

Sacramento City Unified School District
FISCAL SOLVENCY PLAN 2025-26
DRAFT November 6, 2025
UPDATED DRAFT November 13, 2025

INTRODUCTION

On October 10, 2025, after reviewing the district's 2024-25 Unaudited Actuals report, the Sacramento County Office of Education (SCOE) determined SCUSD is a lack of going concern based on projected significant negative ending fund balances for both the current fiscal year and two subsequent years.

In response, SCUSD must

1. Adopt a First Interim financial report that demonstrates the district will be able to meet its reserve requirement for the current and two subsequent fiscal years. The First Interim shall reflect all known obligations (encumbered and payables) as well as all revenues
2. Submit a draft Fiscal Recovery Plan to SCOE by November 15, 2025
3. Submit a board adopted Fiscal Recovery Plan to SCOE by December 1, 2025

Should SCUSD fail to provide any of the required deliverables, SCOE will be required to implement additional actions such as

1. Stay or rescind any action that is determined to be inconsistent with the district's ability to meet its obligations
2. Develop a multi-year financial recovery plan that will enable SCUSD to meet its future obligations
3. Assist in developing the SCUSD budget for the subsequent fiscal year

All dollar figures below are estimates and are not realized unless implemented

ACTIONS FOR CURRENT YEAR - 2025-26

Goal: Increase 2025-26 Revenues **\$40,000,000**

- \$ Action: OPEB Disbursement
- \$ Action: Reclass restricted funding (i.e.MAA, FEMA)
- \$ Action: Adjustment for grants (no 45 day budget update)
- ? Action: Investigate options for Attendance Recovery

Goal: Reduce 2025-26 Supply Expenditures **\$12,500,000**

- \$ Action: Close out all supply blanket purchase orders already approved
- \$ Action: Reduce department supply budgets by 30% from adopted budget (except custodial)
- \$ Action: Delay purchase of adopted math curriculum until after July 1, 2027
- \$ Action: Delay purchase of chromebook refresh until after July 1, 2026
- \$ Action: Remove single use printers / discontinue ink and service
- \$ Action: Freeze supply purchases unless required for operational compliance
- ? Action: Eliminate use of "blanket" purchase orders

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Goal: Reduce 2025-26 Salary Costs **\$12,300,000**

- \$ Action: Reconcile and resolve inaccuracies in the position control system
- \$ Action: No fall "true-up" for sites based on CBEDs enrollment
- \$ Action: Identify and close non-represented vacancies
- \$ Action: Freeze hiring non-classroom positions
- \$ Action: Freeze non-represented position reclassifications for current year
- \$ Action: Freeze overtime unless required for emergencies
- \$ Action: Re-assign management employees to classroom vacancies
- ? Action: Freeze per diems unless required for operational compliance
- ? Action: Freeze sub release unless required for IEP meetings
- ? Action: Freeze new non-represented job descriptions for current year
- ? Action: Establish a system for all per diems to be pre-encumbered
(Extra time, Work out of Class, Extra Duty, Special Pay, etc.)
- ? Action: Discontinue use of compensatory "comp" time
- ? Action: Establish protocol for classroom overage approvals - review at Serna

Goal: Reduce 2025-26 Contracts and Services Costs: **\$2,500,000**

- \$ Action: Freeze non-required travel (not to include field trips)
- \$ Action: Deactivate no-use cellular phones assigned to active employees
- \$ Action: Designate one primary law firm (such as F3 or Lozano Smith)
- \$ Action: Cancel contract agreements that will not disrupt required operations
- \$ Action: Discontinue USPS/hard copy information and replace with electronic delivery
(example: report cards via Parent Square)
- ? Action: Freeze new contract agreements unless required for operational compliance

Goal: Reduce 2025-26 Program Costs **\$400,000**

- \$ Action: Relocate classes from McClaskey to Charles A. Jones
- ? Action: Agendize board workshop(s) for facilities optimization and consolidation
planning

EMERGENCY PROCEDURES 2025-26

TO BE IMPLEMENTED IF THE FIRST INTERIM REPORT IS CERTIFIED AS NEGATIVE

Goal: Increase 2025-26 Cash **Possible?**

- ? Action: TRANS (tax revenue anticipation notes) short-term loan

Goal: Reduce 2025-26 Salary Costs **\$450,000/day**

- \$ Action: Implement furlough days for non-represented employees

Goal: Reduce 2025-26 Non-Salary Costs **\$3,000,000**

- \$ Action: Eliminate all supply and contracts budgets not encumbered by January 31

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**ACTIONS FOR FUTURE YEARS
Beginning with 2026-27 Budget Development**

Goal: Reduce Future Year Supply Expenditures

- \$ Action: Eliminate use of “blanket” purchase orders
- \$ Action: Reduce total supply allocation to departments and school sites
- \$ Action: Eliminate redundant technology hardware and software
- ? Action: Eliminate general use CalCard accounts

Goal: Reduce Future Year Salary and Benefits Costs

- \$ Action: Maintain accuracy of position control system
- \$ Action: Identify department consolidation plan for 2026-27 BDP
- \$ Action: Reduce the number of administrators to under 270 FTE
- \$ Action: Identify changes to 2027 benefit offerings to reduce overall district contribution
- ? Action: Implement a system for all per diems to be pre-encumbered

Goal: Reduce Future Year Contracts and Services Costs

- \$ Action: Update travel procedures for cost containment | limit non-required travel
- \$ Action: Reduce total contract allocation to departments and school sites
- \$ Action: Eliminate contracts related to ineffective programs
- \$ Action: Discontinue low/no usage platforms

Goal: Reduce Future Year Program Costs

- \$ Action: Eliminate Parent Participation Preschool
- \$ Action: Eliminate before/after school non-ELOP “pay as you go” programs
- \$ Action: Eliminate centrally funded 6th grade camp field trip support
- \$ Action: Develop cost allocation plan
- \$ Action: Eliminate paying for testing related to GATE, IB, AP, PSAT
- \$ Action: Eliminate contribution to Adult Education
- \$ Action: Eliminate practice of Priority School designation and allocations
- \$ Action: Discontinue sending College Going Packets after grant expires
- ? Action: Revisit and study continuation of International Baccalaureate Programme
- ? Action: Establish a Facilities Development Process for locating programs
- ? Action: Review inclusive and co-teaching practices for consistency and effectiveness
- ? Action: Consider school consolidation plan and boundary changes with timeline
- ? Action: Evaluate IEP services to eliminate redundancies and maximize delivery in the least restrictive environment.
- ? Action: Evaluate allocation method of TK classroom aides for AM/PM programs

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Summary of Estimates

2025-26 Actions

Goal: Increase 2025-26 Revenues	\$40,000,000
Goal: Reduce 2025-26 Supply Expenditures	\$12,500,000
Goal: Reduce 2025-26 Salary Costs	\$12,300,000
Goal: Reduce 2025-26 Contracts and Services Costs:	\$2,500,000
Goal: Reduce 2025-26 Program Costs	\$400,000
Goal: Reduce 2025-26 Salary Costs	\$450,000/day
Goal: Reduce 2025-26 Non-Salary Costs	\$3,000,000
Total 2025-26	\$70,700,000

Future Year Actions

Beginning with 2026-27 Budget Development

Enrollment Decline	\$8 million
Reductions to Departments	?
Reductions to Sites	?
Reduction Target Estimate 2026-27	\$58,000,000

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