

South San Francisco Unified School District

Proposed Budget Presentation

2026-27

Ted O, Assistant Superintendent, Business Services

Presented June 25, 2026



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1. Overview



Education Code Reporting Requirements

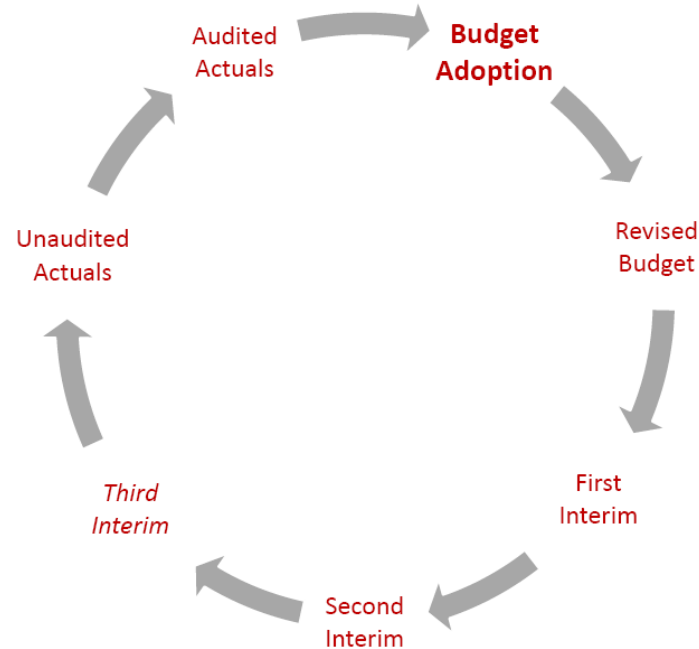
- Education Code Section 42127(a)(1) states that:
 - *On or before July 1 of each year, the governing board of each school district shall hold a public hearing on the budget to be adopted for the subsequent fiscal year. The budget to be adopted shall be prepared in accordance with Section 42126. The 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



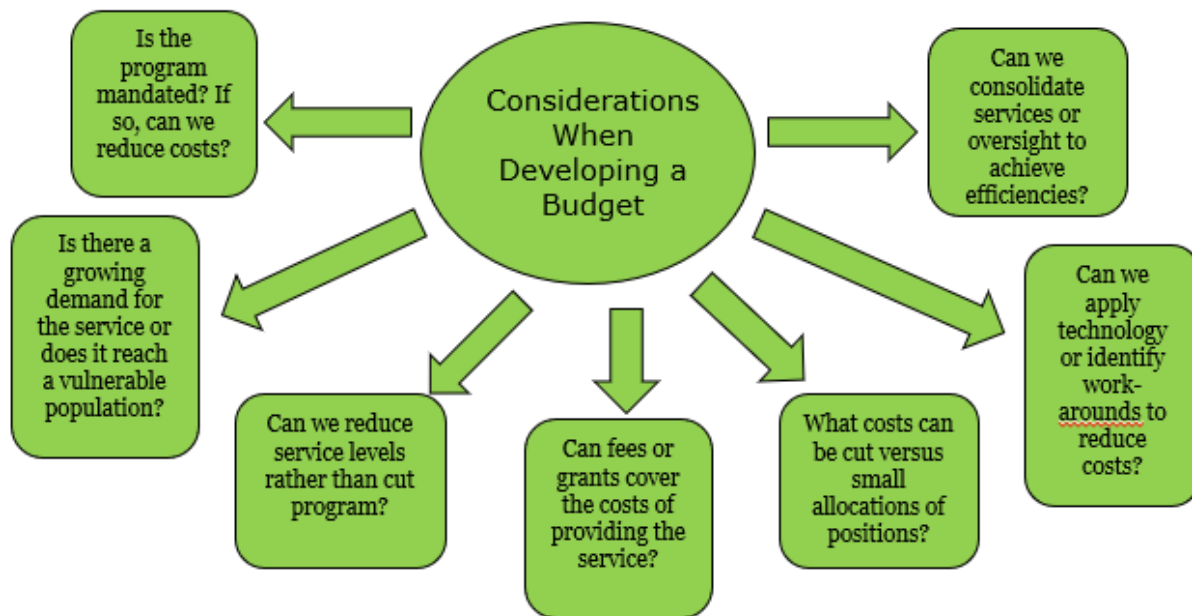
The Annual Budget Cycle

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

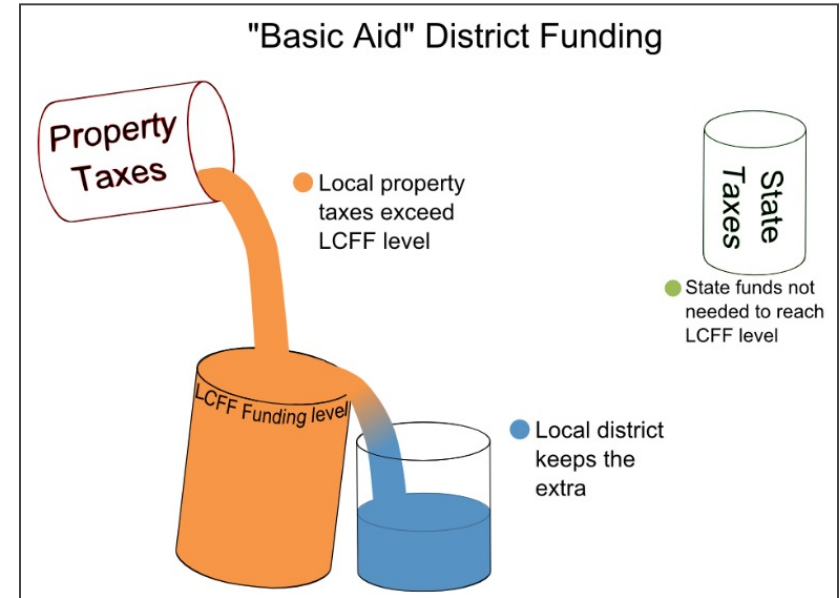
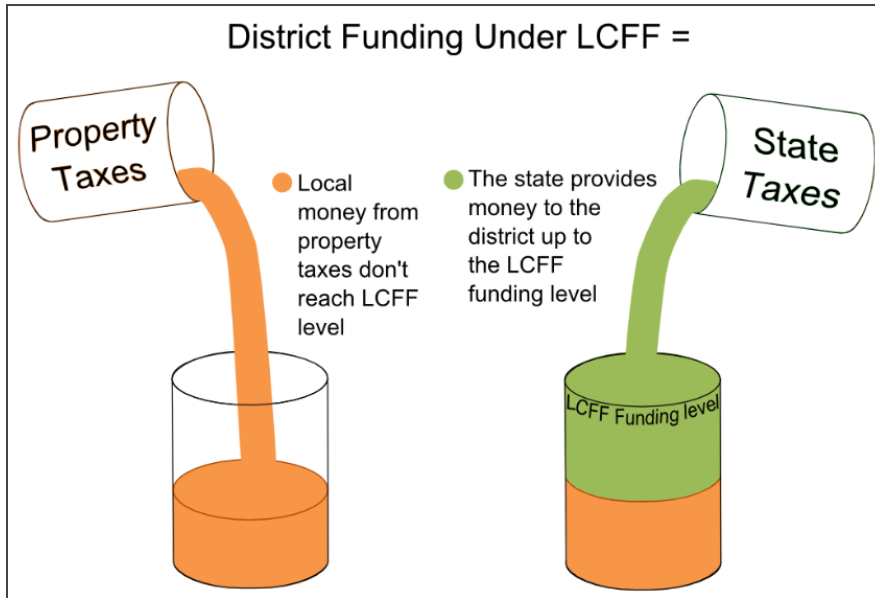


LCAP Goals / Actions in Budget

- 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 2026-27. the District is required to budget \$8,274,140 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



2026-27 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 and Deferred 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, donations and local grants are budgeted when received
- Program carryovers not budgeted until books are closed

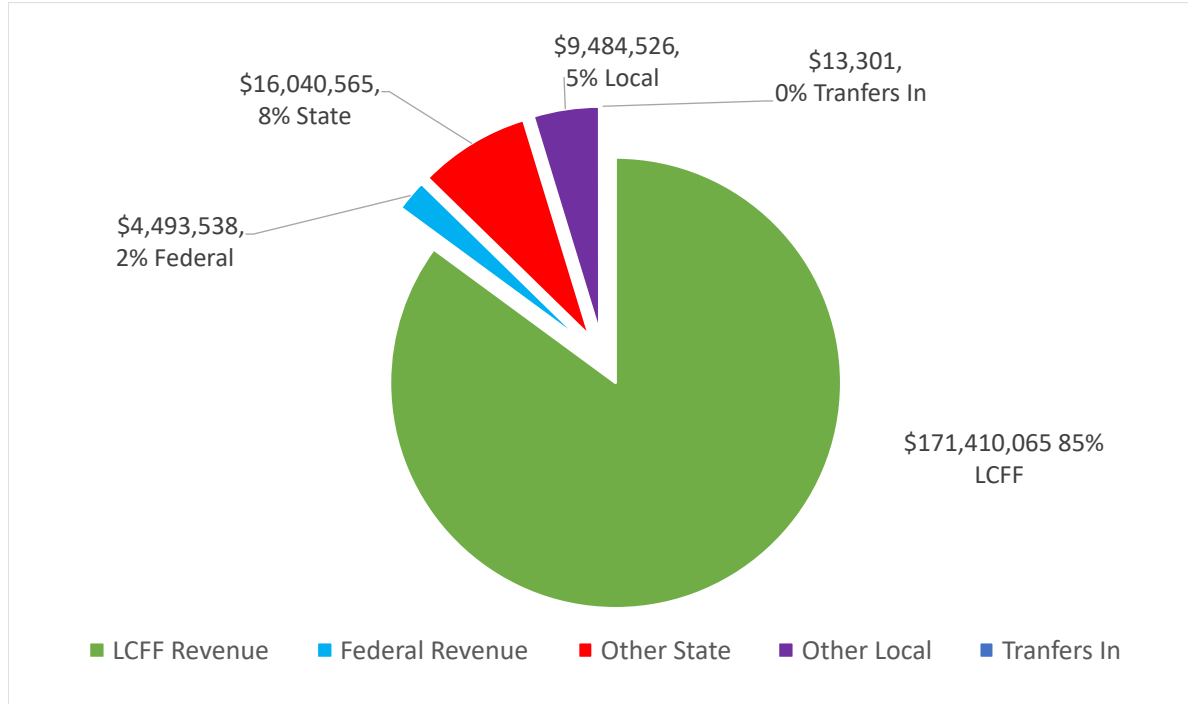


2026-27 Projected General Fund Revenues

REVENUES	2026-27	PERCENTAGE
LCFF Revenue	\$171,410,065	85.09%
Federal Revenue	\$4,493,538	2.23%
Other State	\$16,040,565	7.96%
Other Local	\$9,484,526	4.71%
Transfers In	\$13,301	0.01%
TOTAL	\$201,441,995	100%



2026-27 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
- K-12 Strong Workforce Program
- One-time State Grant 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

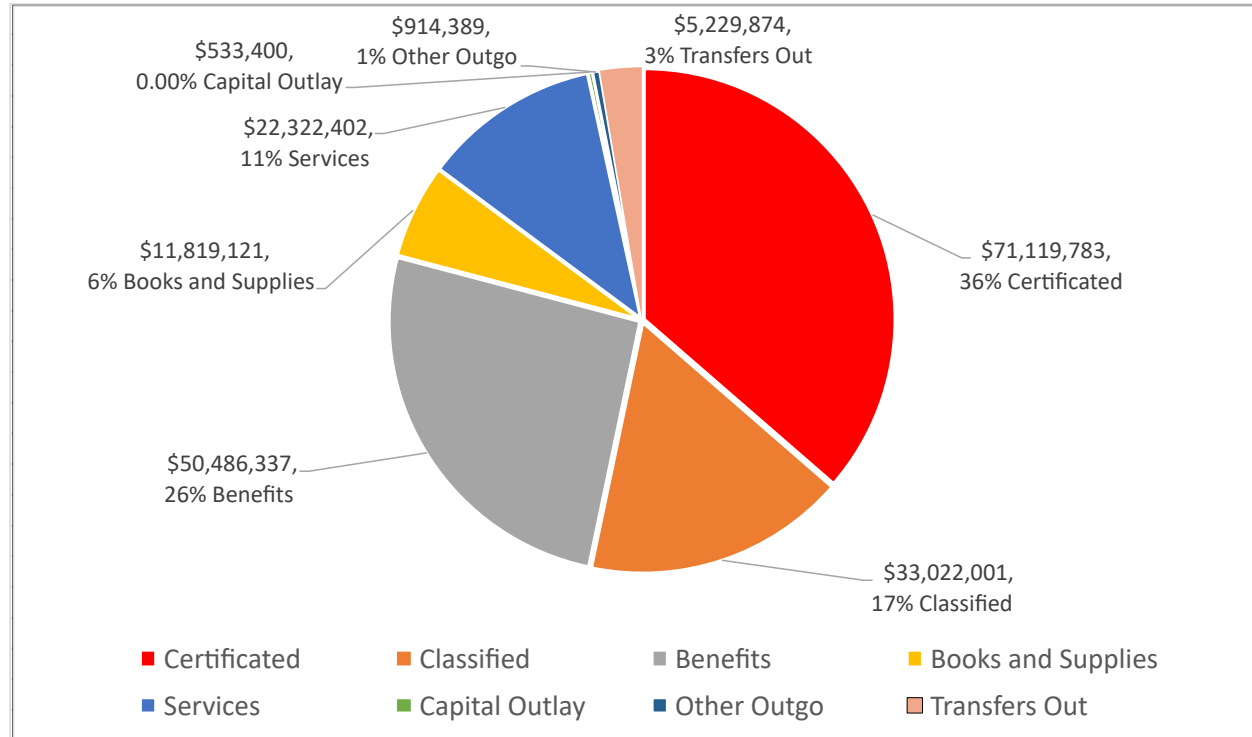


2026-27 Projected General Fund Expenditures

EXPENDITURES	2026-2027	PERCENTAGE
Certificated Salaries	\$71,119,783	36.38%
Classified Salaries	\$33,022,001	16.90%
Benefits	\$50,486,337	25.83%
Books & Supplies	\$11,819,121	6.05%
Services	\$22,322,402	11.42%
Capital Outlay	\$533,400	0.27%
Other Outgo	\$914,389	0.47%
Transfers Out	\$5,229,874	2.68%
TOTAL	\$195,447,307	100%



2026-27 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



2027-28 and 2028-29 MYP Assumptions

- Property tax increases – estimated at 6% & 6%
- Estimated RDA revenue is budgeted
- Estimated STRS/PERS increased/changes 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
- Gifts, Donations and Local Grants are not budgeted until received
- Lottery, Mandated Block Grant, and EPA are budgeted
- Contributions to Special Ed and Transportation
- Contributions to Routine Restricted and Deferred Maintenance budgeted



Additional Multi-Year Projection Assumptions

	STRS	PERS	COLA	Lottery	Mandated Block Grant	Federal	ADA
26-27	19.10%	26.40%	2.87%	\$272	\$119.68	Flat	7,062.94
27-28	19.10%	26.80%	3.30%	\$272	\$123.63	Flat	6,921.68
28-29	19.10%	25.90%	3.09%	\$272	\$127.45	Flat	6,783.24



Multi-Year Projection – Unrestricted (Before Designations)

GENERAL FUND UNRESTRICTED	Proposed Budget 2026-2027	Projected Budget 2027-2028	Projected Budget 2028-2029
Multi-Year Projections			
Revenues & Other Financing Sources			
LCFF/State Aid/Property Tax	\$ 161,849,418	\$ 169,633,796	\$ 177,879,426
Federal Revenues	\$ -	\$ -	\$ -
State Income	\$ 2,751,356	\$ 2,756,004	\$ 2,759,941
Local Income	\$ 2,966,444	\$ 2,888,979	\$ 2,888,979
Transfers in	\$ 13,301	\$ 13,301	\$ 13,301
Other Sources	\$ -	\$ -	\$ -
Contributions	\$ (39,523,158)	\$ (41,508,158)	\$ (43,629,158)
Total	\$ 128,057,361	\$ 133,783,922	\$ 139,912,489
Expenditures & Other Financing Uses			
Certificated Salaries	\$ 53,276,653	\$ 56,672,745	\$ 57,522,836
Classified Salaries	\$ 19,520,692	\$ 20,357,779	\$ 20,663,146
Employee Benefits	\$ 29,565,045	\$ 31,609,738	\$ 32,464,610
Books & Supplies	\$ 5,241,557	\$ 5,316,045	\$ 5,448,426
Services and Operating	\$ 14,794,727	\$ 16,734,912	\$ 18,800,485
Capital Outlay	\$ 150,900	\$ 150,900	\$ 150,900
Other Outgo	\$ (486,900)	\$ (367,439)	\$ (384,706)
Transfers Out	\$ -	\$ -	\$ -
Other Uses	\$ -	\$ -	\$ -
Total	\$ 122,062,674	\$ 130,474,680	\$ 134,665,697
Net Increase / (Decrease)	\$ 5,994,688	\$ 3,309,242	\$ 5,246,792
Beg. Balance	\$ 32,197,173	\$ 38,191,861	\$ 41,501,103
Ending Fund Balance	\$ 38,191,861	\$ 41,501,103	\$ 46,747,895



Multi-Year Projection – Restricted (Before Designations)

GENERAL FUND RESTRICTED	Proposed Budget	Projected Budget	Projected Budget
Multi-Year Projections	2026-2027	2027-2028	2028-2029
Revenues & Other Financing Sources			
LCFF/State Aid/Property Tax	\$ 9,560,647	\$ 9,560,647	\$ 9,560,647
Federal Revenues	\$ 4,493,538	\$ 4,493,538	\$ 4,493,538
State Income	\$ 13,289,208	\$ 13,233,028	\$ 13,233,028
Local Income	\$ 6,518,082	\$ 5,975,034	\$ 5,975,034
Transfers in	\$ -	\$ -	\$ -
Other Sources	\$ -	\$ -	\$ -
Contributions	\$ 39,523,158	\$ 41,508,158	\$ 43,629,158
Total	\$ 73,384,633	\$ 74,770,405	\$ 76,891,405
Expenditures & Other Financing Uses			
Certificated Salaries	\$ 17,843,130	\$ 18,869,697	\$ 19,152,742
Classified Salaries	\$ 13,501,309	\$ 14,060,473	\$ 14,271,380
Employee Benefits	\$ 20,921,292	\$ 21,497,173	\$ 22,045,038
Books & Supplies	\$ 6,577,564	\$ 6,080,341	\$ 6,461,897
Services and Operating	\$ 7,527,675	\$ 7,322,637	\$ 8,029,392
Capital Outlay	\$ 382,500	\$ 426,762	\$ 405,496
Other Outgo	\$ 1,401,289	\$ 1,283,448	\$ 1,295,586
Transfers Out	\$ 5,229,874	\$ 5,229,874	\$ 5,229,874
Other Uses	\$ -	\$ -	\$ -
Total	\$ 73,384,633	\$ 74,770,405	\$ 76,891,405
Net Increase / (Decrease)	\$ -	\$ -	\$ -
Beg. Balance	\$ 7,150,191	\$ 7,150,191	\$ 7,150,191
Ending Fund Balance	\$ 7,150,191	\$ 7,150,191	\$ 7,150,191



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.

	Estimated	Proposed	Projected	Projected
Unrestricted and Restricted Funds	Actual	Budget	Budget	Budget
	2025-26	2026-27	2027-28	2028-2029
Revenues	\$ 193,806,287	\$ 201,428,694	\$ 208,541,026	\$ 216,790,593
Interfund Transfer In	13,301	13,301	13,301	13,301
Total Sources of Funds	\$ 193,819,588	\$ 201,441,995	\$ 208,554,327	\$ 216,803,894
Expenditures *	\$ 228,159,819	\$ 190,217,433	\$ 200,015,211	\$ 206,327,228
Interfund Transfer Out	5,729,874	5,229,874	5,229,874	5,229,874
Total Usage of Funds	\$ 233,889,693	\$ 195,447,307	\$ 205,245,085	\$ 211,557,102
Net Incr/Decr in Fund Balance	\$ (40,070,105)	\$ 5,994,688	\$ 3,309,242	\$ 5,246,792
Beginning Fund Balance	\$ 79,417,469	39,347,364	45,342,052	48,651,294
Projected Ending Fund Balance	\$ 39,347,364	\$ 45,342,052	\$ 48,651,294	\$ 53,898,086



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

GENERAL FUND	Estimated	Proposed	Projected	Projected
Unrestricted and Restricted Funds	Actual	Budget	Budget	Budget
	2025-26	2026-27	2027-28	2028-29
<i>Estimated Actual/Projected Ending Fund Balance</i>	39,347,365	45,342,052	48,651,294	53,898,086
Nonspendable				
Revolving Cash	25,100	25,100	25,100	25,100
Stores	70,911	70,911	70,911	70,911
Prepaid Expenditures	115,319	115,319	115,319	115,319
Restricted	7,150,191	7,150,191	7,150,191	7,150,191
Committed	0	0	0	0
Assigned/Designated				
STRS/PERS Increases: 2029-30	583,716	583,716	583,716	583,716
STRS/PERS Increases: 2030-31	1,365,580	1,365,580	1,365,580	1,365,580
Reserve:				
Reserved for Economic Uncertainties	11,694,485	9,772,365	10,262,255	10,577,856
Undesignated Reserve	18,342,063	26,258,870	29,078,223	34,009,414



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
- Aging facilities with increasing cost to repair/replace
- Declining Student Enrollment
- Shortage of teachers, nutrition service workers, custodians, substitutes and other staff
- Programs paid for with one-time stimulus funds that are expiring or used up
- Cost for expansion of the Universal Transitional Kindergarten Program
- Financial Impact of 14 weeks paid Pregnancy Disability Leave for both certificated and classified employees (Unfunded Mandate)
- 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 2026-27 Budget
 - June 25, 2026
- 2025-26 Unaudited Actuals
 - September 10, 2026
- 2026-27 First Interim Report
 - December 10, 2026



Thank You

