

**San Ysidro School District**

**2026-2027**

**Proposed Budget**

**Governing Board Meeting - June 9, 2026**

**Presented by Chief Business Official, Marilyn Adrianzen**

## CURRENT HISTORY OF FISCAL STABILITY & RESPONSIBLE FINANCIAL MANAGEMENT

<p><b>District Positive Budget Certifications</b></p>	<p>FY 2020-21 FY 2021-22 FY 2022-23 FY 2023-24 FY 2024-25</p>	<p>5 Years of multi-year positive and balanced budgets</p>
<p><b>District Annual External Audits</b></p>	<p>FY 2021-22 FY 2022-23 FY 2023-24 FY 2024-25</p>	<p><b>No Financial Audit Findings: 3 Years</b></p> <ul style="list-style-type: none"> <li>• 2021-22, 2022-23, 2023-24</li> </ul> <p><b>2024-25</b></p> <ul style="list-style-type: none"> <li>• 2 Procedural Findings: CNS &amp; GO Bond</li> <li>• Rebuild Reserves</li> </ul>

## CURRENT HISTORY OF FISCAL STABILITY & RESPONSIBLE FINANCIAL MANAGEMENT

<b>Credit Ratings and Fiscal Outlook</b>	Moody's Ratings	A3 2023 GO Bond Rating & Positive Outlook (2023) A2 2024 GO Bond Rating & Stable Outlook (2024) A2 2025 GO Bond Rating & Stable Outlook (2025) A2 2026 GO Bond Rating & Negative Outlook (2026) - Moody's will re-evaluate in 2027 after Dec 2026 District positive budget certification
<b>General Obligation Bond Audits</b>	FY 2020-21 FY 2021-22 FY 2022-23 FY 2023-24 FY 2024-25	No Financial Audit Findings
<b>San Diego County Taxpayers Association (SDCTA)</b>	Bond Transparency Report Cards	A- (2021) A- (2022) A+ (2023) - 1 out of 6 districts in SD county w/ A+ A+ (2024) - 1 out of 5 districts in SD county w/ A+ A+ (2025) - 1 out of 6 district in SD county w/A+

# **Factors Impacting the District's Budget**

## Historically Low State Cost-of-Living Adjustments (COLA)

2025-26	2026-27	2027-28	2028-29
2.30%	2.87%	3.30%	3.09%

Cost of Step/Column	2.0%
Cost of Health and Welfare Benefit Increases	0.6%
STRS & PERS Increases	0.3%

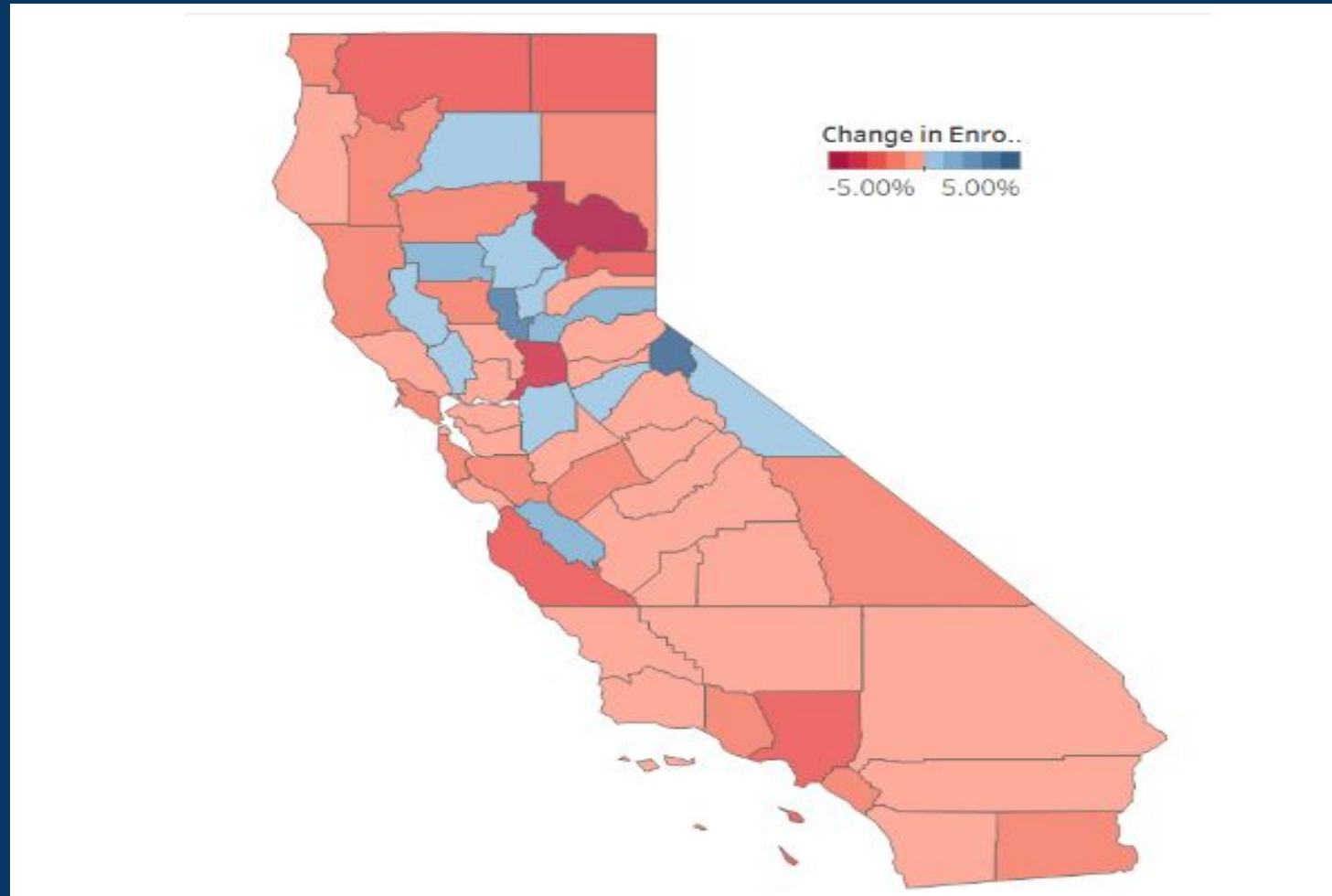
**School districts need minimum 4% COLA annually to cover operating costs.**

### CBEDS Enrollment Historical Data - 9 Year Comparison

School Site	2017-18	18-19	19-20	20-21	21-22	22-23	23-24	24-25	25-26	9 Year Difference (+/-)
La Mirada	424	413	336	340	328	409	368	382	367	(57)
Ocean View Hills	1,009	985	1,020	996	1,079	963	985	1020	1032	23
San Ysidro Middle	655	656	633	612	504	531	548	500	496	(159)
Smythe	706	647	646	664	616	578	561	534	499	(207)
Sunset	723	672	649	606	588	546	522	520	524	(199)
Vista Del Mar	425	413	402	425	425	555	531	541	605	180
Willow	789	789	784	772	719	673	685	643	625	(164)
<b>Total</b>	<b>4,731</b>	<b>4,575</b>	<b>4,470</b>	<b>4,415</b>	<b>4,259</b>	<b>4,255</b>	<b>4,200</b>	<b>4,144</b>	<b>4,148</b>	<b>(583)</b>

**Decline in Enrollment of 583 students; estimated revenue loss = -\$9 million/yr**

# Statewide Enrollment Decline



**Since 2018-19, enrollment has dropped from 6.2 million students to 5.8 million students, representing a 6.14% decrease overall primarily due to declining birth rates and families moving out of California due to the high cost of living. Approximately 70% of CA school districts are in declining enrollment.**

## Special Education Costs

<b>Estimated Special Education Costs</b>	<b>\$16.7 million</b>
Federal & State Revenue Sources	\$4.9 million
2026-27 General Fund Contribution	<b>\$11.8 million general fund contribution</b> (Includes LCFF SPED ADA = \$3.8 mil)
Increase in SPED costs approximately	\$500,000 - \$1.0 mil per year

25-26 Enrollment has increased to 20%; State average = 15%

The Federal Individuals with Disabilities Education Act (IDEA) was enacted with a commitment to fund 40%; however for our district Federal Special Education funding only covers 8% of special education actual expenses.

## Timeline for Restoration of Positive Budget Certification

<p><b>Dec 11, 2025 Governing Board Meeting</b>  <b>Jan 27, 2026 Governing Board Meeting</b></p>	<p>Board Approved Budget Reduction Plan          Board Approved Revised Budget Reduction Plan</p>
<p><b>March 12, 2026 Governing Board Meeting</b></p>	<p>Second Interim Financial Report</p>
<p><b>May 7, 2026 Governing Board Meeting</b></p>	<p>Third Interim Financial Report</p>
<p><b>June 9, 2026 Governing Board Meeting</b>  <b>June 18, 2026 Governing Board Meeting</b></p>	<p>2026-27 Proposed Budget  <ul style="list-style-type: none"> <li>● <b><i>Financially Stable Budget</i></b></li> </ul> <p>2026-27 Adopted Budget  <ul style="list-style-type: none"> <li>● <b><i>Financially Stable Budget</i></b></li> </ul> </p></p>
<p><b>December 2026 Governing Board Meeting</b></p>	<p>2026-27 First Interim Financial Report  <ul style="list-style-type: none"> <li>● <b><i>Positive Budget Certification</i></b></li> </ul> </p>

# **Proposed District Budget**

## **2026 - 2027**

# 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

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

# Locations

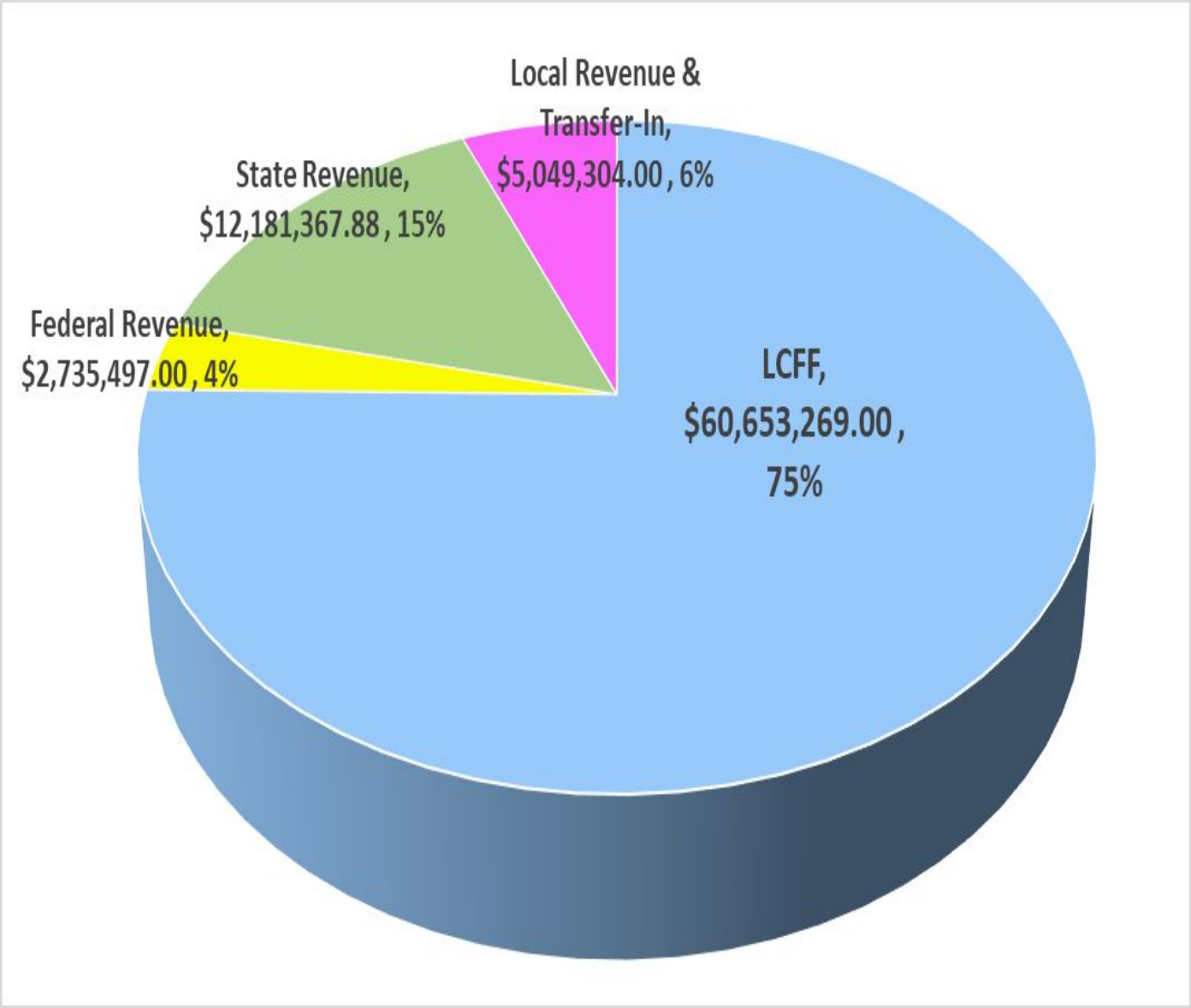
Site/Dept Code	Description
010	All Schools
012	La Mirada
016	Smythe
018	Sunset
020	Willow
022	SYMS
024	OVH
025	VDM
050	Pupil Services
054	SPED
061	Ed Services
062	Personnel

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

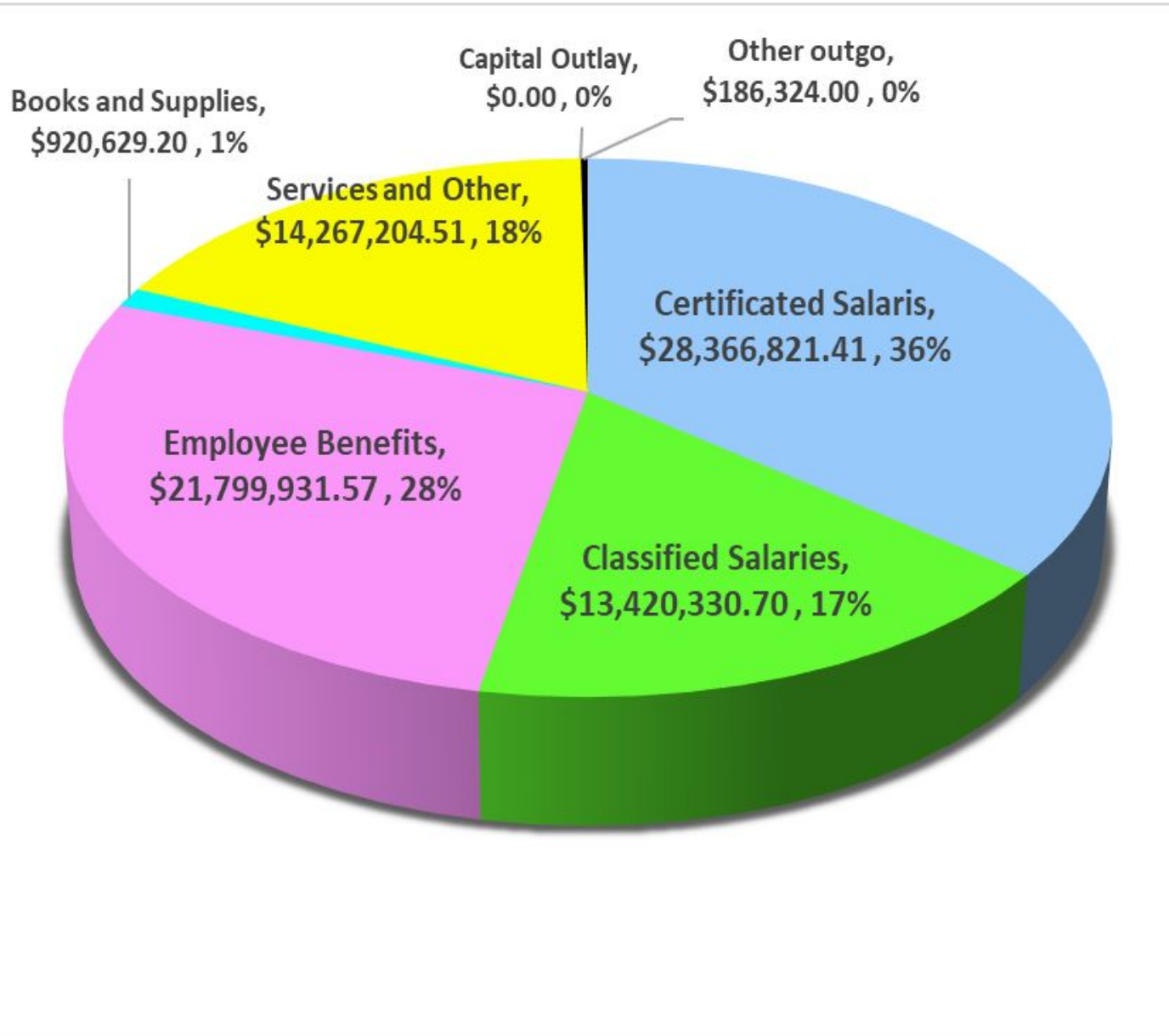
SALARIES & BENEFITS	
5XX	Salaries/Benefits

# 2026-2027 Projected Revenues



LCFF Sources	\$60,653,269
Federal Revenue	\$2,735,497
State Revenue	\$12,181,368
Local Revenue	\$5,049,304
<b>Total Projected Revenue</b>	<b>\$80,619,438</b>

# 2026-2027 Projected Expenditures



Certificated Salaries	\$28,366,821
Classified Salaries	\$13,420,331
Benefits	\$21,799,931
Books and Supplies	\$920,629
Services & Other Operating	\$14,267,205
Capital Outlay	\$0
Other Outgo	\$186,324
<b>Total Projected Expenditures</b>	<b>\$78,961,241</b>

# Multi-Year Projection

<b>2026-2027 Multi-Year Projection</b>			
<b>General Fund Unrestricted ONLY</b>	<b>2026-27</b>	<b>2027-28</b>	<b>2028-29</b>
<b>Projected Beginning Balance</b>	\$114,206	\$2,054,041	\$2,653,215
<b>Projected Revenue</b>	\$48,422,525	\$49,016,669	\$49,908,991
<b>Projected Expense</b>	\$46,482,691	\$48,417,495	\$49,319,253
<b>Net Increase (Decrease) in Fund Balance</b>	\$1,939,834	\$599,174	\$589,738
<b>Projected Ending Fund Balance</b>	\$2,054,041	\$2,653,215	\$3,242,953
<b>Required reserves &amp; assignments</b>	\$100,000	\$202,181	\$743,871
<b>Reserve for Economic Uncertainties (REU)</b>	\$1,954,041	\$2,451,034	\$2,499,082
<b>Required Minimum (REU) 3%</b>	\$2,368,837	\$2,451,034	\$2,499,082
	(\$414,797)		
	Qualified Budget	Positive Budget	Positive Budget
	<i>*Pending TK Enrollment</i>		

# Budget Assumptions

<b>Planning Factor</b>	<b>2026-27</b>	<b>2027-28</b>	<b>2028-29</b>
Funded LCFF COLA	<b>2.87%</b>	3.30%	3.09%
STRS Employer Rates (approximate)	19.10%	19.10%	19.10%
PERS Employer Rates (approximate)	26.40%	26.80%	25.90%
State Unemployment Rate	0.05%	0.05%	0.05%
Lottery – Unrestricted per ADA	\$190	\$190	\$190
Lottery – Restricted Prop 20 per ADA	\$82	\$82	\$82
Mandated Block Grants (K-8)	\$40.41	\$41.74	\$43.03
Routine Restricted Maintenance Account	3%	3%	3%

## 2026-27 Budget Revenue Assumptions

Cost of Living Adjustment (COLA)	<b>2.87%</b>
Lottery	\$190/ADA (Unrestricted) \$82/ADA (Restricted)
Projected Enrollment (Does not include SDC students)	3,808 <b>-70 students or -1.80%</b> <b>Loss of approx \$1M</b>
Estimated Special Education Costs	\$16.7 million
• Federal & State Revenue Sources	\$4.9 million
• 2025-26 General Fund Contribution	\$11.8 million
<i>(Includes LCFF SPED SDC ADA = \$3.8 million)</i>	

# 2026-27 Budget Expenditure Assumptions

Est. Salaries and Benefits: Step/Class/Longevity	2% = \$1.2 million
Est. Statutory Benefits – Certificated Employees	23.59%
Est. Statutory Benefits – Classified Employees	37.50%
With PERS: <i>(includes Social Security, Medicare, Unemployment, Worker’s Compensation)</i>	11.99%
Est. Without PERS	
State Unemployment Insurance increase	0.05%
Projected Increase to Health and Welfare Cap	Cap = \$13,260 \$800,000 (estimated increase) \$6 million (estimated total)
Retired Employees’ Health Benefits Actuarial Liability = \$16.6 million	\$467,461 (estimated) 26-27 pay-as-you-go amount
Substitute Teachers Daily Rate	\$200 per diem
Operating Costs - <i>electric, gas, water, and sewer</i>	\$2.1 million (estimated)
LCFF Routine Restricted Maintenance	3.0% = \$2.35 million
<ul style="list-style-type: none"> <li>● Indirect Costs for Categoricals &amp; District Programs</li> <li>● Nutrition Services</li> <li>● Some Categoricals &amp; Programs</li> </ul>	<p>8.43%</p> <p>6.38%</p> <p>Individual Caps</p>

# 2026-2027 Budget Reduction Plan

(Board Approved 12-11-25 & Revised 1-27-26)

<b>General Fund Estimated Budget Reduction</b>	<b>\$4,800,000</b>
Spending freeze	500,000
Limit Overtime and Extra Hours	200,000
Layoff Vacant Positions - Natural attrition in 2026-2027: hiring freeze	614,760
Shift in Expenditures from General Fund to Restricted funds	1,059,850
Declining Enrollment Layoff Resolutions and/or Special Program Reduction	2,425,390
<b>Total Estimated Budget Reductions</b>	<b>\$4,800,000</b>
<b>Federal Programs Estimated Budget Reduction (unknown as of 01-27-26)</b>	<b>Estimated Loss</b>
Layoff resolutions due to potential loss/reduction in federal funding	\$908,300
<b>Total Potential Loss in Federal Funding</b>	<b>\$908,300</b>
<b>Child Development Fund Estimated Budget Reduction</b>	
Temporary Release and Layoff resolutions due to reduction in funding	\$546,700
<b>Child Nutrition Services Estimated Budget Reduction</b>	
Layoff resolution due to potential loss/reduction in funding	\$360,000

# 2027-2028 Proposed Budget Development Timeline

<p><b>JULY/AUGUST</b></p> <ul style="list-style-type: none"> <li>• 45 Day Budget Revision</li> </ul> <p><b>SEPTEMBER</b></p> <ul style="list-style-type: none"> <li>• 25-26 Unaudited Actuals</li> </ul>	<p><b>DECEMBER</b></p> <ul style="list-style-type: none"> <li>•FY26-27 First Interim Budget Report</li> <li>•Adopt FY27-28 Budget Reduction Plan</li> </ul>	<p><b>JANUARY</b></p> <ul style="list-style-type: none"> <li>•Governor’s State Proposed Budget</li> <li>•Board Workshop</li> <li>•Seniority Lists</li> <li>•P-1 Attendance</li> </ul>
<p><b>FEBRUARY</b></p> <ul style="list-style-type: none"> <li>• FY27-28 Projected Enrollment &amp; Staffing</li> <li>• Possible Certificated &amp; Classified Layoff Resolutions - Part 1</li> </ul>	<p><b>MARCH</b></p> <ul style="list-style-type: none"> <li>•Possible Certificated &amp; Classified Layoff Resolutions - Part 2 (optional)</li> <li>•26-27 Second Interim Budget Report</li> </ul>	<p><b>APRIL</b></p> <ul style="list-style-type: none"> <li>•P-2 Attendance</li> <li>•April/May Final Layoff Resolutions</li> </ul>
<p><b>MAY</b></p> <ul style="list-style-type: none"> <li>•LCAP Annual Review Public Hearing</li> <li>•Governor’s May Revise State Budget</li> </ul>	<p><b>JUNE</b></p> <ul style="list-style-type: none"> <li>•Public Hearings: 27-28 Proposed Budget &amp; Proposed LCAP</li> <li>•FY 27-28 Adopted Budget</li> </ul>	<p><b>JULY</b></p> <ul style="list-style-type: none"> <li>•FY 27-28 Adopted Budget due to SDCOE</li> <li>•Annual Attendance Report</li> </ul>

# Governor's State May Revise Budget

2026-2027

*\*Information does not include the Assembly Proposed Budget*

*\*Senate Proposed State Budget Not Yet Released*

*\*Final State Budget Not Yet Adopted*

# Common Message

Business and Administration Services Committee  
Guidance Regarding Governor's May Revise State Budget

- 1) Statewide LEA's only allowed to include a 2.87% COLA in Proposed 2026-2027 District Budgets
- 2) Districts will bring a 45 Day Budget Revision to Board after the State Budget is adopted

# State May Revise Budget

- ❖ 2025–2026 does not include the full Prop 98 level of \$125.1 billion.
  - The May Revision proposes providing \$121.2 billion for Prop 98.
  - Difference of \$3.9 billion, known as a “settle up”
- ❖ Proposition 98 Rainy Day Fund
  - Mandatory deposit totaling \$8.7 billion along with a discretionary deposit of \$1.6 billion

# State May Revise Budget

- ❖ **COLA 2.87%**
  - + 1.44% (paid pregnancy disability leave) = 4.31%
- ❖ Increase in the Special Education base rate
  - New statewide base rate = \$1,340 per ADA for SELPAs

# Federal Fiscal and Policy Landscape and Public Education

- In April, the Trump Administration released its full budget proposal for federal FY 2027, once again proposing significant fiscal and program oversight changes



## Increase

- IDEA State Grants
- IDEA Infant Grants
- Impact Aid
- Indian Education



## Maintain

- Title I
- Charter Schools
- Career Technical Education State Grants



## Eliminate or Block Grant (Partial List)

- IDEA Preschool
- IDEA National Activities
- Supporting Effective Instruction State Grants (Title II-A)
- Student Support and Academic Enrichment Grants (Title IV-A)
- 21st Century Community Learning Centers
- State Assessments
- Rural Education Achievement Program
- School Safety National Activities
- Comprehensive Literacy State Development
- Education for Homeless Children and Youth
- English Language Acquisition (Title III)
- Migrant Education
- Education Innovation and Research
- Full-Service Community Schools

# Potential Federal Education Funding Reductions

Federal Program Title	Resource Code	Projected Budget
*National School Lunch Program: Community Eligibility Program (CEP)	5310	\$2.4M
*Education for Homeless Children and Youth	5630	\$78K
*Title I	3010	\$1.3M
*Title II	4035	\$160K
*Title III	4203	\$300K
*Title IV	4127	\$100K
*IDEA Special Education Preschool <i>Current Special Education Preschool Costs - <b>approx \$1M</b></i> <i>District transitioning to Transitional Kindergarten</i>	3315	\$56K

**\*Federal education funding reduction/elimination is unknown at this time.**

# CHILD NUTRITION PROGRAM 2026-27 Federal Changes

## *Possible Shift from Community Eligibility Program (CEP) to Free/Reduced Meal Application*

- Revenue Loss Approx. \$360,000
- Approx. **30% of students** not eligible for F/R meals
- Reduction in staffing & reduction in work hours

# 2026–2027 Adopted Budget Commitment

## Discretionary Block Grant

- ❖ \$2.8B – January Proposed State Budget
- ❖ \$5B – Governor’s May Revise State Budget
- ❖ TBD – Final State Adopted Budget

Estimated SYSD  
Allocation

*One time funding not recommended by CDE,  
FCMAT, & SDCOE for ongoing employee costs.*

\$1.9M – \$3.3M

## 2026-27 Budget Commitments (Pending Board Action Item: July 2026)

- ❖ Restore the District’s Reserve: \$1.5M – \$1.79M
- ❖ Child Nutrition Meals (Potential CEP Elimination): \$360K
- ❖ Declining Enrollment: \$350K
- ❖ Instructional Materials Adoption: \$400K – \$800K

**Thank You!**