

# South San Francisco Unified School District

## Proposed Budget Presentation

### 2025-26

Ted O, Assistant Superintendent, Business Services

Presented June 26, 2025



# Board Presentation Agenda

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# 1. Overview



# Education Code Reporting Requirements

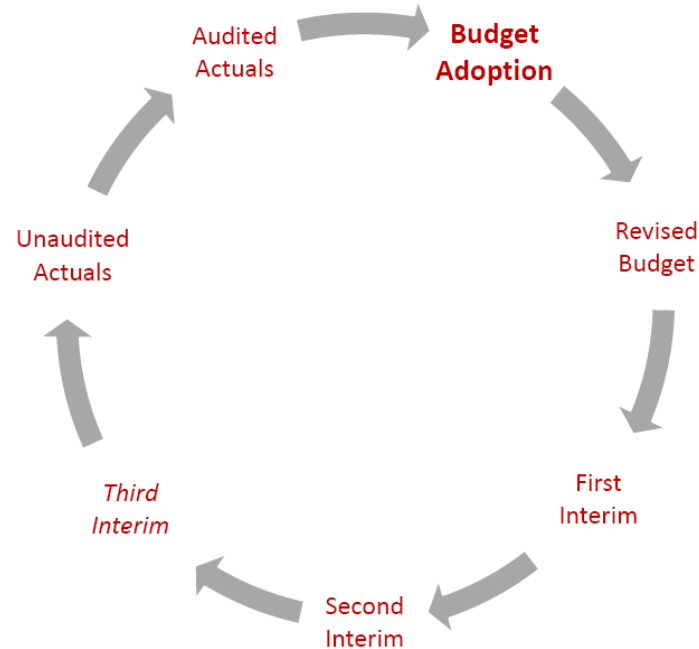
- Education Code Section 42127(a)(1) states that:
  - *On or before July 1 of each year, the governing board of each school district shall hold a public hearing on the budget to be adopted for the subsequent fiscal year. The budget to be adopted shall be prepared in accordance with Section 42126. The agenda for that hearing shall be posted at least 72 hours prior to the public hearing and shall include the location where the budget will be available for public inspection.*
- Then, the budget is adopted and filed with the County Office of Education (COE), which approves or disapproves the budget



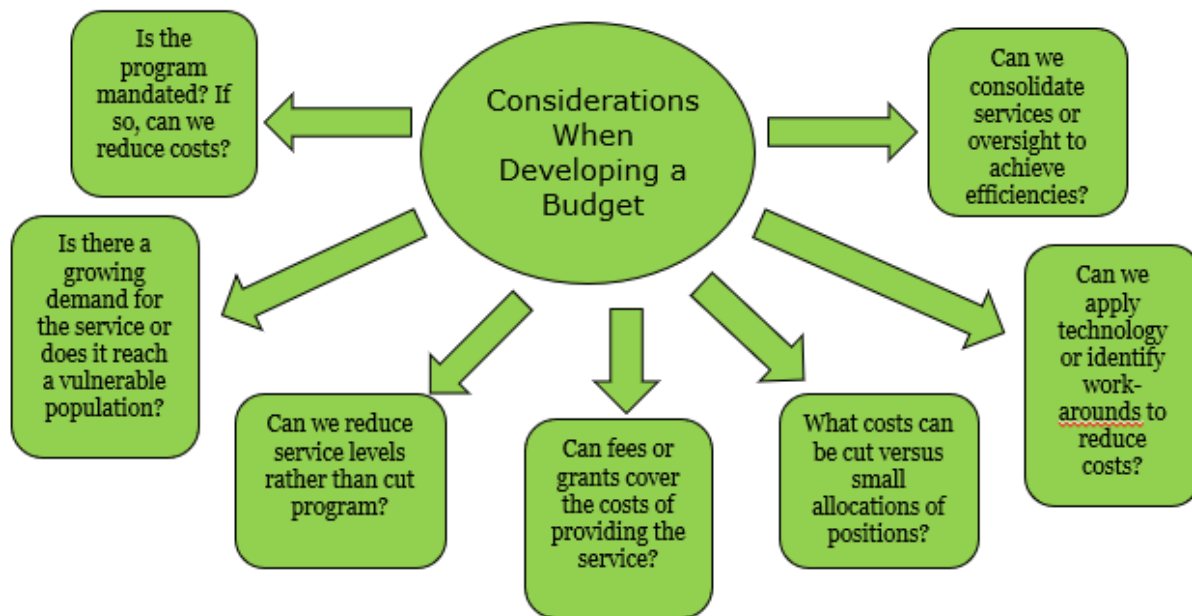
# The Annual Budget Cycle

At each period, we:

- Update budget
- Certify District's financial condition
- Present summary to Board of Education
- Submit copies to County Office of Education and State



# Considerations When Developing a Budget

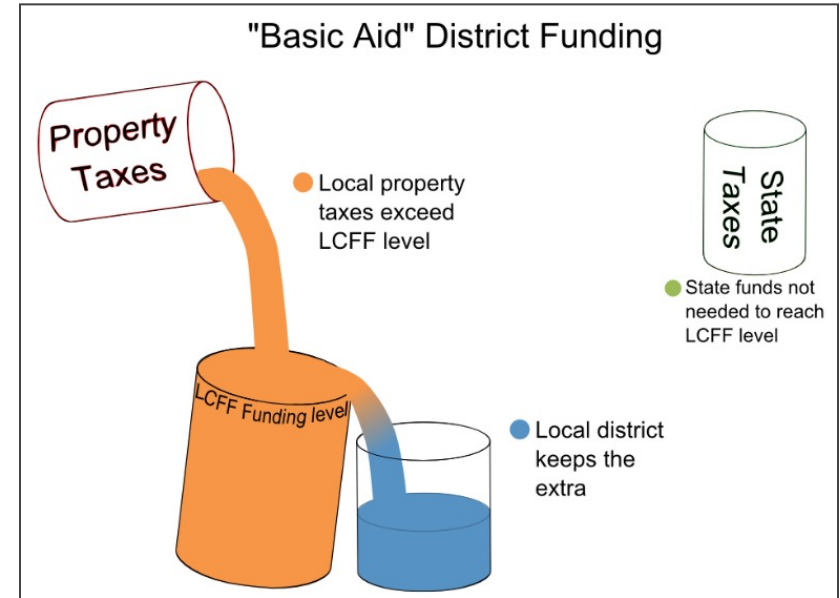
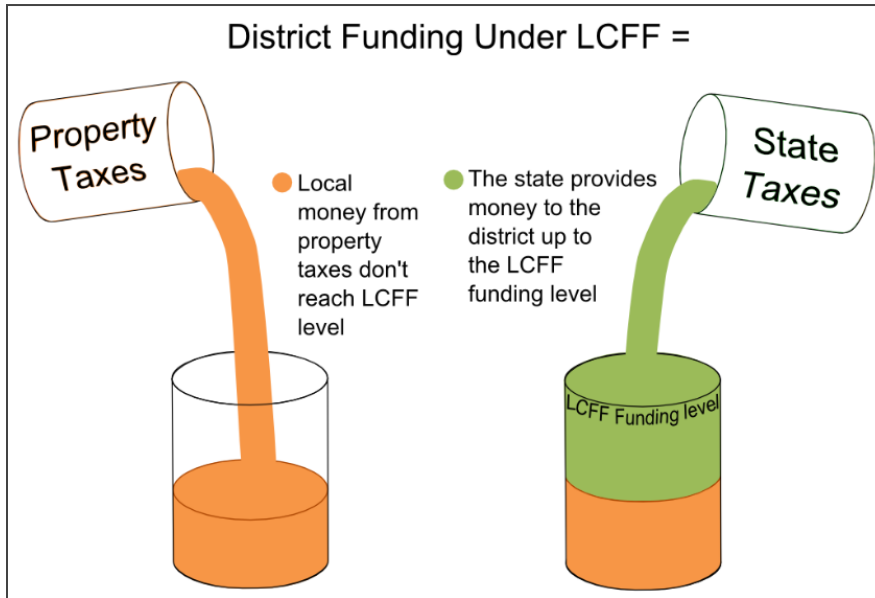


# LCAP Goals / Actions in Budget

- Under the Local Control Accountability Plan (LCAP), districts are required to put aside funds to provide additional support for the unduplicated students in the district.
- The unduplicated students include English Learners, Students on Free and Reduced Price Meals, and Foster Youth/Homeless.
- For 2025-26. the District is required to budget \$8,125,349 as LCAP-Supplemental Funds to support these students.
- The LCAP is made up of multiple goals and multiple actions within each goal.



# Funding for School District – LCFF vs. Basic Aid



## 2. Budget Assumptions, Projected Revenues and Expenditures



# 2025-26 SSFUSD Budget Assumptions

The following assumptions are used in preparing the budget:

- Projected increase in property tax
- Projected for on-going RDA revenue
- District will remain Community Funded/Basic Aid
- Estimated Step & Column cost included
- Enrollment/ADA declining
- LCAP Goals/Actions are included in the budget
- Maintain contribution to Routine Restricted Maintenance
- Estimated STRS/PERS increased/changes included
- Contribution to Special Ed and Transportation are budgeted
- Lottery, Mandated Cost Block Grant and EPA are budgeted
- Gifts and donations are budgeted when received
- Program carryovers not budgeted until books are closed

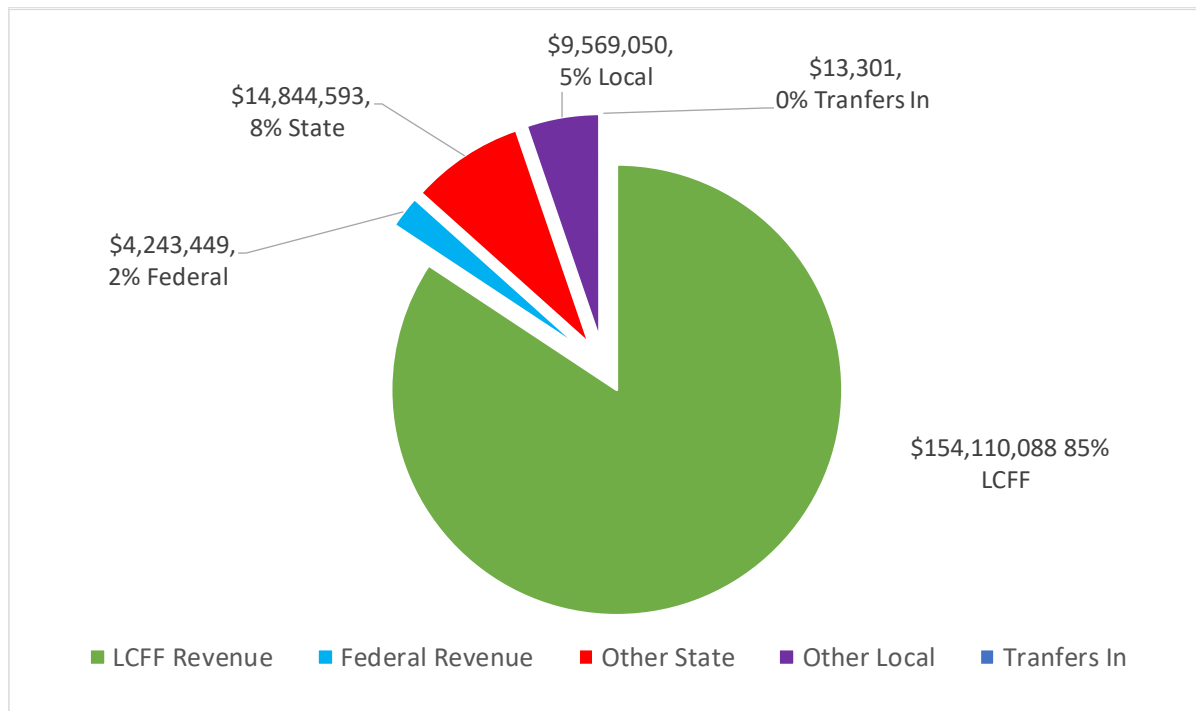


# 2025-26 Projected General Fund Revenues

| REVENUES        | 2025-26              | PERCENTAGE  |
|-----------------|----------------------|-------------|
| LCFF Revenue    | \$154,110,088        | 84.31%      |
| Federal Revenue | \$4,243,449          | 2.32%       |
| Other State     | \$14,844,593         | 8.12%       |
| Other Local     | \$9,569,050          | 5.24%       |
| Transfers In    | \$13,301             | 0.01%       |
| <b>TOTAL</b>    | <b>\$182,780,481</b> | <b>100%</b> |



# 2025-26 Projected General Fund Revenues



# Revenue Classification

The following are included under LCFF Sources:

- State Aid
- Education Protection Account (EPA)
- Tax Relief Subventions
- Secured Tax Rolls
- Unsecured Tax Rolls
- Prior Year Taxes
- Community Development Funds (RDA)



# Revenue Classification

The following are included under Federal Sources:

- Special Education Entitlement
- Special Education Discretionary
- Interagency Contracts
- Title I, II, III and IV
- Migrant Education
- Medical Administrative Activities (MAA)
- One-time Federal Stimulus Funds
- All Other Federal Revenues



# Revenue Classification

The following are included under Other State Sources:

- Special Education
- Mandated Cost Reimbursements
- Lottery
- Career Technical Education (CTE)
- Prop 28 Arts Education Program
- One-time State Stimulus Funds
- All Other State Revenues



# Revenue Classification

The following are included under Other Local Sources:

- Community Redevelopment Funds not subject to LCFF deduction
- Lease and Rentals
- Interest
- Interagency Services
- Tuition
- Gifts and Donations
- All Other Local Revenues

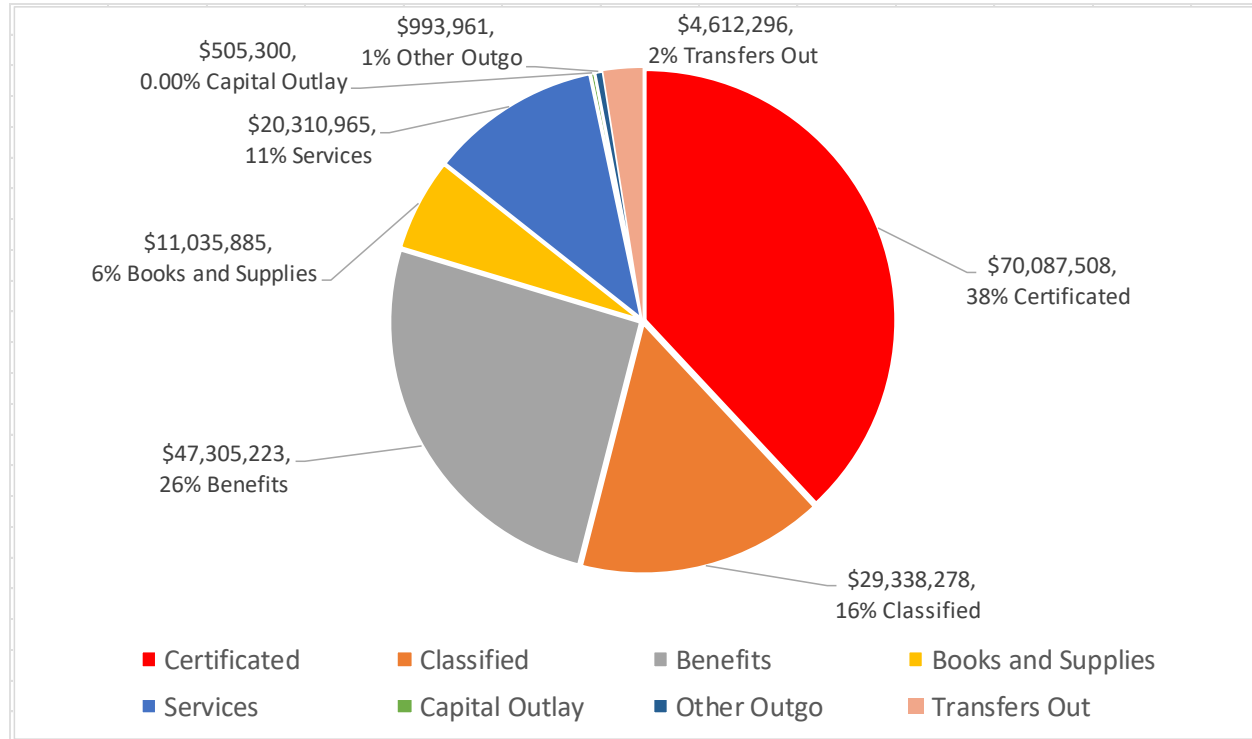


# 2025-26 Projected General Fund Expenditures

| EXPENDITURES          | 2025-2026            | PERCENTAGE  |
|-----------------------|----------------------|-------------|
| Certificated Salaries | \$70,087,508         | 38.06%      |
| Classified Salaries   | \$29,338,278         | 15.93%      |
| Benefits              | \$47,305,223         | 25.68%      |
| Books & Supplies      | \$11,035,885         | 5.99%       |
| Services              | \$20,310,965         | 11.03%      |
| Capital Outlay        | \$505,300            | 0.27%       |
| Other Outgo           | \$993,961            | 0.54%       |
| Transfers Out         | \$4,612,296          | 2.50%       |
| <b>TOTAL</b>          | <b>\$184,189,416</b> | <b>100%</b> |



# 2025-26 Projected General Fund Expenditures



# Expenditure Classifications

The following are included under Certificated Salaries:

- Certificated salaries are salaries that require a credential or permit. Examples include the following:
  - Teachers
  - Nurses
  - Counselors
  - Psychologists
  - Administration



# Expenditure Classifications

The following are included under Classified Salaries:

- Classified salaries are salaries that do not require a credential or permit. Examples include the following:
  - Paraeducator
  - Administrative Assistants
  - Accounting and Payroll Staff
  - Cafeteria Workers
  - Facilities and Maintenance Staff
  - Custodians
  - Technicians (HR, PR, IT, etc.)
  - Administration



# Expenditure Classifications

The following are included under Employee Benefits:

- This classification is used to account for employer contributions to employee retirement plan, health and welfare benefits, state unemployment insurance, social security, Medicare, workers compensation insurance and other post-employment benefits associated with certificated and classified personnel.



# Expenditure Classifications

The following are included under Books and Supplies:

- Expenditures for the purchase of instructional materials, books, supplies, equipment (under \$5,000), reference materials, paper, pencils and operational materials are recorded in this category.



# Expenditure Classifications

The following are included under Services and Other Operating Expenditures:

- This classification is used to record expenditures for services such as rents, leases, repairs, software licenses, maintenance contracts, agreements, dues, travel, insurance, utilities, assemblies, and legal expenses.



# Expenditure Classifications

The following are included under Capital Outlay:

- Expenditures for the purchase and/or replacement of sites, buildings, and capitalized equipment are recorded in this category.



# Expenditure Classifications

The following are included under Other Outgo:

- This classification is used to account for tuition payments and excess costs to non-public schools as well as transfers to County Offices and outside educational agencies.



# Expenditure Classifications

The following are included under Interfund Transfer-Out:

- This classification is used to account for any contribution from the General Fund (restricted or unrestricted) to other funds maintained by the District.



### 3. Multi-Year Projection & Projected Ending Fund Balances



# 2026-27 and 2027-28 MYP Assumptions

- Property tax increases – estimated at 5% & 5%
- Estimated RDA revenue is budgeted
- Estimated STRS/PERS increase included
- Estimated Step & Column costs included
- District will remain Community Funded/Basic Aid
- Enrollment/ADA projected to decrease by 2% per year
- LCAP Goals/Actions are included in the budget
- Estimated STRS/PERS increased/changes included
- Mandated Block Grant and Lottery Funds are budgeted
- Contributions to Special Ed and Transportation
- Contributions to Routine Restricted Maintenance program



# Additional Multi-Year Projection Assumptions

|              | STRS   | PERS   | COLA  | Lottery | Mandated<br>Block<br>Grant | Federal | ADA      |
|--------------|--------|--------|-------|---------|----------------------------|---------|----------|
| <b>25-26</b> | 19.10% | 26.81% | 2.30% | \$273   | \$114.40                   | Flat    | 7,152.47 |
| <b>26-27</b> | 19.10% | 26.90% | 3.02% | \$273   | \$117.85                   | Flat    | 7,010.07 |
| <b>27-28</b> | 19.10% | 27.80% | 3.42% | \$273   | \$121.88                   | Flat    | 6,870.52 |



# Multi-Year Projection – Unrestricted (Before Designations)

| <b>GENERAL FUND<br/>UNRESTRICTED</b>           | <b>Proposed Budget<br/>2025-2026</b> | <b>Projected Budget<br/>2026-2027</b> | <b>Projected Budget<br/>2027-2028</b> |
|------------------------------------------------|--------------------------------------|---------------------------------------|---------------------------------------|
| <b>Multi-Year Projections</b>                  |                                      |                                       |                                       |
| <b>Revenues &amp; Other Financing Sources</b>  |                                      |                                       |                                       |
| LCFF/State Aid/Property Tax                    | \$ 147,886,401                       | \$ 152,545,752                        | \$ 157,469,892                        |
| Federal Revenues                               | \$ -                                 | \$ -                                  | \$ -                                  |
| State Income                                   | \$ 2,977,220                         | \$ 2,980,714                          | \$ 2,985,693                          |
| Local Income                                   | \$ 3,468,195                         | \$ 3,468,195                          | \$ 3,468,195                          |
| Transfers in                                   | \$ 13,301                            | \$ 13,301                             | \$ 13,301                             |
| Other Sources                                  | \$ -                                 | \$ -                                  | \$ -                                  |
| Contributions                                  | \$ (39,768,228)                      | \$ (39,918,228)                       | \$ (39,968,228)                       |
| <b>Total</b>                                   | <b>\$ 114,576,889</b>                | <b>\$ 119,089,734</b>                 | <b>\$ 123,968,853</b>                 |
| <b>Expenditures &amp; Other Financing Uses</b> |                                      |                                       |                                       |
| Certificated Salaries                          | \$ 52,736,353                        | \$ 55,299,930                         | \$ 58,226,083                         |
| Classified Salaries                            | \$ 17,297,267                        | \$ 17,356,726                         | \$ 17,617,077                         |
| Employee Benefits                              | \$ 28,481,107                        | \$ 29,747,195                         | \$ 31,401,664                         |
| Books & Supplies                               | \$ 4,188,251                         | \$ 4,391,106                          | \$ 4,536,746                          |
| Services and Operating                         | \$ 13,529,699                        | \$ 14,562,012                         | \$ 15,717,914                         |
| Capital Outlay                                 | \$ 238,000                           | \$ 238,000                            | \$ 238,000                            |
| Other Outgo                                    | \$ (360,754)                         | \$ (322,753)                          | \$ (309,835)                          |
| Transfers Out                                  | \$ 112,296.00                        | \$ 112,296                            | \$ 112,296                            |
| Other Uses                                     | \$ -                                 | \$ -                                  | \$ -                                  |
| <b>Total</b>                                   | <b>\$ 116,222,219</b>                | <b>\$ 121,384,512</b>                 | <b>\$ 127,539,945</b>                 |
| <b>Net Increase / (Decrease)</b>               | <b>\$ (1,645,330)</b>                | <b>\$ (2,294,778)</b>                 | <b>\$ (3,571,092)</b>                 |
| Beg. Balance                                   | \$ 36,711,979                        | \$ 35,066,649                         | \$ 32,771,871                         |
| <b>Ending Fund Balance</b>                     | <b>\$ 35,066,649</b>                 | <b>\$ 32,771,871</b>                  | <b>\$ 29,200,779</b>                  |



# Multi-Year Projection – Restricted (Before Designations)

| <b>GENERAL FUND RESTRICTED</b>                 | <b>Proposed Budget</b> | <b>Projected Budget</b> | <b>Projected Budget</b> |
|------------------------------------------------|------------------------|-------------------------|-------------------------|
| <b>Multi-Year Projections</b>                  | <b>2025-2026</b>       | <b>2026-2027</b>        | <b>2027-2028</b>        |
| <b>Revenues &amp; Other Financing Sources</b>  |                        |                         |                         |
| LCFF/State Aid/Property Tax                    | \$ 6,223,687           | \$ 6,223,687            | \$ 6,223,687            |
| Federal Revenues                               | \$ 4,243,449           | \$ 4,243,449            | \$ 4,243,449            |
| State Income                                   | \$ 11,867,373          | \$ 11,814,396           | \$ 11,814,396           |
| Local Income                                   | \$ 6,100,855           | \$ 5,392,547            | \$ 5,392,547            |
| Transfers in                                   | \$ -                   | \$ -                    | \$ -                    |
| Other Sources                                  | \$ -                   | \$ -                    | \$ -                    |
| Contributions                                  | \$ 39,768,228          | \$ 39,918,228           | \$ 39,968,228           |
| <b>Total</b>                                   | <b>\$ 68,203,592</b>   | <b>\$ 67,592,307</b>    | <b>\$ 67,642,307</b>    |
| <b>Expenditures &amp; Other Financing Uses</b> |                        |                         |                         |
| Certificated Salaries                          | \$ 17,351,155          | \$ 17,896,795           | \$ 18,165,247           |
| Classified Salaries                            | \$ 12,041,011          | \$ 11,921,856           | \$ 12,100,684           |
| Employee Benefits                              | \$ 18,824,116          | \$ 19,231,562           | \$ 19,763,741           |
| Books & Supplies                               | \$ 6,847,633           | \$ 6,350,410            | \$ 5,832,243            |
| Services and Operating                         | \$ 6,781,266           | \$ 6,057,745            | \$ 5,664,500            |
| Capital Outlay                                 | \$ 267,300             | \$ 311,562              | \$ 311,562              |
| Other Outgo                                    | \$ 1,354,715           | \$ 1,322,377            | \$ 1,304,330            |
| Transfers Out                                  | \$ 4,500,000.00        | \$ 4,500,000            | \$ 4,500,000            |
| Other Uses                                     | \$ -                   | \$ -                    | \$ -                    |
| <b>Total</b>                                   | <b>\$ 67,967,196</b>   | <b>\$ 67,592,307</b>    | <b>\$ 67,642,307</b>    |
| <b>Net Increase / (Decrease)</b>               | <b>\$ 236,396</b>      | <b>\$ -</b>             | <b>\$ -</b>             |
| Beg. Balance                                   | \$ 7,833,851           | \$ 8,070,247            | \$ 8,070,247            |
| <b>Ending Fund Balance</b>                     | <b>\$ 8,070,247</b>    | <b>\$ 8,070,247</b>     | <b>\$ 8,070,247</b>     |



# Multi-Year Projection – Projected Ending Fund Balances

The District's projected Ending Fund Balance for both the Unrestricted and Restricted program budgets combined. These amounts are prior to the State required designations and the District designations.

|                                          | <b>Estimated</b> | <b>Proposed</b> | <b>Projected</b> | <b>Projected</b> |
|------------------------------------------|------------------|-----------------|------------------|------------------|
| <b>Unrestricted and Restricted Funds</b> | <b>Actual</b>    | <b>Budget</b>   | <b>Budget</b>    | <b>Budget</b>    |
|                                          | <b>2024-25</b>   | <b>2025-26</b>  | <b>2026-27</b>   | <b>2027-2028</b> |
| <b>Revenues</b>                          | \$ 188,789,532   | \$ 182,767,180  | \$ 186,668,740   | \$ 191,597,859   |
| Interfund Transfer In                    | 13,301           | 13,301          | 13,301           | 13,301           |
| Total Sources of Funds                   | \$ 188,802,833   | \$ 182,780,481  | \$ 186,682,041   | \$ 191,611,160   |
| <b>Expenditures *</b>                    | \$ 204,321,377   | \$ 179,577,120  | \$ 184,364,522   | \$ 190,569,955   |
| Interfund Transfer Out                   | 4,848,692        | 4,612,296       | 4,612,296        | 4,612,296        |
| Total Usage of Funds                     | \$ 209,170,069   | \$ 184,189,416  | \$ 188,976,818   | \$ 195,182,251   |
| <b>Net Incr/Decr in Fund Balance</b>     | \$ (20,367,236)  | \$ (1,408,935)  | \$ (2,294,777)   | \$ (3,571,091)   |
| Beginning Fund Balance                   | \$ 64,913,066    | 44,545,830      | 43,136,895       | 40,842,118       |
| Projected Ending Fund Balance            | \$ 44,545,830    | \$ 43,136,895   | \$ 40,842,118    | \$ 37,271,027    |



# 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

| <b>GENERAL FUND</b>                                   | <b>Estimated</b>  | <b>Proposed</b>   | <b>Projected</b>  | <b>Projected</b>  |
|-------------------------------------------------------|-------------------|-------------------|-------------------|-------------------|
| <b>Unrestricted and Restricted Funds</b>              | <b>Actual</b>     | <b>Budget</b>     | <b>Budget</b>     | <b>Budget</b>     |
|                                                       | <b>2024-25</b>    | <b>2025-26</b>    | <b>2026-27</b>    | <b>2027-28</b>    |
| <i>Estimated Actual/Projected Ending Fund Balance</i> | <i>44,545,830</i> | <i>43,136,895</i> | <i>40,842,118</i> | <i>37,271,027</i> |
| Nonspendable                                          |                   |                   |                   |                   |
| Revolving Cash                                        | 25,100            | 25,100            | 25,100            | 25,100            |
| Stores                                                | 57,135            | 75,000            | 75,000            | 75,000            |
| Prepaid Expenditures                                  | 86,664            | 150,000           | 150,000           | 150,000           |
| Restricted                                            | 7,833,851         | 8,070,247         | 8,070,247         | 8,070,247         |
| Committed                                             | 0                 | 0                 | 0                 | 0                 |
| Assigned/Designated                                   |                   |                   |                   |                   |
| STRS/PERS Increases: 2028-29                          | 860,408           | 571,058           | 571,058           | 571,058           |
| STRS/PERS Increases: 2028-29 & 2029-30                | 1,047,036         | 1,164,867         | 1,164,867         | 1,164,867         |
| Property Tax Repayment - Litigation (Est.)            | 8,500,000         | 8,500,000         | 8,500,000         | 8,500,000         |
| Set-aside for Raises - CSEA & Unrepresented           | 0                 | 1,297,465         | 3,421,541         | 4,668,925         |
| Cover Salaries Paid w/One-time Stimulus Funds         | 0                 | 0                 | 9,415,465         | 4,286,718         |
| Reserve:                                              |                   |                   |                   |                   |
| Reserved for Economic Uncertainties                   | 10,461,672        | 9,209,471         | 9,448,841         | 9,759,113         |
| Undesignated Reserve                                  | 6,194,612         | 14,073,687        | 0                 | 0                 |



## 4. Other District Funds



# Other District Funds

- Fund 08 Associated Student Body (ASB)
- Fund 11 Adult Education
- Fund 12 Child Development
- Fund 13 Cafeteria Fund
- Fund 14 Deferred Maintenance
- Fund 17 Special Reserve
- Fund 21 Bond Fund
- Fund 25 Capital Facilities
- Fund 35 County School Facilities
- Fund 40 Special Reserve Capital Projects
- Fund 51 Bond Interest & Redemption
- Fund 73 Trust Fund



## 5. Areas of Concern & 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
- Positions paid for with one-time stimulus funds that are expiring or used up
- Cost for expansion of the Universal Transitional Kindergarten Program
- Los Angeles Fires on California's Economy
- Impact of Federal policies on the economy (Tariffs, Federal Workforce and Funding Cuts, Immigration Policy, and Federal Income Tax Policy)



# Looking Ahead

- Adoption of the 2025-26 Budget
  - June 26, 2025
- 2024-25 Unaudited Actuals
  - September 11, 2025
- 2025-26 First Interim Report
  - December 11, 2025



# Thank You

