SCUSD Fiscal Solvency Plan Update

Action	Original Plan Adopted Fiscal Solvency Plan (11/20/25)	Proposed Revised Plan* Revised Projection (as of 3/5/26)	
Summary Total	$67,700,000.00	$63,338,379.53	
Budget Reductions, Transfers/Contributions to Offset Expenditures (Increase 2025-26 Revenues)	*$40,000,000*	*$11,988,665*	Rationale
OPEB Disbursement	$20,000,000		$20M can be used for retiree benefits. Meet and Confer with Bargaining Units
Reclass restricted funding (i.e.MAA, FEMA)	$13,204,118	$11,988,665	MAA $2,300,000, FEMA $9,973,618 - Done.
Adjustment for grants (no 45 day budget update)	$6,827,239	$0	Review in progress
Investigate options for attendance recovery		$0	This is the first year of the Attendance Recovery Grant. It's being piloted at 5 elementary sites. Funds recovered are determined when data is submitted on P2 in CalPads. Maximum we can recover is 10 days or less per student, with 4 hours equal to 1 day.
Reduce Unrestricted General Fund Expenditures (Reduce 2025-26 Supply Expenditures)	*$12,500,000*	*$31,313,162*	
Close out all supply blanket purchase orders already approved	$2,854,310	$0	Activity moved to AFSP #4
Reduce department supply budgets by 30% from adopted budget (except custodial)	$741,988	$0	Activity moved to AFSP #4
Delay purchase of adopted math curriculum until after July 1, 2027	$1,250,000	$0	$0
Delay purchase of chromebook refresh until after July 1, 2026	$2,500,000	$2,500,000	Done
Remove single use printers / discontinue ink and service	$186,065	$0	Activity moved to AFSP #4
Freeze supply purchases unless required for operational compliance	$1,120,240	$0	Activity moved to AFSP #4
Eliminate use of "blanket" purchase orders			
New: Expend Final Res 7388 COVID Funding		$196,853	
New: Arts Materials & Instructional Materials Grant (Res 6762) Contribution to the Unrestricted General Fund to Offset Operating Expenditures		$12,229,000	The District used this resource to adjust the budget and reduce H & W, but it never appeared on the FSP plan, but noted at First Interim. Resetting the use of it to contribute to the Unrestricted General Fund/Transfer expenses. - Done

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New: Balance Supplemental & Concentration Budget - Res 0011		$4,337,309	Budget is overspending the budgeted S & C and there is no carryover; thus, creating a deficit. Budget needs to be rebalanced after First Interim postion addtions. Other S & C Budgets need balancing, but impact smaller and not listed. Done
New: Utility Budget Reduction based on expenditure projections		$8,000,000	*Utility budget allocation too high for 2025-26*
New: Use Restricted Resource Balances to Offset Unrestricted Expenditures		*$4,050,000*	*Inactive Resource 9000's & Learning Recovery Block Grant*
Reduce/Offset Compensation Expenditures (Reduce 2025-26 Salary Costs/New)	*$12,300,000*	*$17,047,552*	
Reconcile and resolve inaccuracies in the position control system		$0	Forthcoming: Revised Fiscal Solvency Plan - February 19th Board Agenda
No fall "true-up" for sites based on CBEDs enrollment		$47,552	The increase of student enrollment and correlated clerical/support staff not provided at fall "true up"
Identify and close non-represented vacancies	$2,969,479	$0	Lisa will research; 10 positions on Reconciliation tab
Freeze hiring non-classroom positions	$1,381,279	$0	1/29 Board discussion, delayed to 2/5
Freeze non-represented position reclassifications for current year	$18,389	$0	
Freeze overtime unless required for emergencies	$103,316	$0	
Re-assign management employees to classroom vacancies		$0	Activity moved to AFSP #1.a
Freeze per diems unless required for operational compliance		$0	On 1/29 Board agenda - Add message in FSP
Freeze sub release unless required for IEP meetings		$0	
~~Freeze new non-represented job descriptions for current year~~			There are no new non-represented job descriptions open for the year nor that will be open. No current budget exists for the creation of new positions.
Establish a system for all per diems to be pre-encumbered			Process has been established and is ready for implementation; cost to be determined once implemented
Discontinue use of compensatory "comp" time			The district does not recognize compensatory "comp" time
Establish protocol for classroom overage approvals - review at Serna			The district has established separate overage protocols for departments (Special Education, general classroom, counselor, variance of 3, etc) but will work to establish district-wide alignment for all overages.
Review policies for vacation accruals and establish maximums			In progress of review of most recent implementation and enforcement practices.

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New: Reduce Self Insurance Factor for 2025-26 to absorb Fund Balance. All Funds pay into this fund based on salaries spent. The Unrestricted General Fund is the largest, but adjustments would have to be proportional.		$10,000,000	The District has carried a Fund Balance of $5M+ since 2022-23. *CSAM Procedure 775 allows the following: If amounts held in a self-insurance fund exceed amounts required as determined on an actuarial* basis (a surplus), current and/or future contributions may be reduced by adjusting the rates used to charge the contributing funds. May take more than two years to affect the Unrestricted GF.
New: Projected Unrestricted General Fund Vacancy Savings. $9M, but projecting $7M as severa; sites are over budget due to salary changes from SCTA agreement and need to be reconciled.		$7,000,000	
Reduce 2025-26 Contracts & Services	*$2,500,000*	$0	
Freeze non-required travel	$405,587	$0	Currently reviewing and assessing travel expense status
Deactivate no-use cellular phones assigned to active employees	$215,208	$0	Begin Implemention in 2025-26 and Re-Assess allocations for 2026-27 prior tp budget adoption
Designate one primary law firm	$1,441,467	$0	The District is developing a new internal control process to modify the approval and accesss protocol with all law firms.
Cancel contract agreements that will not disrupt required operations		$0	Activity moved to AFSP #5
Discontinue USPS/hard copy information and replace with electronic delivery	$18,389	$0	Recommended full 2026-27 Implemention to determine which items will be electronically remitted
Freeze new contract agreements unless required for operational compliance		$0	Activity moved to AFSP #4
Reduce 2025-26 Program Costs	*$400,000*	$0	
Relocate classes from McClaskey to Charles A. Jones		$0	Adult Ed reduced their contribution for the 26-27 year by $2,100,000 at Budget Dev, that includes the McClaskey move for 26-27. Can't be counted as this year's reduction to program costs.
Agendize board workshop(s) for facilities optimization and consolidation planning		$0	No financial impact will be realized in 2025-26; however, the Board's decision on how they seek to engage on this subject has not been determined to date.

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Emergency Procedures 2025-26			
Eliminate all supply and contracts budgets not encumbered by January 31	$3,000,000	$0	Update in February 2026 in addition to being correlated to ASP#4
TRANS (tax revenue anticipation notes) short-term loan		$0	This item should be removed from the Fiscal Solvency Plan.
Implement staggered furlough days for non-represented employees	$450,000/day	$0	Activity moved to ASP #3
Additions to the Fiscal Solvency Plan - 1.29.2026		$2,989,000	.
~~1a. Immediately transfer into classrooms all credentialed management employees whose roles have been identified for reduction~~		$0	Item eliminated from strategy list 2.5.2026
~~1b. Immediately release any non-permanent (probationary) classified management employees whose roles have been identified for reduction~~		$0	Item eliminated from strategy list 2.5.2026
~~1c. Immediately initiate layoffs of all classified management employess whose positions are tied to specially funded programs and whose roles have been identified for reduction~~		$0	Item eliminated from strategy list 2.5.2026
2. Immediately freeze all professional services contracts for ongoing services that do not provide direct student support		$689,000	Contracts being reviewed for recommendation for 2025-26 and ongoing. Done
~~3. Increase furlough days for non-rep and confidential staff from 3 to 12~~		$0	Item eliminated from strategy list 2.5.2026
4. Freeze all supply purchases (not janitorial) in central office and school sites for remainder of fiscal year		$2,300,000	Projected savings as of January 31, 2026. Object 4399 - Done
5. Document procedures around contracts and invoices approved by Cabinet			Current workflow and potential amendments - Update MarchBoard Meeting
Direction to Cooperate with labor			Completed
2026-27 FISCAL SOLVENCY PLAN ACTIONS			
Updates in Progress			
2026-27 Summary Total	$68,416,876.00	$34,954,484.00	
Reduce Reduce Future Year Supply Expenditures	*$21,505,034*	*$10,354,484*	
~~Eliminate use of "blanket" purchase orders~~	~~$1,427,155~~		District uses blanket PO's for operatioinal efficiency and procurement practices for frequent ordering. Budgets can be managed differently.
Reduce total supply allocation to departments and school sites	$1,604,407		
Eliminate redundant technology hardware and software			
Eliminate general use CalCard accounts			CalCard accounts are another efficiency and purchasing control strategy. The District will review the history of purchases and determine if revised internal controls are required.

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Reduce Future Year Salary and Benefits Costs			
Maintain accuracy of position control system			
Identify department consolidation plan for 2026-27 BDP			In progress of calculating as Budget Development is in active status.
Update: Reduce the number of administrators to under 270 FTE per the S8c SACS budget report	$14,750,000	$4,954,484	Current projected cost avoidance of 60 less positions. Reconciliation still in progress. 28.2 - $4,954,484 Restricted. 31.8 Retricted - $5,335,016
Identify changes to 2027 benefit offerings to reduce overall district contribution			
Implement a system for all per diems to be pre-encumbered	$3,723,472		
New: Projected Salary reduction for all employee groups affected by		*$5,400,000*	
Reduce Future Year Contracts and Services Costs	*$46,911,842*	*$24,600,000*	
Update travel procedures for cost containment | limit non-required travel			
Reduce total contract allocation to departments and school sites			
Eliminate contracts related to ineffective programs	$2,441,106		
Discontinue low/no usage platforms	$3,170,736		
Reduce Future Year Program Costs			
Reduce Parent Participation Preschool to one classroom at Tahoe Elementary		$0	District contribution was $238,420 for 24-25 as of 2/20/25. Teacher salary increases and decreased student participation would have to be figured into this calculation.
Eliminate before/after school non-ELOP "pay as you go" programs		$0	District contribution was $353,797 for 24-25 as of 2/20/25. Teacher salary increases and decreased student participation would have to be figured into this calculation.
Develop cost allocation plan	$2,500,000		
Eliminate contribution to Adult Education		$0	Programmatic Changes to Adult Ed or ongoing contribution.
Eliminate practice of Priority School designation and allocations	$2,300,000		Title I funded, Board will make final decision on 2/5
Discontinue sending College Going Packets after grant expires			
Revisit and study continuation of International Baccalaureate Programme			
Revisit and study implementation of GATE program			
Establish a Facilities Development Process for locating programs			
Review inclusive and co-teaching practices for consistency and effectiveness			
Consider school consolidation plan and boundary changes with timeline			

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Evaluate methodology for determining IEP services to eliminate redundancies and maximize delivery in the least restrictive environment.			
Evaluate allocation method of TK classroom aides for AM/PM programs			
20% reduction to departments	$36,500,000	$24,600,000	Current Projected Savings as of 3.1.26 Budget Development review and reconciliation that is still in progress.