



# SACRAMENTO CITY UNIFIED SCHOOL DISTRICT BOARD OF EDUCATION

Agenda Item# 11.3

**Meeting Date:** December 18, 2025

**Subject:** **Dependent Charter School First Interim Budget Update and Notice of Potential Fiscal Distress**

- Information Item Only
- Approval on Consent Agenda
- Conference (for discussion only)
- Conference/First Reading (Action Anticipated: \_\_\_\_\_)
- Conference/Action
- Action
- Public Hearing

**Division:** Office of the Deputy Superintendent

**Recommendation:** N/A

**Background/Rationale:** Dependent charter schools are independent LEAs under the fiscal umbrella of the District. Funds from all 5 dependent charter schools are managed within Fund 09. Budget reporting shows the overall balance of Fund 09 – an aggregate of the 5 schools. This report provides disaggregated information for each school.

**Financial Considerations:** Should any of the District’s dependent charter schools not be able to meet their financial obligations, the District would have to pay those debts or consider closure of the charter school. At present, while all schools are projected to maintain a positive fund balance in 2025-26, two are projected to have negative fund balances by the end of 2026-27.

**LCAP Goal(s):** NA

**Documents Attached:**

1. Overview of Dependent Charter First Interim Fiscal Position

**Estimated Time of Presentation:** NA

**Submitted by:** Mary Hardin Young, Deputy Superintendent  
Amanda Goldman, Ed.D., Director, Innovative Schools

**Approved by:** Lisa Allen, Superintendent

**Dependent Charter First Interim Summary By LEA  
December 2025**

**Overview:**

The goal of this summary is to identify any dependent charter schools that may be in fiscal distress and/or unable to meet their financial obligations in the 2025-26 or 2026-27 school years. Staff began with each school’s First Interim budget model reflecting all known adjustments and projections as of October 31. From that baseline, we layered in the adjustments that have been and will be applied before Second Interim, including the planned movement of funds from unrestricted to restricted accounts, targeted reductions in discretionary expenditures, application of mandatory District costs required under the MOU, and the one-time recognition of revenue associated with the Fund 09 cleanup. Using this adjusted 2025-26 position as the new baseline, we then projected forward through 2026–27, assuming the same financial excesses or deficits carry forward, and that any expenses supported by one-time funds in 2025–26 will transition to unrestricted funding in 2026–27.

**Analysis:**

Based on the 2025-26 First Interim, unadjusted, three schools projected a negative unrestricted fund balance by the end of the current school year.

	<b>Beginning Fund Balance (25-26)</b>	<b>Projected Revenue (25-26)</b>	<b>Projected Expenses (25-26)</b>	<b>Projected Ending Fund Balance (25-26)</b>
<b>Bowling Green Combined</b>	\$2.403M	\$8.373M	\$9.929M	\$847,712
<b>New Joseph Bonnheim</b>	\$665,524	\$3.921M	\$4.342M	\$244,444
<b>George Washington Carver</b>	\$27,842	\$2.058M	\$2.396M	<b>(\$309,919)</b>
<b>New Tech Early College</b>	\$128,631	\$2.139M	\$2.327M	<b>(\$59,145)</b>
<b>The MET</b>	\$199,541	\$2.873M	\$3.174M	<b>(\$102,172)</b>

Once we apply the adjustments we anticipate to occur before the end of the second interim period (movement of expenses to restricted funds, application of the Dependent Charter MOU cost structure, application of Fund 09 clean up, and revision of revenue based on P1 certified data), all five schools are projected to end the current school year with a positive unrestricted fund balance. However, George Washington Carver’s projected fund balance is below the required reserve level.

	<b>Beginning Fund Balance (25-26)</b>	<b>Fund 09 Clean Up Revenue (One time 25-26)</b>	<b>Projected Excess / Deficit (25-26)</b>	<b>Projected Ending Fund Balance (25-26)</b>
<b>Bowling Green Combined</b>	\$2.403M	\$1.083M	(\$972,130)	\$2.514M
<b>New Joseph Bonnheim</b>	\$665,524	\$400,252	(\$129,721)	\$936,054
<b>George Washington Carver</b>	\$27,842	\$269,408	(\$173,381)	\$123,868
<b>New Tech Early College</b>	\$128,631	\$227,319	\$143,544	\$499,494
<b>The MET</b>	\$199,541	\$316,502	\$105,233	\$621,276

Lastly, we took a very simplified approach to projecting the unrestricted ending fund balance for the following year (2026-27). We assumed the same patterns of excess/deficit budgeting as reflected in 2025-26. We also assumed that any costs currently covered by one-time funds would need to be absorbed by general, unrestricted funds. Based on that analysis, Bowling Green (combined) and George Washington Carver are projecting a negative fund balance by the end of 2026-27.

	<b>Beginning Fund Balance (26-27)</b>	<b>Projected Excess / Deficit (25-26)</b>	<b>Additional Expenses in General with Loss of One-Time Dollars</b>	<b>Projected Ending Fund Balance (26-27)</b>

<b>Bowling Green Combined</b>	\$2.514M	(\$972,130)	\$1.810M	(\$330,909)
<b>New Joseph Bonnheim</b>	\$936,054	(\$129,721)	\$419,288	\$360,561
<b>George Washington Carver</b>	\$123,868	(\$173,381)	\$349,788	(\$414,794)
<b>New Tech Early College</b>	\$499,494	\$143,544	\$406,349	\$223,293
<b>The MET</b>	\$621,276	\$105,233	\$213,000	\$495,879

While both Bowling Green Elementary and George Washington Carver project a negative fund balance in 2026-27, the concern at Carver is far greater. At Bowling Green, \$330,909 represents only **3.5% of their total expenses**. At Carver, \$414,794 represents **18.5% of their total expenses**. Plans are already in place at Bowling Green to reduce the costs by an adequate percentage. For Carver, already running a very slimmed-down program, the necessary 20% in cuts is far more challenging to make and maintain adequate programming.

**Conclusion and Next Steps**

As the authorizers of a dependent school, the SCUSD School Board wears two hats. They are both the authorizing and governing boards of the charter school. When the dependent charter school is projected not to meet its financial obligations, in its role as the authorizing board, the Board may make a monetary contribution or initiate revocation proceedings on the grounds of fiscal insolvency. In its role as the governing board, the Board may elect to self-close rather than go through lengthy and costly revocation procedures. This would be the preferred pathway should the Board not wish to provide further financial support to the Charter School.

The item presented at this (December 18) SCUSD board meeting serves as notice of potential financial distress for George Washington Carver School of Arts and Sciences and Bowling Green Elementary. District and Charter School staff are instructed to take the following actions:

- 1) Demonstrate a projected, positive, unrestricted ending fund balance for 2025-26 - with all budget adjustments made, revenue adjustments made, mandatory costs applied, and end-of-year costs encumbered. **Deadline: February 9, 2026.**

- 2) Produce a 2026-27 Budget with a positive, unrestricted ending fund balance and no deficit spending. **Deadline: February 9, 2026.**
- 3) Provide reasonably compelling evidence of the accuracy of 2026-27 enrollment projections, including but not limited to: a) intent to return forms from current students and b) registrations in Infinite Campus. **Deadline: February 2, 2026.**

Should the Charter School fail to meet these metrics, the SCUSD Board may consider self-closure action.