



**BOARD WORKSHOP  
AGENDA**

**Board of Trustees**  
Joyce Dalessandro  
Linda Friedman  
Barbara Groth  
Beth Hergesheimer  
Deanna Rich  
  
**Superintendent**  
Ken Noah

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**SAN DIEGUITO UNION HIGH SCHOOL DISTRICT  
BOARD OF TRUSTEES**

**TUESDAY, MAY 5, 2009  
4:05 PM**

**DISTRICT OFFICE BOARD ROOM 101  
710 ENCINITAS BLVD., ENCINITAS, CA. 92024**

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The Governing Board of the San Dieguito Union High School District has scheduled a Board Workshop for May 5, 2009, at 4:00 PM at the above location, in the Board Room.

- 1. CALL TO ORDER.....4:05 PM

**INFORMATION ITEMS**

- 2. STATE BUDGET UPDATE - DAVE WALRATH
  - A. Federal Stimulus Package
  - B. Special Election
  - C. State Budget
  
- 3. DISTRICT BUDGET UPDATE
  - A. Basic Aid Analysis
  - B. State Fiscal Stabilization Fund
  - C. GASB 45 – Actuarial Valuation Update
  
- 4. LONG RANGE FACILITIES TASK FORCE UPDATE
  
- 5. ADJOURNMENT

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In compliance with the Americans with Disabilities Act, if you need special assistance, disability-related modifications, or accommodations, including auxiliary aids or services, in order to participate in the public meetings of the District’s Governing Board, please contact the [Office of the District Superintendent](#). Notification 72 hours prior to the meeting will enable the District to make reasonable arrangements to ensure accommodation and accessibility to this meeting. Upon request, the District shall also make available this agenda and all other public records associated with the meeting in appropriate alternative formats for persons with a disability.

# **SDUHSD Budget & Facilities Board Workshop**

**May 5, 2009**

**4:00 p.m.**

**District Office Board Room**

# Agenda

- State Budget Update – Dave Walrath
- District Budget Update
  - Basic Aid Update
  - State Fiscal Stabilization Fund
  - GASB 45 – Actuarial Valuation Update
- Long Range Facilities Task Force Update

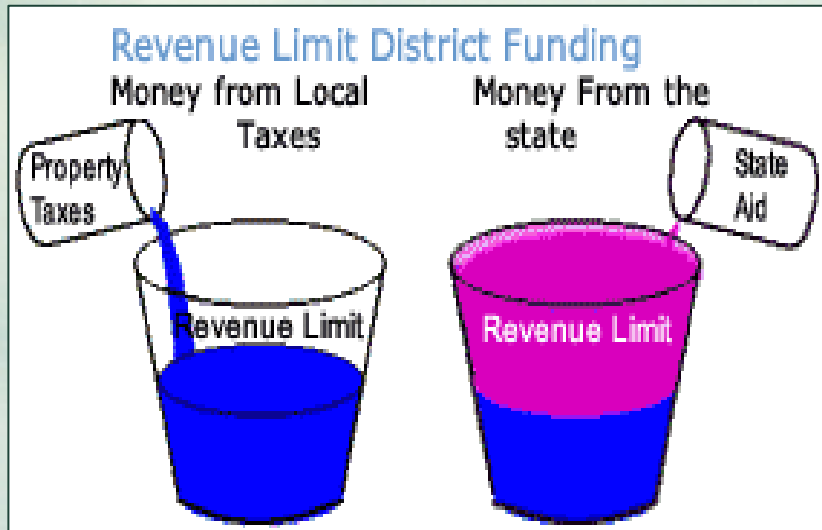
# District Budget Update

- Spring Revision—May 21<sup>st</sup>
  - Revenue up due to Basic Aid
  - Ending Balance up due to Tier III Transfers and spending freeze effects
- Tentative Budget—June 4<sup>th</sup> & June 18<sup>th</sup>
  - Conservative increase in Property Tax
  - Significant expense reductions
- Still many moving pieces



# Basic Aid Analysis

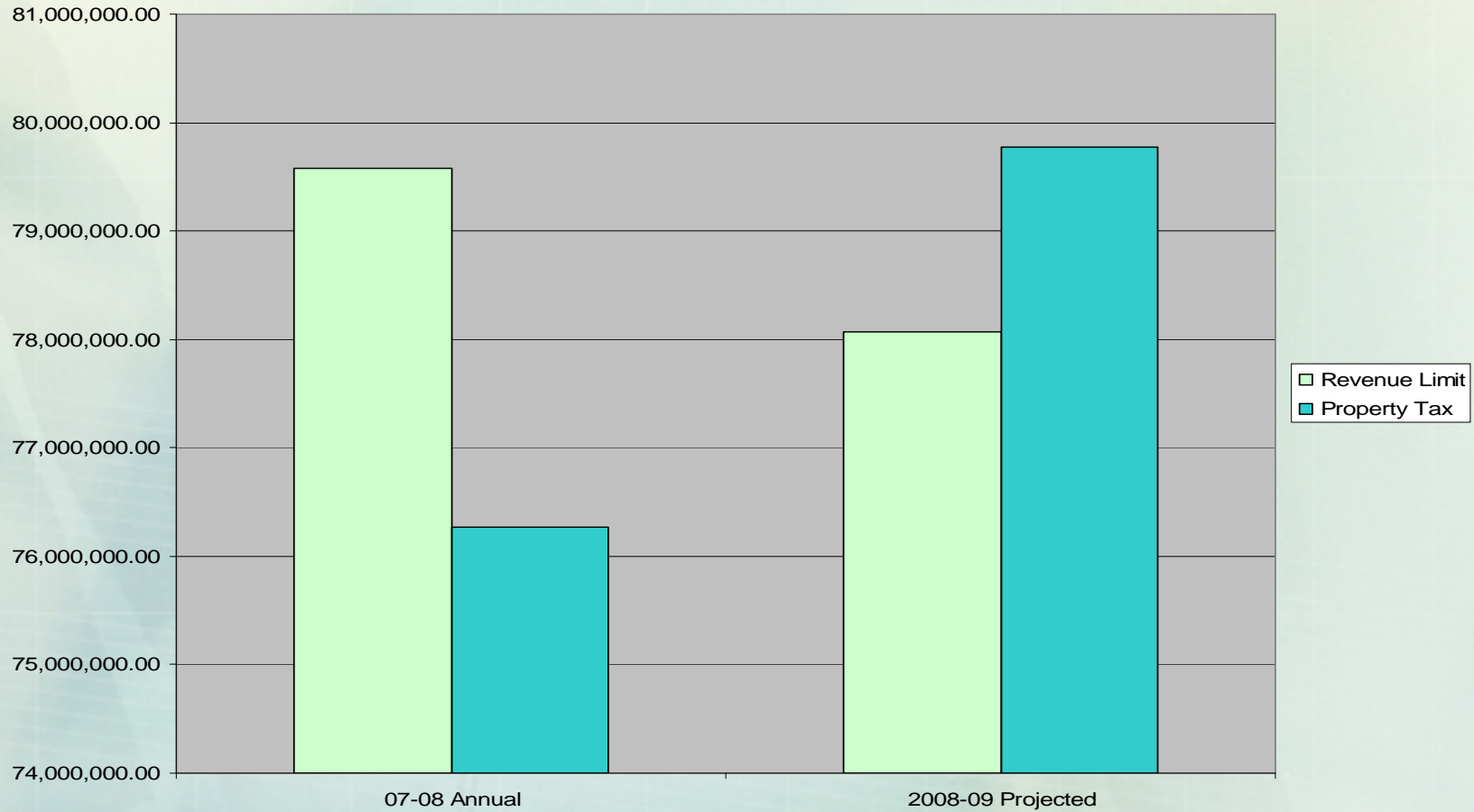
## Revenue Limit Funding vs. Basic Aid Funding



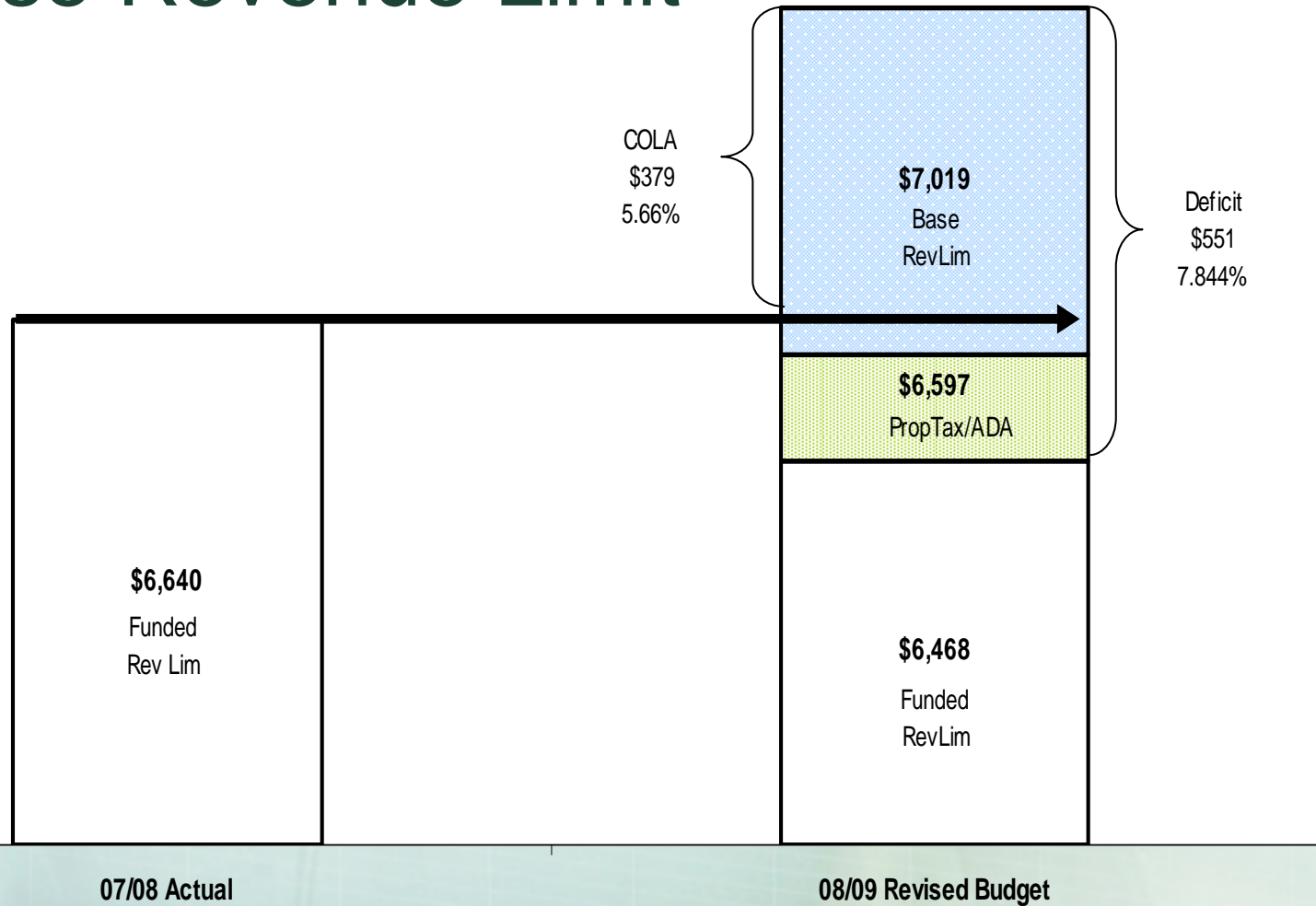
# Basic Aid Analysis

- Property tax is up by 6% from prior year
- SDCOE has informed County Tax Services and California Department of Education that SDUHSD is expected to be certified as Basic Aid for 2008/2009
- This news is not yet official

# SDCOE Analysis—May 09

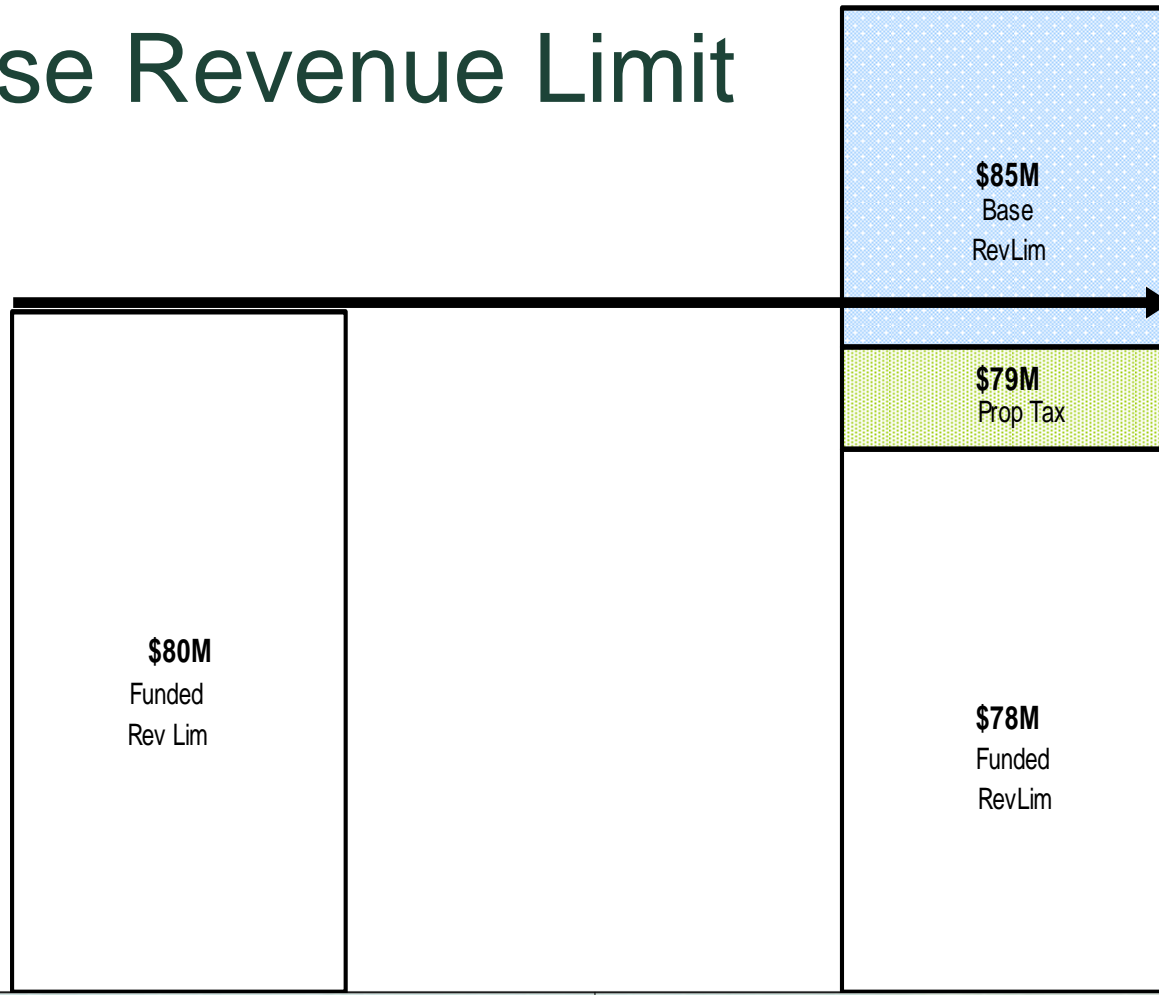


# Base Revenue Limit





# Base Revenue Limit



07/08 Actual

08/09 Revised Budget

# Policy Implications

- District needs to reassess Interdistrict Transfer policy in light of Basic Aid status
- District should consider setting up and funding a separate “Basic Aid” reserve

# Policy Implications

- District must manage community expectations relative to what Basic Aid means to this district
  - Basic Aid does not equal high wealth in our case
  - We have moved into Basic Aid because of state cuts to Revenue Limit and our historic below average Revenue Limit funding
- Will the governor and legislature be calling for shared sacrifice from Basic Aid districts in these difficult budget times?

# American Recovery and Reinvestment Act – Education State Fiscal Stabilization Fund

- Funds intended to avert layoffs of teachers and other personnel
- Further education reform in the areas of
  - Teacher quality
  - Standards and assessments
  - Using longitudinal data to improve education
- Supporting struggling schools
- District application for these funds was due May 4, 2009



# American Recovery and Reinvestment Act – Education State Fiscal Stabilization Fund

- District must agree to a list of assurances
- Preliminary indications suggest stabilization funds are intended to backfill cuts to state Revenue Limit and categorical funds
  - If we remain a Revenue Limit district, we would be eligible for approximately \$3 million in stabilization funds
  - If we move to Basic Aid, we would be eligible for only the categorical backfill support which is approximately \$700,000
  - These are one-time monies



# American Recovery and Reinvestment Act – Education State Fiscal Stabilization Fund

- Funding may occur as early as mid-May
  - This may occur before we are officially certified as “Basic Aid” by CDE
  - We may receive Revenue Limit funds, but we would need to set aside in anticipation of returning it if we go Basic Aid

# GASB 45 – Actuarial Update

- Starting in 08/09, District is required to disclose funded status of plan and “unfunded actuarial accrued liability” (UAAL) in District’s annual financial report
- From this point on, District will accumulate a liability called the “net OPEB obligation”
- The “net OPEB obligation” will increase if District’s policy is “pay-as-you-go”

# Fundamental Change

Benefits	Current	GASB 45
Earned	During Employment	During Employment
Paid	After Employment	After Employment
Funded	Usually When Paid	<i>Pre-funding Encouraged</i>
Expensed	When Funded <i>(Pay As You Go)</i>	<i>When Earned (Accrual Accounting)</i>

# Age Distribution of Eligible Retired Participants & Beneficiaries

Age	Count
<50	0
50-54	4
55-59	36
60-64	54
65+	0
<b>Total:</b>	<b>94</b>
Average Age:	60.3
Retirement Age:	58.0

Source: Epler Company, GASB Actuarial Valuation as of July 1, 2008 / April 2009 Report



# Age/Service Distribution of Active Employees

Age	Service									Total
	0-4	5-9	10-14	15-19	20-24	25-29	30-34	35-39	40-44	
20-24	14									14
25-29	90	11								101
30-34	70	60	2							132
35-39	42	63	34							139
40-44	30	31	29	13	1					104
45-49	30	40	23	17	17	3				130
50-54	16	41	19	15	25	13	4			133
55-59	14	39	31	12	17	20	12	4		149
60-64	6	17	10	12	14	6	3	2		70
65-69	1	2	0	1	6	1	0	0	0	11
70+	1	0	0	1	0	0	0	1	0	3
<b>Total:</b>	<b>314</b>	<b>304</b>	<b>148</b>	<b>71</b>	<b>80</b>	<b>43</b>	<b>19</b>	<b>7</b>	<b>0</b>	<b>986</b>
Average Age:		44.7								<b>153</b>
Average Service:		10.1								
Estimated Payroll:	\$63,643,000									

Source: Epler Company, GASB Actuarial Valuation as of July 1, 2008 / April 2009 Report



# Estimated Net Obligation

## at June 30, 2009

Annual Required Contribution (ARC)	\$1,932,402
Interest on New OPEB Obligation	\$0
Adjustment to ARC	<u>\$0</u>
Annual OPEB Cost	\$1,932,402
Estimated Employer Contributions (Inclusive of Benefit Payments)	<u>(\$723,321)</u>
Increase in Net OPEB Obligation	\$1,209,081
Net OPEB Obligation (Asset) - Beginning of Year	<u>\$0</u>
Net OPEB Obligation (Asset) - End of Year	\$1,209,081

Source: Epler Company, GASB Actuarial Valuation as of July 1, 2008 / April 2009 Report

# Required Supplementary Information

## (Funding Progress at July 1, 2008)

Actuarial Accrued Liability (AAL)	\$13,005,147
Actuarial Valuation of Assets (AVA)	\$0
Unfunded Actuarial Accrued Liability (UAAL)	<u>\$13,005,147</u>
Funded Ratio	0%
Estimated Payroll	\$63,643,000
UAAL as Percentage of Covered Payroll	20%

Source: Epler Company, GASB Actuarial Valuation as of July 1, 2008 / April 2009 Report

# Long Range Facilities Task Force Update