



**Excellence and Equity in Education**  
Nancy Magee • County Superintendent of Schools

September 16, 2024

Laverne Villalobos  
President, Governing Board  
Pacifica School District  
375 Reina Del Mar Avenue  
Pacifica, CA 94044

RE: Local Control Accountability Plan and Adopted Budget – Fiscal Year 2024-25

Dear Board President Villalobos:

The San Mateo County Office of Education (SMCOE) has completed its review of the Pacifica School District's Local Control and Accountability Plan (LCAP) and Adopted Budget for the 2024-25 fiscal year pursuant to Education Codes 42127 and 52070.

#### **A. LOCAL CONTROL ACCOUNTABILITY PLAN (LCAP)**

The County Superintendent is required to approve the District's LCAP if it is determined that the following criteria have been met:

- The LCAP adheres to the template adopted by the State Board of Education (*EC 52064*)
- The budget includes expenditures sufficient to implement the specific actions and strategies included in the LCAP
- The LCAP adheres to the expenditure requirements for funds apportioned on the basis of the number and concentration of unduplicated pupils (*EC 42238.02* and *42238.03*)
- The LCAP includes the required calculations to determine whether there is a carryover requirement, and if applicable, includes a description of the planned uses of the specific funds and a description of how the planned uses are to be considered as contributing towards meeting the increased or improved services requirement *{(EC 52070(d)(4))}*

**The San Mateo County Superintendent of Schools has approved your Local Control Accountability Plan for the 2024-25 school year, pursuant to Education Code (EC) Section 52070.5(d). California Education Code requires the County Superintendent to review and approve the LCAP prior to the approval of the LEA's adopted budget per EC Section 42127(2). Your board approved LCAP will be posted on the SMCOE website.**

## **B. ADOPTED BUDGET**

In accordance with Education Code Section 42127, the County Superintendent of Schools has examined the Adopted Budget of Pacifica School District (the District) for fiscal year 2024-25 to determine if it complies with the criteria and standards adopted by the State Board of Education, allows the District to meet its financial obligations during the fiscal year, and is consistent with a financial plan that will allow the District to meet its multi-year financial commitments.

**The County Office's review and analysis confirms that the 2024-25 Budget, adopted by the Governing Board on June 12, 2024, meets the requirements outlined in Education Code 42127(c).**

The San Mateo County Office of Education **approves** Pacifica School District's 2024-25 Adopted Budget with the following comments:

The 2024-25 Adopted Budget shows a \$2.1 million decrease in the General Fund Balance. Compared to 2023-24 Estimated Actuals, deficit spending has increased by \$550K. LCFF and federal revenues are reduced due to declining enrollment and expiration of one-time funding sources. Salary and benefit expenditures have also decreased due to staffing reductions related to the enrollment decline. Additionally, services and operating expenditure are reduced as the District plans to improve efficiency with existing staff, reducing reliance on outside services.

### **RESERVES (UNRESTRICTED & RESTRICTED)**

The total available reserve in the General Fund for fiscal year 2024-25 is \$3.5 million or 8.82% of total General Fund expenditures. Included in the available reserves is the Special Reserve Fund 17 ending balance of approximately \$850,000.

The projected reserves for 2025-26 and 2026-27 are 9% and 9.26%, respectively.

### **MULTI-YEAR PROJECTIONS (MYP)**

In the Multi-Year Projection (MYP), the District expects Unrestricted General Fund reserves to be 14.45% (\$3.5 million) in 2024-25, with a gradual increase to 15.22% over the next two fiscal years.

Total projected revenues for 2025-26 and 2026-27 are expected to increase, primarily driven by estimated Cost-of-Living Adjustments (COLA) to LCFF Revenues. State, federal, and local revenues will see minor adjustments. The salaries and benefits budget includes step and column increases of 1.5% for both 2025-26 and 2026-27. Staffing reductions are planned for 2024-25

and 2025-26 to address budget deficits. Staff efficiencies to reduce the need for contract services will continue through 2025-26, reducing services and other operating expenditures.

### Deficit Spending

The multi-year projections indicate an operating deficit in the Unrestricted General Fund of \$1.1 million for the current budget year, decreasing to \$27,000 in 2025-26. Budget reductions are expected in 2024-25 and 2025-26 to lower staffing costs and contract services. A surplus of \$166,000 is projected for 2026-27.

### **CASH FLOW**

The District submitted cash flow projections for the 2024-25 and 2025-26 fiscal years, showing positive balances each month. The projected ending cash balance is \$3.5 million for 2024-25 and \$2.9 million for 2025-26.

### **OTHER FUNDS**

The District maintains a positive balance across all funds. Below is a summary of funds with notable changes in the 2024-25 Adopted Budget.

Building Fund (Fund 21): Sale of bonds increased revenues by \$12 million. Expenditures are budgeted according to the master facility plan.

There are no significant changes in the other funds of the District compared to the 2023-24 Estimated Actuals.

### **SALARY NEGOTIATIONS**

The District has not settled negotiations with the certificated and classified bargaining units for the current year.

In accordance with Government Code 3547.5 and Assembly Bill 2756, the District must provide the County Office of Education with an analysis of cost and impact on the operating budget of the proposed salary settlement. The District is also required to submit the following documents reflecting the financial impact:

- 1) Disclosure of Collective Bargaining Agreement ten (10) days before the Governing Board acts on any tentative collective bargaining agreement (requires the signatures of the Superintendent and the Chief Business Official).
- 2) Multi-year spreadsheet reflecting the current and two subsequent fiscal years.
- 3) Budget revisions (if necessary, must be posted to the financial system prior to processing a salary settlement on the payroll system).

The County Superintendent recommends the District conduct a thorough pre-settlement analysis of any proposed collective bargaining agreement especially for multi-year contracts to make sure the District can sustain related costs and avoid the risk of insolvency.

We commend the work done by the Board and district staff to develop this year's LCAP and Budget. Please contact us if you have any questions about our review of your district's 2024-25 LCAP or Budget.

Sincerely,

*Kevin J. Bultema*

Kevin J. Bultema  
Deputy Superintendent Business Services  
[kbultema@smcoe.org](mailto:kbultema@smcoe.org)  
650-802-5511

*Marco Chavez*

Marco Chavez  
Deputy Superintendent Educational Services  
[mchavez@smcoe.org](mailto:mchavez@smcoe.org)  
650-802-5311

Enclosures

- c: Darnise Williams, Superintendent, Pacifica SD  
Will Lucey, Director, Educational Support Services, Pacifica SD  
Dewayne Davis, Interim Chief Business Official, Pacifica SD  
Nancy Magee, Superintendent of Schools, SMCOE  
Joy Dardenelle, Executive Director, District Improvement and Support, SMCOE  
Dhanya Unni, Executive Director, District Business Services, SMCOE

# Signature Certificate

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## Signer

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## Signature

### Marco Chavez

Email: mchavez@smcoe.org

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### Recipient Verification:

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IP address: 24.253.12.50  
Location: Las Vegas, United States

### Kevin Bultema

Email: kbultema@smcoe.org

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Signed: 16 Sep 2024 15:38:58 UTC



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✓ Email verified 16 Sep 2024 15:38:45 UTC

IP address: 209.188.128.208  
Location: San Mateo, United States

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