

# SFUSD Fiscal Stabilization Plan

*Updated  
December 2025*

SAN FRANCISCO UNIFIED SCHOOL DISTRICT



# Overview

The Fiscal Stabilization Plan provides a **proposed path to correct deficit spending in the worst case scenario** – it's not a “cut plan.”

- Decisions on staffing reductions are made every year by March 15 for the following school year.
- Budget Engagement
  - Student learning and support are priorities
  - Community input will inform ongoing budget development and planning
- Budget Planning & Improved Communication
  - Balance district fiscal stability with funding VVGG priorities
  - Strategic investments of restricted funds
  - Provide flexibility for school sites

# SFUSD's Vision, Values, Goals, and Guardrails

## VALUES

**S****STUDENT-CENTERED**

We put students' needs first with a focus on the whole child.

**F****FEARLESS**

We persist through challenges with humility, transparency, and a growth mindset.

**U****UNITED**

We celebrate and build on each other's strengths and differences to collectively achieve excellence as a district.

**S****SOCIAL JUSTICE**

We stand with those who are most impacted by systems of oppression and actively change those systems within our district.

**D****DIVERSITY-DRIVEN**

We respect and seek to understand each person to be an inclusive and anti-racist district.

## VISION

All SFUSD students will graduate as independent thinkers with a sense of agency who have attained academic and creative skills to lead productive lives and contribute to our community.

## GOALS

### 3RD-GRADE LITERACY

The percentage of ALL third grade students reading at grade level as measured by state tests (SBAC ELA) will increase from 52% rate in October 2022 to 70% by October 2027.



### 8TH-GRADE MATH

The percentage of ALL eighth grade students performing math at grade level as measured by the state tests (SBAC Math) will increase from 42% rate in October 2022 to 65% by October 2027.



### COLLEGE/CAREER READINESS

The percentage of all high school 12th graders who are "college/career ready" as defined by the California Department of Education will increase from 57.5% in June 2020 to 70% by June 2027.



## GUARDRAILS

**Effective Decision-Making**

The superintendent will not make major decisions without utilizing a process—that includes meaningful consultation with the parents/guardians, students, and staff who will be impacted by those decisions—at the inception, adoption, and review.

**Curriculum and Instruction**

The superintendent will not allow curriculum and instruction that is not rooted in excellence, challenging and engaging, not student-centered, not culturally responsive, or not differentiated to meet the academic needs of all students.

**Strategic Partnerships**

The superintendent will not impede collaboration with the City of San Francisco, state and federal agencies, community-based organizations, philanthropic organizations, and the business community to advance the District's goals and values.

**Serving The Whole Child**

The superintendent will not take approaches that neglect the cognitive and academic development, social and emotional development, identity development, physical and mental well-being, or ethical and moral development of students.

**Resource Allocation**

The superintendent will not allow resources to be allocated without transparently communicating how the allocations are baseline sufficient to operate all schools while addressing inequitable inputs and creating more equity and excellence in student outcomes.

In SFUSD, our \$1.3 billion budget tells the story of how we resource schools to support our students.

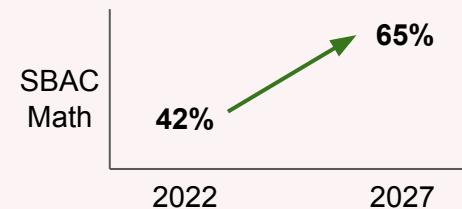
## Five-Year Student Outcome Goals



### 3rd-grade literacy



### 8th-grade math



### College & career readiness



# Where do our resources come from?

## FUNDING SOURCES



### FEDERAL (5%)

Federal funding comes from the United States government.



### STATE (70%)

State funding comes from the State of California.



### LOCAL (25%)

Local funding comes from the City and County of San Francisco.

# In CA, school funding is tied to student enrollment & attendance

*Our annual revenue is based on student attendance over the school year, and we use projections to plan how we spend our budget*

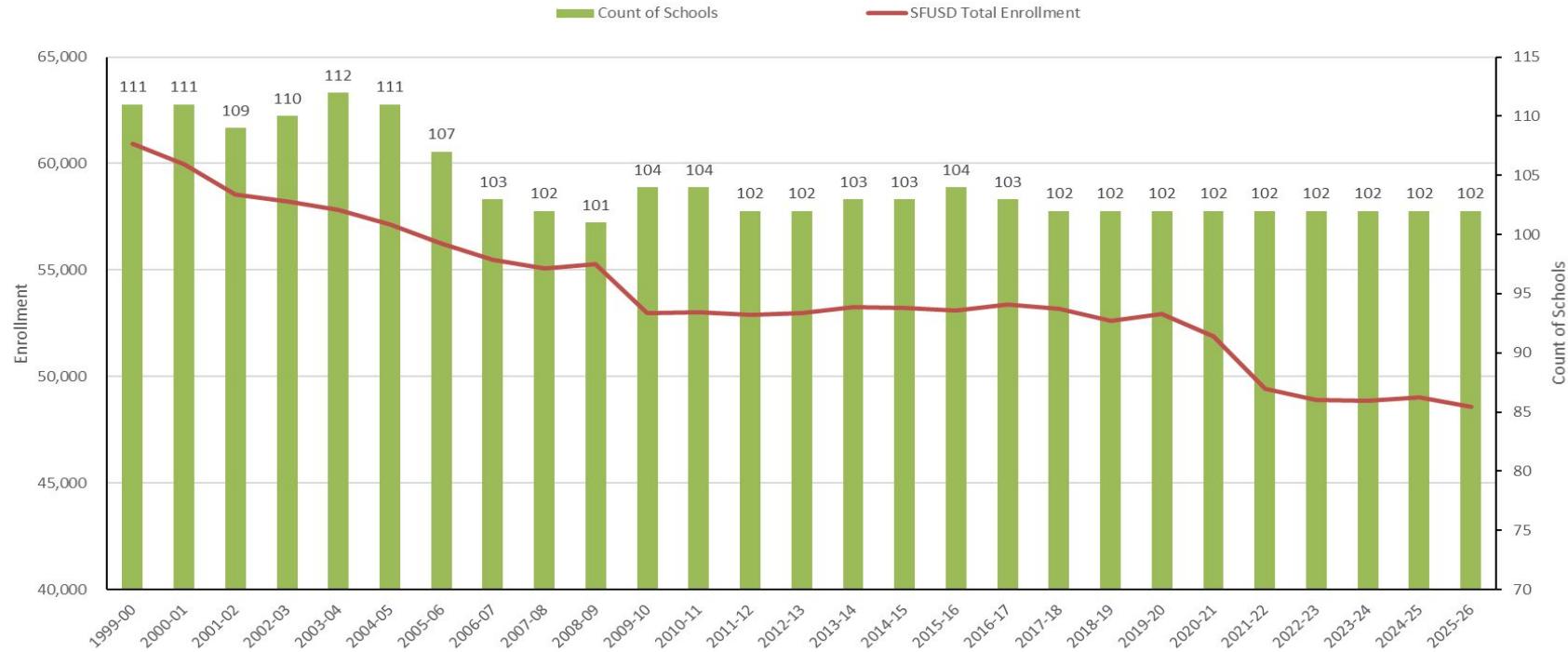
Funding per student	TK to 3	4 to 6	7 to 8	9 to 12
Base Grant	\$11,323	\$10,411	\$10,719	\$12,746
TK-Add on	\$5,545			

## Supplemental and Concentration Grant Funding

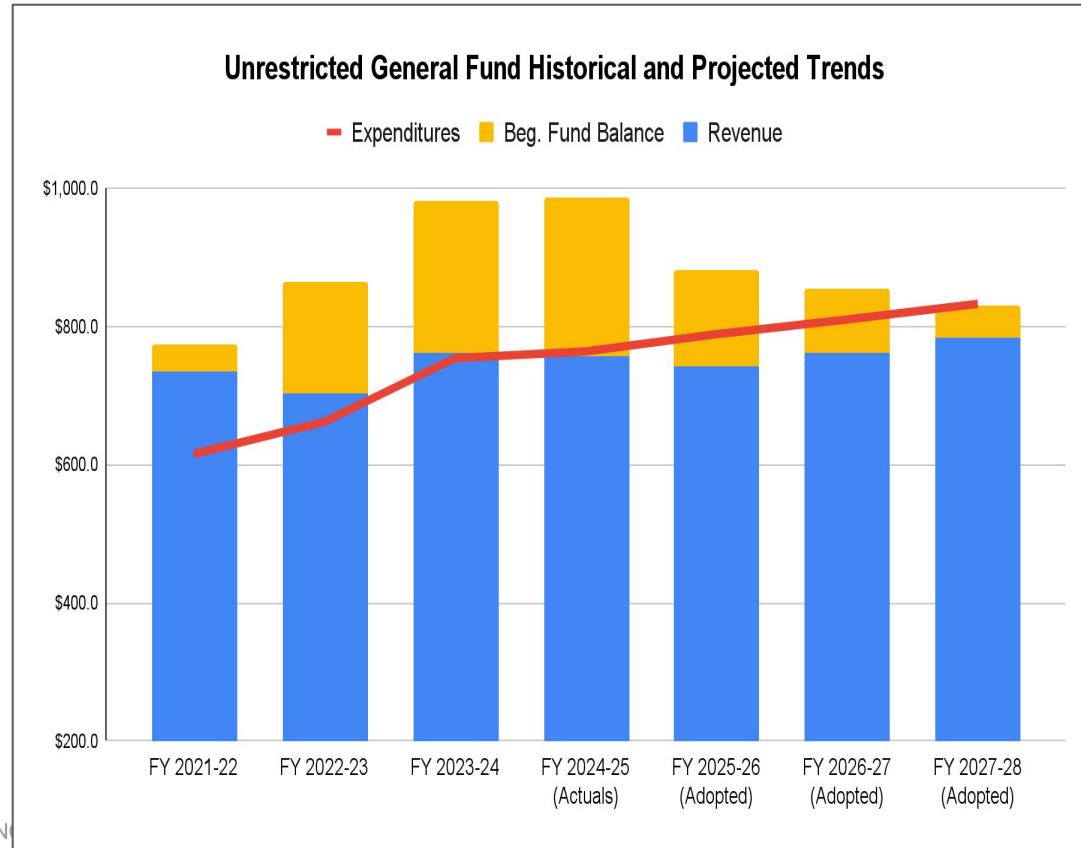
Supplemental Grant	20%	Base Grant $\times$ Unduplicated Pupil Percentage (UPP) $\times$ 20% (Foster/Homeless, English Language Learners, Low Income)
Concentration Grant	65%	Base Grant $\times$ any portion of UPP that exceeds 55% $\times$ 65%

# Student Enrollment Trends

SFUSD Total Enrollment from 1999-00 to 2025-26



# Fiscal Stabilization is a Multi-Year Process



- SFUSD is still under escalated CDE oversight
- We have made significant progress
- Goal is positive certification by July 1, 2026

# State Budget Certification

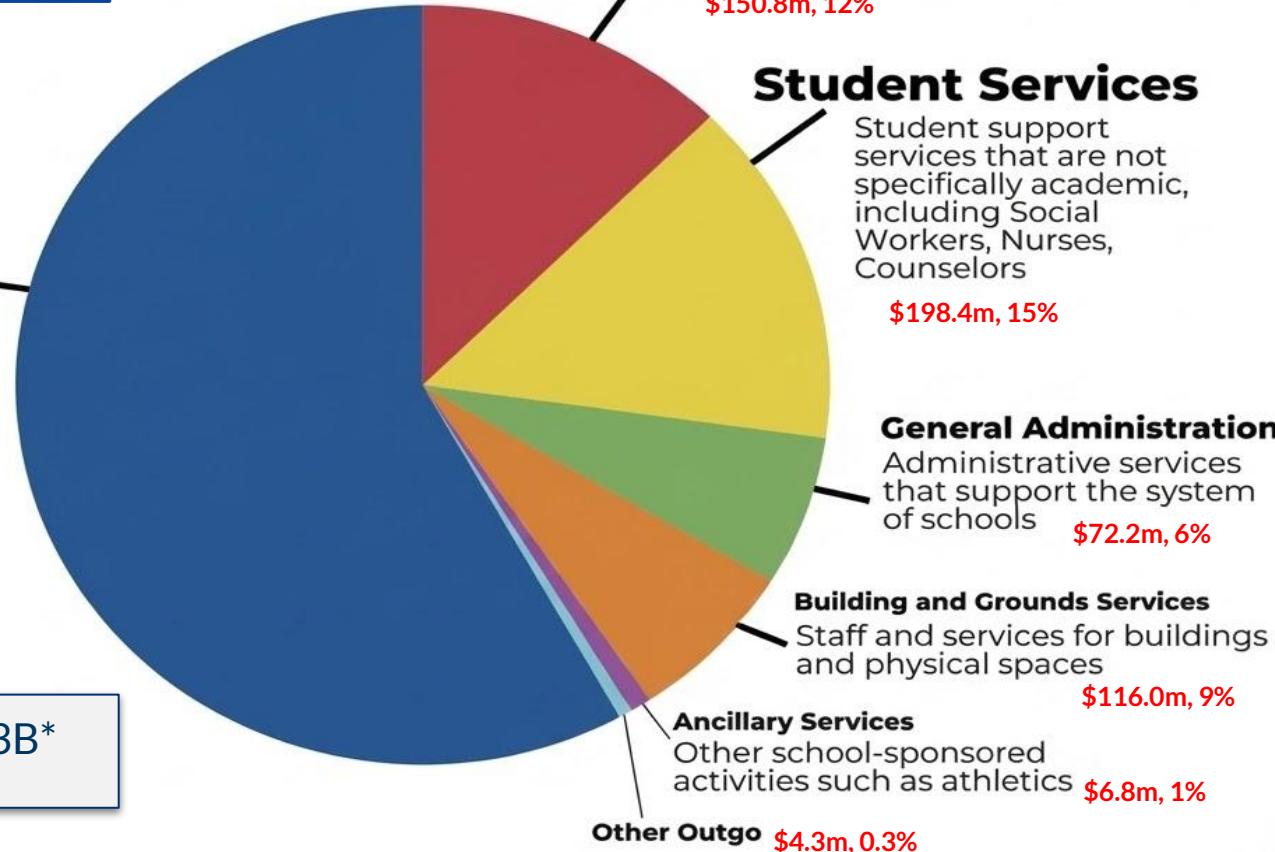
Positive	Qualified	Negative	Receivership
The district <u>will</u> meet its financial obligations this year and for the next two years.	There's a risk the district <u>may not</u> meet its financial obligations in the next two years.	The district will <u>not</u> have enough money to cover this year or next.	The state <u>takes over the Board of Education</u> and manages the district to fix finances.

# FY 25-26 Strategic Investments

## Instruction

Teachers; paraeducators; materials, supplies, and services that directly support student learning

\$751.8m, 58%



SFUSD Operating Budget: \$1.3B\*

\* Based on FY 25-26 Approved Budget

# District (SFUSD) Multi-Year Projections Unrestricted GF

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San Francisco Unified School District 2025-26 1st Interim Budget Unrestricted General Fund: Multi-Year Projections		2025-26 1st Interim Projection	2026-27 Projection	2027-28 Projection
A	<b>Beginning Fund Balance</b>	\$221,181,528	\$58,152,439	\$29,146,575
B	<b>Total Revenues</b>	\$744,474,360	\$759,159,074	\$778,006,969
C	<b>Total Expenditures &amp; Contributions</b>	\$796,001,806	\$791,608,067	\$797,554,866
	<i>Total Expenditures</i>	\$570,292,258	\$566,534,421	\$572,198,853
	<i>Total Contributions</i>	\$225,709,548	\$225,073,646	\$225,356,013
D	<b>Net Surplus / (Shortfall)</b>	<b>-\$51,527,446</b>	<b>-\$32,448,993</b>	<b>-\$19,547,898</b>
	<i>Fund 17 - District Reserve Policy</i>	\$111,501,643	-\$3,443,129	-\$19,770,046
E	<b>Ending Fund Balance</b>	<b>\$58,152,439</b>	<b>\$29,146,575</b>	<b>\$29,368,724</b>
	Stores Inventory & Prepaid	\$1,563,670	\$1,563,670	\$1,563,670
	Reserve for Economic Uncertainty 2%	\$27,877,835	\$27,582,905	\$27,805,054
	<b>Unassigned/Unappropriated</b>	<b>\$28,710,934</b>	<b>\$0</b>	<b>\$0</b>

- Expenditure growth in future years reflects 1% increase for step & column as well as UASF & Unrepresented Mgmt TA assumptions.
- Special Education Contribution assumptions will be incorporated at 2nd Interim.
- As expenditure growth outpaces revenue, Special Reserve Fund 17 will be drawn down in 2026-27 and 2027-28 to meet the statutory 2% reserve in Fund 01.
- The Fiscal Stabilization Plan and further budget-balancing measures will reduce deficit spending.

# District (SFUSD) Multi-Year Projections Restricted GF

<b>San Francisco Unified School District 2025-26 1st Interim Projection Restricted General Fund: Multi-Year Projections</b>		<b>2025-26 1st Interim Projection</b>	<b>2026-27 Projection</b>	<b>2027-28 Projection</b>
A	<b>Beginning Fund Balance</b>	<b>\$207,741,643</b>	<b>\$156,960,773</b>	<b>\$105,260,693</b>
B	<b>Total Revenues</b>	<b>\$547,109,052</b>	<b>\$535,956,124</b>	<b>\$539,443,828</b>
C	<b>Total Expenditures</b>	<b>\$597,889,922</b>	<b>\$587,656,203</b>	<b>\$592,814,466</b>
	<i>Total Expenditures</i>	\$823,599,470	\$812,729,850	\$818,170,480
	<i>Total Contributions</i>	-\$225,709,548	-\$225,073,646	-\$225,356,013
D	<b>Net Surplus / (Shortfall)</b>	<b>-\$50,780,870</b>	<b>-\$51,700,080</b>	<b>-\$53,370,639</b>
E	<b>Ending Fund Balance</b>	<b>\$156,960,773</b>	<b>\$105,260,693</b>	<b>\$51,890,055</b>

- In the Restricted General Fund, **deficit spending is planned so that the District can utilize available one-time funding.**
- State revenues are projected to increase.
- **Expenditures will be reduced as grant funding expires;** several notable block grants will expire after 2025-26 such as Educator Effectiveness, Arts & Music Block Grant, and A-G, which results in lower projected spending in 2026-27.

# Draft Fiscal Stabilization Plan (FSP)

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## DRAFT: SFUSD FSP 1st Interim FY26\*

\*FSP changes at each interim and adoption based on actualization of projections and assumptions

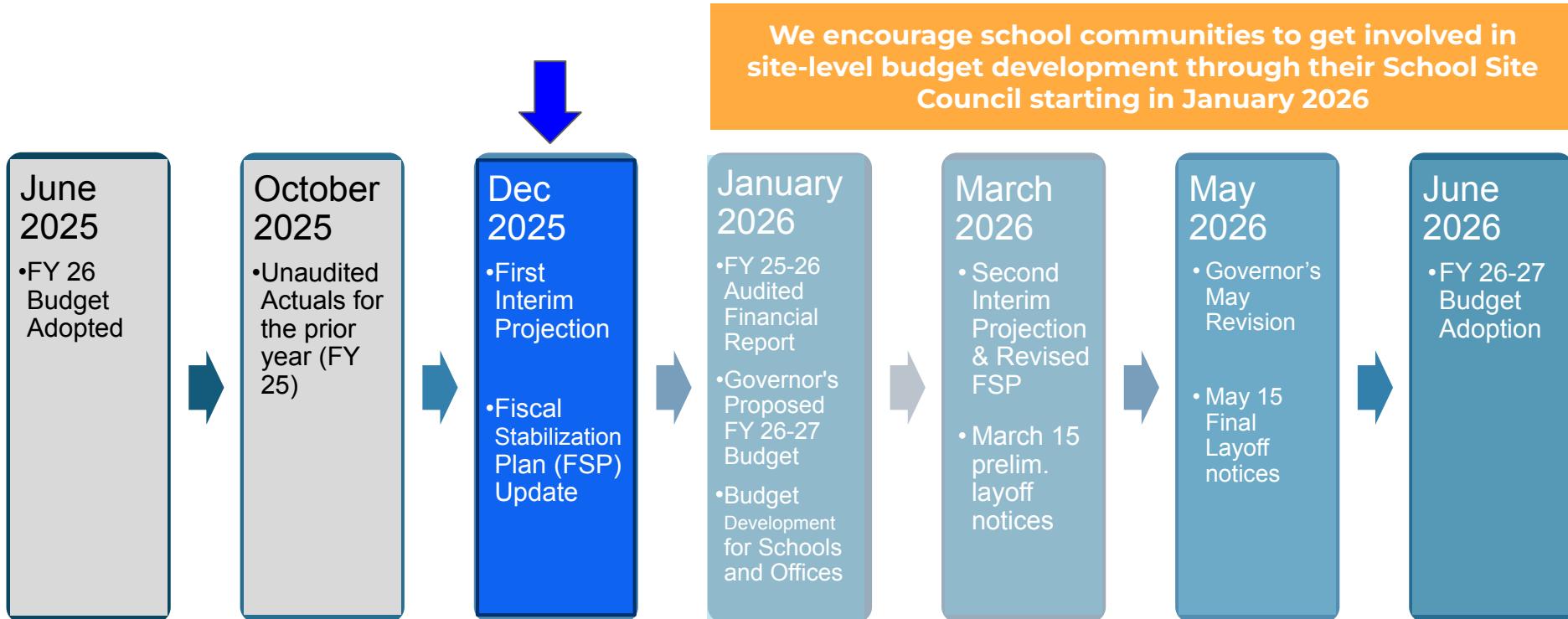
Reductions	Impact	Effective dates	FY 25-26	FY 26-27	FY 27-28
(1) Elimination of General Education Transportation	2500 Students	FY27 - ongoing	\$ -	\$ 5,000,000	\$ -
(2) Portfolio of programs and site consolidation*	Eventual portfolio / program consolidation	FY27 - ongoing	\$ -	\$ -	\$ 3,185,718
(3) School staffing model secondary	Return to a funded 6 period day	FY27 - ongoing	\$ -	\$ 16,982,551	\$ -
(4) School staffing model changes	\$8.6M in base staff and site allocations. Align VVGG	FY27 - ongoing	\$ -	\$ 8,688,403	\$ -
(5) Align SpEd resources with IEPs	Improved controls optimizing resources	FY26 - ongoing	\$ 5,000,000	\$ 2,800,000	\$ -

## Draft Fiscal Stabilization Plan (cont'd)

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Reductions	Impact	Effective dates	FY 25-26	FY 26-27	FY 27-28
(6) Improved budgeting and reconciliation - vacant positions	Improved budget controls	FY26 - ongoing	\$ 5,000,000	\$ -	\$ -
(7) Move expenses from UGF to RGF to decrease deficit	Better controls and move to RGF	FY26 - ongoing	\$ 5,000,000	\$ 2,186,895	\$ -
(8) End staffing when restricted resources end	Align with VVGG and limited term resources	FY26 - ongoing	\$ 2,000,000	\$ -	\$ -
(9) Central Office Reductions	\$10M position and \$5M in non-compensation	FY27 - ongoing	\$ -	\$ 14,664,130	\$ -
<b>Planned Reduction Subtotals</b>			<b>\$ 17,000,000</b>	<b>\$ 50,321,979</b>	<b>\$ 3,185,718</b>
<b>Unrestricted General Fund Surplus / (Deficit)</b>	<b>\$ (48,018,653.00)</b>		<b>\$ (38,018,653)</b>	<b>\$ (7,479,225)</b>	<b>\$ (4,293,508)</b>
<b>Restricted General Fund Surplus / (Deficit)</b>	<b>\$ (53,940,373.00)</b>		<b>\$ (51,940,373.00)</b>	<b>\$ (46,327,268.00)</b>	<b>\$ (41,327,268.00)</b>
<i>*Savings are projected and do not include any negotiated increases in compensation</i>					

# SFUSD's Budget Timeline



# Questions or Comments?

