



**To:** Members of the Board of Education

**From:** Dr. Dennis L. Carpenter, Superintendent  
Dr. Dawn Smith, Assistant Superintendent of Operations  
Katie Roe, Assistant Superintendent of Academics  
Aigne' CM Cox, Executive Director of Business and Finance, SFO

**Date:** January 15, 2026

**RE:** Road to Sustainable Destiny Recommendation #1

**Rationale:**

The District continues to experience increasing budgetary pressure due to several revenue and expenditure trends. The District's unrestricted operating fund balance decreased from 33.9% in Fiscal Year 2024 to 24.2% in Fiscal year 2025. For 2025-2026, the district is projecting a \$14M deficit and an ending operating fund balance of \$13,790,091 or 13.4%. This significant reduction underscores the urgent need for strategic adjustments to ensure long-term fiscal stability.

**Background information:**

The projected deficit is the result of ongoing expenditure growth—particularly in personnel, purchased services, and operational costs—outpacing revenue increases. In response, District leadership conducted a comprehensive review of staffing allocations, contractual obligations, and operational structures at both the central office and building levels.

These recommendations are intended to stabilize the District's financial trajectory, preserve instructional priorities, and align ongoing expenditures with sustainable revenue levels. The goal of this review was to identify targeted, data-informed reductions that minimize disruption to classroom instruction while addressing the \$14M deficit.

**Cost Analysis:**

Potential Cost Savings District Level	\$2,887,657
Potential Cost Savings Purchased Services	\$4,545,879
<u>Potential Cost Savings Building Level</u>	<u>\$2,324,802</u>
<b>Total Potential Cost Savings for Operations and Academics for 2026-2027</b>	<b>\$9,758,338</b>

**Connection with District initiatives and Board Policy:**

Policy FC: School Closings, Consolidations, and Reorganizations

**Recommendation:**

The Superintendent recommends Board approval of position eliminations, position reclassifications, contractual adjustments, and budget adjustments as presented for an estimated cost savings of \$9,758,338.