



**Excellence and Equity in Education**

Nancy Magee - County Superintendent of Schools

September 11, 2025

Anthony Tsujisaka  
President, Governing Board  
Jefferson Elementary School District  
101 Lincoln Avenue  
Daly City, CA 94015

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

Dear Board President Tsujisaka:

The San Mateo County Office of Education (SMCOE) has completed its review of the Jefferson Elementary 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 Jefferson 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 25, 2025, meets the requirements outlined in Education Code 42127(c).**

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

The 2025-26 Adopted Budget shows a \$7.4 million decrease in the General Fund Balance. Deficit spending has decreased by \$5 million compared to 2024-25 Estimated Actuals.

Total revenues are projected to decrease \$576,000. Local Control Funding Formula (LCFF) funding was increased by \$560,000. Federal and local revenue were reduced by \$1.3 million to remove carryover and one-time funding.

Total expenditures are projected to decrease \$5.6 million. Salaries and benefits increased by \$1.5 million which includes a 1.5% step & column increase. Books and supplies, services and capital outlay were decreased by \$6.6 million due to the removal of carryover funds, a vehicle purchase and reductions in contracted services.

A \$1.4 million transfer from the Special Reserve for Other Than Capital Outlay Projects (Fund 17) is planned for textbook adoption and health and welfare. A \$400,000 transfer from the Special Reserve Fund for Postemployment Benefits (Fund 20) is planned for Other Postemployment Benefits (OPEB).

### **RESERVES**

The state-recommended minimum reserve for Jefferson Elementary School District is 3% of total General Fund expenditures. The District is projecting approximately \$8.3 million or 8.83% of the total General Fund expenditures for 2025-26.

The District has \$2.8 million in ending fund balance in Fund 17 which is committed for health benefits and retirement costs. This amount is not part of the total available reserve calculation.

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

Reserves are projected to decrease to 4.81% in 2026-27 and 3.24% in 2027-28.

Total revenues are projected to increase \$1.7 million in 2026-27 and \$2.9 million in 2027-28. Local Control Funding Formula (LCFF) sources are projected to increase by an average of \$1 million in each of the outyears. All other revenue sources remain relatively flat.

Total expenditures are projected to increase \$1.5 million in 2026-27 and \$1.3 million in 2027-28. Certificated and classified salaries show a 1.5% step and column increase in both subsequent years. Benefits are budgeted with a 1% increase in 2026-27 and flat in 2027-28. Books and supplies, services and operating expenditures and capital outlay remain relatively unchanged in the subsequent years. Transfers In increased by \$813,000 from Fund 17 and 20 in 2026-27 and increased by \$1.9 million from Fund 20 in 2027-28.

## **DEFICIT SPENDING**

The multi-year projections show an operating deficit of \$3.8 million in the Unrestricted General Fund for 2025-26 followed by deficits of \$3.7 million in 2026-27 and \$1.5 million in 2027-28.

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

## **CASH FLOW**

The District submitted a two-year cash flow projection showing positive cash balances each month for 2025-26 and 2026-27. The estimated ending cash balance is \$20.1 million in 2025-26 and \$18.5 million in 2026-27.

## **OTHER FUNDS**

The District maintains a positive balance across all other funds.

Child Development Fund (Fund 12) – State revenue is projected to increase by \$246,000 while expenditures are projected to decrease by \$353,000 primarily in personnel costs.

Building Fund (Fund 21) – Budgets for supplies, services and capital outlay have been eliminated reducing expenditures by \$6.5 million to reflect completion of bond funded projects.

Capital Facilities Fund (Fund 25) – Noncapitalized equipment has been reduced by \$298,000.

There are no 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 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 operating budget of any 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 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.

## **CHARTER SCHOOL**

The District is the authorizing agency for California Virtual Academy-San Mateo Charter School (CAVA). As the authorizing agency, the District maintains fiscal oversight responsibilities, particularly in the key areas of accounting, attendance reporting, budgeting and payroll.

The County Office has received the authorizing agency's Board Approval letter and concurs with the District's assessment of the Charter school's 2025-26 Adopted Budget reports.

As an authorizing agency, the District must continue to closely monitor the charter school Local Control Accountability Plan and budget to ensure that sufficient funds are maintained to support all goals, actions and services included in the LCAP for 2025-26.

Should any circumstances arise related to the charter school that would negatively impact the financial condition of the District, please notify the County Office of Education as soon as possible.

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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