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

September 15, 2026

Maggie Trinh, President, Governing Board
San Mateo-Foster City Elementary School District
1170 Chess Dr
Foster City, CA, 94404-1107

RE: 2026-27 Adopted Budget

Dear Board President Trinh:

The San Mateo County Office of Education (SMCOE) has completed its review of San Mateo-Foster 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 San Mateo-Foster 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 06/25/2026, meets the requirements outlined in Education Code 42127(c).

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

The 2026-27 Adopted Budget shows a net decrease of $13.2 million in the General Fund Balance. Compared to 2025-26 Estimated Actuals, deficit spending has decreased by $3.6 million.

Total revenues decreased by $735,000 driven by a 3.1% or $4.9 million increase in property taxes and a 10.3% or $5.6 million decrease due to lower Title I and removal of one-time grants.

Total expenditures decreased by $4.4 million. Certificated salaries decreased by 0.1% or $84,000 due to a combination of reductions in Full Time Equivalents (FTE) as a result of a decrease in enrollment and a 3% negotiated salary increase. Classified salaries increased by 0.7% or $207,000 due to a negotiated salary increase. Books and supplies, and services and other operating expenditures are expected to decrease by 13.49% or $8.3 million as carryover or one-time funding and donations are not included in the initial budget.

RESERVES

The state-recommended minimum reserve for San Mateo-Foster City Elementary School District is 3.00% of total General Fund expenditures and Transfers Out. The District is projecting approximately $13.4 million in available reserves or 6.00% of the total General Fund expenditures for 2026-27.

The Special Reserve Fund for Other Than Capital Outlay (Fund 17) has a fund balance of $1.1 million and is not included in the calculation of total available reserves.

MULTI-YEAR PROJECTIONS (MYP)

Reserves are expected to remain at 6.00% in 2027-28 and 6.00% in 2028-29.

Total revenues are projected to increase by $6.01 million in 2027-28 and $6.08 million in 2028-29. Property tax revenues are expected to increase 5% in 2027-28 and 4% in 2028-29. Local revenue is projected to decrease $1.1 million in 2027-28 due to the removal of prior year

carryover and donations. All other revenue sources are projected to remain relatively flat in the outyears.

Total expenditures are projected to decrease by $3.9 million in 2027-28 and increase by $2.6 million in 2028-29. In 2027-28, salaries and benefits are projected to decrease by 9.59% or $162,000 due to a 1.5% step and column, and adjustments from projected FTE reductions. Books and supplies, and services and other operating expenditures are projected to decrease by 7.26% or $3.9 million due to removing carryovers and one-time funding. In 2028-29, services are expected to increase by 2.3% or $1 million.

DEFICIT SPENDING

The multi-year projections show an operating deficit of $11 million in the Unrestricted General Fund for 2026-27 followed by a decreased deficit of $2 million in 2027-28 and a surplus of $1.2 million in 2028-29.

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; however, the beginning balance was overstated by $13 million.

The projected year-end cash balances are approximately $51.9 million in 2026-27 and $48.6 million in 2027-28.

OTHER FUNDS

The District maintains positive fund balances across all other funds except the Enterprise Fund (Fund 63). Fund 63's fund balance became negative in FY2021-22 due to a one-time prior-year adjustment and has remained in a negative balance.

Child Development Fund (Fund 12) – Revenues are projected to decrease by 27.3% or $2.9 million, primarily due to reduced Inclusive Early Education Expansion grant funding and the elimination of one-time grants. Expenditures are projected to decrease by 5.2% or $500,000 mainly reflecting lower capital outlay.

Cafeteria Fund (Fund 13) – Revenues are projected to increase by 21.3% or $1.5 million due to higher Child Nutrition program funding. Expenditures are adjusted accordingly.

Building Fund (Fund 21) – Interest income is projected to decrease by 82.7% or $2.1 million while expenditures are projected to decrease by 56.8% or $53.8 million due to reductions in middle and elementary school facilities 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 finalized salary negotiations, resulting in a 3% increase for Classified and Certificated bargaining units for the 2026-27 school year, which was included in the Adopted Budget.

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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