Sacramento City
UNIFIED SCHOOL DISTRICT

Fiscal Solvency Plan Update

Board Meeting
May 21, 2026
Agenda Item No. 12.2

Presented by:
SCUSD Cabinet Members

SCUSD Core Value & Guiding Principle

CORE VALUES

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.

GUIDING PRINCIPLE

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

Fiscal Solvency Plan Update

Agenda

- Update on Fiscal Solvency Plan
  - Cash Flow Update
- Update on Fiscal Solvency Plan Implementation
- Update on District Restructure

2025-27 Fiscal Solvency Plan Update

Cash Flow

June 30, 2026 Cash Flow Projections

Actuals as of	October 31, 2025	January 31, 2026	February 28, 2026	Second Interim March 19, 2026
	-$1,000,000	+$3,000,000	+$13,000,000	+$4,858,392

Actuals as of	March 30, 2026	April 30, 2026	May 31, 2026	June 30, 2026
	+$11,408,668 +$19,415,119***	+$20,541,653		

Current Cash Deficit Projected in July 2026**

* Source: 2025-26 Cash Flow Projection with Actuals through April, 2026
** Updated as of the 24-Month Cash Flow update. The loss of cash from additional expenditures impacts lower cash available. The Cash Flow projection is being monitored and reconciled monthly and will include both fiscal years. **All projections are based on the Second Interim Budget and current revenue and spending trends.** District scheduled to receive Constitutional Advance of Property Taxes of $111.1M. This will be modeled on the Cash flow for Third interim.
***FCMAT Projection (Includes Other assumptions not included in District's Assumptions, including June Deferral)

2025-26 Fiscal Solvency Plan Update

2025-26 Fiscal Solvency Plan Updates

UNRESTRICTED COST AVOIDANCE/SAVINGS	
Prior Identified Savings/Cost Avoidance	$82.1M
Medical Billing Balance	$14.5M
Total Savings	**+$96.6M**

Total Projected Reductions - Nov 2025 FSP $67.7M

UNRESTRICTED TOTAL DEFICIT	
As of Second Interim	-$108.2M
April 16* Adjustments	-$18.8M
May 21st Adjustments	-$14.5M
As of May 21, 2026	**=-$74.9M**

Additional Strategies*	
Additional One Time Options	-$20M
Potential Revised Deficit	**=-$54.7M**

Note: The District is preparing its Third Interim presentation for 6/4/2026 and is projected to realize additional savings from expenditures not realized and vacancy savings.

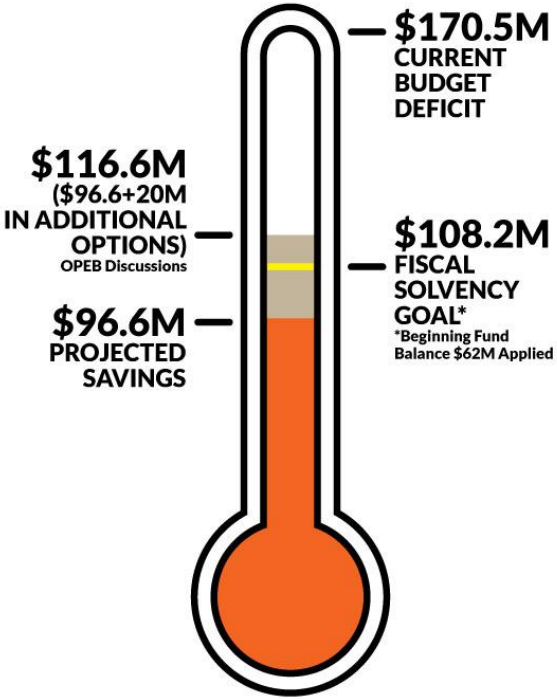
**Absent an agreement by June 1, 2026, the District will need to consider this a 2026-27 strategy.*

SCUSD 2025-26 Fiscal Solvency Goal

May 21, 2026

($89.2M) Deficit

April 16, 2026



$14.5M Cost Savings/ Avoidance

16%

$74.9M Remaining Deficit

Total identified savings $96.9M. $74.9M Remaining to eliminate 2025-26 deficit.

2025-26 Additional Options

Action	Anticipated Value
Engage in OPEB Discussions* (one-time savings) • Analysis in progress to prepare forthcoming presentation for discussion/proposal • Draft Summary of OPEB option created and process steps for proposal in progress. • If agreement is not secured by 6/1/2026, it is recommended that this option be moved to 2026-27 due to the timeline needed to operationalize and implement this plan prior to year end.	$20M

*Option requires discussions with labor/designated bodies of decision makers.

2026-27 Fiscal Solvency Plan Update

2026-27 Fiscal Solvency Plan Update

UNRESTRICTED KNOWN COST AVOIDANCE/SAVINGS	
Prior Identified Savings/Cost Avoidance	$34.9M
SCUSD SERNA Restructure	$17.6M
Total Savings*	**$52.2M**

RESTRICTED KNOWN COST AVOIDANCE/SAVINGS	
SCUSD SERNA Restructure	$9.1M
Total Savings*	**$9M**

UNRESTRICTED TOTAL DEFICIT	
As of Second Interim	-$251.1M

Additional Strategies	
Additional Options with projected savings Identified (See Slide 16 - Requires Negotiation)	-$47.4M
Potential Revised Deficit	**=-$203.7M**

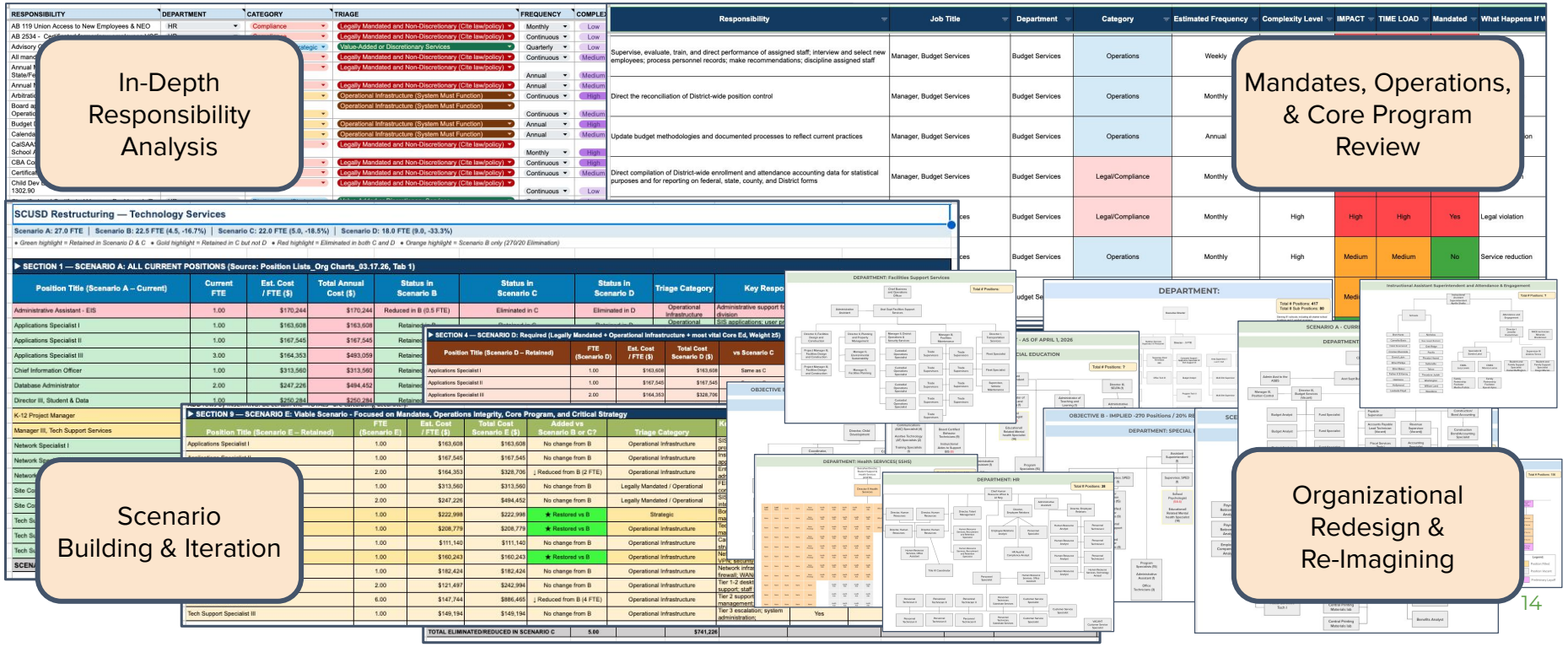
Total Projected Reductions - Nov 2025 FSP $68.4M

*$34.9M Included in Second Interim 2026-27 MYP Projection reductions. Assumptions used, though realizing all positions would not be eliminated; however, District has additional costs for all applicable vacation payouts, including a outstanding cumulative liability for SEIU members for vacation balance overages.

Restructure & Org Chart Update

Seeing the System

Study, Reflection, & Analysis



Superintendent's Cabinet

Exhibit: 2026-27 Organization Charts

Total positions reduced: 194.69
Savings from reductions: $34M

Positions renamed/added: 39 FTE
Cost of renamed/added:$7.4M

Net Positions Reduced: 155.69
Total Savings: $26.6M

Superintendent

Executive Assistant

General Counsel

Assistant Superintendent HR/Labor Relations

Board of Education Specialist

Chief of Staff

- Community Engagement & Communications
- Facilities & Transportation
- Nutrition Services
- State & Federal
- Safe Schools & Security
- Technology Services
- Adult Ed

Chief of Schools

- Instructional Assistant Superintendents
- Enrollment & MOC Center
- Student Hearing & Placement
- Athletics
- Constituent Services
- Innovative Schools/Charter
- Community Schools
- Youth Development

Chief Academic Officer

- Curriculum & Instruction
- Multi-Tiered System of Supports
- Special Education
- Student Health Services
- Student Support Services
- LCAP, Research, Data & Accountability

Chief Business Officer

- Budget/Position Control
- Accounting
- Employee Benefits
- Purchasing
- Risk Management
- Payroll

Central Office Reduction Numbers

Percent by Bargaining Unit	
SEIU represents 61% of Serna	≈ 40%
SCTA represents 7% of Serna	≈ 4%
UPE represents 4% of Serna	≈ 8%
ALL Other Admin Units represent 28% of Serna	≈ 48%
TOTAL	≈ 100%

Key Net Admin Reductions	
Chief/Dep Chief/Dept Supt	≈ 5 FTE
Assistant Superintendent	≈ 1 FTE
Executive Directors/Directors	≈ 15 FTE
Coordinators/Administrators	≈ 13 FTE
Managers/Supervisors	≈ 9 FTE
Administrative Assistants	≈ 6 FTE

Exhibit: Central Office Position Adjustments

Seeing the System

Long-Term, Near-Term, & Immediate Considerations

IMPACT INVENTORY & PLANNING - Cabinet is working w/ Dept staff to develop strategies & solutions to help mitigate the harm of reductions & eliminations to District Goals, Safety & Well-Being, & Legal Obligations.

Department	Owner	REDUCE /ELIMINATE	Reductions / Eliminations	PRIMARY ISSUE - Implication	Proposed Solution(s)	Associated FTE and/or Funding Reduction	Immediacy	Consequence	Status	Milestone	Deliverable
Student and Family (xxxx)	Brenda Paredes	REDUCTION	Reduction in Supervisor/Managerial Support for Attendance and Sense of Belonging Reduction of clerical support	- Lack of clarity on District's position and level of priority regarding the relationship between Attendance/Sense of Belonging and improving Academic Outcomes - Limited ability to support Tier 1 and Tier 2 interventions for attendance and to monitor attendance in general - Limited general attendance support both in terms of system wide and individual school support - Limited oversight and support of Guardrails 2.1 and 2.2 (chronic absenteeism and sense of belonging)	Possible addition of supervisor of attendance and sense of belonging could hold some of this work including the Restorative Practices portion	N/A	Day 1	Legal Obligations	In progre...	Milestone	File
Curriculum & Instruction	Brenda Paredes	ELIMINATION	Pause Environmental Science Center Overnight Trips	Pausing longterm, highly visible district program and NPS partnership	Pursue grant funding to re-open the program	$15,000	Semester 1	District Goals	Not start...	Milestone	File
Curriculum & Instruction	Michelle Steagall	ELIMINATION	Pause Environmental Science Center Day Trips	Pausing longterm, highly visible district program and NPS partnership	Pursue grant funding to re-open the program	$45,000	Semester 1	District Goals	Not start...	Milestone	File
Curriculum & Instruction	Rick Miller	ELIMINATION	Environmental Science Center Will not renew lease	Pausing longterm, highly visible district program and NPS partnership	Pursue grant funding to re-open the program	$150,000	Semester 1	District Goals	Not start...	Milestone	File
Curriculum & Instruction	Brenda Paredes	REDUCTION	Online Algebra I Limited enrollment to 350 students.	Reduction in secondary math acceleration options for some students	Establish waitlist for applications exceeding capacity	$35,000	Day 1	District Goals	In progre...	Milestone	File
Curriculum & Instruction	Michelle Steagall	REDUCTION	Summer Geometry – Limited to 10 sections for Summer 2027	Reduction in secondary math acceleration options for some students	Establish waitlist for applications exceeding capacity	$75,000	Year 1	District Goals	In progre...	Milestone	File
Curriculum & Instruction	Rick Miller	REDUCTION	Summer Algebra 1 – Limited to 2 sections for Summer 2027	Reduction in secondary math acceleration options for some students	Establish waitlist for applications exceeding capacity	$85,000	Year 1	District Goals	In progre...	Milestone	File
Curriculum & Instruction	Juli Coleman	REDUCTION	ELA - Elementary PD limited to instructional coaches	Reduced professional learning support which may result in decreased instructional quality and progress towards Goal 1 and Guardrail 3	Focus PD on instructional coaches and administrators who can then better support teachers at school sites	$125,000	Semester 1	District Goals	In progre...	Milestone	File
Curriculum & Instruction	Brenda Paredes	REDUCTION	MPD/Language programs and ELD – Elementary PD limited to instructional coaches	Reduced professional learning support which may result in decreased instructional quality and progress towards Goal 1 and Guardrail 3	Focus PD on instructional coaches and administrators who can then better support teachers at school sites	$60,000	Semester 1	District Goals	In progre...	Milestone	File
High School Credit Recovery (CCR)	Brenda Paredes	REDUCTION	Reduction in the number of licences purchased for the online credit recovery platform Edgenuity/ImagineLearning	A reduction in the number of licences would mean that fewer students can take credit recovery courses though the online learning platform, which would lead to fewer students [illegible] credits towards graduation.	Students that are closer to graduation (Juniors and Seniors) can be given priority for the limited slots since they have less time to make up credits. In addition, students can register and [illegible] credit recovery courses though the in-person and [illegible] learning options.	$20,000	Semester 1	District Goals	In progre...	Milestone	File
Career Technical Education (CTE)	Michelle Steagall	ELIMINATION	[illegible] District-Wide CTE Showcase and other industry [illegible]nt events (ie Industry Partner Breakfast)	Each spring, CCR rents spa[illegible] coordinates large-scale cross-school site celebrations and industr[illegible] events. This allows for authentic audiences for stud[illegible] their Capstone projects, a required component of CTE [illegible]	Sites can continue [illegible] individual site-based showcases in the spri[illegible] by teachers or other site staff, and use their st[illegible] them.	$50,000	Year 1	District Go[illegible]	Not start...	Milestone	File
Paid high school student internships	Juli Coleman	ELIMINATI[illegible]	[illegible] eliminate fall/spring after-school paid internships	Due to reduction in staffing c[illegible] longer provide supervision of interns, nor red[illegible] Redrover; in [illegible]	Sites will need to provide stu[illegible] existing programs with [illegible] paid workforce d[illegible]	$130,000	Day 1	District Goals	[illegible]		[illegible]
Paid high school stu[illegible]		[illegible]	[illegible] back the number [illegible]minating entirely.	[illegible]	CCR will invest[illegible] Career Explora[illegible] and a small stip[illegible] need to provide[illegible] programs with [illegible] workforce deve[illegible]			District Goals			
Student and Family (x[illegible]		[illegible]	[illegible]rea Multi Services [illegible]n of 6.5 FTE cont[illegible]	[illegible]	We identified [illegible] of AMS therapi[illegible] allow us to offe[illegible] Please note tha[illegible] the RAMS scho[illegible] support as well [illegible] not yet clear.			District Goals Safety/Well-being			
Curriculum & Instruction	Michelle Steagall	ELIMINATION	Pause on starting High School curriculum adoption process for grades 9-12 across all content areas	Reduced professional learning support which may result in decreased instructional quality and progress towards Goal 3 and Guardrail 3	Put on hold for SY 25.26, restart in SY 26.27	N/A	Year 1	District Goals	Not start...	Milestone	File
Curriculum & Instruction	Rick Miller	ELIMINATION	Pause on formally adopting and purchasing Social Studies curriculum that has been evaluated and piloted	Reduced professional learning support which may result in decreased instructional quality and progress towards Goals 1 and 3, and Guardrail 3	Put on hold for SY 25.26, restart in SY 26.27	N/A	Year 1	District Goals	Not start...	Milestone	File
Student and Family (xxxx)	Brenda Paredes	ELIMINATION	Eliminating the print version of the Student and Family Handbook. Moving to an online only version.	Reduced acccess to print version - strictly use of online version available.	Continue to support the online version which most families use unless there is a mandated number of printed copies we [illegible]	$70,000	Semester 1	District Goals	In progre...	Milestone	File

Reductions & Eliminations

Impacts on the System

Strategies to Mitigate Harm

Immediacy + Type of Harm + Status

Summary & Impact

Summary and Impact

Why This Matters

- The District's Fiscal Solvency and Sustainability impacts its programmatic and operational outcomes. Addressing this matter is critical to resolve with effective and implementable strategies.
- The District and its constituents require an update and framework to the current status and future strategies to resolve the District's financial crisis.

Impact for SCUSD Students

- Improved stabilization, structures, and strategies to continue funding a quality educational experience for parents and families.

Next Steps

- Today: Fiscal Solvency Plan Update - 5/27/2026
- Third Interim II - 6/4/2026
- Proposed Adopted Budget/LCAP Public Hearing 6/4/2026
- Adopted Budget 6/19/2026