



**Excellence and Equity in Education**

Nancy Magee - County Superintendent of Schools

September 11, 2025

Aimee Armsby  
President, Governing Board  
Portola Valley School District  
4575 Alpine Road  
Portola Valley, CA 94028

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

Dear Board President Hanning:

The San Mateo County Office of Education (SMCOE) has completed its review of Portola Valley Elementary School District's Local Control and 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 Portola Valley 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 17, 2025, meets the requirements outlined in Education Code 42127(c).**

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

The 2025-26 Adopted Budget projects a \$788,000 decrease in the General Fund Balance. Deficit spending has decreased by \$884,000 compared to 2024-25 Estimated Actuals.

Total revenues are projected to increase by \$329,000 due to a \$767,000 increase in secured property taxes and a decrease of \$507,000 in local revenues due to ending of one-time Efficiency Program (CalSHAPE) and Fanfare funds.

Total expenditures are expected to increase by \$445,000. Salaries and benefits are expected to grow by \$1.1 million due to certificated bargaining unit negotiated salary increase, step and column adjustments, additional staffing and higher pension rates. Operating costs including supplies, services and capital outlay are projected to decrease by \$641,000 due to the removal of one-time funds. Transfers to the Deferred Maintenance Fund (Fund 14) decreased by \$1 million.

### **RESERVES**

The state-recommended minimum reserve for Portola Valley Elementary School District is 4% of total General Fund expenditures. The District projects \$4 million in available reserves or 17.94% of the total General Fund expenditures.

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

Reserves are expected to increase to 18.39% in 2026-27 and 18.44% in 2027-28.

The District anticipates total revenues to increase by an average of 2% or \$456,000 over the next two fiscal years driven primarily by projected increases in property tax revenues. Local revenue is projected to decrease by \$103,000 in 2026-27 due to Parent Teacher Organization and Portola

Valley School Foundation grants not being budgeted until received. All other revenues in both outyears are budgeted relatively flat.

Total expenditures are projected to decrease by \$428,000 in 2026-27 and increase by \$484,000 in 2027-28. For both years, salaries and benefits reflect an average of 2% annual step and column salary adjustment. Certificated salaries reflect a 4.3% increase due to a 5% Cost-of-Living adjustment for teachers in 2026-27. This adjustment does not apply to unrepresented certificated employees. Services were decreased by \$104,000 due to reduced program needs. Transfers out to Other Funds were decreased by \$1.3 million. In 2027-28, books and supplies were increased by \$181,000 for textbook adoption.

## **DEFICIT SPENDING**

The multi-year projections show a deficit of \$718,000 in the Unrestricted General Fund for the current fiscal year followed by a deficit of \$8,000 in 2026-27 and a surplus of \$66,000 in 2027-28. The district has healthy reserves to absorb the deficits. The County Office advises the District to closely monitor the budget to find solutions to eliminate ongoing deficit spending.

## **CASH FLOW**

The District submitted cash flow projections for 2025-26 and 2026-27 showing positive cash balances for each month for both fiscal years. The projected cash balance at the close of 2025-26 is \$4.2 million and \$4 million for 2026-27.

## **OTHER FUNDS**

The District maintains positive fund balances across all other funds.

Deferred Maintenance Fund (Fund 14) – Interest revenue is projected to increase by 13.6% or \$30,000 and capital outlay has been reduced by 38.7% or \$948,000.

There are no other significant changes in other District funds from 2024-25 Estimated Actuals to 2025-26 Adopted Budget.

## **SALARY NEGOTIATIONS**

The District had not settled negotiations with the Classified bargaining unit and Unrepresented groups as of the 2025-26 Adopted Budget but has since reached an agreement with all groups for a 5% increase.

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,



Kevin J. Bultema  
Deputy Superintendent, Business Services  
[kbultema@smcoe.org](mailto:kbultema@smcoe.org)  
650-802-5511



Marco Chavez  
Deputy Superintendent, Educational Services  
[mchavez@smcoe.org](mailto:mchavez@smcoe.org)  
650-802-5311

Enclosures

- c: Roberta Zarea, Superintendent, Portola Valley School District  
Connie Ngo, Chief Business Official, Portola Valley School District  
Minoo Shah, Director of Educational Services & Wellness, Portola Valley SD  
Nancy Magee, County Superintendent of Schools, SMCOE  
Joy Dardenelle, Executive Director, District Improvement and Support, SMCOE  
Dhanya Unni, Executive Director, District Business Services, SMCOE