



SACRAMENTO CITY UNIFIED SCHOOL DISTRICT BOARD OF EDUCATION

Agenda Item# 11.2

Meeting Date: September 17, 2026

Subject: Approve Resolution No. 3605 Re: Geographic Usage Restrictions for RDA Pass-Throughs to District per AB 1290

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

Division: Business Services

Recommendation: It is recommended that the Board approve Resolution No. 3605 Re: Geographic Usage Restrictions for RDA Pass-Throughs to District per AB 1290

Background/Rationale: This is the first of two resolutions needed to utilize restricted “Facilities Pass-Throughs” from former redevelopment agencies (RDAs) to reimburse the unrestricted General Fund for expenditures for the Restricted Maintenance Account (RMA).

Former RDAs were dissolved on February 1, 2012 pursuant to the provisions of ABX1 26 (RDA Dissolution Law). However, per the District’s redevelopment consultant, Public Economics, Inc. (PEI), District is entitled to continue to receive Facilities Pass-Throughs from the County Auditor-Controller (A-C) for 15 redevelopment project areas (Project Areas) in increasing annual amounts for FY 2026-27 and a projected 10 to 14 future years thereafter through FYs 2035-36 to 2039-40.

These include, in addition to contractual (Agreement) Pass-Throughs for two Project Areas, statutory Pass-Throughs per AB 1290 (AB 1290 Pass-Throughs) from 13 Project Areas of the former RDAs of the County of Sacramento and City of Sacramento, 56.7% (Facilities Share) of which are functionally restricted to educational facilities (Object 8625), including facilities funded, directly or indirectly, from the Restricted Maintenance Account. (43.3% of AB 1290 Pass-Throughs (Object 8047) are unrestricted but reported to the State for offset against State Aid.)

The Facilities Share of AB 1290 Pass-Throughs (Object 8625) is also geographically restricted based on Health and Safety Code (HSC) Section 33607.5(a)(5), which requires certain determinations by the District's Board of Trustees in order to be used for educational facilities located outside the 13 Project Areas of the former Sacramento County and City RDAs.

PEI has advised that geographic usage restrictions in HSC Section 33607.5(a)(5) may be satisfied by a determination by the Board that the Facilities Share of AB 1290 Pass-Throughs for a given Project Area of a former RDA are "of benefit to the Project" even if used for educational facilities outside the given Project Area. Because District has had a comprehensive facilities master plan (currently being updated), such a determination may be made on a one-time basis so that the future Facilities Share from each of the 13 Project Areas may be used for educational facilities located anywhere within District, as set forth in Resolution 3605, which also ratifies use of the Facilities Share of past AB 1290 Pass-Throughs to be in compliance with HSC Section 33607.5(a)(5). Based on this Resolution 3605, in combination with a forthcoming RMA Funding Resolution, District will also be able to use the Facilities Share of AB 1290 Pass-Throughs to reimburse the unrestricted General Fund for RMA expenditures anywhere within District.

Financial Considerations: Of total Object 8625 Pass-Throughs of \$4.262 M District received in FY 2025-26, \$0.509 M (preliminary estimate) was received pursuant to two Agreement Pass-Throughs (100% Object 8625), leaving \$3.753 M (preliminary estimate) as the 56.7% Facilities Share of AB 1290 Pass-Throughs subject to this Resolution 3605. (Final determination of Agreement Pass-Throughs and the Facilities Share of AB 1290 Pass-Throughs for FY 2025-26 and prior years back to FY 2018-19, and rigorous projections of increasing future Facilities Pass-Throughs from both Agreements and from AB 1290 Pass-Throughs, are part of Phase 2 of PEI's Scope of Work). LCAP Goal(s):

LCAP Goals: Goal 1 – Graduation Outcomes; Goal 2 – Academic Outcomes; Goal 3 – Welcoming and Safety Outcomes

Documents Attached:

1. Resolution No. 6205 Re: Geographic Usage Restrictions for RDA Pass-Throughs to District per AB 1290
2. Pass-Through Entitlement Exhibit A

Estimated Time of Presentation: 5 Minutes Submitted by: Gerardo Castillo, CPA, Chief Business Officer Approved by: Cancy McArn, Superintendent
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**SACRAMENTO CITY UNIFIED SCHOOL DISTRICT
BOARD OF EDUCATION**

RESOLUTION No. 3605

Regarding Geographic Usage Restrictions

Applicable to RDA Pass-Throughs to District per AB 1290

WHEREAS, former redevelopment agencies (“RDAs”) were dissolved on February 1, 2012 pursuant to the provisions of ABX1 26 and subsequent clean-up legislation (“RDA Dissolution Law” or “RDL”) and replaced by corresponding successor agencies (“SAs”) charged with the wind-down of former RDA activities; and

WHEREAS, notwithstanding the dissolution of RDAs, the RDL requires that pass-through payments (“Pass-Throughs”) previously owed from redevelopment project areas (“Project Areas”) of the former RDAs continue to be paid to affected taxing entities (“ATEs”) by the County Auditor-Controller (“A-C”) from the Redevelopment Property Tax Trust Funds (“RPTTFs”) of the corresponding SAs, until the SAs themselves terminate pursuant to the RDL; and

WHEREAS, prior to the RDL, as shown in Exhibit A, the former RDAs of the County of Sacramento, the City of Sacramento, and the City of Rancho Cordova adopted and/or amended redevelopment plans for 16 Project Areas in a manner that required annual (i) contractual (“Agreement”) Pass-Throughs to District pursuant to former Health and Safety Code (“HSC”) 33401 for two Project Areas; and (ii) statutory Pass-Throughs to District and other ATEs per AB 1290 (“AB 1290 Pass-Throughs”) pursuant to HSC Sections 33607.5 and/or 33607.7 for 14 Project Areas, including one Project Area of the former County RDA, one Project Area of the former County and Sacramento City RDAs acting jointly, 11 Project Areas of the former Sacramento City RDA, and one Project Area of the former Rancho Cordova RDA; and

WHEREAS, as also shown in Exhibit A, subsequent to the RDL, the SA to the former Rancho Cordova RDA was itself dissolved, ending the corresponding RPTTF and AB 1290 Pass-Throughs and leaving 13 Project Areas that continue to generate AB 1290 Pass-Throughs to District; and

WHEREAS, as also shown in Exhibit A, pursuant to the RDL, AB 1290 Pass-Throughs from the 13 Project Areas are projected to continue from FY 2026-27 for (i) 12 to 14 future years for the one Project Area of the former County RDA; (ii) 10 to 11 future years for the 11 Project Areas of the former Sacramento City RDA; and (iii) 10 to 14 future years (TBD) for the one joint County/City Project Area; and

WHEREAS, pursuant to HSC Section 33607.5(a)(4)(A), 43.3 percent (“Taxes Share”) of AB 1290 Pass-Throughs to District “shall be considered to be property taxes” and 56.7 percent (“Facilities Share”) of AB 1290 Pass-Throughs to District (compared to 100% for Agreement Pass-Throughs) “shall be available to be used for educational facilities, including, land acquisition, facility construction, reconstruction, remodeling, *maintenance*, or deferred maintenance” (*emphasis added*); and

WHEREAS, pursuant to the California School Accounting Manual (“CSAM”), the Facilities Shares of all Pass-Throughs to K-12 Districts shall be posted to District’s General Ledger using Object 8625; and

WHEREAS, pursuant to Education Code (“EC”) Sections 42238(h)(6), 42238.02(j)(6), and 42238.03(c)(6), District is not required to report as property taxes any amount of Pass-Throughs “received pursuant to Section 33401 or 33676 that is used for land acquisition, facility construction, reconstruction, remodeling, *maintenance*, or deferred maintenance, and that is not [the Facilities Share] received pursuant to . . . *paragraph (4) of subdivision (a) of Section 33607.5, or Section 33607.7. . .*” (*emphasis added*); and

WHEREAS, District is advised that Object 8625 Pass-Throughs are *functionally* restricted (except as may be otherwise be restricted in Pass-Through Agreements) to capital outlay and other facilities costs, including specifically: site acquisition costs; hard costs of new construction, reconstruction, modernization, or deferred maintenance; soft costs (including facilities planning, design and engineering, consultant, legal, and related advocacy costs); costs of fixtures, furnishings, and equipment; related lease, lease purchase, or debt service payments; and/or costs *funded, directly or indirectly, from the restricted maintenance account (“RMA”)*; and

WHEREAS, District is further advised that Object 8625 Pass-Throughs are also *geographically* restricted (except as may be otherwise be restricted in Pass-Through Agreements) pursuant to HSC Section 33607.5(a)(5), which states that “local education agencies shall spend [the Facilities Share of AB 1290 Pass-Throughs] at schools that are: (A) within the Project area, (B) attended by students from the Project area, (C) attended by students generated by projects that are assisted directly by the redevelopment agency, *or (D) determined by the governing board of a local education agency to be of benefit to the Project area*” (*emphasis added*); and

WHEREAS, the geographic restrictions in HSC Section 33607.5(a)(5) (i) apply to the Facilities Share of AB 1290 Pass-Throughs to District from *each* of the 13 Project Areas; and (ii) constitute *alternative requirements*, including (D) in the previous recital, i.e., determination by the governing board that *AB 1290 Pass-Throughs from a given Project Area used for school facilities are of benefit to the Project Area*, even in the absence of compliance with (A), (B), or (C) in the previous recital; and

WHEREAS, District’s existing educational facilities (“Existing District Sites”) serve students and/or residents who live, work, or live and work, throughout District, not just in the 13 Project Areas; and

WHEREAS, in the future District may, lease, acquire, construct, and/or reopen additional educational facilities (“Future District Sites”), which will serve students and/or residents who live, work, or live and work throughout District, not just in the 13 Project Areas; and

WHEREAS, Existing District Sites, plus any Future District Sites, are part of an integrated District master plan for educational facilities (currently being updated), and attendance and/or improvements at Existing District Sites or Future District Sites will impact, directly or indirectly, all students and residents who live, work, or live and work throughout District, not just in the 13 Project Areas; and

WHEREAS, District is advised that geographic restrictions in HSC Section 33607.5(a)(5) apply to educational facilities that are school facilities attended by students, and may also apply to educational facilities that are not attended by students; and

WHEREAS, per the current California Public School Directory, District operates 82 schools attended by students (13 of which are charter schools—15 per District web site) all of which have City of Sacramento ZIP codes: 45 grade K-6 elementary schools; 11 grade TK-8 or K-8 schools; eight grade 7-8 middle schools; 12 comprehensive grade 9-12 high schools (including one continuation high school); three

alternative schools; and two adult schools (one per District website); as well as District Office and other support facilities not attended by students; and

WHEREAS, District wishes to comply with the geographic usage restrictions in HSC Section 33607.5(a)(5) with respect to AB 1290 Pass-Throughs paid to District for the Project Area (i) for all past years and future years, and (ii) for all the educational facilities of District, not just those attended by students.

NOW, THEREFORE BE IT RESOLVED as follows:

Section 1. Recitals. The foregoing recitals are true and correct, and the Board so finds and determines.

Section 2. Pass-Throughs of Benefit to Each Project Area. It is hereby determined that that the Facilities Share of AB 1290 Pass-Throughs District is entitled to receive from each of the 13 Project Areas, which is used to pay the cost of educational facilities as set forth above, is of benefit to each of the 13 Project Areas regardless of the location of the educational facilities, consistent with the requirements of HSC Section 33607.5(a)(5).

Section 3. Permitted Use of Pass-Throughs. It is hereby further determined that that the Facilities Share of AB 1290 Pass-Throughs District is entitled to receive from each of the 13 Project Areas, may to be used to pay the cost of educational facilities, including costs funded from the RMA, at Existing District Sites or Future District Sites located anywhere within District, whether or not attended by students, consistent with the requirements of EC Sections 42238(h)(6), 42238.02(j)(6), and 42238.03(c)(6).

Section 4. Applicability. It is hereby further determined that the preceding determinations are intended to ratify all prior decisions by District regarding use of the Facilities Share of AB 1290 Pass-Throughs as being in compliance with this AB 1290 Compliance Resolution, as well as govern all current and future decisions regarding use of the Facilities Share of AB 1290 Pass-Throughs.

Section 5. Effective Date. It is hereby further determined that this AB 1290 Compliance Resolution shall take effect immediately.

PASSED AND ADOPTED this 17th day of September, 2026.

AYES:

NOES:

ABSENT:

ABSTENTIONS:

Attest:

Tara Jeane
President, Board of Education

Cancy McArn
Secretary to the Board of Education

EXHIBIT A
SCOPE OF WORK
Sacramento City Unified School District
Consulting Services Regarding
Former Redevelopment Agencies
FY 2026-27

BACKGROUND

Redevelopment Agencies (“RDAs”) established by Cities and Counties were (i) dissolved by the Legislature on February 1, 2012 pursuant to ABX1 26, AB 1484, SB 107 *et al* (“RDA Dissolution Law” or “RDL” set forth in the Health and Safety Code (“HSC”)), which transferred all former RDA assets and obligations to Successor Agencies (“SAs”) (typically, the City), which are only authorized to “wind-down” the affairs of the former RDAs. However, the obligation to make so-called “Pass-Throughs” to affected taxing entities (“ATEs”), including the District, were transferred to the County Auditor-Controller (“A-C”).

Under the RDL, Pass-Throughs have continued to be paid in January and June, and will continue to be paid, for many years until, among other things, all the obligations (e.g., bonds) of the former RDAs have been paid off. Since Pass-Throughs are based on increases in assessed value (“AV”) and tax increment (“TI”) within redevelopment project areas (“Project Areas”), Pass-Throughs increase over time. For K-12 districts, Pass-Throughs are largely if not wholly restricted to facilities (Object 8625)—unlike new “Other RDA Revenues” (Object 8047—Residual Distributions also paid in January and June, and one-time Asset Liquidation Revenues) the District receives per the RDL, which are unrestricted and reported as property taxes for benefit of the State.

SUMMARY OF CURRENT SITUATION

Based on work done for the County Office of Education shortly after RDA Dissolution, as of FY 2025-26 District should have 16 continuing Pass-Through entitlements with three SAs:

- Two ***contractual (Agreement) Pass-Throughs*** per former HSC 33401—one each with Sacramento County SA and Sacramento City SA
- 14 ***statutory (AB 1290 Pass-Throughs)***—12 with Sacramento City SA, two jointly with Sacramento City SA and County SA, and one with Rancho Mirage SA

These 16 Pass-Throughs are largely if not totally restricted to educational facilities (100% for Agreement Pass-Throughs, 56.7% for AB 1290 Pass-Throughs), including (since FY 2015-16) “maintenance,” per:

- Education Code (“EC”) 42238(h)(6), 42238.02(j)(6), and 42238.03(c)(6)
- HSC 33607.5(a)(4)—AB 1290 Pass-Throughs only

including as “other financing uses” to help fund the 3% Restricted Maintenance Account (“RMA”), including both normal (routine) capital (major) maintenance. However, Consultant has determined that both Agreement Pass-Throughs are *further restricted* to “Capital Projects,” meaning they may ***not*** be used to fund RMA for normal maintenance but ***may*** be used to fund RMA for capital maintenance.

While these 16 “Facilities Pass-Throughs” may be used to fund “land acquisition, facility construction, reconstruction, remodeling, maintenance, or deferred maintenance,” at this time, Consultant is advised that ***District has acute need to use most if not all its Facilities Pass-Throughs as “other financing uses” to help fund 3% RMA expenditures.*** Unrestricted General Fund revenues freed up by reliance on restricted Facilities Pass-Throughs may be used on a ***one-time or limited basis to accommodate declining enrollment, assist with AB 218 insurance premiums or payment claims in excess of existing coverage, and or provide District with additional time to make necessary structural changes in its general fund budget in order to reduce or avoid general fund deficits.***

Consultant is advised that Facilities Pass-Throughs are posted to Fund 25 of District's general ledger, which postings should use Object 8625. Consultant has determined on preliminary basis that Facilities Pass-Throughs should continue in increasing annual amounts from FY 2026-27 for another:

- 12 to 14 future years for the three Sacramento County and Sacramento County/City joint Pass-Throughs
- 10 to 11 future years for the 12 Sacramento City Pass-Throughs
- TBD future years for the Rancho Cordova Pass-Throughs

SCOPE OF WORK

The Scope of Work includes the following:

PRIORITY TASKS:

1. Assess Needs and Objectives

Analyze and evaluate District needs and objectives regarding use of Pass-Throughs paid to District, based in part on evaluation and availability of previous (i) work product prepared for Client and/or District, and (ii) communications with Client and/or District.

2. Provide Background Information

Prepare and provide information and materials to District staff, other District consultants, and Board of Education.

3. Obtain, Process, and Evaluate Updated RDA-Related Data

- Compile Object 8625 Pass-Throughs reported by County A-C as paid to District in FY 2025-26 and three past FYs 2021-22 through 2023-24
- Compile and evaluate unpublished data from County A-C for each Project Area, including (but not limited to):
 - Base year assessed value ("AV")
 - Adjusted base year AV (where applicable)
 - Current year AVs for FY 2025-26
 - Property tax shares (District, ERAF, and City/County) for FY 2025-26
- Compile and evaluate most recent Recognized Obligation Payment Schedules ("ROPS") approved by Countywide Oversight Board and State Department of Finance ("DOF") for Sacramento County, Sacramento City, and Rancho Mirage SAs to determine longest-running bond and non-bond enforceable obligations, hence, duration of future Facilities Pass-Throughs
- Contact all three SAs to confirm status of each of three conditions affecting duration of future Pass-Throughs to District: projected ROPS payoff dates, status of any remaining real property shown in SA's Long Range Property Management Plan ("LRPMP"), and status of any remaining litigation involving RDA or SA

4. **Usage Restrictions**

- Provide District staff and/or other District consultants with contractual functional and geographic usage restrictions set forth in two contractual Pass-Through agreements
- Assist District staff in vetting District processes for using Pass-Throughs, while complying with different functional and geographic restrictions for Agreement vs. AB 1290 Pass-Throughs, and how those restrictions may be met, reduced, or eliminated
- Inform District about alternative potential uses of Pass-Through amounts, including uses that benefit the General Fund, including paying for other lease purchase financings for qualified facilities projects; and/or reimbursing the General Fund from AB 1290 and Agreement Pass-Throughs for some or all the 3% annual funding requirement for RMA to facilitate AB 1200 compliance and/or minimize disruption in transitioning to lower student enrollment/ADA in the future

5. **Prepare AB 1290 Compliance Resolution to Eliminate Geographical Usage Restrictions**

- Prepare AB 1290 compliance resolution for adoption by Board of Education, including findings of fact needed to support determinations needed to comply with requirements of HSC 33607.5(a)(4)(A) (and validate all previous uses) while still allowing object 8625 AB 1290 Pass-Throughs to be used for facilities, including RMA, anywhere within District boundaries and not just within Project Areas or other sub-areas of former RDAs
- Prepare draft agenda item/report to accompany AB 1290 Compliance Resolution

6. **Prepare RMA Funding Resolution to Reimburse District General Fund with Facilities Pass-Throughs**

Prepare draft RMA Funding Resolution for adoption by Board of Education containing essential findings of fact and determinations needed to authorize using portion of past and/or current and/or projected future restricted Facilities Pass-Throughs as “other financing uses” to fund, directly or indirectly, part of 3% annual RMA expenditures, thereby *freeing up unrestricted general fund revenues to help reduce general fund deficits* and provide District with additional time to make necessary structural changes in its general fund budget, facilitate AB 1200 compliance, and/or minimize disruption in transitioning to lower student enrollment/ADA.

Findings of fact include, *inter alia*, those required to support determinations to allow:

- 56.7% Object 8625 portion of AB 1290 Pass-Throughs to be used for RMA, whether for capital maintenance or normal/recurring maintenance, consistent with:
 - AB 1290 Compliance Resolution approved by the Board of Education and
 - Statutory provisions governing RMA as set forth in Education Code Sections 17014(c) and 17070.75(b)(1) and Public Contract Code Sections 20014 and 20015
- 100% of Agreement Pass-Throughs to also be used, as needed, for RMA, consistent with:
 - *Additional functional and/or geographic usage restrictions contained in each contract, albeit further restricted, as may be necessary, to capital maintenance and not normal or recurring maintenance*

- Same statutory provisions governing RMA set forth above
- Use of Facilities Pass-Throughs to help fund RMA on a *one-time basis* for a *limited period of time*, e.g., for as one year up to three years, without requiring a separate, future RMA Funding Resolution making similar findings of fact and determinations for a different time period
- *Validation* of previous uses, if any, Facilities Pass-Throughs to help fund RMA, either directly or indirectly by reimbursing general fund

7. Prepare and Present Findings for Priority Tasks

Prepare summary exhibits and tables showing updated findings from Tasks 1 through 4, and present in virtual meeting with District staff and other members of District's facilities financing team

OTHER TASKS:

8. Communications with Successor Agencies and Others

- Evaluate individual *subordination requests* ("Requests") from SAs for subordination of District Pass-Throughs to SA refunding bonds, including (among other things):
 - Determine, based on rigorous quantitative analysis, whether Request provides, "substantial evidence" required by RDL that County A-C will be able to pay both refunding bonds and subordinated Pass-Throughs under reasonable assumptions
 - Determine whether Request also provides additional information needed by District (including Board, staff and future successors) and County A-C to implement subordination if required in future
 - Prepare acknowledgement accepting or rejecting Request
- Evaluate individual *cooperation agreements* provided by SAs as required by RDL to govern one-time distribution of net proceeds from disposition of specific real properties previously designated in SA's approved Long Range Property Management Plan ("LRPMP") for future (re)development by City or County, including (among other things):
 - Ensure compliance with provisions of the RDL
 - Estimate District's share of net proceeds to be distributed to District as one-time asset liquidation revenues ("ALRs") under the RDL, which District share will provide cash flow benefits to District
- Evaluate and/or respond to (i) requests for RDA/SA-related information by the County Office of Education, agencies of the State, or Statewide associations, or (ii) requests for technical support by District legal counsel

9. Other Communications with District

- Provide District with information regarding proposed or new legislation or litigation of precedential effect regarding Pass-Throughs, Residual Distributions, or Asset Liquidation

Revenues, which change RDA Dissolution Law or create new RDAs, and assist District in implementing requirements of any such new legislation or litigation

- Provide technical and policy information and advice to, and technical support for advocates for, District as part of work performed jointly for all Consultant's LEA clients in State or in Sacramento County
- Prepare and/or conduct electronic, telephone, or virtual or in-person presentations or meetings regarding findings from completion of Other Tasks, including related policy issues and recommendations

OPTIONAL TASKS:

10. Estimate Past Pass-Throughs Owed to District and Project Future Pass-Throughs Owed

Prepare (i) Exhibits showing annual estimates of past Pass-Throughs owed to District for last three FYs 2022-23 through FY 2024-25 plus FY 2025-26; estimated past Pass-Throughs owed compared to past Pass-Throughs paid; and estimated County A-C payment compliance rates; and (ii) Tables showing projections of future Pass-Throughs owed from FY 2026-27 based on:

- Rigorous computer modeling of contractual and statutory Pass-Through formulas for each of estimated 16 Pass-Through entitlements currently paid to District by County A-C, including for AB 1290 Pass-Throughs, implementation of *Los Angeles Unified School District v. County of Los Angeles et al* (2010), 181 Cal. App. 4th 414 ("LAUSD I"), and *Los Angeles Unified School District v. County of Los Angeles et al* (2013), 217 Cal. App. 4th 597 ("LAUSD II"--collectively, "LAUSD Decision")
- Alternative future AV growth and RDL implementation scenarios, including termination of future Pass-Throughs based on last enforceable obligation ("EO") shown on the ROPS of each SA, for both bond and non-bond EOs

11. Evaluate Accuracy of Past Pass-Throughs Paid to District by County A-C

- Compare actual past amounts **paid** to District by County A-C beginning in FY 2022-23 with estimated annual amounts **owed** to District from Task 10 for each of District's estimated 16 Pass-Through entitlements; if comparison identifies estimated annual underpayments by County A-C for any year, *if such underpayments are deemed significant* by Consultant and District
 - Evaluate Pass-Through calculation methodology and assumptions *currently* employed by County A-C for each Pass-Through entitlement paid to District for three prior FYs 2022-23 through 2024-25
 - Identify methodology or data issues, if any, and work with County A-C to correct and/or reconcile potential payment errors if possible
 - If County A-C is unwilling to correct Pass-Through underpayments, advise District regarding potential administrative remedies and work with District legal counsel if needed

12. Prepare and Present Findings for Optional Tasks

Prepare summary Exhibits and Tables showing findings from Tasks 10 and 11, and present findings in virtual meeting with District staff.

Time Frame

Consultant understands the ***time is of the essence*** in completing the seven Priority Tasks, including specifically the AB 1290 Compliance Resolution and RMA Funding Resolution (and corresponding agenda reports/items). ***Hence, Consultant will make every effort to complete Priority Tasks in the time frame required by District.***

Limitations

Authorization to complete this Scope of Work is currently limited to Priority Tasks 1 through 7 only. *It does not currently include Other Tasks or Optional Tasks.* If Other Tasks and/or Optional Tasks are requested by District in the future, Consultant will provide an amendment to Agreement detailing Additional Scope of Work and Additional Budget for Other Tasks and/or Optional Tasks requested.

In addition, if other tasks or services are required or requested which are not included in the Scope of Work, or if tasks take more time and resources than anticipated due to unexpected actions of other parties that are beyond Consultant's control, then such tasks may also be defined as Additional Work. Additional Work may also include preparation of PowerPoint or other formal reports to District's Board of Education, or meetings with or presentations to Board of Education.

Additional Work will be performed only with the express consent of District. Additional Work will be clearly identified in each monthly invoice and will be charged on a time and materials basis at the hourly rates shown in Exhibit B.

EXHIBIT B
BUDGET
Sacramento City Unified School District
Consulting Services Regarding
Former Redevelopment Agencies
FY 2026-27

The not-to-exceed Total Budget for Priority Tasks 1 through 7 shown in Exhibit A shall not exceed \$25,000, including out-of-pocket expenses (if any).

Consistent with the “Limitations” section of Exhibit A, only Priority Tasks are authorized at this time, and no Budget is provided for Other Tasks and/or Optional Tasks. If Other Tasks or Optional Tasks are required or requested by District, Consultant will provide an amendment to the Agreement with Additional Budget amounts, depending in part on the findings from completion of Priority Tasks 1 through 7.

Tasks which are unique to District will be performed using PEI's current hourly rates:

Principal	\$350
Consultant*	\$300
Research Assistant	\$145

* Depending on the experience and expertise of the individual consultant providing the work

In contrast, services provided jointly to District and Other Districts will be duly identified and billed using *reduced multi-client rates*, which will reduce District's hourly rates significantly. *This could also substantially reduce required billings relative to the Total Budget.*

As set forth in the Agreement, costs to Consultant of incidental expenses pertaining to the Scope of Work are included in the Budget and will be charged on a cost recovery basis.

If Priority Tasks can be completed for less than the Budget, District will be charged only for services actually provided. In addition, the entire cost of services rendered under the Scope of Work can be paid from the facilities portion of pass-through payments (i.e., without imposing any burden on District's General Fund).

In addition to fees for services, out-of-pocket expenses such as travel, large-scale photocopying, data and database services will be charged on a cost recovery basis, as set forth in the Agreement. Monthly progress payments will be made as set forth in the Agreement.

CONSULTING AGREEMENT
Sacramento City Unified School District
Consulting Services Regarding
Former Redevelopment Agencies
FY 2026-27

THIS AGREEMENT is made and entered into this _____ day of _____, 2026, by and between **Public Economics, Inc.**, hereinafter referred to as "Consultant," and **Sacramento City Unified School District**, hereinafter referred to as "District."

WHEREAS, District is in need of special services and advice in financial, economic, facilities, or administrative matters regarding payments to District from former Redevelopment Agencies ("RDAs") pursuant to ABX1 26, AB 1484, SB 107, and AB 104 ("RDA Dissolution Law"); and

WHEREAS, such services and advice are not available at no cost from public agencies; and

WHEREAS, Consultant may provide similar services to other K-14 districts in Sacramento County and elsewhere ("Other Districts"); and

WHEREAS, Consultant is specially trained, experienced, and competent to provide the special services and advice required; and

WHEREAS, such services are needed on a limited basis.

NOW, THEREFORE, Consultant and District agree as follows:

1. Consultant will provide the special services and advice to District as described in the Scope of Work attached hereto as Exhibit A, beginning on July 1, 2026.

2. Consultant will perform said services as an independent contractor and not as an employee of District. Consultant shall be under the control of District as to the result to be accomplished and not as to the means or manner by which such result is to be accomplished. This Agreement will continue in effect until the contracted services have been performed or until otherwise terminated by either party.

3. District will prepare and furnish to Consultant upon request such information as is reasonably necessary for the performance of Consultant under this Agreement.

4. District shall pay Consultant for services rendered to District pursuant to this Agreement in accordance with the Budget, attached hereto as Exhibit B. Hourly billing rates will not exceed the hourly amounts shown in Exhibit B but are subject to *potential* increase effective July 1, 2027. However, hourly rates may be less than such amounts depending on extent of services already provided to Other Districts and/or provided to District alone or jointly to District and Other Districts.

5. In addition to payment of fees, District shall reimburse Consultant at cost within the final Budget for reasonable out-of-pocket expenses, including, but not limited to, travel, administrative support costs (at \$45 per hour), photocopying, courier services, database services or materials, and other reasonable out-of-pocket expenses.

6. Consultant shall submit invoices to District on a monthly basis showing specific services provided and expenses incurred. Such invoices are due and payable upon receipt.

7. Except for services (if any) for which a fixed fee has been identified, all services shall be subject to application of the hourly fee schedule set forth in Exhibit B, unless such schedule has been superseded by another fee schedule acceptable to District which modifies such hourly rates.

8. District may at any time for any reason terminate this Agreement and compensate Consultant only for services rendered to the date of termination. Written notice by District shall be sufficient to stop further performance of services by Consultant. The notice shall be deemed given when received in writing by Consultant. Notwithstanding the above, Consultant shall also be compensated for time subsequently spent on District's behalf in court appearances, testimony, deposition, or discovery proceedings.

9. Consultant agrees to and shall hold harmless, defend and indemnify District, its officers, agents, and employees from every claim or demand and every liability or loss, damage or expense which may be incurred by reason of Consultant's negligent performance pursuant to this Agreement except for liability for damages referred to above which result from negligent or willful misconduct of District, its officers, employees or agents. Except to the extent covered by insurance (\$1 million per occurrence for errors and omissions, \$1 million per occurrence for workers compensation, and \$2 million per occurrence for general liability), the liability of Consultant for any and all claims related to this Agreement, including any cause of action in contract, tort, or strict liability, and including an obligation to indemnify District, shall not exceed the total amount of payments made to Consultant under this Agreement.

10. This Agreement is not assignable without written consent of the parties hereto.

11. Consultant shall comply with all applicable federal, state, and local laws, rules, regulations, and ordinances including workers' compensation.

12. If any employee of Consultant is an employee of another public agency, Consultant certifies that such employee of Consultant will not receive salary or remuneration, other than vacation pay, as an employee of another public agency for the actual time in which services are actually being performed pursuant to this Agreement.

13. District acknowledges that Consultant may at various times perform services for other public agencies with jurisdiction over the same territory as District and for certain private parties interested in development projects within the boundaries of District. Consultant agrees to make appropriate disclosure of such relationships and the parties agree that nothing in this Agreement is intended to imply that Consultant is a "public official," "participating in a governmental decision" or has a "financial interest" as such terms are used in California Government Code Section 87100.

IN WITNESS WHEREOF, the parties hereto have caused this Agreement to be executed:

Dated: July 14, 2026

Public Economics, Inc.
EIN 33-0501261
2230 W. Chapman Ave.
Orange, California 92868-2316
714-307-148. Mobile
www.pub-econ.com

By: 

Dante Gumucio
Chief Executive Officer

Dated: _____

Sacramento City Unified School District

By: _____

Its: _____