



# Adopt Revised Fiscal Solvency Plan and 2026-27 Budget Development Reduction Thresholds

January 29, 2026  
Agenda Item No. 6.1

**Presented by:**

Lisa Grant-Dawson, Interim Chief Business Officer

# 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 Solvency Update**
  - **Review of the 2025-26 Options**
  - **First Interim Multi-Year Projection Update**

# Fiscal Solvency Plan Update

- January 20, 2026
  - Cabinet Reviewed of each line of the Section 1 of the FSP
    - Section 1 - \$71.2M
      - Detail FSP Document Reflected \$62.3M
      - Viable Options reviewed to date may yield \$15M
    - First Interim 2025-26 Included
      - \$68M in expenditure reductions
      - \$2.8M in Revenue enhancements
    - The budget reductions are not specifically aligned to a plan for implementation for ACTUAL expenditure adjustments, which is a significant part of the review and implementation process.

## 2025-26 Fiscal Solvency Plan

CONFIDENTIAL

### 2025-26 ACTIONS FOR CURRENT YEAR - 2025-26

Item No.	Goal	Action	Object	Amount	Revised Amount	Additional Revisions	Notes
1	Increase 2025-26 Revenues	OPEB Disbursement	8XXX	20,000,000.00			To continue into 26/27 & 27/28
2		Reclass restricted funding (i.e.MAA, FEMA)	8XXX	13,204,118.37	\$9,973,618.85	FEMA BR26-00353 Backu	COVID Res 7388 Transfer remaining 2023-24 Balance
3		Adjustment for grants (no 45 day budget update)	8XXX	6,827,238.80	\$1,500,000.00		Potential \$1.5M in LCFF 15%?? that was used for PD. Now using Resource 6019 \$.
4	Reduce 2025-26 Supply Expenditures	Eliminate use of "blanket" purchase orders	4XXX-5XXX	-			Challenging to identify for now
5		Close out all supply blanket purchase orders already approved	4XXX-5XXX	2,854,310.04	\$2,854,310.04		Revise spending plan for school sites and departments. \$5.8M available
6		Reduce department supply budgets by 30% from adopted budget	4XXX	741,988.05	\$741,988.05		A reduction in spending can happen in the 2025-26. True up estimate.
7		Delay purchase of adopted math curriculum until after July 1, 2027	4XXX	1,250,000.00	\$0.00		This number was not projected nor budgeted in the 2025-26. Did not adopt because the receipt of the materials was projected to occur in 2026-27 and the NEED to build a budget for 2026-27 is outstanding.
8		Delay purchase of chromebook refresh until after July 1, 2026	4XXX	2,500,000.00	\$0.00		Figure provided by Janea - SM 11/7/25
9		Remove single use printers / discontinue ink and service	5XXX	186,065.45			Way forward - Restrict brand spending and/or high cost items.
10		Freeze supply purchases unless required for operational compliance	4XXX	1,120,240.74			Double Counted with Row 5,6,&10
11		Freeze board discretionary accounts and travel	4-5XXX	32,740.34			
12		Discontinue food for board members at meetings	4-5XXX	102,734.45			
13	Reduce 2025-26 Salary Costs	Establish a system for all per diems to be pre-encumbered	1-3XXX	-			Unable to cost out. Need more time to project
14		Reconcile and resolve inaccuracies in the position control system	1-3XXX	-		Need a developed process.	Pending
15		No fall "true-up" for sites based on CBEDs enrollment	1-3XXX	-			Pending
16		Identify and close management/supervisor/confidential vacancies	1-3XXX	2,969,479.68	1gd FOLLOW UP.		Unable to cost out. Need more time to project
17			1-3XXX				Unable to cost out. Need more time to project
18		Freeze per diems unless required for operational compliance	1-3XXX	-			Unable to cost out. Need more time to project
19		Freeze overtime unless required for emergencies	1-3XXX	103,316.18	Not viable. <a href="#">See Analysis</a>		Unable to cost out. Need more time to project
20		Freeze sub release unless required for IEP meetings	1-3XXX	-			Unable to cost out. Need more time to project
21		Freeze new non-represented job descriptions for current year	1-3XXX	-			Unable to cost out. Need more time to project
22		Freeze non-represented position reclassifications	1-3XXX	18,389.49		Not viable - Does not prevent out of class nor work stoppage unless we address it.	

## 2025-26 Fiscal Solvency Plan

**CONFIDENTIAL**

### 2025-26 ACTIONS FOR CURRENT YEAR - 2025-26

Item No.	Goal	Action	Object	Amount	Revised Amount	Additional Revisions	Notes
20	Reduce 2025-26 Contracts and Services Costs:	freeze sub release unless required for IEP meetings	1-3XXX	-			Unable to cost out. Need more time to project
21		Freeze new non-represented job descriptions for current year	1-3XXX	-			Unable to cost out. Need more time to project
22		Freeze non-represented position reclassifications	1-3XXX	18,389.49	Not viable - Does not prevent out of class nor work stoppage unless we address it.		
23	Reduce 2025-26 Program Costs	Freeze non-required travel	52XX	405,587.87			
24		Freeze new contract agreements unless required for operational compliance	5XXX	-			Unable to cost out. Need more time to project
25		Deactivate no-use cellular phones assigned to active employees	5930	215,208.98			
26		Designate one primary law firm (such as F3 or Lozano Smith)	5800/5100	1,441,467.53			
27		Eliminate phone system redundancy	5XXX	-			Unable to cost out. Need more time to project
28		Discontinue USPS/hard copy information and replace with electronic delivery	5XXX	134,824.88			Report Card and Truancy Memo's. Send Email instead.
29		Relocate classes from McClaskey to Charles A. Jones	1-7XXX	-			Unable to cost out. Need more time to project
30	Increase 2025-26 Cash	Agendize board workshop for facilities optimization and consolidation planning	1-7XXX	-			Unable to cost out. Need more time to project
31		TRANS (tax revenue anticipation notes) short-term loan	91XX				Not including this as it's not applicable to current situation
32	Reduce 2025-26 Salary Costs	Implement furlough days for classified positions	2-3XXX	5,029,417.01			Diff from master at 8 days; To continue into 26/27 & 27/28 - Rev implement staggered furlough days for non-represented employees
33	Reduce 2025-26 Non-Salary Costs	Eliminate all supply and contracts budgets not encumbered by January 31	5100/5800	3,170,736.15			
Net Savings				\$ 62,307,864.01	\$15,069,916.94		
				\$ 40,031,357.17			

# Fiscal Solvency Plan Update

- New Options are being reviewed for amendments to the Fiscal Solvency Plan
  - a. Review of Grant and donations programs that have been dormant from activity for several years.
    - 9000 Resource Codes
    - Some information exists for the purpose of these funds and the goal would be to align the offsetting of 2025-26 expenditures with the grant purpose to the best of our ability.
  - b. Review of Other State Resources to support appropriate current year expenditures
  - c. Vacancy review and other salary cost avoidance projections are being developed
  - d. Review of spending freeze/trends for non labor costs.

# SCOE Request Per the First Interim Letter

- Initial Meetings with Fiscal Advisors & SCOE have occurred
- The 2025-26 First Interim Multi-Year Projection must be restated
  - OPEB adjustment (\$20M) plus Arts Music and Instructional Materials (\$12M) reduced Health & Welfare (H & W) projection by \$32M
  - The \$32M was not added back to the out years therefore reducing the H & W obligation.

In our December 12, 2025, response to the Fiscal Solvency Plan, we noted that it is unclear whether the revenue and savings from the Fiscal Solvency Plan will be sufficient, many of the Plan's solutions may be difficult to fully implement, and the anticipated savings less than hoped for. Given the district's negative First Period Interim Report certification and that it is projecting to be cash insolvent by June 30, 2026:

- The district must work with its Fiscal Advisors to fully implement the solutions currently included in its Fiscal Solvency Plan and identify and implement additional solutions sufficient to ensure its fiscal solvency.
- We request that the district provide us with a report listing the solutions the district has implemented and savings achieved to date, the solutions the district has determined cannot be achieved, and the additional potential solutions it has identified

---

Lisa Allen, Superintendent  
January 15, 2026  
Page 3

by January 31, 2026. We further request that the district provide us with updates to this report by the end of each month beginning in February 2026.

- We also request that the district provide us updated cash flow projections with actual expenditures through December 2025 by January 31, 2026. We further request that the district provide us updated cash flow projections with actual expenditures through the prior month and by the end of the second week of each month beginning in February 2026.

# Fiscal Solvency Plan Update

## 2025-28 MYP Fund Balance Summary - Unrestricted

	First Interim 2025-26 Unrestricted	First Interim 2026-27 Unrestricted	First Interim 2027-28 Unrestricted
<b>A. Revenues</b>			
5) Total Revenues	\$ 506,523,034	\$ 514,189,229	\$ 528,437,817
<b>B. Expenditures</b>			
9) Total Expenditures *	<u>\$ 426,507,861</u>	<u>\$ 373,702,848</u>	<u>\$ 384,572,321</u>
<b>C. Excess (Deficiency) of Revenues Over Expenditures</b>	\$ 80,015,173	\$ 140,486,381	\$ 143,865,497
<b>D. Other Financing Sources/Uses</b>			
4) Total, Other Financing Sources/Uses	\$ (176,536,984)	\$ (178,157,797)	\$ (181,384,750)
<b>E. Net Increase (Decrease) in Fund Balance (C +D4)</b>	<b>\$ (96,521,811)</b>	<b>\$ (37,671,416)</b>	<b>\$ (37,519,253)</b>
<b>F. Fund Balance, Reserves</b>			
1) Beginning Fund Balance	\$ 62,354,384	\$ (34,167,427)	\$ (71,838,843)
a) Adjusted Beginning Balance (F1c + F1d)	\$ -	\$ -	\$ -
2) Ending Balance, June 30 (E + F1e)	<b>\$ (34,167,427)</b>	<b>\$ (71,838,843)</b>	<b>\$ (109,358,096)</b>
UnRestricted Reserve	\$ -	\$ -	\$ -
Other Assignments	\$ 253,265	\$ 253,265	\$ 253,265
Reserve for Economic Uncertainty	\$ -	\$ 14,678,436	\$ 14,892,344
<b>Unassigned Unappropriated</b>	<b>\$ (34,420,691)</b>	<b>\$ (86,770,543)</b>	<b>\$ (124,503,704)</b>

\* Includes reductions to expenditures from Fiscal Solvency Plan that may need to be adjusted or removed.

# Fiscal Solvency Plan Update - First Interim MYP Adjustment - Unrestricted

Sacramento City Unified  
Sacramento County

2025-26 First Interim  
General Fund  
Unrestricted (Resources 0000-1999)  
Revenues, Expenditures, and Changes In Fund Balance

34 67439 0000000  
Form 011  
GB18P8K9JF(2025-26)

Description	Resource Codes	Object Codes	Original Budget (A)	Board Approved Operating Budget (B)	Actuals To Date (C)	Projected Year Totals (D)	Difference (Col B & D) (E)	% Diff Column B & D (F)
<b>A. REVENUES</b>								
1) LCFF Sources	8010-8099	485,862,174.00	485,862,174.00	90,583,129.78	479,855,565.00	(6,006,609.00)	-1.2%	
2) Federal Revenue	8100-8299	0.00	0.00	647,263.33	0.00	0.00	0.0%	
3) Other State Revenue	8300-8599	12,464,964.11	12,464,964.11	7,794,637.45	8,001,560.00	(4,463,404.11)	-35.8%	
4) Other Local Revenue	8600-8799	14,585,390.96	14,585,390.96	(755,821.16)	14,910,029.36	324,638.40	2.2%	
5) TOTAL, REVENUES		512,912,529.07	512,912,529.07	98,269,209.40	502,767,154.36			
<b>B. EXPENDITURES</b>								
1) Certificated Salaries	1000-1999	218,744,200.27	218,744,200.27	63,778,412.83	227,760,878.15	(9,016,677.88)	-4.1%	
2) Classified Salaries	2000-2999	64,724,110.31	64,724,110.31	20,154,414.04	63,576,109.62	1,148,000.69	1.8%	
3) Employee Benefits	3000-3999	140,684,921.51	140,684,921.51	35,267,237.08	108,315,480.71	32,369,440.80	23.0%	
4) Books and Supplies	4000-4999	7,804,267.28	7,804,267.28	901,926.48	6,504,448.04	1,299,819.24	16.7%	
5) Services and Other Operating Expenditures	5000-5999	28,936,152.76	28,936,152.76	11,326,176.72	31,099,277.16	(2,163,124.40)	-7.5%	
6) Capital Outlay	6000-6999	1,684,908.88	1,684,908.88	(221,194.02)	1,720,772.72	(35,863.84)	-2.1%	
7) Other Outgo (excluding Transfers of Indirect Costs)	7100-7299 7400-7499	1,378,467.00	1,378,467.00	339,533.89	1,378,467.00	0.00	0.0%	
8) Other Outgo - Transfers of Indirect Costs	7300-7399	(12,953,967.38)	(12,953,967.38)	(898,232.84)	(13,847,571.95)	893,604.57	-6.9%	
9) TOTAL, EXPENDITURES		451,003,060.63	451,003,060.63	130,648,274.18	426,507,861.45			
<b>C. EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES BEFORE OTHER FINANCING SOURCES AND USES (A5 - B9)</b>								
		61,909,468.44	61,909,468.44	(32,379,064.78)	76,259,292.91			

# First Interim Executive Summary p9

## Unrestricted Expenditures – Changes Between 2025-26 First Interim and Adopted Budget

- Certificated Salaries Increase – \$9M – Adjusted to reflect staffing changes, updated vacancies, and position realignments. Reflects SCTA AB1200 2% for all certificated staff, plus an additional 6% for Speech Language Pathologists (SLPs), 13 FTE Nurses, 16 FTE Social Workers, and BCLAD stipends.
- Classified Salaries Decrease – \$1.15M – Reduced due to vacancy savings and updated staffing projections.
- Employee Benefits Decrease – \$32.3M – Aligned with reductions in salaries, updated health benefit selections, and revised employer costs. \$9.4M of shifting costs to grants awarded since Adopted Budget per FSP and \$20M OPEB Disbursement per FSP.
- The use of one time money requires restating the next year's projected expenses
- The H & W expense should be restored in 2026-27+ to accurately state projected expenses; otherwise, they are understated.

# First Interim MYP - Unrestricted

B. EXPENDITURES AND OTHER FINANCING USES					
1. Certificated Salaries					
a. Base Salaries		227,760,878.15			212,170,962.29
b. Step & Column Adjustment			3,188,652.29		2,970,393.47
c. Cost-of-Living Adjustment					
d. Other Adjustments			(18,778,568.15)		3,238,812.00
e. Total Certificated Salaries (Sum lines B1a thru B1d)	1000-1999	227,760,878.15	(6.84%)	212,170,962.29	2.93% 218,380,167.76
2. Classified Salaries					
a. Base Salaries			63,576,109.62		51,284,814.32
b. Step & Column Adjustment			445,032.77		358,993.70
c. Cost-of-Living Adjustment					
d. Other Adjustments			(12,736,328.07)		
e. Total Classified Salaries (Sum lines B2a thru B2d)	2000-999	63,576,109.62	(19.33%)	51,284,814.32	.70% 51,643,808.02
3. Employee Benefits	3000-3999	108,315,480.71	(11.14%)	96,249,434.59	4.55% 100,624,250.53
4. Books and Supplies	4000-4999	6,504,448.04	(43.58%)	3,670,130.78	0.00% 3,670,130.78
5. Services and Other Operating Expenditures	5000-5999	31,099,277.16	(37.04%)	19,581,181.46	0.00% 19,581,181.46
6. Capital Outlay	6000-6999	1,720,772.72	(7.94%)	1,584,175.44	0.00% 1,584,175.44
7. Other Outgo (excluding Transfers of Indirect Costs)	7100-7299, 7400-7499	1,378,467.00	0.00%	1,378,467.00	0.00% 1,378,467.00
8. Other Outgo - Transfers of Indirect Costs	7300-7399	(13,847,571.95)	(11.78%)	(12,216,317.70)	.60% (12,289,860.46)
9. Other Financing Uses					
a. Transfers Out	7600-7629	0.00	0.00%		0.00%
b. Other Uses	7630-7699	0.00	0.00%		0.00%
10. Other Adjustments (Explain in Section F below)					
11. Total (Sum lines B1 thru B10)		426,507,861.45	(12.38%)	373,702,848.18	2.91% 384,572,320.53
C. NET INCREASE (DECREASE) IN FUND BALANCE					
(Line A6 minus line B11)		(96,521,811.17)		(37,671,416.17)	(37,519,252.82)

# Fiscal Solvency Plan Update - First Interim MYP Adjustment - Current MYP

## 2025-28 MYP Fund Balance Summary - Unrestricted

	First Interim 2025-26 Unrestricted	First Interim 2026-27 Unrestricted	First Interim 2027-28 Unrestricted
<b>A. Revenues</b>			
5) Total Revenues	\$ 506,523,034	\$ 514,189,229	\$ 528,437,817
<b>B. Expenditures</b>			
9) Total Expenditures *	\$ 426,507,861	\$ 373,702,848	\$ 384,572,321
<b>C. Excess (Deficiency) of Revenues Over Expenditures</b>	\$ 80,015,173	\$ 140,486,381	\$ 143,865,497
<b>D. Other Financing Sources/Uses</b>			
4) Total, Other Financing Sources/Uses	\$ (176,536,984)	\$ (178,157,797)	\$ (181,384,750)
<b>E. Net Increase (Decrease) in Fund Balance (C +D4)</b>	\$ (96,521,811)	\$ (37,671,416)	\$ (37,519,253)
<b>F. Fund Balance, Reserves</b>			
1) Beginning Fund Balance	\$ 62,354,384	\$ (34,167,427)	\$ (71,838,843)
a) Adjusted Beginning Balance (F1c + F1d)	\$ -	\$ -	\$ -
2) Ending Balance, June 30 (E + F1e)	\$ (34,167,427)	\$ (71,838,843)	\$ (109,358,096)
UnRestricted Reserve	\$ -	\$ -	\$ -
Other Assignments	\$ 253,265	\$ 253,265	\$ 253,265
Reserve for Economic Uncertainty	\$ -	\$ 14,678,436	\$ 14,892,344
<b>Unassigned Unappropriated</b>	\$ (34,420,691)	\$ (86,770,543)	\$ (124,503,704)

\* Includes reductions to expenditures from Fiscal Solvency Plan that may need to be adjusted or removed.

# Fiscal Solvency Plan Update -

## First Interim MYP Adjustment - Prelim Revised MYP

### 2025-28 MYP Fund Balance Summary - Unrestricted - Preliminary Adjustment

	2025-26 Unrestricted	2026-27 Unrestricted	2027-28 Unrestricted
<b>A. Revenues</b>			
5) Total Revenues	\$ 506,523,034	\$ 514,189,229	\$ 528,437,817
<b>B. Expenditures</b>			
9) Total Expenditures	\$ 426,507,861	\$ 373,702,848	\$ 384,572,321
Reverse OPEB	\$ 20,000,000		
<b>Add Health &amp; Welfare Costs to Out Years</b>		\$ 32,000,000	\$ 32,000,000
<b>C. Excess (Deficiency) of Revenues Over</b>	\$ 60,015,173	\$ 108,486,381	\$ 111,865,497
<b>D. Other Financing Sources/Uses</b>			
4) Total, Other Financing Sources/Uses	\$ (176,536,984)	\$ (178,157,797)	\$ (181,384,750)
<b>E. Net Increase (Decrease) in Fund Balance (C +D4)</b>	\$ (116,521,811)	\$ (69,671,416)	\$ (69,519,253)
<b>F. Fund Balance, Reserves</b>			
1) Beginning Fund Balance	\$ 62,354,384	\$ (54,167,427)	\$ (123,838,843)
a) Adjusted Beginning Balance (F1c + F1d)	\$ -	\$ -	\$ -
2) Ending Balance, June 30 (E + F1e)	\$ (54,167,427)	\$ (123,838,843)	\$ (193,358,096)
<b>UnRestricted Reserve</b>	\$ -	\$ -	\$ -
<b>Other Assignments</b>	\$ 253,265	\$ 253,265	\$ 253,265
Reserve for Economic Uncertainty	\$ -	\$ 14,678,436	\$ 14,892,344
<b>Unassigned Unappropriated</b>	\$ (54,420,691)	\$ (138,770,543)	\$ (208,503,704)

Amounts in highlighted yellow reflect the cursory adjustments to the MYP based on a lower projected expenditure in the out years as the one time health and welfare adjustment was not added back to the out years (2026-27 & 2027-28). The Fiscal Solvency Plan adjustments that may need adjustments are not reflected in this view, but would be adjusted to reflect one time versus ongoing adjustments required to reflect the deficit and target for reductions.



# Fiscal Solvency Plan Goal Update/Discussion

# Goal: Increase 2025-26 Revenues

## OPEB - Clarity Being Sought

- The purpose of the OPEB was listed as a revenue goal; thus anticipating that money from the Irrevocable trust would be transferred to the District to use to support its deficit.
- The trust is specifically stated in the documents as follows:
  - D. Purpose of Plan: The Plan is a health plan to be used to provide financial assistance for health (medical, prescription drug) benefits to eligible SCTA retirees in order to help fund the SCUSD/SCTA post-employment health benefit obligations.
- The District consulted with counsel who reviewed plan documents.

# Goal: Increase 2025-26 Revenues

## OPEB

- The recommendation is to remove the OPEB from the Fiscal Solvency Plan is proposed result of the purpose of the proposed use as included in the plan and the inability to use these funds for cashflow or one time revenue purposes.

# Goal: Reduce 2025-26 Supply Expenditures

- Delay purchase of adopted math curriculum until after July 1, 2027
  - No Unrestricted General Fund Impact. No Math curriculum budgeted for 2025-26
- Delay purchase of chromebook refresh until after July 1, 2026
  - Unrestricted General Fund Impact - Reduction of \$2.5M

# Goal: Reduce 2025-26 Contract & Services: Cancel Contract Agreements that will not Disrupt Required Operations

- Reduce Contracts and Services Costs
  - CORE
  - Leadership Academy
  - Council of Great City Schools
  - EveryDay Labs/Pro
  - Additional Business Services Support -
    - Contracts pending completion by March 1, 2025

# Emergency Procedures 2025-26: Furlough Days

- January 15, 2026 Board Meeting, Item 10.1 Fiscal Solvency Plan Update
  - January 16, 2026
    - 2025-26 Furlough Days for Non Rep announced for three (3) Days
    - Days must be taken by May 30, 2026

# Goal: Reduce 2025-26 Salary Costs: Freeze Positions - Clarification

## 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

\* 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

\* Action: Review policies for vacation accruals and establish maximums

# Goal: Reduce 2025-26 Salary Costs: Freeze Positions - Clarification

- Freeze hiring non-classroom positions
  - Purpose - To reduce expenditures for the 2025-26 year for non-classroom based positions
  - Clarification Required
    - There are vacant positions in 2025-26 that are strongly recommended to approve for recruitment.
    - The Non-Represented Positions are not above the targeted 270 FTE requested for reduction in 2026-27
      - Unrestricted General Fund
        - CBOO
        - Deputy Chief of Schools
        - TK Enrollment Specialist
      - Restricted General Fund
        - Asst Superintendent SPED
    - The Represented positions would impact all operations and impact another

# Goal: Reduce 2025-26 Salary Costs: Freeze Positions - Clarification

- Freeze hiring non-classroom positions
  - The Represented positions would impact all operations and impact decisions in operational outcomes.
    - All District positions frozen
    - No clarification provided about resources and funds intended
    - Anticipated Focus: Unrestricted General Fund and perhaps strategic restricted resources
- Freeze Per Diems Unless Required for Operational Purpose
  - Per diem payments have been “frozen” that occurred prior to the November 20th FSP decision
    - Payments must be released
    - Employees that are working out of class for operational purposes are required to be compensated per the collective bargaining agreements



# Next Steps

# Next Steps

- **January - February 2026**
  - Update Fiscal Solvency Plan, MYP, and Cash Flow
    - Submit to Supt & Board
    - Submit to SCOE
    - Establish 2025-26 deficit target and revised options
  - Reconcile the preliminary adjustments to the budget based on Budget Development
- **February Board Meetings**
  - 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

“

Darkness cannot drive out darkness;  
only light can do that. Hate cannot  
drive out hate; only love can do that.

– MARTIN LUTHER KING JR.