

South San Francisco Unified School District

First Interim Report Presentation

2025-26

Ted O, Assistant Superintendent, Business Services

Presented December 11, 2025



Board Presentation Agenda

1

Overview

2

Budget Assumptions, Projected
Revenues and Expenditures

3

Multi-Year Projection

4

Positions and Programs Funded
with One-time Funds

5

Areas of Concern and Looking
Ahead



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

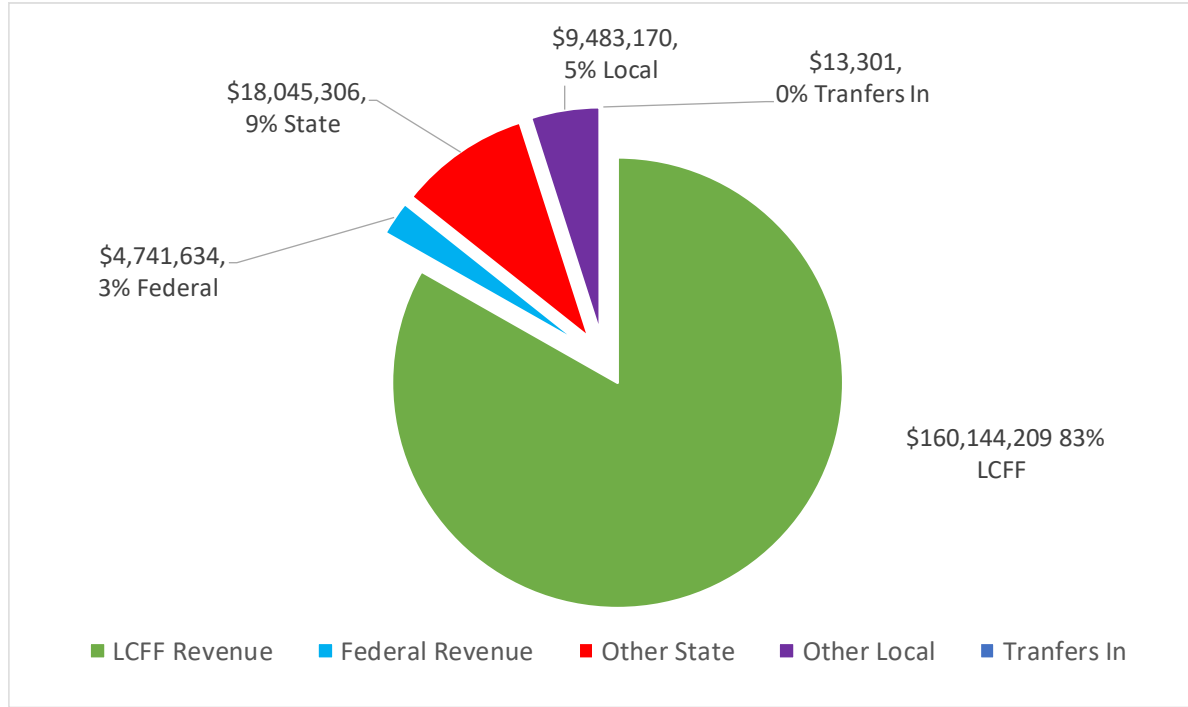


2025-26 First Interim – General Fund Projected Revenues

REVENUES	2025-26	PERCENTAGE
LCFF Revenue	\$160,144,209	83.22%
Federal Revenue	\$4,741,634	2.46%
Other State	\$18,045,306	9.38%
Other Local	\$9,483,170	4.93%
Transfers In	\$13,301	0.01%
TOTAL	\$192,427,620	100%



2025-26 General Fund Projected Revenues

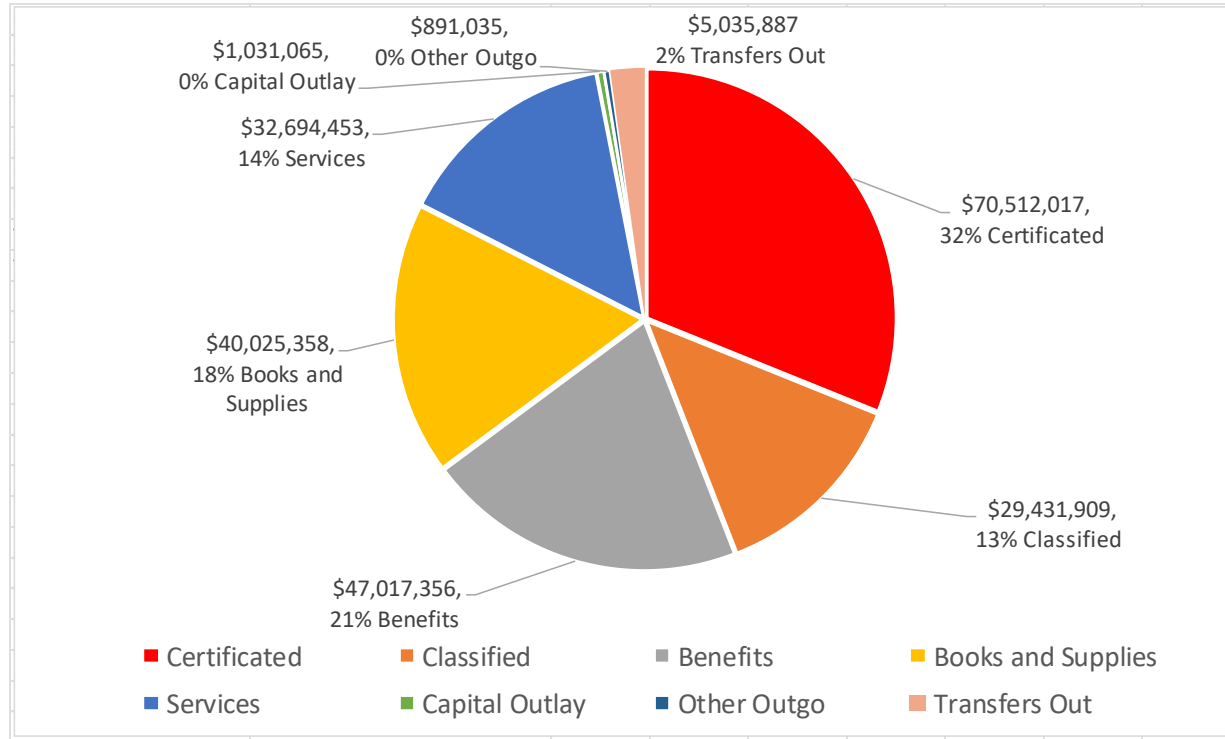


2025-26 First Interim – General Fund Projected Expenditures

EXPENDITURES	2025-2026	PERCENTAGE
Certificated Salaries	\$70,512,017	31.11%
Classified Salaries	\$29,431,909	12.99%
Benefits	\$47,017,356	20.74%
Books & Supplies	\$40,025,358	17.66%
Services	\$32,694,453	14.43%
Capital Outlay	\$1,031,365	0.46%
Other Outgo	\$891,035	0.39%
Transfers Out	\$5,035,887	2.22%
TOTAL	\$226,639,380	100%



2025-26 General Fund Projected Expenditures



General Fund – Unrestricted and Restricted

General Fund Summary	2025-26	2025-26	Total
	Unrestricted	Restricted	
Revenues without Contribution	160,162,365	32,251,954	192,414,319
General Fund Contribution	(40,557,540)	40,557,540	-
Interfund Transfer In	13,301	-	13,301
Total Sources of Funds	119,618,126	72,809,494	192,427,620
Expenditures	119,785,519	101,817,974	221,603,493
Interfund Transfer Out	112,296	4,923,591	5,035,887
Total Usage of Funds	119,897,815	106,741,565	226,639,380
Net Increase/Decrease In Fund Balance	(279,689)	(33,932,071)	(34,211,760)
Beginning Fund Balance	38,246,526	41,170,943	79,417,469
Projected Ending Fund Balance	37,966,837	7,238,872	45,205,709
Nonspendable	186,109	-	186,109
Restricted (Program Carryovers)	-	7,238,872	7,238,872
Committed	-	-	-
Assigned/Designated			
Various Designations *	11,992,510	-	11,992,510
Unassigned/Unappropriated			
Designated for Economic Uncertainties	11,331,969	-	11,331,969
Undesignated Reserve	14,456,249	-	14,456,249



General Fund – Adopted vs. 1st Interim

General Fund (Unrestricted and Restricted)	2025-26 Adopted	2025-26 1st Interim	Change
Revenues	182,767,180	192,414,319	9,647,139
Interfund Transfer In	13,301	13,301	-
Total Sources of Funds	182,780,481	192,427,620	9,647,139
Expenditures	179,577,120	221,603,493	42,026,373
Interfund Transfer Out	4,612,296	5,035,887	423,591
Total Usage of Funds	184,189,416	226,639,380	42,449,964
Net Increase/Decrease In Fund Balance	(1,408,935)	(34,211,760)	(32,802,825)
Beginning Fund Balance	79,417,469	79,417,469	-
Projected Ending Fund Balance	78,008,534	45,205,709	(32,802,825)
Nonspendable	250,100	186,109	(63,991)
Restricted	41,407,339	7,238,872	(34,168,467)
Committed	-	-	-
Assigned/Designated			
Various Designations *	11,533,389	11,992,510	459,121
Unassigned/Unappropriated			
Designated for Economic Uncertainties	9,209,471	11,331,969	2,122,498
Undesignated Reserve	15,608,235	14,456,249	(1,151,986)
* Details provided on Slide 15			



General Fund Summary Comparison (Combined)

	2025-26 Adopted Budget	2025-26 1st Interim
Assigned/Designated		
STRS/PERS Increases: 2028-29	571,058	1,146,597
STRS/PERS Increases: 2029-30	1,164,867	2,345,913
Property Tax Re-Payment - Litigation (Rough Estimate)	8,500,000	8,500,000
Set-aside for Raises - CSEA & Unrepresented	1,297,464	0
	11,533,389	11,992,510

* Added since Adopted Budget



Changes to Revenue

The net change in revenue from the Adopted Budget to 1st Interim is approximately \$9.6M. The major changes include:

- Net increase in Federal, State and Local Categorical/Restricted Funding, \$2.8M
- Increase in revenue due to carryover of prior year Federal and State Program Revenues, \$1.1M
- Increase in Estimated RDA/Property Tax, \$4.8M
- One-time revenue from sale of RDA property, \$0.9M



Changes to Expenditures

The net change in Expenditures from the Adopted Budget to 1st Interim is approximately \$42.4M. The major changes include:

- Increase in expenditures due to carryover of prior year Federal, State and Local Program Funds, \$37.1M
- Net increase in Federal, State and Local Program allocations and various budget adjustments, \$3.2M
- Increase in estimated Special Ed and Transportation costs, \$2.1M



3. Multi-Year Projection



2026-27 and 2027-28 MYP Assumptions

- Property tax increases – estimated at 6%
- 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
- Positions paid with one-time categorical funds are not budgeted
- Programs paid with one-time categorical funds are not budgeted
- Anticipated positions for two additional Transitional Kinder classes
- District will remain Community Funded/Basic Aid



Multi-Year Projection Assumptions

Year	STRS	PERS	COLA	Lottery	Mandated Block Grant	Federal	ADA
25-26	19.10%	26.81%	2.30%	\$272	\$115.57	Flat	7,228.93
26-27	19.10%	26.90%	3.02%	\$272	\$119.06	Flat	7,084.82
27-28	19.10%	27.80%	3.42%	\$272	\$123.13	Flat	6,943.60



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 and increased District operating expenditures.

	First	Proposed	Proposed
Unrestricted and Restricted Funds	Interim	Budget	Budget
	2025/26	2026/27	2027/28
Revenues	\$ 192,414,319	\$ 196,862,362	\$ 202,462,826
Interfund Transfer In	13,301	13,301	13,301
Total Sources of Funds	\$ 192,427,620	\$ 196,875,663	\$ 202,476,127
Expenditures	\$ 221,603,493	\$ 194,452,436	\$ 202,795,099
Interfund Transfer Out	5,035,887	5,073,591	5,098,591
Total Usage of Funds	\$ 226,639,380	\$ 199,526,027	\$ 207,893,690
Net Incr/Decr in Fund Balance	\$ (34,211,760)	\$ (2,650,364)	\$ (5,417,563)
Beginning Fund Balance	79,417,469	45,205,709	42,555,345
Actual/Projected Ending Fund Balance	\$ 45,205,709	\$ 42,555,345	\$ 37,137,782



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

	First	Proposed	Proposed
Unrestricted and Restricted Funds	Interim	Budget	Budget
	2025/26	2026/27	2027/28
<i>Actual/Projected Ending Fund Balance</i>	45,205,709	42,555,345	37,137,782
Nonspendable			
Revolving Cash	25,100	25,100	25,100
Stores	45,690	45,690	45,690
Prepaid Expenditures	115,319	115,319	115,319
Restricted	7,238,872	7,238,872	7,238,872
Committed	0	0	0
Assigned/Designated			
STRS/PERS Increase: 2028-29	1,146,597	1,146,597	1,146,597
STRS/PERS Increase: 2029-30	2,345,913	2,345,913	2,345,913
Prop Tax Re-Pymt - Litigation (Est.)	8,500,000	8,500,000	8,500,000
Reserve:			
Reserved for Economic Uncertainties	11,331,969	9,976,301	10,394,685
Undesignated Reserve	14,456,249	13,161,553	7,325,606



4. Positions and Programs Funded with One-time Funds



Positions and Programs Funded with One-time Funds

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

Resource	Resource Description	Expires	FTE	Positon/Program Types	Amount
0000	Unrestricted General Fund (one-time in 2025-26)		1.00	Counselor-Academic	\$ 154,549.00
0804			1.00	Counselor-Academic	\$ 178,069.00
0000			1.00	School Behaviorist	\$ 202,026.00
6500			1.00	School Psychologist	\$ 153,855.00
3182	School Improvement Grant	6/30/2026	0.40	Counselor-Extra	\$ 51,002.00
3182			0.20	Counselor-Extra	\$ 25,501.00
0804	Unrestricted General Fund / LCAP		1.00	Coordinator-Multi-Tier System	\$ 232,848.00
0804	Unrestricted General Fund / LCAP-Base (Formerally One-time Learning Recovery Emergency Block Grant-Resource 7435)		5.00	Counselor-Wellness	\$ 609,879.00
0804			1.00	Counselor on Special Assign.	\$ 166,326.00
0805			3.53	Office Assistant-Attendance	\$ 269,099.00
0804			1.00	Psychologist on Special Assign	\$ 183,792.00
0804			3.00	School Community Liaison	\$ 252,279.00
0804			1.00	Teacher - Other (ELD)	\$ 171,488.00
0804			4.00	Teacher - Other (RTI)	\$ 598,189.00
6500			1.00	TOSA - Special Ed	\$ 131,044.00
			25.13	Total Position Costs	\$ 3,379,946.00



Positions and Programs Funded with One-time Funds

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

Programs Charged to One-time Funds

Resource	Resource Description	Expires		Position/Program Types	Amount
6762	One-time Arts, Music, Instr Mtls Discretionary Block Grant	6/30/2026		Air Tutors LLC	\$ 200,000.00
				Learning Without Tears	\$ 19,300.00
				Center for Collaborative	\$ 5,500.00
				EPS Operations	\$ 10,000.00
				IXL Learning	\$ 85,000.00
				Imagine Learning	\$ 106,250.00
				Legarza Sports	\$ 816,533.00
				Youth Service Bureau (YSB)	\$ 225,000.00
				SIPPS Material	\$ 4,316.00
				Qualtrics LLC	\$ 42,975.00
				TouchMath Acquisitions	\$ 37,500.00
0000	Unrestricted General Fund (one-time in 2025-26)			Partners in School Innovation	\$ 598,000.00
				Learner Center Collaborative	\$ 219,000.00
				Total Program Costs	\$ 2,369,374.00

Grand Total

25.13

\$ 5,749,320.00



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 and programs paid with one-time funds that are ending or depleted
- 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 funding from the Trump administration



Looking Ahead

- 2024-25 Audit Report
 - January 2026
- Governor's Proposed 2026-27 State Budget Release
 - January 2026
- Second Interim Report
 - March 2026



Thank You

