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

September 15, 2026

Jed Scolnick
President, Governing Board
Menlo Park City Elementary School District
181 Encinal Ave
Atherton, CA, 94027-3102

RE: 2026-27 Adopted Budget

Dear Board President Scolnick:

The San Mateo County Office of Education (SMCOE) has completed its review of Menlo Park City Elementary 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 Menlo Park City Elementary (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 June 11, 2026, meets the requirements outlined in Education Code 42127(c).

The San Mateo County Office of Education **approves** Menlo Park City Elementary School District's 2026-27 Adopted Budget with the following comments:

The 2026-27 Adopted Budget shows a $6.3 million increase in the General Fund Balance. Compared to 2025-26 Estimated Actuals, fund balance has increased by $4.4 million.

Total revenues increase by $4 million from projected increases to property taxes, parcel taxes and site donations.

Total expenditures decreased by $315,000. Reductions of approximately $1.0 million in salaries, books, and supplies reflect the elimination of 11.64 full-time equivalent (FTE) positions and the removal of carryover and one-time funds. Health and welfare benefits, AB 218 insurance, and projected Special Education sub-agreements increased approximately $700,000.

RESERVES

The state-recommended minimum reserve for Menlo Park City Elementary School District is 3.00% of total General Fund expenditures and Transfers Out. The District is projecting approximately $13.5 million in available reserves or 17.47% of the total General Fund expenditures for 2026-27.

MULTI-YEAR PROJECTIONS (MYP)

Reserves are expected to increase to 21.73% in 2027-28 and 26.57% in 2028-29.

Total revenues are projected to increase by $120,000 in 2027–28 and $2.3 million in 2028–29 primarily due to estimated 4% annual property tax growth. The 2027–28 budget reflects removal of $2.4 million in one-time state grants. Local revenues are projected to increase by approximately $340,000 due to parcel taxes and facility rental revenues.

Total expenditures are projected to increase by $1.4 million in both 2027–28 and 2028–29. Both out-years include step and column salary increases of approximately 1%, higher health and welfare costs of approximately $650,000 annually, and Consumer Price Index (CPI) adjustments

to ongoing expenditures. The budget assumes a 2.75% CPI increase for most expenditures and a 7% increase for utilities and insurance.

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 $25 million in 2026-27 and $29 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.

Building Fund (Fund 21) – Capital outlay expenditures increased $4 million for various facility projects.

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 not finalized negotiations with its certificated and classified bargaining units for the current fiscal year. An assignment of $2.2 million has been included in the ending fund balance as a placeholder for the anticipated costs of salary settlements.

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 the operating budget of the 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 the 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.

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: Kristen Gracia, Superintendent, Menlo Park City Elementary School District
Jackie Chen, Chief Business Official, Menlo Park City Elementary School District
Dhanya Unni, Executive Director, District Business Services, SMCOE
Joy Dardenelle, Executive Director, District Improvement and Support, SMCOE