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

September 15, 2026

David Weekly
President, Governing Board
Redwood City Elementary School District
750 Bradford St
Redwood City, CA, 94063-1727

RE: 2026-27 Adopted Budget

Dear Board President Weekly:

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 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 Redwood 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 6/24/2026, meets the requirements outlined in Education Code 42127(c).

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

The 2026-27 Adopted Budget shows a net decrease of $983,000 in the General Fund Balance. Compared to 2025-26 Estimated Actuals, deficit spending has decreased by $3.4 million.

Total revenues decreased by $1.1 million. Property taxes are projected to grow by 6.5% or $6.8 million. Federal, state and local revenues are projected to decrease $7.9 million due to the removal of one-time and carryover funds.

Total expenditures decreased by $15.5 million. Salaries and benefits are expected to increase by $1.5 million. Books and supplies, services and other operating expenditures, and capital outlay are projected to decrease by $16.6 million due to the removal of one-time and carry-over funding.

Transfers In from Capital Facilities Fund (Fund 25) of $11 million has been eliminated.

RESERVES

The state-recommended minimum reserve for Redwood City Elementary School District is 3.00% of total General Fund expenditures and Transfers Out. The District is projecting approximately $4.7 million in available reserves or 3.11% of the total General Fund expenditures for 2026-27.

MULTI-YEAR PROJECTIONS (MYP)

Reserves are expected to increase to 3.64% in 2027-28 and 5.97% in 2028-29.

Total revenues are projected to increase by $6.8 million in 2027-28 and $7.1 million in 2028-29. Property taxes are projected to increase by 5% over the next two years. Federal and state revenues are anticipated to grow by 3.1% in 2027-28. In 2028-29, federal revenue is projected to increase by 2.69% while state revenue continues to grow by 3.1%. Local revenues are expected

to increase by 3.02% over the next two years. In 2027-28, state revenues also include the removal of one-time funding.

Total expenditures are projected to increase by $663,000 in 2027-28 and $2.9 million in 2028-29. Salaries and benefits are projected to increase by $2.2 million in 2026-27 and by $2.1 million in 2027-28 reflecting a 1.5% increase in step and column costs in both years. All other operating expenditures are expected to decrease by $1.5 million in 2027-28 to remove one-time expenditures and remain relatively flat in 2028-29.

DEFICIT SPENDING

The multi-year projections show an operating deficit of $502,000 in the Unrestricted General Fund for 2026-27 followed by surpluses of $826,000 in 2027-28 and $3.7 million in 2028-29.

CASH FLOW

The District submitted cash flow projections for 2026-27 and 2027-28 showing negative cash balances in the months of September through November of 2026-27, and for the months of September through November of 2027-28 in the General Fund. Negative cash balances will be covered with cash in other funds. The beginning balance was overstated by $3.8 million.

The projected year-end cash balances are approximately $14.8 million in 2026-27 and $19.9 million in 2027-28.

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.

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) – Other state revenues are projected to decrease by 7.5% or $588,000. Salaries and benefits increased by $167,000 for step and column adjustments. These increases are offset by $1.4 million decrease in books and supplies, and services and other operating expenditures.

Capital Facilities Fund (Fund 25) – Transfers Out to Fund 01 of $11 million has been eliminated.

County School Facilities Fund (Fund 35) – School Facilities apportionment of $11.1 million has been eliminated.

Special Reserve Fund for Capital Outlay (Fund 40) – Expenditures are expected to decrease by 54.2% or $4.6 million for construction 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 settled negotiations with the certificated and classified bargaining units for the current year.

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.

CHARTER SCHOOL

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

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

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 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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