



Excellence and Equity in Education

Nancy Magee • County Superintendent of Schools

September 18, 2025

Mike Wells
President, Governing Board
Redwood City Elementary School District
750 Bradford Street
Redwood City, CA 94063

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

Dear Board President Wells:

The San Mateo County Office of Education (SMCOE) has completed its review of Redwood 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 Redwood 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 25, 2025, meets the requirements outlined in Education Code 42127(c).

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

The 2025-26 Adopted Budget shows a \$2.7 million decrease in the General Fund Balance. Deficit spending decreased by \$9.5 million compared to 2024-25 Estimated Actuals.

Total revenues are projected to decrease by \$1.3 million. Property taxes are projected to grow \$4.2 million, or 4.3%. Federal, state and local revenues are projected to decrease \$5.5 million due to the removal of one-time and carryover funds.

Total expenditures are projected to decrease by \$5.1 million. Salaries and benefits are expected to increase by \$5.5 million. Books and supplies, services and other operating expenditures, and capital outlay are projected to decrease by \$10.6 million due to the removal of one-time and carry-over funding.

Transfers In from Capital Facilities Fund (Fund 25) increased \$5.7 million, bringing total Transfers In to \$15 million.

The County Superintendent urges the District to closely monitor and update its budget on a regular basis to ensure there is adequate funding for all educational programs.

RESERVES

The state-recommended minimum reserve for Redwood City Elementary School District is 3% of total General Fund expenditures. The District is projecting \$4.6 million in available reserves or 3.02% of the total General Fund expenditures for 2025-26.

MULTI-YEAR PROJECTIONS (MYP)

Reserves are projected to remain relatively flat at 3.05% in 2026-27 and 3.03% in 2027-28.

Total revenues are projected to decrease \$6.3 million in 2026-27 and increase \$3.7 million in 2027-28. Property taxes are projected to increase an average of \$4.6 million or 4.5% over the next two years. Federal, state and local revenues are anticipated to grow 3.02% in 2026-27 and 3.42% in 2027-28. In 2026-27, state revenues also include the removal of one-time funding and local revenues include increases to long-term lease contracts.

Total expenditures are projected to decrease \$7.7 million in 2026-27 and increase \$858,000 in 2027-28. Salaries and benefits are projected to increase \$1.2 million in 2026-27 and \$2.1 million in 2027-28 reflecting a 1.5% increase in step and column costs in both years. 2026-27 includes a decrease to certificated staffing for adjustments to one-time spending. All other operating expenditures expected to decrease by \$1.4 million in 2026-27 and \$1.2 million in 2027-28 to remove one-time expenditures. Further reductions in expenditures by \$7.5 million in each of the out years are noted as unidentified fiscal stabilization measures.

DEFICIT SPENDING

The multi-year projections indicate deficit spending in the Unrestricted General Fund in the current fiscal year by \$161,000 followed by deficits of \$188,000 in 2026-27 and \$9,000 in 2027-28.

Deficit spending was mitigated by a \$15 million transfer from the Capital Facilities Fund (Fund 25) to the General Fund in 2025-26 to cover deficit spending and help the District meet the minimum state-recommended reserve levels. The District has projected budget reductions and does not plan to rely on transfers from Fund 25 (RDA) in the out years.

CASH FLOW

The District submitted a two-year cash flow projection for 2025-26 and 2026-27 showing negative monthly cash balances for the months of August through November, February and March in the current year, and for the months of July through November and January through March in the subsequent year. Negative cash balances will be covered with cash in other funds.

The projected year-end cash balances are \$8.3 million in 2025-26 and \$8.9 million in 2026-27.

The County Superintendent advises the district to review cash balances across all funds monthly to ensure they remain positive. The San Mateo County Controller's Office allows a negative balance in any fund only if the total district-wide cash balance is positive.

The District is reminded that the San Mateo County Controller’s Office does not allow negative cash balances in any account at the end of the fiscal year.

SALARY NEGOTIATIONS

The District has settled negotiations with the certificated and classified bargaining units for the current fiscal year.

OTHER FUNDS

Cafeteria Fund (Fund 13) – Revenues are projected to increase by \$433,000, primarily in child nutrition programs. With expenditures decreasing by \$1.3 million, this will result in an excess, which will increase the fund balance by \$438,000.

Building Fund (Fund 21) – Interest revenue is projected to decrease by \$195,000. Total expenditures are reduced by \$5 million due to the elimination of noncapitalized equipment budget and decreased capital outlay.

Capital Facilities Fund (Fund 25) – The District plans to transfer \$15 million of the Community Redevelopment Agencies (RDA) funds accumulated in Fund 25 to Fund 01 to address the General Fund’s operating deficit for 2025-26.

Special Reserve Fund for Capital Outlay Projects (Fund 40) – Increased expenditures by \$12 million for construction projects.

There are no significant changes in the other District funds compared to the 2024-25 Estimated Actuals.

CHARTER SCHOOLS

The District is the authorizing agency for three (3) charter schools:

1. Connect Community Charter School (Connect)	3. Rocketship Redwood City Preparatory Charter School (Rocketship)
2. KIPP Excelencia Community Preparatory Charter School (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,



Kevin J. Bultema
Deputy Superintendent, Business Services
kbultema@smcoe.org
650-802-5511



Marco Chavez
Deputy Superintendent, Educational Services
mchavez@smcoe.org
650-802-5311

Enclosures

- c: Dr. John Baker, Ed.D., Superintendent, Redwood City ESD
Anna Herrera, Assistant Superintendent, Educational Services, Redwood City ESD
Rick Edson, Chief Business Official, Redwood City ESD
Nancy Magee, County Superintendent of Schools, SMCOE
Joy Dardenelle, Executive Director, District Improvement and Support, SMCOE
Dhanya Unni, Executive Director, District Business Services, SMCOE