



2026-27 Budget Revisions and Updated Cash Flow

Revenue adjustments, expenditure reductions, program revisions, and accounting entries

Board Meeting
September 17, 2026
Agenda Item No. 11.5

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.

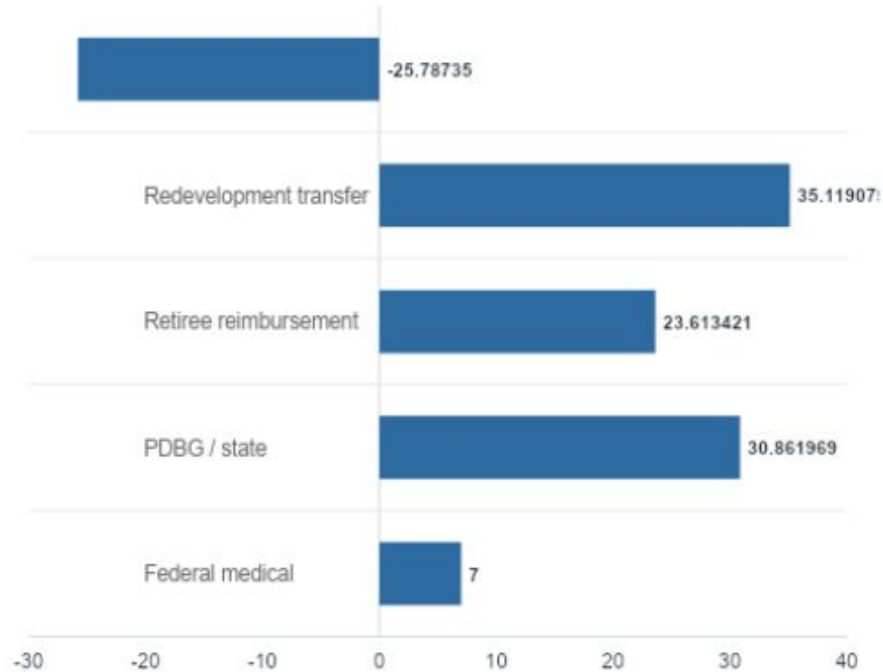
GUIDING PRINCIPLE

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

Consolidated revision schedule

Revision component	Amount (\$M)	Budget effect	Status / treatment
Revenue detail adjustments	70.81	Increase sources	Detailed schedule; summary text requires correction
Fiscal Sustainability Plan	66.85	Reduce expenditures	Board approved July 30, 2026
Additional reductions	7.56	Reduce expenditures	Presented September 10, 2026
Special Education	34.30	Reduce expenditures	Calculated at 2.5%
MTSS / Title I carryover	4.00	Funding realignment	Unrestricted resources are released
STRS on-behalf entry	25.79	Reduce revenue and expense	Matching accounting entry; no fund balance impact

Revenue adjustments total \$70.81 million in the detail schedule



\$96.59M

positive revenue / transfer entries

(\$25.79M)

STRS on-behalf revenue reduction

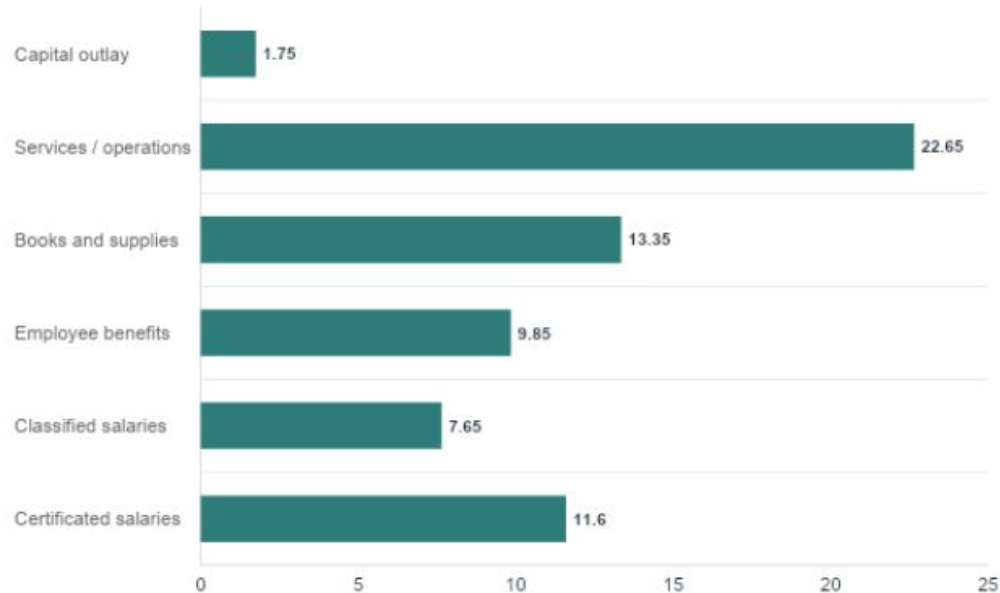
\$70.81M net

Revenue controls

Source	Adjustment	Required control
Federal medical	\$7.00M	Validate billing support, reimbursement period, and collectability
PDBG / other state	\$30.86M	Confirm entitlement, resource restrictions, and one-time status
Retiree reimbursement	\$23.61M	Recognize only the 2026–27 portion
Redevelopment transfer	\$35.12M	Post after Board resolutions and confirm \$31.7M one-time / \$3.4M ongoing classification
STRS on-behalf	(\$25.79M)	Match the revenue reduction to the expenditure reduction

Avoid ongoing commitments without ongoing funding.

7/30/2026 Board-approved expenditures reductions total \$66.85 million



Largest allocation

\$22.65M

services and operating expenditures

Posting standard

Replace planning estimates with position, contract, purchase-order, and department support before posting.

Largest Fiscal Sustainability Plan initiatives

Initiative	Reduction (\$M)	Share
Programmatic reductions	20.30	30.4%
Contracts and consultants	9.00	13.5%
Workforce / benefit actualization	6.00	9.0%
Overtime, substitutes, stipends, extra duty	5.75	8.6%
Procurement and unused allocations	4.75	7.1%
All other approved initiatives	21.05	31.5%
Total	66.85	100.0%

Savings count only after the formal budget reduction is posted and the underlying spending is avoided.

Special Education Clarification

Scenario	Target expenditures	Reduction from adopted budget
2.5% growth over 2025–26 actuals	\$263.35M	\$34.30M
2026–27 Adopted budget	\$297.65M	—

Any reduction must preserve IEP-mandated services and reflect validated position control, negotiated compensation, executed contracts, encumbrances, transportation, and indirect costs.

Additional reductions and MTSS funding alignment

Additional reduction	Amount (\$M)
Title I reallocation, one-time	2.00
Labor partners	2.00
25% custodian time charged to ELOP	1.24
Funding / time change for 30 AP positions	1.20
20% of unencumbered budgets	0.80
Custodian differential and cell phones	0.32
Total	7.56

MTSS

\$4.00M

\$2.88M certificated salaries
\$1.12M employee benefits

Funded with Title I carryover releases
unrestricted resources and does not
duplicate another reduction.

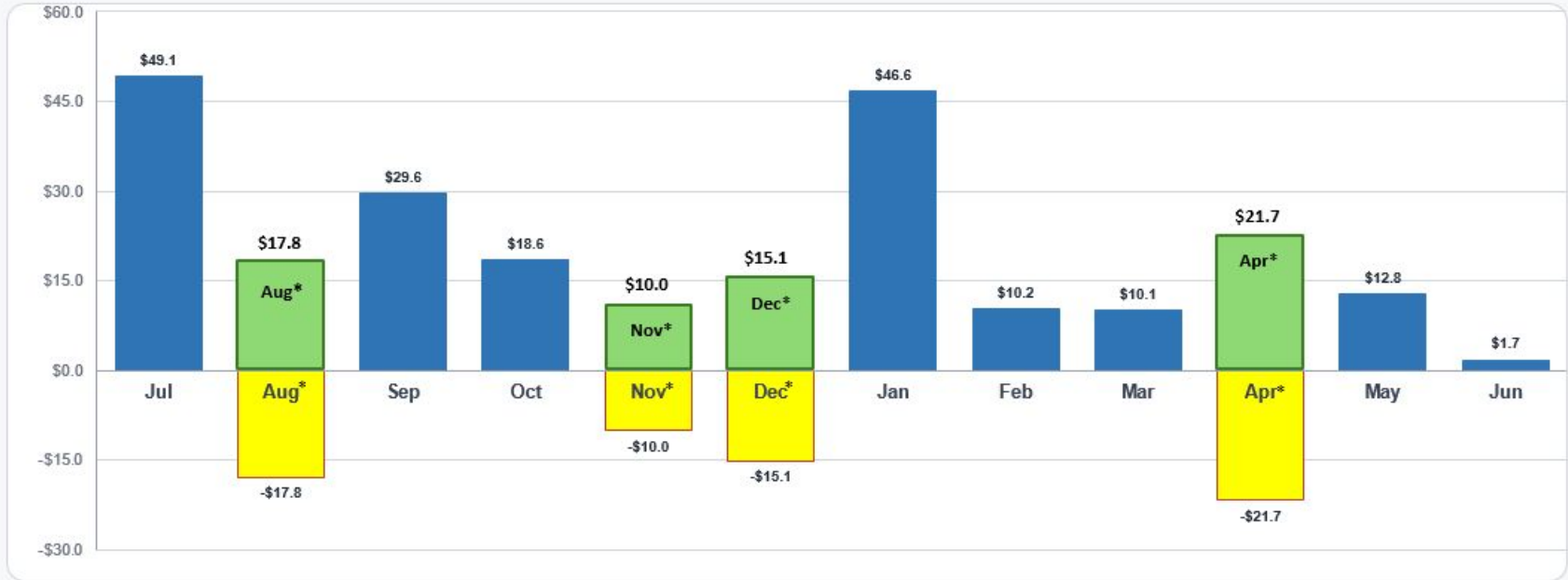
STRS on-behalf adjustments has no net fund balance impact

Budget entry	Revenue (\$M)	Expenditure (\$M)	Net effect (\$M)
Reduce STRS on-behalf budget	(25.79)	(25.79)	0.00

This matching revenue-and-expenditure adjustment corrects the budgeted pass-through amount. It does not represent new revenue, expenditure savings, or an improvement to unrestricted fund balance.

Current budget \$55.44M Proposed reduction \$25.79M Adjusted budget \$29.65M

2026-27 Projected ending cash



Cash risk: *Projected cash balances turn negative in August, November, December, and April. A property tax cash advance enables the District to meet its obligations. June-ending cash is projected at \$1.7 million, just 0.21% of the \$828.5 million budget, assuming all cash flow assumptions materialize.

2026–27 Projected ending cash - Assumes all planned reductions occur



A positive June ending balance of \$33.1M.

Next Steps

Control

Reconciliation

Savings validation

Duplicate prevention

One-time / ongoing

Restrictions and
compliance

Ownership

Board reporting evidence

Adopted budget, approved revision, posted entry, revised budget, and variance

Vacancy, contract cancellation, released encumbrance, or reduced purchase support

Crosswalk across the \$66.85M plan, additional reductions, Special Education, MTSS, and STRS

Separate schedules and multi-year projection treatment

Resource allow ability, bargaining effects, IEP obligations, and audit support

Responsible cabinet member and fiscal services reviewer for every entry



Thank You

