



**Excellence and Equity in Education**

Nancy Magee - County Superintendent of Schools

September 11, 2025

Carmen Daniel  
President, Governing Board  
Cabrillo Unified School District  
498 Kelly Avenue  
Half Moon Bay, CA 94019

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

Dear Board President Daniel:

The San Mateo County Office of Education (SMCOE) has completed its review of Cabrillo Unified School District's Local Control 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 Cabrillo Unified 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 26, 2025, meets the requirements outlined in Education Code 42127(c).**

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

The 2025-26 Adopted Budget projects an increase of approximately \$790,000 in the General Fund Balance compared to a \$125,000 deficit in the 2024-25 Estimated Actuals. Total revenues are projected to decrease by \$1.6 million primarily due to the expiration of one-time funds such as the Golden State Pathways grant. Total expenditures are budgeted to decrease by \$6.0 million. This is largely driven by reductions in salaries and benefits resulting from the conclusion of one-time retro payments and staffing adjustments as well as decreased spending on books, supplies, and services tied to one-time grant funding.

### **RESERVES**

The state-recommended minimum reserve for Cabrillo Unified School District is 3% of total General Fund expenditures. The District is projecting approximately \$1.4 million in available reserves or 3% of the total General Fund expenditures for 2025-26 meeting the state minimum requirement.

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

Reserves are expected to increase to 8.54% in 2026-27 and 10.33% in 2027-28.

Total revenues are projected to increase by 1.57% in 2026-27 and 1.90% in 2027-28. In both outyears, property tax revenues are expected to grow by approximately 2.5% averaging around \$900,000 annually.

Total expenditures are projected to increase by \$810,000 or 1.69% in 2026-27 and \$890,000 or 1.82% in 2027-28 primarily due to increased salary and benefit costs. Cost-of-living adjustments (COLA) are not included in salaries. However, a 2% step and column increase is included in both years. Services and other operating costs are expected to remain relatively flat.

The District projects a surplus of approximately \$1 million in the Unrestricted General Fund for the current year followed by a surpluses of \$1 million in 2026-27 and \$970,000 in 2027-28.

## **CASH FLOW**

The District submitted cash flow projections for 2025-26 and 2026-27 showing negative General Fund cash balances in the months of September through November 2025 and September through November 2026. Negative cash balances will be covered with cash in other funds.

The projected year-end cash balances are approximately \$8.9 million in 2025-26 and \$9.1 million in 2026-27. 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 positive fund balances across all other funds. Below is a summary of funds with notable changes in the 2025-26 Adopted Budget.

Child Development Fund (Fund 12): The District projects both revenues and expenditures to decrease by 1.4%.

Special Reserve Fund for Other than Capital Outlay Projects (Fund 17): There are no transfers in from Fund 40 in 2025-26 compared to the \$3.5 million transfer from Fund 40 in 2024-25.

Special Reserve Fund for Capital Outlay Projects (Fund 40): There are no transfers out from Fund 40 in 2025-26 compared to the \$7 million transfer from Fund 40 to Funds 01 and 17 in 2024-25.

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,



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



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

Enclosures

- c: Dr. Ramon Miramontes, Superintendent, Cabrillo USD  
Israel Castillo, Assistant Superintendent, Educational Services, Cabrillo USD  
Jennifer Marsh, Chief Business Officer, Cabrillo USD  
Nancy Magee, County Superintendent of Schools, SMCOE  
Joy Dardenelle, Executive Director, District Improvement & Support, SMCOE  
Dhanya Unni, Executive Director, District Business Services, SMCOE