



**Los Angeles County
Office of Education**

Debra Duardo
Superintendent

January 14, 2026

**Los Angeles County
Board of Education**

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Ms. Alicia Mignano, Board President
Santa Monica-Malibu Unified School District
1717 4th Street
Santa Monica, CA 90401

Dear Ms. Mignano:

Pursuant to Education Code (EC) Section 42131, the Los Angeles County Superintendent of Schools (County Superintendent) has completed our review of the Santa Monica-Malibu Unified School District's (District) Fiscal Year (FY) 2025-26 First Interim Report (Report). Our analysis of the data provided indicates that the District should be able to meet its financial obligations for the current fiscal year and subsequent two fiscal years. **We therefore concur with the District's positive certification** and offer our comments below.

DEFICIT SPENDING

The District is projecting operating deficits on the District's Unrestricted General Fund budgeted expenditures and other outgo for FYs 2025-26, 2026-27, and 2027-28. While the District projects it will maintain the required level of reserves, this level of deficit spending should be recognized and monitored so that it remains manageable.

**Unrestricted General Fund Projections
(\$ millions)**

	<u>FY 2025-26</u>	<u>FY 2026-27</u>	<u>FY 2027-28</u>
Beginning Fund Balance	\$62.55	\$51.69	\$45.33
Projected Deficit Spending	(\$10.86)	(\$6.36)	(\$7.33)
Ending Fund Balance	<u>\$51.69</u>	<u>\$45.33</u>	<u>\$38.00</u>
Reserve Amount	\$7.27	\$7.27	\$7.27
Reserve Percent	3.00%	3.21%	3.12%

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CONCLUSION

Thank you for providing documentation that supports the District's positive certification. The multiyear projections, with narrative and assumptions, were helpful in our analysis and verifying the District's financial condition. The information provided reflects the District's financial position and assumptions as of October 31, 2025, and further adjustments will be made during the year as additional data becomes available.

We hope these comments are helpful to the District's administration and Board as you plan for the remainder of FY 2025-26 and develop your multiyear projections. We express our appreciation to the District staff for their cooperation during our review. If our office may be of further assistance, please call me at (562) 922-6779.

Sincerely,


Sean Lewis (Jan 14, 2026 15:12:51 PST)
Sean Lewis
Business Services Consultant
Business Advisory Services

SL:lm

cc: Antonio Shelton, Ed.D., Superintendent
Gerardo Cruz, Assistant Superintendent, Business Services & Chief Financial Officer
Manuel Cuté Ramos, Director, Fiscal Services
David D. Hart, Los Angeles County Office of Education (LACOE)
Octavio Castelo, LACOE
David Wilson, LACOE
Steven Choi, LACOE
Nkeiruka Benson, LACOE