

February 28, 2022

Mark Burroughs  
Superintendent  
San Pasqual Union School District  
15305 Rockwood Road  
Escondido, CA 92027

Dear Superintendent Burroughs:

We have received the San Pasqual Union School District's Disclosure of Collective Bargaining Agreements in accordance with AB 1200 (Statutes of 1991, Chapter 1213) and Government Code 3547.5. The disclosure indicates that the proposed agreement is effective July 1, 2020 through June 30, 2023 for the San Pasqual Elementary Teachers Association (SPETA) bargaining unit, classified employees and management employees. The agreement will be acted upon by the governing board at its meeting on March 8, 2022.

The agreement proposes the following:

- An ongoing salary increase of 5%, retroactive to July 1, 2021
- An ongoing salary increase of 2%, effective July 1, 2022
- An increase to the health and welfare benefit cap from \$8,500 to \$10,000, inclusive of health, dental and vision, effective April 2022

The total ongoing increase in salaries, including statutory and health and welfare benefits is estimated as follows:

	<u>2021-22</u>	<u>2022-23</u>
General Fund	\$211,832	\$313,862
Cafeteria Fund	\$ 2,392	\$ 3,764
Enterprise Fund	\$ 8,364	\$ 11,584

The proposed agreement will increase deficit spending throughout the district's multi-year projection and the district may require reductions in 2023-24 to continue to maintain its 4% minimum required reserves. Continued deficit spending will erode the district's ending fund balance and will minimize the district's ability to address unforeseen circumstances. In discussions with the district, revenue is projected to increase in the subsequent years as a result of the anticipated continued operations for the San Pasqual Academy, as well as expected salary and benefit attrition savings from upcoming employee retirements. The district will be incorporating these assumptions into the Second Interim Report multi-year projection to sustain the compounding salary increases in future years. We encourage the district to monitor deficit spending closely, prepare alternative budget scenarios and implement budget solutions to remain fiscally solvent in future years.

Mark Burroughs, Superintendent

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The district superintendent and chief business official have certified that the cost of the collective bargaining agreement can be met during the term of the agreement. Furthermore, E.C. 42142 requires school districts to incorporate necessary budget revisions in the current year budget within 45 days of board approval of a collective bargaining agreement. Please forward a copy of the budget revisions and the original signed certification to our office upon board approval of the collective bargaining agreement.

Questions or concerns may be directed to me at (858) 295-6702, or Natalie Azzam, Business Advisor at (858) 295-6657. This letter can be found on our website at: <https://www.sdcoe.net/administrative-services/business-services/business-advisory-services>.

Sincerely,



Brent Watson  
Executive Director  
District Financial Services

BW: NCA: VS

cc: Rhonda Brown, Chief Business Official, San Pasqual Union School District  
Retirement Reporting Unit, San Diego County Office of Education