

# California State Teachers' Retirement System (CalSTRS)

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## Analysis of School Districts' Pension Costs and Liabilities in San Diego County

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## Acknowledgements

The San Diego County Taxpayers Association would like to thank staff at each of the school districts in San Diego County for their assistance as well as staff at the California State Teachers' Retirement System (CalSTRS). Without their help, this study would not have been possible.

## Forward

When discussing the California State Teachers' Retirement System (CalSTRS), it is impossible to avoid technical terms. For this reason, we have outlined three basic terms that are critical to understand before proceeding.

The **Defined Benefit (DB) Program** under CalSTRS is a pension plan that specifies (defines) the benefit that an employee will receive at retirement. This benefit is calculated using a retirement formula that takes into account the employee's years of service, their age at retirement and the final compensation they received. An actuary calculates the yearly contributions made into this plan by the employee and employer prior to the employee's retirement. This plan promises a specific benefit to retirees for life—regardless of investment returns.

The **Defined Benefit Supplement (DBS) Program** is a program which provides additional savings in the form of an individual cash retirement account to CalSTRS members. Established in January 1, 2000 when CalSTRS was fully funded, the DBS program was initially funded through two of the eight percent employees contributed annually of payroll to CalSTRS, meaning that a quarter of all employee contributions to the DB Program were being diverted to the DBS program. This method of funding the DBS program was discontinued as of December 31, 2010 and CalSTRS members now only receive additional cash savings through "extra pay assignments" (or **additional duties**) and interest earned on their individual accounts. Interest rates are set annually by the CalSTRS retirement board.

The **Supplemental Benefit Maintenance Account (SBMA)** is a reserve account that receives an annual amount currently equal to 2.250 percent of members' payroll from the state to keep the pensions of CalSTRS retirees from falling below 80 to 85 percent of their original purchasing power. This is determined using the consumer price index (CPI) and is based on the members' first retirement check. Once the purchasing power of the benefit falls below 80 to 85 percent of the original amount, the SBMA kicks in and makes up for the decrease in purchasing power. The SBMA is separate from the DB and DBS Programs and is not guaranteed by the state.<sup>1</sup> However, the California Legislature, in recognizing that CalSTRS' yearly benefit adjustments of two percent to protect against inflation is insufficient, has appropriated money from the State General Fund to the SBMA since 1990.<sup>2</sup>

**Note:** It is assumed that the reader has a basic understanding of public pensions. It is recommended that those not familiar with public pensions and CalSTRS review the **Glossary of Terms** located on page 22.

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<sup>1</sup> Interview with Ricardo at CalSTRS

<sup>2</sup> California Legislative Analyst's Office. "[Analysis of the 2007-08 Budget Bill: General Government.](#)"

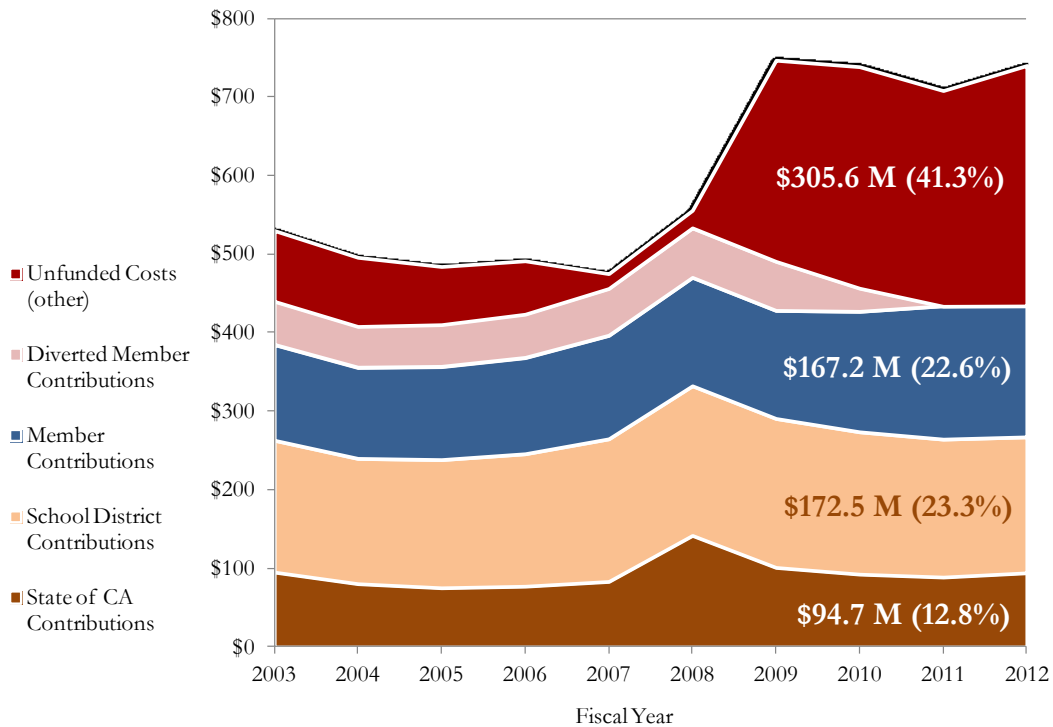
## Executive Summary

The California State Teachers' Retirement System (CalSTRS) is a pension system in the state of California set up in 1913 to provide retirement benefits to teachers and other designated district employees ("members") who have worked at the elementary, middle, high school and community college levels. By law, members must contribute eight percent of their salary to be eligible for these retirement benefits. In addition, the district contributes 8.25 percent of payroll and the state currently contributes an amount equal to 5.041 percent of members' payroll into the CalSTRS system.

Since 2003, pension actuaries have warned that CalSTRS' contribution rates have been insufficient to fully fund retirement obligations. Insufficient funding is the result of total contribution rates by employees, employers and the state consistently hovering around 19 percent, despite a required annual contribution rate of at least 34 percent to **amortize** the unfunded **actuarial obligation** over a 30-year period.<sup>3</sup> The result has been a continuous rise in the unfunded liability for CalSTRS to its current level of \$71.0 billion.

District and state contributions have not kept up with annual obligations for CalSTRS. The unfunded portion of annual costs has increased substantially in recent years. For districts in San Diego County alone, 41.3 percent of annual costs (\$305.6 million) were not funded in FY 2012.

Figure 1: Annual San Diego County Districts' Funding of CalSTRS Defined Benefit Program (millions of dollars)



Note:

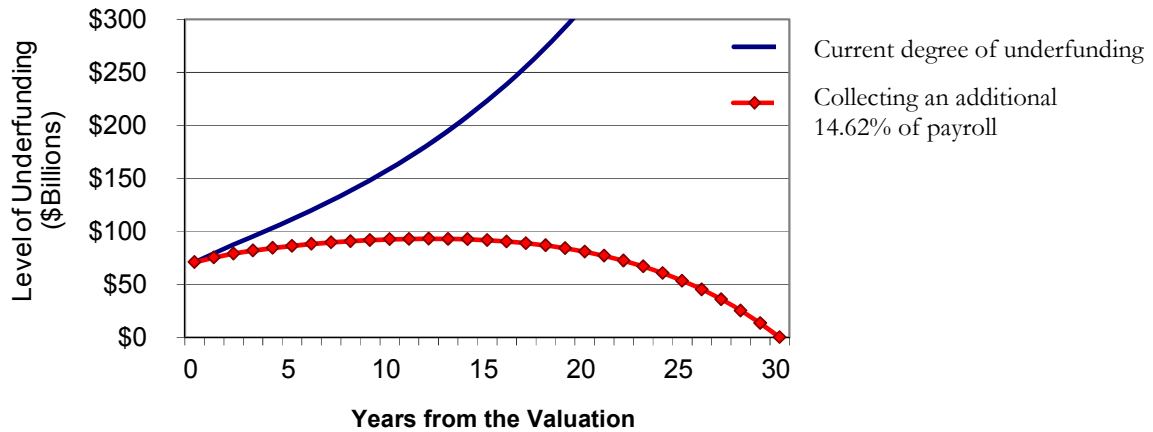
- (1) Total cost includes actuarially determined needed contributions for 30-year amortization period of unfunded obligation.
- (2) This figure does include state contributions to the Supplemental Benefit Maintenance Account.

Sources: SDCTA, 2003-2012 CalSTRS Defined Benefit Actuarial Valuation Reports, 2003-2012 San Diego County School District Audit Reports

<sup>3</sup> Ibid.

Assembly Bill (AB) 340, the California Public Employees’ Pension Reform Act (PEPRA) of 2013, was recently passed to address rising public pension costs. AB 340 has lowered the level of benefits for new CalSTRS members hired on or after January 1, 2013. This has reduced the level of additional funding needed. Given that existing retirement obligations are not being adequately funded each year, there will still need to be an increase in funding to fully address CalSTRS’ unfunded liability issue despite AB 340. The following figure, taken from the CalSTRS 2012 Defined Benefit Program Actuarial Valuation Report, illustrates the impact on the program’s unfunded actuarial obligation if CalSTRS (a) continues its current degree of underfunding, or if (b) it collects the estimated additional 14.62 percent of payroll required to meet all retirement obligations.<sup>4</sup>

Figure 2: Projected Unfunded Actuarial Obligation



Source: CalSTRS 2012 Defined Benefit Program Actuarial Valuation Report

Finally, there is also a need for greater transparency in how contributions by members, districts and the state are reported in school district audit reports. Though most districts within San Diego County reported state contribution amounts, some did not consistently do so. Further, while district contribution amounts were reported, member contributions were not reported in school district audit reports, making a calculation to illustrate the source of CalSTRS funding unnecessarily complex. A full description of funding sources would provide a much increased level of transparency.

<sup>4</sup> Ibid.

## CalSTRS Background

The California State Teachers' Retirement System (CalSTRS) is a public pension system that manages and provides retirement benefits for 862,192 teachers in the state of California.<sup>5</sup> CalSTRS is the largest teachers' retirement fund in the U.S. and was established by law in 1913. At present, 47 school districts in San Diego County use CalSTRS. These are elementary school, high school, unified and community college districts.

According to CalSTRS' funding policy and the California Education Code, active plan members are required to contribute eight percent of their salary to CalSTRS retirement. School districts are required to annually contribute an amount equal to 8.25 percent of payroll. The actuarial methods and assumptions used for determining the school districts' contributions are adopted by the CalSTRS Teachers' Retirement Board, which is comprised of 12 members. These members are:<sup>6</sup>

- Three member-elected positions representing current educators
- Five members appointed by the Governor and confirmed by the Senate including:
  - A retired CalSTRS member
  - Three public representatives
  - A school board representative
- Four board members who serve in an ex-officio capacity by virtue of their elected office including:
  - Controller
  - Superintendent of Public Instruction
  - Treasurer
  - Director of Finance

In addition to member contributions of eight percent and school district contributions equal to an amount of 8.25 percent of payroll, the state currently contributes an amount equal to 3.041 percent of payroll to the CalSTRS system. The state makes these payments with General Fund dollars. The state also contributes an amount equal to 2.250 percent of payroll into the CalSTRS Supplemental Benefit Maintenance Account to protect members' purchasing power. This is separate from the Defined Benefit (DB) and DB Supplemental Programs, and is required by state law.

CalSTRS relies on investment earnings to fund its pension system. As such, if investments do not meet their assumed annual return of 7.5 percent set by the pension system's board,<sup>7</sup> CalSTRS will need to find additional funding to cover future guaranteed benefits. According to CalSTRS 2012 Defined Benefit valuation report, investment returns would need to average roughly 10 percent over the next 30-year period in order to fully fund CalSTRS in 30 years without making changes to contributions or benefits. Investments for CalSTRS have averaged only 3.8 percent per year since 2000, creating a projected revenue shortfall.<sup>8</sup>

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<sup>5</sup> CalSTRS. "[CalSTRS at a Glance.](#)"

<sup>6</sup> CalSTRS. "[Board Members.](#)"

<sup>7</sup> Ed Mendel. "[CalSTRS Benefit Hikes Big Part of Pension Debt.](#)" April 15, 2013.

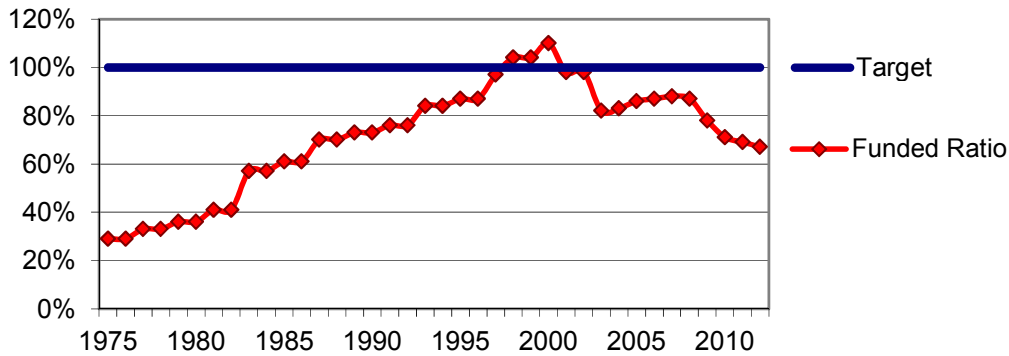
<sup>8</sup> Milliman. "[Defined Benefit Program Actuarial Valuation as of June 30, 2012.](#)"

CalSTRS can make up for this shortfall by either:

- (1) **Raising employee contribution rates** – This option is politically difficult given its direct impact on employees and the legislation required to raise such contribution rates.
- Or -
- (2) **Increasing district and/or state contribution rates** - With this option, rate increases and their associated cost will be less apparent. Taxpayers will ultimately bear the cost of this option, as these public contributions come from the General Fund.

Since 2000, CalSTRS’ funding ratio has declined substantially, leaving many concerned that CalSTRS will not be able to meet its retirement obligations of the next few decades. According to actuarial estimates, absent corrective action, assets needed to cover retirement benefits for the Defined Benefit Program will be depleted by 2044.<sup>9</sup>

Figure 3: Historical Funded Ratio



Source: CalSTRS 2012 Defined Benefit Program Actuarial Valuation Report

As of June 30, 2012, CalSTRS’ unfunded liabilities grew to \$71.0 billion. This means that current CalSTRS assets are equal to 67.0 percent of benefits accrued to date.

Figure 4: FY2011-2012 Actuarial Valuations

	FY 2012 Valuation	FY 2011 Valuation
Actuarial Obligation	\$215.2 Million	\$208.4 Million
Actuarial Value of Assets	\$144.2 Million	\$143.9 Million
Unfunded Actuarial Obligation	\$71.0 Million	\$64.5 Million
Funded Ratio	67.0%	69.1%

Sources: SDCTA, CalSTRS 2012 Defined Benefit Program Actuarial Valuation Report

Part of the decline in the funding ratio from fiscal years 2000 to 2012 resulted from investment losses. The fund reached \$180 billion in 2007, dropped to \$112 billion in 2009 and was back up to \$161.5 billion as of February 28, 2013, following the market’s recovery.<sup>10</sup>

Another major source of funding loss for the Defined Benefit Program was the diversion of a quarter of all employee contributions into the Defined Benefit Supplement Program for 10 years – between January 1, 2001 and December 31, 2010. This program allowed two percent of teachers’ pay

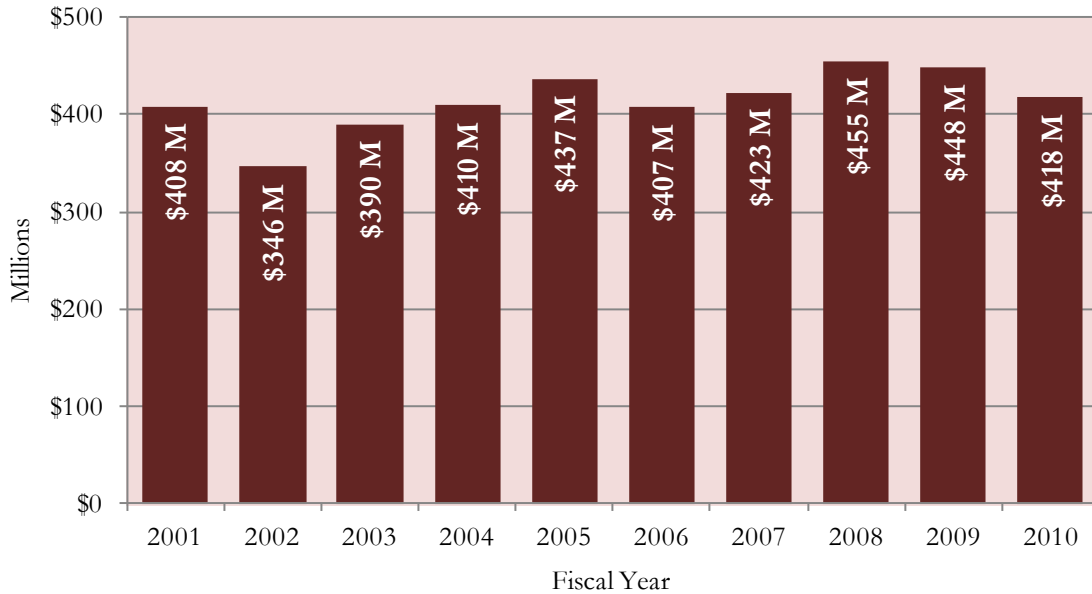
<sup>9</sup> California Legislative Analyst’s Office. “[Addressing CalSTRS’ Long-Term Funding Needs.](#)” March 20, 2013.

<sup>10</sup> Ed Mendel. “[CalSTRS Benefit Hikes Big Part of Pension Debt.](#)” April 15, 2013.



to be diverted into individual supplemental retirement accounts to provide additional retirement income to members. This amounted to \$4.1 billion being diverted from the DB program.

Figure 5: Amount Diverted from CalSTRS Defined Benefit Program, FY 2001-2010



Sources: SDCTA, CalSTRS Defined Benefit Actuarial Valuation Reports 2001-2010

As of January 1, 2011, CalSTRS required the full eight percent of a member’s salary be reassigned back into the Defined Benefit Program.

Finally, as noted in a report issued last year by California Controller John Chiang, **pension spiking** still continues to be a statewide issue for CalSTRS.<sup>11</sup> Pension spiking occurs when an employee’s compensation is raised immediately before retirement, without any clear indication of promotion or justifiable reason, for the sole purpose of boosting their annual retirement benefit for life.

Chiang, a CalSTRS board member, discovered that each school district in California was being audited at an average rate of only once every 48 years. This is based on a 48-year audit cycle which averages 40 school district audits per year for a system with more than 1,900 school districts in California. The report found that instances of immediate pay hikes prior to retirement were not accompanied by written justifications. State officials ran into this issue after identifying raises were given to soon-to-retire employees in San Diego Unified School District.<sup>12</sup>

CalSTRS has acknowledged and acted on the Controller’s recommendation to increase auditing. In February 2013 for example, a CalSTRS audit found that incorrect payroll data for Cajon Valley Union School District in San Diego County “resulted in overpayments of more than \$1 million to 77 employees.” This came from CalSTRS increasing its internal audit staff by 66 percent and establishing a compensation review unit to review all pension payouts of \$100,000 or more annually. At the time of the Controller’s review, 14 of the first 182 pensions examined have resulted in pension reductions.<sup>13</sup>

<sup>11</sup> California State Controller John Chiang. “[California State Teachers’ Retirement System Review Report: Pension Controls and Mechanisms.](#)” September 2012.

<sup>12</sup> Jon Ortiz. The Sacramento Bee. “[Audit Slams CalSTRS Pension-Spiking Controls.](#)” September 6, 2012.

<sup>13</sup> Fresno Bee. “CalSTRS Starts to Crack Down on Wasteful Pension Spiking.” April 11, 2013.

## CalSTRS Retirement Formula

The defined benefit retirement formula CalSTRS uses to calculate how much an employee will receive annually in retirement is as follows:

<p><b>Annual Pension Benefits</b></p> <p>=</p> <p><b>service credit</b>  (the number of years an employee has worked for a school district)</p> <p>x</p> <p><b>age factor</b>  (a negotiated percentage determined by your age on the last day of the month in which your retirement is effective)</p> <p>x</p> <p><b>final compensation</b>  (the highest average earnable compensation during any period of 36 consecutive months of paid employment covered under CalSTRS for members with less than 25 years of service)</p>
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For members with 25 years of service or more, CalSTRS will use the highest 12 consecutive months of average earnable compensation as the final compensation component for the above formula.

An example of a teacher’s retirement pay at age 60 with 30 years of service:

Assume Joe Smith, a school teacher, has worked for the district and has a 2% @ age 60 retirement formula with a final compensation from Joe’s highest 12 month earnable compensation. Using the appropriate CalSTRS retirement formula, if Joe worked for the district for 30 years, retired at age 60, and made \$100,000 at his peak for 12 months, then he would receive \$60,000 annually in retirement benefits.

### Service Credit

Service Credit is the accumulated period of time during which a CalSTRS member receives credible compensation and makes contributions to the Defined Benefit Program. This is a critical component of the retirement benefit formula and can greatly enhance a member’s retirement benefits. The more service credit a member has, the larger their monthly retirement benefits will be. Any increase in service credit will increase a member’s overall retirement pay. In addition to years of service, members can also increase service credits through purchases and/or through converting unused sick leave.<sup>14</sup>

#### *Purchasing Service Credit*

CalSTRS members may be eligible to purchase additional service credit for past employment or for an approved leave of absence during which they did not make retirement contributions to CalSTRS. An example of this would be purchasing service credit for part-time or substitute service in the California public school system before becoming a CalSTRS Defined Benefit member.<sup>15</sup>

The cost of purchasing service credit depends on the CalSTRS member’s age and their highest earnable compensation during the last three years. The cost is calculated by multiplying the amount

<sup>14</sup> CalSTRS. “[Service Credit](#).”

<sup>15</sup> CalSTRS. “[Purchasing Additional Service Credit](#)” 2013.

of service credits a member wants to purchase by the contribution rate for their age group, as follows:

Figure 6: Member Cost of Purchasing Service Credits

Age Group	Contribution Rate (FY13)
20 - 30	15.5%
30 - 39	17.0%
40 - 49	20.5%
50 - 59	25.8%
60 - 69	29.7%
70 +	24.7%

Sources: SDCTA, CalSTRS

Once this has been determined, this will be multiplied by the member’s highest earnable compensation to determine the final cost of purchasing additional service credit.

#### *Converting Unused Sick Leave to Service Credit*

CalSTRS will convert unused sick leave into additional service credit for members at service retirement using information provided by the school district through an *Express Benefit Report* form. Sick leave credit is calculated by dividing the number of accumulated sick leave days by the number of base service days required to complete the last school year, excluding school and legal holidays. An example of this is provided by the CalSTRS website.<sup>16</sup>

*Rick Jones, who has taught for 20 years, has 125 days of unused sick leave and 182 base service days. Therefore, Rick would receive 20 years service credit, plus an addition 0.687 for his unused sick leave.*

#### “Age Factor”

As described in the CalSTRS Retirement Formula section of this report, the formula used to determine pension benefits includes an “**age factor**” that gradually increases with age at retirement. The factor itself is the percentage of final compensation a CalSTRS member will receive as a retirement benefit for each year of service. The percentage is determined in negotiations and varies with the member’s age on the last day of the month in which they retire.

#### *California Public Employees’ Pension Reform Act of 2013*

The California Public Employees’ Pension Reform Act of 2013 (Chapter 296, Statutes of 2012), also referred to as PEPRA or AB 340, has made significant changes to the retirement benefit formula that primarily affects CalSTRS members hired on or after January 1, 2013. The retirement formula structures are typically referred to by an “age factor” and the age at which an employee can retire to achieve it. The result of PEPRA with respect to CalSTRS is two benefit structures:

- **CalSTRS “2% @ 60”** for members first hired before January 1, 2013
- **CalSTRS “2% @ 62”** for members first hired on or after January 1, 2013

<sup>16</sup> CalSTRS. “[Service Credit.](#)”

New hires are enrolled into the new structure known as “2% @ 62” in which the “age factor” ranges from 1.16 percent at age 55 and 2.40 percent at age 65.<sup>17</sup> For comparison to the structure for existing employees, new employees must work until they are two years older in order to achieve an “age factor” of 2.00 percent.

Figure 7: CalSTRS Retirement Formulas

Retirement Age	"2% @ 60"	"2% @ 62"
50	1.10*	Retirement before age 55 does not entitle members under "2% @ 62" to pension benefits.
51	1.16*	
52	1.22*	
53	1.28*	
54	1.34*	
55	1.40	1.16
56	1.52	1.28
57	1.64	1.40
58	1.76	1.52
59	1.88	1.64
60	2.00	1.76
61	2.13	1.88
62	2.27	2.00
63	2.40	2.13
64	2.40	2.27
65	2.40	2.40

Note: Under the “2% at 60” structure, an employee must have 30 years of service to retire at under 55 years of age.

Sources: SDCTA, CalSTRS, Santa Clara County Board of Education

Other benefit differences for CalSTRS “2% @ 62” include:

- Three-year final compensation period as described in the following section
- Lower **compensation cap**
- Elimination of the **career factor** (an age factor boost for those with 30+ years of service)

## Final Compensation

If a CalSTRS member under the “2% @ 60” structure retires with 25 or more years of service credit, CalSTRS will use this member’s highest average earnable compensation for a 12 consecutive month period as the final compensation component of the retirement formula. For CalSTRS members with less than 25 years of service credit, final compensation is based on the highest average earnable compensation during any period of three consecutive years of paid employment covered by CalSTRS. According to CalSTRS, this can be replaced with the one-year final compensation method if it is agreed upon in a written collective bargaining agreement, and if all costs are paid by the employer, employee or both.<sup>18</sup>

For CalSTRS members under the “2% @ 62” structure, final compensation is based on a member’s highest three years of pay. Further, members under this new structure are capped at \$135,440 in 2013 for compensation that counts towards their CalSTRS retirement benefit.

<sup>17</sup> CalSTRS. “[New Law Creates Two Benefit Structures.](#)”

<sup>18</sup> CalSTRS. “[Final Compensation.](#)”

## Regional CalSTRS Participating Organizations

At present, 47 school districts in San Diego County use CalSTRS. These districts are:

- Alpine Union
- Bonsall Union
- Borrego Springs Unified
- Cajon Valley Union
- Cardiff Elementary
- Carlsbad Unified
- Chula Vista Elementary
- Coronado Unified
- Dehesa
- Del Mar Union
- Encinitas Union
- Escondido Union
- Escondido Union High
- Fallbrook Union Elementary
- Fallbrook Union High
- Grossmont Union High
- Grossmont-Cuyamaca Community College
- Jamul-Dulzura Union
- Julian Union
- Julian Union High
- La Mesa-Spring Valley
- Lakeside Union
- Lemon Grove
- Miracosta Community College
- Mountain Empire Unified
- National
- Oceanside Unified
- Palomar Community College
- Poway Unified
- Ramona Unified
- Rancho Santa Fe
- San Diego Community College
- San Diego Unified
- San Dieguito Union High
- San Marcos Unified
- San Pasqual Union
- San Ysidro
- Santee
- Solana Beach
- South Bay Union
- Southwestern Community College
- Spencer Valley
- Sweetwater Union High
- Vallecitos
- Valley Center-Pauma Unified
- Vista Unified
- Warner Unified

A regional map and profiles of these school districts are provided in the appendices.

## Employer Pension Costs

Employers (school districts) currently contribute an amount equal to 8.25 percent of employees' payroll annually to CalSTRS. This is in addition to employees contributing eight percent and the state contributing 3.041 percent of total payroll. The actuarial methods and assumptions used for determining the school districts' contribution rates are adopted by the STRS Teachers' Retirement Board. School district contributions of 8.25 percent have not changed however through the study period of this report from fiscal years 2003 to 2012.

## Employer Paid Member Contributions

According to California state law § 22901, each CalSTRS member of the Defined Benefit Program shall contribute to the retirement fund an amount equivalent to 8.0 percent of the member's **creditable compensation**. Creditable compensation is payment made to CalSTRS members for their education-related service as recognized by CalSTRS. The state however may choose to "pick up" employee contributions for the sole purpose of deferring taxes. As stipulated in § 22903, these contributions are still deducted from the creditable compensation of the member.<sup>19</sup>

## Pension Obligation Bonds<sup>20</sup>

There have been no pension obligation bonds issued to date from fiscal years 2003 to 2012. SDCTA has reviewed data provided by comprehensive annual financial reports for the 47 school districts of San Diego County and has confirmed the data's accuracy with each school district.

## Other Retirement Costs

Other retirement costs include "other post-employment benefits" (OPEB) obligations. OPEB obligations consist of each school district's **annual required contribution** (ARC) towards a post employment benefit plan, which is administered solely by the school district. This benefit plan provides medical and dental insurance benefits to eligible retirees and their spouses. OPEB obligations were not required by the **Governmental Accounting Standards Board** (GASB) to be recorded prior to fiscal year 2008. As such, this data was not made available on district audit reports prior to 2007-08 for each school district. Smaller districts were provided as much as two years additional time to comply with the new reporting requirement.

In addition, some districts have participated in an early retirement program known as the "Golden Handshake," pursuant to Education Code Sections 22714 and 44929.<sup>21</sup> This early retirement program allows eligible employees with five or more years of service to receive an additional two years of service credit if they retire during a period of 60 to 120 days from the date of when the school district enacts the program. This incentive program requires the school district to make immediate payments towards the eligible employees' retirement, but is seen as a method for reducing future overall retirement costs. Further analysis would need to be performed to analyze the financial impact of this program on future pension costs.

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<sup>19</sup> CalSTRS. "[Teachers' Retirement Law](#)." January 1, 2013.

<sup>20</sup> Roger Davis. "[An Introduction to Pension Obligation Bonds and Other Post-Employment Benefits](#)." Orrick, Herrington & Sutcliffe LLP, 3<sup>rd</sup> Edition. 2006.

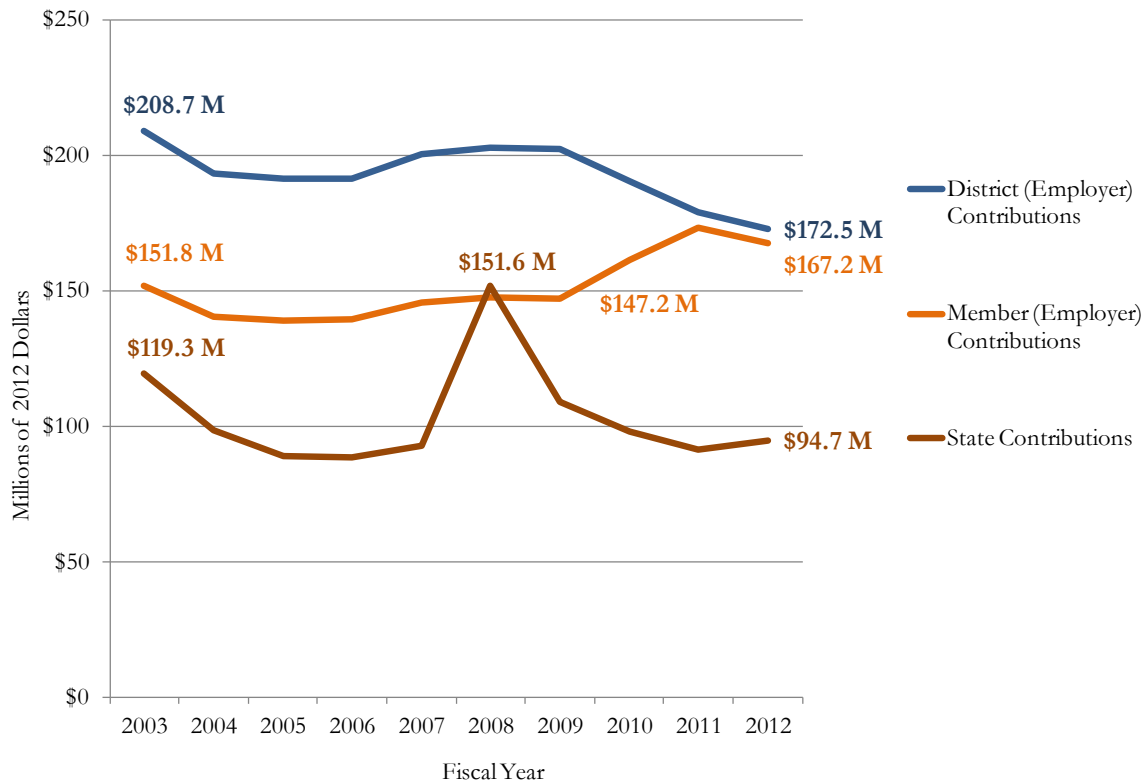
<sup>21</sup> Santee School District. 2006 Comprehensive Annual Financial Report. "Notes to Financial Statements."

## Trends in Total Pension Costs

As discussed previously, district contributions reported are inclusive of employee contributions (at eight percent of payroll) and employer contributions (at an amount equal to 8.25 percent of payroll). State contributions are currently set at an amount equal to 3.041 percent of payroll to fund the Defined Benefit Program, with an additional 2.250 percent of annual member earnings being contributed to the CalSTRS Supplemental Benefit Maintenance Account to protect members' purchasing power.

After taking into account inflation, total district contributions to CalSTRS by the San Diego County fell by 17.4 percent between fiscal years 2003 and 2012. State contributions to the Defined Benefit Program have decreased as well over the study period, with a spike occurring in 2008, after adjusting for inflation. Member contributions, having been in-part diverted through 2010, increased significantly in the later years.

Figure 8: San Diego County School District & State Contributions to CalSTRS



Sources: SDCTA, San Diego Country School District Audit Reports, Bureau of Labor Statistics

The spike in 2008 in state contributions to CalSTRS was due to a court order which required prior withheld payments be made to the CalSTRS Supplemental Benefit Maintenance Account (also referred to as the Purchasing Power Account). This court order, which reversed legislative action in 2003-2004, required CalSTRS to pay a principal payment of \$500 million, in addition to interest accrued since 2003-2004, when the payment was withheld. The estimated payment on interest accrued was \$210 million. In total, state contributions in 2007-08 for all California school districts were \$1.6 billion.<sup>22</sup>

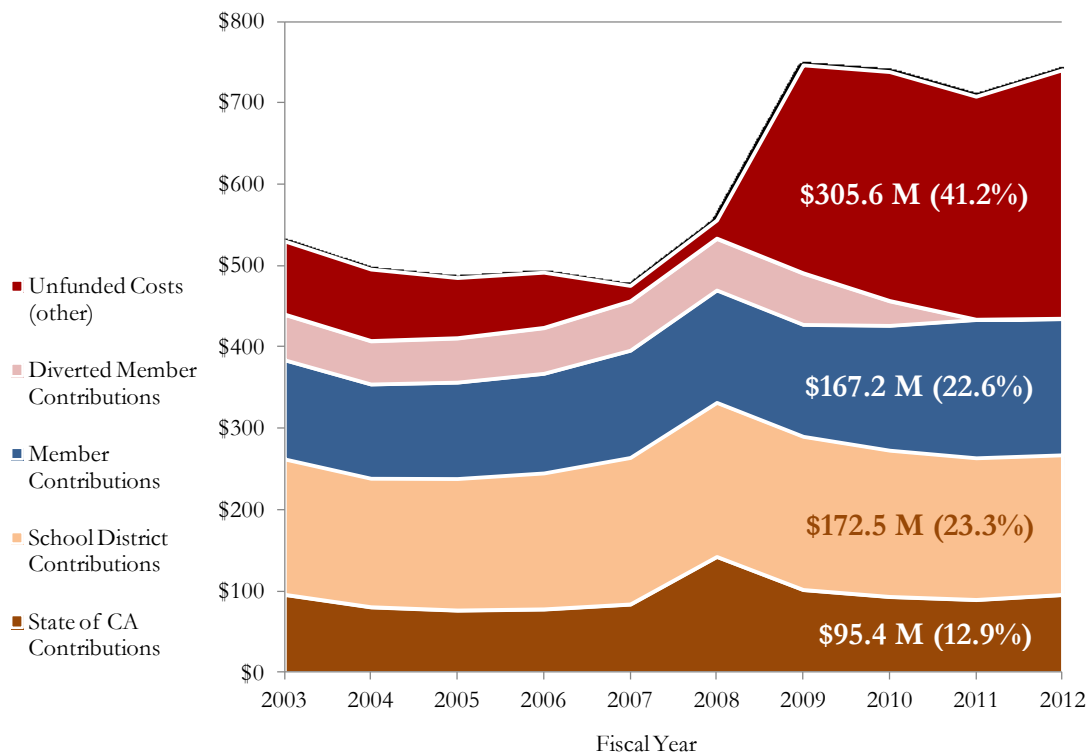
<sup>22</sup> Milliman. "[Defined Benefit Program Actuarial Valuation as of June 30, 2008.](#)"



The fall in district contributions, after taking into account inflation, has been supplemented by the CalSTRS system, which gives retirees an annual benefit adjustment of 2.0 percent per year. This annual adjustment is not compounded and is supported by the Supplemental Benefit Maintenance Account, a reserve account which receives 2.250 percent of teachers' payroll from the state annually. Again, this account was set up by the California Legislature to protect the purchasing power of CalSTRS retirees and has received payments from the General Fund since 1990.<sup>23</sup>

Even with the 2008 spike in state contributions and additional state contributions to the **purchasing power account**, both district and state contributions have not kept up with annual obligations for CalSTRS. The unfunded portion of annual costs has increased substantially in recent years. In FY 2012, 41.2 percent of annual costs (\$305.6 million) were not funded.

Figure 9: Annual San Diego County Districts' Funding of CalSTRS Defined Benefit Program (millions of dollars)



Note:

- (1) Total cost includes actuarially determined needed contributions for 30-year amortization period of unfunded obligation.
- (2) This figure does include state contributions to the Supplemental Benefit Maintenance Account.

Sources: SDCTA, 2003-2012 CalSTRS Defined Benefit Actuarial Valuation Reports, 2003-2012 San Diego County School District Audit Reports

Employee contributions for school districts of San Diego County were estimated by calculating 8.0 percent of salaries subject to CalSTRS which were back-calculated using the district contributions. This calculation is explained further in the methodology appendix. Both the district and state contribution amounts were taken from district financial annual reports provided by the 47 San Diego County school districts despite apparent inconsistencies. State contributions were commonly not reported. When they were, they were often inconsistent with the funding levels required by law.

<sup>23</sup> California Legislative Analyst's Office. "[Analysis of the 2007-08 Budget Bill: General Government.](#)"



Figure 9 includes reported figures when available, and estimated figures based on the funding policy described by CalSTRS and California Education Code when unreported.

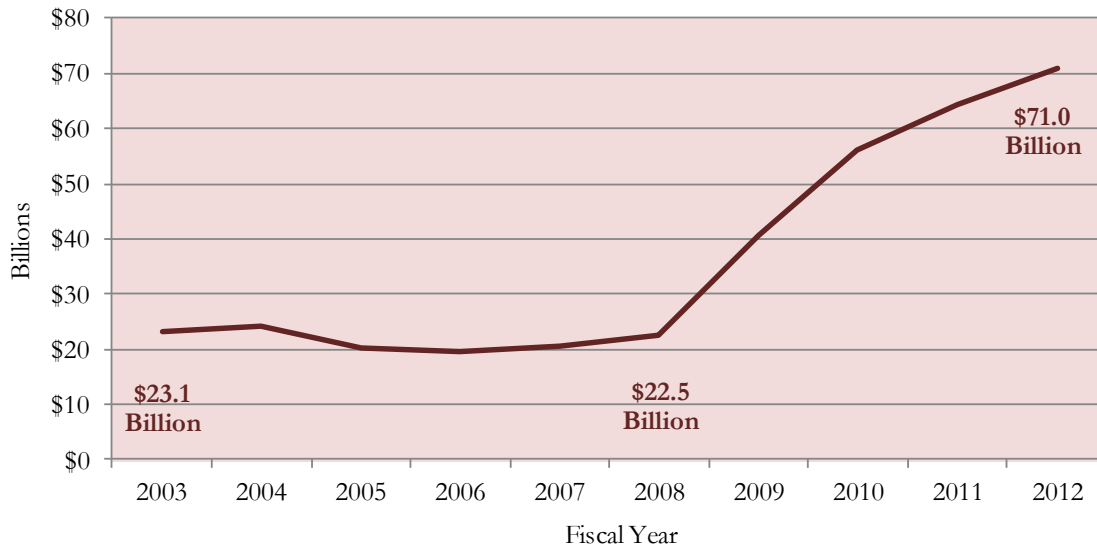
There is a clear need for greater transparency in how contributions by members, districts and the state are reported in school district audit reports. Though most districts within San Diego County reported state contribution amounts, some did not consistently do so citing a fiscal advisory by the California Department of Education. This advisory instructs school districts not to record revenue and expenditures from the state’s on-behalf payments, which is the state’s contribution to CalSTRS. This is at odds with GASB Statement 45 however the advisory states “while we understand the intent of this guidance, we believe it to be unnecessary and perhaps even confusing to school districts and county offices of education.”

Further, district contribution amounts were reported, however member contributions were not reported in school district audit reports, making a calculation to illustrate the source of CalSTRS funding unnecessarily complex. A full description of funding sources would provide a much increased level of transparency. Information that should be reported by each district should include:

- Salaries subject to CalSTRS
- Percentage of payroll each source (member, district and state) is required to use
- Contributions made by members employed at the district
- Contributions made by the district
- Contributions made by the state on behalf of the district

Total unfunded actuarial obligations for CalSTRS have risen from \$23.1 billion in 2003 to \$71.0 billion in 2012 as a result of total yearly contributions by the employees, districts and state being insufficient to meet unfunded retirement obligations over time.

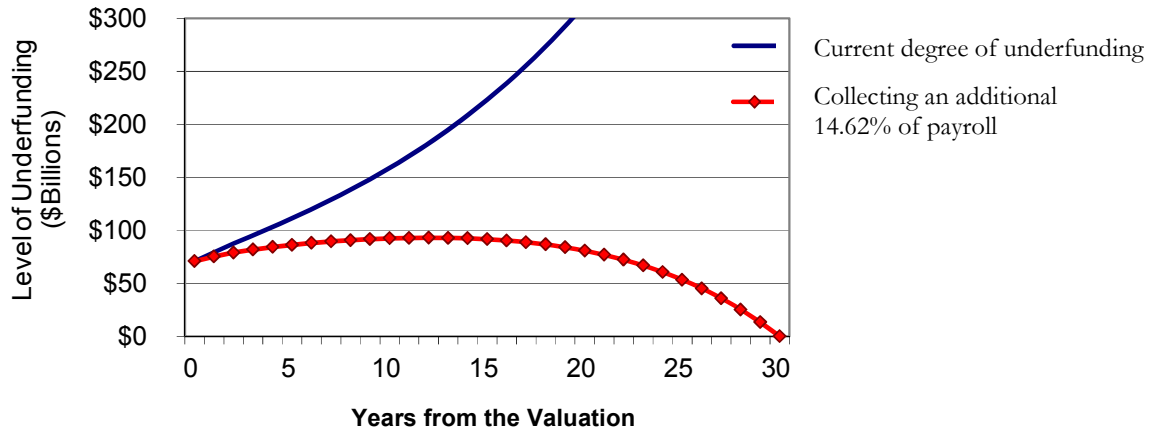
Figure 10: CalSTRS Unfunded Liabilities, 2003-2012



Sources: SDCTA, 2003-2012 CalSTRS Defined Benefit Valuation Reports

Given that existing retirement obligations are not being adequately funded each year, there will still need to be an increase in funding to fully address CalSTRS' unfunded liability issue despite AB 340. The following figure, taken from the CalSTRS 2012 Defined Benefit Program Actuarial Valuation Report, illustrates the impact on the program's unfunded actuarial obligation if CalSTRS (a) continues its current degree of underfunding, or if (b) it collects the estimated additional 14.62 percent of payroll required to meet all retirement obligations.<sup>24</sup>

Figure 11: Projected Unfunded Actuarial Obligation



Source: CalSTRS 2012 Defined Benefit Program Actuarial Valuation Report

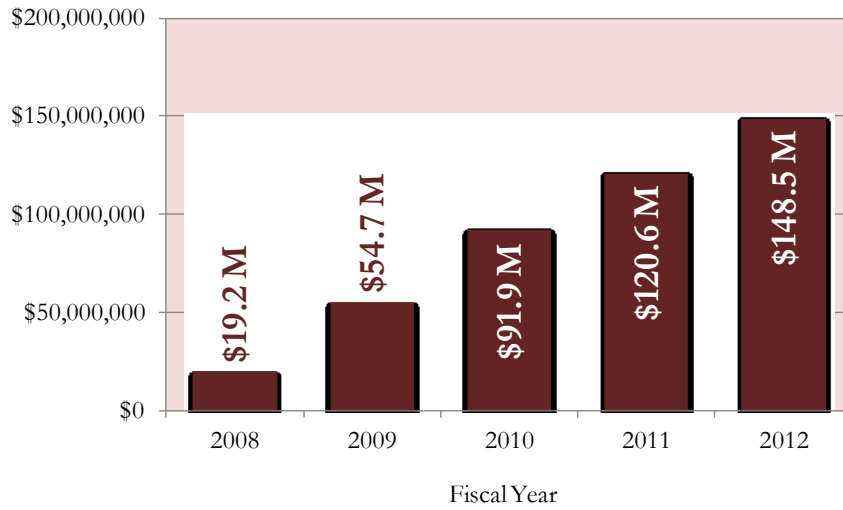
Most districts in San Diego County provide retirees and their spouses with an option to purchase benefits at the health insurance premium rates negotiated for district employees, creating an obligation for the district. Information on these other post-employment benefit (OPEB) obligations were made available in school district audit reports as of fiscal year 2008 with the GASB 45 requirement. GASB 45 requires employers who participate in OPEB plans to measure and disclose their annual OPEB costs and unfunded liabilities.<sup>25</sup>

OPEB unfunded liabilities in total have risen for the school districts of San Diego County. Starting out at an aggregate total of \$19.2 million in 2008, net OPEB obligations for the school districts have since ballooned to \$148.5 million as of fiscal year 2012. This amounts to an increase of over 650 percent in reported net OPEB obligations. In part, this reflects additional smaller districts being required to report net OPEB obligations in the years following the initial reporting requirement for large districts.

<sup>24</sup> Ibid.

<sup>25</sup> Governmental Accounting Standards Board. "[Accounting and Financial Reporting by Employers for Postemployment Benefits Other Than Pensions.](#)"

Figure 12: San Diego County School District Net OPEB Obligations



Source: SDCTA, 2008-2012 San Diego County School District Audit Reports

These benefits are determined through negotiations and as such differ by district. Further study is required to produce a comparison of benefits offered at the district level.

## Conclusions

### Statewide Findings

- A. Total contribution rates by employees, employers and the state have consistently hovered around 19 percent for San Diego county school districts and other California school districts, despite a required annual contribution rate of at least 34 percent to amortize the unfunded actuarial obligation over a 30-year period according to CalSTRS' FY 2012 Defined Benefit Actuarial Valuation Report. **The result has been a continuous rise in unfunded liability for CalSTRS to its current level of \$71.0 billion statewide.**
- B. As a report issued last year by California Controller John Chiang identified, **pension spiking still continues to be a statewide issue for CalSTRS.** Pension spiking occurs when an employee's compensation is raised immediately before retirement, without any clear indication of promotion or justifiable reason, for the sole purpose of boosting their annual retirement benefit for life.
- C. A major source of funding loss for the Defined Benefit Program was the diversion of a quarter of all employee contributions into an additional program called the Defined Benefit Supplement Program to provide additional retirement income. **Over 10 years, \$4.1 billion was diverted into individual supplemental retirement accounts to provide additional retirement income to members.**
- D. **Despite Assembly Bill (AB) 340, retirement obligations are still not being fully funded through combined contributions every year.** This will still result in an increase in overall additional funding needed, rendering AB 340 ineffective at fully fixing the CalSTRS system.

### Regional Findings

- E. Both district and state contributions have not kept up with annual obligations for CalSTRS. The unfunded portion of annual costs has increased substantially in recent years. **In FY 2012, 41.2 percent of annual costs (\$305.6 million) were not funded.**
- F. **There is a clear need for greater transparency in how contributions by members, districts and the state are reported in school district audit reports.** Though most districts within San Diego County reported state contribution amounts, some did not consistently do so. Member contributions were not reported in school district audit reports, making a calculation to illustrate the source of CalSTRS funding unnecessarily complex.

## Recommendations

Given the report's findings, SDCTA recommends the following:

- A. **A plan to address CalSTRS' unfunded liabilities should be enacted in a timely manner to avoid losing potential investment gains from contribution increases today.** The Legislative Analyst's Office (LAO) report recommends providing additional funding to CalSTRS beginning in 2014-15 to meet the system's unfunded liabilities in approximately 30 years.<sup>26</sup>
- B. **Policymakers must avoid reducing CalSTRS employee and employer contributions or increasing benefits for members during the "good times" when strong investment gains are realized.** These gains can be short-lived and are not guaranteed to sustain. These changes increase future liabilities that can become unfunded and ultimately paid for by taxpayers.
- C. **Additional information should be reported** in district annual audits to provide a full description of funding sources and a substantially increased level of transparency including:
  - Salaries subject to CalSTRS
  - Percentage of payroll each source (member, district and state) is required to use for calculating funding requirements
  - Contributions made by members employed at the district
  - Contributions made by the district
  - Contributions made by the state on behalf of the district
- D. **Stakeholders should look for SDCTA's upcoming analysis on statewide pension system reforms** for recommendations including appropriate assumed rate of return levels and unfunded accrued liability amortization periods due out in early 2014.

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<sup>26</sup> LAO Report, p. 11.

## Glossary of Terms

**Actuarial Obligation:** A projection of retirement benefits promised to CalSTRS members for prior service.

**Additional Duties:** If a member performs extra-pay assignments during the year, he/she will earn service credit in addition to the service credit earned for a normal full-time or part-time position. Extra-pay assignments may include summer school and intersession, and yearbook or science club adviser, soccer or track coach, or band director. Contributions and most of the employer's contributions for service that exceed one full year will be credited to the member's Defined Benefit Supplement account at the end of the fiscal year.

**Age Factor:** The percentage of their final compensation a CalSTRS member will receive as a retirement benefit for each year of service. The percentage is determined in negotiations and varies with the member's age on the last day of the month in which they retire. CalSTRS currently has two structures, the "2% @ 60" and the "2% @ 62" structures, to determine the age factor.

**Amortize:** To write off a cost or obligation gradually through periodic payments.

**Annual Required Contribution (ARC):** An amount required to be contributed towards a retirement program to pay for ongoing costs as well as the amortized payments on unfunded liabilities.

**CalSTRS:** California State Teachers' Retirement System, established in 1913. CalSTRS offers a defined benefit plan, a defined supplement program and a defined contribution plan for CalSTRS members.

**Career Factor:** An enhancement for CalSTRS members with at least 30 years of service, whereby 0.2 percent is added to the age factor up to a maximum age factor of 2.4 percent, which is reached at age 61½.

**Compensation Cap:** A maximum or ceiling on the final compensation amount that counts towards your CalSTRS retirement benefit. For the new CalSTRS 2% @ 62 structure, this cap is equal to \$136,440 in 2013.

**Credible Compensation:** Salary and other remuneration payable by an employer to employees who perform credible activities or service. Creditable activities or service being activities that allow workers to qualify for CalSTRS membership. These activities include: teaching, vocational or guidance counseling, services related to curriculum and a variety of administrative duties. Creditable service now includes summer school, overload and other duties beyond those required for the member's full-time or part-time position.

**Defined Benefit Program:** A traditional benefit plan that provides a lifetime retirement benefit based on a formula set by law. This lifetime retirement benefit also includes disability and survivor benefits.

**Defined Benefit Supplement Program:** A hybrid cash balance plan for Defined Benefit members that can provide additional benefits for retirement. These benefits are based on contributions and interest credited to your account.

**Governmental Accounting Standards Board (GASB):** The independent organization that establishes standards of accounting and financial reporting for U.S. state and local governments. GASB is recognized by governments, the accounting industry, and the capital markets as the official source of generally accepted accounting principles (GAAP) for state and local governments.

**Pension Spiking:** The inappropriate enhancement of the retirement benefit, which most frequently occurs when an employer pays an excessive increase in compensation to a member at the end of his or her career.

**Purchasing Power Account:** Also known as the Supplemental Benefit Maintenance Account (SBMA), this is meant to prevent the erosion of the purchasing power of retirees' benefits due to inflation.

## Appendix A: Methodology

The San Diego County Taxpayer's Association (SDCTA) collected and analyzed financial statements, valuation reports, and other information available through school district websites, CalSTRS and public records requests. SDCTA made significant efforts to ensure that all information contained in this report is accurate, reflecting plans and data made available through June 2013.

A summary of each school district's yearly contributions to CalSTRS and the on-behalf payments they received from the state for fiscal years 2003-2012 were made available for each district to review for accuracy before issuing this report. In addition, pension obligation bonds (POB) and other post employment benefits (OPEB) were recorded and made available for review.

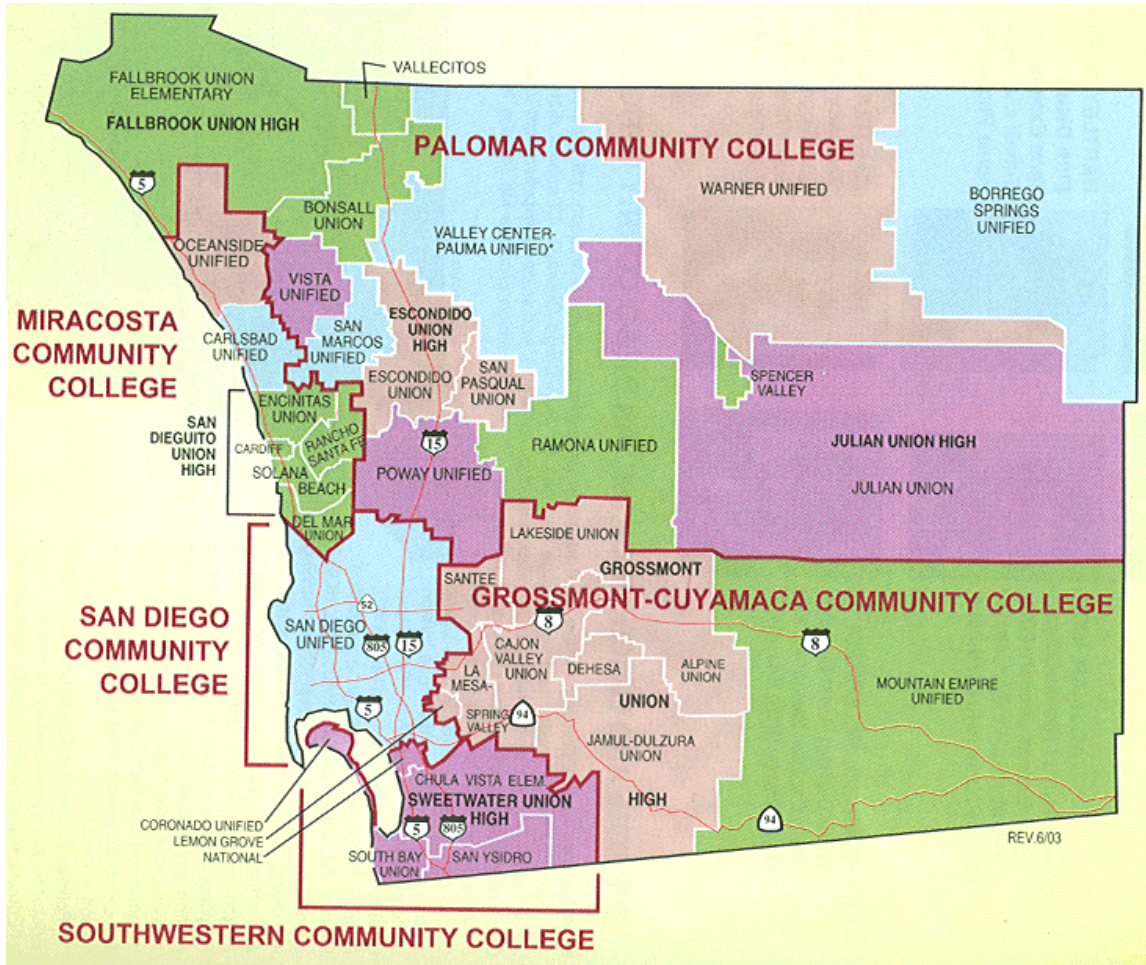
In several cases, school district audit reports did not provide information regarding the state's contribution to CalSTRS or zero dollars were listed instead; this was especially true for the community college districts. Many districts noted the California Department of Education's issuance a fiscal advisory instructing the school districts not to record revenue and expenditures from the state's on-behalf payments – the state's contribution to CalSTRS. Missing data points were estimated using required contribution rates and back-calculating salaries subject to CalSTRS.

The employee contribution amounts were calculated using required contribution rates and back-calculating salaries subject to CalSTRS. As such, the contribution amounts from employees were calculated based on the 8.00 percent of pay contribution requirements to CalSTRS by state law multiplied by an estimated salaries subject to CalSTRS. The contributions diverted to the Defined Benefit Supplemental Program were also reflected in the calculation. The estimate of salaries subject to CalSTRS was produced by using the 8.25 percent of pay contribution requirements to CalSTRS by state law from school districts and the actual reported contributions of school districts.

The report's graph on employee, district and state contributions has been adjusted for inflation based on the Bureau of Labor Statistics All Urban Users U.S. City Average Consumer Price Index (CPI) and presented in 2012 dollars.



## Appendix B: Map of San Diego County School Districts



Source: San Diego County Office of Education

## Appendix C: San Diego County School District Profiles

### Alpine Union School District

	District Contribution to CalSTRS	State Contribution to CalSTRS	Net OPEB Obligation Ending Balance
FY 2003	\$703,960	\$429,236	
FY 2004	\$672,519	\$410,726	
FY 2005	\$702,233	\$428,873	
FY 2006	\$693,933	\$379,938	
FY 2007	\$759,827	\$416,017	
FY 2008	\$746,648	\$591,155	\$0
FY 2009	\$717,388	\$392,780	\$266,884
FY 2010	\$682,486	\$353,751	\$530,722
FY 2011	\$638,958	\$332,585	\$767,104
FY 2012	\$596,070	\$350,748	\$962,245

The Alpine Union School District serves approximately 1,839 students with an operational budget of \$14,619,329. The district has 63 teachers working for its six schools. The district will pay \$7,073,135 in certificated salaries in the 2013-2014 school year and \$2,535,348 in classified salaries.

### Bonsall Union School District

	District Contribution to CalSTRS	State Contribution to CalSTRS	Net OPEB Obligation Ending Balance
FY 2003	\$461,698	\$251,318	
FY 2004	\$502,084	N/A	
FY 2005	\$488,065	N/A	
FY 2006	\$514,559	N/A	
FY 2007	\$562,012	N/A	
FY 2008	\$604,045	\$330,724	\$162,547
FY 2009	\$613,218	N/A	\$179,834
FY 2010	\$568,801	N/A	\$222,129
FY 2011	\$547,295	N/A	\$202,177
FY 2012	\$590,253	N/A	\$126,261

The Bonsall Union School district employs 88 teachers at its four schools with an operational budget of \$15,342,514 for FY 2013-14. As of 2011-2012, there were 1,485 students enrolled at its two elementary schools, 479 students at its middle school and 110 students at its charter school.

## Borrego Springs Unified School District

	District Contribution to CalSTRS	State Contribution to CalSTRS	Net OPEB Obligation Ending Balance
FY 2003	\$160,720	N/A	
FY 2004	\$153,502	\$42,422	
FY 2005	\$155,785	\$70,707	
FY 2006	\$177,964	\$97,438	
FY 2007	\$195,137	\$106,841	
FY 2008	\$229,451	\$160,362	\$0
FY 2009	\$187,831	\$102,840	\$0
FY 2010	\$158,597	\$98,756	\$9,724
FY 2011	\$199,492	\$103,235	\$48,607
FY 2012	\$179,376	\$107,271	\$75,027

Borrego Unified School District operates six schools:

- 1 elementary school
- 1 middle school
- 2 high schools
- 1 continuation school
- 1 community day school

The district serves 543 students each year. Borrego Unified employs 20 certificated and 31 classified staff members at its three schools and had an operational budget of \$5,261,663 in 2012.

## Cajon Valley Union School District

	District Contribution to CalSTRS	State Contribution to CalSTRS	Net OPEB Obligation Ending Balance
FY 2003	\$5,410,483	\$3,304,094	
FY 2004	\$5,027,427	\$3,070,381	
FY 2005	\$5,020,432	\$3,065,813	
FY 2006	\$5,066,514	\$2,772,539	
FY 2007	\$5,298,096	\$2,899,968	
FY 2008	\$5,596,768	\$4,426,169	\$1,724,399
FY 2009	\$5,467,947	\$3,053,541	\$3,137,295
FY 2010	\$5,011,432	\$2,649,030	\$4,766,870
FY 2011	\$4,839,160	\$2,502,867	\$6,528,517
FY 2012	\$5,163,021	\$3,036,913	\$7,605,231

The Cajon Valley Union School district has a projected operating budget of \$121,006,871 for FY 2013-2014. The district employs approximately 1,600 employees at its 28 schools and paid \$59,305,978 in salary to certificated employees and \$20,505,159 to classified employees in 2012.

## Cardiff Elementary School District

	District Contribution to CalSTRS	State Contribution to CalSTRS	Net OPEB Obligation Ending Balance
FY 2003	\$275,595	\$0	
FY 2004	\$265,492	\$167,211	
FY 2005	\$266,990	\$162,518	
FY 2006	\$277,535	\$151,579	
FY 2007	\$290,264	\$158,923	
FY 2008	\$298,015	\$224,157	\$0
FY 2009	\$308,864	\$171,150	\$0
FY 2010	\$301,883	\$157,087	\$8,797
FY 2011	\$300,631	\$154,140	\$13,063
FY 2012	\$297,875	\$173,912	\$28,928

The two schools in the Cardiff Elementary School district employ 107 staff members and serve 766 students. The district's 2011-2012 budget totaled \$6,903,910.

## Carlsbad Unified School District

	District Contribution to CalSTRS	State Contribution to CalSTRS	Net OPEB Obligation Ending Balance
FY 2003	\$2,711,054	\$1,655,399	
FY 2004	\$2,683,900	\$1,638,625	
FY 2005	\$2,845,665	\$1,735,566	
FY 2006	\$3,057,034	\$1,672,302	
FY 2007	\$3,317,150	\$1,812,921	
FY 2008	\$3,412,800	\$2,594,802	\$0
FY 2009	\$3,448,824	\$1,888,023	\$2,126,340
FY 2010	\$3,466,053	\$1,791,721	\$4,473,459
FY 2011	\$3,563,922	\$1,848,856	\$6,388,401
FY 2012	\$3,258,555	\$1,913,655	\$8,270,305

Carlsbad Unified School District's 16 schools employ 550 certificated staff and 425 classified staff to serve approximately 11,000 students. The district's 2012-2013 operating budget totaled \$77,295,359. The district is projected to run a deficit of \$11,163,885 in 2013-2014.

### Chula Vista Elementary School District

	District Contribution to CalSTRS	State Contribution to CalSTRS	Net OPEB Obligation Ending Balance
FY 2003	\$7,209,401	\$4,401,810	
FY 2004	\$7,542,963	\$4,605,782	
FY 2005	\$7,848,730	\$4,791,150	
FY 2006	\$8,184,613	\$4,479,301	
FY 2007	\$8,459,804	\$4,630,560	
FY 2008	\$9,664,685	\$7,334,912	\$842,774
FY 2009	\$9,196,323	\$5,035,123	\$1,363,013
FY 2010	\$9,178,074	\$4,747,092	\$1,187,746
FY 2011	\$8,651,739	\$4,473,894	\$766,526
FY 2012	\$8,572,942	\$5,043,253	\$948,995

Chula Vista Elementary School District serves approximately 28,500 students with an operational budget of \$182,742,361. There are 1,443 certificated employees and 1,099 classified employees working for the district's 44 schools, five of which are dependent charter schools and two of which are independent charter schools.

### Coronado Unified School District

	District Contribution to CalSTRS	State Contribution to CalSTRS	Net OPEB Obligation Ending Balance
FY 2003	N/A	N/A	
FY 2004	\$854,750	\$522,018	
FY 2005	\$893,796	\$545,864	
FY 2006	\$893,063	\$504,245	
FY 2007	\$1,006,458	\$551,050	
FY 2008	\$1,002,975	\$699,795	\$0
FY 2009	\$1,044,350	\$580,035	\$117,125
FY 2010	\$1,029,132	\$540,164	\$160,664
FY 2011	\$994,287	\$514,258	\$184,561
FY 2012	\$1,050,370	\$543,214	\$187,973

Coronado Unified School District's five schools serve approximately 3037 students. The district employs 178 certificated staff members, 146 classified staff members, and 12 certificated and classified administrators. The district's operating budget was \$25,000,000 in 2008-2009, which is the most recent year data was available.



### Dehesa School District

	District Contribution to CalSTRS	State Contribution to CalSTRS	Net OPEB Obligation Ending Balance
FY 2003	\$49,666	N/A	
FY 2004	\$57,817	\$7,961	
FY 2005	\$66,953	N/A	
FY 2006	\$59,081	N/A	
FY 2007	\$68,856	N/A	
FY 2008	\$69,921	\$32,283	\$0
FY 2009	\$57,669	N/A	\$0
FY 2010	\$103,539	N/A	\$0
FY 2011	\$74,805	\$39,748	\$0
FY 2012	\$74,741	\$38,887	\$0

Dehesa School District consists of one elementary school serving approximately 200 students. The district employs 31 staff members and projects a budget of \$2,913,002 for 2013-2014.

### Del Mar Union School District

	District Contribution to CalSTRS	State Contribution to CalSTRS	Net OPEB Obligation Ending Balance
FY 2003	\$1,077,869	\$658,284	
FY 2004	\$1,115,701	\$681,389	
FY 2005	\$1,227,415	\$749,615	
FY 2006	\$1,388,824	\$760,401	
FY 2007	\$1,486,577	\$813,923	
FY 2008	\$1,636,650	\$1,198,523	\$0
FY 2009	\$1,777,897	\$985,686	\$354,827
FY 2010	\$1,763,114	\$911,902	\$843,944
FY 2011	\$1,848,956	\$978,349	\$1,457,910
FY 2012	\$1,896,207	\$1,115,794	\$2,029,907

The Del Mar Union School District serves approximately 4,400 students at its eight elementary schools. The district employed 650 staff members and had a budget of \$43,582,101 in 2012-2013.

## Encinitas Union School District

	District Contribution to CalSTRS	State Contribution to CalSTRS	Net OPEB Obligation Ending Balance
FY 2003	\$1,662,510	\$916,396	
FY 2004	\$1,772,796	\$489,396	
FY 2005	\$1,927,267	\$1,055,208	
FY 2006	\$2,014,567	\$1,103,006	
FY 2007	\$2,183,185	\$1,195,327	
FY 2008	\$2,219,751	\$1,693,263	\$0
FY 2009	\$2,285,682	\$1,251,446	\$267,231
FY 2010	\$2,312,971	\$1,196,297	\$694,594
FY 2011	\$2,217,554	\$1,146,946	\$945,458
FY 2012	\$2,165,580	\$1,120,065	\$1,283,034

Encinitas Union School District serves approximately 5,600 students at its nine elementary schools. Encinitas Union employed 812 staff members as of 2012. The district's budget for the 2011-2012 fiscal year totaled \$45,450,754 with \$25,559,336 allocated for certificated salaries and \$6,367,410 for classified salaries.

## Escondido Union High School District

	District Contribution to CalSTRS	State Contribution to CalSTRS	Net OPEB Obligation Ending Balance
FY 2003	\$1,942,936	\$1,053,894	
FY 2004	\$1,977,872	N/A	
FY 2005	\$2,087,695	N/A	
FY 2006	\$2,199,545	N/A	
FY 2007	\$2,455,805	\$1,300,000	
FY 2008	\$2,538,519	\$1,972,149	\$0
FY 2009	\$2,554,953	\$1,398,875	\$0
FY 2010	\$2,472,576	\$1,353,773	\$0
FY 2011	\$2,406,872	\$1,244,863	\$0
FY 2012	\$2,475,227	\$1,280,215	\$0

Escondido Union High's seven schools serve 8,500 students with an additional 10,000 enrolled in adult education classes. The districts operating budget totaled \$69.7 million in fiscal years 2010-2011, the most recent years data was available.

## Escondido Union School District

	District Contribution to CalSTRS	State Contribution to CalSTRS	Net OPEB Obligation Ending Balance
FY 2003	\$5,504,955	\$3,361,505	
FY 2004	\$5,294,296	\$3,232,986	
FY 2005	\$5,535,254	\$3,379,596	
FY 2006	\$5,708,346	\$3,123,059	
FY 2007	\$6,134,319	\$3,355,185	
FY 2008	\$6,213,741	\$4,834,146	\$654,202
FY 2009	\$6,145,802	\$3,362,619	\$2,196,976
FY 2010	\$5,910,456	\$3,054,642	\$3,691,021
FY 2011	\$5,833,081	\$3,015,687	\$4,856,664
FY 2012	\$5,624,124	\$3,309,440	\$5,870,859

Escondido Union served 17,419 students at its 23 schools in 2012-2013. The district consists of 17 elementary schools, five middle schools and one community day school. Escondido Union employs 1,868 staff members; 1,025 certificated staff, 721 classified staff and 123 other staff. The district's budget in 2012-2013 was \$145,255,352, with \$71,516,276 allocated for certificated salaries and \$18,504,594 for classified salaries.

## Fallbrook Union Elementary School District

	District Contribution to CalSTRS	State Contribution to CalSTRS	Net OPEB Obligation Ending Balance
FY 2003	\$1,721,298	\$1,051,244	
FY 2004	\$1,766,009	\$1,078,550	
FY 2005	\$1,838,312	\$1,010,000	
FY 2006	\$1,834,159	\$1,004,000	
FY 2007	\$1,926,748	\$1,050,000	
FY 2008	\$1,975,334	\$1,600,000	\$0
FY 2009	\$1,986,659	\$1,100,000	\$858,399
FY 2010	\$1,846,822	\$1,000,000	\$1,259,162
FY 2011	\$1,749,604	\$900,000	\$1,564,786
FY 2012	\$1,784,331	\$900,000	\$1,707,237

Fallbrook Union Elementary consists of nine K-8<sup>th</sup> schools, with two schools located on Camp Pendleton Marine Corps base. The district's 2011-2012 budget was \$49,406,108. Fallbrook Union Elementary serves 5,816 students.



## Fallbrook Union High School District

	District Contribution to CalSTRS	State Contribution to CalSTRS	Net OPEB Obligation Ending Balance
FY 2003	\$862,401	\$475,366	
FY 2004	\$894,709	\$247,265	
FY 2005	\$917,440	\$500,000	
FY 2006	\$915,538	\$500,000	
FY 2007	\$996,759	\$550,000	
FY 2008	\$1,003,690	\$800,000	\$0
FY 2009	\$989,713	\$552,013	\$1,133,023
FY 2010	\$980,710	\$500,000	\$2,279,064
FY 2011	\$934,735	\$500,000	\$3,210,708
FY 2012	\$940,723	\$500,000	\$4,217,275

Fallbrook Union High School district consists of three high schools. The 2013-14 adopted budget totals \$31,358,628 with \$9,965,230 allocated for certificated salaries and \$4,639,718 for classified salaries.

## Grossmont Union High School District

	District Contribution to CalSTRS	State Contribution to CalSTRS	Net OPEB Obligation Ending Balance
FY 2003	\$7,125,267	\$3,864,560	
FY 2004	\$7,062,338	\$1,951,665	
FY 2005	\$6,998,592	\$3,831,353	
FY 2006	\$7,205,534	\$3,944,130	
FY 2007	\$7,962,230	\$4,357,894	
FY 2008	\$7,240,133	\$3,962,961	\$3,292,258
FY 2009	\$7,323,086	\$4,291,506	\$5,289,739
FY 2010	\$7,517,117	\$3,887,944	\$7,935,398
FY 2011	\$6,832,085	\$3,533,637	\$9,698,843
FY 2012	\$5,878,430	\$3,573,902	\$12,439,391

Grossmont Union High School District serves over 24,000 students. This district is divided into:

- 9 comprehensive high schools
- 3 charter schools
- 1 continuation high school
- 2 alternative education sites
- 4 special education facilities

- 1 middle college high school program
- 1 regional occupation program
- 1 adult education program

The district is staffed with 2300 full-time employees and hundreds of hourly employees, making it the largest district employer in the East County of San Diego. Grossmont Union High's adopted 2013-2014 budget totals \$176.4 million. The district faces a projected \$18.5 million deficit in 2015-2016.

### Grossmont-Cuyamaca Community College District

	District Contribution to CalSTRS	State Contribution to CalSTRS	Net OPEB Obligation Ending Balance
FY 2003	\$2,691,496	\$1,712,654	
FY 2004	\$2,800,440	\$1,726,692	
FY 2005	\$2,748,069	\$1,502,745	
FY 2006	\$2,959,895	\$1,619,591	
FY 2007	\$3,121,150	\$1,708,211	
FY 2008	\$3,225,177	\$2,524,399	\$0
FY 2009	\$4,040,814	\$2,211,884	\$665,554
FY 2010	\$3,324,218	\$1,719,256	\$1,246,512
FY 2011	\$3,206,073	\$1,658,220	\$1,932,878
FY 2012	\$3,325,754	\$1,720,120	\$2,608,912

The districts two community colleges, Grossmont College and Cuyamaca College serve approximately 28,000 students each semester. The district employs 674 full-time staff and 1,435 part-time staff. Grossmont-Cuyamaca Community College District has a \$477 million annual economic impact on the region through the district's purchasing activities, payroll, and increased tax revenue, according to research firm EMSI, Inc.

### Jamul-Dulzura Union School District

	District Contribution to CalSTRS	State Contribution to CalSTRS	Net OPEB Obligation Ending Balance
FY 2003	\$449,456	N/A	
FY 2004	\$353,002	\$100,606	
FY 2005	\$393,565	\$215,483	
FY 2006	\$409,914	\$231,662	
FY 2007	\$428,680	\$234,709	
FY 2008	\$429,787	\$378,091	\$0
FY 2009	\$410,168	\$224,573	\$0
FY 2010	\$357,960	\$186,808	\$0
FY 2011	\$354,943	\$183,581	\$0
FY 2012	\$350,089	\$206,006	\$0

Jamul-Dulzura Union's three traditional schools serve approximately 800 students. The district's home schooling program serves an additional 370 students. The district's expenditures total \$5,540,962 in its 2012-2013 adopted budget. Certificated salaries account for \$2,528,100 and classified salaries for \$1,097,832. The district employs 97 staff members total.

### Julian Union High School District

	District Contribution to CalSTRS	State Contribution to CalSTRS	Net OPEB Obligation Ending Balance
FY 2003	\$82,560	N/A	
FY 2004	\$88,915	\$24,573	
FY 2005	\$100,755	\$55,165	
FY 2006	\$103,129	\$56,465	
FY 2007	\$104,719	\$57,335	
FY 2008	\$106,492	\$82,415	\$0
FY 2009	\$102,489	\$56,110	\$0
FY 2010	\$83,372	\$47,878	\$36,499
FY 2011	\$93,817	\$46,679	\$84,852
FY 2012	\$72,318	\$42,435	\$115,238

The district's two schools, Julian High and Ray Redding continuation school, employ 25 staff members and serve 175 students. Julian Union High's expenditures total \$2,482,057 in its 2013-2014 adopted budget. Certificated employee salaries account for \$1,037,885 of the total budget and classified employee salaries account for \$483,653 of the budget.

## Julian Union School District

	District Contribution to CalSTRS	State Contribution to CalSTRS	Net OPEB Obligation Ending Balance
FY 2003	\$159,884	N/A	
FY 2004	\$163,328	N/A	
FY 2005	\$161,515	\$92,939	
FY 2006	\$162,823	N/A	
FY 2007	\$173,268	N/A	
FY 2008	\$181,085	\$99,165	\$0
FY 2009	\$178,084	N/A	\$0
FY 2010	\$179,166	N/A	\$160,026
FY 2011	\$159,500	N/A	\$304,233
FY 2012	\$156,828	\$92,626	\$441,511

The district's two schools, Julian Elementary and Julian Junior High, together employ approximately 20 teachers. The district as a whole employees about 30 other staff members and serve about 335 students. Julian Union School District's adopted FY 2014 general fund budget totals \$4,900,030.

## La Mesa Spring Valley School District

	District Contribution to CalSTRS	State Contribution to CalSTRS	Net OPEB Obligation Ending Balance
FY 2003	\$4,234,032	\$2,348,220	
FY 2004	\$4,164,838	\$1,151,010	
FY 2005	\$4,269,982	\$2,351,937	
FY 2006	\$4,327,592	\$2,369,422	
FY 2007	\$4,560,141	\$2,526,550	
FY 2008	\$4,969,321	\$3,848,899	\$0
FY 2009	\$4,828,644	\$2,643,756	\$3,157,978
FY 2010	\$4,457,562	\$2,305,505	\$4,515,209
FY 2011	\$3,994,080	\$2,044,781	\$5,768,404
FY 2012	\$3,860,955	\$1,988,581	\$7,317,633

La Mesa Spring Valley's 17 elementary school and four middle schools serve 12,587 students. The district employs 2,094 total staff members including 652 certificated employees, 897 classified employees and 34 managers. The district's annual budget is approximately \$100 million.

### Lakeside Union School District

	District Contribution to CalSTRS	State Contribution to CalSTRS	Net OPEB Obligation Ending Balance
FY 2003	\$1,430,267	\$873,268	
FY 2004	\$1,361,377	\$831,186	
FY 2005	\$1,429,177	\$871,737	
FY 2006	\$1,529,753	\$835,824	
FY 2007	\$1,580,552	\$863,852	
FY 2008	\$1,640,120	\$1,265,460	\$0
FY 2009	\$1,550,447	\$848,021	\$390,337
FY 2010	\$1,534,561	\$793,275	\$794,586
FY 2011	\$1,566,856	\$809,413	\$1,117,426
FY 2012	\$1,581,999	\$927,324	\$1,473,069

Lakeside Union's six elementary schools and two middle schools serve 4,401 students. The district's budget was \$35,883,110 in 2012-2013. Certificated salaries accounted for \$16,590,654 of total spending and classified salaries accounted for \$5,369,099.

### Lemon Grove School District

	District Contribution to CalSTRS	State Contribution to CalSTRS	Net OPEB Obligation Ending Balance
FY 2003	\$1,360,953	\$810,701	
FY 2004	\$1,275,917	\$779,236	
FY 2005	\$1,294,632	\$790,665	
FY 2006	\$1,325,331	\$725,637	
FY 2007	\$1,391,913	\$762,092	
FY 2008	\$1,431,520	\$1,129,743	\$0
FY 2009	\$1,384,934	\$765,922	\$662,911
FY 2010	\$1,265,108	\$654,328	\$1,306,426
FY 2011	\$1,204,327	\$631,998	\$1,898,366
FY 2012	\$1,191,364	\$701,040	\$2,368,831

Lemon Grove School District served 3,718 students during the 2012-2013 school year. The district's budget totaled \$27,877,204 in 2012-2013 with \$13,833,699 spend on certificated salaries and \$4,662,147 spent on classified salaries.

### Mira Costa Community College District

	District Contribution to CalSTRS	State Contribution to CalSTRS	Net OPEB Obligation Ending Balance
FY 2003	\$1,688,917	\$949,000	
FY 2004	\$1,719,756	\$948,000	
FY 2005	\$1,902,702	\$465,200	
FY 2006	\$1,995,968	\$488,000	
FY 2007	\$2,038,961	\$538,000	
FY 2008	\$2,281,860	\$1,249,352	\$0
FY 2009	\$2,463,361	\$1,343,247	\$68,318
FY 2010	\$2,612,162	\$1,351,291	-\$944,779
FY 2011	\$2,575,122	\$1,331,035	-\$101,078
FY 2012	\$2,560,799	\$1,537,501	\$774,441

Mira Costa Community College District serves approximately 14,500 students. The district's budget totaled \$92 million in 2012. The district paid \$37,850,197 in certificated salaries, \$23,802 in classified salaries and \$20,004,169 in staff benefits.

### Mountain Empire Unified School District

	District Contribution to CalSTRS	State Contribution to CalSTRS	Net OPEB Obligation Ending Balance
FY 2003	\$557,321	\$318,227	
FY 2004	\$530,877	\$324,155	
FY 2005	\$527,253	\$321,850	
FY 2006	\$499,466	\$273,340	
FY 2007	\$524,226	\$287,021	
FY 2008	\$519,304	\$428,245	\$0
FY 2009	\$521,418	\$286,485	\$226,031
FY 2010	\$657,295	\$339,972	\$418,748
FY 2011	\$716,755	\$370,715	\$619,914
FY 2012	\$535,321	\$315,002	\$808,345

The district's one high school and six elementary schools serve 1,624 students. Mountain Empire Unified employs 250 total staff members and had an operating budget of \$16,338,234 for the 2012-2013 school year. The district spent \$5,788,827 on certificated salaries and \$3,012,286 on classified salaries in 2012-2013.

## National School District

	District Contribution to CalSTRS	State Contribution to CalSTRS	Net OPEB Obligation Ending Balance
FY 2003	\$2,006,112	\$1,225,076	
FY 2004	\$1,980,683	\$1,209,546	
FY 2005	\$2,028,267	\$1,238,715	
FY 2006	\$1,979,294	\$1,083,692	
FY 2007	\$2,157,846	\$1,176,682	
FY 2008	\$2,048,746	\$1,621,467	\$0
FY 2009	\$2,073,763	\$1,152,932	\$910,786
FY 2010	\$1,999,241	\$1,033,581	\$1,788,994
FY 2011	\$1,936,946	\$1,001,417	\$2,516,270
FY 2012	\$1,934,149	\$1,137,603	\$3,016,846

Nation School District's eleven schools employ approximately 600 staff members. The district's 2013-2014 projected budget is \$32,031,241, with \$17,330,008 spent on certificated salaries and \$4,310,434 spent on classified salaries.

## Oceanside Unified School District

	District Contribution to CalSTRS	State Contribution to CalSTRS	Net OPEB Obligation Ending Balance
FY 2003	\$6,996,029	\$4,272,569	
FY 2004	\$6,504,168	\$4,096,576	
FY 2005	\$6,929,239	\$3,145,033	
FY 2006	\$6,578,447	\$3,601,799	
FY 2007	\$7,348,583	\$4,023,461	
FY 2008	\$7,628,994	\$7,126,056	\$319,508
FY 2009	\$7,342,660	\$4,020,218	\$354,589
FY 2010	\$7,188,791	\$3,718,130	\$370,641
FY 2011	\$6,465,770	\$3,324,152	\$438,196
FY 2012	\$6,563,826	\$3,394,644	\$539,697

Oceanside Unified School District operates 23 schools, which serve approximately 20,281 students. The District is divided up into:

- 16 elementary schools
- 4 middle schools
- 2 comprehensive high schools
- 1 alternative high school

Oceanside's operating budget for the 2012-13 school year is roughly \$157 million. The district employs more than 2000 individuals, including certificated and classified teachers and administrative people.

### Palomar Community College District

	District Contribution to CalSTRS	State Contribution to CalSTRS	Net OPEB Obligation Ending Balance
FY 2003	\$2,580,601	\$1,422,000	
FY 2004	\$2,458,564	\$1,355,000	
FY 2005	\$2,776,507	\$678,800	
FY 2006	\$2,991,233	\$731,000	
FY 2007	\$3,257,277	\$796,000	
FY 2008	\$3,581,192	\$876,000	\$0
FY 2009	\$3,509,668	\$858,000	\$759,905
FY 2010	\$3,392,467	\$829,000	\$1,868,695
FY 2011	\$3,419,568	\$835,000	\$2,235,928
FY 2012	\$3,228,133	\$1,669,630	\$2,107,558

The Palomar Community College District served 38,320 students during the 2011-2012 school year, the most recent year data was available. The district employs 725 staff members, including 382 classified employees, 266 certificated employees, and 77 administrators. The district's adopted 2012-2013 budget totaled \$115,158,887.

### Poway Unified School District

	District Contribution to CalSTRS	State Contribution to CalSTRS	Net OPEB Obligation Ending Balance
FY 2003	\$9,633,674	\$5,883,535	
FY 2004	\$9,263,916	\$5,657,647	
FY 2005	\$9,450,619	\$5,771,143	
FY 2006	\$10,013,458	\$5,482,474	
FY 2007	\$11,013,784	\$6,030,203	
FY 2008	\$11,588,843	\$8,856,563	\$3,471,170
FY 2009	\$11,570,502	\$6,333,795	\$6,773,915
FY 2010	\$10,272,133	\$5,311,504	\$9,996,948
FY 2011	\$9,706,048	\$5,017,492	\$12,533,979
FY 2012	\$9,946,792	\$5,845,627	\$15,688,303



Poway Unified is the third largest school district in the county with approximately 33,000 enrolled students. The District operates:

- 25 elementary schools (K-5)
- 6 middle schools (6-8)
- 5 high schools (9-12)
- 1 continuation high school

The district's 2013-2013 operating budget totaled \$292,229,015, with \$132,550,294 allocated for certificated salaries and \$46,256,357 for classified salaries.

### Ramona City Unified School District

	District Contribution to CalSTRS	State Contribution to CalSTRS	Net OPEB Obligation Ending Balance
FY 2003	\$1,970,168	\$1,203,235	
FY 2004	\$1,915,875	\$1,169,958	
FY 2005	\$1,952,913	\$1,192,697	
FY 2006	\$2,046,373	\$1,120,171	
FY 2007	\$2,148,565	\$1,176,111	
FY 2008	\$2,134,658	\$1,688,196	\$0
FY 2009	\$2,150,873	\$1,177,635	\$0
FY 2010	\$1,977,758	\$1,054,082	\$0
FY 2011	\$1,956,208	\$1,026,336	\$0
FY 2012	\$1,913,858	\$1,146,026	\$0

Ramona Unified's ten schools will serve 5,325 students during the 2013-2014 school year. The district's budget for the upcoming school year is \$45,292,166. The district employs about 324 certificated staff and 378 classified staff.

### Rancho Santa-Fe Elementary School District

	District Contribution to CalSTRS	State Contribution to CalSTRS	Net OPEB Obligation Ending Balance
FY 2003	\$257,881	N/A	
FY 2004	\$277,683	\$169,589	
FY 2005	\$317,622	\$193,981	
FY 2006	\$331,421	\$181,458	
FY 2007	\$375,599	\$205,646	
FY 2008	\$407,652	\$298,490	\$0
FY 2009	\$435,545	\$238,467	\$0
FY 2010	\$401,272	\$207,542	\$8,047
FY 2011	\$390,841	\$200,933	\$12,737
FY 2012	\$385,281	\$226,713	\$4,745

Rancho Santa-Fe Elementary serves 674 students at its two schools. The school district operates one middle school and one elementary school. The district employed 69 certificated staff members and 51 classified staff and had a budget of \$8,985,169 in 2011-2012.

### San Diego Community College District

	District Contribution to CalSTRS	State Contribution to CalSTRS	Net OPEB Obligation Ending Balance
FY 2003	\$7,648,000	\$4,148,000	
FY 2004	\$7,088,645	N/A	
FY 2005	\$7,170,393	N/A	
FY 2006	\$7,760,915	N/A	
FY 2007	\$7,869,486	N/A	
FY 2008	\$8,032,709	N/A	\$78,694
FY 2009	\$8,009,150	N/A	\$270,530
FY 2010	\$7,536,807	N/A	\$543,713
FY 2011	\$7,734,455	N/A	\$401,817
FY 2012	\$7,295,856	N/A	\$764,844

San Diego Community College district serves approximately 100,000 students each semester. The district operates three two-year colleges: San Diego City College, San Diego Mesa College, and San Diego Miramar College. The district also operates six continuing education campuses.

## San Diego Unified School District

	District Contribution to CalSTRS	State Contribution to CalSTRS	Net OPEB Obligation Ending Balance
FY 2003	\$46,931,179	N/A	
FY 2004	\$41,260,195	\$22,741,000	
FY 2005	\$40,915,726	\$10,003,000	
FY 2006	\$41,573,229	\$10,164,000	
FY 2007	\$44,644,997	\$10,915,000	
FY 2008	\$47,767,897	\$37,341,441	\$894,499
FY 2009	\$47,149,467	\$25,815,048	\$0
FY 2010	\$44,524,756	\$23,028,743	\$3,690,505
FY 2011	\$43,516,268	\$22,507,141	\$4,784,618
FY 2012	\$42,099,065	\$21,361,577	\$5,840,945

San Diego Unified serves 131,016 students each year and operates 223 schools total including:

- 139 elementary schools
- 31 middle schools
- 40 high schools
- 4 K-12 schools
- 4 alternative
- 2 special education
- 2 continuation
- 1 community day school

Of the district's 223 schools, 42 are charter schools. San Diego unified employs about 8,313 certificated staff members and 8,424 classified staff members. The district's expenditures in 2011-2012 totaled \$1,067,311,285.

## San Dieguito Union High School District

	District Contribution to CalSTRS	State Contribution to CalSTRS	Net OPEB Obligation Ending Balance
FY 2003	\$3,506,266	\$2,141,005	
FY 2004	\$3,503,239	\$2,139,003	
FY 2005	\$3,807,887	\$2,323,937	
FY 2006	\$4,086,677	\$2,236,615	
FY 2007	\$4,427,645	\$2,422,307	
FY 2008	\$4,570,585	\$2,867,457	\$0
FY 2009	\$4,562,041	\$2,313,125	\$1,469,597
FY 2010	\$4,530,389	\$2,339,008	\$3,042,132
FY 2011	\$4,427,966	\$2,286,656	\$4,264,066
FY 2012	\$4,416,291	\$2,593,454	\$5,556,131

San Dieguito Union High serves approximately 12,485 students each year. The district operates 10 schools including four middle schools, four high schools, one alternative school and one continuing education school. San Dieguito Union High employs 603 certificated staff members and 388 classified staff. The district's expenditures totaled \$101,826,359 in 2011-2012.

## San Marcos Unified School District

	District Contribution to CalSTRS	State Contribution to CalSTRS	Net OPEB Obligation Ending Balance
FY 2003	\$3,655,214	\$2,232,336	
FY 2004	\$3,763,256	\$2,298,322	
FY 2005	\$4,084,225	\$2,494,350	
FY 2006	\$4,283,835	\$2,345,465	
FY 2007	\$4,822,904	\$2,640,613	
FY 2008	\$5,297,052	\$3,925,655	\$0
FY 2009	\$5,352,120	\$2,930,361	\$2,319,620
FY 2010	\$5,365,007	\$2,774,818	\$4,475,023
FY 2011	\$5,389,702	\$2,787,614	\$6,314,677
FY 2012	\$5,341,432	\$2,762,654	\$8,166,819

San Marcos Unified operates 19 schools including:

- 11 elementary schools
- 3 middle schools
- 2 high schools
- 1 K-12 school
- 1 alternative school
- 1 continuing education school

The district serves 19,117 students per year and employs 957 certificated staff and 880 classified staff. The 2011-2012 operating budget for the district was \$141,086,688.

### San Pasqual Union School District

	District Contribution to CalSTRS	State Contribution to CalSTRS	Net OPEB Obligation Ending Balance
FY 2003	\$134,562	N/A	
FY 2004	\$140,329	\$39,994	
FY 2005	\$150,903	\$82,622	
FY 2006	\$158,705	\$86,893	
FY 2007	\$167,448	\$91,680	
FY 2008	\$181,058	\$141,685	\$0
FY 2009	\$168,216	\$92,101	\$0
FY 2010	\$163,055	\$84,334	\$0
FY 2011	\$159,726	\$81,121	\$0
FY 2012	\$161,410	\$81,878	\$0

The district operates one elementary school, which serves about 522 students. San Pasqual Union employs 30 certificated staff members and 21 classified staff members. The district's 2011-2012 operating budget was \$3,981,590.

### San Ysidro Elementary School District

	District Contribution to CalSTRS	State Contribution to CalSTRS	Net OPEB Obligation Ending Balance
FY 2003	\$1,477,446	\$902,315	
FY 2004	\$1,479,486	\$903,561	
FY 2005	\$1,511,362	\$923,028	
FY 2006	\$1,550,597	\$848,975	
FY 2007	\$1,960,685	\$970,672	
FY 2008	\$1,744,592	\$1,392,587	\$0
FY 2009	\$1,808,121	\$989,974	\$336,252
FY 2010	\$1,692,226	\$847,493	\$659,900
FY 2011	\$1,674,183	\$865,907	\$984,954
FY 2012	\$1,655,116	\$973,930	\$1,184,564

The district operates six elementary schools and one middle school, serving approximately 5,252 students per year. San Ysidro Elementary spent \$41,263,325 in 2011-2012 and employed 260 certificated staff and 304 classified staff.

## Santee Elementary School District

	District Contribution to CalSTRS	State Contribution to CalSTRS	Net OPEB Obligation Ending Balance
FY 2003	\$2,316,945	\$1,415,082	
FY 2004	\$2,116,617	\$1,292,315	
FY 2005	\$2,032,909	\$1,113,048	
FY 2006	\$2,069,812	\$1,114,669	
FY 2007	\$2,168,030	\$1,181,948	
FY 2008	\$2,241,951	\$1,233,199	\$0
FY 2009	\$2,195,127	\$1,204,797	\$1,033,284
FY 2010	\$2,079,875	\$1,076,556	\$2,541,443
FY 2011	\$2,359,109	\$977,398	\$1,185,180
FY 2012	\$1,980,444	\$1,224,907	\$1,278,224

Santee Elementary operates 11 schools:

- 9 elementary schools
- 1 alternative school
- 1 community school

The district serves approximately 6,416 students and employs 331 certificated staff and 316 classified staff. The 2011-2012 operating budget for the district totaled \$46,720,679.

## Solana Beach Elementary School District

	District Contribution to CalSTRS	State Contribution to CalSTRS	Net OPEB Obligation Ending Balance
FY 2003	\$968,990	\$525,412	
FY 2004	\$935,489	\$258,537	
FY 2005	\$1,010,147	\$553,070	
FY 2006	\$1,057,208	\$578,836	
FY 2007	\$1,142,717	\$625,654	
FY 2008	\$1,264,236	\$692,186	\$0
FY 2009	\$1,306,798	\$714,917	\$415,119
FY 2010	\$1,293,248	\$668,884	\$706,976
FY 2011	\$1,348,597	\$697,515	\$997,131
FY 2012	\$1,349,557	\$698,008	\$1,275,135

The district's six elementary schools serve 2,879 students. Solana Beach elementary employs approximately 200 certificated staff and 173 classified staff. The district's 2011-2012 operating budget was \$32,160,036.

### South Bay Union Elementary School District

	District Contribution to CalSTRS	State Contribution to CalSTRS	Net OPEB Obligation Ending Balance
FY 2003	\$2,919,656	\$1,783,022	
FY 2004	\$2,784,413	\$1,700,498	
FY 2005	\$2,763,250	\$1,687,251	
FY 2006	\$2,752,016	\$1,506,426	
FY 2007	\$2,765,921	\$1,514,384	
FY 2008	\$3,229,348	\$2,522,645	\$0
FY 2009	\$3,011,966	\$1,648,838	\$846,009
FY 2010	\$2,858,776	\$1,524,615	\$1,190,992
FY 2011	\$2,664,310	\$1,401,657	\$1,618,410
FY 2012	\$2,693,567	\$1,391,992	\$2,140,102

South Bay Union operates 12 elementary schools serving 7,682 students. The district employs 486 certificated staff members and 327 classified staff members. South Bay Union's 2011-2012 operating budget totaled \$59,601,010.

### Southwestern Community College District

	District Contribution to CalSTRS	State Contribution to CalSTRS	Net OPEB Obligation Ending Balance
FY 2003	\$2,362,190	N/A	
FY 2004	\$2,386,886	N/A	
FY 2005	\$2,502,266	N/A	
FY 2006	\$2,688,802	\$1,657,811	
FY 2007	\$2,891,579	N/A	
FY 2008	\$3,078,655	N/A	-\$175,316
FY 2009	\$3,072,636	\$789,797	-\$194,735
FY 2010	\$3,074,710	\$0	\$71,733
FY 2011	\$3,033,085	\$0	\$338,201
FY 2012	\$3,273,581	\$0	\$1,089,149

Southwestern College serves approximately 20,000 students each semester. The district had total expenses of \$90,183,929 in 2012-2013. Personnel expenses in 2012-2013 totaled \$68,628,674.



## Spencer Valley Elementary School District

	District Contribution to CalSTRS	State Contribution to CalSTRS	Net OPEB Obligation Ending Balance
FY 2003	\$14,032	N/A	
FY 2004	\$14,817	\$4,223	
FY 2005	\$15,826	\$8,335	
FY 2006	\$17,878	\$9,788	
FY 2007	\$16,173	N/A	
FY 2008	\$15,477	N/A	\$0
FY 2009	\$18,632	N/A	\$0
FY 2010	\$24,791	N/A	\$0
FY 2011	\$25,391	N/A	\$0
FY 2012	\$21,063	N/A	\$0

Spencer Valley's two K-12 schools and one elementary school serve 2,850 students. The district employs 490 certificated staff and 21 classified staff. Spencer Valley's 2011-2012 budget totaled \$1,981,140.

## Sweetwater Union High School District

	District Contribution to CalSTRS	State Contribution to CalSTRS	Net OPEB Obligation Ending Balance
FY 2003	\$12,404,816	\$6,719,510	
FY 2004	\$12,265,801	\$3,389,072	
FY 2005	\$12,795,172	\$7,002,743	
FY 2006	\$13,717,115	\$7,506,782	
FY 2007	\$15,171,489	\$8,303,887	
FY 2008	\$16,235,480	\$11,694,157	\$5,185,219
FY 2009	\$16,233,633	\$8,888,160	\$10,659,716
FY 2010	\$15,352,587	\$7,940,544	\$14,848,241
FY 2011	\$15,020,515	\$7,768,792	\$19,127,906
FY 2012	\$14,457,279	\$8,759,702	\$22,488,858

Sweetwater Union High operates 30 schools including:

- 10 middle schools
- 12 high schools
- 1 junior high school
- 2 alternative schools
- 1 special education school
- 1 continuation school
- 2 community day schools

The district serves 40,619 students each year and employs 2,071 certificated staff and 1,612 classified staff. Sweetwater Union reported \$337,311,908 in expenditures in 2011-2012.

### Vallecitos Elementary School District

	District Contribution to CalSTRS	State Contribution to CalSTRS	Net OPEB Obligation Ending Balance
FY 2003	\$73,882	N/A	
FY 2004	\$80,396	N/A	
FY 2005	\$111,526	\$61,000	
FY 2006	\$80,396	N/A	
FY 2007	\$82,955	N/A	
FY 2008	\$82,545	N/A	\$0
FY 2009	\$82,994	N/A	\$0
FY 2010	\$75,831	N/A	\$0
FY 2011	\$72,063	N/A	\$0
FY 2012	\$80,998	N/A	\$0

The district's two schools serve 375 students and employ 26 certificated staff and 17 classified staff. Vallecitos Elementary's 2011-2012 budget was \$2,004,311.

### Valley Center-Pauma Unified School District

	District Contribution to CalSTRS	State Contribution to CalSTRS	Net OPEB Obligation Ending Balance
FY 2003	\$1,539,632	N/A	
FY 2004	\$1,526,725	\$841,549	
FY 2005	\$1,561,614	N/A	
FY 2006	\$1,556,668	N/A	
FY 2007	\$1,672,494	\$1,025,218	
FY 2008	\$1,691,991	\$1,340,048	\$0
FY 2009	\$1,578,274	\$864,130	\$862,552
FY 2010	\$1,542,084	\$797,584	\$1,739,665
FY 2011	\$1,474,079	\$762,411	\$2,691,242
FY 2012	\$1,464,159	\$757,281	\$3,444,305

Valley Center-Pauma Unified operates 8 schools:

- 4 elementary schools
- 1 middle school
- 1 high school
- 1 alternative school
- 1 continuation school

The district serves approximately 4,168 students. Valley Center-Pauma Unified employs 223 certificated employees and 216 classified employees. The district's 2011-2012 budget was \$36,266,108.

### Vista Unified School District

	District Contribution to CalSTRS	State Contribution to CalSTRS	Net OPEB Obligation Ending Balance
FY 2003	\$7,343,830	\$3,983,362	
FY 2004	\$6,938,585	\$1,917,512	
FY 2005	\$6,888,205	\$3,771,387	
FY 2006	\$7,114,315	\$3,894,976	
FY 2007	\$7,707,131	\$4,219,549	
FY 2008	\$7,856,444	\$6,181,978	\$2,849,902
FY 2009	\$7,718,238	\$4,225,850	\$5,426,438
FY 2010	\$7,395,811	\$3,824,282	\$8,790,152
FY 2011	\$6,639,639	\$3,433,651	\$11,881,172
FY 2012	\$7,117,393	\$4,186,348	\$12,230,500

The district operates 34 schools including:

- 16 elementary schools
- 5 middle schools
- 5 high schools
- 1 K-12 school
- 3 alternative schools
- 2 continuation schools

Vista Unified serves 25,593 students and employs 1,328 certificated staff members and 1,080 classified staff members. The district's 2011-2012 operating budget was \$187,692,217.

## Warner Unified School District

	District Contribution to CalSTRS	State Contribution to CalSTRS	Net OPEB Obligation Ending Balance
FY 2003	\$109,504	N/A	
FY 2004	\$108,293	N/A	
FY 2005	\$105,090	\$60,781	
FY 2006	\$103,299	\$58,774	
FY 2007	\$99,435	\$54,027	
FY 2008	\$91,784	\$79,393	\$0
FY 2009	\$92,659	\$50,732	\$0
FY 2010	\$88,119	\$45,576	-\$7,681
FY 2011	\$80,566	\$43,861	-\$6,859
FY 2012	\$87,817	\$51,675	\$10,711

The district operates five schools including:

- 2 elementary schools
- 1 high school
- 1 K-12 school
- 1 continuation school

Warner Unified serves 288 students each year and had an operating budget of \$2,996,567 in 2011-2012.