



SONORA SCHOOL DISTRICT

830 GREENLEY ROAD, SONORA, CA 95370

TEL (209) 532-5491

FAX (209) 532-4828

FISCAL RECOVERY PLAN

I. Introduction

This Deficit Reduction Plan outlines Sonora School District’s strategies to eliminate \$1,218,828 of the structural deficit in 2026–27 and an additional \$189,335 in 2027–28. The plan focuses on expenditure reductions and revenue-generating initiatives, aligning staffing and services with actual enrollment and funding levels in a post-COVID environment.

II. Summary of Strategies and Estimated Impact

Strategy Category	Strategy Description	2025-2026	2026-2027
		Estimated Savings/Revenue	
Class Size Efficiency	Reduce 4 FTE, staff attrition	\$292,543	85,839
Classified Student Support Efficiency	Reduce 2.25 FTE staff attrition	\$103,958	
Custodial Reduction in Force	Reduce .69 FTE	\$38,496	
Clerical Support Efficiency	Reduce 1.5 FTE, staff attrition	\$51,858	62,301
Reorganize District Office Admin	Align Admin to align with decreasing enrollment projections	\$391,434	41,195
Utility/Operations routine costs	Reduce consumable expenditures and adjust utility consumption	\$47,000	
Program Review	Discontinue ISO/Ascen contract	\$340,540	
		\$1,265,829	\$189,335

III. Timeline for Implementation

- 2025/2026
 - Finalize staffing assignments
 - Secure new Superintendent/Principal
 - Manage expenditures
 - Review options for attendance recovery program to implementation for 26/27 school year
- 2026/2027
 - Review Enrollment Projections and align staffing
 - Continue to Manage expenditures
 - Review attendance recovery program

IV. Monitoring and Evaluation

The district will monitor implementation of this plan through biannual budget reviews, ADA trend reports, and administrative updates to the board. Adjustments will be made as needed based on enrollment and fiscal updates.

V. Approval

Interim Superintendent

Date

Board President

Date

Fiscal Health Risk Analysis

Last revision: November 2024

FCMAT

FISCAL CRISIS & MANAGEMENT
ASSISTANCE TEAM

District: **Sonora Elementary School District**

Risk Level: High

Response

Budget and Fiscal Status: Is the district currently **without** the following?:

- | | |
|---|-----|
| • Disapproved budget. | Yes |
| • Negative interim report certification. | Yes |
| • Three consecutive qualified interim report certifications. | Yes |
| • Downgrade of an interim certification by the county superintendent. | Yes |
| • Lack of going concern designation. | Yes |

1. Annual Independent Audit Report

- | | |
|---|-----|
| 1.1 Has the district recorded findings from the most recent and prior two years' audits without negatively affecting its fiscal health? | Yes |
| 1.2 Has the audit report for the most recent fiscal year been completed and presented to the governing board within the statutory timeline per Education Code (EC) 41020? | Yes |
| 1.3 Were the district's most recent and prior two audit reports free of findings of material weakness? | No |
| 1.4 Has the district corrected all audit findings from the most recent and prior two audits? | Yes |

2. Budget Development and Adoption

- | | |
|---|-----|
| 2.1 Does the district develop and use written budget assumptions and multiyear projections that are reasonable, are aligned with the county superintendent of schools' instructions, and have been clearly articulated? | Yes |
| 2.2 Does the district use a budget development method other than a prior-year rollover budget, and if so, does that method include tasks such as reviewing prior year estimated actuals by major object code and removing one-time revenues and expenses? | Yes |
| 2.3 Does the district use position control data for budget development? | Yes |
| 2.4 Does the district calculate its Local Control Funding Formula (LCFF) revenue correctly? | Yes |
| 2.5 Has the district's budget been approved unconditionally by September 15th by the county superintendent of schools in the current and prior two fiscal years? | Yes |
| 2.6 Does the budget development process include input from staff, administrators, the governing board, the community, and the budget advisory committee (if there is one)? | No |
| 2.7 Does the district budget and expend restricted funds before unrestricted funds? | Yes |
| 2.8 Have the district's Local Control and Accountability Plan (LCAP) and budget been adopted within the statutory timelines established by EC 42103 and filed with the county superintendent of schools no later than five days after adoption or by July 1, whichever occurs first, for the current and prior fiscal year? | Yes |
| 2.9 Has the district refrained from including carryover funds in its adopted budget? | Yes |
| 2.10 Other than objects in the 5700s and 7300s, does the district avoid using negative expense or contra expenditure accounts in its budget? | Yes |
| 2.11 Does the district have and follow a documented standard procedure for evaluating both the proposed acceptance of grants and other restricted funds and the potential multiyear impact on the district's unrestricted general fund? | No |
| 2.12 Does the district adhere to a budget calendar that includes statutory due dates, major budget development tasks and deadlines, and the staff members and departments responsible for completing them? | No |

3. Budget Monitoring and Updates

- | | |
|---|-----|
| 3.1 Are actual revenues and expenses consistent with the most current budget? | Yes |
| 3.2 Are budget revisions posted in the financial system at each interim reporting period, at a minimum? | Yes |

Fiscal Health Risk Analysis

Last revision: November 2024

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3.3	Are clearly written and articulated budget assumptions that support budget revisions communicated to the governing board at each interim reporting period, at a minimum?	Yes
3.4	Following board approval of collective bargaining agreements, does the district make necessary budget revisions in the financial system to reflect settlement costs in accordance with EC 42142?	Yes
3.5	Do the district's responses fully explain the variances identified in the SACS Criteria and Standards Review form?	Yes
3.6	Has the district addressed any deficiencies the county superintendent of schools has identified in its oversight letters to the district in the most recent and prior two fiscal years?	N/A
3.7	Does the district prohibit processing of requisitions or purchase orders when the budget is insufficient to support the expenditure?	No
3.8	Does the district encumber funds for salaries and benefits and adjust those encumbrances as needed?	Yes
3.9	For the most recent and prior two fiscal years, have the district's interim financial reports and unaudited actuals been adopted and filed with the county superintendent of schools within the timelines established in Education Code?	No

4. Cash Management

4.1	Are accounts held by the county treasurer reconciled with the district's and county office of education's (COE) reports monthly?	Yes
4.2	Does the district reconcile all bank (cash and cash equivalent) accounts with each statement in a timely manner?	Yes
4.3	Does the district forecast its general fund cash flow for the current and subsequent year and update it as needed to ensure cash flow needs are known?	Yes
4.4	If the district's cash flow forecast shows insufficient cash in its general fund to support its current and projected obligations, does the district have a reasonable plan to meet its cash flow needs for the current and subsequent year?	N/A
4.5	Does the district have sufficient cash resources in its other funds to support its current and projected obligations in those funds?	Yes
4.6	If the district uses interfund borrowing, is it complying with EC 42603?	N/A
4.7	If the district is managing cash in any fund(s) through external borrowing, does the district's cash flow projection include repayment based on the terms of the loan agreement?	N/A

5. Charter Schools

5.1	Does the district have a board policy, memorandum of understanding (MOU), or other written document(s) regarding charter oversight?	N/A
5.2	Has the district fulfilled, and does it have evidence showing fulfillment of, its oversight responsibilities in accordance with EC 47604.32?	N/A
5.3	Are all charters authorized by the district going concerns and not in fiscal distress?	N/A
5.4	Has the district identified specific employees in its various departments (e.g., human resources, business, instructional, and others) to be responsible for oversight of all approved charter schools?	N/A
5.5	Does the district monitor charter school audits for timeliness, completeness, and exceptions?	N/A

6. Collective Bargaining Agreements

6.1	Has the district settled with all its bargaining units for the past two fiscal years?	Yes
6.2	Has the district settled with all its bargaining units for the current year?	Yes
6.3	Does the district accurately quantify the effects of collective bargaining agreements and include complete disclosure documents that show the impact on its budget and multiyear projections?	Yes

Fiscal Health Risk Analysis

Last revision: November 2024

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		Response
6.4	Based on the presettlement analysis, did the district identify related costs or savings, and did it identify ongoing revenue sources or expenditure reductions to support the agreement in the current and subsequent years?	No
6.5	In the current and prior two fiscal years, has the total cost of the district's bargaining agreement settlements, including step-and-column increases, been at or under the funded cost-of-living adjustment (COLA)?	Yes
6.6	If settlements have not been reached in the past two years, has the district identified resources to cover the costs of the district's proposal(s)?	N/A
6.7	Did the district comply with public disclosure requirements under Government Code 3540.2 and 3547.5, and EC 42142?	Yes
6.8	Did the superintendent and chief business official (CBO) certify the public disclosure of collective bargaining agreement before board approval?	Yes
6.9	Is the governing board's action consistent with the superintendent's and CBO's certification?	Yes
7. Contributions and Transfers		
7.1	Does the district have an active, board-approved plan to eliminate, reduce or control any contributions/transfers from its unrestricted general fund to other restricted programs and funds?	No
7.2	If the district has deficit spending in funds other than the general fund, has it included in its multiyear projection sufficient transfers from the unrestricted general fund to cover any projected negative fund balance?	N/A
7.3	If any contributions or transfers were required for restricted programs and/or other funds in either of the prior two fiscal years, and there is a need in the current year, did the district budget for them at reasonable levels?	Yes
8. Deficit Spending (Unrestricted General Fund)		
8.1	Is the district avoiding deficit spending in the current fiscal year?	No
8.2	Is the district projected to avoid deficit spending in both of the two subsequent fiscal years?	No
8.3	If the district has deficit spending in the current or two subsequent fiscal years, has the board approved and implemented a plan to reduce and/or eliminate deficit spending to ensure fiscal solvency?	No
8.4	Has the district decreased deficit spending over the past two fiscal years and is there evidence of this in its unaudited actuals reports?	No
9. Employee Benefits		
9.1	Has the district completed an actuarial valuation in accordance with Governmental Accounting Standards Board requirements to determine its unfunded liability for other post-employment benefits (OPEB)?	Yes
9.2	Does the district have a plan to fund its OPEB liabilities for the current and two subsequent years such that the total of annual required service payments (whether legally or contractually required, or locally defined such as pay-as-you-go premiums, trust agreement obligations, or a board-adopted commitment) are no greater than 2% of the district's unrestricted general fund revenues?	Yes
9.3	Within the last five years, has the district conducted a verification and determination of eligibility for benefits for all active and retired employees and dependents?	Yes
9.4	Does the district track, reconcile and report employees' compensated leave balances?	Yes
9.5	Has the district followed a policy or collectively bargained agreement to limit accrued vacation balances?	Yes
10. Enrollment and Attendance		
10.1	Has the district's enrollment been increasing or remained stable for the current and prior two years?	No
10.2	Does the district monitor and analyze enrollment and average daily attendance (ADA) data at least monthly through the second attendance reporting period (P-2)?	Yes
10.3	Does the district track historical enrollment and ADA data to project future trends?	Yes

Fiscal Health Risk Analysis

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10.4	Do schools maintain an accurate record of daily enrollment and attendance that is reconciled monthly at the school and district levels?	Yes
10.5	Are the district's enrollment projections and assumptions based on historical data, industry-standard methods, and other reasonable factors?	Yes
10.6	Has the district planned for enrollment losses to any charter schools?	N/A
10.7	Do all applicable schools and departments review and verify their respective California Longitudinal Pupil Achievement Data System (CALPADS) data and correct it as needed before the report submission deadlines?	Yes
10.8	Has the district certified its CALPADS data (most recent Fall 1, Fall 2, and end-of-year reports) by the required deadlines?	Yes
10.9	Does the district follow established board policy to limit outgoing interdistrict transfers and ensure that only students who meet the required qualifications are approved?	Yes
10.10	Does the district adhere to the average TK-3 class enrollment limits at each school, the adult-to-student ratio for each TK class, and the credentialing requirements for teachers assigned to TK classes as defined in the Education Code?	Yes

11. Facilities

11.1	If the district participates in the state's School Facility Program, has it made the required contribution to its Routine Restricted Maintenance Account?	N/A
11.2	Does the district have sufficient and available resources to cover all contracted obligations for capital facilities projects?	Yes
11.3	Does the district properly track and account for facility-related projects?	Yes
11.4	Does the district use its facilities fully (districtwide) in accordance with the Office of Public School Construction's loading standards?	Yes
11.5	Does the district include facility needs (maintenance, repair, and operating requirements) when adopting a budget?	Yes
11.6	Has the district met the facilities inspection requirements of the Williams Act and resolved any outstanding issues?	Yes
11.7	If the district passed a Proposition 39 general obligation bond, has it met the requirements for audit, reporting, and a citizens' bond oversight committee?	N/A
11.8	Does the district have a board-approved long-range facilities master plan completed within the last five years that reflects its current and projected facility needs?	No

12. Fund Balance and Reserve for Economic Uncertainties

12.1	Is the district able to maintain the minimum reserve for economic uncertainties in the current year (including Fund 01 and Fund 17) as defined by the State Standards and Criteria for Fiscal Solvency?	Yes
12.2	Is the district able to maintain the minimum reserve for economic uncertainties in the two subsequent years?	No
12.3	If the district is not able to maintain the minimum reserve for economic uncertainties, does the district's multiyear projection include a board-approved plan to restore the reserve?	No
12.4	Is the district's projected unrestricted fund balance stable or increasing in the two subsequent fiscal years without unsubstantiated revenue increases or expenditure reductions?	No
12.5	If the district has unfunded or contingent liabilities or one-time costs other than post-employment benefits, does the unrestricted general fund balance include sufficient assigned or committed reserves above the recommended reserve level to cover these costs?	No

13. General Fund – Current Year

13.1	Does the district ensure that one-time revenues do not pay for ongoing expenditures?	Yes
13.2	Is the percentage of the district's general fund unrestricted expenditure budget that is allocated to salaries and benefits at or below the prior year statewide average?	Yes

Fiscal Health Risk Analysis

Last revision: November 2024

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13.3	Is the percentage of the district's general fund unrestricted expenditure budget that is allocated to salaries and benefits at or below that of the prior two years?	Yes
13.4	If the district has received any uniform complaints or legal challenges regarding local use of supplemental and concentration grant funding in the current or prior two years, is the district addressing the complaint(s)?	No
13.5	For positions supported with one-time or restricted dollars, does the district either ensure that these funds are sufficient to pay for these staff or have a plan to pay for the positions with unrestricted funds?	N/A
13.6	Is the district using its restricted dollars fully by expending allocations for restricted programs within the required time?	Yes
13.7	Does the district account for all program costs, including the maximum allowable indirect costs, for each restricted resource and other funds?	No
13.8	Are all balance sheet accounts in the general ledger reconciled at least at each interim report and at year-end close?	Yes

14. Information Systems and Data Management

14.1	Does the district use an integrated financial and human resources system?	No
14.2	Does the district use the system(s) to provide key financial and related data, including personnel information, to help the district make informed decisions?	N/A
14.3	Has the district accurately identified students who are eligible for free or reduced-price meals, English learners, and foster youth, in accordance with the LCFF and its LCAP?	Yes
14.4	Is the district using the same financial system as its COE?	Yes
14.5	If the district is using a separate financial system from its COE, is there an automated interface that allows data to be sent and received by both the district's and COE's financial systems?	N/A
14.6	If the district is using a separate financial system from its COE, has the district provided the COE with direct access so the COE can provide oversight, review and assistance?	N/A

15. Internal Controls and Fraud Prevention

15.1	Does the district have controls that limit access to its financial system and include multiple levels of authorization?	Yes
15.2	Are the district's financial system's access and authorization controls reviewed and updated upon employment actions (e.g., resignations, terminations, promotions, or demotions) and at least annually?	Yes
15.3	Does the district ensure that duties in the following areas are segregated, and that they are supervised and monitored?:	
	• Accounts payable (AP).	Yes
	• Accounts receivable (AR).	Yes
	• Purchasing and contracts.	Yes
	• Payroll.	Yes
	• Human resources (i.e., duties related to position control and payroll processes).	Yes
15.4	Are beginning balances for the new fiscal year posted and reconciled with the ending balances for each fund from the prior fiscal year?	Yes
15.5	Does the district review and work to clear prior year accruals throughout the year?	Yes
15.6	Has the district reconciled and closed the general ledger (books) within the time prescribed by the county superintendent of schools?	Yes
15.7	Does the district have processes and procedures to discourage and detect fraud?	Yes
15.8	Does the district have a process for collecting reports of possible fraud (such as an anonymous fraud reporting hotline) and for following up on such reports?	No
15.9	Does the district have an internal audit process?	No

16. Leadership and Stability

Fiscal Health Risk Analysis

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		Response
16.1	Does the district have a CBO who has been in this position with the district for more than two years?	No
16.2	Does the district have a superintendent who has been in this position with the district for more than two years?	Yes
16.3	Does the superintendent schedule and hold meetings regularly with all members of their administrative cabinet?	No
16.4	Is training on financial management and budget provided to school and department administrators who are responsible for budget management?	Yes
16.5	Does the governing board adopt and revise policies and administrative regulations annually?	Yes
16.6	Are newly adopted or revised policies and administrative regulations implemented, communicated, and available to staff?	Yes
16.7	Do all board members attend training on the budget and governance at least every two years?	No
16.8	Is the superintendent's evaluation performed according to the terms of the contract?	Yes
16.9	Is the district avoiding relying on consultants to prepare financial reports (e.g. SACS) or other primary fiscal activities?	Yes

17. Multiyear Projections

17.1	Has the district developed multiyear projections that include detailed assumptions aligned with industry standards?	Yes
17.2	To help calculate its multiyear projections, did the district prepare an accurate LCFF calculation that includes multiyear considerations?	Yes
17.3	Does the district use its most current multiyear projection when making financial decisions?	Yes
17.4	If the district uses a broad adjustment category in its multiyear projection (such as line B10, B1d, B2d Other Adjustments, in the SACS Form MYP/MYPI), is there a detailed list of what is included in the adjustment amount and are the adjustments reasonable?	Yes

18. Non-Voter-Approved Debt and Risk Management

18.1	Are the sources of repayment for non-voter-approved debt (such as certificates of participation [COPs], bridge financing, bond anticipation notes [BANS], revenue anticipation notes [RANS] and others) stable, predictable, and other than the unrestricted general fund?	Yes
18.2	If the district has issued non-voter-approved debt, has its credit rating remained stable or improved during the current and prior two fiscal years?	N/A
18.3	If the district is self-insured, has it completed an actuarial valuation as required and does it have a plan to pay for any unfunded liabilities?	Yes
18.4	If the district has non-voter-approved debt (such as COPs, bridge financing, BANS, RANS and others), is the total of annual debt service payments no greater than 2% of the district's unrestricted general fund revenues?	Yes

19. Position Control

19.1	Does the district account for all positions and costs (including substitutes, overtime, stipends, and employer-paid benefits) in position control?	No
19.2	Does the district analyze and adjust staffing based on staffing ratios and enrollment?	No
19.3	Does the district reconcile budget, payroll and position control regularly, at least at budget adoption and interim financial reporting periods?	No
19.4	Does the district identify a budget source for each new position before the position is authorized by the governing board?	No
19.5	Does the governing board approve all new positions and extra assignments (e.g., stipends) before positions are posted?	No
19.6	Do managers and staff responsible for the district's human resources, payroll and budget functions meet at least monthly to discuss issues and improve processes?	No

Fiscal Health Risk Analysis

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Response

20. Special Education

20.1	For special education classrooms and support services, does the district use staffing ratios that align with statutory requirements and industry standards, and are students' support needs also considered? If so, are those needs documented and evaluated at each budget cycle?	Yes
20.2	Does the district access all available funding sources for costs related to special education (e.g., state excess cost pool, legal fees, mental health)?	Yes
20.3	Does the district use appropriate tools to help it make informed decisions about whether to add services (e.g., special circumstance instructional assistance process and form, transportation decision tree)?	Yes
20.4	Does the district budget and account correctly for all costs related to special education (e.g., transportation, due process hearings, indirect costs, nonpublic schools and/or nonpublic agencies)?	Yes
20.5	Does the district monitor contributions from the unrestricted general fund and adjust to trends in the special education program?	Yes
20.6	Is the district's rate of identification of students as eligible for special education at or below the countywide and statewide average rates?	No
20.7	Does the district analyze whether it will meet the maintenance of effort requirement at each interim financial reporting period?	Yes

Risk Score, 20 numbered sections only:

25.8%

District Fiscal Solvency Risk Level, all FHRA factors

(The existence of any condition from the "Budget and Fiscal Status" section, and/or a material weakness as described in the Instructions & Summary tab, will supersede the score above because it elevates the district's risk level.)

High