



Fiscal Solvency Plan Progress Update

Board Meeting
January 15, 2026
Agenda Item No. 10.1

Presented by:

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SCUSD Core Value & Guiding Principle

HEADLINE

We recognize that our system is inequitable by design and we vigilantly work to confront and interrupt inequities that exist to level the playing field and provide opportunities for everyone to learn, grow and reach their greatness.

SCUSD GUIDING PRINCIPLE

All students are given an equal opportunity to graduate with the greatest number of postsecondary choices from the widest array of options

Agenda slide headline

- **Fiscal Recovery Plan Action Summary**
- **Where Have We Been?**
- **Where Are We Going?**
- **Next Steps**



The Fiscal Solvency Plan Where We Have Been?



Where We Have Been

- November 6, 2025
 - Draft Fiscal Solvency & Review of Strategies
- November 13, 2025
 - Special Board Meeting Discussion
- November 20, 2025
 - Adoption of Fiscal Recovery Plan
- December 1, 2025
 - Submit Board Adopted Fiscal Solvency Plan to SCOE
- December 18, 2025
 - Present First Interim Update to the Governing Board
 - Submit to SCOE

Where We Have Been

- Fiscal Solvency Goal : “...the Fiscal Solvency Plan and reduction thresholds will support the District’s ability to maintain required reserves and avoid further intervention.”
 - November 20, 2025 Board Agenda Financial Considerations
- Considerations for Revised Plan Scope and Goal:
 - *The Fiscal Solvency Plan is designed to codify the District’s strategic development for long term sustainable financial and operational outcomes.*
 - *The plan shall include recommended reductions, operational modifications, implementation scope, timeline, and clarity on the impact of the recommendations, decisions, and required elements for a successful implementation.*
 - *The plan will also include board guidance and the framework for engagement from internal and external constituents for shared development and accountability for success.*



The Fiscal Solvency Plan Where Are We Going?



Review of Plan Strategies for Viability and Implementation

- 2025-26 Goals **\$71.2M Total**
 - Increase Revenue \$40.0M
 - Reduce Supply Expenditures \$12.5M
 - Reduce Salary Costs \$12.3M
 - Reduce Contracts and Services Costs \$2.5M
 - Program Costs \$.4M
 - Emergency Procedures \$3.5M+
- *Recommended Removal from Plan*
 - *OPEB Transfer Implementation \$20M*

2025-26 Plan Summary

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

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
- EMERGENCY** = A situation that directly threatens the district's fundamental ability to function, specifically where failure would disrupt basic support for students and staff.
Examples: Server failure, loss of utility services, or physical/structural safety issues.
- \$ Action: Re-assign management employees to classroom vacancies

Review of Plan Strategies for Viability and Implementation

- 2026-27 Goals **\$59.3M Target Total**
 - Enrollment Decline (Loss of Revenue) \$8M
 - Reduce Salary Costs/270 Admin \$14.8M
 - Reduce Department Budgets 20% \$36.5M
- 2026-27 Budget Development is in progress and includes the implementation of the following:
 - Reduction & Reconciliation of the Administrative Positions
 - Reduction of Department Budgets

2026-27 Plan Summary

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 per the S8c SACS budget report
- \$ 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: Reduce Parent Participation Preschool to one classroom at Tahoe Elementary
- \$ Action: Eliminate before/after school non-ELOP "pay as you go" programs
- \$ Action: Develop cost allocation plan
- \$ 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: Discontinue student continuation of International Recruitment Programs



Next Steps

Speaker Name Goes Here



Next Steps

- January - February 2026
 - Reconcile the preliminary adjustments to the budget based on Budget Development
- February Board Meeting
 - Update the board in February 2026 on progress of Fiscal Recovery Plan
 - Additional recommendation to the structure of the Fiscal Solvency Plan and amendments will also be shared.
 - 2025-26 First Interim Letter Review