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

September 15, 2026

Jenny Hayden
President, Governing Board
Woodside Elementary School District
3195 Woodside Rd
Woodside, CA, 94062-2552

RE: 2026-27 Adopted Budget

Dear Board President Hayden:

The San Mateo County Office of Education (SMCOE) has completed its review of Woodside 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 Woodside 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 06/09/2026, meets the requirements outlined in Education Code 42127(c).

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

The 2026-27 Adopted Budget shows a $1,429,000 decrease in the General Fund Balance. Compared to 2025-26 Estimated Actuals, deficit spending has decreased by approximately $1,474,000.

Total revenues increased by $60,000 primarily due to a $590,000 increase in projected property tax revenue. State revenues decreased by $89,000 due to removal of one-time funds and local revenues declined by $490,000 due to removal of one-time foundation awards.

Total expenditures in 2026-27 increased by $1,384,500 due to the compounding effect of the prior year's salary adjustment. This 2025-26 increase resulted from contingency language in the initial salary agreement stating that if property tax revenues grew by more than 5.5% during the school year, the Certificated Woodside Teachers Association (WTA) and the District would reopen the 2024-2027 agreement. The reopener resulted in an additional 4% salary increase in 2025-26, on top of the originally agreed-upon 3%. Because unrepresented classified employees received the same adjustments as the teachers' union, this significantly raised the baseline salaries and benefits for both certificated and classified employees going into 2026-27.

RESERVES

The state-recommended minimum reserve for Woodside Elementary School District is 4.00% of total General Fund expenditures and Transfers Out. The District is projecting approximately $2,729,000 in available reserves or 14.50% of the total General Fund expenditures for 2026-27.

MULTI-YEAR PROJECTIONS (MYP)

Reserves are expected to decrease to 8.34% in 2027-28 and 4.19% in 2028-29.

Total revenues are projected to increase $591,000 in 2027-28 and $619,000 in 2028-29. Revenue projections for both subsequent years assume cost-of-living adjustments (COLAs) of

approximately 4.5% for LCFF sources due to increased property taxes. All other sources of revenue are projected to remain flat.

Total Expenditures increase $229,000 in 2027-28 and $233,000 in 2028-29. Salary costs are projected to increase by 1.5% annually to account for step and column movement. Employee benefit costs are projected to increase by 1.5% annually to reflect rising health and welfare and pension costs. No increases have been budgeted for other expenditures.

DEFICIT SPENDING

The multi-year projections show an operating deficit of $1,475,000 in the Unrestricted General Fund for 2026-27 followed by a deficit of $1,140,000 in 2027-28 and a deficit of $782,000 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.

The projected year-end cash balance in 2026-27 is approximately $3 million.

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) – Other financing sources increased by $16 million due to proceeds from sale of bonds. Expenditures decreased due to completion of projects but $2 million is added for new projects.

Special Reserve for Capital Outlay (Fund 40) – Capital expenditures for McCovey Field Renovations of $1.4 million is planned with Foundation donation.

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 originally finalized a 2024-2027 multi-year agreement with the Certificated bargaining unit that included a 3% annual salary increase. This agreement contained contingency language allowing a re-opener if property tax revenues in 2025-26 and/or 2026-27 exceeded 5.5%.

Subsequently, the parties mutually agreed to reopen the 2024-25 contract, adding an additional 3%, resulting in a total 6% increase for that year.

In 2025-26, property tax revenues exceeded the 5.5% threshold, triggering the contingency, and both parties agreed to an additional 4% increase, resulting in a total 7% raise. All bargaining units received these same increases. Looking ahead, the County Office notes that the contingency language for a 2026-27 re-opener remains in effect if property taxes again exceed 5.5%.

Should a re-opener occur for the 2026-27 contract, 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 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

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Hanwool Kim, Chief Business Official, Woodside Elementary School District
Dhanya Unni, Executive Director, District Business Services, SMCOE
Joy Dardenelle, Executive Director, District Improvement and Support, SMCOE