BOARD OF EDUCATION MEETING AND WORKSHOP
Special Board Meeting

Thursday, July 30, 2026
5:00 p.m. Closed Session
6:00 p.m. Open Session

Serna Center
Community Conference Rooms
5735 47th Avenue
Sacramento, CA 95824

AGENDA

2026/27-3

Allotted Time

5:00 p.m. ***1.0 OPEN SESSION / CALL TO ORDER / ROLL CALL***

5:02 p.m. ***2.0 PUBLIC COMMENT ON AGENDA ITEMS ONLY***

NOTICE OF PUBLIC COMMENT AND DEADLINE FOR SUBMISSION
Members of the public may address the Board on-agenda items only. Public comment may be (1) emailed to publiccomment@scusd.edu; (2) submitted in writing through the District's website at https://www.scusd.edu/submit-public-comment; or (3) provided in-person at the meeting. The submission deadline for written public comments shall be no later than noon on the day of the meeting. If you intend to address the Board in-person, please fill out a yellow card available at the entrance. Speakers may be called in the order that requests are received, or grouped by subject area. We ask that comments are limited to two (2) minutes with no more than 15 minutes per single topic so that as many people as possible may be heard. By law, the Board is allowed to take action only on items on the agenda. The Board may, at its discretion, refer a matter to district staff or calendar the issue for future discussion.

5:17 p.m. ***3.0 CLOSED SESSION***

While the Brown Act creates broad public access rights to the meetings of the Board of Education, it also recognizes the legitimate need to conduct some of its meetings outside of the public eye. Closed session meetings are specifically defined and limited in scope. They primarily involve personnel issues, pending litigation, labor negotiations, and real property matters.

3.1 Government Code 54956.9 - Conference with Legal Counsel:

a) Significant exposure to litigation pursuant to subdivision (d)(2) of Government Code section 54956.9 (One Potential Case)
b) Initiation of litigation pursuant to subdivision (d)(4) of Government Code section 54956.9 (One Potential Case)

3.2 Government Code 54957.6 (a) and (b) Negotiations/Collective Bargaining SCTA SEIU, TCS, Teamsters, UPE, Non-Represented/Confidential Management (Dan Schallock)

3.3 Government Code 54957—Public Employee Performance Evaluation Title: Superintendent

6:00 p.m. ***4.0 RECONVENE INTO OPEN SESSION***

6:02 p.m. ***5.0 ANNOUNCEMENT OF ACTION TAKEN IN CLOSED SESSION***

6.0 ACTION ITEMS

6:04 p.m. *6.1 SCUSD Sustainability Plan to Achieve Fiscal Sustainability (Cabinet Members)* — ***Action*** *10 minute presentation, 10 minute discussion*

6:24 p.m. *6.2 Public Hearing: AB 1200 Public Disclosure and Approval of Agreement between Sacramento City Unified School District (SCUSD) and Sacramento City Teachers Association (SCTA) to Aid the SCUSD Fiscal Recovery (Dan Schallock)* — ***Action*** *5 minute presentation, 10 minute discussion*

6:39 p.m. ***7.0 FUTURE BOARD MEETING DATES / LOCATIONS***

- ✔ *August 6, 2026, 5:00 p.m. Closed Session, 6:30 p.m. Open Session, Serna Center, 5735 47th Avenue, Community Room, Regular Workshop Meeting*
- ✔ *August 20, 2026, 5:00 p.m. Closed Session, 6:30 p.m. Open Session, Serna Center, 5735 47th Avenue, Community Room, Regular Workshop Meeting*

6:41 p.m. ***8.0 ADJOURNMENT***

NOTE: The Sacramento City Unified School District encourages those with disabilities to participate fully in the public meeting process. If you need a disability-related modification or accommodation, including auxiliary aids or services, to participate in the public meeting, please contact the Board of Education Office at (916) 643-9314 at least 48 hours before the scheduled Board of Education meeting so that we may make every reasonable effort to accommodate you. [Government Code § 54953.2; Americans with Disabilities Act of 1990, § 202 (42 U.S.C. §12132)] Any public records distributed to the Board of Education relating to an open session item will be available for public inspection at the Serna Center, at 5735 47th Avenue, Sacramento, during normal business hours or on the District's website at www.scusd.edu.

AMENDED

SACRAMENTO CITY UNIFIED SCHOOL DISTRICT
BOARD OF EDUCATION

Agenda Item# 6.1

Meeting Date: July 30, 2026

Subject: Approve SCUSD Sustainability Plan to Achieve Fiscal Sustainability

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

Division: Superintendent's Office and Cabinet

Recommendation: Approve the SCUSD Sustainability Plan—to Achieve Fiscal Sustainability.

Background/Rationale: As part of the District's commitment to finding short and long term solutions to address the current fiscal situation while retaining local control and avoiding the need for a loan from the State, staff will provide the Board with an updated sustainability plan with an overview of the proposed strategies to achieve fiscal sustainability. This plan is essential for restoring financial control.

Financial Considerations: Approving the SCUSD Sustainability Plan will support the District's ability to maintain local control and avoid further interventions.

LCAP Goal(s): Graduation outcomes, Academic outcomes, and Welcoming and safety outcomes.

Documents Attached:
Seven Strategies to Achieve Fiscal Sustainability
2026-2027 Cash Solutions

Estimated Time of Presentation: 10 Minutes
Submitted by: Superintendent Office/ Cabinet
Approved by: Superintendent

<u>INTRODUCTION -</u> Creating a Path to Long-term Financial Stability

The Sacramento City Unified School District is in a state of financial crisis, which threatens its ability to maintain local control of operations. The District begins the 2026/27 fiscal year with a negative fund balance of **($61.8M)** and an ongoing structural deficit of approximately **$135M**. Those staggering figures combined with impending negative cash flow projections presents the fiscal equivalent of a five-alarm fire. Only swift and aggressive action can produce the ongoing cost-savings, revenue increases and immediate cash flow necessary to avoid insolvency.

SCUSD's structural deficit reflects four conditions that have accumulated over years and are now compounding:

- Enrollment decline of nearly 20% from its 2000 peak.
- Staff compensation which accounts for an estimated 93% of the District's unrestricted general fund dollars, above the state average of 86%.
- A special education unrestricted general fund contribution that has grown exponentially over the past five years.
- A failure to respond timely and appropriately in meeting the fiscal challenges. FCMAT assigned the district a High Risk score of 50.7 percent in December 2025, higher than its 2018 score of 44.8 percent.

In the 2025/26 fiscal year, the District approved a budget that included aggressive spending reductions with no comprehensive plan for making the staffing and programmatic changes necessary to actualize those reductions. That fact, combined with 2024/25 unaudited actuals that reflected more than $43 million dollars in unanticipated spending, produced a real and imminent threat of fiscal insolvency.

The District responded in November 2025 by approving a Fiscal Solvency Plan, which outlined a series of immediate and future steps to reduce spending. The goal was to conserve cash and provide short-term stability to allow time to identify and implement broader spending cuts. The District's response accounted for a reduction of approximately $97 million and reduced the expected shortfall by $46 million by the end of the fiscal school year.

The District's 2026/27 adopted budget includes a 20% reduction across every department *(not including schools)* and the reduction or elimination of approximately 156 central office positions, which will yield an ongoing cost-savings of approximately $26.5 million. All of the actions, while impactful, are woefully inadequate to reverse the District's trajectory.

To achieve long-term financial stability, SCUSD must reduce ongoing spending by a minimum of **$135 million** by the end of this current fiscal year. While daunting, the challenge is achievable. The following stabilization plan reflects months of collaborative work to identify programmatic changes, facilities consolidation strategies, process improvements and revenue optimization strategies for the Board of Education and community to consider. It is our intention to ensure all decisions now and in the future are made by our elected Board of Education rather than a state-appointed administrator.

While this plan will cause disruptions to the education system as we know it, our goal is to minimize the impact on core educational services and provide the best experience possible for the greatest number of students. The community should also know that every effort will be made to be transparent and communicative throughout the development and execution of this plan.

SCUSD's financial sustainability plan is based upon a series of ongoing strategies designed to reduce ongoing costs and provide additional cash flow to allow for long-term strategies to take effect. To ensure emergency cash flow, the District is also committed to exhausting all viable internal borrowing options.

Strategies for Sustainability:

1. Increase Revenue
2. Enhance Processes
3. Engage With Labor Partners
4. Consolidate Programs & Services for Cost-savings
5. Implement Addition Staffing Reductions
6. Exhaust all Borrowing Options
7. Explore Facilities Efficiencies

Key:

- *2026-27 savings = full red background*
- *Already listed/counted in other areas on the 2026-27 Fiscal Sustainability Plan = partial red background*

STRATEGY 1: INCREASE REVENUE

Item	Anticipated Cost Savings & Resource	One-Time or Ongoing	Savings to Begin in FY	Status	Next Steps
1.1 Educational Parcel Tax Election	**$10-$12 million**	**Ongoing**	**2027-28**	**In progress**	**Approval parcel language for November Election**

Efforts to Date: On July 23, 2026, the board will be provided with the ballot documents and resolution to order the election for the educational parcel tax. The process started in June with a board presentation to gather ideas and direction from the board. Working with an attorney, the documents are ready for the board.

Key Considerations: The election will require a ⅔ approval to pass. The district cannot campaign other than neutral themed facts. Those documents will be created after the board approves the resolution. There is a cost for this work that may not have a return on the investment. This funding will be for only the Special Education/MTSS resources.

Next Steps: Board consider and pass the resolution to order the election on Jul 23, 2026

Item	Anticipated Cost Savings & Resource	One-Time or Ongoing	Savings to Begin in FY	Status	Next Steps
1.2 Strategic partnership to increase LCFF form return rates and revenue	**$5 million in 26/27** **Up to $44 million by 28/29**	**Ongoing**	**2026-27**	**In progress**	**Approval of contract**

Efforts to Date: Preparing to enter a contract with Source K-12 to manage our LCFF form return process. The goal is to have a comprehensive strategy for targeted outreach to increase our Unduplicated Pupil Percentage (UPP).

Key Considerations: The District is leaving money on the table by not accurately identifying our UPP. The cost of the contract is $2 per student, or approximately $73,000. Based on even the most conservative ROI projection, the contract should more than pay for itself several times over.

Next Steps: Awaiting Business Services to complete their process so the contract can be approved by the Board.

Item	Anticipated Cost Savings & Resource	One-Time or Ongoing	Savings to Begin in FY	Status	Next Steps
1.3 Attendance improvement (ADA initiative)	**1% ADA increase = $2.5 million**	**Ongoing**	**2026-27**	**In progress**	**Strategic Planning**
Efforts to Date: Preliminary discussions for a District-wide ADA initiative with a goal of increasing ADA by at least 1.5%, while dramatically reducing chronic absenteeism. **Key Considerations:** Attendance can be unpredictable and is reliant on several factors, many of which are out of our control. Improving ADA is not solely the responsibility of our Attendance & Engagement staff, it is a shared responsibility of everyone, including parents and guardians. **Next Steps:** Begin collaborative discussions with staff to identify effective strategies that can be implemented immediately - Plan here					

STRATEGY 2: ENHANCE PROCESSES

Item	Anticipated Cost Savings & Resource	One-Time or Ongoing	Savings to Begin in FY	Status	Next Steps
2.1 Budget Literacy	**$1.5 million**	**Ongoing**	**2026-27**	**Drafting**	

Efforts to Date: Preliminary discussions to require department budget and invoice check-in's on a 2 week basis to keep as up to date numbers for the CBO team to track the district's progress.

Key Considerations: This will allow the district's budget to stay updated more frequently than in the past, ensure invoices are accounted for/expenses known, allow budget moves throughout the year including needed reductions due to change in revenue/enrollment that ensures costs do not get out of control or above revenue. This will include position control, vacancy control, and sweeping of funds. This meeting should be for managers responsible for authorizing expenses and who would be held accountable for contracts and spending in responsible areas.

Next Steps: Craft the "one-pager" that will discuss the purpose, required attendees, expected work, and expected outcomes. Report to the board monthly an accurate and updated budget and trending report to ensure compliance with board direction on fiscal responsibility.

Item	Anticipated Cost Savings & Resource	One-Time or Ongoing	Savings to Begin in FY	Status	Next Steps
2.2 Program Development	**$3.0 million**	**Ongoing**	**2026-27**	**Drafting**	

Efforts to Date: Budget development begins on July 1 of each fiscal year and should be an ongoing process until the board adopted a budget in June for the following year.

Key Considerations: Budget development should be the financial setup of a detailed and approved business plan for every department. A program would create a 12 month detailed program, actions by month; funding, positions, cash-flow. These calendars help prepare a district wide action plan that will help ensure the budget is created for need, based on allocations, and cash flow is predictable. Budgets may not exceed at any time departments allocation, based on revenue. This will help departments create efficiency, track progress for reporting, and ensure value for students through measurable action plans. Like 2.2 the frequency of this meeting is minimally monthly, building for the following year and making the budget development process as a whole more efficient and timely for decisions to be made by the board at appropriate timelines. This meeting would include a department management employee and their budget analyst who is authorized to make financial decisions.

Next Steps: Craft the “one-pager” that will discuss the purpose, required attendees, expected work, and expected outcomes. Report to the board monthly an accurate and updated budget and trending report to ensure compliance with board direction on fiscal responsibility.

Item	Anticipated Cost Savings & Resource	One-Time or Ongoing	Savings to Begin in FY	Status	Next Steps
2.3 Eliminate District issued cell-phones	**$300,000**	**Ongoing**	**2026-27**	**Ready**	

Efforts to Date: Cost savings analysis

Key Considerations: Reduces General Fund expense and frees up staff time to manage other technology needs. Relies on employees to provide request PRA from personal phones if used for work purposes. The use of Microsoft Teams app for in district communication is a free option if employee desires.

Next Steps: Board approval

Item	Anticipated Cost Savings & Resource	One-Time or Ongoing	Savings to Begin in FY	Status	Next Steps
2.4 Analyze Small High Schools for additional costs based on credential needs	**$733,984**	**Ongoing**	**2027-28**		

Efforts to Date:

Health Professions' enrollment at Budget Development was projected at 181 for 26-27 with equivalent 5.2 FTE. The credential requirements for High School would necessitate 9.2 FTE minimally, so the District is funding an additional 4 FTE. If the current estimated cost of an FTE is $183,496, that's $733, 984 above base. An additional concern is that their current enrollment is 149. SES, a 7-12, has HS enrollment for 9 sections.

Key Considerations: Awareness around the positive impact small high school communities can have with students and families. It is a consideration to be mindful of when analyzing this as a item.

Next Steps:

Evaluate additional FTE required to cover credential needs of small high schools.

Item	Anticipated Cost Savings & Resource	One-Time or Ongoing	Savings to Begin in FY	Status	Next Steps
2.5 Recruitment and Retention	**Forthcoming**	**Ongoing**	**2026-2027**	**In Progress**	Continue to launch a campaign that highlights SCUSD's mission, benefits, career pathways, and feature employee "stories"- the compelling reason to join SCUSD

Efforts to Date: The Human Resources Department has redesigned recruitment materials, expanded digital outreach, strengthened community partnerships, and increased participation in regional hiring events. Recruitment messaging has emphasized student success, the District's commitment to equity, employee professional learning/career advancement.

Key Considerations: Building long-term pipelines reduces future recruitment costs while increasing candidate quality and recruiting from within the community increases workforce diversity.

Next Steps: Continue to expand teacher residency partnerships (relatively no cost to the district through state grant funds), increase pre-service teacher placements (student teacher) to begin the recruitment phase while obtaining their credential, we can introduce pre-service teachers to the culture and climate of our district (again, relatively no cost to the district). Develop classified-to-certificated career pathways to encourage career advancement for our employees.

Item	Anticipated Cost Savings & Resource	One-Time or Ongoing	Savings to Begin in FY	Status	Next Steps
2.6 Fingerprinting	**$25,000**	**Ongoing**	**2026-227**	**In Progress**	

Efforts to Date: Human Resources has developed a revised payment structure for fingerprinting services to better align with current operating costs. Fingerprinting services are provided to outside agencies, new employees, and volunteers. The proposed fee adjustments are as follows:

- Outside Agencies: The rolling fee will increase to $22.00 per applicant. Based on an estimated 350 applicants annually, this change is projected to generate approximately $8,000.00 in annual revenue.
- New Classified and Certificated Employees: The rolling fee will increase from $15.00 to $20.00 per applicant. With an estimated 500 new employees fingerprinted each year, the projected annual revenue is $10,000.00
- Non-District Volunteers: The rolling fee will increase from $15.00 to $22.00 per applicant. Based on projected fingerprints volumes, this change is expected to generate approximately $7,000.00 in annual revenue.

Key Considerations: The District currently waives the rolling fee for in-district volunteers. A potential option is to implement a prorated rolling fee of $5.00 for in-district volunteers. This modest fee would generate additional revenue to help sustain centralized fingerprinting services while minimizing the financial impact on volunteers.

Estimated annual revenue from a $0.00 rolling fee to $5.00, based on approximately 1800 in district volunteer fingerprint appointments each year. (this included afterschool employees that work for outside agencies)

These fee adjustments will help offset the costs associated with providing fingerprinting services while ensuring the District can continue offering efficient, centralized fingerprinting services for employees, volunteers, and outside agencies.

Next Steps: Development and launch a marketing campaign to promote the District's fingerprinting service through the district webpage, District social media platforms and internal and external communications.   Implement the new revenue structure for in-district volunteers. By implementing these recommendations and expanding awareness of the Districts fingerprinting services Human resources can increase and generate additional revenue and ensure the long term sustainability of a centralized fingerprinting services for employees, volunteers and outside agency.

Item	Anticipated Cost Savings & Resource	One-Time or Ongoing	Savings to Begin in FY	Status	Next Steps
2.7 Examine Central Printing for Current Needs	**Site-based cut**	**Ongoing**	**2026-27**	**In progress**	

Efforts to Date: Beginning in FY 2026-27, Central Printing reduced staffing levels to better align operations with declining print demand and budget constraints.

Key Considerations: Central Printing operates on a cost-recovery basis, with sites and departments paying for the printing services they receive. Therefore, potential savings would largely accrue to sites and departmental budgets through reduced printing costs. More significant districtwide savings would likely require eliminating in-house printing operations.

Next Steps: Finalize the District's decision on the electronic distribution of secondary progress reports and report cards for SY 2026-27; implement a parent communication and support plan to increase Infinite Campus Parent Portal usage; and monitor adoption rates to address access barriers. Additionally, evaluate the operational impact on Central Printing and identify any further efficiencies or cost-savings opportunities resulting from reduced printing and mailing volumes.

Item	Anticipated Cost Savings & Resource	One-Time or Ongoing	Savings to Begin in FY	Status	Next Steps
2.8 Books and Supplies - movement of funds to appropriate line item	**$5.3 million**	**ongoing**	**2026-27**	**Completed**	**Include in the Budget**
Efforts to Date: Funds have been moved into appropriate line item **Key Considerations:** book and supplies funds moved from 4399 per SCOE **Next Steps:** Include in upcoming 45-day budget revise					

STRATEGY 3: ENGAGE WITH LABOR PARTNERS

Item - Already included in the SCUSD 2026–27 Fiscal Sustainability Plan for 2026-2027	Anticipated Cost Savings & Resource	One-Time or Ongoing	Savings to Begin in FY	Status	Next Steps
3.1 OPEB Agreement with SCTA authorizes: the disbursement of OPEB funds to pay for the retiree health benefits for the 2025-2026, 2026-2027 and 2027-2028 school years; pause SCTA member contributions to the fund; hold harmless vacancy savings for the 2025-2026 school year; utilize Medical-Billing funds in the 2025-2026 and 2026-2027 school years. Explore Medical savings through group plans with the savings going to the District. Collaborate with the District	**97.6 Million** __________ **22 million** **23 million** **23 million** **2.25 million** **14.5 million** **7 million** **5.85 million** __________ **Health care - ???**	**One-Time in each of three years** **Ongoing for health care related changes**	**2026-27**	**Pending Board Approval**	

Efforts to Date: MOU has been signed by Parties and steps have been taken to bring it to the board of education before -the end of July.

Key Considerations: The MOU, the associated AB1200 and the recommendation from the OPEB board of trustees should all be approved before the end of July in order to allow the District to submit a request for disbursement from the OPEB (CERBT) fund for July 31, 2026 which is the deadline to be able to receive a disbursement for the 2025-2026 school year.

Next Steps: Bring MOU, AB1200, and OPEB board of trustees recommendation to the board before the end of July. Submit request to CERBT for 2025-2026 disbursement.

Item	Anticipated Cost Savings & Resource	One-Time or Ongoing	Savings to Begin in FY	Status	Next Steps
3.2 Explore group medical health care plan options for all employees	**Forthcoming**	**Ongoing**	**2026-27**	**In progress**	**Receive plan options and quotes**

Efforts to Date: The District has already started meetings with VEBA to learn about potential savings in pulling our collective buying power. We have provided data to them and they are engaging with potential healthcare providers to determine competitive rates.

Key Considerations: There is no intent to reduce the level of benefit for employees. The intent is to reduce the cost that the District is paying to provide healthcare to employees.

Next Steps:

- Continued conversations with VEBA
- Learn of plan options and potential savings
- Engage with labor partners to negotiate

Item	Anticipated Cost Savings & Resource	One-Time or Ongoing	Savings to Begin in FY	Status	Next Steps
3.3 Explore additional possible agreements with LPs; Re: possible savings with MOUs and Side-letters	**Forthcoming**	**One-Time**	**2026-27**	**In progress**	

Efforts to Date: Collective Bargaining Agreements are being reviewed.

Key Considerations: While both SEIU and SCTA's contracts are closed through June 30, 2027, the parties can still explore mutually agreeable agreements to realize one-time savings. Conversations with UPE, Teamsters, and TCS can also be explored.

Next Steps:

Engage with labor partners regarding possible MOUs

STRATEGY 4: CONSOLIDATE PROGRAMS & SERVICES

Item	Anticipated Cost Savings & Resource	One-Time or Ongoing	Savings to Begin in FY	Status	Next Steps
4.1 Analyze Dual Immersion Programs for return on investment and cost savings	**$750,000**	**Ongoing**	**2026-27**	**Costing**	

Efforts to Date: Identified that there are 223 empty seats in K-6 Dual Immersion Programs: 88 at C Chavez, 78 at E Creek, 9 at E Phillips, 16 at SB Anthony, 32 at Wm Land. Given that Dual Immersion does not participate in the split class model, this means additional FTE. This does not include any curriculum or training costs.

Key Considerations:

- Research FTE cost savings and impact associated eliminating “no splits” practice at Dual Immersion programs by determining a new FTE allocation.
- Verify current seat availability for the 26-27 school year after wait list have closed
- Determine how many students currently attending are from outside SCUSD and attend specifically because of this program.
- Determine if there are additional costs the district supports including training or curriculum

Next Steps: Currently we estimate approximately 5 FTE could be reduced - the average cost of teachers is 150K

Actual Cost Savings to Date: None

Item	Anticipated Cost Savings & Resource	One-Time or Ongoing	Savings to Begin in FY	Status	Next Steps
4.2 Analyze International Baccalaureate Programs	**$776,875**	**Ongoing**	**2027-28**	**Costing**	

Efforts to Date:

- Costing of three IB coordinators, IB testing fees, and cost of extra period at Umoja

Key Considerations:

- Loss of IB programs for students at Caleb, Umoja, and Burbank
- Parents may select educational programs outside of SCUSD

Next Steps:

- Review IB completion rates for the three sites
- Determine how many students attend these schools from outside SCUSD specifically for these programs

Item	Anticipated Cost Savings & Resource	One-Time or Ongoing	Savings to Begin in FY	Status	Next Steps
4.3 Analyze HS Honors Programs	**Forthcoming**	**Ongoing**	**2027-28**	**Costing ROI**	

Efforts to Date: The return on investment is being costed.

Key Considerations: Programs have historical existence in SCUSD. School communities will express concerns if these programs are impacted.

Next Steps: Identify FTE and operating costs associated with the following HS Specialty Programs to determine total program cost beyond base funding. Analyze student enrollment and achievement to establish return on investment and identify any cost savings.

1. HISP
2. PACE/AP Capstone
3. LEAD
4. West Campus

Item	Anticipated Cost Savings & Resource	One-Time or Ongoing	Savings to Begin in FY	Status	Next Steps
4.4 Examine ROTC Contribution	**$559,059**	**Ongoing**	**2027-28**	**Costing ROI**	

Efforts to Date: Costing of program management costs at $559,059, includes FTE and program maintenance costs.

Key Considerations: Johnson and CKM continue to meet Air Force enrollment requirements. JFK's enrollment numbers need a review.

Next Steps: Identify operating costs and FTE associated with the following ROTC programs to determine total program cost beyond base funding.

1. Luther Burbank Navy Jr. (due to under enrollment, site closed program for the 26-27 school year)
2. John F. Kenney Marine Corps
3. Hiram Johnson Air Force
4. CKM Air Force

Item	Anticipated Cost Savings & Resource	One-Time or Ongoing	Savings to Begin in FY	Status	Next Steps
4.5 Evaluate programmatic needs for students at Non-Public Schools and explore internal service options to reduce reliance on NPS.	**Forthcoming**	**Ongoing**	**2028-29**	**Research**	

Efforts to Date:

In June of 2026, the special education department team reviewed nonpublic school placements to ensure appropriate, IEP-compliant services while identifying opportunities for cost savings through ongoing evaluation of student progress and consideration of less restrictive, district-based placement options when appropriate.

Key Considerations:

The special education department will continue to monitor student progress to determine whether continued nonpublic placement is warranted. In addition, we will evaluate opportunities for transition to less restrictive, district-based programs when appropriate while also maintaining compliance with state and federal special education requirements. There will be ongoing monitoring to identify potential cost savings by reducing reliance on nonpublic school placements while ensuring students receive a free appropriate public education (FAPE).

Next Steps: Convene Special Education workgroup to begin research and evaluation around programmatic opportunities to retain students in District instead of sending to Non-Public Schools for extensive IEP needs.

Item	Anticipated Cost Savings & Resource	One-Time or Ongoing	Savings to Begin in FY	Status	Next Steps
4.6 Examine VAPA Contribution	$933,000	Ongoing	2027-28	Costing	

Efforts to Date: Over the past 4 years, a district VAPA Arts plan has been adopted by the school board. In addition, SCUSD has implemented the AMS state funding to create more arts experiences and opportunities for our younger grades.

Key Considerations: LCFF funding for VAPA funds our Coordinator, middle school music programs, music library, music librarian, and other VAPA related resources

Next Steps: Explore transitioning existing middle school and music library supports to Arts & Music in Schools grant funding.

Item	Anticipated Cost Savings & Resource	One-Time or Ongoing	Savings to Begin in FY	Status	Next Steps
4.7 Examine Advanced Placement and International Baccalaureate Testing	$500,000	Ongoing	2026-27	Costing	

Efforts to Date:

Key Considerations: The District currently covers testing fees for all students for Advanced Placement and IB Testing, IB coordinators at three IB sites, and an extra period for teachers at Umoja. Eliminating this coverage will impact equity and student access.

Next Steps: Analyze cost savings if free testing is offered to a limited number of students by request.

Item	Anticipated Cost Savings & Resource	One-Time or Ongoing	Savings to Begin in FY	Status	Next Steps
4.8 New Teacher Induction Program	**$750,000**	**Ongoing**	**2027-28**	**Costing**	

Efforts to Date: By funding a Coordinator II and OT III, SCUSD is able to fulfill the requirement of offering induction support and services to new teachers.

Key Considerations: SCUSD is required to fund New Teacher Induction, either in-house or through contract with SCOE.

Next Steps: Compare the cost of running an in-district Induction Program versus contracting through SCOE.

Item	Anticipated Cost Savings & Resource	One-Time or Ongoing	Savings to Begin in FY	Status	Next Steps
4.9 College and Career Campus Visits and Fairs	**$275,000**	**Ongoing**	**2026-27**	**In progress**	
Efforts to Date: Prior College and Career Experiences Coordinator scheduled a date, identified a location and did some communication with partners for the SCUSD college and career fair. **Key Considerations:** This event provides access for our students to college representatives to gain information and opportunities on college and career resources. Locate an alternative option for this exposure to exist for our community. We currently have no staff members in the College Readiness side of the department. Our CTE side of the department is down to a director, two coordinators, and a technician. We do not have an identified budget to pay for the expenses tied to the fair. We will continue to pay for CTE students to attend CTE related college visits. **Next Steps:** Identify other regional college fairs that students can attend and communicate them out to high school families in the fall. We will continue to take students to regional career summits such as the regional Career Youth Summit at CRC.					

Item	Anticipated Cost Savings & Resource	One-Time or Ongoing	Savings to Begin in FY	Status	Next Steps
4.10 Maximize Master Scheduling Process	Forthcoming	Ongoing	2027-28	Costing	

Efforts to Date: The College & Career Readiness Department has been engaged in a years' long process to identify inefficiencies in secondary master schedules. Implementing the 4 year plan, aiming to get 100%.

Key Considerations: This master schedule seat capacity/usage audit is an equity driven approach towards cost savings. Conducting a master schedule seat capacity and usage audit allows the district to eliminate costly under-enrolled course redundancies and reallocating that FTE. This can then free funds. Anticipated costs are unknown. However, initial work done on this discovered 2M dollars of unrealized money at a large comp high school.

Next Steps: Work closely with IT to create the formal process to conduct the seat capacity audit at our secondary schools.

Item	Anticipated Cost Savings & Resource	One-Time or Ongoing	Savings to Begin in FY	Status	Next Steps
4.11 Analyze Waldorf Programs for Cost Efficiency	**$900,000**	**Ongoing**	**2027-28**	**Cost of empty seats in classrooms**	

Efforts to Date: Recruiting to increase enrollment

Key Considerations: The blending of TK/K in the Waldorf methodology, and the cap of TK at 10:1 ratio, makes those classes smaller. The numbers that follow for each school do not include TK/K. Waldorf methodology does not support split classes, and both schools are Choice Schools, so we do not ConCap, which results in classes that are not full. AM Winn = 137 empty seats Alice Birney = 38 empty seats. These empty seats equate to approximately 4.5 FTE at AM Winn and 1.0 FTE at Alice Birney. Waldorf schools are not allowed to add students outside of the open enrollment and permit window.

Would closing these programs mean additional loss of ADA as parents explore options outside SCUSD?

Next Steps: Look at enrollment practices for schools without boundaries.

Item	Anticipated Cost Savings & Resource	One-Time or Ongoing	Savings to Begin in FY	Status	Next Steps
4.12 High School Graduations	**$300,000**	**Ongoing**	**2026-27**	**Costing for 2027**	

Efforts to Date: Requiring small high schools to use auditoriums at comprehensive high schools for graduation ceremonies.

Key Considerations: Golden 1 cost $300,000 for 2026 graduations. Continue to use rented spaces for the six comprehensive high school graduations or require them to use their football stadiums for graduations.

Next Steps: Check to see if Golden 1 or other venues are available to rent for 2027.

Item	Anticipated Cost Savings & Resource	One-Time or Ongoing	Savings to Begin in FY	Status	Next Steps
4.13 Evaluate Inclusive Practices at Caleb Greenwood, Cal Middle and CK McClatchy for cost savings and return on investment	**$1.8M**	**Ongoing**	**2027-28**	**Costing for 2027**	

Efforts to Date: The following Inclusive Practices sites have additional costs associated with staffing to meet CBA requirements for co-teaching; Caleb Greenwood $373,967, Cal MS $615,770 and CKM $857, 572, for a total additional cost projected for next year at $1,847, 310.

Key Considerations:

Additional staffing costs to meet co-teaching CBA requirements are projected at $1.85 million for next year:

- Caleb Greenwood: $373,967
- California Middle School: $615,770
- CKM: $857,572

The District should identify sustainable funding to support these ongoing costs, while balancing the fiscal impact with the district's commitment to inclusive practices and compliance with special education requirements. It is critical to monitor implementation and explore staffing efficiencies to maximize resources.

Next Steps: Evaluate the return on investment for students with disabilities participating in inclusive practices programs.

Item	Anticipated Cost Savings & Resource	One-Time or Ongoing	Savings to Begin in FY	Status	Next Steps
4.14 Analyze TK-8 for Cost Efficiency/student numbers and Credential needs	**Forthcoming**	**Ongoing**	**2027-28**	**Costing**	

Efforts to Date: There are currently 6 TK-8 model schools. The staffing and costs of the TK-8 model is hard to compare/evaluate given the variety of settings that exist in SCUSD. 2 of the 6 Tk-8 model programs are Waldorf. The blending of TK/K in the Waldorf methodology, and the cap of TK at 10:1 ratio, makes those classes smaller. Rosa Parks is a traditional MS with 5 elementary school feeders and has to be staffed as such. J Still requires additional staffing due to running 2 separate sites. LdV (a Choice School) and Didion each have around 120 student enrollment which generates the 4.5 FTE needed to meet credentialing requirements of 1/content area and.5 PE for daily PE.

Key Considerations:

- Closing Waldorf options would eliminate 2 of the 6 TK-8 model schools. Of the students who attend these 2 schools, how many reside outside of the district and would return to their home district or seek other similar school options outside SCUSD. THis is a key consideration because it would result in loss of ADA currently gained by pulling students from other service zones.
- Reducing TK-8 models to a traditional TK-6 could result in increased enrollment at currently underenrolled middle school sites.
- Moving back to a Tk-6 and Middle School model as the only options would also increase elective opportunities, spread resources, and reduce the need for additional admin staffing.
- The Delta Shores development

Next Steps:

- Cost out reduction of admin staffing
- Cost out the increase in staffing at traditional 7-8 middle school models
- Review feeder patterns and impacts on current enrollment

Item	Anticipated Cost Savings & Resource	One-Time or Ongoing	Savings to Begin in FY	Status	Next Steps
4.15 Eliminate Elementary Athletics	**$210,000 general fund $413,000 after school programs Total approx $630,000**	**Ongoing**	**2027-28**	**Costing**	

Efforts to Date:

- Reached out and researched program elements
- Assessment of the cost impact relative to general funds, transportation costs and funding from after school programs

Key Considerations:

- 25-26 the budget $413,229 of which was covered by after school programs dept. $208,000 was covered by general fund of which there was overage $54,592 included in that cost
- 4 Day tournament transportation costs 21,500 from general fund (included in the $208,000
- LCFF covered 10,000 for uniforms and equipment
- 26-27 cost is anticipated to increase due to plans to expand girls flag football and maintain girls basketball
- Consider how many students served in this program format

Next Steps:

- Evaluate the potential for after school programs to cover the total cost
- Scale down activities to fit within after school programs budget

Item	Anticipated Cost Savings & Resource	One-Time or Ongoing	Savings to Begin in FY	Status	Next Steps
4.16 Eliminate 6th Grade Science Trip	**$850,000**	**Ongoing**	**2026-27**	**Costing**	

Efforts to Date: 7/15/26 Request for data. Data received 7/21/26

Key Considerations: Cost impact to general fund. Cost District Bus $23,167, Charter Bus $119,468 Registration $707,860 total general fund $850,496

- Originally funded using ESSER funds. Funded now out of base.
- There are restrictions on asking guardians to pay for field trips
- Could result in disparate opportunities for young students to participate in an overnight field trip experience. Schools that have the means may be able to bridge this gap but others not.
- Upon Year end close, move this allocation to the new S & C carryover resource
- Could there be field trip support that is on a smaller scale.
- Not all school sites utilize the same vendor for this field trip.

Next Steps:

- Identify total cost of funding this district wide
- Identify which schools have participated
- Identify cost of transportation
- Identify cost of location/ venue
- Consider if less expensive options exist or if field trip support could be implemented on a sliding scale or alternative options.

Item	Anticipated Cost Savings & Resource	One-Time or Ongoing	Savings to Begin in FY	Status	Next Steps
4.17 Staff to ratio on Counselors	**$235,000**	**Ongoing**	**2027-28**	**reviewing**	

Efforts to Date: Reviewing options

Key Considerations: Reduce over-ratio Counselors

Next Steps: Data needs to be confirmed and examined

Item	Anticipated Cost Savings & Resource	One-Time or Ongoing	Savings to Begin in FY	Status	Next Steps
4.18 Staff to the ratio on Social Workers	**$885,000**	**Ongoing**	**2027-28**	**reviewing**	

Efforts to Date: Reviewing options

Key Considerations: Reduce over-ratio Social Workers

Next Steps: Data needs to be confirmed and examined

Item	Anticipated Cost Savings & Resource	One-Time or Ongoing	Savings to Begin in FY	Status	Next Steps
4.19 9th Grade Cohorts at Comprehensive High Schools	**Forthcoming**	**ongoing**	**2027-28**	**Under Review**	

Efforts to Date:

Currently 9th Grade cohorts are implemented at 5 comprehensive high schools including Burbank, CKM, Kennedy, Hiram Johnson, Rosemont. The funding is provided through the A-G grant and funds the following: 5 Certificated 9th Grade Lead positions, training and associated sub costs, and any per diem for additional collaborative time.

Key Considerations:

The 9th grade cohort model has resulted in positive student outcomes and has demonstrated success in ensuring that curriculum and instructional practices are calibrated across all content areas.

Next Steps:

Identify if the A-G grant could be used to provide support in other areas.

Item	Anticipated Cost Savings & Resource	One-Time or Ongoing	Savings to Begin in FY	Status	Next Steps
4.20 MTSS				**Under Review**	**Cost Analysis**

Efforts to Date: Over the past 2-3 years, in collaboration with SCTA, SCUSD has designed a key pieces to begin a system wide approach towards MTSS. 10 Proof of Concepts schools have been identified as early implementers of elements such as teaming structures, common assurances, SST process. Each of the Proof of Concepts sites are allocated additional staff to support the successful implementation of MTSS. This includes full time MTSS Specialists, increase of FTE for social workers and nurses.

Key Considerations: 25-26 was the installation phase of a system wide roll out for MTSS. For 26-27 the opportunities are to continue expanding and growing at the Proof of Concept schools.

Next Steps: Assess effectiveness and impact of MTSS through data analysis and feedback opportunities for the staff that are implementing the MTSS framework. Calculate the total amount expended for MTSS (Specialists, Nurses, Social Workers, compensation for staff participation in trainings/meetings.

Item	Anticipated Cost Savings & Resource	One-Time or Ongoing	Savings to Begin in FY	Status	Next Steps
4.21 Sacramento Accelerated Academy	**150K**			**Under review**	

Efforts to Date:

Review of programs offered and enrollment.

Key Considerations:

Enrollment improvements through increased marketing could increase revenue.

Next Steps:

Work with the site leader and Curriculum and Instruction team to further review programs and identify how to improve enrollment

Item	Anticipated Cost Savings & Resource	One-Time or Ongoing	Savings to Begin in FY	Status	Next Steps
4.22 Success Academy/John Morse	**TBD**			**Under Review**	

Efforts to Date:

Review of enrollment and programs at Success Academy and John Morse

Review of staffing ratio's

Review of operational budgets

Review of Special Education programs and needs

Key Considerations:

Success Academy was originally set up to perform as an opportunity school for the district. Shifts in practice in alignment with ed code have reduced students placement at Success.

Next Steps:

Work with the SPED and Academic Office team to determine options for programs

Item	Anticipated Cost Savings & Resource	One-Time or Ongoing	Savings to Begin in FY	Status	Next Steps
4.23 Parent Teacher Home Visits	**TBD**	**Ongoing**	**2026-2027**	**Under Review**	

Efforts to Date:

There were a total of 36 schools that participated in home visits last year. Only State and Head Start teachers are required to conduct home visits per SCTA contract and funding agency

Key Considerations:

Parent/Teacher Home Visits $668,239 in 26/27.. Unrestricted Funds Paid Out $296,295 + Restricted Title 1 Fund Paid Out $629,916. Total paid for Home Visits $926,211 last year.

Next Steps: Identify how much of the 926,211 was paid to teachers who were required to conduct home visits to identify potential differences between voluntary participation and required participation. This will allow us to determine a cost savings.

Item	Anticipated Cost Savings & Resource	One-Time or Ongoing	Savings to Begin in FY	Status	Next Steps
4.24 Priority Schools	**$2.5 mil**	**ongoing**	**2027-28**		

Efforts to Date:

Initiating conversations with labor.

Key Considerations:

Priority schools receive additional Title 1 funding to support program improvement. These funds are used in a variety of ways and must be approved through the Site Council. Removing the funding will impact staffing, resources, and programs at these sites.

Next Steps: Labor partnership

Item	Anticipated Cost Savings & Resource	One-Time or Ongoing	Savings to Begin in FY	Status	Next Steps
4.25 MOU with outside districts for Deaf & Hard of Hearing services	Forthcoming	Ongoing		Reviewing	

Efforts to Date:

To date, the special education department is reviewing caseloads for our students who have DHH services to determine potential strategies for consolidation of services by scheduling students with these services into programs alongside other peers who have similar if not the same services.

Key Considerations:

Consolidation of service sites may serve to enhance the quality of services, while streamlining the service delivery model. The development of Memoranda of Understanding (MOUs) with neighboring school districts to expand access to Deaf and Hard of Hearing (DHH) services can increase service availability, leverage specialized expertise, improve continuity of services for students, and create opportunities for greater cost efficiency through shared resources.

Next Steps:

Schedule time to discuss an MOU with neighboring districts.

Item	Anticipated Cost Savings & Resource	One-Time or Ongoing	Savings to Begin in FY	Status	Next Steps
4.2 6th, 8th, 12th Grade Promotion - loss of ADA	**TBD**	**Ongoing**	**2026-27**		

Efforts to Date:

Currently the team is investigating alternative options to hold 12th grade promotions including utilizing our own facilities. The cost of the Golden 1 Center is approximately 300K. Many elementary schools hold promotions for Kinder and 6th during the last week of school which result in lower attendance.

Key Considerations: Has the potential to increase ADA for the last few days of school. Historically, many schools hold promotions or graduations prior to the last instructional day resulting in loss of ADA. This would require that schools shift all promotions to either Thursday after the instructional day ends or Friday non-instructional day to maximize ADA all the way up to the last day of the school year. Could be operationally challenging when trying to mitigate cross over of segments. Could also limit the scope of K and 6th grade promotion celebrations.

Next Steps:

Identify other options to hold graduation ceremonies. Research the percentage of lost ADA resulting from low attendance at elementary schools when promotions are held prior to the last day of school. Identify alternative systems/schedules for holding promotions to limit impact of families in multiple segments.

STRATEGY 5: IMPLEMENT ADDITIONAL STAFFING REDUCTIONS

Item	Anticipated Cost Savings & Resource	One-Time or Ongoing	Savings to Begin in FY	Status	Next Steps
5.1 Reduce management classifications	**$750,000**	**on-going**	**27-28**	**Start at BD**	

Efforts to Date: Start with Budget Development for 27-28

Key Considerations: Reduce classifications of management into a single style. No I, II, III. Just Manager, Director, etc.

Next Steps: Cost reduction analysis

STRATEGY 6: EXHAUST ALL BORROWING OPTIONS

STRATEGY 7: EXPLORE FACILITIES EFFICIENCIES

Item	Anticipated Cost Savings & Resource	One-Time or Ongoing	Savings to Begin in FY	Status	Next Steps
7.1 Consolidate programs that do not require student attendance on sites	**~$1,000,000**	**Ongoing**	**2027-28**		

Efforts to Date: Identify programs that may consolidate into a single site for staff work

Key Considerations: Transfer programs at Success Academy, Cap City, etc to the Serna Complex (Genesis) providing a more modern building and use empty spaces created by reductions. Surplus of Cap City property. Demolishing of Success Academy and creating possible green space.

Next Steps:

- Evaluate new campus needs, ensure space, modernize to effectively support programs
- Cost demo of Success Campus buildings; creation of green space
- Get appraisal of Cap City land; board surplus process

Item	Anticipated Cost Savings & Resource	One-Time or Ongoing	Savings to Begin in FY	Status	Next Steps
7.2 Consolidate programs that do not have sufficient enrollment for a single site	**$1.1 million**	**Ongoing**	**2027-28**		

Efforts to Date: Identify most appropriate plan to transfer programs to a single site

Key Considerations: Transfer programs from The MET, Health Professions, and Sacramento New Technology Early College High School to a campus that will meet programs needs. A single administrator to oversee the program, other efficiencies. A central location in the district is the New Tech site; a modern, newer campus is Arthur A. Benjamin Health Professions. Surplus Met location. Depending on where the program is moved will determine vacant property next step. Reduction in site expenses and administrative costs but still keeps programs active and preserves family choice.

Next Steps:

- Program single site with each programs need; adjust as appropriate the facility
- Board Surplus Process

Item	Anticipated Cost Savings & Resource	One-Time or Ongoing	Savings to Begin in FY	Status	Next Steps
7.3 School boundary adjustments	**$0.0**				

Efforts to Date: Identify most appropriate school attendance boundaries to level enrollment across schools

Key Considerations: Schools in our district have varying degrees of enrollment numbers, some so low it is not able to provide basic student supports. Review attendance boundaries to balance schools enrollment and/or increase ADA to ensure every student is not impacted by a low enrolled school and lack of services. Rules for families to protect current student placement should be adopted for the adjustment period.

There would only be savings with campus closure/alignment.

Next Steps:

- Provide an introductory presentation to the board on examples
- Go through a community input process
- Adjust attendance boundaries and seek board approval
- Provide communication to families on timelines.

Item	Anticipated Cost Savings & Resource	One-Time or Ongoing	Savings to Begin in FY	Status	Next Steps
7.4 Consolidate Small Elementary Schools	**$19-27 million**	**Ongoing**	**2028-29**	**Draft**	

Efforts to Date: Board Meeting overview of process and initial costs examples on April 23, 2026.

Key Considerations: Schools with full enrollment provide more educational and support opportunities not provided for equally at low enrolled programs.

Next Steps: First should review boundaries and identify ways to balance sites. Next, identify ideal school for our district and cost needs to find a break even point for student enrollment.

Item	Anticipated Cost Savings & Resource	One-Time or Ongoing	Savings to Begin in FY	Status	Next Steps
7.5 Establish board policy on facility enrollment standards	**$0.0**	**Ongoing**	**2028-29**	**Draft**	

Efforts to Date: Board presentation on state of enrollment and facility capacity. Conversations on steps to create a financially balanced school.

Key Considerations: Board should identify an "ideal" level of staffing that supports the boards vision on education service in our schools. Staff would cost those scenarios to identify a "break-even" minimum enrollment and a maximum enrollment. This model would determine any steps for school consolidation but ensure the moves that impact students is a benefit add service/experience into a new or modernized school with the ideal support system.

Next Steps:

- Create ideal school staffing expectations
- Cost model
- Board Workshop

Fiscal Sustainability Plan Savings Summary

Item #	Anticipated Cost Savings	One-Time or Ongoing	Fiscal Year/Timeline
1.2	$5,000,000	Ongoing	2026-27

Item #	Anticipated Cost Savings	One-Time or Ongoing	Fiscal Year/Timeline
1.3	$2,500,000	Ongoing	2026-27
2.1	$1,500,000	Ongoing	2026-27
2.2	$3,000,000	Ongoing	2026-27
2.3	$300,000	Ongoing	2026-27
2.6	$25,000	Ongoing	2026-27
2.8	$5,300,000	Ongoing	2026-27
4.1	$750,000	Ongoing	2026-27
4.7	$500,000	Ongoing	2026-27
4.9	$275,000	Ongoing	2026-27
4.12	$300,000	Ongoing	2026-27
4.16	$850,000	Ongoing	2026-27
Totals -	$20,300,000		
1.1	$10,000,000	Ongoing	2027-28
4.2	$776,875	Ongoing	2027-28
4.4	$559,059	Ongoing	2027-28
4.6	$933,000	Ongoing	2027-28

Item #	Anticipated Cost Savings	One-Time or Ongoing	Fiscal Year/Timeline
4.8	$750,000	Ongoing	2027-28
4.11	$900,000	Ongoing	2027-28
4.13	$1,800,000	Ongoing	2027-28
4.15	$630,000	Ongoing	2027-28
7.1	$1,000,000	Ongoing	2027-28
7.2	$1,100,000	Ongoing	2027-28
Totals -	$23,479,934		
7.4	$25,000,000	Ongoing	2028-29
7.5	$19,000,000	Ongoing	2028-29
Totals -	$44,000,000		
2.4	$733,984	Ongoing	TBD
4.17	$235,000	Ongoing	TBD
4.18	$885,000	Ongoing	TBD
Totals -	$1,853,984		

Still Costing Out

- 1.4, 1.5
- 2.5, 2.7
- 3.2, 3.3
- 4.3, 4.5
- 4.10, 4.14, 4.19
- 4.20, 4.21, 4.22, 4.23
- 7.3

Sacramento City
UNIFIED SCHOOL DISTRICT

SCUSD 2026–27 Fiscal Sustainability Plan
July 30, 2026

Excluded from the Board's adopted budget for the 2026-2027 fiscal year, this comprehensive fiscal sustainability plan introduces new revenue streams, operational efficiencies, expenditure cuts, and negotiated cash-flow relief.

Full implementation of these measures could enhance the District's financial standing by $158.639 million, creating a viable path to achieve the $150 million solvency target established by the Sacramento County Office of Education (SCOE). Notably, this $150 million benchmark surpasses SCOE's stated goal of $135 million and FCMAT's projection that the District's cash deficit will be $135 million by June 2027.

To fulfill its monitoring obligations, the District will implement monthly updates across the designated categories. When an approved reduction is insufficient; the primary focus remains on its concrete realization. Staff must demonstrate actual budget contractions, decreased operational expenditures, preserved cash balances, and the substitution of any deficiencies with alternative measures to safeguard the solvency objective. This framework is subject to modification following each monthly evaluation.

Key:
- *Funds Realized = blue background*
- *MOU Pending Approval = yellow background*
- *Sub Totals/Totals = purple background*

#	Bucket	Target Amount	What it includes	How to Show Process or Completion	Funds Realized
1	**State discretionary block grant**	**$31.100M**	Final one-time state funding not included in the adopted budget.	Official CDE allocation, payment timing, District-versus-charter treatment, eligible uses, and how much unrestricted spending it can replace. Monthly reporting must show allocation, revenue posted,	**31.100M**

#	Bucket	Target Amount	What it includes	How to Show Process or Completion	Funds Realized
				cash received, eligible expenditures shifted, remaining balance, and variance from plan.	
2	**Programmatic reductions**	**$20.300M**	Reductions identified in the 7 Strategies **document**, including program cuts, consolidations, service reductions, and the additional $5.3M program reduction amount (book and supplies moved from 4399. Verified by SCOE)	**Refer to the 7 Strategies document.** Staff must identify which strategies are approved, the savings assigned to each strategy, implementation dates, bargaining implications, replacement costs, and expected monthly cash impact. Monthly reporting must show the original target, budget reduction posted, actual savings realized, cash preserved, forecast at completion, variance, responsible owner, and corrective action if implementation is behind schedule.	
3	**Contracts and consultants**	**$9.000M**	Consultants, agency staffing, software, legal services, training, subscriptions, communications, and contract scope reductions	Vendor-by-vendor schedule, termination dates, gross savings, replacement costs, and net cash savings. Monthly reporting must show contracts canceled or reduced, encumbrances released, payments avoided, replacement costs, and net savings.	
4	**Department operating budgets**	**$3.000M**	Additional reductions to controllable central-office spending such as travel, supplies, equipment, memberships, and discretionary services	Department-level budgets, exact object codes reduced, existing encumbrances, prior reductions already taken, and monthly spending limits. Monthly reporting must show revised budget, actual spending, open purchase orders, remaining target, and corrective action.	
5	**Align resources with student priorities**	**$2.000M**	Approximately 10% reduction in unrestricted site-controlled spending, plus	Unrestricted site budgets, committed versus available balances, essential-cost exemptions, and actual amounts removed. Monthly	

#	Bucket	Target Amount	What it includes	How to Show Process or Completion	Funds Realized
			recovery of unused balances and stale purchase orders	reporting must show site reductions posted, spending against revised budget, released purchase orders, unused balances recovered, exemptions, and net Districtwide savings.	
6	**<u>Reduce</u> overtime, substitutes, stipends, and extra duty**	**$5.750M**	Reduce Overtime controls, substitute reductions, extra-duty work, stipends, summer staffing, and compensatory-time controls	Historical spending baseline, department and site caps, contractually required costs, approved exceptions, and monthly savings. Monthly reporting must show actual spending by category, comparison with target and prior year, approved exceptions, forecast, and net savings.	
7	**Special-education efficiencies**	**$3.000M**	Agency staffing reductions, provider renegotiation, transportation efficiency, extraordinary-cost claims, and service delivery improvements	No reduction in required IEP services, contract and staffing detail, reimbursement claims, replacement costs, and net unrestricted benefit. Monthly reporting must show agency costs, District replacement costs, claims submitted, reimbursements received, transportation savings, and net encroachment improvement.	
8	**Workforce and benefit actualization**	**$6.000M**	Savings from staffing levels below budget, delayed hiring, retirements, lower-cost replacements, and related benefit savings	Budgeted versus actual FTE, payroll variance, benefit savings, backfill costs, and proof the amount is not duplicated elsewhere. Monthly reporting must show active FTE, salary savings, benefit savings, overtime and contractor offsets, and net realized savings.	
9	**Procurement and unused allocations**	**$4.750M**	Closing stale purchase orders, releasing encumbrances, recovering unused allocations, equipment freezes,	Purchase-order aging report, canceled obligations, released encumbrances, unrestricted amount available, and actual cash avoided. Monthly reporting must show purchase orders canceled, encumbrances released,	

#	Bucket	Target Amount	What it includes	How to Show Process or Completion	Funds Realized
			and centralized purchasing	budget returned, equipment purchases deferred, and cash impact.	
10	**Facilities, utilities, and leases**	**$3.500M**	Energy savings, space consolidation, lease reductions, closing unused areas, and deferring noncritical replacements	Specific sites, leases, utility baselines, implementation dates, one-time costs, and 2026–27 cash savings. Monthly reporting must show utility usage, leases reduced, space consolidated, contracts terminated, and savings realized.	
11	**Central administration and management**	**$3.000M**	Vacant management positions, acting assignments, overlapping functions, supervisory layers, and central-office support reductions	Named positions and functions, salary and benefit savings, organization changes, implementation dates, and no replacement cost elsewhere. Monthly reporting must show positions eliminated, payroll savings, acting stipends ended, consultant reductions, and replacement costs.	
12	**Transportation and fleet**	**$.800M**	Route optimization, overtime reduction, contractor review, fuel controls, fleet assignment, and maintenance savings	Route analysis, required-service compliance, contractor comparisons, overtime data, and monthly cost reductions. Monthly reporting must show route count, contractor use, overtime, fuel, maintenance, and savings against target.	
13	**Legal, claims, and risk controls**	**$3.000M**	Outside counsel limits, investigation controls, claims management, workers' compensation improvements, and settlement review	Historical baseline, enforceable authorization controls, identified cases or vendors, and measurable year-over-year reduction. Monthly reporting must show outside counsel spending, claims costs, investigations, settlements, workers' compensation trends, and savings.	
14	**Attendance and revenue recovery**	**$2.000M**	Attendance corrections, prior-year receivables,	Separate confirmed recoveries from aspirational attendance gains, identify receivables and claims, and	

#	Bucket	Target Amount	What it includes	How to Show Process or Completion	Funds Realized
			reimbursement recovery, indirect-cost recovery, and limited ADA improvement	show cash collection dates. Monthly reporting must show ADA versus budget, claims submitted, revenue received, prior-period corrections, and variance from target.	
15	**Hiring freeze and vacancy controls**	**$2.000M**	Holding noncritical vacancies open outside classroom, safety, legal, and compliance positions	Position list, vacancy dates, salary and benefit savings, exemptions, and no overtime, substitute, agency, or contractor backfill. Monthly reporting must show vacancies held, payroll savings, exceptions approved, backfill costs, and net savings.	
16	**Health-benefit dependent eligibility audit**	**$2.500M**	Removal of ineligible dependents and reduction in related premium or claims costs	Independent eligibility review, actual enrollment removals, premium or claims savings, timing, and separation from OPEB relief. Monthly reporting must show audit completion, dependents removed, premium reductions, claims impact, and realized savings.	
17	**Technology and software-license consolidation**	**$0.500M**	Elimination of unused or duplicate licenses, platform consolidation, device management, and centralized purchasing	License inventory, usage data, contracts canceled, implementation costs, and no duplication with the contracts bucket. Monthly reporting must show licenses removed, contracts reduced, implementation costs, and net savings.	
18	**Insurance, telecom, copier, and lease renegotiation**	**$0.750M**	Rebid or reduced insurance, phone lines, mobile devices, copiers, equipment rentals, and recurring leases	Current contract inventory, renewal dates, bids or amendments, termination costs, and net 2026–27 savings. Monthly reporting must show agreements renegotiated, services removed, contract savings, termination costs, and cash impact.	
19	**Additional Medi-Cal and**	**$2.000M**	Unsubmitted claims, billing	Claim inventory, submission dates, expected collections,	

#	Bucket	Target Amount	What it includes	How to Show Process or Completion	Funds Realized
	reimbursement recovery		corrections, prior-period reimbursements, and improved claiming processes	responsible department, and separation from the special-education bucket. Monthly reporting must show claims submitted, approved amounts, cash received, denied claims, and forecast at completion.	
20	**Additional state grants, reimbursements and restricted cost replacement**	**$5M conservative ($10M target; $8M–$22M gross opportunity**	Special-education reimbursements, Community Schools, homeless-student supports, dual enrollment, inclusive practices, teacher pipelines, newcomer supports, kitchen infrastructure, and other final-budget programs	Final allocation or award notice; proof the amount is not already budgeted; allowable-use analysis; existing unrestricted expenditure being replaced; required new spending; net General Fund benefit; monthly cash-receipt schedule; and responsible department owner	
21	**Subtotal before OPEB MOU**	**$109.950M**	State funding plus District-controlled reductions and recoveries	Full reconciliation showing no overlap, clear ownership, implementation dates, and monthly evidence of budget and cash realization.	
22	**OPEB-related relief**	**$41.204M**	OPEB and related health-benefit cash relief . Amount verified by SCOE consultant.	Signed agreement, legal and actuarial review, exact cash timing, future liability impact, and confirmation the amount is not counted elsewhere. Monthly reporting must show cash retained or avoided, actual contribution changes, health-cost impact, remaining obligation, and variance from plan.	
23	**Medi-Cal reimbursements to offset General Fund costs.**	**7.000 M**	SCTA agreement. Amount verified by SCOE letter (page 2, paragraph 4)		
24	**SCTA's member OPEB**	**.485 M**	SCTA agreement. Amount saved by		

#	Bucket	Target Amount	What it includes	How to Show Process or Completion	Funds Realized
	contribution (non funding savings)		employees not contributing to OPEB for 26-27.		
25	**Total maximized plan**	**$158.639M**	Full proposed solvency package	Evidence that at least $150M is realistic, measurable, timely, and cash-positive.	

Summary

Items	**Amount**
Total before OPEB Agreement	**$109.950M**
SCTA Agreement total relief for '26-'27	**$48.689M**
Total plan	**$158.639M**
Minimum solvency target	**$150.000M**
Implementation cushion	**$8.639M**

Monthly Reporting Commitments

Every line item will be reviewed monthly using the same standards:

Required field	Details
Original target	Approved savings or revenue amount
Budget reduction posted	Amount formally removed from the budget
Actual savings to date	Verified expenditure reduction or revenue collected
Cash realized	Actual cash preserved or received
Forecast at completion	Expected full-year result
Variance	Difference from target
Evidence	Payroll, contract, claim, allocation, or purchase-order support
Responsible owner	Cabinet member or department lead
Corrective action	Replacement action if the target falls short
Confidence rating	High, medium, or low

A reduction will not be considered achieved because it has been approved. Staff will show that the budget has been reduced, spending has actually declined, cash has been preserved, and any shortfall has been replaced with another identified action.

SACRAMENTO CITY UNIFIED SCHOOL DISTRICT
BOARD OF EDUCATION

Agenda Item# 6.2

Meeting Date: July 30, 2026

Subject: Public Hearing: AB 1200 Public Disclosure and Approval of Agreement between Sacramento City Unified School District (SCUSD) and the Sacramento City Teachers Association (SCTA) to Aid in Fiscal Recovery

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

Division: Labor Relations; Business Services

Recommendation: Approve MOU agreement between SCUSD and SCTA to aid in fiscal recovery.

Background/Rationale: The parties' agreement includes terms regarding the following:

- Retiree Health Benefit Payments
- Use of Employee Contributions
- Medi-Cal Reimbursement Funds
- Unfilled Vacancies
- Extension of the SCTA-SCUSD Collective Bargaining Agreement with Salary Reopener
- Health Benefits
- "Me-Too" Provisions
- Parcel Tax

Financial Considerations: These changes collectively reflect a total savings of $97.6 million.

LCAP Goal(s): Graduation outcomes, Academic outcomes, and Welcoming and safety outcomes.

Documents Attached:
Signed MOU between SCTA and SCUSD
AB 1200 document
California Employers' Retiree Benefit Trust Disbursement Form
July 24, 2026 Letter from SCOE
July 28, 2026 Letter from Orrick

Estimated Time of Presentation: 5 Minutes
Submitted by: Labor Relations/ Business Services
Approved by: Superintendent

Memorandum of Understanding

By & Between
The Sacramento City Unified School District (SCUSD)
&
The Sacramento City Teachers Association (SCTA)

July 13, 2026

Agreement to Aid the SCUSD Fiscal Recovery

To aid the fiscal recovery of the Sacramento City Unified School District (SCUSD), the District and the Sacramento City Teachers Association (SCTA) hereby agree as follows:

1. **Retiree Health Benefit Payment**: The parties agree to recommend to their respective trustees of the Joint SCUSD-SCTA Retiree Health Fund, also known as the Other Post Employment Benefits ("OPEB") or ("SCUSD/SCTA Retiree Health Investment Plan") or (CERBT, that fund resources be used to pay the cost of SCUSD retiree health for the 2025-26, 2026-27 and 2027-28 school years only. The costs are estimated to be $22 million in 2025-26 and $23 million in 2026-27 and $23 million in 2027-28.

2. **Employee Contribution:** For 2025-26, 2026-27 school years and for the duration on this agreement the parties agree that the money identified in Article 13.18 paragraph A may be deposited into the general fund.

3. **Medi-Cal Reimbursement Funds:** On or about March 9, 2026, the parties convened the Medi-Cal Reimbursement Consortium and agreed that the accumulated unused funds that total approximately $14.5 million in the 2025-26 school year and approximately $7 million in the 2026-27 school year may be used in the SCUSD general fund. Beginning in the 2026-27 school year, the Medi-Cal Reimbursement Consortium will reconvene to determine spending priorities and consider opportunities to generate additional Medi-Cal funding reimbursement strategies for the 2027-28 school year and beyond.

4. **Unfilled Vacancies:** The parties' 2025-26 collective bargaining agreement increased staffing in several areas including for school social workers, school nurses, and reading intervention teachers. The District did not fill the following positions during the 202526 school year:
   - i. 16 social workers
   - ii. 13 school nurses
   - iii. 4 reading intervention teachers

   The value of those unfilled positions equals $5 million for 2025-26 (39 positions x $150,000 per FTE = $5.85 million).

   SCTA agrees to waive claims related to the inability to fill those vacancies for the 2025-26 school year.

5. **Total Savings:** Collectively, the savings set forth in sections 1, 2, 3, and 4 total $97.6 million.

In consideration of this agreed-upon relief, the parties further agree to the following:

6. **Extension of the SCTA-SCUSD Collective Bargaining Agreement, With Salary Reopener:** The parties agree to extend the current SCTA-SCUSD collective bargaining agreement through June 30, 2030. The contract shall remain closed for the duration of the extended agreement, with the exception that the parties will have a salary reopener each July 1, beginning on July 1, 2027, and each year thereafter; provided, however, that during the term of the extended agreement, the District shall neither propose nor bargain to impasse any reduction in compensation to educators whatsoever.

7. **Health Benefits:** The parties agree that they will explore health benefit purchasing options, including but not limited to: a: participating in a purchasing pool; b: changing insurance providers; or c: changing or eliminating health insurance brokers. The parties agree that no changes to health plans will result in any reduction in benefits, as determined solely by SCTA, to SCTA-represented employees and retirees. Any savings achieved by plan changes will accrue to the District. No health plan changes shall be made without the expressed written agreement of SCTA and there is no implied obligation for SCTA to agree to any potential changes to health plans.

8. **"Me-Too" Provision:** If, the District enters into any collectively bargained agreement with any other labor organization that represents SCUSD employees during the period beginning June 15, 2026 and extending through the term of this Agreement that includes any improvement to SCUSD employee wages and/or benefits, the District shall automatically also apply to the same improvement in wages and/or benefits to the collective bargaining agreement with SCTA, retroactive to the effective date of the collective bargaining agreement with the other labor organization. Such improvements include: annual salary increases, longevity pay increases, salary structure reorganization, and any other salary improvement that may increase the cost to any bargaining unit.

9. **Parcel Tax:** The parties will work together to pass a parcel tax which will be used to fund services to students with disabilities on the November 2026 ballot.

10. **Effective date of the Agreement:** This agreement shall go into effect contingent on the approval the trustees, ratification by SCTA, and approval of the SCUSD Board of Education, on June 30, 2026.

11. **Expiration Date:** Upon approval by both parties, this agreement shall remain in full force and effect through June 30, 2030.

For SCUSD	**For SCTA**
Cancy McArn, Superintendent	**Nikki Milevsky, President**
Date: 7/13/26	Date: 7/13/26

FOR SUBMISSION TO THE GOVERNING BOARD AND THE COUNTY SUPERINTENDENT OF SCHOOLS in compliance with the Public Disclosure requirements of AB 1200 (Statutes 1991, Chapter 1213) as revised by AB 2756 (Statues of 2004, Chapter 25), Government Code 3547.5 & 3540.2.

SUMMARY OF PROPOSED AGREEMENT

BETWEEN THE	Sacramento City Unified School District	SCHOOL DISTRICT
WITH THE	Sacramento City Teachers Association	BARGAINING UNIT (BU)

To be acted upon by the Governing Board at its meeting on :	*(enter Date)*	7/30/2026
Budget Revisions to be INPUT no later than 45 days after approval: ***(will calc + 45 days)***		9/13/2026
Estimated Agreement Payment Date	*(enter Date)*	N/A

GENERAL

Section 1: STATUS OF BARGAINING UNIT AGREEMENTS

This document is REQUIRED whenever a NEW or AMENDED agreement is ratified.

If this Public Disclosure is not applicable to all of the District's bargaining units, indicate the current status (whether settled or pending settlement) of the remaining units:

(Separate disclosures should be made for each bargaining unit agreement)

		# FTE Represented
Certificated:	Sacramento City Unified School District - Settled	0.0
Classified:	SEIU - Settled	0.0

Section 2: PERIOD OF AGREEMENT

The proposed agreement covers the period beginning on:	(enter Begin Date)	7/1/2027
and ending on:	(enter End Date)	6/30/2030

If this agreement is part of a multi-year contract, indicate ALL fiscal years covered:

Fiscal Years:	28-29	29-30	30-31
Reopeners: Yes or NO ?	Yes	Yes	Yes

if Yes, what Areas? Salary; Me Too

COMPENSATION PROVISIONS

Section 3: SALARIES: PERCENTAGE CHANGE IN SALARIES IN PROPOSED AGREEMENT:

The proposed agreement includes the following costs for salaries for the above-mentioned Bargaining unit:

Current Year Salary Cost Before Settlement *(Based on Year to Date (YTD) Actuals Projected through 6/30):*	$ 299,066,856.00
Current Year Salary Cost After Settlement *(Include any retroactive pay increases or (decreases) or one time bonuses/stipends or (reductions), as applicable):*	$ 299,066,856.00
Total Cost Increase or (Decrease):	***$0.00***
Percentage Increase or (Decrease):	***0.00%***

SALARY CHANGE FOR AN AVERAGE, REPRESENTED EMPLOYEE FROM PRIOR YEAR
(Includes annual step/column movement on schedule):

Salary Increase or (Decrease) % increase or (decrease) to existing schedule	0.00%	per employee
% increase or (decrease) for one-time bonus/stipend or (salary reduction)	0.00%	per employee
Step & column average % annual change over the prior year schedule	0.00%	per employee
TOTAL PERCENTAGE CHANGE FOR AVERAGE REPRESENTED EMPLOYEE	***0.00%***	per employee

Indicate Change in # of Work Days, Furlough or Additional, Related to % Change	**0**
Indicate Total # of Work Days to be provided for fiscal year:	**184**
Indicate Total # of Instructional Days to be provided for fiscal year:	**180**

SUMMARY OF PROPOSED AGREEMENT

BETWEEN THE Sacramento City Unified School District SCHOOL DISTRICT

Section 4: BENEFITS: PERCENTAGE CHANGE IN EMPLOYEE BENEFITS IN PROPOSED AGREEMENT:

The proposed agreement includes the following costs for employee statutory and health/welfare benefits:

Statutory Benefits: *(object 3XXX less 34XX)*
(STRS, PERS, Workers Compensation, Unemployment Insurance, Social Security, Medicare)

Total Statutory Benefit Costs:

Current Costs:	$ 85,820,363.00
Proposed Costs:	$ 85,820,363.00
Total Cost Increase or (decrease):	***$0.00***
Percentage Change:	***0.00%***

District Health and Welfare Plans - *Object 34XX* (Medical, Dental, Vision, Life Insurance, Other)
Total Health and Welfare Costs:

Current Costs:	$ 77,604,334.00
Proposed Costs:	$ 77,604,334.00
Total Cost Increase or (decrease):	***$0.00***
Percentage Change:	***0.00%***

Indicate if Health/Welfare Benefits are Capped: (Include details such as different caps per health plans or any super composite rates. Also, indicate if cap includes health benefits only or also other insurances.)

No Cap

Current Cap:	$ -	
Proposed Cap:	$ -	
Average Capped Amount increase or (decrease) per employee	***$0.00***	**#DIV/0!**

TOTAL COST OR (SAVINGS) OF COMPENSATION CHANGES
(REGARDLESS OF WHETHER PREVIOUSLY BUDGETED IN WHOLE OR IN PART)

Section 5: TOTAL COST INCREASE OR (SAVINGS) FOR SALARIES AND BENEFITS IN THE PROPOSED AGREEMENT:

Current Year Combined Cost Before Settlement: *(data pulls from above)*
(Based on YTD Actuals Projected through 6/30 and current agreement)

Salaries	***$ 299,066,856.00***	
Benefits	***$ 163,424,697.00***	
Total:		***$ 462,491,553.00***

Current Year Cost After Settlement: *(data pulls from above)*
(Include any retroactive pay increases or (decreases) or one-time bonuses/stipends or (reductions)):

Salaries	***$ 299,066,856.00***	
Benefits	***$ 163,424,697.00***	
Total:		***$ 462,491,553.00***

TOTAL COST INCREASE OR (DECREASE) *(This amount should tie to the multiyear projection sections for 1XXX-3XXX)*	***$0.00***
PERCENTAGE CHANGE	***0.00%***
1% CHANGE IN SALARY AND STATUTORY BENEFIT COSTS (prior to any settlements):	***$ 3,848,872.19***

SUMMARY OF PROPOSED AGREEMENT

BETWEEN THE Sacramento City Unified School District SCHOOL DISTRICT

OTHER PROVISIONS (COMPENSATION AND NON-COMPENSATION)

Section 6: The following are additional compensation and non-compensation provisions contained in the proposed agreement: (Indicate, **IN DETAIL**, the terms of the agreement covered in each section)

A. OTHER COMPENSATION: Off-Schedule Stipends/Bonuses, Reductions, etc. (amounts, staff affected, total cost and/or savings).

"Me-Too" Provision: Such improvements include: annual salary increases, longevity pay increases, salary structure reorganization, and any other salary improvement that may increase the cost to any bargaining unit.

B. NON-COMPENSATION: Class Size Changes (indicate before and after class sizes/grades affected; and, if applied for CDE waiver (attach copy)), Staff Development Days, Teacher Prep Time, etc..

Health Benefits: The parties agree that they will explore health benefit purchasing options, including but not limited to: a: participating in a purchasing pool; b: changing insurance providers; or c: changing or eliminating health insurance brokers. The parties agree that no changes to health plans will result in any reduction in benefits, as determined solely by SCTA, to SCTA-represented employees and retirees. Any savings achieved by plan changes will accrue to the District. No health plan changes shall be made without the expressed written agreement of SCTA and there is no implied obligation for SCTA to agree to any potential changes to health plans.
Employee Contribution: For 2025-26, 2026-27 school years and for the duration on this agreement the parties agree that the money identified in Article 13.18 paragraph A may be deposited into the general fund.

C. REOPENERS, CONTINGENCY AND/OR RESTORATION LANGUAGE: Describe specific areas identified for Reopeners, Contingency, and/or Restoration (include triggers and timing). Provide copy of Board Action to BAS upon approval.

Extension of the SCTA-SCUSD Collective Bargaining Agreement, With Salary Reopener: The parties agree to extend the current SCTA-SCUSD collective bargaining agreement through June 30, 2030.
"Me-Too" Provision: If, the District enters into any collectively bargained agreement with any other labor organization that represents SCUSD employees during the period beginning June 15, 2026 and extending through the term of this Agreement that includes any improvement to SCUSD employee wages and/or benefits, the District shall automatically also apply to the same improvement in wages and/or benefits to the collective bargaining agreement with SCTA, retroactive to the effective date of the collective bargaining agreement with the other labor organization. Such improvements include: annual salary increases, longevity pay increases, salary structure reorganization, and any other salary improvement that may increase the cost to any bargaining unit.

Section 7: State Minimum Reserve Standard Calculation:

Total Expenditures and Other Uses: ***(pulls from MYP Sec. 9)***	$ 960,719,358.00
Minimum State Reserve Percentage **(input %)**	**2%**
Minimum State Reserve Requirement: ***(Formula includes Total Exp/Uses x Minimum Reserve %)***	**$ 19,214,387.16**

FISCAL IMPACT IN CURRENT AND TWO SUBSEQUENT FISCAL YEARS

Section 8: **Date of governing board approval of budget revisions in Section 9, Col.2 (below) in accordance with E.C. 42142 and Government Code 3547.5. (Pulls from above Governing Board Date plus 45 days)** — **8/20/2026**

Provide proof that board-approved budget revisions have been input within 45 days. Date budget revisions input/BT #'s: — **BT #'s: TBD** — **8/20/2026**

If the board-approved revisions input are different from the proposed budget adjustments in Col. 2 provide a detailed explanation of differences.

SUMMARY OF PROPOSED AGREEMENT

BETWEEN THE Sacramento City Unified School District SCHOOL DISTRICT

Section 9: **<u>IMPACT OF PROPOSED AGREEMENT ON THE GENERAL FUND BUDGET IN CURRENT AND TWO SUBSEQUENT FISCAL YEARS</u>. (Reflect both Unrestricted and Restricted General Fund Budget Amounts)**

In-Lieu of this form, an updated Form MYP can be supplied which includes the results of the settlement over the most recent Form MYP filed with this office.

		Current Fiscal Year 2026 -2027		
	(Col. 1)	**(Col. 2)**	**(Col. 3)**	**(Col. 4)**
Please NOTE: The title reflected in Col. 1 can be modified if the agreement is being approved along with the Adopted Budget Process. In this case, Col. 4 should reflect the Adopted Budget including the salary agreement and Col. 1 would reflect the Adopted Budget less Col. 2, the actual cost of the agreement.	**Latest Board-Approved Budget** ***6/18/2026***	**Adjustments as a Direct Result of this Proposed Settlement**	**Other Revisions (Including Other Proposed BU Agreements) Required to support cost of agreement (i.e. "me-too")**	**Projected District Budget After Settlement of Agreement (Cols. 1 + 2 + 3)**
OPERATING REVENUES: LCFF ADA	3 Yr Ave - 33,483.60			3 Yr Ave - 33,483.60
LCFF Sources (8010-8099)	499,530,669.00	0.00	0.00	499,530,669.00
Remaining Revenues (8100-8799)	255,006,619.00	41,204,317.00	30,861,969.00	327,072,905.00
TOTAL	**754,537,288.00**	**41,204,317.00**	**30,861,969.00**	**826,603,574.00**
OPERATING EXPENDITURES				
1000 Certificated Salaries	352,630,513.00	0.00	0.00	352,630,513.00
2000 Classified Salaries	128,712,899.00	0.00	0.00	128,712,899.00
3000 Benefits	334,931,101.00	0.00	0.00	334,931,101.00
4000 Instructional Supplies	30,720,950.00	0.00	(5,300,000.00)	25,420,950.00
5000 Contracted Services	119,669,096.00	0.00	0.00	119,669,096.00
6000 Capital Outlay	1,428,309.00	0.00	0.00	1,428,309.00
7000 Other	(2,389,309.00)	0.00	0.00	(2,389,309.00)
TOTAL	**965,703,559.00**	**0.00**	**(5,300,000.00)**	**960,403,559.00**
OPERATING SURPLUS (DEFICIT)	**(211,166,271.00)**	**41,204,317.00**	**36,161,969.00**	**(133,799,985.00)**
Other Sources and Transfers In	2,736,682.00	7,000,000.00	0.00	9,736,682.00
Other Uses and Transfers Out	315,799.00	0.00	0.00	315,799.00
CURRENT YEAR INCREASE/ (DECREASE) TO FUND BALANCE	**(208,745,388.00)**	**48,204,317.00**	**36,161,969.00**	0.00 **(124,379,102.00)**
BEGINNING FUND BALANCE 9791-92	(20,126,296.00)			(20,126,296.00)
Prior-Year Adjustments 9793-95	0.00		0.00	0.00
NET BEGINNING BALANCE	**(20,126,296.00)**		**0.00**	**(20,126,296.00)**
ENDING FUND BALANCE (EFB)	**(228,871,684.00)**	**48,204,317.00**	**36,161,969.00**	**(144,505,398.00)**
COMPONENTS OF ABOVE EFB:				
Nonspendable (9711-9719)	0.00	0.00	0.00	0.00
Restricted (9740)	54,744,035.00	0.00	0.00	54,744,035.00
Committed (9750/9760)	0.00	0.00	0.00	0.00
Assigned (9780)	0.00	0.00	0.00	0.00
Reserve Economic Uncertainties (9789)	**0.00**	**0.00**	**0.00**	**0.00**
Unassigned/Unappropriated (9790)	**(283,615,719.00)**	**48,204,317.00**	**36,161,969.00**	**(199,249,433.00)**
State Minimum Reserves %	***(29.36%)***		***Does not Meet***	***(20.74%)***
Are budgets in balance?	***In Balance***			***In Balance***
Did you adjust reserves? s/b $0	***$0.00***		***OK***	***$0.00***
FUND 17 RESERVES (9789) or N/A	$ -			$ -

continued - see next page

SUMMARY OF PROPOSED AGREEMENT

BETWEEN THE Sacramento City Unified School District SCHOOL DISTRICT

If the total amount of the adjustment in Column 2 does not agree with the amount of the total cost shown in Section 5, Total Costs, please explain below. Also, list any other assumptions used or included in Column 3:

Column 2 - Savings Items: Retiree Health Benefit Payment: The parties agree to recommend to their respective trustees of the Joint SCUSD-SCTA Retiree Health Fund, also known as the Other Post Employment Benefits ("OPEB") or ("SCUSD/SCTA Retiree Health Investment Plan") or (CERBT, that fund resources be used to pay the cost of SCUSD retiree health for the 2025-26 and 2026-27 school years only. Total retiree costs reimbursement = 25-26 $20.6M receive 8/26, 26-27 projected $20.6M receive monthly starting 8/26. Included above in Remaining Revenues. **Medi-Cal Reimbursement Funds:** approximately $7 million in the 2026-27 school year may be used in the SCUSD general fund. Currently reserved in EFB and can be used to fund eligible GF Unrestricted/Encroaching program expenditures currently in 26-27 budget. It is shown above as a contribution to Unrestricted Funds - Other Transfers In. **Column 3 Budget Adjustments - Increasing 26/27 Ending Fund Balance -** Includes the **SSPD Block Grant** that was not included in Adopted Budget of $30,861,969 and reducing Supplies by $5.3M of **LREBG funds** to reserve in Restricted Ending Fund Balance.

SUMMARY OF PROPOSED AGREEMENT

BETWEEN THE Sacramento City Unified School District SCHOOL DISTRICT

	First Subsequent Year 2027 - 2028			
	(Col. 1)	(Col. 2)	(Col. 3)	(Col. 4)
	Latest Board-Approved Budget *6/18/2026*	Adjustments as a Direct Result of this Proposed Settlement	Other Revisions (Including Other Proposed BU Agreements) Required to support cost of agreement (i.e. "me-too")	Projected District Budget After Settlement of Agreement (Cols. 1 + 2 + 3)
OPERATING REVENUES: LCFF ADA	3 Yr Ave - 33,129.76			3 Yr Ave - 33,129.76
LCFF Sources (8010-8099)	512,258,047.00	0.00	0.00	512,258,047.00
Remaining Revenues (8100-8799)	249,845,153.00	0.00	0.00	249,845,153.00
TOTAL	**762,103,200.00**	**0.00**	**0.00**	**762,103,200.00**
OPERATING EXPENDITURES				
1000 Certificated Salaries	354,641,026.00	0.00	0.00	354,641,026.00
2000 Classified Salaries	129,941,379.00	0.00	0.00	129,941,379.00
3000 Benefits	340,358,504.00	0.00	0.00	340,358,504.00
4000 Instructional Supplies	30,315,528.00	0.00	0.00	30,315,528.00
5000 Contracted Services	119,508,703.00	0.00	0.00	119,508,703.00
6000 Capital Outlay	1,328,309.00	0.00	0.00	1,328,309.00
7000 Other	(2,764,350.00)	0.00	0.00	(2,764,350.00)
TOTAL	**973,329,099.00**	**0.00**	**0.00**	**973,329,099.00**
OPERATING SURPLUS/(DEFICIT)	**(211,225,899.00)**	**0.00**	**0.00**	**(211,225,899.00)**
Other Sources and Transfers In	2,736,682.00	0.00	0.00	2,736,682.00
Other Uses and Transfers Out	315,799.00	0.00	0.00	315,799.00
CURRENT YEAR INCREASE/ (DECREASE) TO FUND BALANCE	**(208,805,016.00)**	**0.00**	**0.00**	**(208,805,016.00)**
BEGINNING FUND BALANCE (9791) ***(Pulls from prior year EFB)***	(144,505,398.00)			(144,505,398.00)
Prior-Year Adjustments (9792-9795)				0.00
NET BEGINNING BALANCE	**(144,505,398.00)**			**(144,505,398.00)**
ENDING FUND BALANCE (EFB)	**(353,310,414.00)**	**0.00**	**0.00**	**(353,310,414.00)**
COMPONENTS OF EFB (above):				
Nonspendable (9711-9719)	0.00	0.00	0.00	0.00
Restricted (9740)	72,863,345.00	0.00	0.00	72,863,345.00
Committed (9750/9760)	0.00	0.00	0.00	0.00
Assigned (9780)	0.00	0.00	0.00	0.00
Reserve Economic Uncertainties	**0.00**	**0.00**	**0.00**	**0.00**
Unassigned/Unappropriated (9790)	**(426,173,759.00)**	**0.00**	**0.00**	**(426,173,759.00)**
State Minimum Reserves %	***(43.77%)***		***Does not Meet***	***(43.77%)***
Are budgets in balance?	***In Balance***			***In Balance***
Did you adjust reserves? s/b $0	**$ -**		***OK***	**$ -**
FUND 17 RESERVES (9789) or N/A	**$ -**			**$ -**

Assumptions used for LCFF Gap%, Unduplicated %, Other Revenue COLAs, Addl/Reduced staffing, etc., explain below:

See 2026-27 and MYP Assumptions

SCUSD 2025-28 Budget Assumptions

Category	2025-26	2026-27	2027-28	2028-29
Cost of Living Adjustment (COLA)	2.30%	2.87%	3.30%	3.09%
Augmentation		1.44%		
Special Education Increase		$422/ADA		
Enrollment	36,135	35,791	35,644	35,439
Enrollment Charters - Reported in Fund 09	1,411	1,389	1,379	1,379
Total Enrollment - SCUSD	37,546	37,180	37,023	36,818
Attendance Used for Funding (Highest Year or 3 Year Average)	33,397	33,203	32,849	32,546
Attendance (ADA)	32,937	32,417	32,417	32,284
Enrollment to ADA %	91.15%	90.57%	90.95%	91.10%
Unduplicated Pupil Count	68.07%	67.15%	67.70%	67.70%

SUMMARY OF PROPOSED AGREEMENT

BETWEEN THE Sacramento City Unified School District SCHOOL DISTRICT

	Second Subsequent Year 2028 - 2029			
	(Col. 1)	(Col. 2)	(Col. 3)	(Col. 4)
	Latest Board-Approved Budget *6/18/2026*	Adjustments as a Direct Result of this Proposed Settlement	Other Revisions (Including Other Proposed BU Agreements) Required to support cost of agreement (i.e. "me-too")	Projected District Budget After Settlement of Agreement (Cols. 1 + 2 + 3)
OPERATING REVENUES: LCFF ADA	3 Yr Ave - 32,827.11			3 Yr Ave - 32,827.11
LCFF Sources (8010-8099)	523,538,203.00	0.00	0.00	523,538,203.00
Remaining Revenues (8100-8799)	255,672,141.00	0.00	0.00	255,672,141.00
TOTAL	**779,210,344.00**	**0.00**	**0.00**	**779,210,344.00**
OPERATING EXPENDITURES				
1000 Certificated Salaries	359,985,851.00	0.00	0.00	359,985,851.00
2000 Classified Salaries	131,760,558.00	0.00	0.00	131,760,558.00
3000 Benefits	345,802,117.00	0.00	0.00	345,802,117.00
4000 Instructional Supplies	31,152,237.00	0.00	0.00	31,152,237.00
5000 Contracted Services	122,854,038.00	0.00	0.00	122,854,038.00
6000 Capital Outlay	1,328,309.00	0.00	0.00	1,328,309.00
7000 Other	(2,818,263.00)	0.00	0.00	(2,818,263.00)
TOTAL	**990,064,847.00**	**0.00**	**0.00**	**990,064,847.00**
OPERATING SURPLUS/(DEFICIT)	**(210,854,503.00)**	**0.00**	**0.00**	**(210,854,503.00)**
Other Sources and Transfers In	2,736,682.00	0.00	0.00	2,736,682.00
Other Uses and Transfers Out	315,799.00	0.00	0.00	315,799.00
CURRENT YEAR INCREASE/ (DECREASE) TO FUND BALANCE	**(208,433,620.00)**	**0.00**	**0.00**	**(208,433,620.00)**
BEGINNING FUND BALANCE (9791) ***(Pulls from prior year EFB)***	(353,310,414.00)			(353,310,414.00)
Prior-Year Adjustments (9792-9795)				0.00
NET BEGINNING BALANCE	**(353,310,414.00)**			**(353,310,414.00)**
ENDING FUND BALANCE (EFB)	**(561,744,034.00)**	**0.00**	**0.00**	**(561,744,034.00)**
COMPONENTS OF EFB (above):	*(use whole rounded numbers only)*			
Nonspendable (9711-9719)	0.00			0.00
Restricted (9740)	90,766,658.00			90,766,658.00
Committed (9750/9760)	0.00			0.00
Assigned (9780)	0.00	0.00		0.00
Reserve Economic Uncertainties		**0.00**	**0.00**	**0.00**
Unassigned/Unappropriated (9790)	**(652,510,692.00)**	**0.00**	**0.00**	**(652,510,692.00)**
State Minimum Reserves %	***(65.88%)***		***Does not Meet***	***(65.88%)***
Are budgets in balance?	***In Balance***			***In Balance***
Did you adjust reserves? s/b $0	***$0.00***		***OK***	***$0.00***
FUND 17 RESERVES (9789) or N/A	**$ -**			**$ -**

Assumptions used for LCFF Gap%, Unduplicated %, Other Revenue COLAs, Addl/Reduced Staffing, etc., explain below:

See 2026-27 and MYP Assumptions above in 2027-28

SUMMARY OF PROPOSED AGREEMENT

BETWEEN THE Sacramento City Unified School District SCHOOL DISTRICT

Section 10: MULTI-YEAR CONTRACT AGREEMENT PROVISIONS: The proposed agreement contains the following COLAs and other compensation/non-compensation provisions for subsequent years as follows *(text pulls into disclosure)*: Send copy of final Agreement to BAS upon Board Approval

Potential Costs: While there are not direct costs related to the agreement, the "Me-Too" Provision extends through June 30, 2030 improvement in wages and/or benefits. Also Section 6 - C. REOPENERS, CONTINGENCY AND/OR RESTORATION LANGUAGE for reopener language through June 30, 2030.

Section 11:

FINANCIAL IMPACT OF PROPOSED AGREEMENT IN SUBSEQUENT FISCAL YEARS: The following assumptions were used to determine that resources will be available to fund these obligations in future fiscal years. (Include any compensation/noncompensation provisions specified below.) *(text pulls into disclosure)*:

Savings Items: Retiree Health Benefit Payment: The parties agree to recommend to their respective trustees of the Joint SCUSD-SCTA Retiree Health Fund, also known as the Other Post Employment Benefits ("OPEB") or ("SCUSD/SCTA Retiree Health Investment Plan") or (CERBT, that fund resources be used to pay the cost of SCUSD retiree health for the 2025-26 and 2026-27 school years only. Total retiree costs reimbursement = 25-26 $20.6M receive 8/26, 26-27 projected $20.6M receive monthly starting 8/26. Included in Remaining Revenues. **Medi-Cal Reimbursement Funds:** approximately $7 million in the 2026-27 school year may be used in the SCUSD general fund. Currently reserved in EFB and can be used to fund eligible GF Unrestricted/Encroaching program expenditures currently in 26-27 budget. It is shown above as a contribution to Unrestricted Funds - Other Transfers In. **Budget Adjustments - Increasing 26/27 Ending Fund Balance -** Includes the **SSPD Block Grant** that was not included in Adopted Budget of $30,861,969 and reducing Supplies by $5.3M of **LREBG funds** to reserve in Restricted Ending Fund Balance.

Section 12: NARRATIVE OF AGREEMENT: Provide a brief narrative of the proposed changes in compensation or health premiums, including percentage changes, effective dates, and comments and/or explanations. (text pulls into disclosure):

Term: This agreement creates a 3 year agreement with SCTA through June 30, 2030. **Retiree Health Benefit Payment:** The agreement allows the District submit for Actual Retiree Benefit Cost for 2025-26 and 2026-27. **Medi-Cal Reimbursement Funds:** the agreement allows the District to use $7M of Medi-Cal funds to support the 2026-27 budget deficit. **SCTA Employee Contribution:** For 2025-26, 2026-27 school years and for the duration on this agreement the parties agree that the money identified in Article 13.18 paragraph A may be deposited into the general fund. **"Me-Too" Provision:** extends through June 30, 2030 for improvement in wages and/or benefits.

Section 13: SOURCE OF FUNDING FOR PROPOSED AGREEMENT: Provide a brief narrative of the funds available in the current year to provide for the costs of this agreement. (text pulls into disclosure):

Agreement provides savings from Retiree Benefit Costs Reimbursements of approximately $41.2M for 2025-26 and 20026-27 and Medi-Cal Funds of $7M for 2026-27.

SUMMARY OF PROPOSED AGREEMENT

BETWEEN THE Sacramento City Unified School District SCHOOL DISTRICT

ADDITIONAL FISCAL INDICATORS- CRITERIA AND STANDARDS A.5.

This section is in response to the Criteria and Standards Additional Fiscal Indicators #A.5., which asks: "Has the district entered into a bargaining agreement where any of the budget or subsequent years of the agreement would result in salary increases that are expected to exceed the projected state cost of living adjustment."

Section 14: COMPARISON OF PROPOSED AGREEMENT TO CHANGE IN DISTRICT LOCAL CONTROL FUNDING FORMULA (LCFF):

			Estimated
(A)	Current-year (CY) LCFF Average Rate per ADA: (CY LCFF Entitlement per ADA, FCMAT LCFF Calculator, Calculator Tab, Row 79)		$0.00
(B)	Less Prior-Year (PY) LCFF BASC Calculator Rate per ADA: (PY LCFF Entitlement per ADA, FCMAT LCFF Calculator, Calculator Tab, Row 79)		$0.00
(C)	= Amount of Current-Year Increase or (decrease): (A) minus (B)		0.00
(D)	= Percentage Increase or (decrease) in LCFF per ADA: (C) divided by (B)		#DIV/0!
(E)	ADA Increase/(Decrease) from Prior Year as %		#DIV/0!
	Current year P-2 LCFF funded ADA (greater of PY guarantee or current year)	0.00	
	Prior Year P-2 LCFF funded ADA (greater of PY guarantee or current year)	0.00	
(F)	Total LCFF % increase or (decrease) plus ADA % change		#DIV/0!
(G)	Indicate Total Settlement Percentage Change from Section 5		0.00%

If proposed agreement % on Line G is greater than Line F, please provide explanation below:

N/A

CERTIFICATION

To be signed by the ***District Superintendent AND Chief Business Official*** ***upon submission to the Governing Board*** *and by* ***the Board President*** ***upon formal Board action*** *on the proposed agreement.*

Districts with a Qualified or Negative Certification ***: Per Government Code 3540.2, signatures of the District Superintendent and Chief Business Official must accompany the Summary Disclosure sent to the County Superintendent for review*** ***10 days prior to the board meeting that will ratify the agreement*** ***.***

The information provided in this document summarizes the financial implications of the proposed agreement and is submitted to the Governing Board for public disclosure of the major provisions of the agreement (as provided in the "Public Disclosure of Proposed Collective Bargaining Agreement") in accordance with the requirements of AB 1200, AB 2756, GC 3547.5, and GC 3540.2.

WE HEREBY CERTIFY THAT THE COSTS INCURRED BY THE SCHOOL DISTRICT UNDER THIS AGREEMENT CAN BE MET BY THE DISTRICT DURING THE TERM OF THE AGREEMENT.

District Superintendent - signature	7/30/2026 ***Date***
Completed & assisted by Audrey Kilpatrick, consultant	
Chief Business Official - signature	7/30/2026 ***Date***

After public disclosure of the major provisions contained in this Summary, the Governing Board, at its meeting on Thursday, July 30, 2026 ***took action to approve the proposed Agreement with the*** Sacramento City Teachers Association ***Bargaining Unit.***

President, Governing Board - signature	7/30/2026 ***Date***

FORM FOR PUBLIC DISCLOSURE
OF PROPOSED COLLECTIVE BARGAINING AGREEMENT
(AB1200 (Statutes of 1991, Chapter 1213) as revised by AB 2756
(Statutes of 2004, Chapter 25), Government Code 3547.5 & 3540.2)

Sacramento City Unified School District **SCHOOL DISTRICT**

Government Code Section 3547.5: **Before** a public school employer enters into a written agreement with an exclusive representative covering matters within the scope of representation, the major provisions of the agreement, including, but not limited to, the costs that would be incurred by the public school employer under the agreement for the current and subsequent fiscal years, shall be disclosed at a public meeting of the public school employer.

Intent of Legislation: To ensure that members of the public are informed of the major provisions of a collective bargaining agreement before it becomes binding on the school district.

(This information is pulled from the SUMMARY section of this file which should be completed FIRST)

MAJOR PROVISIONS OF PROPOSED AGREEMENT WITH THE

Sacramento City Teachers Association **BARGAINING UNIT**

To be acted upon by the Governing Board at its meeting on ***07/30/26***

A. **PERIOD OF AGREEMENT:**

The proposed bargaining agreement covers the period beginning	***7/1/202***
and ending	***06/30/30***
for the following fiscal years ***28-29***	***26-27, 28-29, 29-30, 30-31***

B. **TOTAL COST CHANGE TO IMPLEMENT PROPOSED AGREEMENT (SALARIES & BENEFITS)**

The total change in costs for salaries and employee benefits in the proposed agreement:

1.	Current Year Costs Before Agreement	***$462,491,553.00***
2.	Current Year Costs After Agreement	***$462,491,553.00***
3.	Total Cost Change	
4.	Percentage Change	
5.	Value of a 1% Change	***$3,848,872.19***

C. **PERCENTAGE SALARY CHANGE FOR AVERAGE, REPRESENTED EMPLOYEE**

The total percentage change in salary, including annual step and column movement on the salary schedule (as applicable), for the average, represented employee under this proposed agreement:

1.	Salary Schedule change (% Change To Existing Salary Schedule) (% change for one time bonus/stipend or salary reduction)	 ***0.00%*** ***0.00%***
2.	Step & Column (Average % Change Over Prior Year Salary Schedule)	***1.6%***
3.	TOTAL PERCENTAGE CHANGE FOR THE AVERAGE, REPRESENTED EMPLOYEE	***no change other thank S&C (budgeted)***
4.	Change in # of Work Days (+/-) Related to % Change	***0.00%***
5.	Total # of Work Days to be provided in Fiscal Year	***184***
6.	Total # of Instructional Days to be provided in Fiscal Year (applicable to Certificated BU agreements only)	***180***

FORM FOR PUBLIC DISCLOSURE
OF PROPOSED COLLECTIVE BARGAINING AGREEMENT
(AB1200 (Statutes of 1991, Chapter 1213) as revised by AB 2756
(Statutes of 2004, Chapter 25), Government Code 3547.5 & 3540.2)

Sacramento City Unified School District **SCHOOL DISTRICT**

D. **PERCENTAGE BENEFITS CHANGE FOR BOTH STATUTORY AND DISTRICT-PROVIDED EMPLOYEE BENEFITS INCLUDED IN THIS PROPOSED AGREEMENT:**

1.	Cost of Benefits Before Agreement	***$163,424,697.00***
2.	Cost of Benefits After Agreement	***$163,424,697.00***
3.	Percentage Change in Total Costs	***0.00%***

E. **IMPACT OF PROPOSED AGREEMENT ON DISTRICT RESERVES**

State-Recommended Minimum Reserve Level (after implementation of Proposed Agreement)

1.	Based On Total Expenditures and Other Uses in the General Fund of:	***$960,719,358.00***
2.	Percentage Reserve Level State Standard for District:	***2.0%***
3.	Amount of State Minimum Reserve Standard:	***$19,214,387.16***

SUFFICIENCY OF DISTRICT UNRESTRICTED RESERVES to meet the minimum recommended level AFTER IMPLEMENTATION OF PROPOSED AGREEMENT:

GENERAL FUND RESERVES (Fund 01 Unrestricted ONLY)

4.	Reserve for Economic Uncertainties (Object 9789)	
5.	Unassigned/Unappropriated (Object 9790)	*($199,249,433.00)*
6.	**Total Reserves: (Object 9789 + 9790)**	*($199,249,433.00)*

SPECIAL RESERVE FUND (Fund 17, as applicable)

7.	Reserve for Economic Uncertainties (Object 9789)	

TOTAL DISTRICT RESERVES, applicable to State Minimum Reserve Standard:

8.	General Fund & Special Reserve Fund:	*($199,249,433.00)*
9.	Percentage of General Fund Expenditures/Uses	*(20.74%)*

Difference between District Reserves and Minimum State Requirement ($218,463,820.16)

FORM FOR PUBLIC DISCLOSURE
OF PROPOSED COLLECTIVE BARGAINING AGREEMENT
(AB1200 (Statutes of 1991, Chapter 1213) as revised by AB 2756
(Statutes of 2004, Chapter 25), Government Code 3547.5 & 3540.2)

Sacramento City Unified School District **SCHOOL DISTRICT**

F. MULTIYEAR CONTRACT AGREEMENT PROVISIONS

Potential Costs: While there are not direct costs related to the agreement,the "Me-Too" Provision extends through June 30, 2030 improvement in wages and/or benefits. Also Section 6 - C. REOPENERS, CONTINGENCY AND/OR RESTORATION LANGUAGE for reopener language through June 30, 2030.

G. FINANCIAL IMPACT OF PROPOSED AGREEMENT IN SUBSEQUENT FISCAL YEARS

The following assumptions were used to determine that resources will be available to fund these obligations in future fiscal years (including any compensation and/or noncompensation provisions specified below that have been agreed upon if the proposed agreement is part of a multi-year contract):

Savings Items: Retiree Health Benefit Payment: The parties agree to recommend to their respective trustees of the Joint SCUSD-SCTA Retiree Health Fund, also known as the Other Post Employment Benefits ("OPEB") or ("SCUSD/SCTA Retiree Health Investment Plan") or (CERBT, that fund resources be used to pay the cost of SCUSD retiree health for the 2025-26 and 2026-27 school years only. Total retiree costs reimbursment = 25-26 $20.6M receive 8/26, 26-27 projected $20.6M receive monthly starting 8/26. Included in Remaining Revenues. Medi-Cal Reimbursement Funds: approximately $7 million in the 2026-27 school year may be used in the SCUSD general fund. Currently reserved in EFB and can be used to fund eligible GF Unrestricted/Encroaching program expenditures currently in 26-27 budget. It is shown above as a contribution to Unrestricted Funds - Other Transfers In. Budget Adjustments - Increasing 26/27 Ending Fund Balance - Includes the SSPD Block Grant that was not included in Adopted Budget of $30,861,969 and reducing Supplies by $5.3M of LREBG funds to reserve in Restricted Ending Fund Balance.

H. NARRATIVE OF AGREEMENT

Term:This agreement creates a 3 year agreement with SCTA through June 30, 2030. Retiree Health Benefit Payment:The agreement allows the District submit for Actual Retiree Benefit Cost for 2025-26 and 2026-27. Medi-Cal Reimbursement Funds: the agreement allows the Disgtric to use $7M of Medi-Cal funds to support the 2026-27 budget defecit. SCTA Employee Contribution: For 2025-26, 2026-27 school years and for the duration on this agreement the parties agree that the money identified in Article 13.18 paragraph A may be deposited into the general fund. "Me-Too" Provision: extends through June 30, 2030 for improvement in wages and/or benefits.

I. SOURCE OF FUNDING FOR PROPOSED AGREEMENT

The following source(s) of funding have been identified to fund the proposed agreement

Agreement provides savings from Retiree Benfit Costs Reimbursements of approximately $41.2M for 2025-26 and 20026-27 and Medi-Cal Funds of $7M for 2026-27.

FORM FOR PUBLIC DISCLOSURE
OF PROPOSED COLLECTIVE BARGAINING AGREEMENT
(AB1200 (Statutes of 1991, Chapter 1213) as revised by AB 2756
(Statutes of 2004, Chapter 25), Government Code 3547.5 & 3540.2)

Sacramento City Unified School District **SCHOOL DISTRICT**

CERTIFICATION

To be signed by the District Superintendent AND Chief Business Official when submitted for Public Disclosure and by the Board President after formal action by the Governing Board on the proposed agreement.

Districts with a Qualified or Negative Certification: Per Govenment Code 3540.2, signatures of the District Superintendent and Chief Business Official must accompany the Summary Disclosure sent to the County Superintendent for review 10 days prior to the board meeting that will ratify the agreement.

The information provided in this document summarizes the financial implications of the proposed agreement and is submitted for public disclosure in accordance with the requirements of AB 1200, AB 2756 and GC 3547.5.

We hereby certify that the costs incurred by the school district under this agreement can be met by the district during the term of the agreement.

District Superintendent - signature	7/30/2026 **Date**
Chief Business Official- signature	7/30/2026 **Date**

completed & assisted by Audrey Kilpatrick, consultant

After public disclosure of the major provisions contained in this Summary, the Governing Board, at its meeting on **7/30/2026** ***took action to approve the proposed Agreement with the*** **Sacramento City Teachers Association** ***Bargaining Unit.***

President, Governing Board *(signature)*	7/30/2026 **Date**

CalPERS

State of California
California Public Employees' Retirement System
California Employers' Retiree Benefit Trust (CERBT/OPEB)
400 Q Street, Sacramento, CA 95811
www.calpers.ca.gov

California Employers' Retiree Benefit Trust
Disbursement Request

To request a disbursement from your California Employers' Retiree Benefit Trust (CERBT) employer account, please complete this form (see page 3 for instructions).

Employer Information	
Employer Name	Sacramento City Unified School District
CERBT Account Number	CALPERS CERBT # 5202751265
Street Address 1	5735 47th Avenue
Street Address 2	
City/State/ZIP	Sacramento CA 95824

Disbursement Request Information

OPEB Provider	OPEB Cost Paid	Payment Period
Sutter Health Plus	180482.70	7/1/24-6/30/25
United Healthcare AARP Group Retiree Services	1025951.95	7/1/24-6/30/25
United Healthcare Ins Co	1068220.95	7/1/24-6/30/25
Western Health Advantage	254096.69	7/1/24-6/30/25
Health Net Group #1802-1804	5339037.60	7/1/24-6/30/25
Kaiser Permanente	9615895.61	7/1/24-6/30/25
Retirees - Premium Refunds - Various	26889.95	7/1/24-6/30/25
Implicit Subsidy - Actuarial Valuation FY June 30, 2026	3080320.00	7/1/24-6/30/25
Total CERBT Disbursement Requested	20590895.45	XXXXXXXXX

Employer understands disbursements from the Prefunding Plan are governed by the terms of the *Agreement and Election to Prefund Other Post-Employment Benefits (Agreement).* Authority to request disbursements has been delegated by the governing board of the agency to the undersigned.

The undersigned is/are authorized to request disbursements, under the terms of the *Agreement* from the CERBT. The undersigned certifies the payment information provided above is accurate, and reimbursement requested is for other post-employment benefit costs paid by the employer. **For amounts of ten thousand dollars ($10,000) or more, signatures of two authorized employer representatives are required.** Reimbursement for expenses related to periods prior to July 1 can only be made if a properly executed disbursement request is received by CalPERS on or before July 31. After July 31, reimbursements can only be made for current fiscal year expenses (incurred on or after July 1) regardless of the employer's fiscal year end date.

Cancy McArn	Superintendent	(916) 643-9010
Authorized Employer Representative Printed Name	Title	Telephone Number
	Cancy-McArn@scusd.edu	07/30/26
Signature	Email address	Date
	SCUSD/SCTA Retiree Health Investment & Trust Plan Trustee	
Authorized Employer Representative Printed Name	Title	Telephone Number
		07/30/26
Signature	Email address	Date

Email signed, completed CERBT Disbursement Request to CERBT4U@calpers.ca.gov to ensure timely processing of your disbursement.

For CERBT Use Only	
Received By CERBT	CERBT Contract Effective Date
Confirmed Authorized Employer Representative	OPEB Retiree Cost Amounts Reviewed
CalPERS Approved By	Approval Date
FINO Approved By	FINO Approval Date
Claim Schedule Number	Claim Schedule Date

California Employers' Retiree Benefit Trust
Disbursement Request-Instructions

Instructions to complete this form:

1. Enter the name of the employer and its business address.

2. Report the name of the payee (service provider or other) to which payments for other post-employment benefits (OPEB) were made by the employer. Record the total OPEB payments made to the OPEB Provider (see example below). Trust disbursements can be made only for OPEB costs in accordance with the terms of the *Agreement and Election to Pre-Fund Other Post-Employment Benefits Through CalPERS* (Agreement). The payment period cannot pre-date the effective date of the Agreement.

Disbursement Request Information		
OPEB Provider	**OPEB Cost Paid**	**Payment Period**
Blue Shield	$151,368	July 2011 – June 2012
Delta Dental	$27,842	Jan 2012 – June 2012
Total CERBT Disbursement Requested	$179,210	XXXXXXXXXXXXXXXX

3. The form must be signed by incumbents of positions authorized to request CERBT disbursements. These positions are named in the *Delegation to Request Disbursements* on file with CalPERS. For amounts of ten thousand ($10,000) or more, two signatures are required.

4. Disbursements will be made payable to the employer and sent to the employer's business address on record with CalPERS, attention of an authorized employer representative who signed this Disbursement Request. Disbursement requests that satisfy the Agreement and are received on or after the 1st of the month will be processed the following month.

5. Disbursements related to the prior fiscal year (July through June) <u>must</u> be presented to CalPERS by July 31 of each year and will be accrued if the disbursement request is received before July 31. After July 31, no reimbursements can be made for periods before July of the current fiscal year.

6. Disbursements for Implicit Subsidy amounts must be supported by an actuarial valuation (or AMM report) or addendum certified by your actuary showing the calculated implied subsidy amount for the period.

Sacramento County Office of Education
EDUCATION EMPOWERS

David W. Gordon
Superintendent

(916) 228-2500

www.scoe.net

July 24, 2026

Cancy McArn, Superintendent
Sacramento City Unified School District
5735 47th Avenue
Sacramento, CA 95824

SUBJECT: **Sacramento City Teachers Association Memorandum of Understanding**

Dear Superintendent McArn:

As provided by the State Criteria and Standards (CCR section 15451(b)(C)) and Education Code Section 42142, when labor contract negotiations are settled after the adoption of the district's budget, the district must provide the County Superintendent with a fiscal analysis of the agreement and its effect on the budget. Furthermore, a school district that has a qualified or negative certification pursuant to Education Code Section 42131 must allow the County Superintendent at least 10 working days to review and comment on any proposed agreement made between the school district and a labor union representing its employees. In addition, before the district board of education takes any action on a proposed collective bargaining agreement, the district must meet the public disclosure requirements of Government Code Section 3547.5.

The Sacramento City Unified School District has submitted its public disclosure and fiscal analysis of a proposed memorandum of understanding (MOU) between the district and the Sacramento City Teachers Association (SCTA) for us to review and comment. The agreement is scheduled to be considered by the Sacramento City Unified School District Board of Education on July 30, 2026.

In our July 16, 2026, letter to the district we strongly advised the district not to enter into any agreements with labor unions that would foreclose its ability to negotiate and implement solutions as needed in the future to restore solvency. Instead, we encouraged the district to pursue both short and long-term solutions, including labor concessions, that will minimize the size of the emergency apportionment it will need to request and thus enable the district to restore local control as soon as possible.

The stated intent of the proposed MOU is to "aid the fiscal recovery of the Sacramento City Unified School District." However, the MOU would not generate sufficient cash to allow it to avoid insolvency and the need for an emergency apportionment. Instead, it would have the negative effect of foreclosing the district's ability to negotiate additional solutions needed to restore solvency and, as a result, is inconsistent with the district's ability to meet its obligations and endangers its fiscal well-being.

The MOU proposes to use approximately $45 million from the district's Retiree Health Fund to offset the costs of retiree health benefits in 2025-26 and 2026-27. The MOU also allows the district to redirect approximately $3 million in employee contributions for retiree health benefits to the district's General Fund in those years and for the term of the agreement. It appears that the intent is to also use another $23 million from the Retiree Health Fund in 2027-28, however, this is not stated in the agreement.

We note that the district would need to restore the money withdrawn from the Retiree Health Fund in the future. In addition, while withdrawing from the Retiree Health Fund would generate short-term cash for the district, it would also result in future costs. The district would lose the interest earnings this money would generate if it is left in the Fund. So, the more the district takes out of the Fund and the longer it takes the district to restore it, the more it will cost the district. The district has not indicated how or when the Fund will be restored.

The MOU references a prior agreement to use $21.5 million in Medi-Cal reimbursements to offset General Fund costs. The MOU also references approximately $5 million in savings from not filling vacancies. However, $14.5 million of the $21.5 million in Medi-Cal reimbursements and all the vacancy savings were already realized in 2025-26.

In addition, the MOU would allow the district to explore health benefit purchasing options to reduce district costs for employee health benefits. But only if it would not result in any reduction in current health benefits for SCTA. It is uncertain if the district could achieve significant savings from this proposal and it is unclear when those savings would begin. This proposal would also require the agreement and participation of the district's other labor unions and the status of those conversations is not indicated.

The only immediate, certain cash savings in this MOU is the $45 million withdrawal from the Retiree Health Fund, $3 million in employee contributions and $7 million in Medi-Cal reimbursements. The Fiscal Crisis and Management Assistance Team (FCMAT) projects the district will reach its maximum borrowing capacity by the end of February 2027. The cash solutions in the MOU would extend this a maximum of two months, to April 2027. Furthermore, FCMAT projects that the district's cash deficit will be $135 million by June

2027. The cash solutions in the MOU would only reduce the cash deficit by $55 million. So, the district would need to generate an additional $80 million in cash solutions in the next few months to avoid insolvency. None of the proposals the district has shared with us to date, even when combined, are likely to generate enough cash soon enough to avoid insolvency.

The MOU would extend the current SCTA CBA through 2029-30 and would only allow the district to reopen the agreement to negotiate salary increases. Thus, no proposals for labor concessions to aid in restoring solvency would even be allowed to occur for the next three years. The MOU also includes a "Me-Too" provision that automatically applies any "improvement" to salaries and/or benefits included in a collective bargaining agreement with another labor union during the term of this MOU to SCTA as well. As a result, the district would still need to request an emergency apportionment, but would be unable to negotiate and implement solutions, including labor concessions, needed to minimize the size of the emergency apportionment and enable the district to restore local control as soon as possible. Furthermore, the district will likely incur additional costs in the future for increases in employee compensation in addition to the costs to restore the Retiree Health Fund.

We request that you provide this notification to each recognized employee organization and each recognized parent organization of the school district as required pursuant to Government Code Section 3240.2.

We would like to thank your staff for their cooperation during our review process. If you have any questions or concerns, please call Nicolas Schweizer at (916) 228-2561.

Sincerely,

David W. Gordon

David W. Gordon
Sacramento County Superintendent of Schools

DWG/NS/tc

cc: Tara Jeane, Board President, SCUSD
Tony Thurmond, State Superintendent of Public Instruction, CDE
Abel Guillen, Deputy Superintendent of Public Instruction, CDE
Linda Darling-Hammond, President, SBE
Brooks Allen, Executive Director, SBE

Michael Fine, Chief Executive Officer, FCMAT
Luz Cázares, Fiscal Advisor, SCOE
Ron Carruth, Fiscal Advisor, SCOE
Mariana Corona Sabeniano, President, Sacramento County Board of Education
Dr. Nancy Herota, Deputy Superintendent, SCOE
Nicolas Schweizer, Associate Superintendent, SCOE
Tara Clark, Director, District Fiscal Services, SCOE
Gerardo Castillo, Incoming Chief Business Officer, SCUSD

Orrick, Herrington & Sutcliffe LLP
The Orrick Building
405 Howard Street
San Francisco, CA 94105-2669
+1 415 773 5700
orrick.com

July 28, 2026

Cancy McArn, Interim Superintendent and
Dan Schallock, Assistant Superintendent of Human Resources
Sacramento City Unified School District

Re: Authority to Use OPEB Trust Funds for Retiree Health Benefit Payments
(FY 2025-2026, 2026-2027, and 2027-2028)

Dear Cancy and Dan:

Based on the terms of the District's Retiree Health Investment and Trust Plan Agreement and related documentation you shared, as well as relevant legal authorities, including statutes, caselaw, and attorney general opinions, Plan Assets may be disbursed from the California Employers' Retiree Benefit Trust to pay current, documented SCTA retiree health costs; for CalPERS-compliant reimbursement of SCTA retiree health costs the District already paid during the fiscal year that just ended, June 30, 2026 (FY 2025–26); and for SCTA retiree health costs the District expects to pay during FY 2026–27 and FY 2027–28.

Using Plan Assets to pay current retiree health costs is not simply permissible; it is consistent with, and indeed supports, sound fiscal management and the very purpose for which the Trust was created. The Trust was specifically designed to smooth the cost of retiree health obligations over time, so that the District is not forced to fund those costs entirely out of its General Fund in any single year. Viewed this way, drawing on the Trust to cover FY 2025–26, FY 2026–27, and FY 2027–28 costs reflects the intended operation of the prefunding mechanism rather than a diversion of Trust assets to an unrelated purpose, and it supports — rather than undermines — the District's ability to demonstrate, as Education Code section 42127.6 (AB 1200) requires, that it can meet its financial obligations for the current year and the two years that follow.

That said, the District should endeavor to show that each withdrawal is one part of a coherent, longer-term funding plan, rather than a one-time draw made simply to relieve budget pressure. This does not mean the District must resume or continue making new contributions to the Trust in each of the next several years. The District may be unable to make contributions for the next two or three fiscal years. The District should seek to demonstrate that contributions are expected to resume in due course and that the Trust will remain able to pay benefits to both current and future retirees over the longer term, even with a temporary gap in new funding.

No legal authority supports withdrawals to reimburse retiree health benefit payments the District made in fiscal years before 2025–26. CERBT's own rules allow a narrow, time-limited exception for the fiscal year that has just closed — a request to reimburse FY 2025–26 costs must reach CalPERS by July 31, after which only current fiscal year costs may be reimbursed. In this context, "prior year costs" refer to this recently closed fiscal year, not fiscal years further in the past.

To best protect the District, for any withdrawal — whether for the fiscal year just ended, the current year, or a future year — the District should ensure the Trust Board has authorized the withdrawal pursuant to the Trust Plan Agreement, that the District has followed CalPERS's disbursement procedures, and that it has modeled the effect the withdrawal will have on the Trust's assets and its ability to pay future benefits. This financial modeling serves two purposes: it gives the Trust Board a record showing it exercised the diligence its fiduciary duty to retirees requires, and it is the clearest way for the District to demonstrate that its withdrawals are part of a long-term funding plan rather than a drawdown of a finite, and currently only partially funded, asset. The more the District relies on Trust withdrawals rather than new contributions, the more important this modeling becomes.

Further, beyond how a court would view any particular reimbursement, there are additional open questions that could affect the analysis — most notably, whether retirees hold a vested contractual right to their retiree health benefits, an issue on which California courts have reached different conclusions depending on the facts. As such, and subject to the Trust Board's fiduciary duties and updated financial modeling: (i) reimbursement from the Trust is likely permissible for retiree health benefit costs paid in FY 2025–26; and (ii) the District can likely use Trust assets to pay SCTA retiree health care costs in FY 2026–27 and FY 2027–28. Neither of these actions is entirely without risk, but that risk decreases the more clearly the District can show that these withdrawals are one piece of a coherent, ongoing plan to keep the Trust funded for retirees now and in the future.

Sincerely yours,

Orrick, Herrington & Sutcliffe