SACRAMENTO CITY UNIFIED SCHOOL DISTRICT
BOARD OF EDUCATION

Agenda Item# 11.1

Meeting Date: April 30, 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 interim report.

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 provided an update on the latest progress and projections on the Fiscal Solvency Plan, with $63.3M in reductions for 2025-26. These reductions were reflected in the 2025-26 Second Interim budget on March 19, 2026. The District has also been apprised of the one time versus ongoing reductions for 2025-26. The Second Interim 2026-27 Multi-Year projection also included $34.9M in reductions from the Fiscal Solvency Plan and the 2026-27 Budget Development process. The 2026-27 Multi-Year projection also included the projected $42.9M in Unrestricted General Fund reductions from the District Office.

On April 16, 2026, the District presented an update regarding its progress on the Fiscal Solvency Plan and strategies presented to the Board for consideration during the March 5, 2026 presentation. The District has also identified $18.8M of 2025-26 resources that it has projected it can sweep and/or shift expenditures from restricted and unrestricted resources. These items have been identified as New on the Fiscal Solvency Plan Summary Report. The District will also share updates regarding the restructuring and reduction plan of the District office, as well as other key elements, in preparation for a Board Workshop scheduled for Thursday, April 23, 2026. The workshop will also include a discussion on the Facility Optimization Plan, which is another key strategy included in the Fiscal and Operational Solvency Plan.

On April 30, 2026, the District will provide a brief update on its Fiscal Solvency Plan progress and a subsequent update on May 7, 2026.

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:
N/A

Estimated Time: 15 minutes
Submitted by: Lisa Grant-Dawson, Interim Chief Business and Operations Officer
Approved by: Cancy McArn, Interim Superintendent