SAN MATEO COUNTY OFFICE OF EDUCATION
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Marco A. Chávez • County Superintendent of Schools

September 15, 2026

Tamara Sobomehin
President, Governing Board
Ravenswood City Elementary School District
2120 Euclid Ave
East Palo Alto, CA, 94303-1703

RE: 2026-27 Adopted Budget

Dear Board President Sobomehin:

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 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 Ravenswood 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 18th, 2026, meets the requirements outlined in Education Code 42127(c).

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

The 2026–27 Adopted Budget projects a General Fund deficit of $2.3 million compared to the $12.8 million surplus reported in the 2025–26 Estimated Actuals.
Total revenues decreased by $3.7 million. Although secured property tax revenue is projected to increase by 3%, this gain is offset by a $1.3 million reduction in unsecured property taxes and a $700,000 reduction in Redevelopment Agency (RDA) funds, reflecting in a 0.9% or $247,000 decrease in Local Control Funding Formula (LCFF) resources. Federal revenues decreased by 19% or $465,000, primarily due to lower Every Student Succeeds Act: Comprehensive Support and Improvement (CSI) and Title III funding. Other state revenues decreased by 10.3% or $835,000 reflecting the expiration of one-time funding. Local revenues also decreased by 8.6% or $2.1 million, due to reduced funding from the Ravenswood Education Foundation and lost lease income from the closure of The Primary School. The $6 million transfer from Special Reserve Fund for Other Than Capital Outlay (Fund 17) was eliminated.

Total expenditures increased by $5.3 million. Salaries and benefits are expected to increase by 15.15% or $6 million, driven by a 1.5% negotiated salary increase, a 10% increase in health care costs, and the hiring of additional staff to accommodate enrollment growth triggered by The Primary School's closure. Books and supplies, and services and other operating expenditures were reduced by $960,000 due to the elimination of one-time purchases for enrollment growth and lower Special Education costs. Capital outlay increased by $460,000 for the purchase of electric buses.

RESERVES

The state-recommended minimum reserve for Ravenswood City Elementary School District is 3.00% of total General Fund expenditures and Transfers Out. The District is projecting approximately $32.9 million in available reserves or 53.58% of the total General Fund expenditures for 2026-27. This includes the fund balance from Special Reserve Fund for Other Than Capital Outlay (Fund 17).

MULTI-YEAR PROJECTIONS (MYP)

Reserves are expected to increase to 57.51% in 2027-28 and decrease to 53.41% in 2028-29. This projection includes the fund balance from Special Reserve Fund for Noncapital Outlay (Fund 17).

Total revenues are projected to increase by $6.9 million in 2027-28, followed by a $3.2 million decrease in 2028-29. Local Control Funding Formula (LCFF) revenue is expected to increase by 1.26% or $340,000 in 2027-28 and 3.12% or $856,000 in 2028-29. The District expects to flip to state-funded status driven by enrollment growth following The Primary School closure. Federal and state revenues are projected to increase by 2% annually in both outyears. Local revenue is projected to increase by 28.04% or $6.4 million in 2027-28, primarily due to a Silicon Valley Community Foundation grant and a one-time lease pay-out. In the following year, local revenue decreases by 14.64% or $4.3 million with the elimination of lease income.

Total expenditures are projected to increase by $896,000 in 2027-28 and $1.7 million in 2028-29. Salaries and benefits will continue to rise due to a 1.5% negotiated salary increase and a 10% increase in health care in both outyears. Books and supplies, and services and other operating expenditures are projected to increase by 3% annually in both 2027-28 and 2028-29.

DEFICIT SPENDING

The multi-year projections show an operating deficit of $3.3 million in the Unrestricted General Fund for 2026-27 followed by a surplus of $2.6 million in 2027-28 and a deficit of $2 million in 2028-29.

CASH FLOW

The District submitted cash flow projections for 2026-27 and 2027-28; however, the form was incomplete. The beginning balance was overstated by $10.3 million, and both the assets and liabilities sections were left blank for both years 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. Below is a summary of funds with notable changes in the 2026-27 Adopted Budget.

Child Development Fund (Fund 12) – There is no budget allocated for this fund due to the removal of both the Early Education: Universal Prekindergarten (UPK) Planning and Implementation Grant Program and the Early Education Teacher Development Grant.

Special Reserve Fund for Other Than Capital Outlay (Fund 17) – The $6 million transfer to Fund 01 was removed.

Building Fund (Fund 21) – Interest income is projected to decrease by 33.3% or $500,000 while capital outlay is projected to decrease by 49.4% or $27.6 million.

Self-insurance Fund (Fund 67) – A new budget of $120,000 has been established for services and other operating expenses.

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 finalized salary negotiations, resulting in a 1.5% increase for Classified and Certificated bargaining units for the 2026-27 school year, which was included in the Adopted Budget.

CHARTER SCHOOL

The District is the authorizing agency for two (2) charter schools:

1. Aspire EPA Elementary
2. KIPP Valiant Community Prep

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

The COE has received the authorizing agency's Board Approval letters and concurs with Ravenswood City Elementary School District's assessment of the Charters' 2026-27 Adopted Budget Report.

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 2026-27.

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 2026-27 LCAP or Budget.

Sincerely,

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Enclosures

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