

May 22, 2018

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Cristen Owens  
Director, Budget Development  
San Diego Unified School District  
4100 Normal Street  
San Diego, CA 92103

**Subject: Update of "Post Analysis" for the District's 2016-17 SERP**

Dear Ms. Owens:

This letter will follow-up on our recent telephone conference regarding updating the "Post Analysis" for the District's 2016-17 Supplemental Early Retirement Program (SERP).

Each time the District has implemented a SERP with PARS (2002-03, 2008-09, 2013-14 and 2016-17) PARS has conducted a "Post Analysis" at the completion of the enrollment period based on District provided assumptions and the actual enrolled employees. This is a standard service that PARS provides as part of its administrative services related to implementation of Early Retirement Incentives. This "Post Analysis" assists our clients in evaluating the estimated savings or costs associated with an Early Retirement offering.

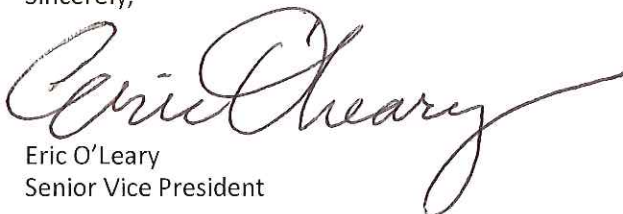
On very rare occasions, agencies request PARS to update their "Post Analysis" based on the actual hiring and/or non-replacing of positions a year or two after implementation. This is very unusual because it is very difficult for the District to track and collect accurate data related to the final replacement of employees. When this is done, it is typically done for Certificated Non-Management groups only. This is because the hiring or non-replacing of teaching positions is much easier to track than non-teaching positions (e.g., Classified Non-Management). Before the implementation of the 2016-17 plan, the District worked with PARS to update the "Post Analysis" for SDEA Employees (since that plan was only offered to SDEA). The previous plans were offered to all employee groups, so the District did not complete updates of the initial "Post Analysis" for those plans.

As we discussed during our telephone conference, due to the specific circumstances of the District's 2016-17 SERP and the complicated replacement scenarios, bumping procedures, replacement of position within the organization and the different funding sources, the data collection process would be extremely difficult for the District to collect and ultimately ensure accuracy. The complexities related to this type of analysis is consistent with our understanding of the process based on working with educational agencies on Early Retirement Incentives for over thirty years.

If the District decides to proceed with updating the "Post Analysis", PARS would estimate that the process would take many months to complete and many hours of working closely with the District to review calculation models, assumptions and replacement data.

If you have any questions, please let me know.

Sincerely,



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