



**Excellence and Equity in Education**

Nancy Magee - County Superintendent of Schools

September 15, 2025

David Rudolph  
President, Governing Board  
Bayshore Elementary School District  
155 Oriente Street  
Daly City, CA 94014-1603

RE: Local Control and Accountability Plan and Adopted Budget – Fiscal Year 2025-26

Dear Board President Rudolph:

The San Mateo County Office of Education (SMCOE) has completed its review of Bayshore Elementary School District's Local Control and Accountability Plan (LCAP) and Adopted Budget for the 2025-26 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 2025-26 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 Bayshore Elementary School District (the District) for fiscal year 2025-26 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 2025-26 Budget, adopted by the Governing Board on June 17, 2025, meets the requirements outlined in Education Code 42127(c).**

The San Mateo County Office of Education **approves** Bayshore Elementary School District's 2025-26 Adopted Budget with the following comments:

The 2025-26 Adopted Budget projects a \$420,000 decrease in the General Fund Balance. Deficit spending has decreased by \$276,000 compared to the 2024-25 Estimated Actuals. Total revenues rose by \$208,000 driven by a \$209,000 increase in Local Control Funding Formula (LCFF) funding and \$31,000 in additional federal funds. These gains were partially offset by a \$9,000 decrease in state revenue and a \$23,000 reduction in one-time local revenue. Despite a \$318,000 increase in salaries and benefits and \$134,000 in added Special Education costs, overall expenditures are expected to decrease by \$59,000 due to a \$386,000 reduction in consulting services and supplies, along with the elimination of \$129,000 in capital outlay.

### **RESERVES**

The state-recommended minimum reserve for Bayshore Elementary School District is 4% of total General Fund expenditures. The District projects \$958,000 in available reserves or 13.17% of the total General Fund Expenditures for 2025-26.

### **MULTI-YEAR PROJECTIONS**

Reserves are expected to decrease to 10.58% in 2026-27 and 6.90% in 2027-28.

Total revenues are projected to decrease by \$185,000 in 2026-27 and increase by \$43,000 in 2027-28. In both outyears, revenue from Local Control Funding Formula (LCFF) funding is expected to grow approximately 1%, averaging \$47,000 annually. All other revenue sources remain relatively flat, except for local revenue in 2026-27 which is expected to decline \$215,000 reflecting the end of The Big Lift grant.

Total expenditures are projected to decrease by \$210,000 in 2026-27 and increase \$108,000 in 2027-28. Salaries and benefits include increases to step and column, pension contributions and health insurance premiums. Reduction in salaries, benefits, and other operating expenditures in 2026-27 is primarily due to the expiration of The Big Lift grant. All other operating costs projected to remain flat in 2027-28.

## **DEFICIT SPENDING**

The multi-year projections indicate deficit spending in the Unrestricted General Fund with a projected \$229,000 deficit in the current budget year followed by deficits of \$211,000 in 2026-27 and \$252,000 in 2027-28.

The County Office recommends the District closely monitor the budget and review to determine revenue enhancements and/or budget reductions to eliminate deficit spending.

## **CASH FLOW**

The District submitted cash flow projections for 2025-26 and 2026-27 showing positive cash balances each month for both fiscal years. The projected ending cash balance at the close of each year is \$1.9 million and \$1.5 million, respectively.

The County Superintendent advises the district to review cash balances across all funds monthly to ensure they remain positive. The San Mateo County Controller's Office allows a negative balance in any fund only if the total district-wide cash balance is positive.

The District is reminded that the San Mateo County Controller's Office does not allow negative cash balances in any account at the end of the fiscal year.

## **OTHER FUNDS**

The District maintains a positive balance across all other funds.

Child Development Fund (Fund 12) – Revenues are projected to decrease by 50.2% or \$385,000, primarily in state funding, while expenditures are expected to decline by 42.8% or \$275,000 due to the elimination of the capital outlay budget.

Cafeteria Special Revenue Fund (Fund 13) – Revenues are projected to decrease by 18.1% or \$120,000 primarily in local funding. Expenditures have been adjusted accordingly.

There are no other significant changes in other District funds from 2024-25 Estimated Actuals to 2025-26 Adopted Budget.

## SALARY NEGOTIATIONS

The District has not settled negotiations with any bargaining units for the 2025-26 fiscal 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 operating budget of any proposed salary settlement. The District is also required to submit the following documents reflecting the fiscal 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 of Schools recommends the District conduct a careful and thorough pre-settlement analysis of any proposed collective bargaining agreement. Multi-year proposals require diligent review to ensure 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 2025-26 LCAP or Budget.

Sincerely,



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Enclosures

- c:     Bhavna Narula, Superintendent, Bayshore Elementary School District  
       Annette Legaspi, Fiscal Manager, Bayshore Elementary School District  
       Nancy Magee, County Superintendent of Schools, SMCOE  
       Joy Dardenelle, Executive Director, Systems for District Improvement, SMCOE  
       Dhanya Unni, Executive Director, District Business Services, SMCOE