



# SACRAMENTO CITY UNIFIED SCHOOL DISTRICT BOARD OF EDUCATION

Agenda Item# 12.1

**Meeting Date:** June 5, 2025

**Subject:** Budget Right-Sizing Update

- ☒ 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:** Receive an update on the district's Budget Right-Sizing Plan.

**Background/Rationale:** This update provides the Board with an overview of the Budget Right-Sizing Plan that was implemented as part of the district's 2024-25 Adopted Budget and will continue into the 2025-26 fiscal year. The plan supports the district's strategic goals and demonstrates our commitment to fiscal responsibility and long-term sustainability for student success.

As part of our commitment to achieving and maintaining a balanced budget, per the Right-Sizing Plan the board will adopt Budget Guiding Principles for the 2025-26 school year. These guidelines will provide enhanced transparency and establish a strong framework for financial decisions. The proposed Budget Guiding Principles are attached for review and will be considered for adoption on June 26, 2025.

**Financial Considerations:** N/A

**LCAP Goal(s):** Goal 1 – Graduation Outcomes, Goal 2 – Academic Outcomes, and Goal 3 – Welcoming and Safety Outcomes

**Documents Attached:**

- Budget Guiding Principles

**Estimated Time of Presentation:** 10 minutes

**Submitted by:** Janea Marking, Chief Business and Operations Officer

**Approved by:** Lisa Allen, Superintendent

# **Sacramento City Unified School District**

## **Budget Guiding Principles**

Like many districts across our region and state, the Sacramento City Unified School District is confronting significant financial constraints due to limited resources. As we strive to bring our budget into balance, we must make tough choices that will inevitably affect our community. We fully recognize the profound impact decisions have on student experiences, staff roles, and the overall well-being of those we serve.

Although any programmatic adjustment will affect everyone in various ways, it is important to remember that each staff member and partner is integral to our district's success. We are committed to navigating our challenges with openness, empathy, and respect for all involved.

Most importantly, our decisions will be guided by the goal of minimizing any disruptions to student learning. We will continue to place students' needs at the heart of our decisions and will communicate directly with those most affected as swiftly as possible.

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.

### **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:

- Allocating financial resources to support key initiatives aimed at improving student academic achievement, especially for students facing barriers to success.
- Focusing budget resources on initiatives that advance district goals, such as expanding literacy, improving college and career readiness, and closing achievement gaps through enhanced student opportunities.
- Prioritizing funding for programs that support students with the greatest potential for growth, including those with special needs, English language learners, and students from low-income backgrounds.

To accomplish this, the following guidelines are established:

#### **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.

## **Travel and Conferences**

- Travel and conference policies to be revised for the 2025-26 school year.
- Priority will be given to local or online conferences.
- Travel outside of California will require Board approval prior to booking.
- Attendees will be limited to a number that is necessary and reasonable.
- Conference attendees must demonstrate:
  - Relevance to achieving an LCAP goal or action(s).
  - A clear plan to share learning with colleagues.

## **Allocation of Resources**

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

- Basing funding decisions on student needs, such as socio-economic status, special education requirements, English language proficiency, and other indicators of academic need.
- Targeting additional resources to schools and programs serving students identified for intervention and support.
- Regularly reviewing resource distribution to ensure alignment with the goal of providing fair access to resources across all schools.

To accomplish this, the following guidelines are established:

### **Master Schedule Adjustments**

- Requests for staffing adjustments at sites will be reviewed by the master scheduling office prior to authorizing additional Full-Time Equivalents (FTEs).

### **Classrooms**

- Classroom student assignments will be balanced, when appropriate, to mitigate or eliminate overages whenever possible.

### **Program Subsidies**

- The Board will review all programs, focusing on areas where expenditures exceed revenues, to assess their ongoing feasibility and strategic direction. This includes Special Education.

### **Contributions**

- Contributions to alternate funds, such as Charter Schools (09), Adult Education (11), and Child Development (12), will be presented to the Board as separate agenda items for consideration and approval.

## **Fiscal Responsibility**

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

- Adhering to established budget constraints and ensuring that expenditures do not exceed available resources, thereby maintaining a balanced budget each fiscal year.
- Prioritizing cost-effective strategies that maximize the use of available resources while minimizing waste and inefficiency.
- Regularly reviewing budget allocations to ensure that financial commitments are sustainable, making adjustments as needed to avoid deficits or the depletion of critical funding sources.

To accomplish this, the following guidelines are established:

### **Restricted Resources**

- Grants and other restricted expenditures will be aligned with allocated revenues and will not exceed available funds, with the exception of Special Education.

### **Organizational Structure**

- Where possible, district departments will merge or unify to improve efficient use of resources without compromising internal controls.

### **Authorization for Compensation**

- Per diems, extra time, and overtime must be pre-approved and budgeted with available resources prior to a manager authorizing work.
- Compensatory “comp” time in lieu of payment should not be utilized. Rather, employees should receive compensation for additional hours per statutory and negotiated procedures.

### **Authorization for Agreements and Services**

- **Contracts** charged to unrestricted general funds shall be for compliance or operational needs and primarily managed by the Superintendent, Deputy Superintendent, a Chief Officer or designee. Site and department leaders should manage contracts funded by local funds (donations) or restricted funds (per eligibility rules and available revenue).
- **ALL Agreements** between the district and individuals (including employees), partners, organizations and/or agencies shall be approved by the board of directors within 60 days of the agreement per Board Resolution 3361. This includes: contracts, memorandums of understanding, letters of agreement, joint use agreements, facilities use agreements, settlements, side letters, etc.
- **Legal** All legal services (memos, opinions, advisement) must be pre-approved by a Chief Officer before any action is taken. This includes:
  - Chief authorization for initial discussions or consultations with legal counsel.
  - Chief approval required for continued legal services, especially when staff requests additional information or reconsideration of a previously concluded legal opinion.
  - Staff below the Chief level are prohibited from initiating charges for legal services or engaging legal counsel without explicit approval from a Chief Officer, with authorization required on a project-by-project basis.

## **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:

- Regularly assessing budget outcomes to determine if financial resources are being used effectively to support student achievement and district goals.
- Conducting annual reviews to identify areas for improvement in the budgeting process, with an emphasis on refining resource allocation based on the previous year's results.
- Incorporating stakeholder feedback and performance data into the budget review process to ensure future allocations are based on current needs and emerging priorities.

To accomplish this, the following guidelines are established:

### **Technology**

- All hardware and software purchases will be reviewed by the Technology department to eliminate redundancies and address issues related to non-standard equipment.

### **Communications**

- All communications needs such as graphic design, website support, and story production will be reviewed by the Communications department. External contracts for these services will not be approved.

### **Position Control**

- All active positions must be accounted for in the Position Control System. Position Control procedures must be followed with 100% fidelity.

### **Dispute Resolution**

- District leadership must adhere to the labor relations protocol provided by the Human Resources department. District leaders, outside of the negotiations team and Human Resources, do not have the authority to make agreements or offer monetary resolutions for labor disputes.

Together, these guidelines reflect our commitment to a bright future for SCUSD. They will help us navigate our most challenging decisions and impossible choices. Further, we push ourselves to implement improved systems designed for transparency, accountability, and long-term sustainability in all aspects of our budgeting and financial decision-making.

As we move forward, we will ensure that the budget process is clear, transparent, and accessible to all stakeholders. We will provide detailed budget reports that explain how funds are being allocated, the rationale behind our decisions, and how they align with our district's goals and priorities.

Our approach focuses on long-term financial stability, avoiding short-term fixes and, instead, implementing the most conservative reductions that support sustainable growth over the coming years. This includes assessing the impact of these decisions on students, staff, and district operations to ensure that we remain on the right path.

The SCUSD community shares the responsibility of ensuring the best opportunities for our students, and as we navigate difficult decisions, we are united in our commitment to making the best choices for the future of our district.