SACRAMENTO CITY UNIFIED SCHOOL DISTRICT
BOARD OF EDUCATION

Agenda Item# 10.2

Meeting Date: March 5, 2026

Subject: **Fiscal Solvency Plan Update and Recommendations**

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

Division: Business Services

Recommendation: It is recommended that the Board review the update on the progress of Fiscal Solvency Plan and options to support a Qualified Second Interim.

Background/Rationale: On November 20, 2025, the Board adopted a Fiscal Solvency Plan for 2025-26 and 2026-27 via Agenda Item 12.1. The District has provided updates weekly, since January 15, 2026 to the Board and will continue to provide updates on the progress of the Fiscal Solvency Plan at least monthly.

On February 5, 2026, staff provided updates and recommended revisions to the Fiscal Solvency Plan. The recommended revisions included updates and additional budget balancing solutions and strategies to the Fiscal Solvency Plan in addition to an update on the progress of the 2026-27 budget reductions. The Board also made recommendations for amendments to the plan, which were adopted accordingly and are reflected in this update.

The Board also reviewed and approved the response to the First Interim Report from the Sacramento County Office of Education (SCOE). The response included the update of the Fiscal Solvency Plan, updated 2025-26 Cash Flow Report with actuals through December 2025, and the revised 2025-26 Multi-Year Projection. On February 19, 2026, staff provided the latest update on progress and projections on the Fiscal Solvency Plan.

On **March 5, 2026**, staff will provide the latest update on progress and projections on the Fiscal Solvency Plan and additional reductions and options to achieve a Qualified Second Interim Budget.

Financial Considerations: Continued planning, implementation, and progress monitoring of the revised Fiscal Solvency Plan.

LCAP Goal(s): Goal I – Graduation Outcomes, Goal 2 – Academic Outcomes, and Goal 3 – Welcoming and Safety Outcomes

Documents Attached:

- Current 2025-26 Target Projection is forthcoming
- Fiscal Solvency Plan Updates is forthcoming
- Recommendations for Fiscal Solvency is forthcoming
- Rationale is forthcoming

Estimated Time: 15 minutes

Submitted by: Lisa Grant-Dawson, Interim Chief Business and Operations Officer

Approved by: Cancy McArn, Interim Superintendent