



Financial Stabilization Plan

Actions, Savings, and the Decision Before the Board

A continuous plan, the work done in 2025-26, and what the Board is asked to carry into 2026-27.

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Presented by:

Tara Gard, Deputy Superintendent of Business and Operations

Ryan Nguyen, Chief Financial Officer

Ruben Frutos, Consultant - HYA

Our responsibility is clear: we must stabilize the District's finances today while fundamentally resetting how we operate for the years ahead. The Financial Stabilization Implementation Plan outlines the actions required to meet state and Board reserve requirements in the current year and to eliminate the structural deficit that has challenged our long-term sustainability. These actions are necessary to protect the District's solvency, preserve local control, and ensure we can continue to serve students with stability and integrity.

— Dr. Denise Saddler, Superintendent

There has always been a plan

A Continuous, Board-Adopted Strategy

This is not a sudden or first response to fiscal pressure. The District has worked a continuous, Board-adopted plan for years. Each plan built on the one before it, and the current Combined Stabilization Plan carries that work forward.



WHY NOW

We Carry a Deficit into 2026-27

The 2026-27 budget is balanced and legally supportable, but the District is not fiscally complete. The Multi-Year Projection shows continued deficits, and the Going Concern Notice directs ongoing reductions. The plan must keep moving, and that requires Board action now.

⚠ On April 16, 2026 the Alameda County Office of Education issued a precautionary Going Concern Notice under Education Code section 42127.6. It is not a Lack of Going Concern designation, and the District retains local control.

Multi-Year Projection — Net Change

Fiscal Year	Net Change	Reserve %
2026-27	(\$36.7M)	3.38%
2027-28	(\$39.3M)	3.11%
2028-29	(\$28.7M)	3.11%

\$20.6M

Structural Deficit

Cited by ACOE as the core structural gap requiring resolution

\$36–57M

Outyear Reductions Required

Additional reductions needed across the multi-year projection window

One Continuous Plan

Three Groups of Action

The Combined Stabilization Plan is organized into three interconnected groups, each building on the work already done and carrying it forward into 2026-27.

① FSIP 2025-26

Continue

What we have already done. The Fiscal Stabilization Implementation Plan strategies, with **\$92.3M actioned** in 2025-26.

② Carried Forward

Bring Back

Measures approved in prior plans, not yet fully completed, revived with owners and 2026-27 targets.

③ New and Cross-Plan

Approve

Actions drawn from all prior plans, including the management position evaluation.

 **Quantified targets:** \$92.3M actioned in 2025-26 (General Fund), plus \$41.5M General Fund and \$13.0M restricted projected for 2026-27.

What We Have Already Done

The 2025-26 Fiscal Stabilization Implementation Plan strategies, with savings actioned this year and projected savings for 2026-27. Figures in \$ millions. **NOTE: These numbers are estimates. We have not completed year-end close. At the first meeting in August we will come back with this spreadsheet updated with the year-end close.**

#	Strategy / Action	25-26 GF	25-26 Rest.	26-27 GF	26-27 Rest.
1	Reduce the special education contribution by 10%	—	—	14.7	—
2	Feasibility study of nonpublic school placement on OUSD property	—	—	0.2	—
3	Second-tier contract and discretionary spending review (≥ \$15,000)	—	0.7	1.0	1.5
4	Centralized procurement of materials and services	—	—	0.4	0.6
5	Fleet management system (future savings)	—	—	0.5	—
6	Decrease RRMA expenditures	—	—	2.6	—
7	Reduce school site access to unutilized spaces	1.6	—	1.0	—
8	Central office reductions	25.0	—	6.0	—
9	Use restricted dollars first	43.3	—	—	—
10	School site budget reduction (7.5-10%)	0.2	1.4	0.2	1.0
11	Central office reductions (10-20% above \$21M)	2.0	4.5	1.5	3.6
12	Increased attendance by 2%	—	—	—	—
13	TK Hub launch (2-3 hubs)	—	—	—	—
14	Shift Attendance Specialists and Noon Supervisors to S&C	4.2	—	—	—
15	Shift small-school costs to S&C	16.0	—	—	—
Section A Subtotal		92.3	6.6	28.1	6.7

Section B — Prior Plans

Carried Forward from Prior Plans

Measures adopted in earlier plans that were not fully completed, revived for continued reductions, each now with a 2026-27 target. Figures in \$ millions. **Estimated future savings**

Source Plan	Strategy / Action	26-27 GF	26-27 Rest.
Att. A 2022-23	Curriculum adoption savings and reduced consumables	1.0	—
Att. A / B	Citywide process to determine the District's future footprint	—	—
Att. B 2023-24	Review and revise Board Policy 3150 (site funding)	—	—
Att. B 2023-24	Reduce consistently vacant and hard-to-fill positions	0.9	0.9
Att. C / 3 R's 2024-25	Reduce consultant contracts	3.0	—
Att. C / 3 R's 2024-25	Eliminate or significantly reduce extended contracts	0.4	—
Att. C / 3 R's 2024-25	Target to increase staff attendance	0.8	1.0
Att. C / 3 R's 2024-25	Facilities and Real Property Asset Strategy	—	—
Att. C / 3 R's 2024-25	Eliminate or significantly reduce overtime	1.0	—
Att. C / 3 R's 2024-25	Master schedules	0.5	—
Att. C / 3 R's 2024-25	Eliminate ongoing-funded Teachers on Special Assignment	1.2	2.0
Att. C / 3 R's 2024-25	Convert eligible 11 and 12 month positions to 10 months	0.4	—
Att. C / 3 R's 2024-25	Health benefits cost strategy	1.0	—
Att. C / 3 R's 2024-25	Reduce additional site staffing beyond strategic positions	1.0	—
Section B Carried-Forward Subtotal		11.1	3.8

New and Cross-Plan Actions

Actions drawn from across all prior plans and recommended for this cycle. Figures in \$ millions.

Source	Strategy / Action	26-27 GF	26-27 Rest.
All prior plans	Management Position Evaluation (central offices and school sites)	1.0	2.5
All prior plans	Delay the start of new programs and initiatives	—	—
	New and Cross-Plan Subtotal	1.0	2.5

Management Position Evaluation

Evaluate management staffing across central departments and school sites, including community school managers, assistant principals, and other leaders. Assess spans of control and reporting structures against enrollment and need, and identify positions to consolidate, redeploy, or eliminate.

Delay New Programs and Initiatives

Defer new programs and initiatives that are not yet underway and are not required by law, grant, or Board direction, preserving flexibility while the structural deficit is addressed.

Savings and Targets Across the Plan

Group	2025-26 GF	2025-26 Rest.	2026-27 GF	2026-27 Rest.
FSIP 2025-26 (Section A)	92.3	6.6	28.1	6.7
Carried forward (Section B)	—	—	12.4	3.8
New and cross-plan	—	—	1.0	2.5
TOTAL quantified targets	92.3	6.6	41.5	13.0

\$92.3M

2025-26 General Fund

Actioned in the current fiscal year

\$41.5M

2026-27 General Fund

Projected savings target for next fiscal year

\$13.0M

2026-27 Restricted

Projected restricted fund savings for 2026-27

 **Read together:** The District actioned \$92.3M in the General Fund in 2025-26 and projects \$41.5M General Fund and \$13.0M restricted for 2026-27, plus \$0.25M in anticipated revenue. Much of the 2025-26 General Fund figure reflects one-time funding shifts that spend restricted balances first and are not additive to ongoing reductions.

What the Board Needs to Do Now

Because the District carries a projected deficit into 2026-27, the plan must continue without interruption. Staff recommend that the Board take the following action.

1

Continue the Current Plan

Keep implementing the 2025-26 Fiscal Stabilization Implementation Plan strategies that are underway and producing savings.

2

Take Action into 2026-27

Carry the in-progress strategies and their 2026-27 targets into the new fiscal year so the work does not stall at year end.

3

Bring Back Other Approved Actions

Revive the carried-forward measures previously approved in prior plans, together with the new cross-plan actions, with owners and targets assigned.

The plan reduces overhead, captures available revenue, and protects direct services to students.

From Adoption to Ongoing Reporting



✓ *No number leaves the District without its source and its as-of date.*