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

September 15, 2026

Patricia Murray, President, Governing Board
South San Francisco Unified School District
398 B St
South San Francisco, CA, 94080-4423

RE: 2026-27 Adopted Budget

Dear Board President Murray:

The San Mateo County Office of Education (SMCOE) has completed its review of South San Francisco Unified 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 South San Francisco Unified (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 06/25/26, meets the requirements outlined in Education Code 42127(c).

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

The 2026-27 Adopted Budget shows a $6 million increase in the General Fund Balance. Compared to 2025-26 Estimated Actuals, deficit spending has decreased by $46 million.

Total revenues increased by $7.6 million, driven primarily by growth in property tax and Redevelopment Area (RDA) tax revenue. All other revenue sources declined following the removal of one-time funding, prior-year revenue, and carryover.

Total expenditures decreased by $38 million. Salary and benefit costs increased by $15.6 million due to additional staffing, a 3.5% salary increase, step and column adjustments, and higher fringe benefit costs. All other expenditures decreased by $53 million, reflecting the removal of one-time funding, carryover, and local revenue. The District budgets carryover and local revenue after Unaudited Actuals are finalized.

RESERVES

The state-recommended minimum reserve for South San Francisco Unified School District is 3.00% of total General Fund expenditures and Transfers Out. The District is projecting approximately $36 million in available reserves or 18.44% of the total General Fund expenditures for 2026-27. This includes the Special Reserve Fund (Fund 17).

MULTI-YEAR PROJECTIONS (MYP)

Reserves are expected to increase to 19.17% in 2027-28 and 21.08% in 2028-29. This projection includes the Special Reserve Fund (Fund 17).

Total revenues are projected to increase $7.1 million in 2027-28 and $8.2 million in 2028-29. Property tax revenues are forecasted to increase approximately 4.5% or $8 million annually.

Total expenditures are projected to increase by $9.8 million in 2027–28 and $6.3 million in 2028–29. Salary and benefit costs are expected to increase by $8.4 million in 2027–28 and $3 million in 2028–29, driven by 1.5% step and column adjustments, a 4% negotiated salary increase in 2028–29, and higher pension and health benefit costs. Books and supplies decreased by $423,000 in 2027–28 and increased by $514,000 in 2028–29. Contracted services and other operating expenditures increase by $1.7 million in 2027–28 and $2.8 million in 2028–29, reflecting Consumer Price Index (CPI) adjustments and inflationary cost increases.

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 $87.7 million in 2026-27 and $89.3 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.

Deferred Maintenance Fund (Fund 14) – Capital Outlay expenses increased $8.5 million.

Building Fund (Fund 21) – Capital Outlay and expenditures decreased by $30.7 million as various projects funded by Measure J & T have completed.

Capital Facilities Fund & Special Revenue Fund for Capital Outlay (Fund 25 & Fund 40) – Capital Outlay expenditures decreased by $12.2 million.

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 finalized salary negotiations, resulting in a 3.5% increase for Classified and Certificated bargaining units for the 2026-27 school year, which was included in the Adopted Budget.

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: Shawnterra Moore, Superintendent, South San Francisco Unified School District
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