SAN MATEO COUNTY OFFICE OF EDUCATION
Excellence and Equity in Education
Marco A. Chávez • County Superintendent of Schools

September 15, 2026

David Rudolph
President, Governing Board
Bayshore Elementary School District
155 Oriente Street
Daly City, CA, 94014-1530

RE: 2026-27 Adopted Budget

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 2026-27 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 2026-27 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 (the District) for fiscal year 2026-27 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 2026-27 Budget, adopted by the Governing Board on June 16, 2026, meets the requirements outlined in Education Code 42127(c).

The San Mateo County Office of Education **approves** Bayshore Elementary School District's 2026-27 Adopted Budget with the following comments:

The 2026-27 Adopted Budget shows a $226,000 increase in the General Fund Balance. Compared to 2025-26 Estimated Actuals, fund balance has increased by $530,000.

Total revenues increased by $70,000. Local Control Funding Formula (LCFF) revenues are anticipated to have a slight increase of 1% or $46,000. Federal revenues are estimated to decrease by 29.4% or $78,000 due to spending down of Title I balance. Other state revenues are projected to increase by 14.4% or $176,000 due to additional funding for Student Support and Professional Development Discretionary Block Grant (SSPDBG). Other local revenues projected to decrease by 7% or $73,000 due to removal of one-time grants.

Total expenditures decreased $460,000, primarily driven by a $237,000 decrease in salaries and benefits due to removal of one-time funds. Supplies and services are projected to decrease by $358,000 while special education costs are estimated to increase by $108,000.

RESERVES

The state-recommended minimum reserve for Bayshore Elementary School District is 4.00% of total General Fund expenditures and Transfers Out. The District is projecting approximately $428,000 in available reserves or 5.93% of the total General Fund expenditures for 2026-27.

MULTI-YEAR PROJECTIONS (MYP)

Reserves are expected to decrease to 5.23% in 2027-28 and increase to 5.82% in 2028-29.

Total revenues are projected to increase by $54,000 in 2027-28 and $314,000 in 2028-29. Revenue projections for both subsequent years assume cost-of-living adjustments (COLAs) of approximately 3% for LCFF revenues. Other state revenues are projected to decrease by 24.04% or $336,000 in 2027-28 due to removal of one-time grants. Federal and other local revenues are anticipated to remain the same.

Total Expenditures are projected to decrease by $70,000 in 2027-28 and increase by $193,000 in 2028-29. Certificated salaries are projected to increase by 3% annually while classified salaries by 4% to account for step and column movement. Supplies are anticipated to decrease by 14.2% or $27,000 in 2027-28 due to elimination of one-time grants.

DEFICIT SPENDING

The multi-year projections show an operating deficit of $121,000 in the Unrestricted General Fund for 2026-27 followed by a surplus of $68,000 in 2027-28 and $188,000 in 2028-29.

CASH FLOW

The District submitted cash flow projections for the General Fund showing positive cash balances for each month in the current and subsequent fiscal year.

The projected year-end cash balances are approximately $3.1 million in 2026-27 and $3.5 million in 2027-28.

OTHER FUNDS

The District maintains positive fund balances across all other funds. Below is a summary of funds with notable changes in the 2026-27 Adopted Budget.

Child Development Fund (Fund 12) – Revenues are projected to decrease by 17.1% or $65,000, primarily in state funding. Expenditures are expected to decline by 27.3% or $100,000, reflecting lower personnel and supply costs, as well as the elimination of the services budget.

There are no other significant changes in other District funds from the 2025-26 Estimated Actuals to the 2026-27 Adopted Budget report.

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 the operating budget of the 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 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 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.

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 2026-27 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
Dhanya Unni, Executive Director, District Business Services, SMCOE
Joy Dardenelle, Executive Director, District Improvement and Support, SMCOE