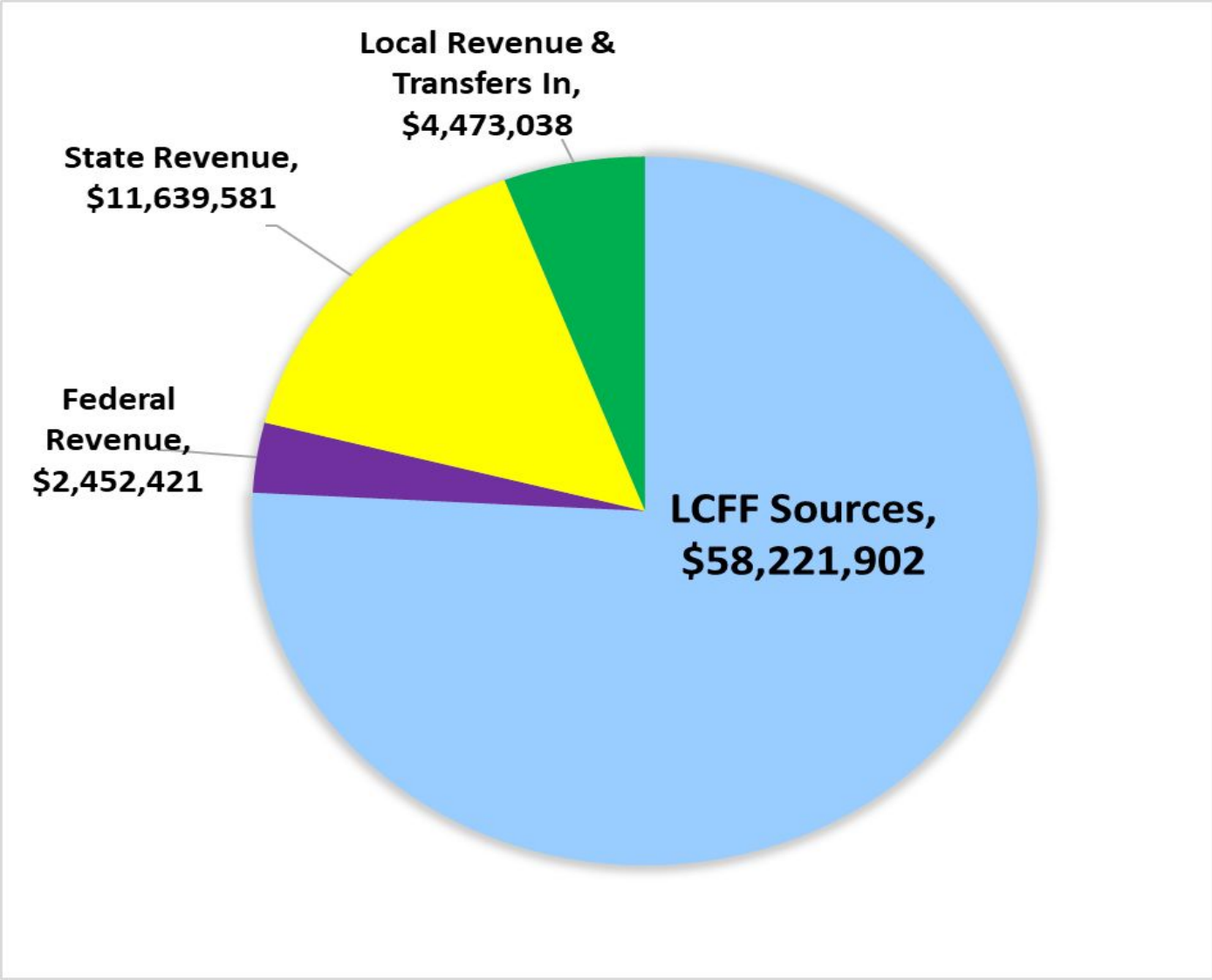
Site/Dept Code	Description
010	All Schools
012	La Mirada
016	Smythe
018	Sunset
020	Willow
022	SYMS
024	OVH
025	VDM
050	Pupil Services
052	SPED Student Serv.
054	SPED
061	Ed Services
062	Personnel

Site/Dept Code	Description
063	School Board
064	Superintendent
065	Accounting
067	Data Systems
069	Operations
070	Maintenance
071	Business Services
072	Purchasing
073	Publications
074	Transportation
076	State Preschool
080	Districtwide
085	Food Service

Construction Projects	
3XX	Construction Projects

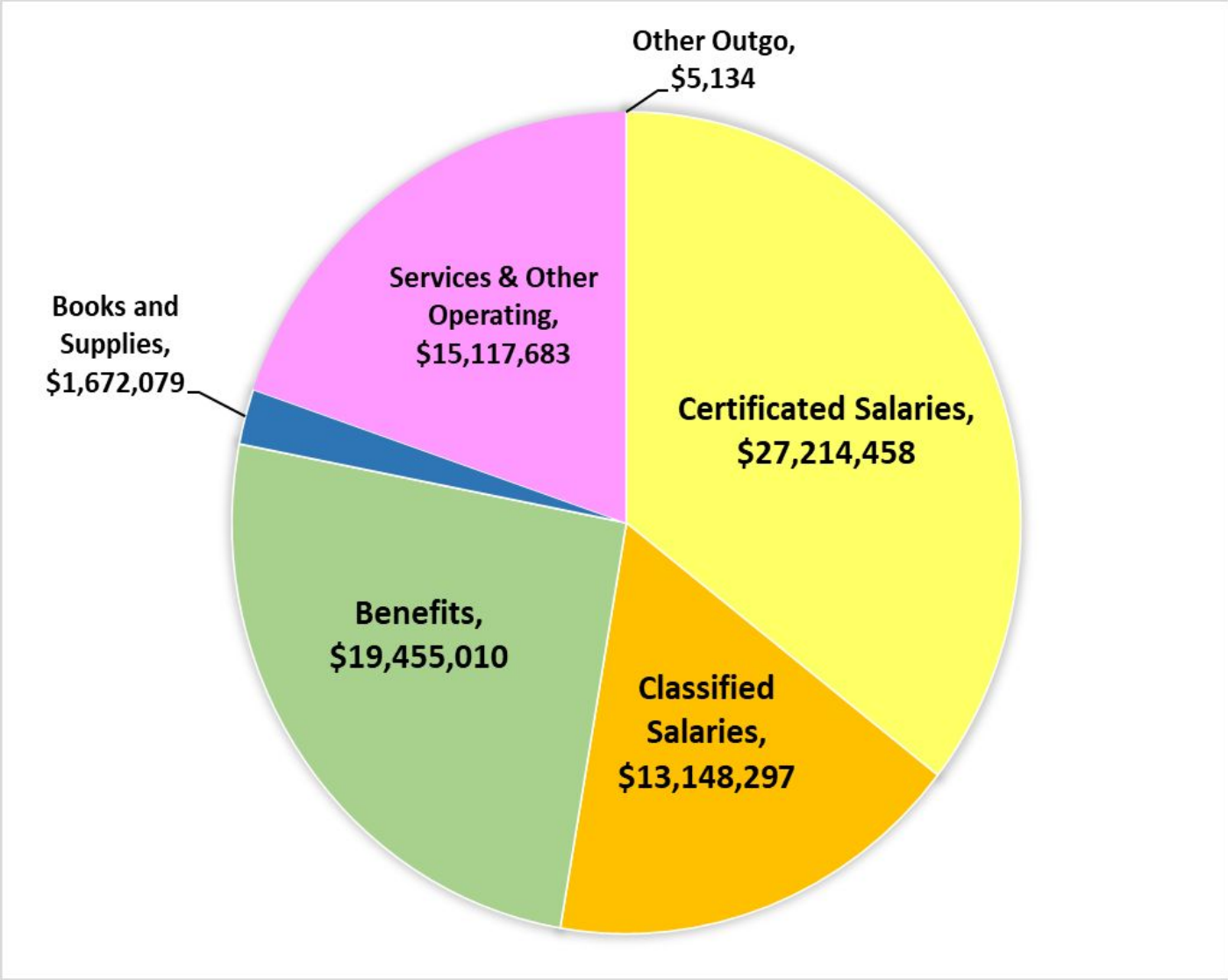
SALARIES & BENEFITS	
5XX	Salaries/Benefits

2025-2026 Projected Revenues



LCFF Sources	\$58,221,902
Federal Revenue	\$2,452,421
State Revenue	\$11,639,581
Local Revenue	\$4,473,038
Total Projected Revenue	\$76,786,942

2025-2026 Projected Expenditures



Certificated Salaries	\$27,214,458
Classified Salaries	\$13,148,297
Benefits	\$19,455,010
Books and Supplies	\$1,672,079
Services & Other Operating	\$15,117,683
Capital Outlay	\$0
Other Outgo	\$5,134
Total Projected Expenditures	\$76,612,661

Multi-Year Projection

Combined Unrestricted and Restricted General Fund	2025-2026	2026-2027	2027-2028
1. Projected Beginning Balance	\$12,913,627	\$13,087,908	\$13,258,203
2. Projected Revenue	\$76,786,942	\$78,487,624	\$79,559,446
3. Projected Expense	\$76,612,661	\$78,317,330	\$80,113,482
4. Net Increase (Decrease) in Fund Balance	\$174,281	\$170,294	(\$554,036)
5. Projected Ending Fund Balance	\$13,087,908	\$13,258,203	\$12,704,167
6. Restricted Reserve & 16-17 ADA Overstatement Repayment	\$10,788,588	\$10,908,682	\$10,253,296
7. Reserve for Economic Uncertainties (REU)	\$2,299,320	\$2,349,520	\$2,450,871
8. Required Minimum (REU) 3%	\$2,298,380	\$2,349,520	\$2,403,404

A FY 2026-27 Budget Reduction Plan will be required to be adopted at First Interim Budget in December 2025.

Budget Assumptions

Planning Factor	2025-26	2026-27	2027-28
Funded LCFF COLA	2.30%	3.02%	3.42%
STRS Employer Rates (approximate)	19.10%	19.10%	19.10%
PERS Employer Rates (approximate)	26.81%	26.90%	27.80%
State Unemployment Rate	0.05%	0.05%	0.05%
Lottery – Unrestricted per ADA	\$191	\$191	\$191
Lottery – Restricted Prop 20 per ADA	\$82	\$82	\$82
Mandated Block Grants (K-8)	\$39.09	\$40.27	\$41.65
Routine Restricted Maintenance Account	3%	3%	3%

2025-26 Budget Revenue Assumptions

Cost of Living Adjustment (COLA)	2.30%
Lottery	\$191/ADA (Unrestricted) \$82/ADA (Restricted)
Projected Enrollment (Does not include SDC students)	3,821 -69 students or -1.77%
Estimated Special Education Costs	\$15.1 million
• Federal & State Revenue Sources	\$5.8 million
• 2025-26 General Fund Contribution (Includes LCFF SPED SDC ADA = \$3.8 million)	\$9.3 million

2025-2026 Budget Expenditure Assumptions

Est. Salaries and Benefits: Step/Class/Longevity	2% = \$1,138,000
Est. Statutory Benefits – Certificated Employees	23.51%
Est. Statutory Benefits – Classified Employees	38.41%
With PERS: <i>(includes Social Security, Medicare, Unemployment, Worker’s Compensation)</i>	11.91%
Est. Without PERS	
State Unemployment Insurance increase	0.05%
Projected Increase to Health and Welfare Cap	TBD
Retired Employees’ Health Benefits	\$376,883 (estimated)
Actuarial Liability = \$16 million	25-26 pay-as-you-go amount
Substitute Teachers Daily Rate	(FY 24-25 Rate \$200/Diem)
Operating Costs - <i>electric, gas, water, and sewer</i>	\$1.9 million (estimated)
LCFF Routine Restricted Maintenance	3.0% = \$2.9 million
<ul style="list-style-type: none"> ● Indirect Costs for Categoricals & District Programs ● Nutrition Services ● Some Categoricals & Programs 	7.77% 6.20% Individual Caps

2025-2026 Board Adopted Budget Reduction Plan	
Estimated Budget Reduction	\$2,000,000
Spending freeze	\$200,000
Limit Overtime and Extra Hours	\$300,000
Shift in Expenditures from General Fund to Restricted funds	\$100,000
Declining Enrollment Layoffs and/or Special Program Reduction	\$800,000
Layoff Vacant Positions (if possible and continue hiring freeze)	
Natural attrition in 2025-2026: hiring freeze	\$600,000
Total Budget Reductions	\$2,000,000

2026-2027 Budget Reduction Plan will be required by First Interim Report (December 2025)

16

2026-2027 Proposed Budget Development Timeline

DECEMBER <ul style="list-style-type: none"> • FY25-26 First Interim Budget Report • Adopt FY26-27 Budget Reduction Plan 	JANUARY <ul style="list-style-type: none"> • Governor's State Proposed Budget • Board Workshop • Seniority Lists • P-1 Attendance 	FEBRUARY <ul style="list-style-type: none"> • FY26-27 Projected Enrollment & Staffing • Possible Certificated & Classified Layoff Resolutions - Part 1
MARCH <ul style="list-style-type: none"> • Possible Certificated & Classified Layoff Resolutions - Part 2 (optional) • 25-26 Second Interim Budget Report 	APRIL <ul style="list-style-type: none"> • P-2 Attendance • April/May Final Layoff Resolutions 	MAY <ul style="list-style-type: none"> • LCAP Annual Review Public Hearing • Governor's May Revise State Budget
JUNE <ul style="list-style-type: none"> • Public Hearings: 26-27 Proposed Budget & Proposed LCAP • FY 26-27 Adopted Budget 	JULY <ul style="list-style-type: none"> • FY 26-27 Adopted Budget due to SDCOE • Annual Attendance Report 	

CURRENT HISTORY OF FISCAL STABILITY & RESPONSIBLE FINANCIAL MANAGEMENT

San Diego County Taxpayers Association (SDCTA)	Bond Transparency Report Cards	A+ (2024) - 1 out of 5 districts only in SD county w/ A+ A+ (2023) - 1 out of 6 districts in SD county w/ A+ A- (2022) A- (2021)
Credit Ratings and Fiscal Outlook	Moody's Ratings	A2 2025 GO Bond Rating & Stable Outlook (2025) A2 2024 GO Bond Rating & Stable Outlook (2024) A3 2023 GO Bond Rating & Positive Outlook (2023)
District Annual External Audits	FY 2023-24 FY 2022-23 FY 2021-22	No Financial Audit Findings
General Obligation Bond Audits	FY 2023-24 FY 2022-23 FY 2021-22 FY 2020-21	No Financial Audit Findings
District Positive Budget Certifications	FY 2024-25 FY 2023-24 FY 2022-23	FY 2021-22 FY 2020-21
		5 Years of multi-year positive and balanced budgets

Questions?

State Forms