

BUDGET STUDY SESSION

May 1, 2025

Michael Simonson

Deputy Superintendent, Chief Business Officer

Agenda

- Board Goals
- Highlights
- 2024-25 Estimated Actuals
- County Office Funding, LCFF
- 2025-26 Budget Assumptions
- 2025-26 Federal Revenue
- 2025-26 Recommended Budget
- County School Service Fund
- Timelines

San Diego County Board Goals

1. Connect the educational experience to the world of work, to guarantee all students graduate prepared for college, career, and beyond
2. Provide educational opportunities and supports to SDCOE schools and school districts so that all students, including our historically underserved students, are successful
3. Become the leader and model for innovation, so that SDCOE scales, supports, and develops new opportunities for our schools, districts, and students
4. Maximize human and operational resources to strengthen the organizational culture of SDCOE

Highlights



2,000
CAMP CUYAMACA

Invested in additional outdoor ed permanent positions allowing for up to an additional 2000 kids per year to attend camp Cuyamaca



62
EARLY RETIREMENT INCENTIVE

62 staff members took advantage of the early retirement incentive offered this year




SDCOE
MOUNTAIN EMPIRE

Utilized SDCOE resources to support Mountain Empire's successful appeal for facility hardship funding



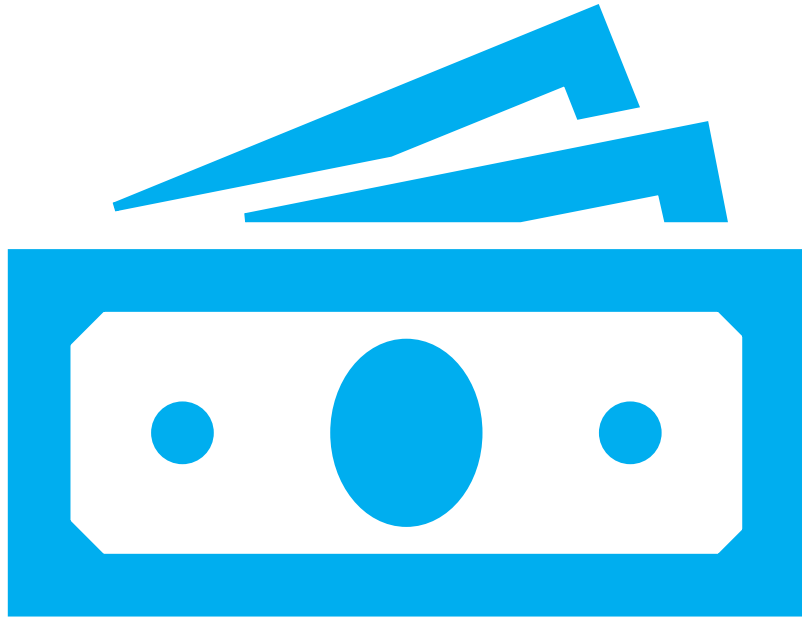
LVIC
10,000 STUDENTS/YEAR

Invested in additional learning opportunities at the LVIC, doubling annual student participation to 10,000 student per year



\$98,900
TUITION REIMBURSEMENT

Our Classified Employee Teacher Recruitment grant provided \$98,900 in tuition reimbursement this year to 46 current and former classified employees seeking their education specialist credentials



2024-25
Estimated Actuals

2024-25 Estimated Actuals Unrestricted General Fund Revenue Adjustments

- Revenues – Increased by \$1.750M
 - Other Sources increased by \$850K
 - Contracts and Local Revenues increased by \$444K
 - Income-driven accounts increased by \$354K
 - Contributions increased by \$239K
 - Differentiated Assistance decreased \$100K
 - Other State decreased by \$36K

2024-25 Estimated Actuals Unrestricted General Fund Expenditure Adjustments

- Expenditures – Decreased by \$7.977M
 - UGF Salaries and Benefits decreased by \$5.841M
 - Services and other UGF Adjustments decreased by \$1.718M
 - Indirect decreased by \$1.000M
 - Income Driven increased by \$503K
 - Differentiated Assistance increased by \$80K
- Deficit Spending – Decreased from a deficit of \$9.604M to a surplus of \$123K



County Office Funding LCFF

SACS Form 01

San Diego County Office of Education
San Diego County

2024-25 Second Interim
County School Service Fund
Unrestricted (Resources 0000-1999)
Revenues, Expenditures, and Changes in Fund Balance

37 10371 0000000
Form 011
F82SRN1P5D(2024-25)

Description	Resource Codes	Object Codes	Original Budget (A)	Board Approved Operating Budget (B)	Actuals To Date (C)	Projected Year Totals (D)	Difference (Col B & D) (E)	% Diff Column B & D (F)
A. REVENUES								
1) LCFF Sources		8010-8099	150,235,113.00	155,474,209.00	84,607,290.18	155,474,209.00	0.00	0.0%
2) Federal Revenue		8100-8299	1,700.00	1,704.00	3.94	1,704.00	0.00	0.0%
3) Other State Revenue		8300-8599	1,018,665.00	1,038,217.00	734,731.67	1,038,217.00	0.00	0.0%
4) Other Local Revenue		8600-8799	25,060,288.00	40,691,184.00	20,140,791.76	40,691,184.00	0.00	0.0%
5) TOTAL, REVENUES			176,315,766.00	197,205,314.00	105,482,817.55	197,205,314.00		
B. EXPENDITURES								
1) Certificated Salaries		1000-1999	37,288,187.00	39,835,966.00	21,790,521.26	39,835,966.00	0.00	0.0%
2) Classified Salaries		2000-2999	52,434,661.00	55,898,545.00	31,308,172.81	55,898,545.00	0.00	0.0%
3) Employee Benefits		3000-3999	44,046,265.00	45,183,370.00	23,938,563.38	45,183,370.00	0.00	0.0%
4) Books and Supplies		4000-4999	2,846,169.00	3,350,152.00	1,343,707.86	3,350,152.00	0.00	0.0%
5) Services and Other Operating Expenditures		5000-5999	20,446,869.00	23,772,518.00	8,138,225.91	23,772,518.00	0.00	0.0%
6) Capital Outlay		6000-6999	291,000.00	346,646.00	90,369.07	346,646.00	0.00	0.0%
7) Other Outgo (excluding Transfers of Indirect Costs)		7100-7299 7400-7499	32,378,301.00	36,341,614.00	4,042,912.65	36,341,614.00	0.00	0.0%
8) Other Outgo - Transfers of Indirect Costs		7300-7399	1,033,239.00	(5,076,043.00)	(3,402,568.36)	(5,076,043.00)	0.00	0.0%
9) TOTAL, EXPENDITURES			190,764,691.00	199,652,768.00	87,249,904.58	199,652,768.00		

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San Diego County

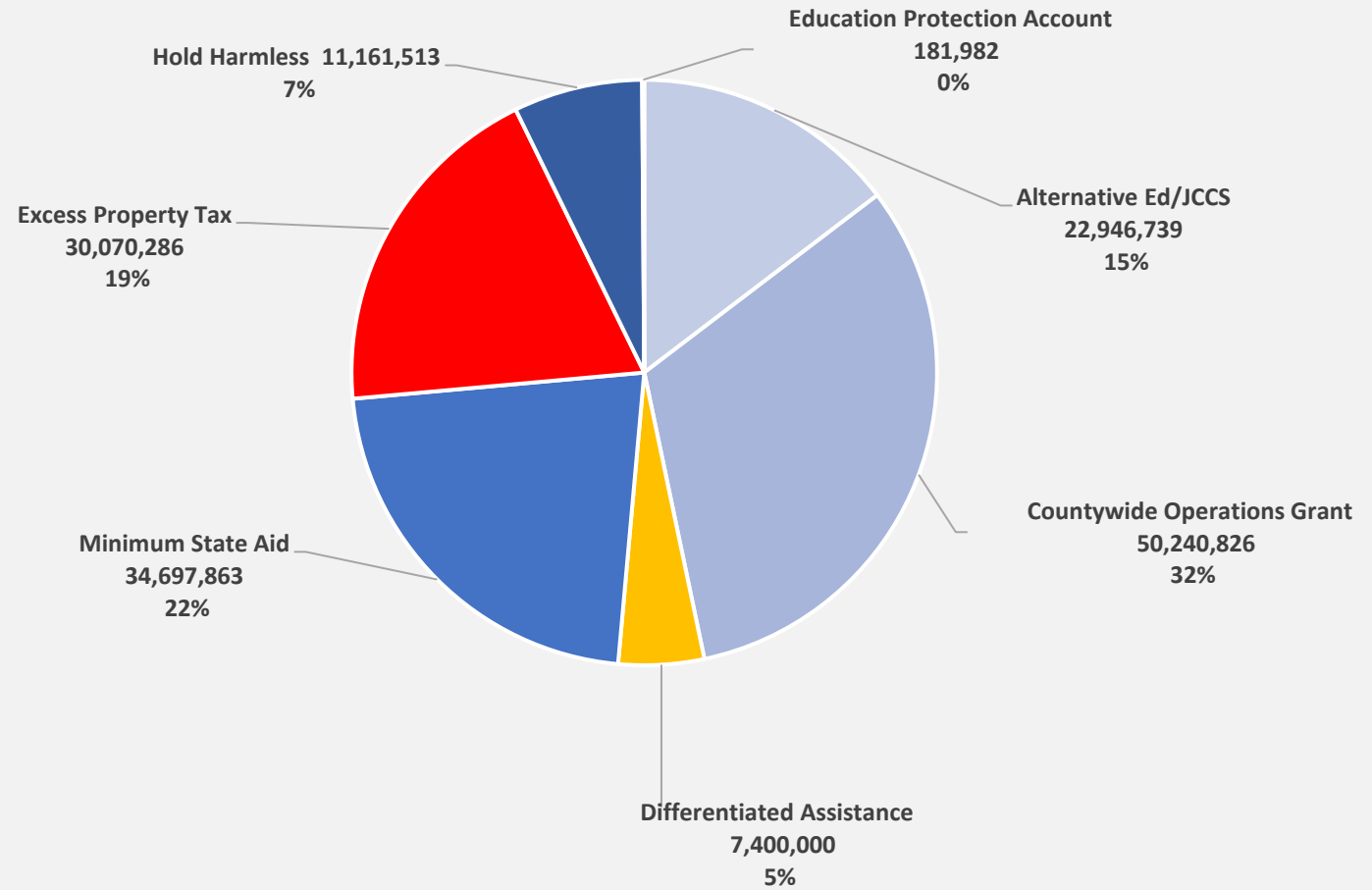
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LCFF Pieces of the Pie

Components of LCFF Funding



Funding components include \$1.225M Deferred Maintenance transfer. When deducted, LCFF total funding is \$155,474,209.

Local Control Funding Formula for County Offices

Student Programs



**Per Student
Base Amount**



**Supplemental/Concentration
Demographic:**

- Low-Income
- English Learner
- Foster Youth



County Office Operations



Per County

\$902,903



Per District

\$359,408

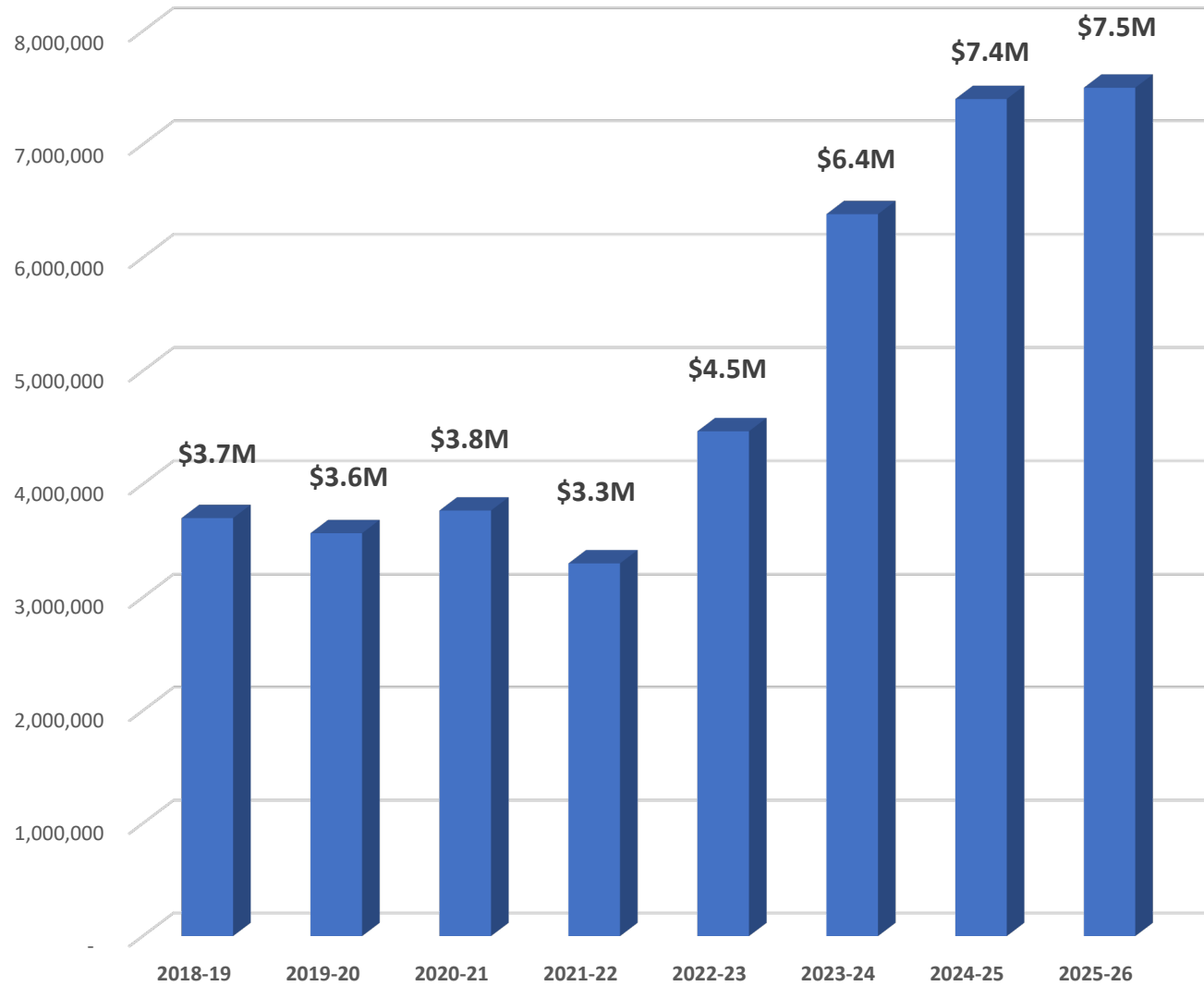


County ADA

\$92.43

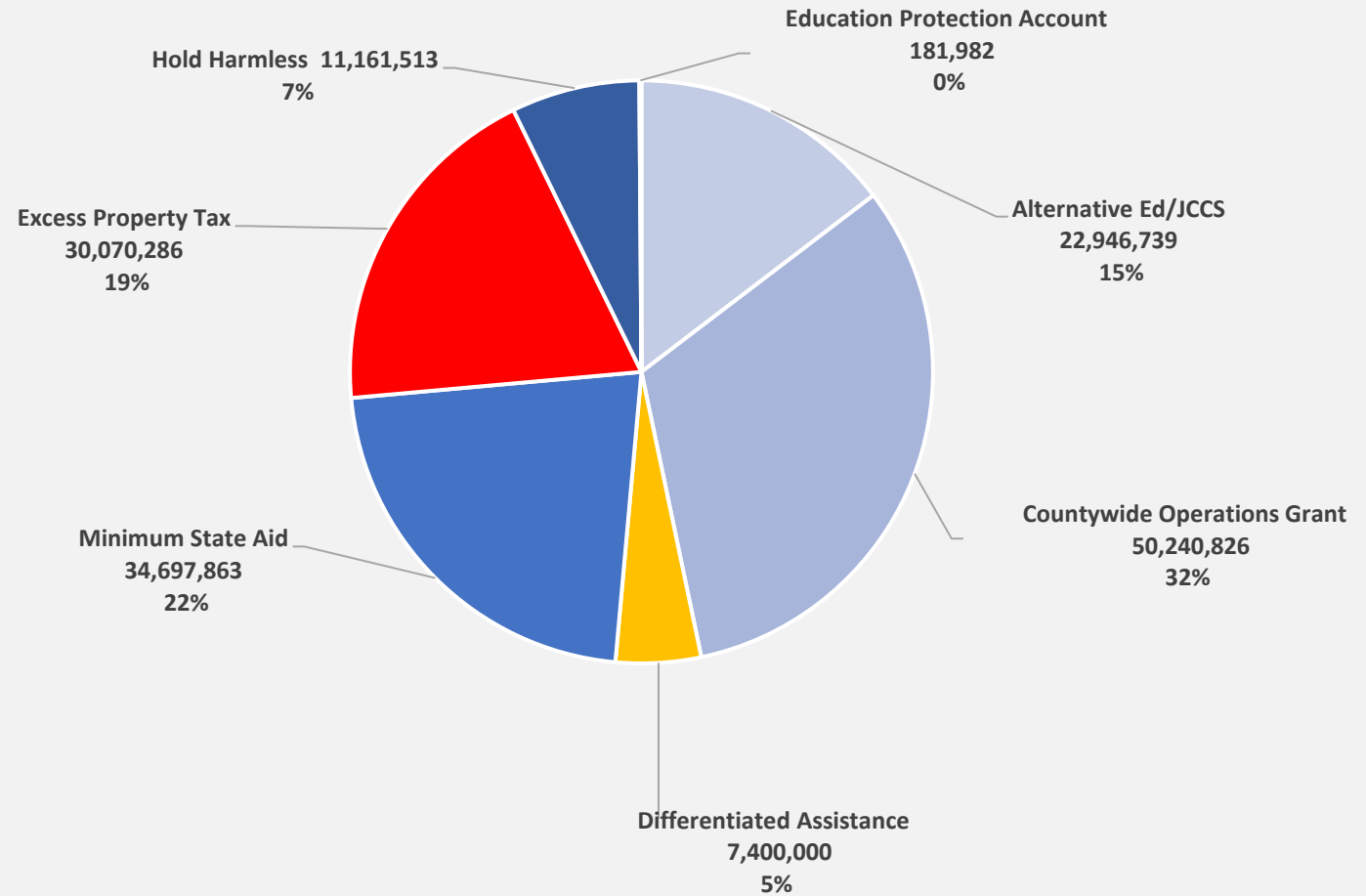
Components of the LCFF

- **Differentiated Assistance** – funding amount based on the number of districts and charters who qualify for targeted assistance
- **Hold Harmless** – difference between the LCFF formula and the floor funding level set in 2013
- **Excess Property Taxes** – property tax in excess of the hold harmless that is returned to the county/state
- **Minimum State Aid** – fixed amount of categorical program funding from 2012



Differentiated Assistance

Components of LCFF Funding



LCFF Pieces of the Pie

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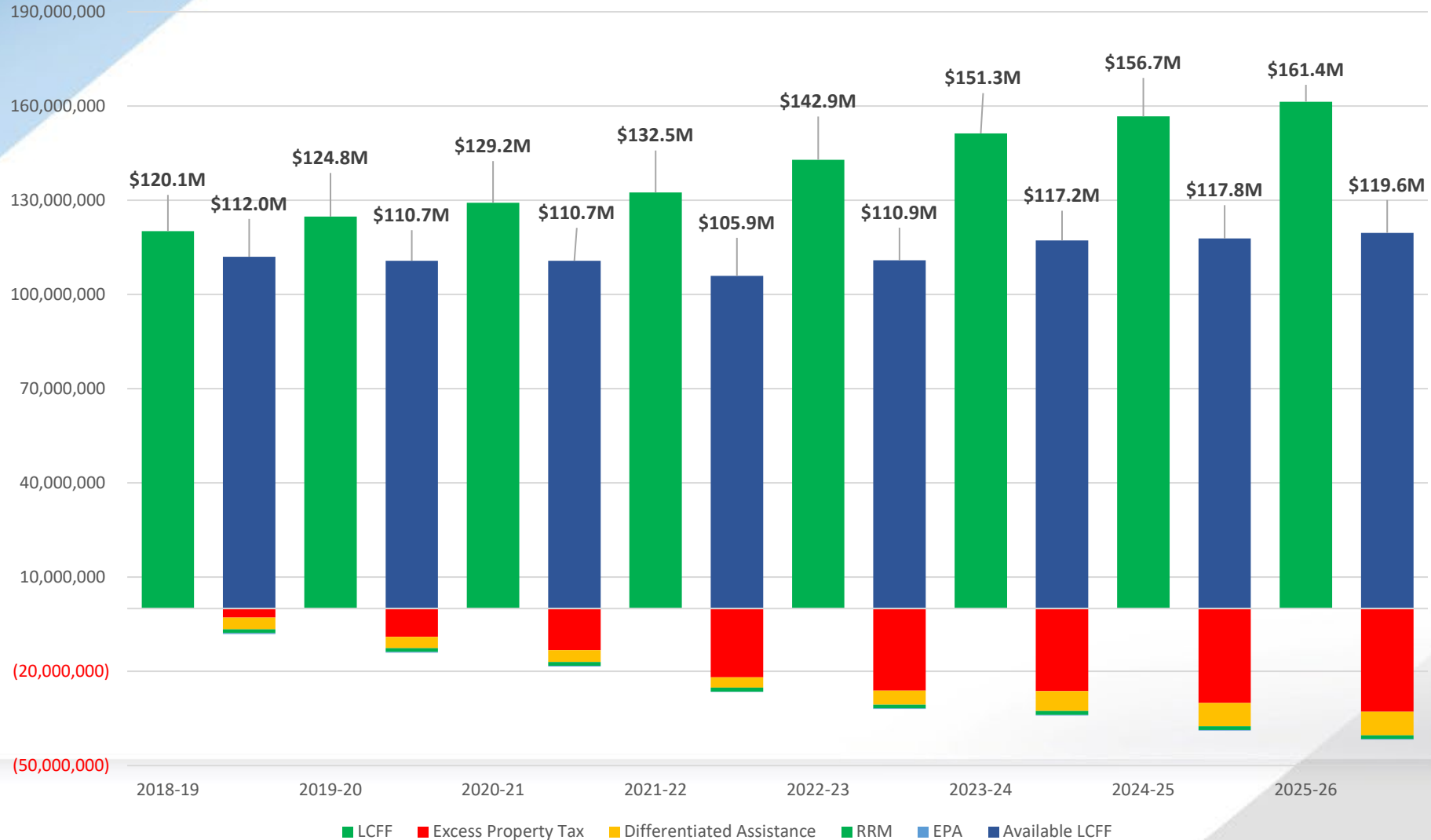
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Available LCFF Funding

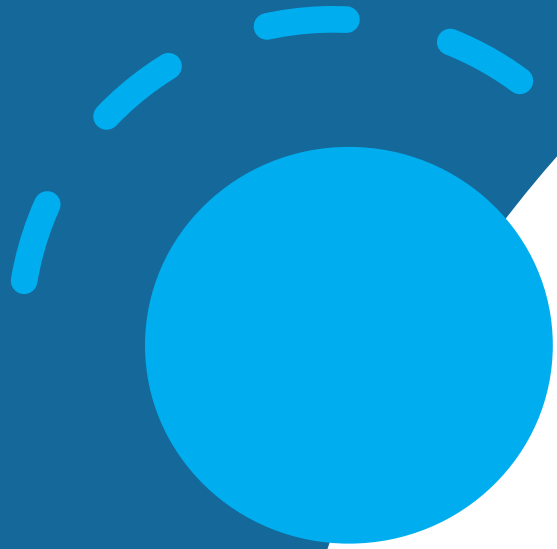


How is COLA Calculated?

- $\%COLA \times Target = \$\$\$$
- SDCOE Funded on Floor
- Floor + MSA = Total Funding
- $\$\$\$/Total\ Funding = Effective\ COLA$

2025/26 – Example

- $2.43\% \times \$75.1M = \$1.8M$
- Floor = \$86.2M
- $\$86.2M + \$34.7M = \$120.9M$
- $\$1.8M/\$120.9M = 1.49\%$

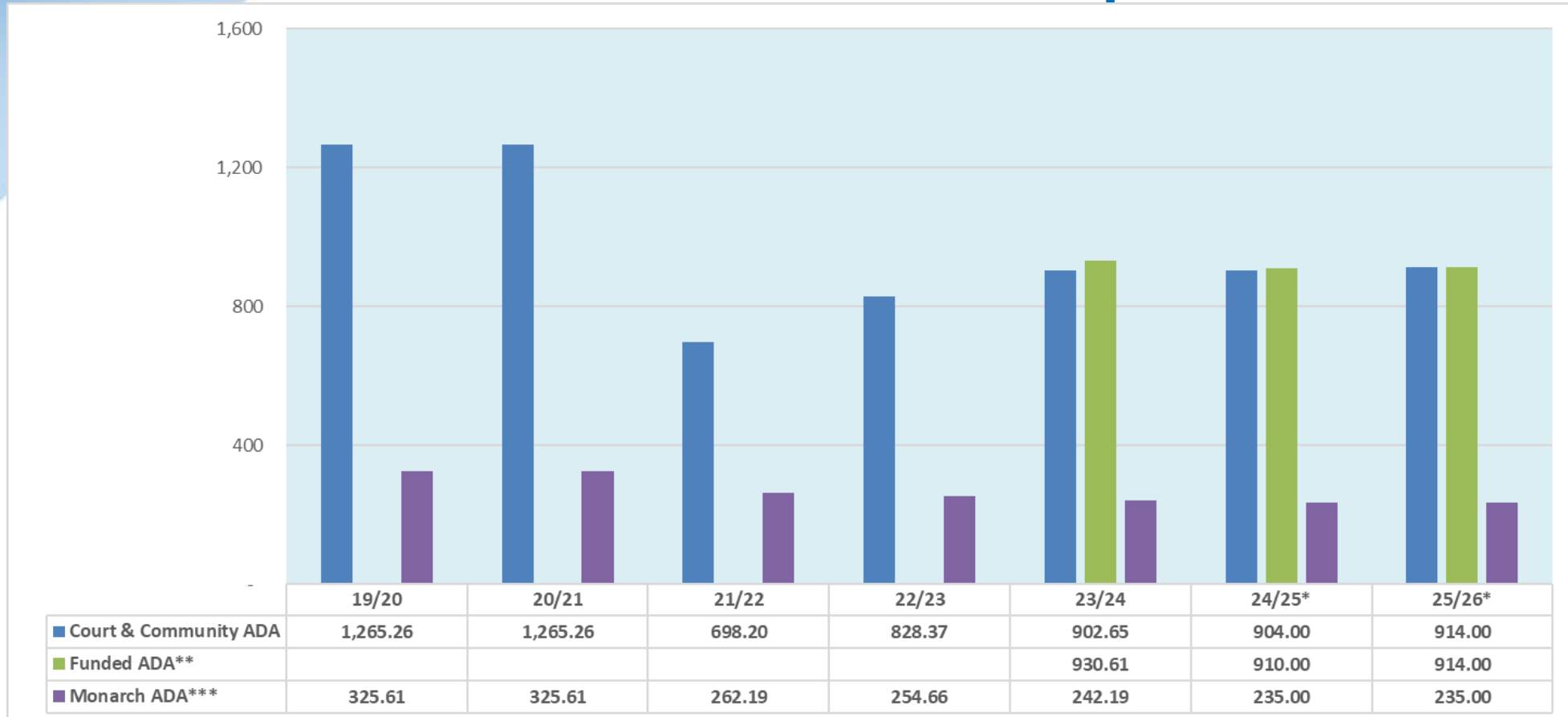


Assumptions for Development of 2025-26 Budget

2025-26 Assumptions – Revenues

- LCFF
 - Hold harmless at 2012-13 level – adjusted for ADA and a share of the COLA (started in 22/23)
 - JCCS Funded ADA budgeted at 914
 - Monarch District Transfer ADA budgeted at 235
- Education Protection Account - \$200 per budgeted ADA
- Deferred Maintenance allocation of \$1.225M transferred to Fund 14

JCCS Seven-Year ADA Comparison



*2024-25 and 2025-26 Projected Annual ADA

**Funded ADA-Effective 2023-24, calculated based on greater of current year, prior year, or prior 3-year average

***Monarch ADA-Effective 2019-20 Part of District Transfer

2025-26 Assumptions – Revenues

- Lottery - \$191 per prior year ADA
- Lottery/Prop. 20 - \$82 per prior year ADA
- Flat funding for most federal/categorical programs
- Mandated Block Grant revenue budgeted
- Special Education funding includes 2.43 percent COLA
- Grants and contracts based on estimated entitlements and many include estimated carryover

2025-26 Assumptions – Revenues

- Interest budgeted at \$6.0M
- Income-drivers based on current projections
- Fee schedule increase – 2.43% for most programs with other selected increases
- Includes 2.43% COLA on Target calculation

2025-26 Assumptions – Expenditures


- Salaries adjusted for step advances
- Newly requested positions budgeted
 - Decrease of 12.4507 FTEs across all programs
- Statutory benefits at actual rates for 2025-26 except Workers' Compensation
 - Adjustment for the actual rate will be incorporated in the First Interim
- First retirement incentive payment budgeted

2025-26 Assumptions – Expenditures

- CalSTRS ER rate to remain at 19.10%
- CalPERS ER rate increase from 27.06% to 27.57% = 1.88% increase
 - approximately \$414K across all funds
- Health and Welfare increased 1.68% for half a year
 - approximately \$925K across all funds

2025-26 Assumptions – Transfers

- Excess Property Tax Transfer
 - \$32.841M
- Retirement Incentive
 - \$1.253M
- Deferred Maintenance
 - \$1.225M
- Redevelopment
 - \$250K
- SERP
 - \$20.0K



2025-26 Federal Revenue

SDCOE Major Federal Programs

- Migrant Education
- Title I, II, III, IV
- IDEA Special Education, including:
 - Local Assistance
 - Mental Health
 - Preschool
 - Alternative Dispute Resolution
- Child Nutrition
- Child Care and Development
- 21st Century Community Learning Centers
- Homeless Children and Youth
- Medi-Cal

Migrant Education

District Pass Thru Revenue	\$	1,006,200
SDCOE Revenue		<u>5,249,694</u>
Total Revenue	\$	6,255,894

Total FTEs 27.78

Title I, II, III & IV

District Pass Thru Revenue	\$	119,000
SDCOE Revenue		<u>4,954,645</u>
Total Revenue	\$	5,073,645

Total FTEs 18.77

Special Education

District Pass Thru Revenue	\$ 67,547,539
SDCOE Revenue	<u>728,867</u>
Total Revenue	\$ 68,276,406

Total FTEs 3.23

Child Nutrition

District Pass Thru Revenue	\$ 470,000
SDCOE Revenue	<u>30,000</u>
Total Revenue	\$ 500,000

Total FTEs 0.00

Child Care & Development

District Pass Thru Revenue	\$	610,817
SDCOE Revenue		<u>1,499,502</u>
Total Revenue	\$	2,110,319

Total FTEs 5.80

21st Century Community Learning Centers

District Pass Thru Revenue	\$	7,596,464
SDCOE Revenue		<u>1,042,135</u>
Total Revenue	\$	8,638,599

Total FTEs 3.31

Homeless Children & Youth

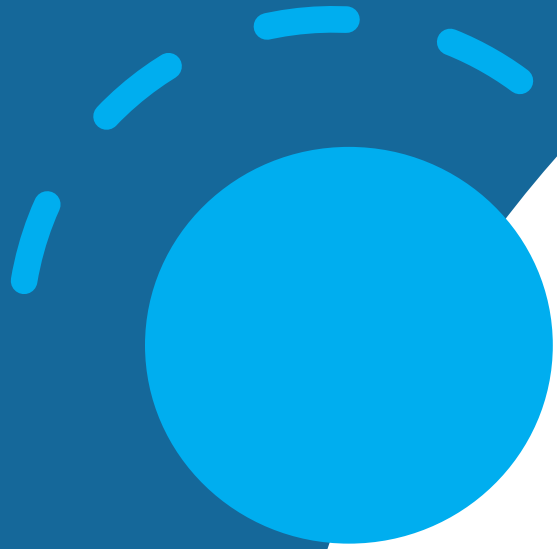
District Pass Thru Revenue	\$	248,709
SDCOE Revenue		<u>599,276</u>
Total Revenue	\$	847,985

Total FTEs 2.30

Medi-Cal

District Pass Thru Revenue	\$	0
SDCOE Revenue		<u>625,000</u>
Total Revenue	\$	625,000

Total FTEs 1.30



2025-26 Recommended Budget

SDCOE Budgets

County School Service Fund – General Fund

Unrestricted GF

General Operating
Income-Drivens

Restricted GF

Special Education Operating
Special Education SELPA Budgets
Grants and Other Restricted Programs

SDCOE Budgets

Other Funds

Associated Student Body

Special Education Pass-Through

Child Development

Deferred Maintenance

Forest Reserve

Other Post-Employment Benefits

Post-Retirement Benefits

Redevelopment

Special Reserve - Capital Improvements

State School Facilities

JPA Trust Funds

SDCOE 2025-26 Revenue Budgets (Millions)

General Fund – CSSF

General Operating	\$ 172.52
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Income-Drivens	22.83
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Special Education Operating	18.96
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Special Education SELPA Budgets	32.47
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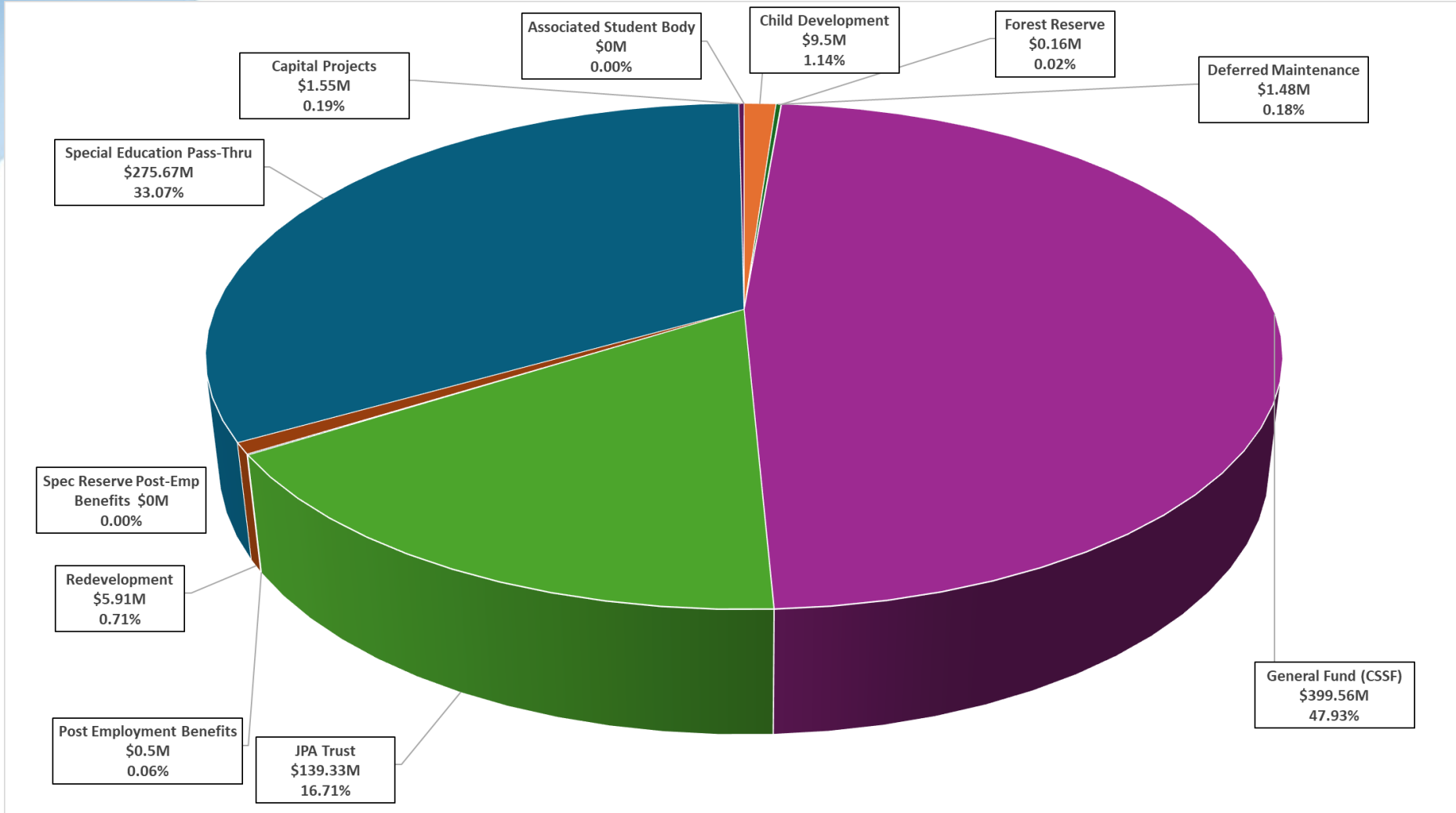
Restricted Programs	152.78
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Total General Fund	\$ 399.56
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Other Funds	434.11
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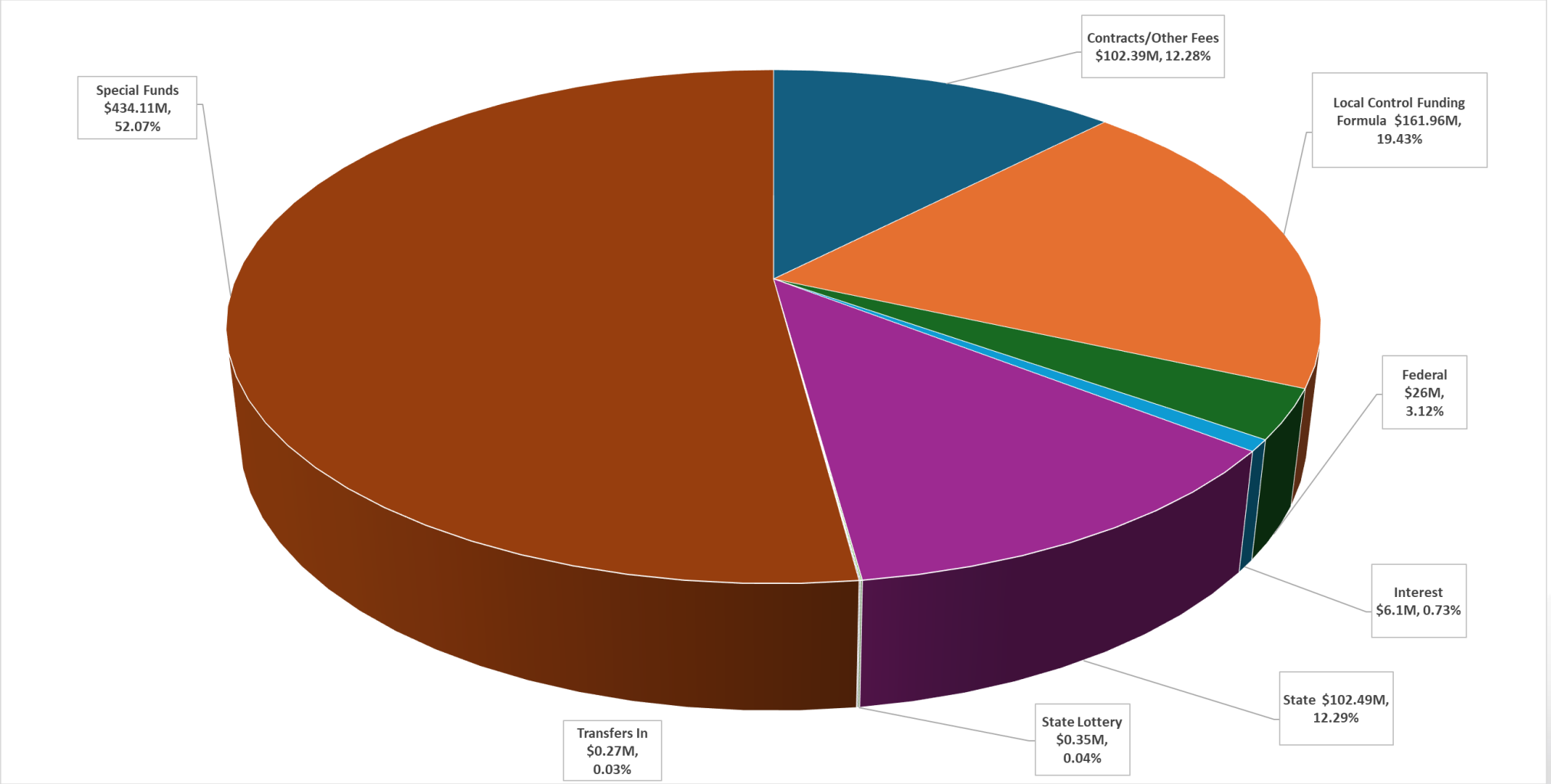
Total All Funds	\$ 833.67
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2025-26 Revenue Budgets By Fund



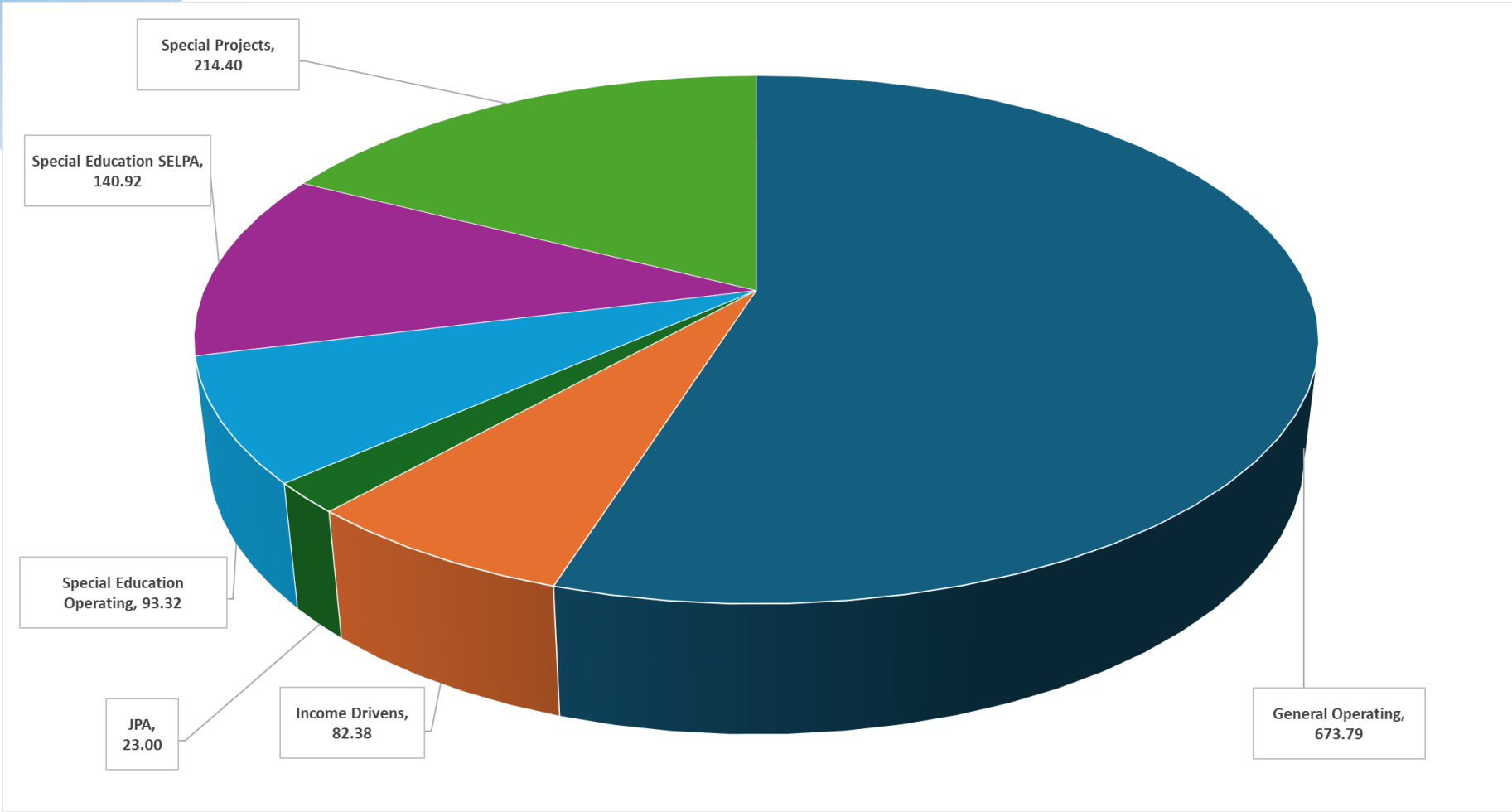
All Funds = \$833,663,646

Where Do We Get Our Money?



All Funds = \$833,663,646

2025-26 Budgeted Positions – All Funds



Total Positions All Funds = 1,227.80 FTE

*Includes Former Categorical Flexibility and JCCS positions



County School Service Fund

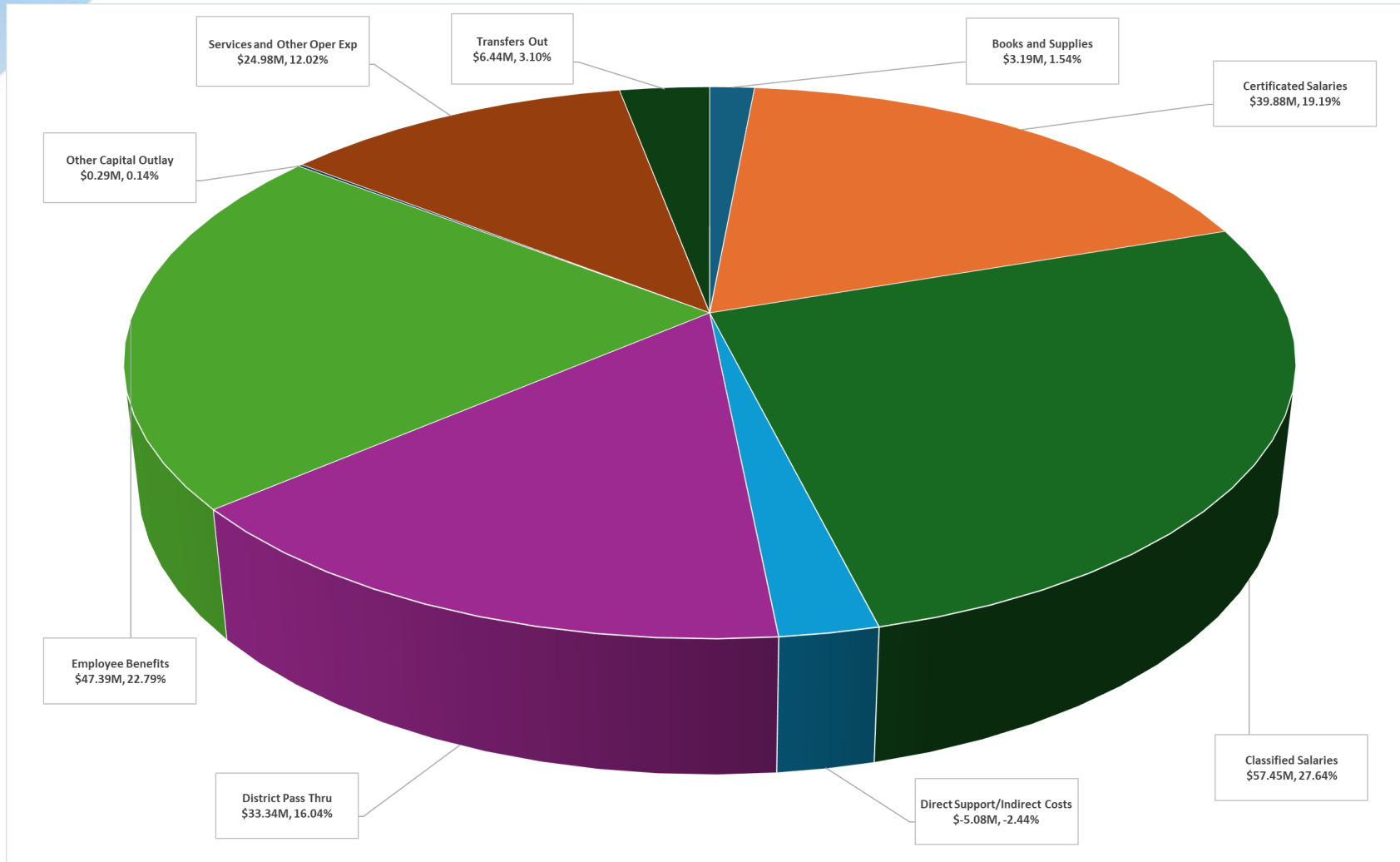
Unrestricted and Restricted

CSSF – General Operating* Unrestricted Revenues

Local Control Funding Formula	\$ 160,151,801
Revenue Contracts/Fees	960,110
Lottery	246,514
Interest	6,097,000
Federal Other	1,700
State Other	770,885
Local	12,145,427
Contributions	
Routine Restricted	(6,236,332)
Restricted Programs	<u>(1,620,131)</u>
Total	\$ 172,516,973

*Does not include Income Drivens

CSSF Unrestricted 2025-26 Expenditures



Unrestricted General Fund Expenses = \$207,877,732



2024-25 Estimated Actuals and 2025-26 Budget Unrestricted General Fund



Unrestricted General Fund	2024-25 Second Interim Budget Board Approved 3/12/25	2024-25 Estimated Actuals 5/14/25	Change from Second Interim to Estimated Actuals	2025-26 Budget Board Action 6/11/25
Revenue	\$ 190,052,616	\$ 191,802,737	\$ 1,750,121	\$ 195,346,993
Expenditures	199,656,744	191,679,802	(7,976,942)	207,877,732
Surplus/(Deficit)	(9,604,128)	122,935	9,727,063	(12,530,739)
Surplus/(Deficit) by Program				
General Operating	(6,149,607)	3,726,521	9,876,128	(10,960,249)
Income-Drivens	(3,454,521)	(3,603,586)	(149,065)	(1,570,490)
JCCS Funded ADA	910	910	0	914

Restricted General Fund	2024-25 Second Interim Budget Board Approved 3/12/25	2024-25 Estimated Actuals 5/14/25	Change from Second Interim to Estimated Actuals	2025-26 Budget Board Action 6/11/25
Revenue	\$ 259,638,519	\$ 266,762,278	\$ 7,123,759	\$ 204,209,347
Expenditures	261,705,307	266,903,436	5,198,129	203,671,564
Surplus/(Deficit)	(2,066,788)	(141,158)	1,925,630	537,783

2025-26 Budgeted Ending Balances

General Operating		\$ 83,175,149
Income-Drivens		59,622,860
Restricted Funds		51,578,654
Special Education	14,369,757	
Restricted Programs	37,208,897	
Special Reserve Funds		94,821,393
Other Funds		<u>173,329,124</u>
Total All Funds		\$ 462,527,180



Budget and LCAP Timeline

SDCOE Budget/ LCAP Timeline

March – April: LCAP Advisory Councils

- District Parent Advisory Council
- English Language Advisory Council

May 1: Special Board Study Session

- 2025-26 Recommended Budget

May 14: Public Hearings

- 2025-27 LCAP Annual Update
- 2025-26 Recommended Budget

June 11: Board Adopts

- 2025-27 LCAP Annual Update
- 2025-26 SDCOE Budget