



# Budget Right-Sizing Update

Board Meeting  
06.05.2025  
Agenda Item No. 12.1

**Presented by:**

Janea Marking, Chief Business and Operations Officer

# SCUSD Core Value & Guiding Principle

## Core Value

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.

## SCUSD GUIDING PRINCIPLE

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

# Agenda

- **Our Progress**
- **Year 2**
- **Budget Guiding Principles**
- **Planning for Year 3**

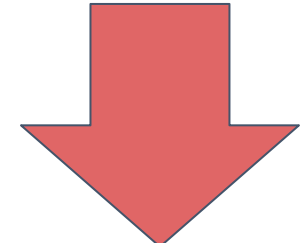
# Our Progress

# 2024-25 Updated Multi Year Projection

Unaudited  
Actuals

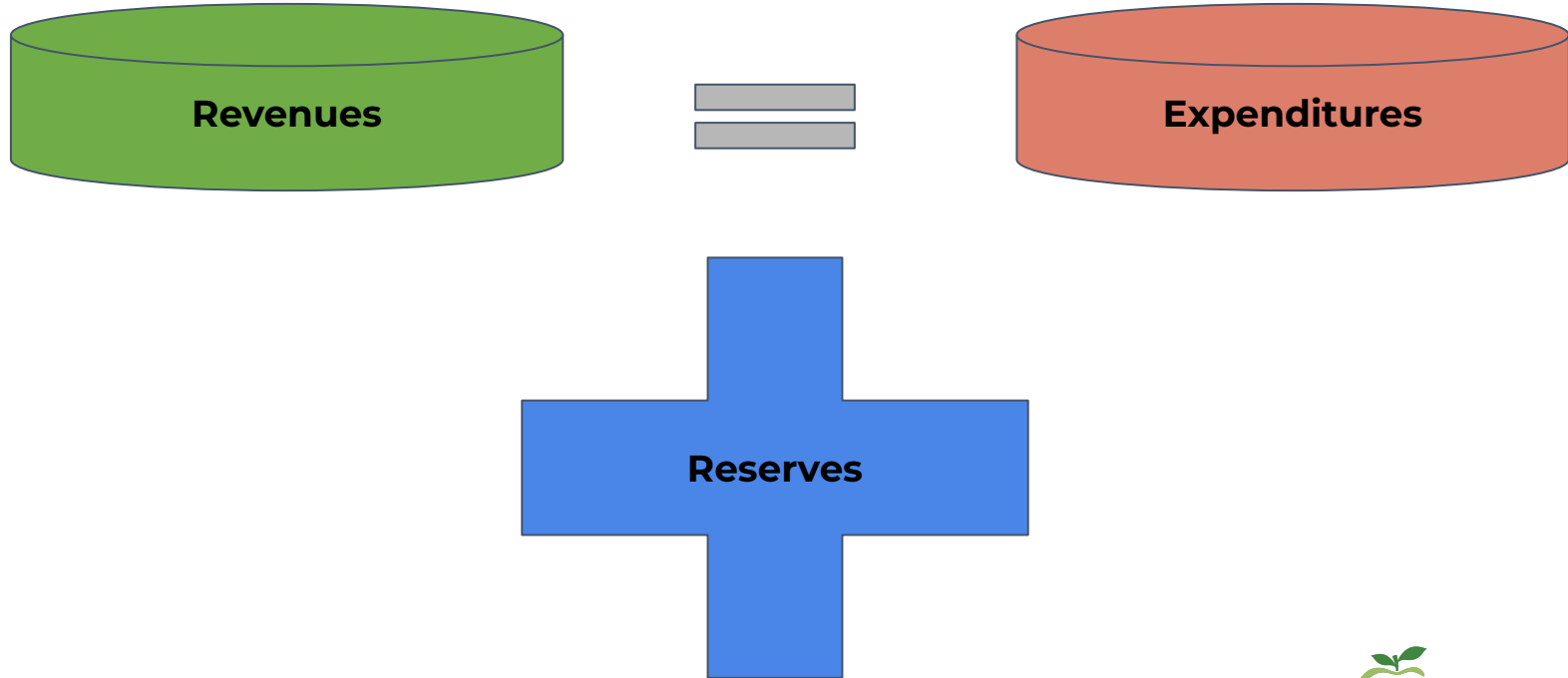
## Sacramento City Unified School District 2024-25 Revised Budget

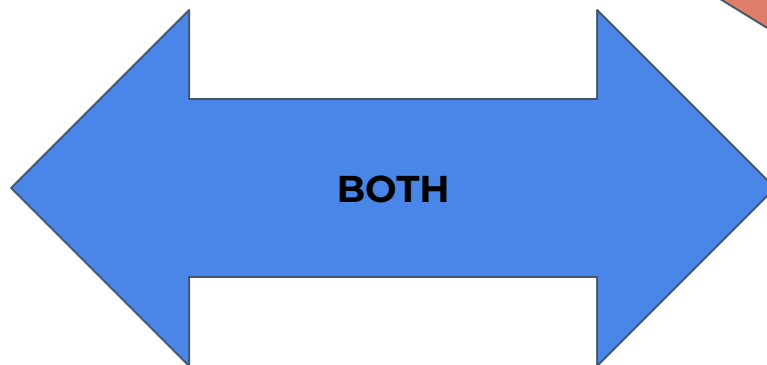
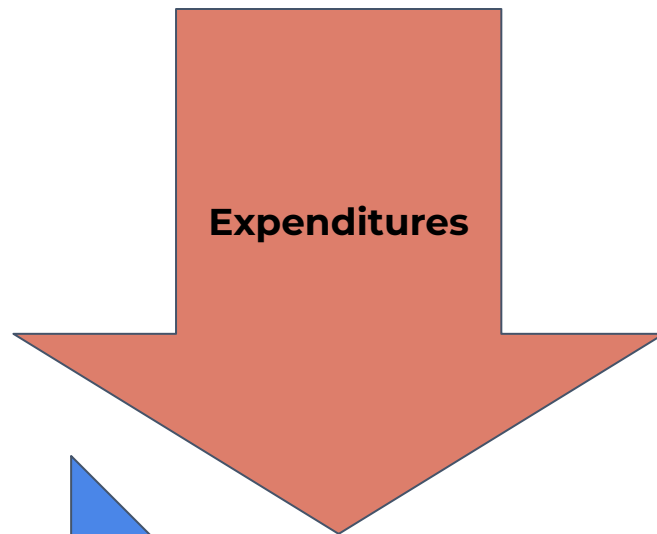
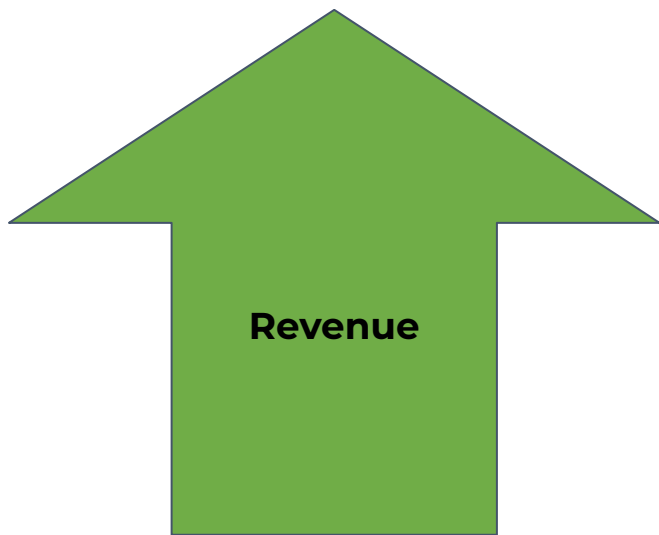
Description	Revised Budget 2024-25			Projection 2025-26			Projection 2026-27		
	Unrestricted	Restricted	Combined	Unrestricted	Restricted	Combined	Unrestricted	Restricted	Combined
<b>Revenue</b>									
General Purpose	487,433,290	2,688,061	490,121,351	443,518,594	2,688,061	446,206,655	456,475,526	2,688,061	459,163,587
General Revenue	-	33,016,186	33,016,186	-	42,316,186	42,316,186	-	42,316,186	42,316,186
State Revenue	17,003,334	113,182,286	130,185,621	17,003,334	113,182,286	130,185,621	17,003,334	113,182,286	130,185,621
Local Revenue	4,243,480	2,304,314	6,547,794	4,341,437	2,306,357	6,647,794	4,341,437	2,308,400	6,649,837
<b>Total Revenue</b>	<b>508,680,104</b>	<b>151,190,848</b>	<b>659,870,952</b>	<b>464,863,365</b>	<b>160,492,891</b>	<b>625,356,256</b>	<b>477,820,297</b>	<b>160,494,934</b>	<b>638,315,231</b>
<b>Expenditures</b>									
Certificated Salaries	212,511,583	93,073,188	305,584,770	217,268,150	87,634,287	304,902,437	221,698,469	88,397,678	310,096,147
Classified Salaries	59,174,106	42,276,886	101,450,992	59,334,177	37,906,667	97,240,844	58,769,228	38,819,019	97,588,246
Benefits	145,667,442	99,205,929	244,873,370	147,804,681	99,474,309	247,278,990	160,355,038	97,747,747	258,102,785
Books and Supplies	5,052,986	21,372,434	26,425,420	2,552,986	23,997,312	26,550,298	5,052,986	21,629,558	26,682,543
Other Services & Oper.	36,575,988	68,439,591	105,015,579	21,294,672	49,612,740	70,907,413	26,836,271	35,410,541	62,246,812
Expenses									
Capital Outlay	726,000	19,304,099	20,030,099	726,000	19,304,099	20,030,099	726,000	19,304,099	20,030,099
Other Outgo 7xxx	10,535	-	10,535	10,535	-	10,535	10,535	-	10,535
Transfer of Indirect 73xx	(6,377,293)	4,919,791	(1,457,502)	(5,212,360)	3,754,858	(1,457,502)	(5,963,056)	4,505,554	(1,457,502)
Budget Reductions	-	-	-	-	(1,979,189)	(1,979,189)	-	(4,034,426)	(4,034,426)
<b>Total Expenditures</b>	<b>453,341,347</b>	<b>348,591,916</b>	<b>801,933,263</b>	<b>443,778,841</b>	<b>319,705,082</b>	<b>763,483,923</b>	<b>467,485,471</b>	<b>301,779,768</b>	<b>769,265,239</b>
<b>Deficit/Surplus</b>	<b>55,338,758</b>	<b>(197,401,069)</b>	<b>(142,062,311)</b>	<b>21,084,525</b>	<b>(159,212,192)</b>	<b>(138,127,667)</b>	<b>10,334,827</b>	<b>(141,284,834)</b>	<b>(130,950,007)</b>
Other Sources/(uses)	-	-	-	-	-	-	-	-	-
Transfers in/(out)	3,005,447	-	3,005,447	3,005,447	-	3,005,447	3,005,447	-	3,005,447
Contributions to Restricted	(115,159,401)	115,159,401	-	(116,971,313)	116,971,313	-	(134,441,285)	134,441,285	-
<b>Net increase (decrease) in Fund Balance</b>	<b>(56,815,196)</b>	<b>(82,241,667)</b>	<b>(139,056,863)</b>	<b>(92,881,341)</b>	<b>(42,240,879)</b>	<b>(135,122,220)</b>	<b>(121,101,011)</b>	<b>(6,843,549)</b>	<b>(127,944,560)</b>
<b>Beginning Balance</b>	<b>172,005,384</b>	<b>126,825,752</b>	<b>298,831,136</b>	<b>115,190,188</b>	<b>44,584,084</b>	<b>159,774,272</b>	<b>22,308,847</b>	<b>2,343,205</b>	<b>24,652,052</b>
<b>Ending Balance</b>	<b>115,190,188</b>	<b>44,584,084</b>	<b>159,774,272</b>	<b>22,308,847</b>	<b>2,343,205</b>	<b>24,652,052</b>	<b>(98,792,164)</b>	<b>(4,500,344)</b>	<b>(103,292,508)</b>
Revolving/Stores/Prepays	-	-	-	-	-	-	-	-	-
Reserve for Econ Uncertainty	15,978,556	-	15,978,556	15,209,570	-	15,209,570	15,325,196	-	15,325,196
Restricted Programs	-	44,584,084	44,584,084	-	2,343,205	2,343,205	-	(4,500,344)	(4,500,344)
Committed	-	-	-	-	-	-	-	-	-
Other Assignments	-	-	-	-	-	-	-	-	-
<b>Unappropriated Fund Balance</b>	<b>99,211,632</b>	<b>-</b>	<b>99,211,632</b>	<b>7,099,278</b>	<b>-</b>	<b>7,099,278</b>	<b>(114,117,359)</b>	<b>-</b>	<b>(114,117,359)</b>



**\$114,117,359**

# What is Right-Sizing





# Budget Right-Sizing Plan



**Implemented**

## **New Budget Development Process for 2025-26**

**Observable improvement in**

- Budget literacy**
- Strategic alignment**
- Collaborative conversations**

**We are shifting our culture to be empowered through knowledge**



**Year 1**

Assessing  
the Financial  
Landscape  
and  
Prioritizing  
Investments

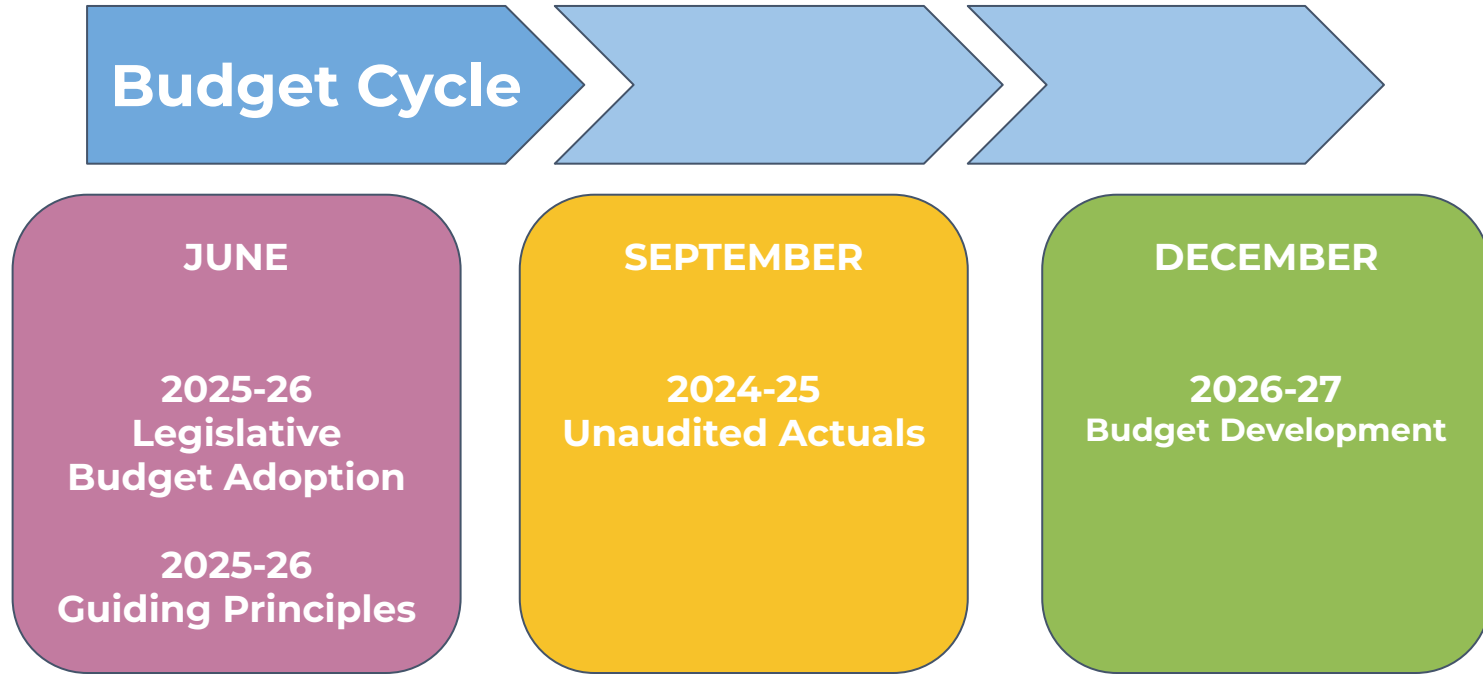
**Year 2**

Implementing  
Strategic  
Budget  
Adjustments

**Year 3**

Continue the  
Right Sizing  
Cycle

# Budget Right-Sizing Plan





# **Unknown Costs of Negotiated Settlements**

**We are  
committed to  
each other.**

**Success is shared  
by ALL.**



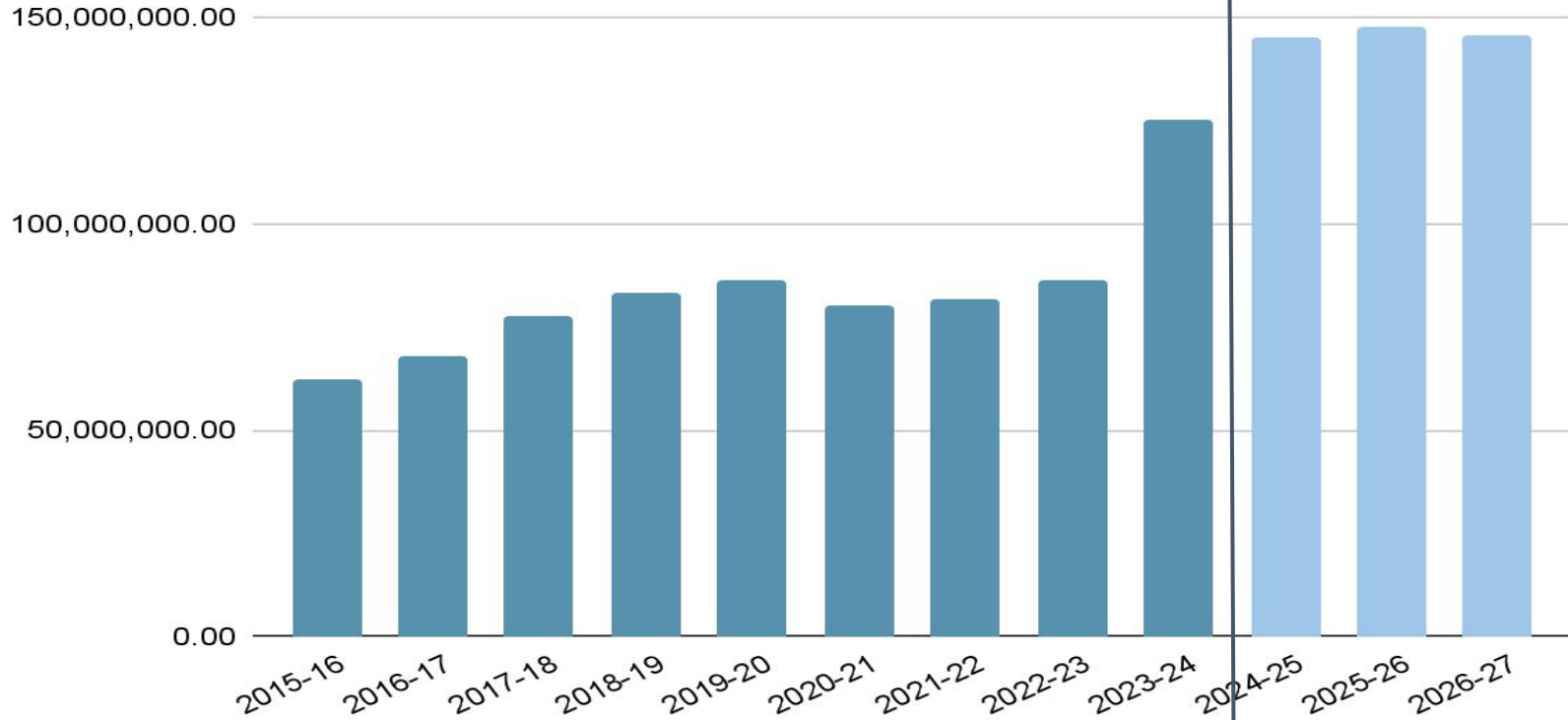
# Year 2

# **Stick to the Plan!**



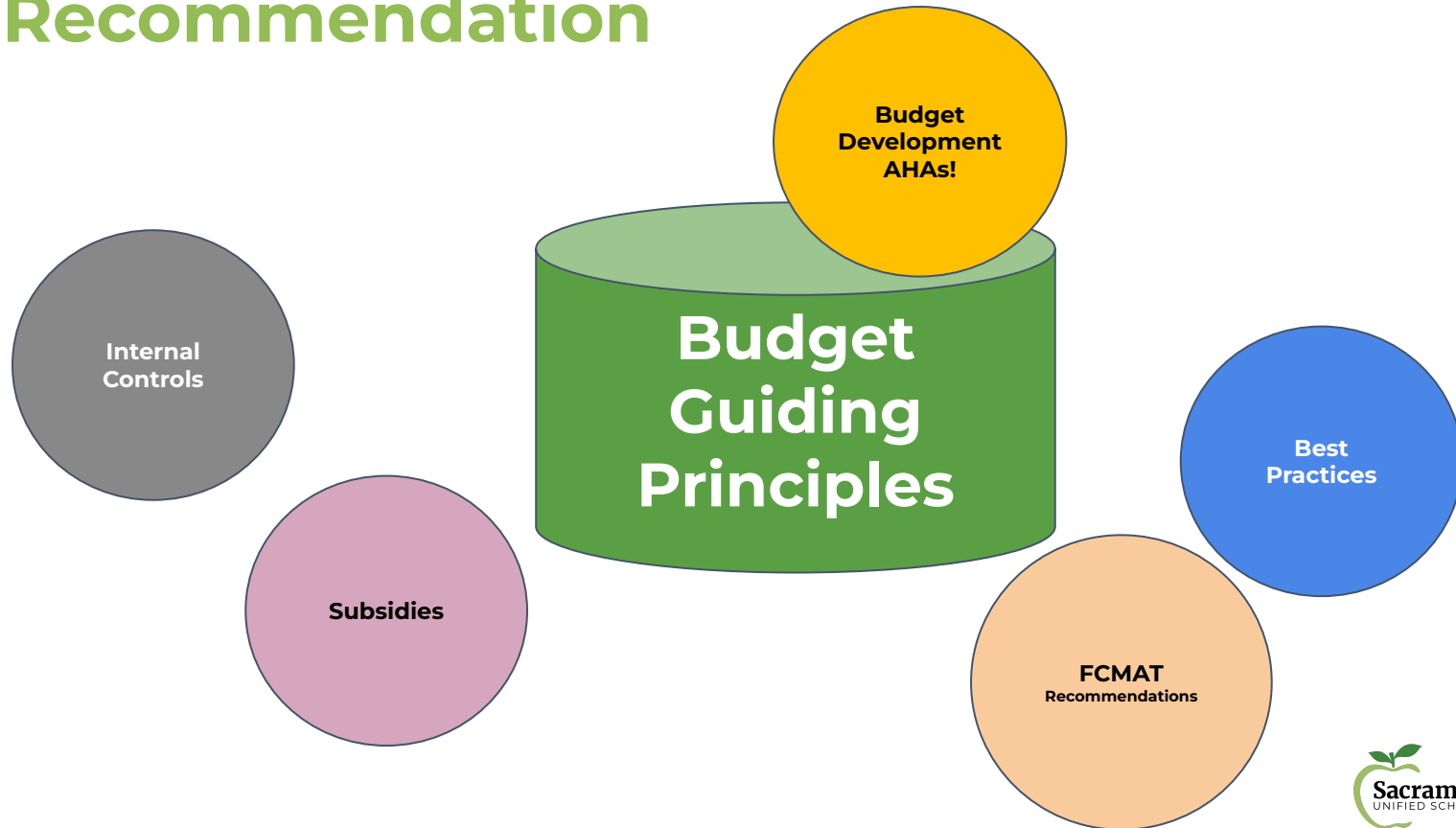
**\$20 Million  
Disbursement**

# Annual Contributions





# Recommendation



## For Your Consideration

To create more effective systems for directing resources and prioritizing funding, the SCUSD Board of Education [has approved] the following Budget Guiding Principles for 2025-26. These principles will serve as a framework for financial decision-making, ensuring alignment with our organizational priorities and fiscal responsibility, to maintain local control.

# 2025-26 Budget Guiding Principles

- Alignment with District Goals
- Allocation of Resources
- Fiscal Responsibility
- Continuous Review and Improvement

# Alignment with District Goals

All budgetary decisions must align with the district's strategic goals and priorities as outlined in the Local Control and Accountability Plan (LCAP). This includes:

- Staffing
- Expenditures
- Travel and Conferences

# Staffing

- All positions must be approved by the Board of Education prior to posting for applicants.
- Vacant positions will be reviewed for continuation; automatic re-posting is not permitted.
- New positions will only be created with an identified revenue source or offsetting expenditure reduction that is specific to the department or site.

# Expenditures

- General fund expenditures will be prioritized: first, based on compliance requirements, and second, on Local Control and Accountability Plan (LCAP) goals, depending on the type of resource/revenue used.
- Supplemental expenditures will be considered based on available revenue after other priorities are met.
- Unbudgeted expenditures exceeding \$15,000 require Board approval prior to the addition of the expenditure / increase to budget.

# Allocation of Resources

The allocation of financial resources should reflect a commitment to ensuring fair access to educational opportunities. This includes:

- Master Schedule Adjustments
- Classrooms
- Program Subsidies
- Contributions

# Fiscal Responsibility

All budgeting and financial decisions must demonstrate fiscal responsibility and ensure long-term sustainability of the district. This includes:

- Restricted Resources
- Organizational Structure
- Authorization for Compensation
- Authorization for Agreements and Services



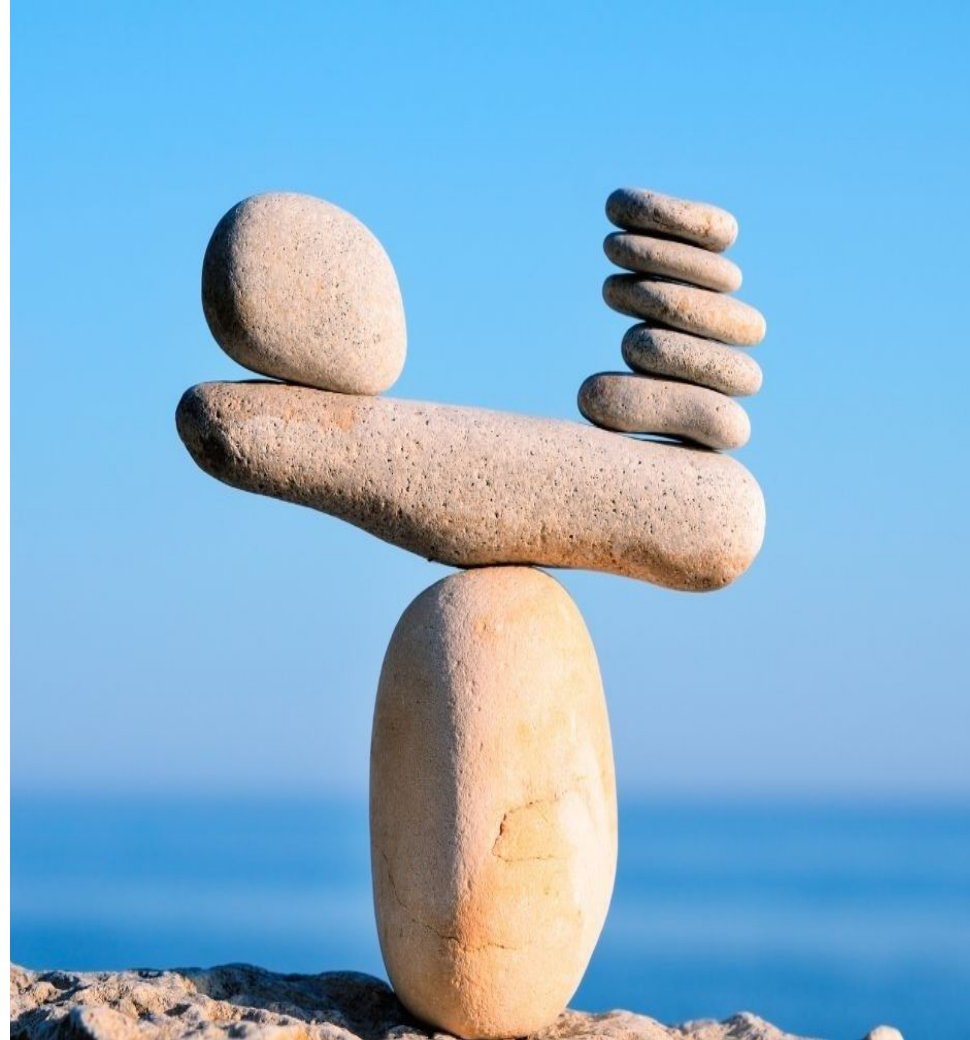
# Continuous Review and Improvement

The budget process should be continuously evaluated to ensure it effectively meets student needs and supports SCUSD's educational objectives. This includes:

- Technology
- Communications
- Position Control
- Dispute Resolution

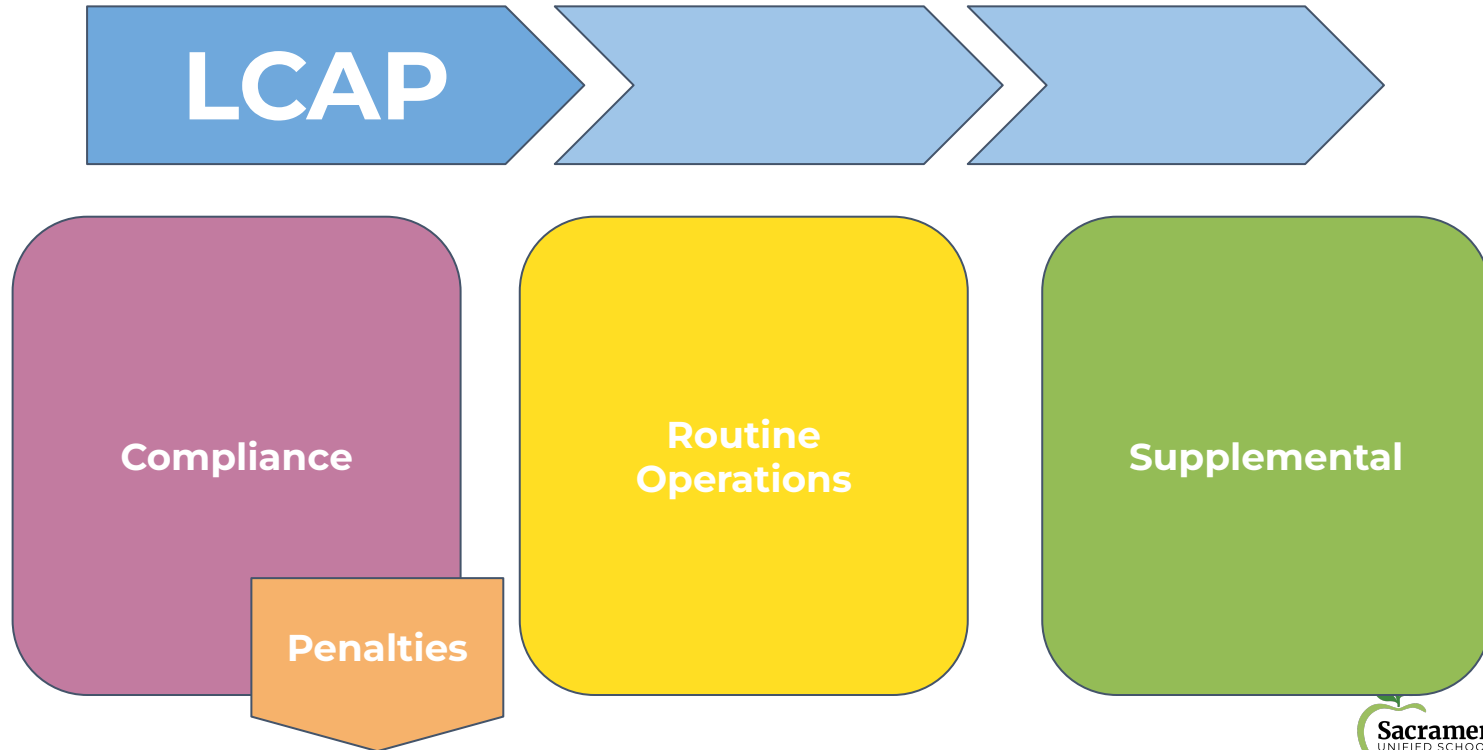
# 2026-27 Budget Development

Balancing the budget isn't about avoiding tough choices, it's about making them strategically to secure a stronger future.

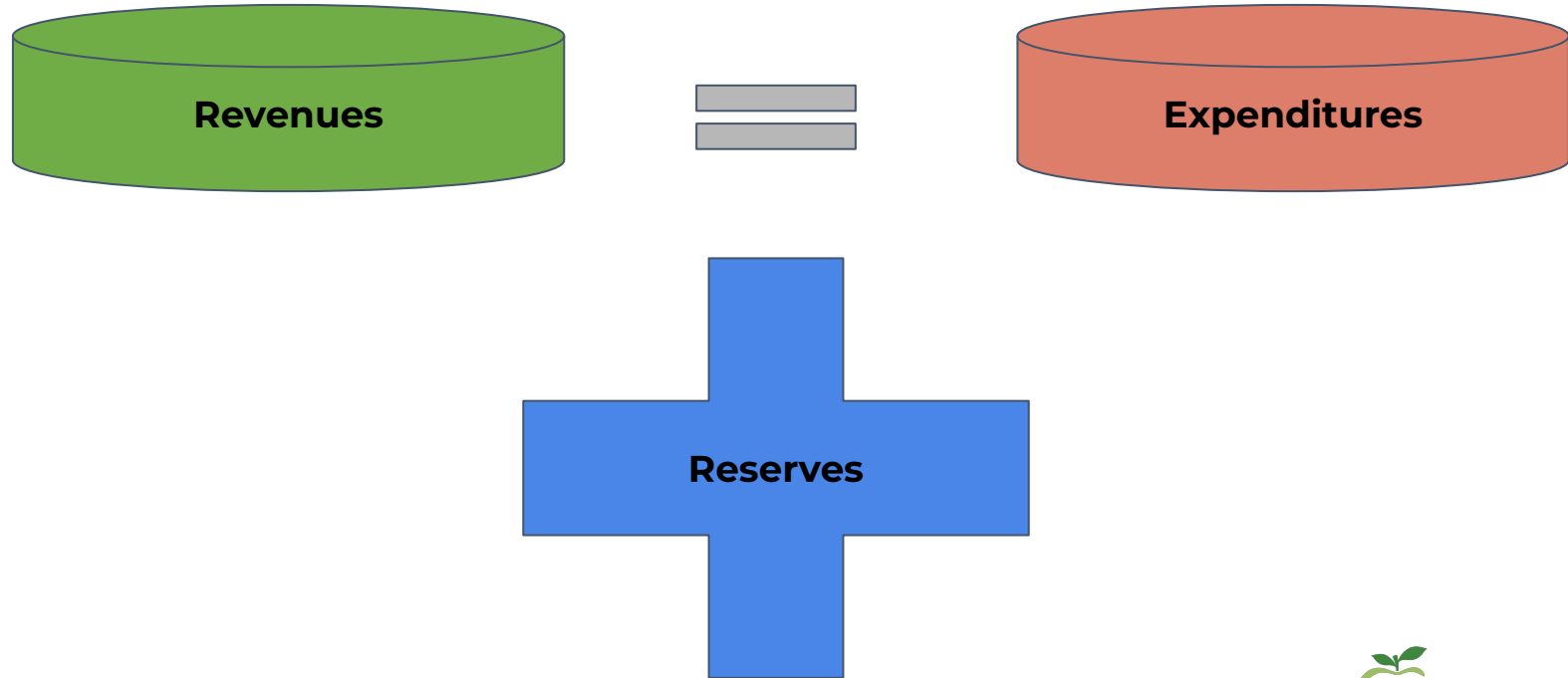


# Planning for Year 3

# Expenditure Prioritization



# What is Right-Sizing



**KEEP  
CALM  
and  
STICK TO  
THE PLAN**





**Shout Outs!**

**Feedback**

**Questions?**



THANK YOU!