



Multi-Year Projections 2026-27 to 2028-29

Board Meeting
September 10, 2026
Agenda Item No. 6.4

Presented by:
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SCUSD Core Value & Guiding Principle

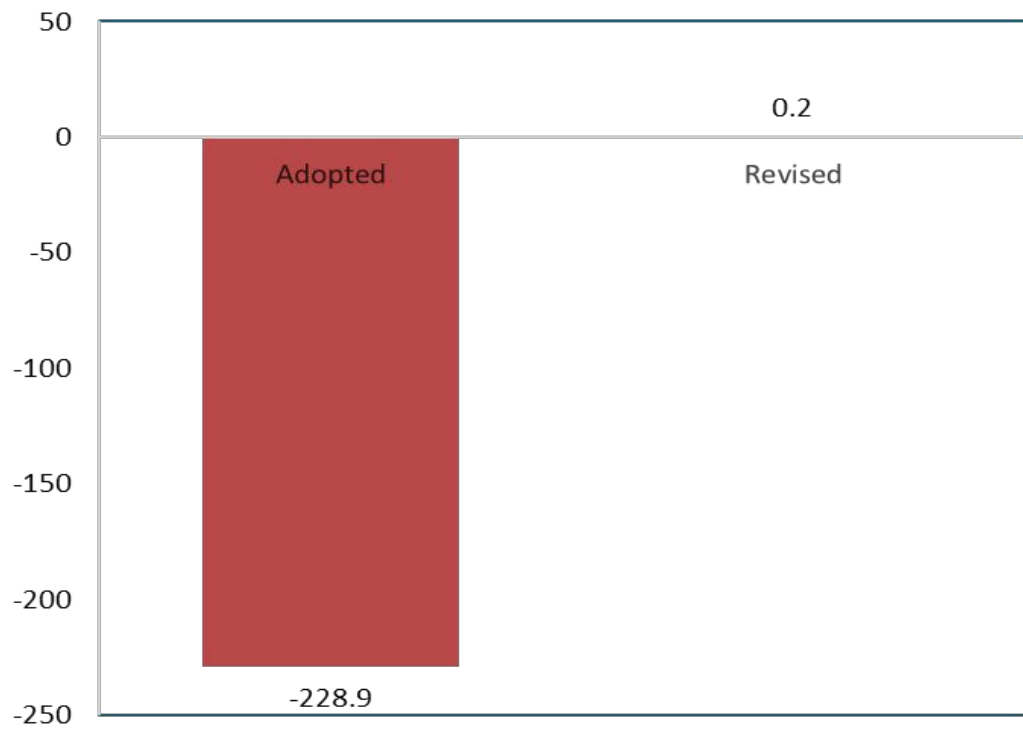
CORE VALUES

We recognize that our system is inequitable by design and we vigilantly work to confront and interrupt inequities that exist to level the playing field and provide opportunities for everyone to learn, grow and reach their greatness.

GUIDING PRINCIPLE

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

Fiscal progress and remaining work



2026-27 ending fund balance

Amounts shown in millions.

The revised plan closes nearly all of the projected gap

\$229.0M

Improvement in the 2026-27 ending fund balance compared with the adopted budget

\$(0.4)M

Revised 2026-27 operating deficit after other financing sources

\$1.8M

Projected negative ending fund balance in 2028-29

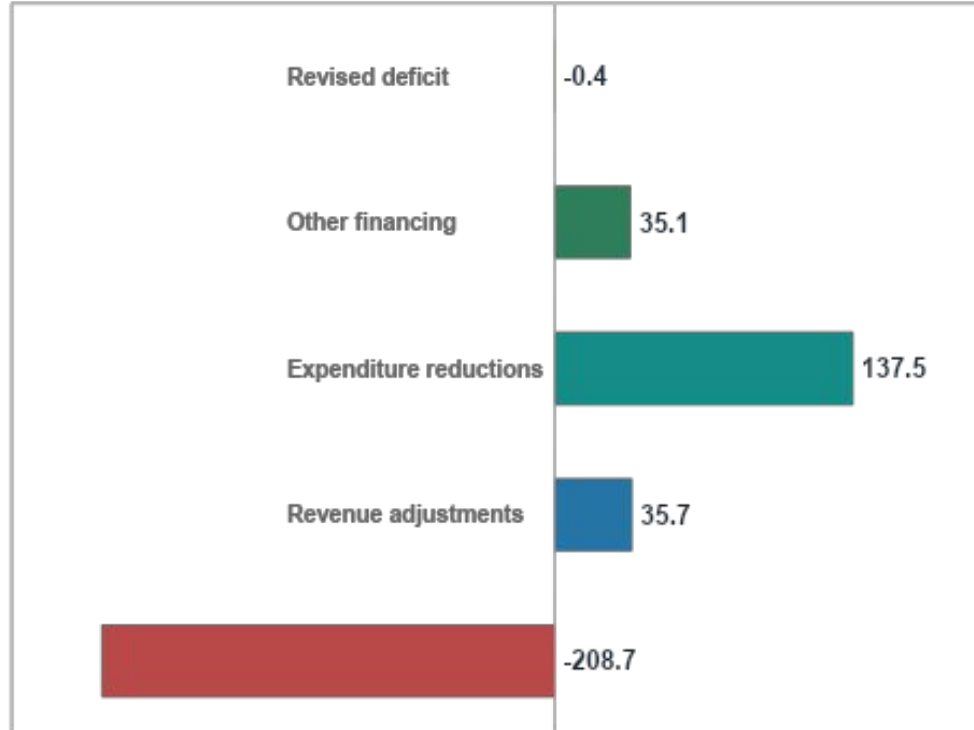
What improved

- Revenue and financing adjustments total \$70.8 million in 2026-27.
- Expenditure adjustments reduce the 2026-27 budget by \$137.5 million.
- The revised projection remains close to balanced through 2027-28.

What remains

- The district does not meet the minimum reserve in any projected year.
- The plan depends on full implementation of approved and planned reductions.
- Several major revenue assumptions need continued validation and monitoring.

2026-27 adjustments improve the projected result by \$208.3M



Net budget revision

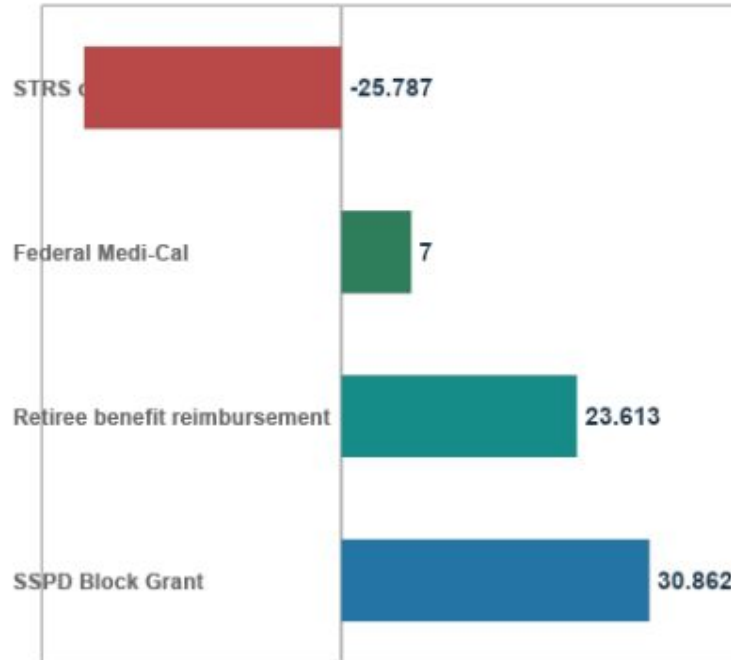
\$208.3M

The combined changes move the annual result from a \$208.7 million deficit to a \$0.4 million deficit.

Amounts shown in millions.
Components may not sum exactly due to rounding.

REVENUE ADJUSTMENTS

Revenue gains improve the outlook, but some assumptions require follow-through

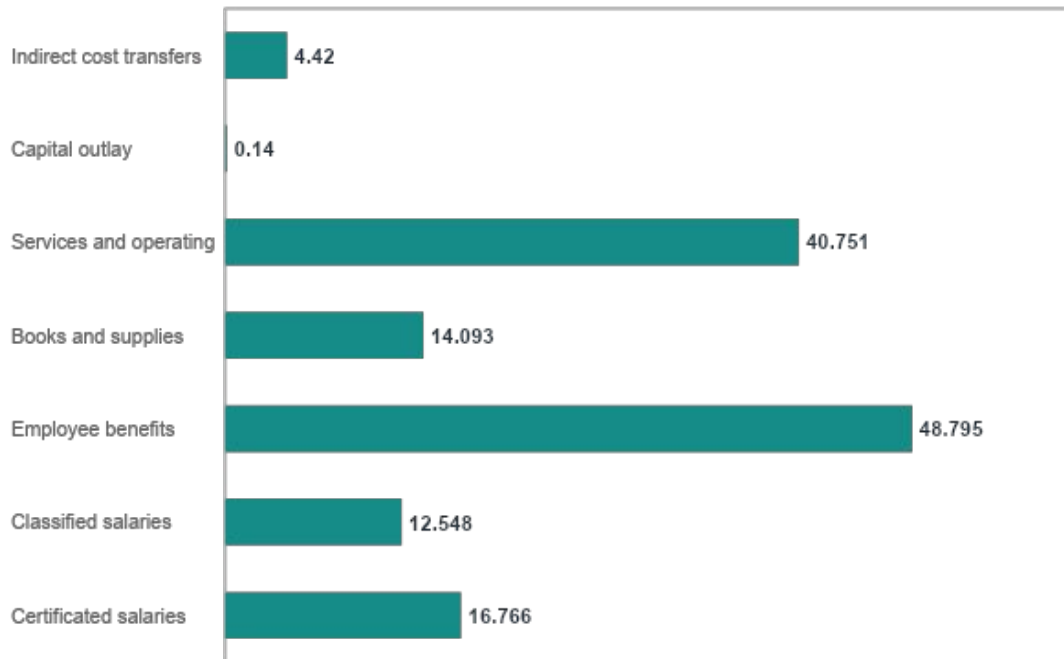


Key planning dependencies

- The projection treats the \$30.9 million SSPD Block Grant as ongoing.
- The plan assumes \$22.7 million of Prop 98 settle-up revenue in both 2027-28 and 2028-29.
- Retiree reimbursements continue at \$23.6 million through 2028-29, with a new MOU assumed for the final year.
- The \$31.7 million redevelopment transfer is one-time. Only \$3.4 million continues in later years.

EXPENDITURE IMPROVEMENTS

The expenditure plan carries major deductions into all three years



2026-27 reduction

\$137.5M

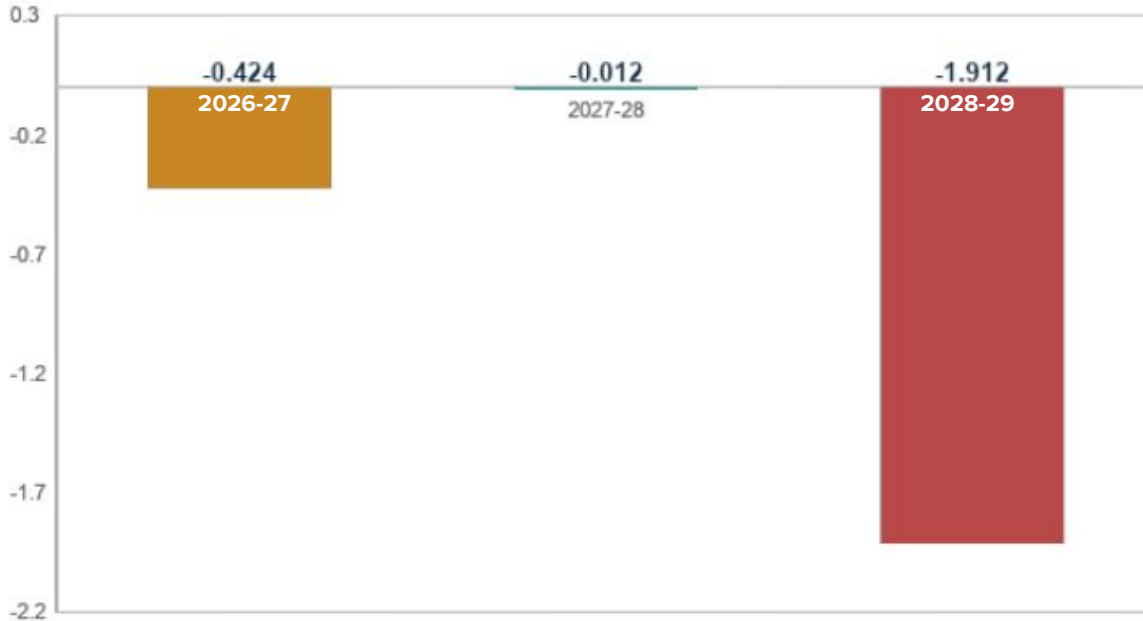
The largest adjustments affect employee benefits and contracted or operating services.

Execution focus

Confirm position control, vacancy reductions, service contract changes, and benefit savings in actual spending each month.

THREE-YEAR OPERATION OUTLOOK

The revised projection is near balance in 2026-27 and 2027-28



Revenue

\$790.2M

Expenditures

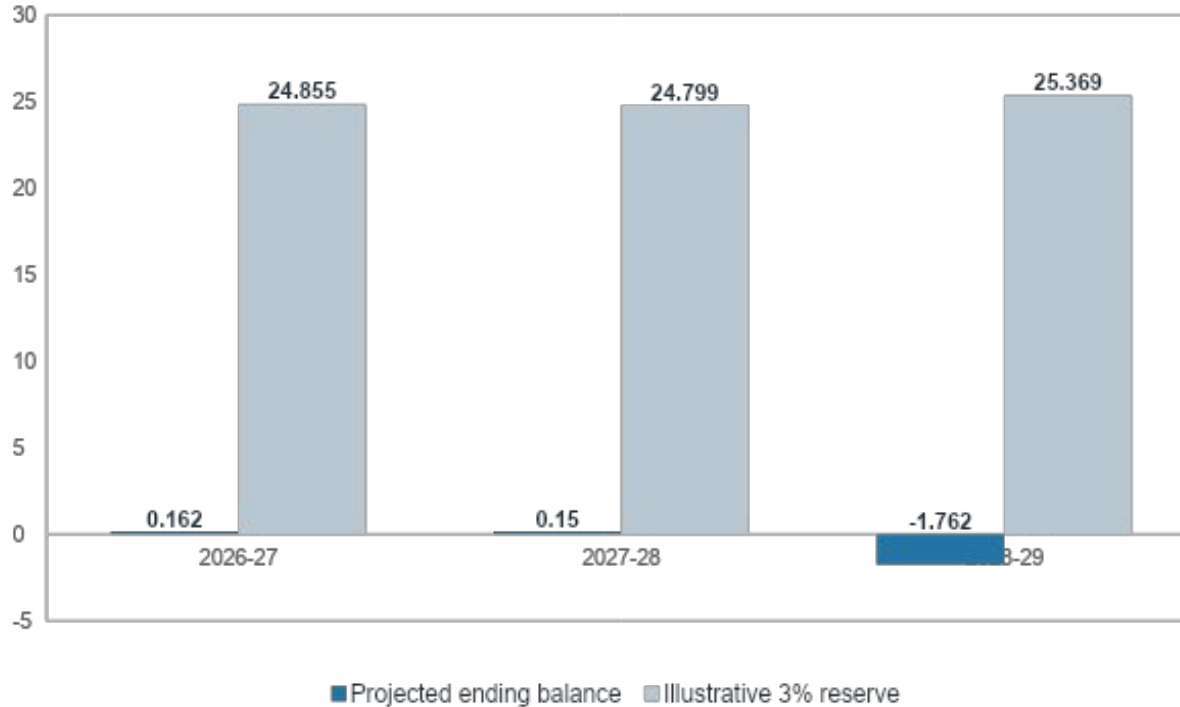
\$828.2M

Other financing

\$37.5M

2026-27 figures. The small remaining deficit grows to \$1.9 million in 2028-29.

The minimum reserve remains the central fiscal gap



Reserve shortfall

About \$25M

Four items could materially change the projected result

Revenue assumptions

SSPD, Prop 98 settle-up, Medi-Cal reimbursements, and retiree reimbursements must occur at the levels and timing shown.

Reduction implementation

Approved and planned reductions must translate into vacancies, staffing changes, contract savings, and lower actual expenditures.

One-time support

The \$31.7 million redevelopment transfer helps 2026-27 but does not provide an ongoing solution.

Reserve restoration

Near balance alone does not rebuild the minimum reserve or provide protection from enrollment, attendance, special education, or labor cost pressure.

Management attention should stay on forecast-to-actual variances and the recurring value of each solution.

The next phase centers on execution and reserve restoration

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|----|---------------------------------------|--|
| 01 | Monthly implementation report | Track every fiscal stabilization action by owner, budget amount, actual savings, timing, and risk status. |
| 02 | Position and contract controls | Tie hiring, vacancy, overtime, extra duty, and contract approvals to the adopted reduction plan. |
| 03 | Revenue validation | Document award letters, reimbursement claims, MOU terms, and cash receipt timing for material assumptions. |
| 04 | Reserve restoration plan | Identify recurring solutions sufficient to eliminate the 2028-29 deficit and rebuild the state-required reserve. |
| 05 | Scenario updates | Refresh enrollment, ADA, COLA, special education, benefits, and labor assumptions at each reporting period. |

Board takeaway

The district has substantially improved the MYP. Full implementation and an additional reserve solution remain necessary.



Thank You

