

Fiscal Stabilization and Student Success

Executive summary | Board study session | October 14, 2026

Initial progress and a foundation for lasting change

Santa Rosa City Schools can take pride in the initial fiscal progress achieved through difficult Board decisions and substantial work by staff, students, and families. School closures and consolidations produced approximately \$9.2 million in estimated first-year site savings in 2025–26, compared with the \$8.6 million projection. This early milestone supports financial stabilization and creates a foundation for sustained systems change. The purpose is to assign staff, facilities, and funding more efficiently so the district can sustain services and improve student outcomes.

A large amount of work remains. The junior and senior high program model requires continued attention to learning, safety, belonging, staff collaboration, and access to opportunities. Fiscal progress and implementation challenges must be considered together, with prudence as the district navigates change and builds its culture.

Financial scope and enrollment pressures

This report reflects General Fund 01 and includes both restricted and unrestricted revenues and expenditures. Restricted funds support specific purposes; unrestricted funds provide greater flexibility. Their combined totals give important context, but do not mean all resources are available for any district need.

Revenue from all sources per unit of average daily attendance (ADA) increased from \$17,601 in 2024–25 to \$19,097 in 2025–26, an increase of \$1,496, or approximately 8.5%. It is also important to note that one-time funds are not excluded from this overall revenue amount. ADA measures average student attendance and is used in school funding. Higher revenue per ADA helped during a precarious fiscal period but does not eliminate the need to align ongoing costs with sustainable revenue.

Continued declining enrollment remains a local planning challenge and is part of a broader state and national trend. California reports repeated annual declines and projects further reductions over the next decade. National projections also anticipate lower public school enrollment, largely because of a smaller school-age population. Trends vary by community; SRCS must update its own projections annually. Fewer students can reduce funding over time, while facility and operating costs do not fall automatically at the same pace.

Fiscal stabilization also protects local decision-making. Insolvency requiring a large emergency loan would transfer governing authority to an appointed administrator, leaving the elected Board in an advisory role. Maintaining solvency helps keep school decisions with the community's elected representatives.

How the initial site savings were estimated

The approximately \$9.2 million estimate includes \$3.3 million from elementary changes and \$5.9 million from secondary changes. Staff thoughtfully excluded estimated reductions that would have occurred from declining enrollment or one-time and other miscellaneous adjustments, rather than attributing the entire year-to-year cost decrease to closures. The presentation identifies approximately \$500,000 in elementary exclusions and \$1.325 million in secondary exclusions.

Closing and consolidating schools allowed more efficient resource assignments. At the secondary level, partial integration limited the full efficiencies available. These are initial fiscal estimates; site-level staffing savings attributable to closure should be easier to track beginning in Year 2. Continued analysis will distinguish closure savings from enrollment changes, transition costs, and other adjustments.

Lower costs and additional costs avoided

General Fund 01 cost measure	2024–25	2025–26	Decrease
Elementary site cost per student	\$8,332	\$7,553	\$779
Secondary site cost per student	\$8,259	\$7,709	\$550
Districtwide total cost per student	\$27,013	\$20,209	\$6,804

Districtwide totals include changes beyond school closures. Staffing analysis, internal fiscal controls, and changes in district office support structures produced an additional \$3 million in reported savings while safety investments continued. Revenue per ADA and cost per student use different measures; subtracting them does not establish a deficit or surplus.

Lower ongoing obligations also avoid some future cost growth. Inflation, commonly tracked through the Consumer Price Index (CPI), can increase supplies, repairs, utilities, and service costs. Eligible salary “step” movement generally reflects added years of service for certificated staff and classification changes for classified staff; “column” movement generally reflects additional education or qualifications for certificated and years of service in a position for classified. Eliminated staffing obligations can avoid that future salary growth and associated employer benefit costs.

These avoided costs strengthen the long-term benefit of consolidation. Future analysis should compare actual costs with what the former operating model would have cost using applicable inflation, salary, and benefit assumptions. Additional avoided costs should be checked for overlap with reported savings before totals are combined. The site savings presentation also identifies busing and crossing-guard savings and avoided costs as excluded from the site estimates.

Student and staff experiences must guide improvement

Many 7th and 8th grade students have directly reported positive experiences with the junior and senior high program model. Many staff members, especially at combined secondary sites, have reported less positive experiences. Both perspectives matter. Positive student feedback is encouraging, and we know that staff were an integral part of this. Staff concerns require continued attention to conditions needed to support effective teaching and student services.

Another early success was the completion and opening of Montgomery High School’s new two-story building a full two months ahead of schedule, in time for the start of school. Facility concerns remain difficult, most acutely for athletics and specialized learning spaces such as science labs and art rooms. These needs must inform program, facility, and budget planning.

The short timeline for the first-year site mergers did not allow sufficient planning and collaboration. Lessons from that experience informed adjustments for the second-year secondary mergers. Continued work toward a shared school culture must give students, families, and staff opportunities to identify concerns and help improve implementation.

Separate school identifiers and the cost of staff time

Separate County District School (CDS) codes—the state reporting identities for schools—remain a planning consideration. They can preserve school-specific funding, but also require separate reporting, plans, and governance work. The opportunity cost is the staff time and capacity used for separate duties that could otherwise support instruction, collaboration, or student services.

The Finance Subcommittee attachment estimates approximately \$650,000 in annual Community Schools revenue exposure under a scenario that combines three junior and senior high school pairs into three school identities. This is a conditional planning estimate, dependent on eligibility and enrollment. Any future decision should compare verified revenue effects with actual administrative savings, transition costs, workload, and student-service implications. Co-location alone does not resolve that tradeoff, and no CDS code closure recommendation is made here.

Sustained improvement takes years

Lasting improvement in culture and achievement requires years of consistent implementation and review. Each school has its own timeline. Districtwide systems changes also influence results. A full cohort takes six years to complete grades 7 through 12; annual evidence will guide adjustments throughout that period.

Implementation period	Focus of review
Years 1 and 2	Implement, identify concerns, and adjust programs, resources, and practices.
Years 3 through 5	Strengthen consistency, collaboration, and sustainable practices; review trends.
After Year 6 and into Year 7	Review the first cohort to complete the full grade 7 through grade 12 experience.
Every year	Gather evidence, analyze results, and revise plans without waiting for the full cohort review.

A continuous cycle of review and adjustment

The district will gather data, analyze results, and adjust plans continuously. Reviews will consider academics, attendance, enrollment, discipline, climate surveys, staff recruitment and retention, and community feedback, alongside staffing costs, restricted funding requirements, and costs avoided.

Each fall, review completed-year financial and student results. Use winter findings to inform staffing and schedules, and spring planning to align programs, facilities, and the budget. Monitor implementation and make adjustments throughout the year. Upcoming work includes the First Interim budget report, updated enrollment and demographic information, multi-year projections, and continued community feedback.

Pride in progress should be accompanied by careful judgment about what the evidence establishes and what still needs attention. Maintaining financial discipline, strengthening trust and collaboration, and using resources efficiently will remain essential as SRCS builds a culture that supports sustained student success.