

# South San Francisco Unified School District

## Second Interim Report Presentation

### 2024-25

Ted O, Assistant Superintendent, Business Services

Presented March 13, 2025



# Board Presentation Agenda

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# 1. Overview



# Education Code

Education Code Section 42130 states that school districts submit two reports to the governing board of the district during each fiscal year.

- First Interim Report covers the financial and budgetary status of the district for the period ending October 31.
- Second Interim Report covers the period ending January 31.

Both reports shall be approved by the district governing board no later than 45 days after the close of the period being reported.



# Education Code Certification

Education Code Section 42130 (a) (1) defines the certifications.

- A Positive Certification: WILL MEET their financial obligations for the current and two subsequent fiscal years.
- A Qualified Certification: MAY NOT MEET their financial obligations for the current OR two subsequent fiscal years.
- A Negative Certification: WILL BE UNABLE TO MEET their financial obligations for the current OR two subsequent fiscal years.



## 2. Budget Assumptions, Projected Revenues and Expenditures



# General Assumptions Guidance

The District uses a variety of sources to determine current and future revenues and expenditures:

- School Services of California (SSC Dartboard)
- Common Message developed by all County Offices in the State
- Current State Adopted Budget
- Actual current year enrollment (CBEDs/projected P-2 ADA)
- Local Control Funding Allocation (LCFF)
- Capital Advisors
- Department of Finance (DOF) Reports
- Legislative Analyst Office (LAO)



# SSFUSD Assumptions

- Property taxes budgeted with latest estimates
- Estimated RDA revenue from COE is budgeted
- District will remain Community Funded/Basic Aid
- Estimated Step & Column cost included
- Enrollment/ADA declining
- Estimated STRS/PERS increase included
- Mandated Block Grant and Lottery Funds are budgeted
- Program carryovers from prior year are included
- Contributions to Special Ed & Transportation are budgeted
- Contributions for Routine Restricted Maintenance and Deferred Maintenance are budgeted
- One-time new State and Local grants are budgeted
- New grants and site donations are budgeted

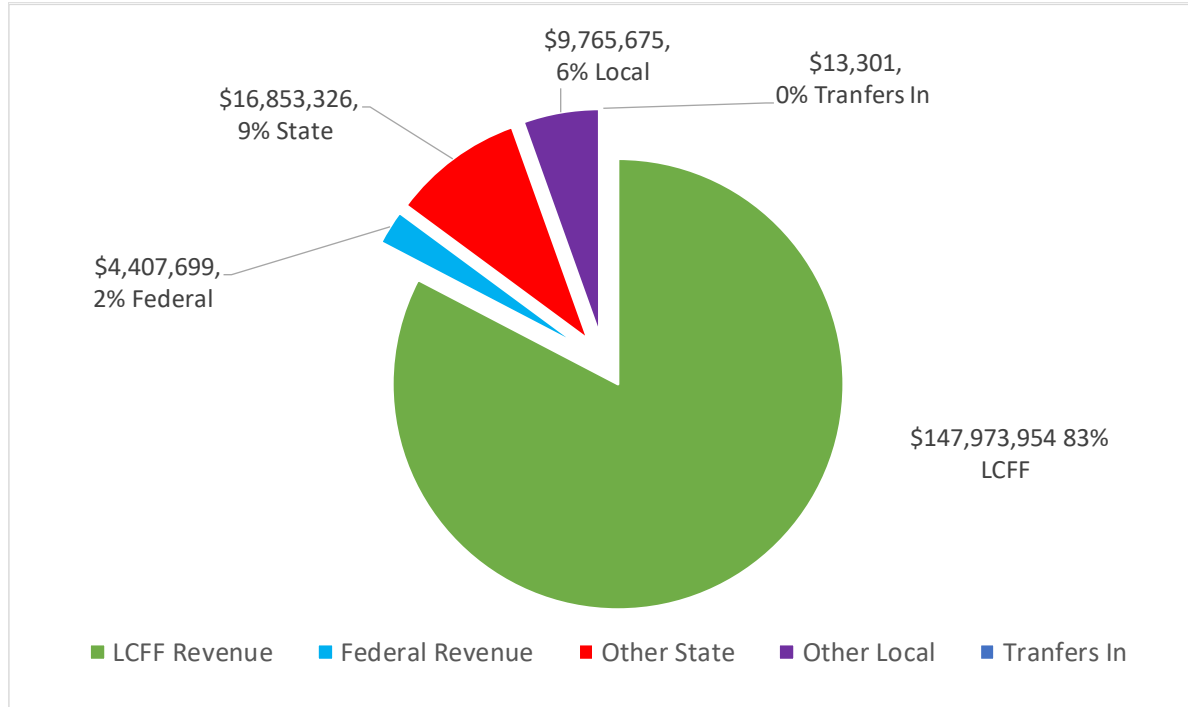


# 2024-25 Second Interim – General Fund Projected Revenues

| REVENUES        | 2024-25              | PERCENTAGE  |
|-----------------|----------------------|-------------|
| LCFF Revenue    | \$147,973,954        | 82.66%      |
| Federal Revenue | \$4,407,699          | 2.46%       |
| Other State     | \$16,853,326         | 9.41%       |
| Other Local     | \$9,765,675          | 5.46%       |
| Transfers In    | \$13,301             | 0.01%       |
| <b>TOTAL</b>    | <b>\$179,013,955</b> | <b>100%</b> |



# 2024-25 General Fund Projected Revenues

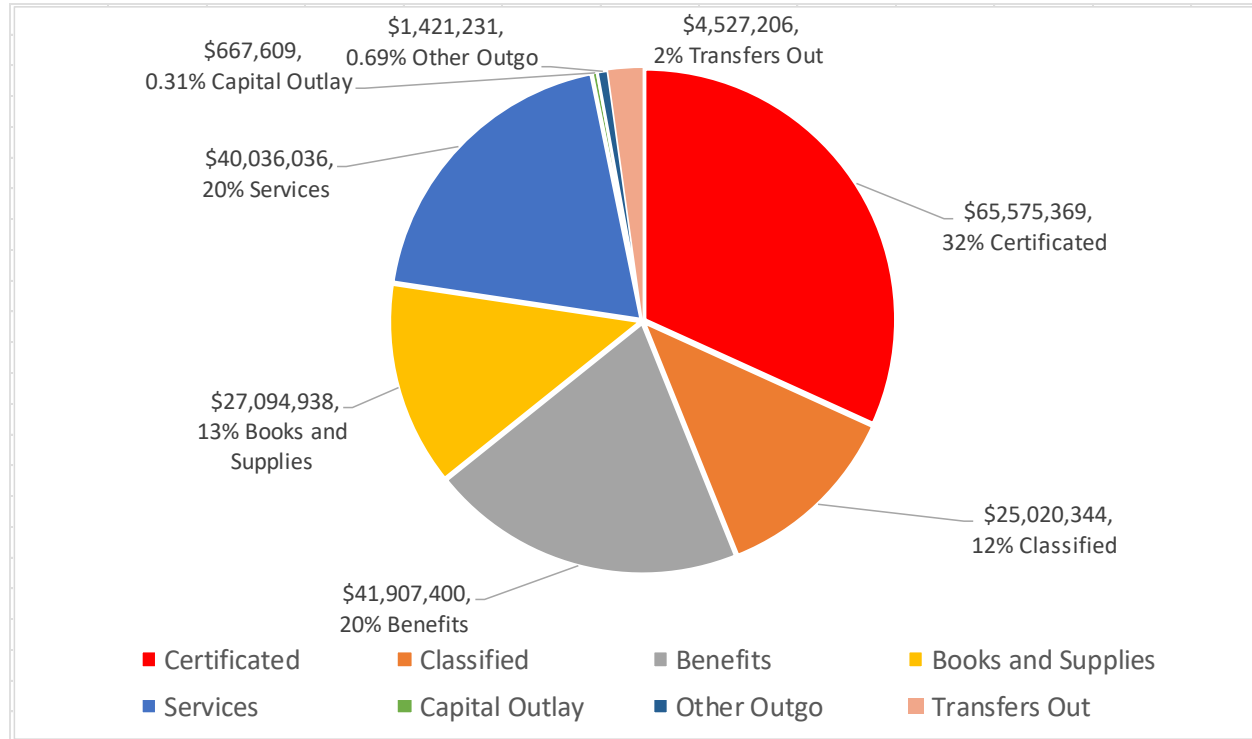


# 2024-25 Second Interim – General Fund Projected Expenditures

| EXPENDITURES          | 2024-2025            | PERCENTAGE  |
|-----------------------|----------------------|-------------|
| Certificated Salaries | \$65,575,369         | 31.79%      |
| Classified Salaries   | \$25,020,344         | 12.13%      |
| Benefits              | \$41,907,400         | 20.32%      |
| Books & Supplies      | \$27,094,938         | 13.14%      |
| Services              | \$40,036,036         | 19.41%      |
| Capital Outlay        | \$667,609            | 0.32%       |
| Other Outgo           | \$1,421,231          | 0.69%       |
| Transfers Out         | \$4,527,206          | 2.20%       |
| <b>TOTAL</b>          | <b>\$206,250,133</b> | <b>100%</b> |



# 2024-25 General Fund Projected Expenditures



# General Fund – Unrestricted and Restricted

| General Fund Summary                  | 2024-25<br>Unrestricted | 2024-25<br>Restricted | Total              |
|---------------------------------------|-------------------------|-----------------------|--------------------|
| Revenues without Contribution         | 147,196,220             | 31,804,434            | 179,000,654        |
| General Fund Contribution             | (38,376,623)            | 38,376,623            | -                  |
| Interfund Transfer In                 | 13,301                  | -                     | 13,301             |
| Total Sources of Funds                | <b>108,832,898</b>      | <b>70,181,057</b>     | <b>179,013,955</b> |
| Expenditures                          | 106,467,395             | 95,255,532            | 201,722,927        |
| Interfund Transfer Out                | 112,296                 | 4,414,910             | 4,527,206          |
| Total Usage of Funds                  | <b>106,579,691</b>      | <b>99,670,442</b>     | <b>206,250,133</b> |
| Net Increase/Decrease In Fund Balance | 2,253,207               | (29,489,385)          | (27,236,178)       |
| Beginning Fund Balance                | 27,523,848              | 37,389,218            | 64,913,066         |
| Projected Ending Fund Balance         | 29,777,055              | 7,899,833             | 37,676,888         |
| Nonspendable                          | 232,740                 | -                     | 232,740            |
| Restricted (Program Carryovers)       | -                       | 7,899,833             | 7,899,833          |
| Committed                             | -                       | -                     | -                  |
| Assigned/Designated                   |                         |                       |                    |
| Various Designations *                | 19,231,808              | -                     | 19,231,808         |
| Unassigned/Unappropriated             |                         |                       |                    |
| Designated for Economic Uncertainties | 10,312,507              | -                     | 10,312,507         |
| Undesignated Reserve                  | -                       | -                     | -                  |



# General Fund – 1<sup>st</sup> Interim vs. 2<sup>nd</sup> Interim

| General Fund<br>(Unrestricted and Restricted) | 2024-25<br>1st Interim | 2024-25<br>2nd Interim | Change           |
|-----------------------------------------------|------------------------|------------------------|------------------|
| Revenues                                      | 176,235,377            | 179,000,654            | 2,765,277        |
| Interfund Transfer In                         | 13,301                 | 13,301                 | -                |
| Total Sources of Funds                        | <b>176,248,678</b>     | <b>179,013,955</b>     | <b>2,765,277</b> |
| Expenditures                                  | 199,271,208            | 201,722,927            | 2,451,719        |
| Interfund Transfer Out                        | 3,634,220              | 4,527,206              | 892,986          |
| Total Usage of Funds                          | <b>202,905,428</b>     | <b>206,250,133</b>     | <b>3,344,705</b> |
| Net Increase/Decrease In Fund Balance         | (26,656,750)           | (27,236,178)           | (579,428)        |
| Beginning Fund Balance                        | 64,913,066             | 64,913,066             | -                |
| Projected Ending Fund Balance                 | 38,256,316             | 37,676,888             | (579,428)        |
| Nonspendable                                  | 232,740                | 232,740                | -                |
| Restricted                                    | 8,040,409              | 7,899,833              | (140,576)        |
| Committed                                     | -                      | -                      | -                |
| Assigned/Designated                           |                        |                        |                  |
| Various Designations *                        | 19,520,175             | 19,231,808             | (288,367)        |
| Unassigned/Unappropriated                     |                        |                        |                  |
| Designated for Economic Uncertainties         | 10,145,271             | 10,312,507             | 167,236          |
| Undesignated Reserve                          | 317,721                | -                      | (317,721)        |
| * Details provided on Slide 15                |                        |                        |                  |



# General Fund Summary Comparison (Combined)

|                                                       | 2024-25<br>1st Interim | 2024-25<br>2nd Interim |
|-------------------------------------------------------|------------------------|------------------------|
| Assigned/Designated                                   |                        |                        |
| STRS/PERS Increases: 2027-28                          | 359,384                | 359,384                |
| STRS/PERS Increases: 2028-29                          | 733,791                | 733,791                |
| Property Tax Re-Payment - Litigation (Rough Estimate) | 8,500,000              | 8,211,633              |
| Cover Salaries Paid With One-Time Stimulus Funds      | 7,100,000              | 7,100,000              |
| Cover Programs Paid With One-Time Stimulus Funds      | 2,827,000              | 2,827,000              |
|                                                       | <b>19,520,175</b>      | <b>19,231,808</b>      |



# Changes to Revenue

The net change in revenue from the 1<sup>st</sup> Interim to 2<sup>nd</sup> Interim is approximately \$2.8M. The major changes include:

- Net increase in Federal, State and Local Categorical/Restricted Funding, \$1.9M
- Increase in RDA pass-thru funds of \$900K



# Changes to Expenditures

The net change in Expenditures from the Adopted Budget to 1<sup>st</sup> Interim is approximately \$3.3M. The major changes include:

- Increase in one-time State Categorical/Restricted funding, \$1.3M
- Net increase in Federal, State and Local Program allocations and various budget adjustments, \$673K
- Increase in RDA pass-thru funds of \$900K
- Savings in salaries and benefits due to unfilled vacant positions, \$427K



### 3. Multi-Year Projection



# 2025-26 and 2026-27 MYP Assumptions

- Property tax increases – estimated at 5%
- Estimated RDA revenue is budgeted
- Estimated STRS/PERS increase included
- Estimated Step & Column costs included
- Enrollment/ADA projected to decrease by 2% per year
- Mandated Block Grant and Lottery Funds are budgeted
- Contributions to Special Ed and Transportation
- Contributions to Routine Restricted Maintenance and Deferred Maintenance
- Anticipated positions related to the Strategic Plan are budgeted
- Positions paid for with one-time stimulus funds are not budgeted
- Anticipated positions for three additional Transitional Kinder classes
- District will remain Community Funded/Basic Aid



# Multi-Year Projection Assumptions

|              | STRS   | PERS   | COLA  | Lottery | Mandated<br>Block<br>Grant | Federal | ADA      |
|--------------|--------|--------|-------|---------|----------------------------|---------|----------|
| <b>24-25</b> | 19.10% | 27.05% | 1.07% | \$273   | \$111.83                   | Flat    | 7,271.39 |
| <b>25-26</b> | 19.10% | 27.40% | 2.43% | \$273   | \$114.55                   | Flat    | 7,126.76 |
| <b>26-27</b> | 19.10% | 27.50% | 3.52% | \$273   | \$118.58                   | Flat    | 6,985.01 |



# Multi-Year Projection – Actual/Projected Ending Fund Balances

The District's Ending Fund Balance is decreasing as a result of deficit spending, increased employer PERS and STRS contribution, increased staffing and increased District operating expenditures.

|                                          | <b>Second<br/>Interim<br/>2024/25</b> | <b>Proposed<br/>Budget<br/>2025/26</b> | <b>Proposed<br/>Budget<br/>2026/27</b> |
|------------------------------------------|---------------------------------------|----------------------------------------|----------------------------------------|
| <b>Unrestricted and Restricted Funds</b> |                                       |                                        |                                        |
| <b>Revenues</b>                          | \$ 179,000,654                        | \$ 179,617,270                         | \$ 184,246,888                         |
| Interfund Transfer In                    | 13,301                                | 13,301                                 | 13,301                                 |
| Total Sources of Funds                   | \$ 179,013,955                        | \$ 179,630,571                         | \$ 184,260,189                         |
| <b>Expenditures</b>                      | \$ 201,722,927                        | \$ 178,922,772                         | \$ 182,374,798                         |
| Interfund Transfer Out                   | 4,527,206                             | 4,527,206                              | 4,527,206                              |
| Total Usage of Funds                     | \$ 206,250,133                        | \$ 183,449,978                         | \$ 186,902,004                         |
| <b>Net Incr/Decr in Fund Balance</b>     | \$ (27,236,178)                       | \$ (3,819,407)                         | \$ (2,641,815)                         |
| Beginning Fund Balance                   | 64,913,066                            | 37,676,888                             | 33,857,481                             |
| Actual/Projected Ending Fund Balance     | \$ 37,676,888                         | \$ 33,857,481                          | \$ 31,215,666                          |



# Ending Fund Balances (Reserves)

GASB Statement No. 54 establishes certain classification that governmental agencies are required to report their fund balances

- Nonspendable
- Restricted
- Committed
- Assigned
- Undesignated/Unassigned



# Ending Fund Balance Designations

|                                                    | Second            | Proposed          | Proposed          |
|----------------------------------------------------|-------------------|-------------------|-------------------|
| Unrestricted and Restricted Funds                  | Interim           | Budget            | Budget            |
|                                                    | 2024/25           | 2025/26           | 2026/27           |
| <b><i>Actual/Projected Ending Fund Balance</i></b> | <b>37,676,888</b> | <b>33,857,481</b> | <b>31,215,666</b> |
| Nonspendable                                       |                   |                   |                   |
| Revolving Cash                                     | 25,100            | 25,100            | 25,100            |
| Stores                                             | 63,269            | 63,269            | 63,269            |
| Prepaid Expenditures                               | 144,371           | 144,371           | 144,371           |
| Restricted                                         | 7,899,833         | 7,899,833         | 7,899,833         |
| Committed                                          | 0                 | 0                 | 0                 |
| Assigned/Designated                                |                   |                   |                   |
| STRS/PERS Increase: 2027-28                        | 359,384           | 359,384           | 359,384           |
| STRS/PERS Increase: 2028-29                        | 733,791           | 733,791           | 733,791           |
| Prop Tax Re-Pymt - Litigation (Est.)               | 8,211,633         | 5,532,234         | 2,717,818         |
| Cover Salaries Paid W/One-time Stimulus Funds      | 7,100,000         | 7,100,000         | 7,100,000         |
| Cover Programs Paid W/One-time Stimulus Funds      | 2,827,000         | 2,827,000         | 2,827,000         |
| Reserve:                                           |                   |                   |                   |
| Reserved for Economic Uncertainties                | 10,312,507        | 9,172,499         | 9,345,100         |
| Undesignated Reserve                               | 0                 | 0                 | 0                 |



## 4. Positions and Programs Funded with One-time Funds



# Positions and Programs Funded with One-time Funds

- SSFUSD has many positions and programs that are funded with one-time stimulus funds.
- Once these funds expire or depleted, these positions will need to be eliminated unless another funding source is identified.

| Resource | Resource Description                 | Expires   | FTE  | Positon/Program Types         | Amount        |
|----------|--------------------------------------|-----------|------|-------------------------------|---------------|
| 0000     | Unrestricted General Fund (one-time) | 6/30/2025 | 2.00 | Counselor-Academic            | \$ 301,025.00 |
|          |                                      |           | 1.00 | School Behaviorist            | \$ 194,580.00 |
|          |                                      |           | 1.00 | School Psychologist           | \$ 142,421.00 |
|          |                                      |           | 2.00 | Counselor-Wellness            | \$ 210,702.00 |
| 3182     | School Improvement Grant             | 6/30/2025 | 0.40 | Counselor-Extra               | \$ 46,967.00  |
|          |                                      |           | 0.20 | Counselor-Extra               | \$ 25,356.00  |
| 6266     | Educator Effectiveness Grant         | 6/30/2026 | 1.00 | Coordinator-Multi-Tier System | \$ 217,829.00 |
|          |                                      |           | 0.83 | TOSA - Social Science         | \$ 104,886.00 |
|          |                                      |           |      | Partners in School Innovation | \$ 150,000.00 |
| 6546     | State Mental Health Grant            | 6/30/2025 | 2.00 | Various Staff                 | \$ 242,401.00 |
|          |                                      |           |      | Daybreak Medical              | \$ 178,500.00 |
|          |                                      |           |      | Beacon School                 | \$ 620,000.00 |
|          |                                      |           |      | San Mateo County              | \$ 450,000.00 |
|          |                                      |           |      | Dooley Corporation            | \$ 90,000.00  |
| 7810     | Ethnic Studies Grant                 | 6/30/2025 | 0.18 | TOSA - Social Science         | \$ 22,249.00  |



# Positions and Programs Funded with One-time Funds

| Resource | Resource Description                    | Expires   | FTE  | Positon/Program Types          | Amount        |
|----------|-----------------------------------------|-----------|------|--------------------------------|---------------|
| 7435     | Learning Recovery Emergency Block Grant | 6/30/2026 | 1.00 | Administrative Assistant-ATT   | \$ 93,494.00  |
|          |                                         |           | 4.00 | Counselor-Wellness             | \$ 449,465.00 |
|          |                                         |           | 1.00 | Counselor on Special Assign.   | \$ 155,685.00 |
|          |                                         |           | 3.53 | Office Assistant-Attendance    | \$ 296,461.00 |
|          |                                         |           | 1.00 | Psychologist on Special Assign | \$ 169,980.00 |
|          |                                         |           | 3.00 | School Community Liaison       | \$ 250,983.00 |
|          |                                         |           | 1.00 | Teacher - Other                | \$ 127,134.00 |
|          |                                         |           | 1.00 | Teacher - Other (ELD)          | \$ 163,411.00 |
|          |                                         |           | 4.00 | Teacher - Other (RTI)          | \$ 528,769.00 |
|          |                                         |           | 2.00 | TOSA - Special Ed              | \$ 245,609.00 |
| 9078     | Bay Ed Fund                             | 6/30/2025 | 1.00 | Chief of Strategy & Comm       | \$ 268,464.48 |
| 9305     | Student Behavior Hlth Incentive (SBHIP) | 6/30/2025 | 0.20 | Counselor-Extra                | \$ 16,939.00  |

**Grand Total**

**33.34**

**\$ 5,763,310.48**



# Additional Programs Funded with One-time Funds

| Resource | Resource Description                              | Expires   | FTE         | Position/Program Types | Amount                 |
|----------|---------------------------------------------------|-----------|-------------|------------------------|------------------------|
| 6762     | Arts, Music, Instr Mtls Discretionary Block Grant | 6/30/2026 |             | Air Tutors LLC         | \$ 400,000.00          |
|          |                                                   |           |             | Enome Inc              | \$ 75,506.00           |
|          |                                                   |           |             | EPS Operations         | \$ 71,454.00           |
|          |                                                   |           |             | IXL Learning           | \$ 83,350.00           |
|          |                                                   |           |             | Legarza Sports         | \$ 777,650.00          |
|          |                                                   |           |             | N2Y LLC                | \$ 45,000.00           |
|          |                                                   |           |             | Qualtrics LLC          | \$ 42,975.00           |
|          |                                                   |           |             | TouchMath Acquisitions | \$ 40,000.00           |
|          |                                                   |           | <b>0.00</b> | <b>Yearly Total</b>    | <b>\$ 1,535,935.00</b> |



## 5. Areas of Concern and Looking Ahead



# Areas of Concern

- STRS/PERS Increases
- Increases in Special Education Costs
- Re-payment of property taxes due to litigation
- Aging facilities with increasing cost to repair/replace
- Declining Student Enrollment
- Shortage of teachers, nutrition service workers, custodians, substitutes and other staff
- Potential impact of new COVID-19 Variant or other pneumonia outbreak
- Positions paid with one-time stimulus funds that are expiring or used up
- Cost for expansion of the Universal Transitional Kindergarten Program
- Increasing cost for goods and services due to inflation and possible tariffs imposed by the Trump administration
- Possible loss of Federal program funding from the Trump administration



# Looking Ahead

- Governor's Revision to the Proposed Budget
  - May 2025
- Public Hearing on the 2025-26 LCAP Draft Plan and Budget
  - June 12, 2025
- Public Hearing to Adopt the 2025-26 LCAP and Budget
  - June 26, 2025
- 2024-25 Unaudited Actuals
  - September 2025



# Thank You

