

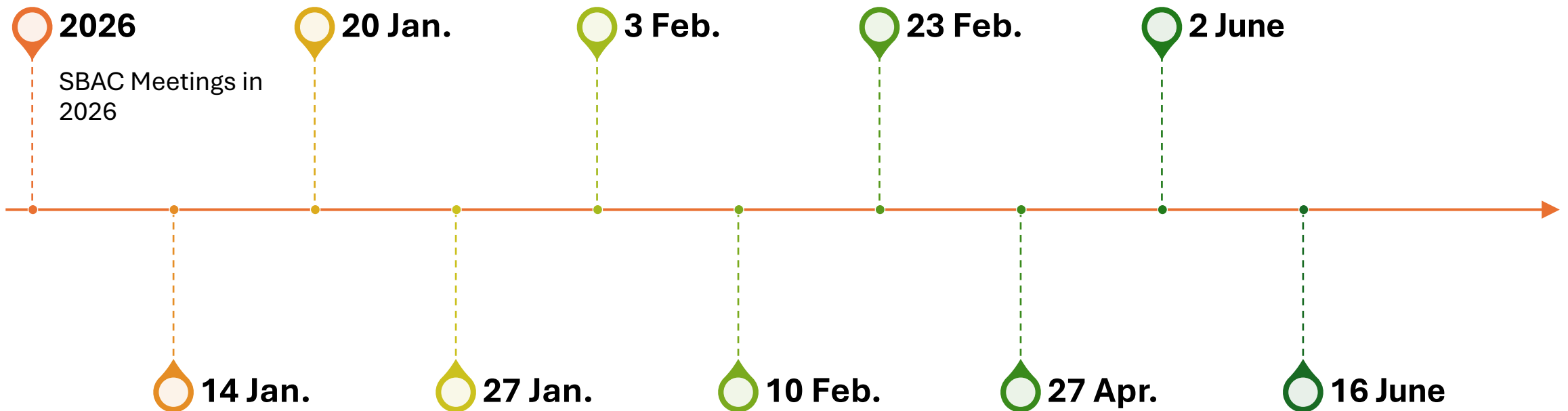
Superintendent's Budget Advisory Committee (SBAC)

Dr. Oscar Macias, Interim Superintendent

Dr. Jason Hasty, Interim Assistant Superintendent of Business Services

June 16, 2026

SBAC Meetings YTD



Today's Agenda



FCMAT Update



Position Update



Fiscal Stabilization Plan

FCMAT Update

Progress Since Initial FCMAT Review

- **Overall Compliance Improvement**
 - Initial Compliance Score: **57.3% (F)**
 - Current Compliance Score: **61.5% (D)**
- **5 compliance indicators moved from “0” to “1”** through the submission of supporting documentation and implementation of corrective actions.

FCMAT Item	Corrective Action Completed
2.11 – Budget Development & Adoption	Provided Board Policy/Administrative Regulation 3290 demonstrating District procedures related to fiscal reserve and budget management practices.
3.2 – Budget Monitoring & Updates	Submitted documentation demonstrating the District's established budget revision process and ongoing budget monitoring procedures.
3.8 – Budget Monitoring & Updates	Provided Salary and Benefit Pre-Balance documentation evidencing review and reconciliation of personnel costs prior to budget development.
5.5 – Deficit Spending (Unrestricted General Fund)	Submitted the Fiscal Stabilization Plan approved with Second Interim , demonstrating Board-adopted strategies to address deficit spending and restore fiscal stability.
10.3 – Enrollment & Attendance	Provided the District's LCFF Calculator and historical enrollment/ADA trend analysis to support enrollment forecasting and budget planning.
11.8 – Facilities	Submitted the District's 2023 Facilities Master Plan , demonstrating long-term facility planning and prioritization processes.
16.4 – Leadership & Stability	Implemented fiscal accountability training for staff, including clerical staff (April 24, 2026) and site administrators (June 11, 2026 Principals Institute) .

BUSD New Staff

New Positions	Estimated Annual GF Cost (Low)	Estimated Annual GF Cost (High)
Fiscal Compliance Supervisor (50% General Fund / 50% Bond)	\$69,559	\$93,214
Communications & Multimedia Specialist II	\$90,480	\$115,939
Position Control Analyst (75% General Fund)	\$67,860	\$86,954
Public Information Officer (PIO)	\$139,118	\$186,428
Athletic Trainer #1 (11 Months)	\$83,025	\$106,277
Athletic Trainer #2 (11 Months)	\$83,025	\$106,277
Subtotal – New Investments (Includes 30% Benefits)	\$533,067	\$695,089
Solar Lease Shift to Fund 40	(\$1,200,000)	(\$1,200,000)
Clerical Position Shift to Bond Funding	(\$80,000)	(\$100,000)
Clerical Position Shift to Nutrition Services	(\$50,000)	(\$50,000)
Subtotal – Savings/Offsets	(\$1,330,000)	(\$1,350,000)
Net General Fund Impact	(\$796,933)	(\$654,911)

Student Support and Professional Development Discretionary Block Grant		Funding Type
Resource	7860	One-time
Spending Rule: Must be spent by 28-29		
Position	Min w/Benefits	Max w/Benefits
Assistant Principal (HS)	\$ 144,509.30	\$ 203,336.90
Assistant Principal (HS)	\$ 144,509.30	\$ 203,336.90
Assistant Principal (MS)	\$ 130,512.20	\$ 183,640.60
Counselor: Wellness	\$ 121,364.10	\$ 170,757.60
Counselor: Wellness	\$ 121,364.10	\$ 170,757.60
Assistant Superintendent, Student Services and Special Education	\$ 262,392.00	\$ 303,751.50
Projected Cost	\$ 924,651.00	\$ 1,235,581.10
Total Block Grant Allocation	\$4,197,879	\$4,197,879
Projected EFB 1	\$3,273,228.00	\$2,962,297.90
Projected EFB 2	\$2,348,577.00	\$1,726,716.80
Projected EFB 3	\$1,423,926.00	\$491,135.70

Updated Fiscal Stabilization Plan

Impact of Governor's May Revision (Illustrative)

Item	2026-27	2027-28
Original Structural Deficit	~(\$11.7M)	~(\$12.1M)
Estimated May Revision Revenue	+\$8.1M	+\$8.0M
Net New Staffing Investments	~(\$0.3M)	~(\$0.3M)
Potential/Revised Deficit Position	~(\$3.9M)	~(\$4.4M)

Note: This is illustrative only and will fluctuate as we continue to complete the EA/BA report, and these rough projections are still including reductions for next year

Updated Fiscal Stabilization Plan

26-27 Budget Adoption

- **Key Message** - The District's financial outlook improved significantly between Second Interim and Budget Adoption due to increased State funding, higher Special Education revenues, expenditure management efforts, and strategic use of RDA revenues. However, long-term structural deficits remain and the fund balance continues to decrease, requiring action to maintain fiscal stability and rebuild reserves.

FSP: What Changed Since Second Interim?

IMPROVEMENT AREA	IMPACT
Governor's May Revision (COLA + LCFF Augmentation)	Significant ongoing revenue increase
Increased Special Education Funding	Reduced unrestricted contribution requirements
RDA Pass-Through Revenue Offset	Approximately \$2.3-2.9M applied toward RRMA
Expenditure Management Efforts	Improved short-term budget outlook

Fiscal Outlook at Budget Adoption

Fiscal Measure	26-27 Budget Adoption
Combined Deficit Spending	(\$644,000)
Unrestricted Operating Deficit	(\$3.8 Million)
Available Reserve Percentage	6.9%
Board Reserve Target	6.0%
Long-Term Goal (FSP)	Up to approximately 10.0%

Reserves: MYP

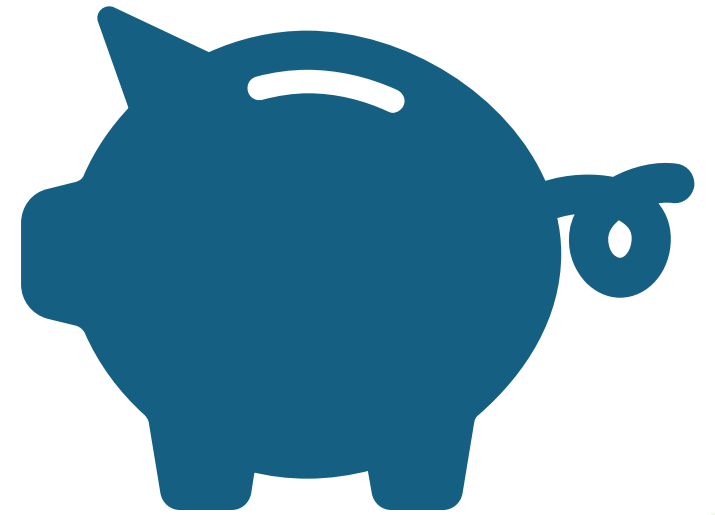
Total Available Reserves (Fund 01)	2026-27	2027-28	2028-29
1) Assigned Fund Balance	\$9,046,112	\$4,603,315	\$28,834
2) Unassigned Fund Balance (incl. REU)	\$6,975,160	\$7,060,020	\$7,163,357
3) Total Assigned and Unassigned (1 + 2)	\$16,021,272	\$11,663,335	\$7,192,191
4) Minimum Recommended REU	\$6,975,160	\$7,060,020	\$7,163,357
5) Amount Exceeding Minimum REU (3 - 4)	\$9,046,112	\$4,603,315	\$28,834
Total Available as % of Expenditures and Other Uses	6.9%	5.0%	3.0%

Updated Fiscal Stabilization Plan (Budget Adoption 2026-27)

Updated Fiscal Stabilization Strategy

The Fiscal Stabilization Plan remains focused on achieving long-term structural balance through:

- Aligning staffing levels with declining enrollment trends
- Evaluating a PARS Supplemental Employee Retirement Program (SERP)
- Implementing hiring controls and vacancy management
- Reducing Special Education contracted service costs and improving program oversight
- Maximizing LCAP and categorical funding opportunities
- Improving attendance and ADA recovery efforts
- Increasing operational efficiencies and contract reviews
- Expanding revenue opportunities through facility use and developer fee programs
- Implementing FCMAT recommendations and strengthening internal controls



Updated Fiscal Stabilization Plan (Budget Adoption 2026-27)

Long-Term Goal - The District's objective is not only to maintain the required 3% reserve but to rebuild available reserves toward approximately 10% over time while preserving educational programs and maintaining organizational stability.

- The updated Fiscal Stabilization Plan provides a framework to generate approximately \$9 million to \$10.5 million in recurring annual savings by 2028-29, positioning the District to eliminate structural deficit spending and strengthen reserves.





Updated FSP: Three-Year Fiscal Stabilization Targets

Strategy	2026-27	2027-28	2028-29
Staffing Alignment & Attrition	\$0	\$1.0M	\$1.0M
SERP / Workforce Restructuring	\$0	\$3.0M-\$4.0M	\$3.0M-\$4.0M
Hiring Freeze & Vacancy Control	\$500K	\$750K	\$750K
Special Education Efficiencies	\$500K	\$1.5M	\$1.5M
LCAP Alignment	\$250K	\$1.0M	\$1.0M
Administrative Efficiencies	\$250K	\$500K	\$500K
Attendance Improvement	\$250K	\$500K	\$750K
Revenue Enhancement	\$100K	\$250K	\$500K
Operational Efficiencies	\$150K	\$500K	\$500K

Fiscal Stabilization Plan: Targets



Year	Total Impact
2026-27	\$2.0M
2027-28	\$9.0M
2028-29	\$9.5M

Unrestricted General Fund	2026-27	2027-28	2028-29
Beginning fund balance	\$19,816,627	\$17,566,272	\$19,958,335
Operating deficit, before plan	(\$3,750,355)	(\$4,357,937)	(\$4,471,144)
Stabilization actions realized ($\approx 75\%$ of target)	\$1,500,000	\$6,750,000	\$7,125,000
Operating result, after plan	(\$2,250,355)	\$2,392,063	\$2,653,856
Ending fund balance	\$17,566,272	\$19,958,335	\$22,612,191
Available reserves, % of expenditures	7.6%	8.5%	9.5%

Fiscal Stabilization Timeline 2026-27 Foundation Year

Timeline	Action
Summer/Fall 2026	Update and implement Fiscal Stabilization Plan
Summer/Fall 2026	Launch PARS SERP feasibility study
Summer/Fall 2026	Review all vacancies before replacement
Fall 2026	Develop staffing ratios aligned to enrollment
Fall 2026	Review Special Education staffing and contracts
Fall 2026	Review all LCAP contributing actions
Fall 2026	Implement Special Education improvement plan
December 2026	Organizational efficiency review
January 2027	Identify staffing reductions for 2027-28
Budget Adoption 2027	Adopt first phase of stabilization actions

Long-Term Fiscal Strategy 2027-28 Through 2028-29

Timeline	Action
Fall 2027	Continue enrollment-based staffing alignment
December 2027	Identify additional reductions for 2028-29
Budget Adoption 2028	Implement full stabilization strategy
2028-29	Begin reserve rebuilding phase

Strategy/Stabilization Plan: Other Funds

- All excess money will be assigned
- Establish a Fund 17 (Special Reserve Fund)
 - Can be used for liabilities and labor negotiations
 - For example: Fund 17.1 Labor; 17.2 Liabilities
- Reconstitute Fund 14 (Deferred Maintenance)
 - 14.1 Turf
 - 14.2 City Joint Use Agreement
 - 14.3 Tech Infrastructure
- Assign money for stabilization and economic uncertainty



Backup Plan/Safety Net



TRAN
Resolution

Interfund
Transfer
Resolution

RDA Resolution
– to offset RMA
contribution



Next steps

- 2026-27 Adopted Budget for Board Consideration – Hearing June 18th, Approval June 25th
 - Establish Fund 17 (Special Reserve Fund) - June 25th
 - Establish budget calendar with SBAC meeting dates – quarterly aligned with budget reporting
 - Continue Implementation of FCMAT Recommendations - Starting today and next year
 - Monitor FSP – Year round
-

Questions?

