



SACRAMENTO CITY UNIFIED SCHOOL DISTRICT BOARD OF EDUCATION

Agenda Item# 11.4

Meeting Date: September 17, 2026

Subject: Fiscal Accountability Plan Update

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

Division: Office of the Superintendent

Recommendation: The Superintendent recommends the Board receive an update on the Fiscal Accountability Plan and approve any changes that enhance the district's fiscal outlook.

Background/Rationale: On July 30, 2026, the Board of Education passed a \$158.6 million fiscal accountability plan that would keep the district from going insolvent by the end of the fiscal year.

This plan is a mix of one-time opportunities, and other, ongoing reductions to address the structural budget deficiencies, and aligning our district programs in the future that meet our educational needs with our fiscal responsibilities.

Each month, at the second board meeting, staff will provide an update on the plan, adjustments that are made due to success/failure of action items, and an updated cash status.

Financial Considerations: The plan is to close an estimated \$158 million (unrestricted and restricted) gap between budgeted expenditures reductions and revenue increase. These changes must be on-going to avoid insolvency in the future; however, one-time actions support a short-term cash flow need. It is estimated the district will go insolvent in February 2027 with no changes to the current district budget that was adopted in June 2026 for the fiscal year 2026-2027.

As the plan becomes more defined and savings are realized, it will extend the district's opportunity to finish the fiscal year with enough cash to pay expenses.

Right now, the current need of \$82.2 million in ongoing Unrestricted General Fund budget reductions as soon as possible will provide the fastest path to relief and allow for a new multi-year projection report to reflect the work of the action plan. On-going savings are needed in all General Fund categories, both unrestricted and restricted.

LCAP Goal(s): Operational Excellence

Documents Attached:

1. Fiscal Plan Action Plan Summary (Forthcoming)

Estimated Time of Presentation: 10 Minutes

Submitted by: Chris Ralston, Assistant Superintendent

Approved by Cancy McArn, Superintendent