



Excellence and Equity in Education

Nancy Magee - County Superintendent of Schools

September 11, 2025

Laura Nunez
President, Governing Board
Ravenswood City Elementary School District
2120 Euclid Avenue
East Palo Alto, CA 94303

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

Dear Board President Nunez:

The San Mateo County Office of Education (SMCOE) has completed its review of Ravenswood City 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 Ravenswood City 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 18, 2025, meets the requirements outlined in Education Code 42127(c).

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

The 2025-26 Adopted Budget projects a \$969,000 decrease in the General Fund Balance. Deficit spending has decreased by \$1.7 million compared to 2024-25 Estimated Actuals.

Total revenues are projected to increase \$1.3 million driven by a \$986,000 increase in Local Control Funding Formula (LCFF) revenues and a \$617,000 increase in Special Education funding. State revenue is projected to decrease \$398,000 due to the elimination of one-time funding.

Total expenditures are expected to decrease by \$464,000. Salaries and benefits are expected to increase \$2.5 million due to a 1.5% step and column increase and a 10% increase in health care costs. Books and supplies, and services and other operating expenditures were reduced by \$3.1 million to address deficit spending.

RESERVES

The state-recommended minimum reserve for Ravenswood City Elementary School District is 3% of total General Fund expenditures. The District is projecting \$13 million in available reserves or 24% of the total General Fund expenditures. This includes the fund balance from Special Reserve Fund for Noncapital Outlay (Fund 17).

MULTI-YEAR PROJECTION (MYP)

Reserves are expected to decrease to 22.59% in 2026-27 then increase to 24.36% in 2027-28.

Total revenues are projected to increase by \$8.5 million in 2026-27 and decrease by \$225,000 in 2027-28. Local Control Funding Formula (LCFF) revenue is expected to increase \$3 million or 12.3% in 2026-27 and \$1 million or 3.6% in 2027-28. In 2026-27, the District projects an

increase in enrollment due to the closure of a private school and expects to flip to state-funded status. The district projects a 3% increase in federal and state revenues for each of the outyears. Local revenue is projected to increase \$5.3 million in 2026-27 from an anticipated local grant to support rising expenditures from increased enrollment due to the private school closure. Subsequently, a decrease of \$1.5 million is expected in 2027-28 due to the expiration of a portion of the local grant funding.

Total expenditures are projected to increase \$7.9 million in 2026-27 and \$1.2 million in 2027-28. Expenditures in 2026-27 were increased to account for the projected enrollment growth. Expenditure increases in 2027-28 are due to a 1.5% COLA increase in salaries and benefits and 3% increase for all other operating expenditures.

DEFICIT SPENDING

The multi-year projections indicate deficit spending in the Unrestricted General Fund in the current fiscal year by \$3.2 million followed by surpluses of \$2.8 million in 2026-27 and \$976,000 in 2027-28.

The County Office recommends the District closely monitor the budget and review to determine revenue enhancements and/or reductions to eliminate deficit spending.

CASH FLOW

The District submitted cash flow projections for 2025-26 and 2026-27; however, the form was incomplete preventing verification of reasonableness of the ending cash balances for each year.

For the First Interim Report, it is expected the District will submit a complete two-year cash flow projection. A cash flow projection is an important tool in the fiscal management of a district. Having an accurate cash flow projection helps ensure the school district is able to meet its financial obligations, identify timelines of cash receipts, identify the possible need for short-term borrowing and provide information for negotiations.

The County Superintendent recommends the District adopt best practices and regularly monitor its cash position to ensure payroll and other monthly obligations are met.

OTHER FUNDS

The District maintains positive fund balances across all other funds.

Building Fund (Fund 21) – A new budget of \$1.5 million has been established for interest income. Budgets of \$868,000 for services and \$1.5 million for equipment have been eliminated. The budget for buildings and improvement is projected to decrease by \$15.8 million.

Special Reserve Fund for Capital Outlay Projects (Fund 40) – Revenue is projected to decrease by 31.3% or \$2.3 million primarily due to the removal of one-time funding. Expenditures have been adjusted accordingly.

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

SALARY NEGOTIATIONS

The District has settled negotiations with the certificated bargaining unit for 2025-26 which was included in 2025-26 Adopted Budget. Classified and unrepresented units have not settled but projected increases of 1.5% were included. 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 operating budget of any 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 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.

CHARTER SCHOOLS

The District is the authorizing agency for Aspire East Palo Alto Charter School (Aspire) and KIPP Valiant Community Prep (KIPP).

As the authorizing agency, the District maintains fiscal oversight responsibilities particularly in the key areas of accounting, attendance reporting, budgeting, and payroll.

As an authorizing agency, the District must continue to closely monitor the charter school's Local Control Accountability Plan and budget to ensure that sufficient funds are maintained to support all goals, actions and services included in the LCAP for 2025-26.

Should any circumstances arise related to the charter school that would negatively impact the financial condition of the District, please notify the County Office of Education as soon as possible.

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,



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Enclosures

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