

Dulcinea A. Grantham
Attorney at Law

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March 11, 2019

By U.S. Mail & E-filing: PERBe-file.SRO@perb.ca.gov

J. Felix De La Torre, General Counsel
Wendi Ross, Deputy General Counsel
Public Employment Relations Board
Sacramento Regional Office
1031 18th Street
Sacramento, CA 95811-4124

Re: *Sacramento City Unified School District v. Sacramento City Teachers Association, CTA/NEA*
Filing of Charge & Request to Expedite Processing—PERB Regulation 32147

Dear Mr. De La Torre and Ms. Ross:

Enclosed for filing herewith please find an unfair practice charge on behalf of Charging Party Sacramento City Unified School District (“District”) alleging that Respondent Sacramento City Teachers Association, CTA/NEA (“SCTA”) violated Government Code section 3543.6, subdivision (c), by consistently failing and refusing to bargain in good faith regarding the 2019-2020 successor collective bargaining agreement. Due to the existing circumstances, which will be explained further below, the District also requests that the General Counsel’s office expedite the processing of the charge.

I. Factual Background and Summary of Claims

The District’s financial situation is dire. Its costs exceed its revenues and the District must make \$35 million in cuts by June 2019 to balance its budget and meet the state’s minimum reserve requirement. If the District does not make these cuts in time, it risks insolvency and state takeover. The District is projected to run out of cash in November 2019.

The Sacramento County Office of Education (“SCOE”) has directed the District to develop a Budget Recovery Plan to address the District’s multimillion-dollar budget deficit. SCOE has “encourage[d] the district and its bargaining units to be diligent in meeting necessary bargaining timelines” and requested that the District provide SCOE “concrete calculations on valuations of additional budget reduction items as part of a completed budget reduction plan by January 22, 2019.” (See Exhibit F to District’s Unfair Practice Charge.) In short, the District has been under pressure from SCOE since before January to begin bargaining with all of its labor partners

Limited Liability Partnership

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immediately. Instead of working with the District to overcome these issues, however, SCTA has stalled negotiations on critical areas.

Since November of 2018, the District has sent no less than six formal letters requesting that SCTA come to the table to negotiate in good faith regarding the 2019-2020 successor collective bargaining agreement. SCTA has consistently failed to respond to the District's attempts to schedule negotiations sessions, conditioned negotiations on the subjects of salary structure, health benefits and class size on non-mandatory subjects of bargaining, refused to meet on ground rules and other negotiations-related issues, all of which has resulted in delaying the start of and unnecessarily drawing out the negotiations process.

SCTA is just one of five labor partners of the District. The other four labor partners have all agreed to negotiate in good faith and have begun meeting with the District for negotiations. SCTA has refused, critically undermining the District's ability to negotiate possible solutions to the District's budget crisis to the detriment of the District's students, parents, and community.

II. Expedited Case Processing is Warranted and Appropriate Here

This Charge merits expedited processing because it "presents an important question of law or policy under any statute administered by the Board, the early resolution of which is likely to improve labor relations between or among affected parties." (PERB Regs. § 32147(b).) The issue of under what circumstances a bargaining unit may condition or refuse to negotiate with its employer, particularly one under intense financial strain, is an area of well settled law. To the extent SCTA is blatantly violating that law impacts not only this District, but many other districts in California. The District and SCTA are in desperate need of guidance from PERB regarding the duty to bargain in good faith.

PERB has jurisdiction to expedite processing of a charge "[i]n any case, as ordered or directed by the Board itself." (PERB Regs. § 32147(d).) SCTA's conduct in refusing to bargain with the District directly prevents the District from complying with the mandate of SCOE, which in turn exposes the District to the great risk of financial insolvency and a takeover. If the charge is not processed and determined on an expedited basis and SCTA is not ordered to bargain with the District to make those cuts, the consequences to the District will be dire.

The District therefore respectfully requests that PERB expedite this Charge. Please do not hesitate to contact me with any questions.

Sincerely,

LOZANO SMITH



Dulcinea A. Grantham

DAG/vb

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cc: Jorge Aguilar, Superintendent, Sacramento City Unified School District
Raoul Bozio, In-House Counsel, Sacramento City Unified School District
John Borsos, Executive Director, Sacramento City Teachers Association



**STATE OF CALIFORNIA
PUBLIC EMPLOYMENT RELATIONS BOARD
UNFAIR PRACTICE CHARGE**

DO NOT WRITE IN THIS SPACE: Case No: _____ Date Filed: _____

INSTRUCTIONS: File the original and one copy of this charge form in the appropriate PERB regional office (see PERB Regulation 32075), with proof of service attached to each copy. Proper filing includes concurrent service and proof of service of the charge as required by PERB Regulation 32615(c). All forms are available from the regional offices or PERB's website at www.perb.ca.gov. If more space is needed for any item on this form, attach additional sheets and number items.

IS THIS AN AMENDED CHARGE? YES If so, Case No. _____ NO

1. CHARGING PARTY: EMPLOYEE EMPLOYEE ORGANIZATION EMPLOYER PUBLIC¹

a. Full name: SACRAMENTO CITY UNIFIED SCHOOL DISTRICT

b. Mailing address: 5735 47th Avenue, Sacramento, California 95824

c. Telephone number: 916-643-7400

d. Name and title of person filing charge: Dulcinea Grantham, Esq. LOZANO SMITH, 2001 N. Main St. Ste. 500, Walnut Creek, CA 94596
 Telephone number: 925-953-1620
 E-mail Address: dgrantham@lozanosmith.com
 Fax No.: 925-953-1625

e. Bargaining unit(s) involved: Certificated Employees

2. CHARGE FILED AGAINST: (mark one only) EMPLOYEE ORGANIZATION EMPLOYER

a. Full name: SACRAMENTO CITY TEACHERS ASSOCIATION, CTA/NEA

b. Mailing address: 5300 Elvas Ave. Sacramento, CA 95819

c. Telephone number: 650-552-5425

d. Name and title of agent to contact: John Borsos, Executive Director
 Telephone number: (916) 452-4591
 E-mail Address: jborsos@cta.org
 Fax No.:

3. NAME OF EMPLOYER (Complete this section only if the charge is filed against an employee organization.)

a. Full name:

b. Mailing address:

4. APPOINTING POWER: (Complete this section only if the employer is the State of California. See Gov. Code, § 18524.)

a. Full name:

b. Mailing address:

c. Agent:

¹ An affected member of the public may only file a charge relating to an alleged public notice violation, pursuant to Government Code section 3523, 3547, 3547.5, or 3595, or Public Utilities Code section 99569.
 PERB-61 (7/22/2014) SEE REVERSE SIDE

5. GRIEVANCE PROCEDURE

Are the parties covered by an agreement containing a grievance procedure which ends in binding arbitration?

Yes No

6. STATEMENT OF CHARGE

a. The charging party hereby alleges that the above-named respondent is under the jurisdiction of: (check one)

- Educational Employment Relations Act (EERA) (Gov. Code, § 3540 et seq.)
- Ralph C. Dills Act (Gov. Code, § 3512 et seq.)
- Higher Education Employer-Employee Relations Act (HEERA) (Gov. Code, § 3560 et seq.)
- Meyers-Milias-Brown Act (MMBA) (Gov. Code, § 3500 et seq.)
- Los Angeles County Metropolitan Transportation Authority Transit Employer-Employee Relations Act (TEERA) (Pub. Utilities Code, § 99560 et seq.)
- Trial Court Employment Protection and Governance Act (Trial Court Act) (Article 3; Gov. Code, § 71630 – 71639.5)
- Trial Court Interpreter Employment and Labor Relations Act (Court Interpreter Act) (Gov. Code, § 71800 et seq.)

b. The specific Government or Public Utilities Code section(s), or PERB regulation section(s) alleged to have been violated is/are:
Cal. Gov. Code sec. 3543.6(c)

c. For MMBA, Trial Court Act and Court Interpreter Act cases, if applicable, the specific local rule(s) alleged to have been violated is/are **(a copy of the applicable local rule(s) MUST be attached to the charge):**

d. Provide a clear and concise statement of the conduct alleged to constitute an unfair practice including, where known, the time and place of each instance of respondent's conduct, and the name and capacity of each person involved. This must be a statement of the facts that support your claim and *not conclusions of law*. A statement of the remedy sought must also be provided. *(Use and attach additional sheets of paper if necessary.)*

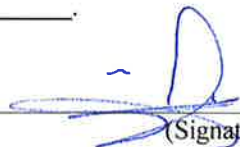
See Statement of Charge, attached hereto as Attachment "A" and exhibits thereto.

DECLARATION

I declare under penalty of perjury that I have read the above charge and that the statements herein are true and complete to the best of my knowledge and belief and that this declaration was executed on March 11, 2019
(Date)

at Sacramento, CA
(City and State)

Jorge A. Aguilar
(Type or Print Name)


(Signature)

Title, if any: Superintendent

Mailing address: Sacramento City Unified School District 5735 47th Avenue Sacramento, CA 95824

Telephone Number: (916) 643-7400 E-Mail Address: Jaguilar@scusd.edu

Attachment A to Unfair Labor Practice Charge

Sacramento City Unified School District v. Sacramento City Teachers Association, CTA/NEA

I. STATEMENT OF CHARGE

The Sacramento City Unified School District (“District”) files this unfair labor practice charge (“Charge”) against the Sacramento City Teachers Association (“SCTA”) based on SCTA’s failure to negotiate in good faith regarding the 2019-2020 successor collective bargaining agreement. SCTA has consistently failed to respond to the District’s attempts to schedule negotiations sessions, conditioned negotiations on the subjects of salary structure, health benefits and class size on non-mandatory subjects of bargaining, refused to meet on ground rules and other negotiations-related issues, all of which has resulted in delaying the start of and unnecessarily drawing out the negotiations process. Through its conduct, as outlined in detail in the paragraphs below, SCTA has demonstrated its unwillingness to negotiate with the District toward resolution of these issues. SCTA’s conduct has critically undermined the District’s ability to negotiate possible solutions to the District’s budget crisis to the detriment of the District’s students, parents, and community.

Now more than ever, there is a dire need for the District to work closely with SCTA through the negotiations process. The Sacramento County Office of Education (“SCOE”) has directed the District to develop a Budget Recovery Plan to address the District’s multimillion-dollar budget deficit. Instead of SCTA working with the District to overcome these issues, SCTA has stalled negotiations on critical areas that are the subject of this charge, as well as many other subjects that will not be discussed in this Charge.

SCTA has refused to come to the table to begin negotiations and has conditioned its participation in negotiations on resolution of outstanding issues from 2016-2019 negotiations, which: 1) have absolutely no bearing on the successor contract; and 2) will likely not be resolved for the foreseeable future, as SCTA well knows. SCTA’s conduct demonstrates a subjective intent to subvert the negotiations process to the detriment of students and the community.

This Charge is brought pursuant to Gov. Code § 3543.6(c) because SCTA refuses to negotiate in good faith.

II. FACTUAL BACKGROUND

A. Parties

1. SCTA is the exclusive representative of the District's certificated employees within the meaning of Government Code section 3540.1(e), as set forth in Article 1.1 of the CBA.
2. The District is a public school employer within the meaning of Government Code section 3540.1(k).

B. Current Fiscal Status of the District

3. The District's financial situation is dire. The District's costs exceed its revenues and must make \$35 million in cuts by June, 2019 to balance its budget and meet the state's minimum reserve requirement. If the District does not make these cuts by June 2019, it risks insolvency and state takeover. The District is projected to run out of cash in November 2019.

C. The 2017 Framework Agreement

4. The District and SCTA commenced negotiations for the 2016-19 successor contract ("CBA") in October 2016. Between October 2016 and November 2017, the Parties engaged in negotiations and were eventually certified to impasse and fact-finding.
5. On November 5, 2017, Sacramento Mayor Darrell Steinberg arranged a meeting between the District Superintendent Jorge Aguilar and representatives of SCTA, in an effort to avert a teacher strike following months of contract negotiations leading to impasse and fact-finding over salary increases for certificated employees. At the meeting, the Mayor drafted a handwritten document titled a "Framework Agreement," signed by all Parties at 3:25 p.m., setting forth the terms discussed during the meeting. The Framework Agreement was ratified by SCTA members and approved by the Board on December 7, 2017.
6. The Framework Agreement included, among other things, terms regarding salary structure. There is currently a dispute between the District and SCTA regarding the interpretation of the salary restructure under the Framework Agreement. The District sought declaratory relief from Sacramento Superior Court on whether the Parties had formed a valid contract given their drastically different understandings of the Framework Agreement. The court referred the Parties to the arbitration process for decision on this issue.

D. SCTA's Refusal to Bargain in Good Faith

7. On November 9, 2018, the District informed SCTA that it was initiating the "sunshining" process of the District's initial proposal for a 2019-2020 successor CBA at the upcoming Board

meeting on November 15, 2018 “in order to get a jump start in negotiations and to avoid negotiating in arrears as [they] did last year.” The District invited SCTA to meet to begin negotiations on one of three proposed dates in November and December, 2018 and suggested norms for the conduct of the negotiations and strategies to make negotiations sessions more productive. The District requested a response by SCTA as to its availability to begin negotiations. (See November 9, 2018 letter, attached hereto as Exhibit A.)

8. On November 15, 2018, the District presented to the Governing Board its sunshine proposal for negotiations. (See Agenda Item 8.1, attached hereto as Exhibit B.)

9. By December 11, 2018, the District had not received any response from SCTA regarding dates to begin negotiations. On that date, the District contacted SCTA to once again present potential dates to begin negotiations and attached the District’s sunshine proposal. The District informed SCTA that urgency in beginning negotiations was a top priority, given SCOE’s request—pursuant to its oversight of the District’s precarious budget situation—that the District submit a schedule of the collective bargaining process with its labor partners by December 14, 2018. The District proposed three dates—December 18, 2018, December 20, 2018, and January 9, 2019—and requested a response from SCTA by December 13, 2018. (See December 11, 2018 letter, attached hereto as Exhibit C.)

10. On December 13, 2018, SCTA responded to the District’s December 11th letter. SCTA “noted that negotiations for a successor agreement will proceed much more smoothly after [] two extremely important matters—the salary structure and the potential health plan changes—are settled this year, before we address these same issues and others going forward.” SCTA further indicated that, pursuant to Article 25 of the CBA, it would not submit its initial contract proposals until after “the first regular meeting of the Board of Education during the month of February the year the contract expires.” Based upon this letter, SCTA’s position was: 1) SCTA would not begin negotiations until *after* the salary structure and health plan changes are “settled”; and 2) SCTA would not submit a sunshine proposal until February of 2019. (See December 13, 2018 letter, attached hereto as Exhibit D.) As of December 13, 2018, the Declaratory Relief Action regarding the salary structure had been filed but a responsive pleading was not yet filed nor due. Therefore, the District understood that it could realistically be several months or more before the salary structure was “settled.”

11. On December 21, 2018, in response to SCTA’s letter, the District reiterated SCOE’s emphasis on the importance of the District beginning negotiations with its labor partners immediately given the District’s current budget situation. The District further noted that while there is nothing in Article 25 that prohibits SCTA from making its sunshine proposal and beginning to bargain prior to February, it appeared that SCTA remained unwilling to begin bargaining before then. Therefore, the District was willing to schedule negotiations dates in February, as soon as possible after SCTA makes its proposal. The District offered February 11, 13 and 15, 2019 to begin negotiations, informed SCTA of negotiations team members who would be present at negotiations, and again expressed its interest in retaining a mutually agreed upon neutral facilitator to attend. (See December 21, 2018 letter, attached hereto as Exhibit E.)

12. On January 14, 2019, the District received correspondence from SCOE reiterating its request that the District “quickly identify cuts and expedite actions that could be taken on items that do not require negotiations, while planning for those items that do require negotiations,” and “encourage[d] the district and its bargaining units to be diligent in meeting necessary bargaining timelines.” SCOE also requested that the District provide SCOE “concrete calculations on valuations of additional budget reduction items as part of a completed budget reduction plan by January 22, 2019.” In short, the District was under pressure from SCOE to begin bargaining as soon as possible.

13. With the continued urgency, on January 17, 2019—by which SCTA had not responded to the District’s offer to begin negotiations on February 11, 13 or 15, 2019—the District again notified SCTA of the importance of bargaining as soon as possible, and summarized the many efforts the District had taken to begin bargaining, only to be rebuffed or ignored by SCTA. In good faith, the District also provided SCTA a copy of the January 14, 2019 letter from SCOE. The District also recognized that SCTA had still not yet responded to the District’s multiple requests to establish negotiation norms and ground rules, to negotiate for full days to allow for more in-depth discussions, to use a facilitator for negotiations, to learn the identity of the team that will represent SCTA in negotiations, and to engage in a pre-negotiations session to discuss these issues. The District requested that SCTA respond by January 21, 2019 as to the February dates to begin negotiations, as well as SCTA’s availability to meet on January 28, January 31, or February 1, 2019, for a pre-negotiations meeting. (See January 17, 2019 letter and attachment, attached hereto as Exhibit F.)

14. SCTA did not respond to the District's January 17, 2019 letter.

15. On February 7, 2019, at a Board meeting, SCTA finally submitted its sunshine proposal. In it, for Articles 12 (Compensation), 13 (Employee Benefits), and 17 (Class Size), SCTA states that it "reserves the right to delay making an initial proposal" on the above Articles "until the issue of the District's refusal to abide by" specified Articles "and the Mayor's Framework Agreement has been resolved." (See SCTA's Initial Proposal, attached hereto as Exhibit G.)

16. Also at the February 7, 2019 Board meeting, SCTA President David Fisher stated to the Board:

Finally, I think you have it now what we're presenting you consistent with the terms of our collective bargaining agreement our initial sunshine proposal to the District You will also note that in our proposals, particularly Article 12 Compensation, Article 13 Benefits and Article 17 Class Size that our ability to make proposals is greatly impeded by the District's refusal to implement the provisions of our current agreement. Accordingly, it is our belief that negotiations will be productive only when those matters are first resolved.

17. Based on the language in SCTA's sunshine proposal and Mr. Fisher's remarks to the Board, SCTA has refused to negotiate until the outstanding issues relating to salary structure, health benefits and class size were "resolved," for an indefinite amount of time. The salary structure issue is pending before Arbitrator Kenneth Perea with a hearing scheduled on March 7 and 8. The arbitration will consider whether an enforceable contract exists between the District and SCTA and, if so, the terms of the contract.

18. Nevertheless, on February 15, 2019, the District sent yet another letter to SCTA asking it to offer available dates to begin negotiating, now that its sunshine proposal was submitted. The District offered February 20, February 22, February 25, February 26, February 27, February 28, and March 1, 2019. (See February 15, 2019 letter, attached hereto as Exhibit H.) The District reiterated its requests to discuss related issues regarding the conduct and ground rules of negotiations, including a neutral facilitator due to the longstanding strained relationship between SCTA and the District related to negotiations, which "could help us avoid state takeover and save our schools." The District requested a response by February 20, 2019. On February 20, 2019 SCTA responded and stated that "we believe meaningful negotiations regarding a successor contract would be more likely to occur after the resolution of the several major issues from our current contract, including, but not limited to the implementation of the agreed-upon salary

restructuring, and the addition of resources to the classroom via smaller class sizes and more support staff, as a result of potential changes from the health plan.” (See February 20, 2019 letter, attached hereto as Exhibit I.) In its letter, SCTA again refuses to negotiate in a timely manner on negotiable subjects, and instead claims that SCTA has the solution to the District’s budget crisis consisting, in part, of changes to subjects outside the scope of bargaining. SCTA’s purported “solutions” to the District’s budget crisis have been dismissed by the Sacramento County Office of Education as inflated and unrealistic. (Exhibit I.) The letter concludes by stating “while we believe it would be premature to commence negotiations for a successor contract while the wage, benefit and staffing issues remain unresolved, *we reiterate our offer to meet with a committee of our choosing* with representatives of the District, *including its SCOE fiscal advisor* who has the authority to approve District agreements, to discuss our proposal to fix the district’s budget fiasco” (Emphasis in original, see Exhibit I.) In this letter, SCTA again refuses to bargain with the District, and it conditions future negotiations on a meeting with participants of its choosing. In addition, SCTA ignores the fact that the District Superintendent has met with SCTA along with FCMAT and City of Sacramento Mayor, Darrel Steinberg, to hear SCTA’s ideas on the District’s budget, including answering SCTA’s specific questions about the budget and analysis of whether their proposed reductions would yield the savings they project. (See SCOE’s February 14, 2019 letter, attached hereto as Exhibit J.)

19. On March 4, 2019, the District sent a sixth letter to SCTA regarding commencing successor contract negotiations. That letter offered four new dates for negotiations and requested that SCTA respond by March 7, 2019 as to which of the offered dates works to begin negotiations. (See March 4, 2019 letter, attached hereto as Exhibit K.) To date, SCTA has not responded to the District’s offered dates.

III. LEGAL FRAMEWORK

20. A public employer and a recognized employee organization have a mutual obligation to bargain in good faith and to endeavor to reach agreement on matters within the scope of representation. (Gov. Code, §§ 3540.1(h), 3543.5(c), 3543.6(c).) The good faith requirement requires a genuine desire to reach agreement. (*Pajaro Valley Unified School District* (1978) PERB Decision No. 51.)

21. It is unlawful for an employee organization to refuse or fail to meet and negotiate in good faith with a public school employer of any of the employees of which it is the exclusive representative. (Gov. Code § 3543.6(c).)

22. To establish a prima facie case of failure to bargain in good faith, PERB considers the totality of the bargaining conduct to determine whether the parties have negotiated in good faith with the requisite subjective intention of reaching an agreement. (*Pajaro Valley Unified School District* (1978) PERB Decision No. 51.)

23. In *Muroc Unified School District* (1978) PERB Decision No. 80 (“*Muroc*”), PERB adopted the NLRB’s analysis of “surface bargaining” by a party to negotiations, and described it in these words:

It is the essence of surface bargaining that a party goes through the motions of negotiations, but in fact is weaving otherwise objectionable conduct into an entangling fabric to delay or prevent agreement. Specific conduct of the charged party, which when viewed in isolation may be wholly proper, may, when placed in the narrative history of the negotiations, support a conclusion that the charged party was not negotiating with the requisite subjective intent to reach agreement. Such behavior is the antithesis of negotiating in good faith.

(*Id.*) “In weighing the facts, [PERB] must determine whether the conduct of the parties indicates an intent to subvert the negotiating process or is merely a legitimate position adamantly maintained.” (*Oakland Unified School District* (1983) PERB Decision No. 275.)

24. Recalcitrance in the scheduling of meetings is evidence of manipulation to delay and obstruct a timely agreement. (*Oakland Unified School District* (1983) PERB Decision No. 326.) The obligation to meet and confer promptly upon request is absolute. (*Dublin Professional Fire Fighters, Local 1885 v. Valley Community Services Dist.* (1974) 45 Cal.App.3d 116, 118). If the matter is within scope, then the refusal to discuss it is a per se violation of the duty to bargain and no further inquiry into the respondent’s subjective motive is necessary. (*Fresno County In-Home Supportive Services Public Authority* (2015) PERB Decision No. 2418-M, p. 15; *Charter Oak Unified School District* (1991) PERB Decision No. 873; *California State University* (1990) PERB Decision No. 799-H; *NLRB v. Katz* (1962) 369 U.S. 736, 742-743.)

25. It is per se unlawful to insist to the point of impasse on a non-mandatory subject of bargaining because it is tantamount to refusing to negotiate over mandatory subjects. (*NLRB v. Wooster Division of Borg-Warner Corp.* (1958) 356 U.S. 342, 349.) There is no genuine impasse reached where, as a result of a party’s bad faith, negotiations stalled. (*Marin*

Community College District (1995) PERB Decision No. 1092.) Accordingly, the Board has also found per se unlawful conditional bargaining where a party refuses to discuss a mandatory subject until agreement has been reached on other issues. (*City of San Jose* (2013) PERB Decision No. 2341-M; *State of California (Department of Personnel Administration)* (1998) PERB Decision No. 1249-S.)

IV. CHARGES OF UNLAWFUL CONDUCT

Failure to Bargain in Good Faith Cal Gov. Code § 3543.6(c)

26. The allegations set forth in paragraph 1 through 19 above are incorporated herein by reference.

27. SCTA has negotiated in bad faith by consistently refusing to come to the table to negotiate and by conditioning its agreement to negotiate on the “resolution” of non-mandatory subjects.

28. The District offered dates to begin negotiations on six (6) separate occasions—November 9, 2018; December 11, 2018; December 21, 2018; January 17, 2019; February 15, 2019 and March 4, 2019). (See Exhibits A, C, E, F, H, and K.) SCTA failed to respond to four (4) of these letters.

29. When it did respond to the December 11, 2018 letter on December 13, 2018, it failed to address the dates the District proposed, and stated: 1) it would not negotiate until after the salary structure and health plan issues relating to the prior are “settled”; and 2) it would not submit an initial proposal until February of 2019. (Exhibit D.) As of December 13, 2018, the salary structure issue was entangled in litigation that had only recently been filed. Therefore, SCTA was or should have been aware that it was likely not to be “settled” for several months or more as it slowly made its way through the overburdened and underfunded judicial system.

30. After it finally did present its sunshine proposal to the Board on February 7, 2019, SCTA and its President explicitly conditioned its willingness to bargain on non-mandatory subjects—the “resolution” of outstanding issues from negotiations for the 2016-19 successor contract, for an indefinite period of time. (Exhibit G.) This conditional bargaining constitutes a per se violation, as it had and continues to have the practical effect of preventing negotiations altogether. (*Stockton Unified School District* (1980) PERB Decision No. 143; see also *Lake Elsinore School District* (1986) PERB Decision No. 603 [conditional bargaining has such

potential to frustrate negotiations that they are held to be “*per se*” unlawful without any findings of subjective bad faith].)

31. Alternatively, under the totality of facts analysis, SCTA’s recalcitrance or non-responsiveness in the scheduling of meetings is evidence of manipulation to delay and obstruct a timely agreement, which is indicative of bad faith bargaining. (*Oakland Unified School District* (1983) PERB Decision No. 326.) SCTA has consistently delayed initiation of negotiations by outright ignoring and refusing to respond to the District’s good faith offers of dates to begin negotiations and discuss ground rules and other negotiations-related issues over a period of three months.

32. SCTA further demonstrated its failure or refusal to bargain in good faith based on its behavior in the face of information received from the District regarding SCOE budget oversight. SCTA was informed that SCOE required the District to provide certain information by certain deadlines, which in turn required SCTA to agree to begin the bargaining process. Despite this knowledge, SCTA continued to fail or refuse to schedule negotiations sessions and/or condition negotiations on resolution of issues that were pending indefinitely. SCTA’s behavior makes it clear that it has no genuine desire to reach an agreement. (*Pajaro Valley Unified School District* (1978) PERB Decision No. 51.)

V. PRAYER FOR RELIEF

WHEREFORE, Charging Party Sacramento City Unified School District, requests that the Public Employment Relations Board issue an order for each and every charge herein:

1. That SCTA violated Government Code section 3543.6(c);
2. That SCTA cease and desist from failing and refusing to bargain in good faith;
3. That SCTA be ordered to bargain in good faith on all matters within the scope of representation;
4. That SCTA post a notice acknowledging its violations of the EERA;
5. That SCTA make the District whole for any losses suffered as a result of SCTA’s unlawful misconduct, including but not limited to all attorney fees and costs incurred in the filing and prosecution of this unfair practice charge; and
6. For all other appropriate and just relief.

EXHIBIT A



OFFICE OF THE SUPERINTENDENT

5735 47th Avenue • Sacramento, CA 95824

(916) 643-9000 • FAX (916) 399-2058

Jorge A. Aguilar, Superintendent

November 9, 2018

Sent Via Email (dfisher@saccityta.com)

David Fisher
Sacramento City Teachers Association
5300 Elvas Avenue
Sacramento, CA 95819

Re: Health Plan Savings

Dear Mr. Fisher:

The District is pleased to learn that SCTA wishes to engage in “immediate discussions ... to consider potential health plan savings,” as stated in your letter of November 1, 2018. The District has been seeking SCTA’s cooperation in order to come to an agreement on health plan costs savings for quite some time.

Contrary to the version of events described in your letter, it has been SCTA who has delayed the effectuation of the health plan costs savings that were agreed to in Article 13.1.1 of the tentative agreement ratified on December 7, 2017. As with previous communications, the November 1, 2018, SCTA letter again leads with the position that the Salary Schedule Structure proposed by SCTA must be implemented at any and all costs, despite the explicit limitation of a 3.5% cost increase that was included in the Framework Agreement. Rather than bargain in good faith on this critical matter of health care costs, SCTA has insisted on numerous occasions, including the recent meeting on October 24, 2018 with Dr. John Quinto (Chief Business Officer), Cancy McArn (Chief Human Resources Officer), Tanisha Turner (Employee Compensation Director), Raoul Bozio (In-House Counsel), and CECHCR representatives, that the District acquiesce to SCTA’s Salary Schedule Structure proposal before SCTA comes to any agreement resulting in the reduction to the District’s health care expenditures.

Regarding the Salary Schedule Structure matter, the District believes that full consideration and process must be given to the determination of this important matter. Moreover, contrary to SCTA’s assertion, the reduction in percentage increase to year-over-year health costs did in fact decrease due to the efforts to employ CECHCR to analyze the District’s health care costs and options available on the market. However, these were due to CECHCR and market forces, not any action by SCTA to come to an agreement to effectuate meaningful changes to the health care plan costs as contemplated under Article 13.1.1. In fact, based on the CECHCR reports, SCUSD loses approximately \$735,416 with each subsequent month that passes without implementing a change to health care costs because SCTA has refused to reach an agreement on this matter.

BOARD OF EDUCATION

Jessie Ryan
President
Trustee Area 7

Darrel Woo
Vice President
Trustee Area 6

Michael Minnick
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Rachel Halbo
Student Board Member

Nevertheless, and despite the above noted points of disagreement, the District also wishes to resume discussions and hopes that SCTA will comply with the language of Article 13.1.1. Relatedly, we are initiating the “sunshining” process of the District’s initial proposal for a 2019-2022 successor CBA at the upcoming Board Meeting on November 15, 2018 in order to get a jump start in negotiations and to avoid negotiating in arrears as we did last year. We would like to meet to begin negotiations on Thursday, November 29, 2018; Wednesday, December 5, 2018; and Tuesday, December 11, 2018, and we look forward to a productive round of negotiations. To that end, our goal is to come to an agreement with SCTA that will ensure the continued improvement of outcomes for all District students while sustaining the District’s fiscal solvency. We plan to approach negotiations with the following norms in mind:

- Meetings shall occur at mutually acceptable dates, time, and locations which shall be agreed to by the parties. Adjustments to the agreed upon schedule may only be made by mutual agreement.
- To the extent possible, meetings shall rotate between the District Office and the Union Office.
- The agenda for each session shall be agreed on at the conclusion of the previous session, although it may be altered by mutual agreement.
- The parties agree to engage in conversations with positive intentions.
- As agreements are reached, they shall be put in written form, signed by both parties, dated and timed, and labeled as Tentative Agreements.
- The parties agree to provide advance notice if bringing in other negotiators or speakers.

The District would also like to discuss some strategies to make our negotiations sessions more productive, such as providing release time for three to five SCTA members in addition to the three SCTA officers who are on leave for union business so that we can meet for full day sessions. Lastly, we would also propose retaining a neutral facilitator for negotiations who can be mutually agreed upon by the parties.

Again, given your letter of November 1, 2018, we are optimistic that we can come to a mutually beneficial agreement to achieve health care plan costs savings as well as an overall agreement that will benefit students, employees, and our greater community. Please let us know whether you are available to begin these negotiations on Thursday, November 29, 2018; Wednesday, December 5, 2018; and Tuesday, December 11, 2018.

Sincerely,



Jorge A. Aguilar
Superintendent

EXHIBIT B



Putting
Children
First

Sacramento City Unified School District BOARD OF EDUCATION MEETING AND WORKSHOP

Board of Education Members

- Jessie Ryan, President, (Trustee Area 7)
- Darrel Woo, Vice President, (Trustee Area 6)
- Michael Minnick, 2nd Vice President, (Trustee Area 4)
- Jay Hansen, (Trustee Area 1)
- Ellen Cochran, (Trustee Area 2)
- Christina Pritchett, (Trustee Area 3)
- Mai Vang, (Trustee Area 5)
- Rachel Halbo, Student Member

Thursday, November 15, 2018

4:30 p.m. Closed Session

6:00 p.m. Open Session

Serna Center

Community Conference Rooms
5735 47th Avenue
Sacramento, CA 95824

AGENDA 2018/19-10

Allotted Time

4:30 p.m. **1.0 OPEN SESSION / CALL TO ORDER / ROLL CALL**

2.0 ANNOUNCEMENT AND PUBLIC COMMENT REGARDING ITEMS TO BE DISCUSSED IN CLOSED SESSION

3.0 CLOSED SESSION

While the Brown Act creates broad public access rights to the meetings of the Board of Education, it also recognizes the legitimate need to conduct some of its meetings outside of the public eye. Closed session meetings are specifically defined and limited in scope. They primarily involve personnel issues, pending litigation, labor negotiations, and real property matters.

3.1 Government Code 54957.6 (a) and (b) Negotiations/Collective Bargaining SCTA, SEIU, TCS, Teamsters, UPE, Non-Represented/Confidential Management (District Representative Cancy McArn)

3.2 Government Code 54956.9 Conference with Legal Counsel – Anticipated Litigation:
a) Existing litigation pursuant to subdivision (a) of Government Code section 54956.9 (OAH Case No. 2018060844)
b) Significant exposure to litigation pursuant to subdivision (d)(2) of Government Code section 54956.9 (One Potential Case)
c) Initiation of litigation pursuant to subdivision (d)(4) of Government Code section 54956.9 (One Potential Case)

3.3 Government Code 54957 – Public Employee Discipline/Dismissal/Release/Reassignment

3.4 Government Code 54957 – Public Employee Performance Evaluation:
Title: Superintendent

3.5 Education Code Section 35146 – The Board will hear staff recommendations on the following student expulsion(s):
a) Expulsion #3, 2018-19

6:00 p.m. **4.0 CALL BACK TO ORDER/PLEDGE OF ALLEGIANCE**

4.1 *Broadcast Statement (Student Member Halbo)*

4.2 *The Pledge of Allegiance will be led by Lesly Baez Vargas, 6th grade student at Pony Express.*

- *Presentation of Certificate by Vice President Woo*

6:05 p.m. **5.0 ANNOUNCEMENT OF ACTION TAKEN IN CLOSED SESSION**

6:10 p.m. **6.0 AGENDA ADOPTION**

6:15 p.m. **7.0 PUBLIC COMMENT**

15 minutes

Members of the public may address the Board on non-agenda items that are within the subject matter jurisdiction of the Board. Please fill out a yellow card available at the entrance. Speakers may be called in the order that requests are received, or grouped by subject area. We ask that comments are limited to two (2) minutes with no more than 15 minutes per single topic so that as many people as possible may be heard. By law, the Board is allowed to take action only on items on the agenda. The Board may, at its discretion, refer a matter to district staff or calendar the issue for future discussion.

8.0 PUBLIC HEARING

6:30 p.m. 8.1 *Hearing and Adoption of the District's Initial Proposals Regarding Certificated Unit Sacramento City Teachers Association (SCTA) Collective Bargaining Agreement Negotiations for 2019-2022 (Cancy McArn)* **Conference/Action**
5 minute presentation
5 minute discussion

6:40p.m. 8.2 *Hearing and Adoption of the District's Initial Proposals Regarding United Professional Educators (UPE) Collective Bargaining Agreement Negotiations for 2019-2022 (Cancy McArn)* **Conference/Action**
5 minute presentation
5 minute discussion

6:50 p.m. 8.3 *Hearing and Adoption of the District's Initial Proposals Regarding Service Employees International Union, Local 1021 (SEIU) Collective Bargaining Agreement Negotiations for 2019-2020 Re-Openers (Cancy McArn)* **Conference/Action**
5 minute presentation
5 minute discussion

7:00 p.m. 8.4 *Hearing and Adoption of District's Initial Proposals Regarding Teamsters Union, Local 150 (Teamsters) Collective Bargaining Agreement Negotiations for 2019-2020 Re-Openers (Cancy McArn)* **Conference/Action**
5 minute presentation
5 minute discussion

7:10 p.m. 8.5 *Hearing and Adoption of the District's Initial Proposals Regarding Teamsters Classified Supervisors (TCS) Collective Bargaining Agreement Negotiations for 2019-2020 Re-Openers (Cancy McArn)* **Conference/Action**
5 minute presentation
5 minute discussion

9.0 BOARD WORKSHOP/STRATEGIC PLAN AND OTHER INITIATIVES

- 7:20 p.m. 9.1 *Early Identification and Intervention System (EIIS): First Steps in Implementation (Doug Huscher, Victoria Flores, Jennifer Kretschman, Christina Espinoza, Danny Rolleri and Ashley Clark)* **Information**
15 minute presentation
10 minute discussion
- 7:45 p.m. 9.2 *African American Achievement Update (Vincent Harris)* **Information**
5 minute presentation
10 minute discussion
- 8:00 p.m. 9.3 *Special Education Update (Dr. Iris Taylor and Becky Bryant)* **Information**
15 minute presentation
15 minute discussion
- 8:30 p.m. **10.0 CONSENT AGENDA** **2 minutes**

Generally routine items are approved by one motion without discussion. The Superintendent or a Board member may request an item be pulled from the consent agenda and voted upon separately.

10.1 Items Subject or Not Subject to Closed Session:

- 10.1a *Approve Grants, Entitlements and Other Income Agreements, Ratification of Other Agreements, Approval of Bid Awards, Approval of Declared Surplus Materials and Equipment, Change Notices and Notices of Completion (Dr. John Quinto)*
- 10.1b *Approve Personnel Transactions 11/15/18 (Cancy McArn)*
- 10.1c *Approve Business and Financial Report: Warrants, Checks and Electronic Transfers Issued for the Period of October 2018 (Dr. John Quinto)*
- 10.1d *Approve Donations to the District for the Period of October 1-31, 2018 (Dr. John Quinto)*
- 10.1e *Approve SchoolsFirst as Third Party Administrator for the District's 403b and 457 Plans (Dr. John Quinto)*
- 10.1f *Approve Revisions to Board Policy 1312.3, Uniform Complaint Procedures (Cancy McArn)*
- 10.1g *Approve Adoption of Instructional Materials for Waldorf Schools (Dr. Iris Taylor and Matt Turkie)*
- 10.1h *Approve C.K. McClatchy High School Field Trip to Sandy, Utah November 29 to December 2, 2018 (Dr. Iris Taylor and Chad Sweitzer)*
- 10.1i *Approve Staff Recommendation for Expulsion #3, 2018-19 (Doug Huscher and Stephan Brown)*
- 10.1j *Approve Resetting Regular Board Meeting Date from December 20 to December 13, 2018 (Jorge A. Aguilar)*

10.1k Approve December 13, 2018 as the Board of Education Annual Organizational Meeting Subject to Approval of Item 10.1j (General Counsel)

10.1l Approve Minutes of the November 6, 2018 Board of Education Meeting (Jorge A. Aguilar)

8:32 p.m. **11.0 BUSINESS AND FINANCIAL INFORMATION/REPORTS** **Receive Information**

11.1 Business and Financial Information:

- Purchase Order Board Report for the Period of August 15, 2018 through September 14, 2018

11.2 Monthly Suspension Report – October 2018

8:34 p.m. **12.0 FUTURE BOARD MEETING DATES / LOCATIONS**

✓ December 6, 2018, 4:30 p.m. Closed Session, 6:00 p.m. Open Session, Serna Center, 5735 47th Avenue, Community Room, Regular Workshop Meeting

✓ December 13, 2018, 4:30 p.m. Closed Session, 6:00 p.m. Open Session, Serna Center, 5735 47th Avenue, Community Room, Annual Organizational Meeting

8:36 p.m. **13.0 ADJOURNMENT**

NOTE: The Sacramento City Unified School District encourages those with disabilities to participate fully in the public meeting process. If you need a disability-related modification or accommodation, including auxiliary aids or services, to participate in the public meeting, please contact the Board of Education Office at (916) 643-9314 at least 48 hours before the scheduled Board of Education meeting so that we may make every reasonable effort to accommodate you. [Government Code § 54953.2; Americans with Disabilities Act of 1990, § 202 (42 U.S.C. §12132)] Any public records distributed to the Board of Education less than 72 hours in advance of the meeting and relating to an open session item are available for public inspection at 5735 47th Avenue at the Front Desk Counter and on the District's website at www.scusd.edu

EXHIBIT C



OFFICE OF THE SUPERINTENDENT

5735 47th Avenue • Sacramento, CA 95824

(916) 643-9000 • FAX (916) 399-2058

Jorge A. Aguilar, Superintendent

December 11, 2018

BOARD OF EDUCATION

Jessie Ryan
President
Trustee Area 7

Darrel Woo
Vice President
Trustee Area 6

Michael Minnick
2nd Vice President
Trustee Area 4

Lisa Murawski
Trustee Area 1

Leticia Garcia
Trustee Area 2

Christina Pritchett
Trustee Area 3

Mai Vang
Trustee Area 5

Rachel Halbo
Student Board Member

Sent Via Email (dfisher@saccityta.com)

David Fisher
Sacramento City Teachers Association
5300 Elvas Avenue
Sacramento, CA 95819-2333

Dear Mr. Fisher:

This correspondence is in regards to the successor contract negotiations with SCTA for 2019-2022. As you are aware, the District presented its initial proposal for negotiations (“sunshine”) with all of its labor partners for public hearing and to the Governing Board on November 15, 2018 as required by the Educational Employment Relations Act (“EERA”). As stated in the Executive Summary to each initial proposal, the District presented its initial proposal on that date in an effort to start the bargaining process with our respective labor partners as soon as possible and to help with the District’s current budget situation. A copy of the District’s sunshine for negotiations with SCTA is attached to this letter for your reference. In our November 9, 2018 letter, we offered you three potential dates for negotiations in late November and early December. To date you have not responded to the District’s request to meet.

In our First Interim Report submitted to Sacramento County Office of Education (“SCOE”) last week, there was recognition that aspects of strategy to address the District’s budget challenges will require negotiations with our labor partners. As part of SCOE’s current oversight of the District’s fiscal practices and solvency, SCOE has emphasized the importance of the District beginning negotiations with our labor partners immediately and has requested that the District submit a schedule of the collective bargaining process with our labor partners by December 14, 2018.

Based on the urgency of addressing our budget challenges, we would like to commence negotiations immediately. As it remains our desire to work collaboratively to reach resolution as soon as possible while the District works on reducing our deficit spending, we would like to schedule dates to meet with your negotiations team. To that end, please inform me by December 13, 2018, of any two of the following dates that you are available to meet to begin negotiations: Tuesday, December 18th, 2018, Thursday, December 20th, 2018 and Wednesday, January 9th, 2019.

We appreciate your response by December 13, 2018 and willingness to work together with the District to commence negotiations for our successor contract.

Sincerely,

Jorge A. Aguilar
Superintendent

Attachment

EXHIBIT D



December 13, 2018

Mr. Jorge Aguilar
Superintendent
Sacramento City Unified School District
5735 47th Avenue
Sacramento CA 95824

Re: Negotiations for a Successor Agreement

Dear Mr. Aguilar:

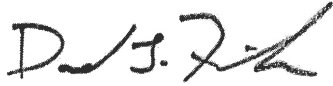
In response to your letter of December 11th regarding successor contract negotiations with SCTA for 2019-20, in my letter to you dated November 15, 2018, we suggested a more productive path forward to begin with the District honoring the agreement that is currently in effect by: a) implementing the agreed-upon salary structure according to the terms of our agreement, and b) immediately empowering representatives to reinitiate discussion with SCTA regarding changes to the health plan consistent with Article 13.1.1 and the framework agreement negotiated with Mayor Steinberg.

As we further noted, since you will not honor your agreement regarding the salary structure implementation, we would urge you to agree to arbitrate on January 7, 2019--a date previously offered by the mutually-agreed upon third party in order to avoid wasting precious District resources on your outside attorneys filing frivolous lawsuits.

Additionally, we noted that negotiations for a successor agreement will proceed much more smoothly after these two extremely important matters—the salary structure and the potential health plan changes—are settled this year, before we address these same issues and others going forward.

Finally, Article 25 of the Collective Bargaining Agreement states in part: “The Association agrees to submit its initial contract proposal no later than the first regular meeting of the Board of Education during the month of February the year the contract expires.” Please be advised that the Association has every intention of abiding by Article 25. We look forward to scheduling dates after we submit our initial contract proposals as set forth above.

Sincerely,

A handwritten signature in black ink, appearing to read "D. Fisher". The signature is fluid and cursive, with a prominent initial "D" and a long, sweeping underline.

David Fisher,
President

Cc: SCTA Executive Board

EXHIBIT E



OFFICE OF THE SUPERINTENDENT

5735 47th Avenue • Sacramento, CA 95824

(916) 643-9000 • FAX (916) 399-2058

Jorge A. Aguilar, Superintendent

December 21, 2018

BOARD OF EDUCATION

Jessie Ryan
President
Trustee Area 7

Darrel Woo
Vice President
Trustee Area 6

Michael Minnick
2nd Vice President
Trustee Area 4

Lisa Murawski
Trustee Area 1

Leticia Garcia
Trustee Area 2

Christina Pritchett
Trustee Area 3

Mai Vang
Trustee Area 5

Rachel Halbo
Student Board Member

Sent Via Email (dfisher@saccityta.com)

David Fisher
Sacramento City Teachers Association
5300 Elvas Avenue
Sacramento, CA 95819

Re: First Negotiation Session

Dear Mr. Fisher:

We are in receipt of your December 13, 2018 letter responding to the District's request to commence negotiations as soon as possible based on the guidance of David Gordon, Sacramento County Superintendent of Schools, who has emphasized the importance of the District beginning negotiations with our labor partners immediately given the District's current budget situation. As stated in the Executive Summary to our initial proposal or "sunshine" that was approved by the Board on November 15, 2018, the District presented its initial proposal early and requested to start the bargaining process with our respective labor partners as soon as possible.

Based on your letter, it is clear that SCTA does not intend to begin negotiations early and will instead make its initial proposal for negotiations in February consistent with Article 25. While we appreciate SCTA's adherence to Article 25, there is nothing in that article that prevents SCTA from making its initial proposal and starting bargaining prior to February. If SCTA remains unwilling to come to the negotiations table in January, we would like to schedule negotiations dates for February so that we can begin negotiating as soon as SCTA makes its initial proposal. The District's negotiating team is currently available on February 11, 13, and 15, 2019.

The District has been directed by SCOE to submit a viable Board-approved budget and multi-year expenditure plan that will reverse the deficit spending trend. We recognize that aspects of the expenditure plan will require negotiations with our labor partners before we can finalize the plan. While we acknowledge that you have submitted ideas to address the District's budget issues, and we look forward to discussing those ideas with you on January 9, 2019, SCTA appears unwilling to begin successor contract negotiations sooner than February.

As we head into negotiations, we want to take an opportunity to share information with and request information from your team relative to the negotiations process. Specifically, we want to inform you that the District's team for negotiations with SCTA on 2019-20 contract negotiations will consist of the following team members:

- Dulcinea Grantham, Attorney/Lead Negotiator
- Raoul Bozio, In-House Counsel
- Cancy McArn, Chief HR Officer
- John Quinto, Chief Business Officer
- Cindy Nguyen, Employee Relations Director
- 2 - 4 additional administrators

Generally, negotiations involve a select reasonable number of representatives from both sides to allow for orderly, informal and frank discussion of the issues confronting negotiators. (*Petaluma Federation of Teachers Local 1881* (2016) PERB Dec. No. 2485; *Muroc Unified School District* (1978) PERB Dec. No. 80.) We note that while in the past your negotiations team has consisted of approximately 6 - 12 team members, you increased your team during the last contract negotiation to over sixty (60) "team members." This is an unreasonable number of negotiation team members and makes it very difficult to effectively accommodate and negotiate. To that end, the District would like to discuss some strategies to make our negotiations sessions more productive, such as providing release time for a reasonable number of SCTA members in addition to the three SCTA officers who are on leave for union business so that we can meet for full day sessions. This will allow the District and SCTA to spend more time focusing on negotiations and reaching agreements during each session.

Prior to our next negotiations date (which is proposed for January 7, 2019), please identify a reasonable number of representatives who will compose your team for negotiations both on outstanding items like health plan savings, and on successor contract negotiations, so that we can ensure adequate space, seating, and copies of materials for all participants.

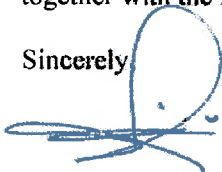
We plan to approach negotiations with the following norms in mind, which we believe have generally guided our approach to negotiations in past years:

- Meetings shall occur at mutually acceptable dates, time, and locations which shall be agreed to by the parties. Adjustments to the agreed upon schedule may only be made by mutual agreement.
- To the extent possible, meetings shall rotate between the District Office and the Union Office.
- The agenda for each session shall be agreed on at the conclusion of the previous session, although it may be altered by mutual agreement.
- The parties agree to engage in conversations with positive intentions.
- As agreements are reached, they shall be put in written form, signed by both parties, dated and timed, and labeled as Tentative Agreements.
- The parties agree to provide advance notice if bringing in attendees other than those included on the negotiations team.

We also remain interested in retaining a neutral facilitator for negotiations who can be mutually agreed upon by the parties as proposed in our November 9, 2018 letter to SCTA.

It is our desire to work collaboratively to reach resolution to negotiations as soon as possible as the District works with SCOE on reducing its deficit spending. We appreciate your willingness to work together with the District throughout this process.

Sincerely,

A handwritten signature in blue ink, appearing to read "Jorge A. Aguilar". The signature is stylized with a large loop at the end.

Jorge A. Aguilar
Superintendent

EXHIBIT F



Jorge A. Aguilar, *Superintendent*
Cancy McArn, *Chief Human Resources Officer*

BOARD OF EDUCATION

Jessie Ryan
President
Trustee Area 7

Darrel Woo
Vice President
Trustee Area 6

Michael Minnick
2nd Vice President
Trustee Area 4

Lisa Murawski
Trustee Area 1

Leticia Garcia
Trustee Area 2

Christina Pritchett
Trustee Area 3

Mai Vang
Trustee Area 5

Rachel Halbo
Student Board Member

January 17, 2019

David Fisher
President, Sacramento City Teachers Association
5300 Elvas Avenue
Sacramento, CA 95819-2333

Re: First Negotiations Session

Dear Mr. Fisher:

We are sharing with you the correspondence the District received from SCOE on January 14, 2019, in which SCOE reiterated its request “that the district quickly identify cuts and expedite actions that could be taken on items that do not require negotiations, while planning for those items that do require negotiations.” It is with this urgency regarding our budget status in mind, that the District sunshined early and has requested to initiate negotiations with your bargaining unit immediately. SCTA has made it clear that you will not agree to begin negotiations until after February 7, when you present your initial proposal to the Governing Board. Since November 2018, the District has requested to begin negotiations with you and our other labor partners. We repeated this request in letters dated December 11, 2018 and December 21, 2018. To date, you have not responded to our December 21, 2018 letter offering to begin negotiations with SCTA on February 11, 13, or 15, 2019. You also have not responded to our multiple requests to discuss negotiation norms or ground rules; negotiate for full days to allow for more in-depth discussions; use of a facilitator for negotiations; or identity of the team that will represent SCTA in negotiations. As we did in 2016, the District would like to schedule a pre-negotiations session with the SCTA to discuss these issues.

As SCOE further stated in the January 14, 2019 letter “We are therefore requesting that the district provide this office with concrete calculations on valuations of additional budget reduction items as part of a completed budget reduction plan by January 22, 2019.” As such, the District will continue to work on developing specific cost savings proposals to share with you at our upcoming negotiation meetings.

Please let me know by January 21, 2019, which of the February dates offered above will work for our first negotiations session. Also please let me know by January 21, 2019 if you are available to meet on January 28, January 30, January 31, or February 1 in the Florida Conference Room for a pre-negotiations meeting. We look forward to working together to address these crucial matters.

Sincerely,

Cancy McArn
Chief Human Resources Officer

David W. Gordon
Superintendent

January 14, 2019

BOARD OF EDUCATION

O. Alfred Brown, Sr.
President

Joanne Ahola
Vice President

Heather Davis

Harold Fong, M.S.W.

Paul A. Keefer, MBA, Ed.D.

Bina Lefkovitz

Karina Talamantes

Jorge A. Aguilar, Superintendent
Sacramento City Unified School District
5735 47th Avenue
Sacramento, CA 95824

SUBJECT: 2018-2019 First Period Interim Report

Dear Superintendent Aguilar:

In our letter dated August 22, 2018, the district's 2018-2019 Adopted Budget was **disapproved**. After re-submission of the budget, the district was notified in a letter dated October 11, 2018 that the budget was again **disapproved**. In that letter, we also requested that the district submit a viable board-approved budget and multi-year expenditure plan that reversed the deficit spending trend with the 2018-2019 First Interim Report, which was due on December 14, 2018.

We requested that the district quickly identify cuts and expedite actions that could be taken on items that do not require negotiations, while planning for those items that do require negotiations. As part of the on-going assistance offered by this office in monitoring district timelines and budget reduction progress, we and the district recently initiated weekly meetings. These meetings, along with the assistance of the fiscal advisor assigned by this office, have been very helpful and will be continued.

After submission of the First Period Interim Report, the County Superintendent of Schools is required to review the report for adherence to the State-adopted Criteria and Standards pursuant to Education Code sections 42130-31 and 33127. The district has filed a First Interim Report with a **negative** certification. Based on the multi-year projections and assumptions provided by the district, it appears the district will meet its 2% unrestricted reserve requirement for the current fiscal year, but will fall short in the two subsequent fiscal years, leaving a negative unrestricted ending fund balance of approximately \$3.8 million in 2019-2020 and \$54.3 million in 2020-2021. We concur with the district's **negative** certification with the following comments:

- The multi-year projections submitted project that the unrestricted General Fund balance will decrease by \$22,114,107 in 2018-2019, \$42,017,874 in 2019-2020, and \$50,470,043 in 2020-2021.



- The district submitted cash flow projections for 2018-2019 and 2019-2020 indicating that the district will become insolvent and run out of cash in November 2019, requiring an emergency apportionment from the state.
- The district is projecting decreases of 220 ADA for 2018-2019, 228 ADA for 2019-2020, and 227 ADA for 2020-2021.

The district has thus far identified cuts of \$12.9 million with its First Period Interim Report submission, and has since thus far continued to identify additional budget cuts amounting to \$2.3 million in budget reductions that appear to be viable. Board approval is still required on the additional \$2.3 million in cuts. The district has sunshined its bargaining proposals for 2019-2020 and has scheduled bargaining sessions with its five associations with the intent to negotiate additional budget savings.

While we are pleased that the district has made some progress toward identifying possible budget reductions, the cuts so far are insufficient to restore fiscal solvency. We understand that the district is working toward negotiating additional budget reductions, and we encourage the district and its bargaining units to be diligent in meeting necessary bargaining timelines. Concurrently, the district needs to accelerate its pace in identifying and vetting viable cuts that do not require negotiations.

Over the past weeks, this office along with its fiscal advisor, have made suggestions and provided sample tools that could be used to evaluate and assess potential cuts and collective bargaining proposals. We are therefore requesting that the district provide this office with concrete calculations on valuations of additional budget reduction items as part of a completed budget reduction plan by January 22, 2019. At the January 8, 2019 meeting, a spreadsheet to serve as a calculation template for reporting the negotiable budget reduction items was provided to the district.

We continue our request that the district also provide the following:

- Notify us immediately, and provide for our review, any changes to the budget.
- Notify us prior to presenting negotiating proposals to bargaining units, and update us after each negotiating session with employee groups.
- Continue to closely monitor future enrollment trends and inform us of budget adjustments should enrollment trends fluctuate.

Jorge A. Aguilar, Superintendent
January 14, 2019
Page 3

We would like to thank your staff for their cooperation during our review process.

If you have any questions or concerns, please call Tamara Sanchez at (916) 228-2551.

Sincerely,



David W. Gordon
Sacramento County Superintendent of Schools

DWG/TS/dw

cc: Jessie Ryan, Board President, SCUSD
John Quinto, Chief Business Officer, SCUSD
Al Rogers, Ed.D., Deputy Superintendent, SCOE
Tamara Sanchez, Assistant Superintendent, SCOE
Debra Wilkins, District Fiscal Services Director, SCOE
Terri Ryland, Fiscal Advisor, SCOE
Michael H. Fine, Chief Executive Officer, FCMAT
Nick Schweizer, Deputy Superintendent, CDE
Betty T. Yee, California State Controller

EXHIBIT G



**Sacramento City Teachers Association (SCTA)
February 7, 2019**

**SCTA's Initial Proposal to the Sacramento City Unified School District for a
Successor Agreement to the 2016-19 Collective Bargaining Agreement Between the
Parties**

Because the District's refusal to abide by the agreement reached between the parties and approved by the SCUSD school board on December 7, 2017 have prevented the parties from producing a clean, updated version of the contract, housekeeping corrections and the need to incorporate a number of operative and relevant memoranda of understandings that have been reached by the parties may be require the making proposals on every section of the contract.

In addition to the updates and changes suggested above, the Association intends to bargain in good faith with representatives of the District to reach an agreement.

Article 1: Recognition

The Association will propose minor updating to the current language.

Article 2: Definitions

The Association will propose minor updating to the current language.

Article 3: Effect of Agreement

The Association will propose minor updating to the current language.

Article 4: Grievance Procedure

The Association will propose revisions to the grievance procedure that provide for a more expeditious handling of grievances and other improvement that may make the grievance procedure more effective, including but not limited to changes to the timelines to address the refusal of District to schedule meetings, send representatives to grievance meetings with the authority to settle grievance meetings, and to honor commitments made to resolve grievances.

Article 5: Hours of Employment

The Association will propose modifications to this article.



SCTA Proposals to SCUSD 2-7-19

Article 6: Evaluations

The Association will propose minor updating to the current language.

Article 7: Assignments

The Association will propose changes to this section that includes language from previously agreed upon MOUs, in addition to some minor updating.

Article 8: Transfers

The Association will propose changes to this section that will improve the transfer process and enable the District to place new educators more efficiently into new positions.

Article 9: Leaves of Absence

The Association will propose to update current practices as well as incorporation of changes set forth in recent legislation.

Article 10: Personnel Files

The Association will propose changes to the current language to reflect technological updates and the transition from paper to electronic filing, as well as access to personnel files.

Article 11: Safety Conditions

The Association will propose minor updating to the current language.

Article 12: Compensation

The Association's ability to make proposals regarding compensation is greatly impeded by the District's refusal to honor its agreement to implement the Union's proposed salary schedule in the previous agreement and the District's unprecedented lawsuit against its own teachers. Now that the District has been ordered to proceed to arbitration, we hope it will stop wasting resources on outside attorney and frivolous delaying tactics and move immediately to arbitration.

The Association reserves the right to delay making an initial proposal on this Article until the issue of the abide by this Article and the Mayor's Framework Agreement has been resolved.

Article 13: Employee Benefits



SCTA Proposals to SCUSD 2-7-19

The Association's ability to make proposals regarding health benefits is greatly impeded by the refusal of the District to implement the terms and conditions of article 13.1.1. and the Mayor's Framework agreement.

The Association reserves the right to delay making an initial proposal on this Article until the issue of the District's refusal to abide by this Article and the Mayor's Framework Agreement has been resolved.

Article 14: Personal and Academic Freedom

The Association will propose minor updating to the current language, and that the District will not block educators from posting on the District's website, Facebook page or other social media outlets because the District disagrees with an individual's opinion.

Article 15: Substitutes

The Association will propose creating a number of benefited substitute positions, that subs receive the training they need to provide educational services to the District, and that improvements to how substitutes secure daily assignments.

Article 16: Liaison Committee

The Association will propose minor updating to the current language.

Article 17: Class Size

The Association's ability to make proposals regarding health benefits is greatly impeded by the refusal of the District to implement the terms and conditions of article 13.1.1. and the Mayor's Framework agreement.

The Association reserves the right to delay making an initial proposal on this Article until the issue of the District's refusal to abide by this Article, Article 13 and the Mayor's Framework Agreement has been resolved.

Article 18: Organizational Rights

The Association will propose minor updating to the current language.

This article is also the subject of an unfair practice charge filed against the District for its unlawful, unilateral change to release time terms and conditions.

The Association reserves the right to delay making an initial proposal on this Article until the issue has been resolved.



SCTA Proposals to SCUSD 2-7-19

Article 19: District Rights

The Association will propose minor updating to the current language.

Article 20: Mentor Teacher

The Association will propose minor updating to the current language as well as those that side letters of agreement related to induction and student teachers.

Article 21: Organization Security

The Association will propose extensive revisions to the current language.

Article 22: Professional Growth Program Related to Requirements for Renewal of Clear Teaching Credentials

The Association will propose minor updating to the current language.

Article 23: Classroom Teacher Instructional Improvement Program

The Association will propose minor updating to the current language.

Article 24: Site-based Decision Making

The Association will propose minor updating to the current language.

Article 25: Successor Agreement

The Association will propose minor updating to the current language.

Article 26: Duration

The Association will be open to discussing alternative expiration dates.

Appendix A:

Discuss the list of current forms that should be included in the contract.

Appendix B: Salary Schedules

Update the printed salary schedules, including those that are modified as a result of these negotiations, and also ensure that they are timely posted on the District's website.

Appendix C: Professional Improvement Plan

Review content.



SCTA Proposals to SCUSD 2-7-19

Appendix E: Calendar

The Association is prepared to discuss with the District its interest related to the calendar for 2019-20 and 2020-21 and beyond. It is the intention that agreed-upon calendar changes be incorporated into this section.

Remaining Appendices:

The Association intends to discuss updating current language, and removing section(s) that are out of date or no longer relevant.

Outstanding Grievances/Issues:

The Association intends to present a number of unsettled grievances directly at the bargaining table for resolution.

Restorative Practices:

The Association will make a proposal to implement a robust, bottom-up restorative practices initiative in the District.

Special Education/Multi-tiered Systems of Support (MTSS):

The Association will make proposals to improve services for students with special needs, as well as the implementation of academic and behavioral intervention programs through a multi-tiered system of support (MTSS).

Independent Charter Schools:

The Association will make proposal to ensure greater accountability for independent charter schools and the need to conduct an economic impact analysis prior to the approval of any new, independent charter school.

Language Arts School:

The Association will make a proposal to open an in-district language arts school, commencing with the 2020-21 school year.

The Association reserves the right to amend, modify, delete and/or otherwise change these proposals at any time during the bargaining process in accordance with relevant state law.



SCTA Proposals to SCUSD 2-7-19

Because of the unprecedented refusal of the District to abide by the terms and conditions of the previous contract, including a refusal to arbitrate its refusal to implement the Association's proposed salary schedule and its decision to sue teachers to prevent the dispute from being arbitrate, the Association believes that negotiations may be best served being delayed until such time the pending litigation has been completed.

At all times, however, the Association intends to meet its obligations to negotiate with the District in good faith.

EXHIBIT H



OFFICE OF THE SUPERINTENDENT

5735 47th Avenue • Sacramento, CA 95824

(916) 643-9000 • FAX (916) 399-2058

Jorge A. Aguilar, Superintendent

February 15, 2019

BOARD OF EDUCATION

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Trustee Area 7*

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Trustee Area 1*

*Leticia Garcia
Trustee Area 2*

*Christina Pritchett
Trustee Area 3*

*Mai Vang
Trustee Area 5*

*Rachel Halbo
Student Board Member*

Sent Via Email (dfisher@saccityta.com)

David Fisher
Sacramento City Teachers Association
5300 Elvas Avenue
Sacramento, CA 95819

Re: Commencing Negotiation on Successor (2019-2022) Contract

Dear Mr. Fisher:

Since November 2018, the District has sent four letters to SCTA requesting to meet and begin this school year's negotiation cycle and proposing dates for the same. SCTA has not responded to the District's multiple requests to meet and negotiate, instead informing us that it had no interest in beginning negotiations before February 7, 2019, when it would submit its initial bargaining proposal to the Governing Board. At the Board meeting of February 7, 2019, the Board received SCTA's initial proposal for successor contract negotiations for 2019-22. Now that we have received your initial proposal, we assume SCTA is ready to begin negotiations of the successor contract.

We look forward to beginning this critical process and partnering with SCTA as we explore very difficult decisions needed to address our budget deficit and save our schools. As such, we offer to meet with SCTA on: February 20, 2019, 11:00 a.m.-2:30 p.m., February 22, 10:00 a.m.-12:00 p.m., February 25, at 3:00 p.m., February 26, 9:00 a.m.-1:30 p.m., February 27, at 10:00 a.m., February 28, 9:00 a.m. - 1:00 p.m., and March 1, 2019, at 1:00 p.m.

Additionally, the District has made multiple requests since November 2018 to discuss negotiation norms and ground rules; schedule full day negotiation sessions to allow for more in-depth discussions with release time for a reasonable number of team members; team composition for SCTA's bargaining team; and use of a facilitator for negotiations. On the latter, I have been briefed about the longstanding strained relationship between SCTA and the District related to negotiations, therefore, I am again requesting that we select a neutral facilitator who could help us avoid state takeover and save our schools. The District remains interested in discussing these important issues as we begin negotiations.

Please let us know by February 20, 2019, the dates that work for SCTA to begin negotiations as well as your response to the proposals above. We appreciate you providing your initial proposal and your anticipated partnership throughout this process to ensure that we can continue meeting the needs of our students.

Sincerely,

Jorge A. Aguilar
Superintendent

Attachments



HUMAN RESOURCE SERVICES
P.O. Box 246870 • Sacramento, CA 95824-6870
(916) 643-9050 • FAX (916) 399-2016

Jorge A. Aguilar, *Superintendent*
Cancy McArn, *Chief Human Resources Officer*

BOARD OF EDUCATION

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President
Trustee Area 7

Darrel Woo
Vice President
Trustee Area 6

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2nd Vice President
Trustee Area 4

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Leticia Garcia
Trustee Area 2

Christina Pritchett
Trustee Area 3

Mai Vang
Trustee Area 5

Rachel Halbo
Student Board Member

January 17, 2019

David Fisher
President, Sacramento City Teachers Association
5300 Elvas Avenue
Sacramento, CA 95819-2333

Re: First Negotiations Session

Dear Mr. Fisher:

We are sharing with you the correspondence the District received from SCOE on January 14, 2019, in which SCOE reiterated its request "that the district quickly identify cuts and expedite actions that could be taken on items that do not require negotiations, while planning for those items that do require negotiations." It is with this urgency regarding our budget status in mind, that the District sunshined early and has requested to initiate negotiations with your bargaining unit immediately. SCTA has made it clear that you will not agree to begin negotiations until after February 7, when you present your initial proposal to the Governing Board. Since November 2018, the District has requested to begin negotiations with you and our other labor partners. We repeated this request in letters dated December 11, 2018 and December 21, 2018. To date, you have not responded to our December 21, 2018 letter offering to begin negotiations with SCTA on February 11, 13, or 15, 2019. You also have not responded to our multiple requests to discuss negotiation norms or ground rules; negotiate for full days to allow for more in-depth discussions; use of a facilitator for negotiations; or identity of the team that will represent SCTA in negotiations. As we did in 2016, the District would like to schedule a pre-negotiations session with the SCTA to discuss these issues.

As SCOE further stated in the January 14, 2019 letter "We are therefore requesting that the district provide this office with concrete calculations on valuations of additional budget reduction items as part of a completed budget reduction plan by January 22, 2019." As such, the District will continue to work on developing specific cost savings proposals to share with you at our upcoming negotiation meetings.

Please let me know by January 21, 2019, which of the February dates offered above will work for our first negotiations session. Also please let me know by January 21, 2019 if you are available to meet on January 28, January 30, January 31, or February 1 in the Florida Conference Room for a pre-negotiations meeting. We look forward to working together to address these crucial matters.

Sincerely,

Cancy McArn
Chief Human Resources Officer



OFFICE OF THE SUPERINTENDENT

5735 47th Avenue • Sacramento, CA 95824

(916) 643-9000 • FAX (916) 399-2058

Jorge A. Aguilar, Superintendent

December 21, 2018

BOARD OF EDUCATION

Jessie Ryan
President
Trustee Area 7

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2nd Vice President
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Lisa Murawski
Trustee Area 1

Leticia Garcia
Trustee Area 2

Christina Pritchett
Trustee Area 3

Mai Vang
Trustee Area 5

Rachel Halbo
Student Board Member

Sent Via Email (dfisher@saccityta.com)

David Fisher
Sacramento City Teachers Association
5300 Elvas Avenue
Sacramento, CA 95819

Re: First Negotiation Session

Dear Mr. Fisher:

We are in receipt of your December 13, 2018 letter responding to the District's request to commence negotiations as soon as possible based on the guidance of David Gordon, Sacramento County Superintendent of Schools, who has emphasized the importance of the District beginning negotiations with our labor partners immediately given the District's current budget situation. As stated in the Executive Summary to our initial proposal or "sunshine" that was approved by the Board on November 15, 2018, the District presented its initial proposal early and requested to start the bargaining process with our respective labor partners as soon as possible.

Based on your letter, it is clear that SCTA does not intend to begin negotiations early and will instead make its initial proposal for negotiations in February consistent with Article 25. While we appreciate SCTA's adherence to Article 25, there is nothing in that article that prevents SCTA from making its initial proposal and starting bargaining prior to February. If SCTA remains unwilling to come to the negotiations table in January, we would like to schedule negotiations dates for February so that we can begin negotiating as soon as SCTA makes its initial proposal. The District's negotiating team is currently available on February 11, 13, and 15, 2019.

The District has been directed by SCOE to submit a viable Board-approved budget and multi-year expenditure plan that will reverse the deficit spending trend. We recognize that aspects of the expenditure plan will require negotiations with our labor partners before we can finalize the plan. While we acknowledge that you have submitted ideas to address the District's budget issues, and we look forward to discussing those ideas with you on January 9, 2019, SCTA appears unwilling to begin successor contract negotiations sooner than February.

As we head into negotiations, we want to take an opportunity to share information with and request information from your team relative to the negotiations process. Specifically, we want to inform you that the District's team for negotiations with SCTA on 2019-20 contract negotiations will consist of the following team members:

- Dulcinea Grantham, Attorney/Lead Negotiator
- Raoul Bozio, In-House Counsel
- Cancy McArn, Chief HR Officer
- John Quinto, Chief Business Officer
- Cindy Nguyen, Employee Relations Director
- 2 - 4 additional administrators

Generally, negotiations involve a select reasonable number of representatives from both sides to allow for orderly, informal and frank discussion of the issues confronting negotiators. (*Petaluma Federation of Teachers Local 1881* (2016) PERB Dec. No. 2485; *Muroc Unified School District* (1978) PERB Dec. No. 80.) We note that while in the past your negotiations team has consisted of approximately 6 - 12 team members, you increased your team during the last contract negotiation to over sixty (60) "team members." This is an unreasonable number of negotiation team members and makes it very difficult to effectively accommodate and negotiate. To that end, the District would like to discuss some strategies to make our negotiations sessions more productive, such as providing release time for a reasonable number of SCTA members in addition to the three SCTA officers who are on leave for union business so that we can meet for full day sessions. This will allow the District and SCTA to spend more time focusing on negotiations and reaching agreements during each session.

Prior to our next negotiations date (which is proposed for January 7, 2019), please identify a reasonable number of representatives who will compose your team for negotiations both on outstanding items like health plan savings, and on successor contract negotiations, so that we can ensure adequate space, seating, and copies of materials for all participants.

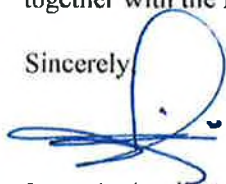
We plan to approach negotiations with the following norms in mind, which we believe have generally guided our approach to negotiations in past years:

- Meetings shall occur at mutually acceptable dates, time, and locations which shall be agreed to by the parties. Adjustments to the agreed upon schedule may only be made by mutual agreement.
- To the extent possible, meetings shall rotate between the District Office and the Union Office.
- The agenda for each session shall be agreed on at the conclusion of the previous session, although it may be altered by mutual agreement.
- The parties agree to engage in conversations with positive intentions.
- As agreements are reached, they shall be put in written form, signed by both parties, dated and timed, and labeled as Tentative Agreements.
- The parties agree to provide advance notice if bringing in attendees other than those included on the negotiations team.

We also remain interested in retaining a neutral facilitator for negotiations who can be mutually agreed upon by the parties as proposed in our November 9, 2018 letter to SCTA.

It is our desire to work collaboratively to reach resolution to negotiations as soon as possible as the District works with SCOE on reducing its deficit spending. We appreciate your willingness to work together with the District throughout this process.

Sincerely

A handwritten signature in blue ink, appearing to read 'Jorge A. Aguilar', with a large, stylized flourish extending upwards and to the right.

Jorge A. Aguilar
Superintendent



OFFICE OF THE SUPERINTENDENT

5735 47th Avenue • Sacramento, CA 95824

(916) 643-9000 • FAX (916) 399-2058

Jorge A. Aguilar, Superintendent

December 11, 2018

BOARD OF EDUCATION

Jessie Ryan
President
Trustee Area 7

Darrel Woo
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Michael Minnick
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Trustee Area 4

Lisa Murawski
Trustee Area 1

Leticia Garcia
Trustee Area 2

Jristina Pritchett
Trustee Area 3

Mai Vang
Trustee Area 5

Rachel Halbo
Student Board Member

Sent Via Email (dfisher@saccityta.com)

David Fisher
Sacramento City Teachers Association
5300 Elvas Avenue
Sacramento, CA 95819-2333

Dear Mr. Fisher:

This correspondence is in regards to the successor contract negotiations with SCTA for 2019-2022. As you are aware, the District presented its initial proposal for negotiations ("sunshine") with all of its labor partners for public hearing and to the Governing Board on November 15, 2018 as required by the Educational Employment Relations Act ("EERA"). As stated in the Executive Summary to each initial proposal, the District presented its initial proposal on that date in an effort to start the bargaining process with our respective labor partners as soon as possible and to help with the District's current budget situation. A copy of the District's sunshine for negotiations with SCTA is attached to this letter for your reference. In our November 9, 2018 letter, we offered you three potential dates for negotiations in late November and early December. To date you have not responded to the District's request to meet.

In our First Interim Report submitted to Sacramento County Office of Education ("SCOE") last week, there was recognition that aspects of strategy to address the District's budget challenges will require negotiations with our labor partners. As part of SCOE's current oversight of the District's fiscal practices and solvency, SCOE has emphasized the importance of the District beginning negotiations with our labor partners immediately and has requested that the District submit a schedule of the collective bargaining process with our labor partners by December 14, 2018.

Based on the urgency of addressing our budget challenges, we would like to commence negotiations immediately. As it remains our desire to work collaboratively to reach resolution as soon as possible while the District works on reducing our deficit spending, we would like to schedule dates to meet with your negotiations team. To that end, please inform me by December 13, 2018, of any two of the following dates that you are available to meet to begin negotiations: Tuesday, December 18th, 2018, Thursday, December 20th, 2018 and Wednesday, January 9th, 2019.

We appreciate your response by December 13, 2018 and willingness to work together with the District to commence negotiations for our successor contract.

Sincerely,

Jorge A. Aguilar
Superintendent

Attachment

**SACRAMENTO CITY UNIFIED SCHOOL DISTRICT
BOARD OF EDUCATION
November 15, 2018
SUNSHINING OF DISTRICT'S INITIAL PROPOSAL TO THE SACRAMENTO CITY
TEACHERS ASSOCIATION (SCTA)
FOR 2019-2022 SUCCESSOR AGREEMENT**

Pursuant to Government Code section 3547, the District's and SCTA's initial bargaining proposals that relate to matters within the scope of negotiations shall be presented at a public meeting. It further prohibits negotiation on such proposals until after the public has had an opportunity to be informed of the District's proposal and provide any comments, and the proposal has been adopted by the Governing Board. Since this matter involves the reopening of particular articles of the CBA, and to allow the Board an opportunity to provide and receive comment, the District's initial proposal for amending the CBA is presented to the Board at this public meeting for a public reading. The District's initial proposal is also presented to the Board at this meeting for final approval and "sunshining."

The below initial proposal seeks to negotiate in good faith additions and changes to the CBA that will benefit students and employees and ensure the fiscally sustainable operation of the District in the short and long term. As such, and in light of the budget difficulties currently faced by the District, the District is seeking to "sunshine" its initial proposal and commence negotiations with SCTA.

ACTION BY THE BOARD OF EDUCATION AS FOLLOWS:

The Board hereby presents the District's initial proposal for public comment, and thereafter adopts the following initial proposal for a 2019-2022 successor agreement. It is the Board's intent that the District work collaboratively with SCTA's negotiations team to reach a fair and equitable agreement that protects the interests of students, parents/guardians, unit members, and the District, while ensuring the fiscal solvency of the District.

ARTICLE 5: HOURS OF EMPLOYMENT

Propose amendments, including but not limited to revising instructional minutes and day schedules.

ARTICLE 6: EVALUATION

Propose amendments, including but not limited to revising evaluation tools and process.

ARTICLE 8: TRANSFERS

Propose amendments, including but not limited to, process and timelines related to the hiring process.

ARTICLE 11: SAFETY CONCERNS

Propose amendments, including but not limited to, resources and supports for employees concerning appropriate student discipline practices and interventions.

ARTICLE 12: COMPENSATION

Propose to negotiate in good faith over compensation within the limits of available financial resources. The District may propose other amendments to this Article.

ARTICLE 13: EMPLOYEE BENEFITS

Propose to negotiate in good faith over employee benefits within the limits of available financial resources. The District may propose other amendments to this Article.

ARTICLE 17: CLASS SIZE

Propose amendments, including but not limited to revising terms, involving maximum and average class sizes loads, formulas, limitations, and specialized programs.

ARTICLE 18: ORGANIZATIONAL RIGHTS

Propose amendments, including but not limited to revising terms involving the use of Association Officer leaves of absences and/or release time.

ARTICLE 21: ORGANIZATIONAL SECURITY

Propose amendments, including but not limited to revising terms involving processing agency fees to ensure compliance with legal requirements.

ARTICLE 26: DURATION

Propose amendments, including but not limited to updating the term of the successor contract.

APPROVED:

AYES:

NOES:

ABSTAIN:

ABSENT:

Action was taken to adopt this District Initial Proposal for 2019-2022 successor contract negotiations with SCTA on November 15, 2018.

Superintendent



OFFICE OF THE SUPERINTENDENT

5735 47th Avenue • Sacramento, CA 95824
(916) 643-9000 • FAX (916) 399-2058

Jorge A. Aguilar, Superintendent

November 9, 2018

BOARD OF EDUCATION

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Christina Pritchett
Trustee Area 3

Mai Vang
Trustee Area 5

Rachel Halbo
Student Board Member

Sent Via Email (dfisher@saccityta.com)

David Fisher
Sacramento City Teachers Association
5300 Elvas Avenue
Sacramento, CA 95819

Re: Health Plan Savings

Dear Mr. Fisher:

The District is pleased to learn that SCTA wishes to engage in “immediate discussions ... to consider potential health plan savings,” as stated in your letter of November 1, 2018. The District has been seeking SCTA’s cooperation in order to come to an agreement on health plan costs savings for quite some time.

Contrary to the version of events described in your letter, it has been SCTA who has delayed the effectuation of the health plan costs savings that were agreed to in Article 13.1.1 of the tentative agreement ratified on December 7, 2017. As with previous communications, the November 1, 2018, SCTA letter again leads with the position that the Salary Schedule Structure proposed by SCTA must be implemented at any and all costs, despite the explicit limitation of a 3.5% cost increase that was included in the Framework Agreement. Rather than bargain in good faith on this critical matter of health care costs, SCTA has insisted on numerous occasions, including the recent meeting on October 24, 2018 with Dr. John Quinto (Chief Business Officer), Cancy McArn (Chief Human Resources Officer), Tanisha Turner (Employee Compensation Director), Raoul Bozio (In-House Counsel), and CECHCR representatives, that the District acquiesce to SCTA’s Salary Schedule Structure proposal before SCTA comes to any agreement resulting in the reduction to the District’s health care expenditures.

Regarding the Salary Schedule Structure matter, the District believes that full consideration and process must be given to the determination of this important matter. Moreover, contrary to SCTA’s assertion, the reduction in percentage increase to year-over-year health costs did in fact decrease due to the efforts to employ CECHCR to analyze the District’s health care costs and options available on the market. However, these were due to CECHCR and market forces, not any action by SCTA to come to an agreement to effectuate meaningful changes to the health care plan costs as contemplated under Article 13.1.1. In fact, based on the CECHCR reports, SCUSD loses approximately \$735,416 with each subsequent month that passes without implementing a change to health care costs because SCTA has refused to reach an agreement on this matter.

Nevertheless, and despite the above noted points of disagreement, the District also wishes to resume discussions and hopes that SCTA will comply with the language of Article 13.1.1. Relatedly, we are initiating the “sunshining” process of the District’s initial proposal for a 2019-2022 successor CBA at the upcoming Board Meeting on November 15, 2018 in order to get a jump start in negotiations and to avoid negotiating in arrears as we did last year. We would like to meet to begin negotiations on Thursday, November 29, 2018; Wednesday, December 5, 2018; and Tuesday, December 11, 2018, and we look forward to a productive round of negotiations. To that end, our goal is to come to an agreement with SCTA that will ensure the continued improvement of outcomes for all District students while sustaining the District’s fiscal solvency. We plan to approach negotiations with the following norms in mind:

- Meetings shall occur at mutually acceptable dates, time, and locations which shall be agreed to by the parties. Adjustments to the agreed upon schedule may only be made by mutual agreement.
- To the extent possible, meetings shall rotate between the District Office and the Union Office.
- The agenda for each session shall be agreed on at the conclusion of the previous session, although it may be altered by mutual agreement.
- The parties agree to engage in conversations with positive intentions.
- As agreements are reached, they shall be put in written form, signed by both parties, dated and timed, and labeled as Tentative Agreements.
- The parties agree to provide advance notice if bringing in other negotiators or speakers.

The District would also like to discuss some strategies to make our negotiations sessions more productive, such as providing release time for three to five SCTA members in addition to the three SCTA officers who are on leave for union business so that we can meet for full day sessions. Lastly, we would also propose retaining a neutral facilitator for negotiations who can be mutually agreed upon by the parties.

Again, given your letter of November 1, 2018, we are optimistic that we can come to a mutually beneficial agreement to achieve health care plan costs savings as well as an overall agreement that will benefit students, employees, and our greater community. Please let us know whether you are available to begin these negotiations on Thursday, November 29, 2018; Wednesday, December 5, 2018; and Tuesday, December 11, 2018.

Sincerely,



Jorge A. Aguilar
Superintendent

EXHIBIT I



February 20, 2019

Mr. Jorge Aguilar
Sacramento City Unified School District
5735 47th Avenue
Sacramento CA 95824

Re: Successor Negotiations

Dear Mr. Aguilar:

This will serve as a response to your letter of February 15, 2019, regarding commencing negotiations on a successor contract.

You write that you “have been briefed about the longstanding strained relationship between SCTA and the District related to negotiations,” but appear to take no personal responsibility for that strained relationship. This is particularly notable in light of your backtracking on the agreement we reached with the help of Mayor Steinberg to implement a restructured salary schedule and then your subsequent, unprecedented lawsuit against teachers to prevent us from arbitrating the dispute.

You also ignore your personal role in publicity stunts: the “empty chair” press conference; and the district’s refusal to meet to discuss our budget proposal after refusing our request to meet in a bigger room that was set up and available at the Serna Center.

Moreover, you continue to try to determine the composition of the SCTA bargaining team, an effort that is both unlawful and a further “strain” on our relationship.

As set forth in the proposals that we sunshined at the school board meeting on February 7, 2019, we believe meaningful negotiations regarding a successor contract would be more likely to occur after the resolution of the several major issues from our current contract, including but not limited to, the implementation of the agreed-upon salary restructuring, and the addition of resources to the classroom via smaller class sizes and more support staff, as a result of potential changes from the health plans. As you know, after the District’s failed lawsuit and the Association’s successful motion to compel the District to honor the arbitration clause of the contract, the first two days of the

arbitration are scheduled for March 7-8, 2019, with additional dates (at the District's request) reserved for April. It is important to note that Arbitrator Parca was willing to hear this issue on an expedited basis in the late fall, and, after the District rejected expedited arbitration, was willing to begin the hearing on January 7, 2019. In effect, the issue could have already been resolved if you had not chosen to delay.

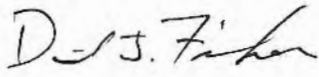
Additionally, the representatives of the California Education Coalition for Healthcare Reform (CECHCR) have stated that the request for proposals (RFPs) that they have sent to various purchasing pools are not due until March 20, 2019. As you further know, we provided the District an MOU (see attached) that would allow us to move forward on implementing health plan changes together with lowering class sizes, but the District refused to respond to.

Furthermore, you suggest that our bargaining "could help us avoid state takeover and save our schools." As you know, SCTA made a proposal to the District on September 13, 2018, to fix its budget fiasco. On December 13, 2018, SCTA made a revised proposal. To date the District has refused to meet with us to discuss our proposals that are specifically designed "to avoid state takeover and save our schools."

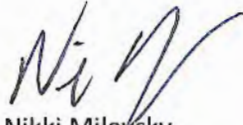
The District has also refused to provide information that we have requested related to the District's budget, including information as basic as the District's updated FCMA T budget calculations, and the "new" calculations regarding student enrollment from the District's new consultant. In addition, we have been greatly disappointed that at the last two meetings of the school board's budget committee (October 1, 2018, and February 14, 2019), the budget committee failed to discuss with any substance or specificity the District's budget. The sense of urgency that you project to the public is contradicted by the District's inability to put forward a cost-savings plan of any detail or substance or to encourage any real discussion about the only budget fix proposals on the table—those proposed by SCTA. We were extremely disappointed that the District refused to engage with us on our proposal when we attempted to meet on January 9, 2019, and instead fabricated an issue regarding the size of our bargaining team (which you were made aware of prior to the meeting) as a thinly veiled excuse not to meet.

In short, while we believe it would be premature to commence negotiations for a successor contract while the wage, benefit and staffing issues remain unresolved, *we reiterate our offer to meet with a committee of our choosing* with representatives of the District, including its SCOE fiscal advisor who has the authority to approve District agreements, to discuss our proposal to fix the district's budget fiasco and "to avoid state takeover and save our schools."

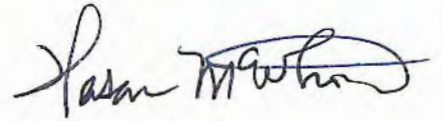
Sincerely,



David Fisher
President



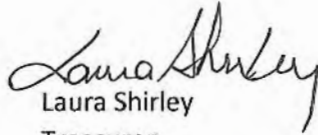
Nikki Milevsky
First Vice President



Hasan McWhorter
Second Vice President



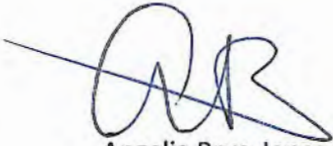
Cindee Stewart
Secretary



Laura Shirley
Treasurer



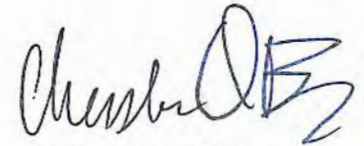
Catherine Boulos
Elementary Director



Angelia Brye-Jones
Elementary Director



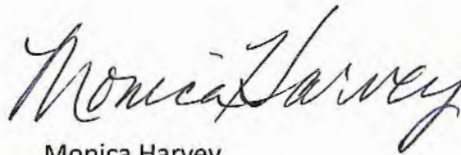
Bob Priestley
Middle School Director



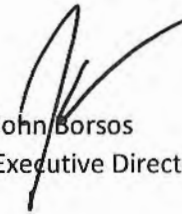
Chesshuwa Beckett
High School Director



Nafeesah Young
Pupil Services Director



Monica Harvey
Special Ed Director



John Borsos
Executive Director

EXHIBIT J

Sacramento Office of Education County

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David W. Gordon
Superintendent

February 14, 2019

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David Fisher, President
Sacramento City Teachers Association
5300 Elvas Avenue
Sacramento, CA 95819

Dear Mr. Fisher:

Enclosed in this packet are responses to the inquiries presented on January 18, 2019 during your meeting with the Fiscal Crisis & Management Assistance Team, Sacramento City Unified School District, and Mayor Darrell Steinberg.

Sincerely,



David W. Gordon
Sacramento County Superintendent of Schools

DWG/TS/ds

Enclosures

cc: Michael H. Fine, Chief Executive Officer, FCMAT
Darrell Steinberg, Mayor, City of Sacramento
Jorge Aguilar, Superintendent, SCUSD



Information requested from SCUSD and SCOE in Support of Continuing Conversations with SCTA

(All questions are based on data from the First Interim Report, December 2018)

1. Affirm the three-year (2018-2019, 2019-2020 and 2020-2021) deficit values.

Answer 1. As presented on December 6, 2018, the following chart summarizes deficit spending and projected fund balances as of First Interim 2018-2019:

UNRESTRICTED General Fund Multi-Year Projection			
Per First Interim Report 10/31/18			
	2018-19 Budget	2019-20 Proj	2020-21 Proj
Beginning Fund Balance	60,277,000	38,162,500	(3,855,000)
Deficit Spending	(22,114,000)	(42,018,000)	(50,470,000)
Ending Fund Balance	38,163,000	(3,855,500)	(54,325,000)
Less: Assignments and Reserves	6,546,000	545,500	545,000
2% Reserve for Economic Uncertainty	11,222,000	11,423,000	11,794,000
Remaining Surplus/(Shortfall) to Balance	20,395,000	(15,824,000)	(66,664,000)

2. Based on updated information from the Governor’s January 10, 2019 budget proposal and the district’s recently received enrollment projections, please detail the changes to the affirmed deficit values (#1) for the three- year MYP period (e.g., projected COLA, projected STRS relief, projected impacts from updated enrollment from DecisionInsight).

Answer 2. With COLA changes per the Governor’s Proposed Budget, enrollment projections per DecisionInsight, and the impact of a proposed buy-down of STRS contributions, the chart below reflects changes to the First Interim deficit (assuming NO other changes):

Enrollment at First Interim and as Adjusted by DecisionInsight						
	2018-19	2019-20	2020-21	2021-22	2022-23	2023-24
Change in Enrollment Since First Interim	33	(858)	(853)	(1,511)	(1,368)	(1,431)

STRS Cost Savings per Governor's Budget Proposal:				
	2018-19 Budget	2019-20 MYP	2020-21 MYP	2021-22 MYP
STRS Rate	16.28%			
Original Projected Rate		18.13%	19.10%	18.60%
Revised Projected Rate		17.13%	18.10%	18.10%
Salaries Subject per MYP	161,486,486	162,204,486	164,033,486	165,883,486
Budgeted/Projected STRS Costs	26,290,000	29,408,000	31,330,000	30,854,000
Savings in STRS Costs per Gov Budget Proposal		(1,622,000)	(1,640,000)	(829,000)

These figures may be slightly different than the district's revisions based on the Governor's Proposed Budget due to the date that the estimates were calculated, however, they are not materially different.

Net impact of all three changes:

Changes to Unrestricted First Interim Projections Due to Updated COLA, DecisionInsite Enrollment Projections and STRS Buy Down					
	2019-20	2020-21	2021-22	2022-23	2023-24
LCFF as of First Interim	408,100,663	416,932,503	428,392,600	439,484,310	436,842,932
Change Due to COLA	3,486,530	4,359,727	2,401,686	946,107	940,336
Change Due to Enrollment	210,956	(8,878,990)	(9,082,104)	(16,417,401)	(14,873,194)
Revised LCFF per Gov Budget	411,798,149	412,413,240	421,712,182	424,013,016	422,910,074
Proposed Expenditure Reduction - STRS	1,622,000	1,640,000	829,000	829,000	829,000
Net Change due to Governor's Budget and Updated Enrollment:	5,319,486	(2,879,263)	(5,851,418)	(14,642,294)	(13,103,858)

3. At First Interim, one of the most significant changes from Adopted Budget is contributions (\$77m, \$89m, \$105m).

- a. Provide the breakout of contribution categories, e.g., Special Education, Routine Restricted Maintenance, others.
- b. Provide the detailed assumptions for each contribution category for the Adopted Budget, First Interim update and three-year MYP. Please include supporting data where applicable.
- c. For each assumption in 3b, please indicate the general nature of projection used (e.g., conservative estimate, trend-base, etc.).

Answer 3. There are three programs requiring contributions from unrestricted to restricted programs within the General Fund: Special Education, Energy Education, and Routine Restricted Maintenance.

The contributions to Special Education and Energy Education balance the resources between revenues and budgeted or projected expenditures. As a result, Special Education contributions have increased \$11.8M, \$10.5M, and \$11.9M annually over the multi-year period. The County Superintendent has assigned a Special Education consultant to work with staff to identify possible areas of savings in the current and future budgets.

The prior year Special Education financial trends that were reviewed reflect the following:

- Revenue has dropped by approximately 3% over the last three years primarily due to declining enrollment. The budget must be reviewed to reflect additional declines and will be adjusted at Second Interim, as needed.
- Contribution increases to balance Special Education budgets have averaged 11.5% per year.
- Salaries and Benefits have increased 28% over the last three years.
- NPS/A costs have increased 8.9% per year, on average, and the current year budget was adjusted to reflect that increase.

- The net result of dropping revenue and increasing expenditures has been an annual increase in contributions.

Funding requirements dictate that the contribution to the Routine Restricted Maintenance Account has been allowed to drop below 3% over the last years, but must be brought back to the 3% of General Fund expenditures level by 2019-2020. This accounts for the larger \$5.4M increase between 2018-2019 and 2019-2020 compared to the typically smaller increases that track with changes in the General Fund. The 3% calculation is based on the expenditures as reported and projected at First Interim. Any significant changes to the expenditure budgets will impact this calculation. Therefore, if the district makes cuts that are necessary to balance the budget, reductions will be made to this required contribution.

Contributions Per Escape and District-Prepared MYP:									
Resource	2016-17 Actual	2017-18 Actual	2018-19 Revised Adopted	2018-19 First Interim ^B	Change Between Years ^A	2019-20 Projected	Change Between Years ^A	2020-21 Projected	
6500 Special Education	56,676,347	64,656,800	76,490,292	76,739,492	10,488,000	87,227,000	11,934,000	99,161,000	
8150 Routine Restricted Maintenance	10,732,466	11,989,736	12,207,044	12,283,044	5,446,000	17,729,000	474,000	18,203,000	
9158 Energy Ed	445,374	445,275	437,391	437,391	-	437,000		437,000	
Total Contributions	67,854,187	77,091,811	89,134,727	89,459,927	15,934,000	105,393,000	12,408,000	117,801,000	
Percent Change Each Year		14%		16%		18%		12%	
A	Per First Interim MYP, Special Education contribution in future years was increased to cover anticipated cost increases per prior year trends. Routine Restricted Maintenance must increase to 3% of Expenditures by 2019-20 fiscal year, so increase of approximately \$5.5M needed to meet state 3% requirement.								
B	At first interim, contributions were rebalanced to cover budgeted spending in each resource. Special Education revenues and expenditures are being studied now and adjustments will be made at second interim to more accurately reflected planned spending for the remainder of the year.								

4. Provide the assumptions for certificated and classified step and column projections for each of the three-year MYP amounts.
 - a. Provide the basis for using these assumptions (e.g., fixed percentage, system generated S&C estimates, actual S&C movement, Human Resources practices to capture and know unit-based column moves, etc.)
 - b. Explain how year-over-year attrition is calculated and captured. Is attrition captured in the step and column projection or in the base salary projection?

Answer 4a. Once the budget staff loads the following year’s salary schedules, a position control report can be generated that rolls current employees to the following year, moving them according to their salary schedule placement. This report identifies the dollars, by unit, for the cost of automatic salary schedule movement for all regular employees. Only SCTA has “column” movement; it is a unique amount each year which is added to the budget once evidence of completion of units is presented.

Answer 4b. Per a discussion with staff, the past practice for retirements has been to reduce the certificated budget at adoption by \$500K. This anticipated retirement savings is netted with the Step/Column calculation and prorated between unrestricted and restricted. As of First Interim, salaries are balanced between budgets and actual with additional savings removed and/or additional costs reflected in the budget.

See **Appendix A** for a sample of the PosCon06 report which automatically calculates step costs. There will be slightly different dollar amounts each time the report is run since salary costs change daily with vacancies, new positions, hiring, terminations, etc. This report does **not** include

statutory benefits (STRS, PERS, Medicare, Social Security, Unemployment, OPEB, Workers' Compensation) which must be added to properly reflect each year's increase for step movement. Remember, STRS and PERS costs are also increasing each year, so the cost of step movement increases even when salary costs do not.

5. Explain how vacancies are accounted for at Adoption and at Interim reporting time? Provide a list of current vacancies that are included in the First Interim Budget Report?

Answer 5. Per discussion with staff, at budget adoption, the practice has been to budget for all authorized positions, whether filled or vacant. Previous practice was to reduce the budget intermittently, at Interims or every two months, using a contra account to track anticipated savings. Due to the current budget crisis, at 2018-2019 First Interim, a position control true-up was performed, removing all positions that were duplicates or would not be filled. The budget was reduced to cover only six months of costs for those positions that Human Resources indicated were truly vacant and would be filled.

See **Appendix B** for position control vacancies as of January 2019. After the true-up was completed, only positions anticipated to be filled were included in the reduced budget. However, the Escape position control system appears to still contain positions that should be removed through the layoff process. Note, there will be slightly different FTEs each time the report is run since vacancies change daily due to vacancies, new positions, hiring, terminations, etc. This report was not prepared specifically as of October 31 (First Interim), so the most recent report is included as an example of the reduced number of remaining vacant positions.

6. SCTA has provided an updated "Sac City Budget Costing" dated January 21, 2019 (attached). Please provide an analysis for each of the suggested budget adjustments listed below (5a through 5e). The analysis should include current expenditure levels (a, b, c, d & e), past several years history (c, d, & e), detail 10 largest current expenditures (e), and supporting documentation for all analysis.

- a. "With New LCFF COLA" (see #2 above)
- b. "Pension Credit" (see #2 above)
- c. "Retiree Health Pre-funding \$8.5 million"
- d. "20% Admin Reduction \$8.7 million unrestricted funds only"
- e. "Reduce outside consultants, travel, communications \$4.2 million"

Answer 6. See answers to Question 2 above for 6a and 6b responses.

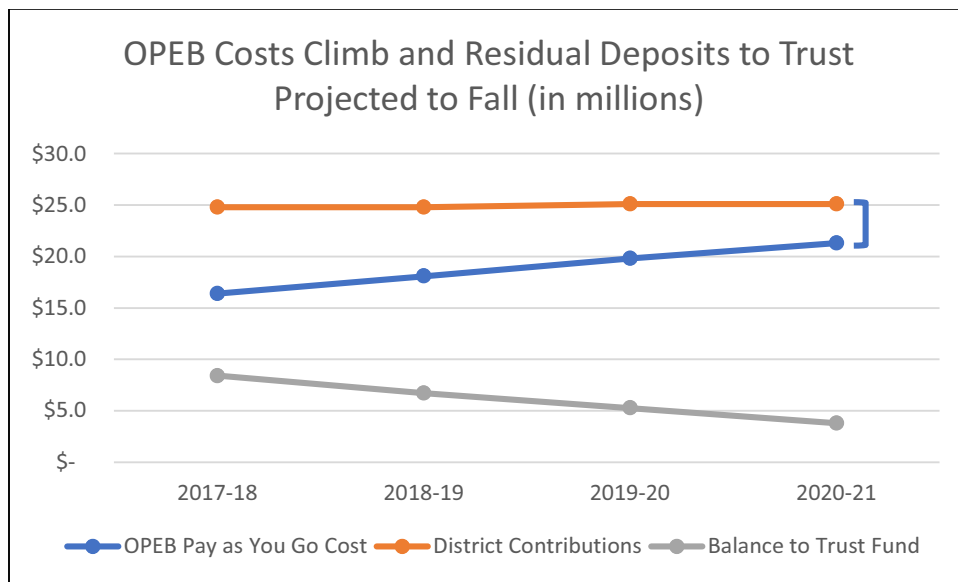
Answer 6c. The district has struggled for years with pre-funding their Other Post-Employment Benefit (OPEB) obligations. According to the latest actuarial report, the district's unfunded obligation is \$726 million. The Actuarial Determined Contributions, or the amount needed to be funded in order to pay for the obligation over a thirty-year period, is approximately \$42 million annually. Since the district's annual contribution is less than \$25 million, they are approximately \$17 million short each year in meeting that contribution level.

Over the next several years, the cost of the pay-as-you-go premiums is projected to increase from \$16 million annually to \$21 million annually, while district contributions remain flat or decline depending on budget reductions selected by the district. This leaves fewer remaining dollars to contribute to the growing, unfunded OPEB liability. If the district reduces FTEs or salaries, contributions would be reduced. If changes to health care benefits being considered result in

changing retiree costs, the pay-as-you-go amount could increase (i.e. currently, an implicit subsidy exists, and the decision to reduce the subsidy from active employees could make retiree costs increase). Until decisions are made on staffing and health care plans, decisions on budgeting OPEB contributions should be delayed.

Retiree Costs, District Contributions, and Residual Deposit to Trust as of 10/31/18 First Interim Report (in millions)				
	2017-18	2018-19	2019-20	2020-21
OPEB Pay as You Go Cost	\$ 16.4	\$ 18.1	\$ 19.8	\$ 21.3
District Contributions	\$ 24.8	\$ 24.8	\$ 25.1	\$ 25.1
Balance to Trust Fund	\$ 8.4	\$ 6.7	\$ 5.3	\$ 3.8

A graph of this information shows increasing costs for pay-as-you-go premiums, leaving fewer dollars to put toward the Actuarial Determined Contributions that address meeting the continually increasing OPEB.



Answer 6d. Within the central support functions of the district (Function 7xxx), total unrestricted administrator (certificated and classified) salary and benefit costs are less than \$8M. A 20% reduction to this amount generates \$1.6M in savings, significantly less than the \$8.7M that SCTA has identified.

If the analysis is expanded to include all unrestricted administrators and management in the district, including site-level administrators, total salaries and benefits are approximately \$37m. A 20% reduction to this amount generates \$7.4M in savings, still less than the \$8.7 that SCTA has identified.

An overall look at the central support functions of the district is reflected in **Appendix D**. Appendix D reflects all costs in the General Fund for administrative “functions”, function code 7xxx in the financial system. These costs include both certificated costs not assigned to a school site, plus administrative classified salaries outside the classroom. The current administrative budgets are \$290K above prior year actual costs, which is due to \$275K of increased administrative pension and health costs greater than prior year. The budget lines for unrestricted, non-instructional, certificated and classified administrator salaries are lower in the current year than 2017-2018

actuals. Bottom line, the district is already seeing reductions in this category and through the budget reduction process, the district is identifying additional administrative reductions.

Answer 6e. Costs for “outside consultants, travel, and communications” are a typical focus for cost cutting options. See **Appendix C** for a listing of the largest components of the Professional Services, Operating Expenditures, and Communications category (the 5000s).

- The largest purchased services, by type of expenditure (object code), are non-public schools, outside contracts, electricity, water and insurance. The top 10 categories of purchased services account for 98.5% of the total \$75M object code 5xxx.
- The largest 11 contracts within this category are for non-public schools/services, school resource officers, and insurance.

Since the majority of the consultants, travel, communications and other professional services are services related to Special Education, SCOE has contracted with a Special Education consultant to examine the district’s spending and practices in this area. Therefore, the achievable savings are not yet known.

A purchasing committee meets weekly to review requisitions and purchase orders. Based on a review of funding and the nature of the expenditure, purchases not determined to be essential are not approved. Cabinet meets similarly to review open positions before they are filled. The SCOE Fiscal Advisor attends these meetings. The discussions generated are valuable for staff in helping analyze all spending in the district and running all costs through a cost-savings filter.

Pos06a

**Summary Cost of Step and Column
Adjustments**

Base Fiscal Year 2018				
Bargaining Unit	2018 Salary	2019 Salary	Cost	% Increase
CONF	2,174,734.65	2,196,696.31	21,961.66	1.01 %
NREP	553,937.00	574,960.00	21,023.00	3.80 %
SCAA	11,715,548.79	11,851,773.94	136,225.15	1.16 %
SCTA	168,755,537.06	171,591,069.57	2,835,532.51	1.68 %
SEIU	48,071,267.66	48,553,029.48	481,761.82	1.00 %
SUPA	1,374,122.87	1,392,287.30	18,164.43	1.32 %
SUPV	1,193,957.17	1,209,898.10	15,940.93	1.34 %
TEAM	3,479,653.42	3,526,971.13	47,317.71	1.36 %
UPE	16,221,668.02	16,425,089.50	203,421.48	1.25 %
		Total for Org 097	3,781,348.69	

Vacancies as of January 2019

Position#	Location	FTE authorized	FTE Used	FTE Available	Bargaining Unit	Job Category	FUNDING	Resource
5460	0032	1.20	1.00	0.20	SCTA	Teacher, Special Subject	General	0000
284	0059	22.60	22.50	0.10	SCTA	Teacher, Elementary	General	0000
5465	0095	1.20	1.00	0.20	SCTA	Teacher, Special Subject	General	0000
11302	0098	1.40	1.20	0.20	SCTA	Teacher, Special Subject	General	0000
5512	0108	26.60	26.00	0.60	SCTA	Teacher, Special Subject	General	0000
1065	0110	1.40	1.20	0.20	SCTA	Teacher, Special Subject	General	0000
7971	0110	0.38	-	0.38	SCTA	Teacher, Resource	LCFF	0007
7971	0110	0.33	-	0.33	SCTA	Teacher, Resource	LCFF	0009
5507	0168	0.60	0.20	0.40	SCTA	Teacher, Special Subject	General	0000
1620	0235	0.80	-	0.80	SCTA	Teacher, Special Subject	General	0000
1156	0265	1.20	1.00	0.20	SCTA	Teacher, Special Subject	General	0000
5476	0272	1.60	1.00	0.60	SCTA	Teacher, Special Subject	General	0000
242	0277	21.00	20.00	1.00	SCTA	Teacher, Elementary	General	0000
5503	0305	1.20	1.00	0.20	SCTA	Teacher, Special Subject	General	0000
16109	0354	0.50	-	0.50	SCTA	Teacher, Resource, Elementary	LCFF	0007
1494	0445	35.50	34.50	1.00	SCTA	Teacher K-8	General	0000
909	0495	23.00	22.60	0.40	SCTA	Teacher, Middle School	General	0000
670	0510	75.00	73.60	1.40	SCTA	Teacher, High School	EPA	1400
8623	0520	47.00	46.80	0.20	SCTA	Teacher, High School	EPA	1400
35	0521	30.50	28.50	2.00	SCTA	Teacher, High School	EPA	1400
SCTA Totals		293.00	282.10	10.90				
14848	0104	1.88	1.44	0.44	SEIU	Teacher Assistant, Bilingual	LCFF	0009
16130	0110	0.38	-	0.38	SEIU	Teacher Assistant, Bilingual	LCFF	0009
12517	0146	0.47	-	0.47	SEIU	Instructional Aide/Computer Lab	LCFF	0007
16115	0235	0.44	-	0.44	SEIU	Teacher Assistant, Bilingual	LCFF	0009
15104	0269	2.19	1.75	0.44	SEIU	Teacher Assistant, Bilingual	LCFF	0009
12892	0390	0.66	0.44	0.22	SEIU	Teacher Assistant, Bilingual	LCFF	0007
12892	0390	0.66	0.44	0.22	SEIU	Teacher Assistant, Bilingual	LCFF	0009
16330	0495	0.63	0.25	0.38	SEIU	Teacher Assistant, Bilingual	LCFF	0009
15794	0510	2.25	1.75	0.50	SEIU	Teacher Assistant, Bilingual	LCFF	0007
15794	0510	0.72	0.56	0.16	SEIU	Teacher Assistant, Bilingual	LCFF	0009
16404	0562	0.44	-	0.44	SEIU	Instructional Aide	General	0000
15340	0148	1.00	-	1.00	SEIU	Custodian	General	0000
11700	0540	5.00	4.00	1.00	SEIU	Custodian	General	0000
12903	0059	0.13	-	0.13	SEIU	Aide/Walking Attendent	General	0000
10194	0130	0.09	-	0.09	SEIU	Aide/Walking Attendent	General	0000
16401	0168	0.81	-	0.81	SEIU	Aide/Walking Attendent	LCFF	0007
16334	0235	0.25	-	0.25	SEIU	Aide/Walking Attendent	LCFF	0007
16336	0363	0.13	-	0.13	SEIU	Aide/Walking Attendent	LCFF	0007
15162	0095	0.75	-	0.75	SEIU	Aide/Walking Attendent	Trans H to S	0723
15298	0844	3.00	2.00	1.00	SEIU	School Bus Driver, Instructor	Trans H to S	0723/0724
15299	0844	4.00	3.00	1.00	SEIU	Bus Driver	Trans H to S	0723/0724
15300	0844	18.56	10.41	8.16	SEIU	Bus Driver	Trans H to S	0723/0724
15594	0844	2.00	1.00	1.00	SEIU	Automotive Service Attendant	Trans H to S	0723/0724
9866	0844	97.44	84.06	13.38	SEIU	Bus Driver	Trans Sp/Ec	0724
3864	0844	9.00	7.94	1.06	SEIU	Bus Attendant	Trans Sp/Ec	0724
16033	0844	3.00	2.00	1.00	SEIU	Delgated Behind the Wheel Tr	Trans Sp/Ec	0724
16374	0557	0.25	-	0.25	SEIU	Site Computer Tech III	General	0000
16345	0144	0.30	-	0.30	SEIU	Library Media Tech Assistant	LCFF	0007
16335	0363	0.31	-	0.31	SEIU	Library Media Tech Assistant	LCFF	0007

Vacancies as of January 2019

Position#	Location	FTE			Bargaining		Job Category	FUNDING	Resource
		authorized	Used	Available	Unit				
10317	0530	1.00	-	1.00	SEIU	Site Computer Tech II	General	0000	
11702	0540	4.25	3.50	0.75	SEIU	Campus Monitor	General	0000	
13273	0557	1.50	1.00	0.50	SEIU	Campus Monitor	General	0000	
12395	0117	0.44	-	0.44	SEIU	Clerk II	General	0000	
12401	0117	1.00	-	1.00	SEIU	School Office Manager I	General	0000	
2962	0138	1.00	-	1.00	SEIU	School Office Manager I	General	0000	
7726	0163	0.44	-	0.44	SEIU	Clerk II	General	0000	
16341	0410	0.25		0.25	SEIU	Clerk I	General	0000	
2951	0420	1.00	-	1.00	SEIU	School Office Manager II	General	0000	
2898	0495	1.00		1.00	SEIU	Office Tech II.	General	0000	
16332	0521	0.75		0.75	SEIU	Clerk III	General	0000	
2862	0525	3.00	1.00	2.00	SEIU	Office Tech II.	General	0000	
12608	0540	1.00		1.00	SEIU	Clerk III	General	0000	
13272	0557	1.00	0.50	0.50	SEIU	Attendance Tech II	General	0000	
13785	0557	0.50		0.50	SEIU	Controller Bookkeeper HS	General	0000	
13855	0760	3.00	2.00	1.00	SEIU	Pupil Personnel Records Tech	General	0000	
14214	0835	1.00		1.00	SEIU	Warehouse Records Clerk	General	0000	
15048	0808	3.00	2.00	1.00	SEIU	Tech Support Spec II	General	0000	
15490	0840	1.00	0.75	0.25	SEIU	Clerk II	General	0000	
16248	0029	0.50	0.42	0.08	SEIU	Noon Duty	General	0000	
16250	0032	0.75	0.65	0.10	SEIU	Noon Duty	General	0000	
16251	0032	0.06		0.06	SEIU	Morning Duty	General	0000	
16152	0037	0.75	0.68	0.07	SEIU	Noon Duty	General	0000	
16169	0059	0.88	0.63	0.25	SEIU	Noon Duty	General	0000	
16214	0097	0.88	0.56	0.31	SEIU	Noon Duty	General	0000	
16174	0098	0.63	0.38	0.25	SEIU	Noon Duty	General	0000	
16198	0100	0.88	0.63	0.25	SEIU	Noon Duty	General	0000	
16267	0101	0.30	0.25	0.05	SEIU	Noon Duty	General	0000	
16274	0104	0.09		0.09	SEIU	Morning Duty	General	0000	
16275	0104	0.38		0.38	SEIU	Noon Duty	General	0000	
16282	0104	0.63		0.63	SEIU	Morning Duty	General	0000	
16183	0108	1.00	0.63	0.38	SEIU	Noon Duty	General	0000	
16184	0108	0.06	0.03	0.03	SEIU	Morning Duty	LCFF	0007	
16326	0108	0.38		0.38	SEIU	Noon Duty	LCFF	0007	
16217	0110	0.75	0.50	0.25	SEIU	Noon Duty	General	0000	
16218	0110	0.13		0.13	SEIU	Noon Duty	General	0000	
16200	0117	0.63	0.38	0.25	SEIU	Noon Duty	General	0000	
16270	0138	0.75		0.75	SEIU	Noon Duty	General	0000	
16271	0138	0.09		0.09	SEIU	Morning Duty	General	0000	
16272	0138	0.28		0.28	SEIU	Noon Duty	LCFF	0007	
16288	0139	0.63	0.40	0.23	SEIU	Noon Duty	General	0000	
16289	0139	0.19		0.19	SEIU	Noon Duty	General	0000	
16346	0144	0.19		0.19	SEIU	Morning Duty	General	0000	
16223	0146	0.50	0.38	0.13	SEIU	Noon Duty	General	0000	
16224	0146	0.06		0.06	SEIU	Noon Duty	LCFF	0007	
16256	0153	0.63	0.61	0.01	SEIU	Noon Duty	General	0000	
16257	0153	0.13		0.13	SEIU	Morning Duty	General	0000	
16203	0163	0.25	0.19	0.06	SEIU	Noon Duty	General	0000	
16242	0235	0.50	0.34	0.16	SEIU	Noon Duty	General	0000	
16253	0235	0.16	0.15	0.01	SEIU	Noon Duty	General	0000	
16263	0242	0.81	0.50	0.31	SEIU	Noon Duty	General	0000	

Vacancies as of January 2019

Position#	Location	FTE authorized	FTE Used	FTE Available	Bargaining Unit	Job Category	FUNDING	Resource
16406	0242	0.06		0.06	SEIU	Morning Duty	General	0000
16403	0242	0.06		0.06	SEIU	Morning Duty	General	0000
16206	0262	0.19	-	0.19	#N/A	Morning Duty	General	0000
16205	0262	1.00	0.66	0.34	SEIU	Noon Duty	General	0000
16258	0265	0.63	0.51	0.11	SEIU	Noon Duty	General	0000
16259	0265	0.13	0.10	0.03	SEIU	Morning Duty	General	0000
16260	0265	0.06		0.06	SEIU	Morning Duty	General	0000
16230	0267	0.50	0.34	0.16	SEIU	Noon Duty	General	0000
16231	0267	0.25	0.06	0.19	SEIU	Noon Duty	General	0000
16278	0272	0.38	0.13	0.25	SEIU	Noon Duty	General	0000
16147	0300	1.00	0.44	0.56	SEIU	Noon Duty	General	0000
16290	0305	0.06		0.06	SEIU	Morning Duty	General	0000
16291	0305	0.63		0.63	SEIU	Noon Duty	General	0000
16170	0327	0.75	0.71	0.04	SEIU	Noon Duty	General	0000
16172	0327	0.03		0.03	SEIU	Morning Duty	General	0000
16153	0350	0.06		0.06	SEIU	Morning Duty	General	0000
16413	0350	0.25	0.01	0.24	SEIU	Noon Duty	General	0000
16244	0354	0.75	0.22	0.53	SEIU	Noon Duty	General	0000
16167	0359	0.19		0.19	SEIU	Noon Duty	General	0000
16193	0363	0.88	0.64	0.24	SEIU	Noon Duty	General	0000
16190	0379	0.50	0.44	0.06	SEIU	Noon Duty	General	0000
16261	0384	0.38	0.15	0.23	SEIU	Noon Duty	General	0000
16265	0390	0.06		0.06	SEIU	Morning Duty	General	0000
16268	0390	0.44		0.44	SEIU	Noon Duty	General	0000
16269	0390	0.75		0.75	SEIU	Noon Duty	General	0000
16430	0390	0.06		0.06	SEIU	Morning Duty	General	0000
16191	0420	1.13	0.75	0.38	SEIU	Noon Duty	General	0000
14170	0710	0.45	0.30	0.15	SEIU	Ombudsperson	LCFF	0007
14506	0745	3.50	2.80	0.70	SEIU	Assessor-Translator MOC	LCFF	0007
14506	0745	1.50	1.20	0.30	SEIU	Assessor-Translator MOC	LCFF	0009
14091	0764	1.75	0.44	1.31	SEIU	Health Aide	General	0000
SEIU Total		215.99	149.95	66.04				
15086	0269	0.50		0.50	UPE	Assistant Principal	General	0000
15539	0269	0.50		0.50	UPE	Site Instructional Coordinator	LCFF	0007
15522	0117	0.60		0.60	UPE	Assistant Principal Priority Schc	LCFF	0007
UPE Total		1.60	-	1.60				
15692	0824	5.00	3.00	2.00	TEAM		General	0000
Teamsters Total		5.00	3.00	2.00				
		515.59	435.05	80.54				

Professional Contracts and Outside Services

Largest Ten Categories (by Object Code) of Professional Services

Objt	Description	2015/16 Actuals	2016/17 Actuals	2017/18 Actuals	2018/19 Revised Budget ³	2018/19 Actuals with Encum
5100	SUBAGREEME - NPA/S ¹	35,563,134	37,390,007	42,114,043	43,284,180	33,472,047
5800	Other Contracts and Services	13,703,715	12,589,121	13,876,255	16,341,752	11,977,798
5510	Electric ²	5,571,603	5,593,376	5,725,071	5,419,204	2,803,403
5550	Water ²	2,214,466	2,557,728	2,880,435	2,875,859	1,770,166
5450	Insurance	1,576,355	1,513,249	1,423,124	1,640,950	1,699,825
5690	Other Contracts	1,034,706	993,449	925,480	958,917	811,742
5520	Fuel/Htng ²	643,099	1,016,829	990,843	942,407	302,656
5230	Travel	686,027	796,200	883,613	905,201	310,746
5930	Telephone/Cell Phones	939,551	929,681	575,995	876,267	723,450
5810	Tickets/Fees	903,384	868,566	733,600	869,331	284,355

¹ Non-Public School and Agency contracts are behind in encumbering; full budget still anticipated being needed.

² Utilities are not encumbered; full budget still anticipated being needed.

³ Top 10 largest categories of professional services account for 98.5% of the Services and Other Operating Expenditures budgets as reported as of 10/31/18.

Eleven Largest Contracts for Professional Services

Pay ToName	Description	Trans Dt	Encumbered
SACRAMENTO CHINESE COMMUNITY	2018-19 AFTERSCHOOL EXPANDED LEARN	09/20/18	3,300,924.40
LEARNING SOLUTIONS	AGENCY SERVICES (BEHAVIOR/INCLUSIOI	12/05/18	2,000,000.00
SIERRA SCHOOL AT EASTERN EXTENSION	NPS EDUCATIONAL SERVICES (E.D.)	07/01/18	1,900,000.00
LAND PARK ACADEMY	NPS EDUCATIONAL SERVICES (AUTISTIC./	07/01/18	1,820,000.00
APPLIED BEHAVIOR CONSULTANTS INC	NPS EDUCATIONAL SERVICES (AUTISITC)	07/01/18	1,780,000.00
SCHOOLS INSURANCE AUTHORITY	SIA / PROPERTY & LIABILITY INSURANCE	07/26/18	1,700,000.00
SACRAMENTO POLICE DEPARTMENT	attn: SCHOOL RESOURCE OFFICER CONTRACT	10/02/18	1,473,235.00
SPEECH PATHOLOGY GROUP INC	AGENCY SERVICES (ON SITE SPEECH)	12/19/18	1,300,000.00
GUIDING HANDS SCHOOL INC	NPS EDUCATIONAL SERVICES (E.D./MULTI	07/01/18	1,100,000.00
LAND PARK ACADEMY	NPS EDUCATIONAL SERVICES (AUTISTIC./	12/05/18	1,100,000.00
TARGET EXCELLENCE	2018-19 AFTERSCHOOL EXPANDED LEARN	09/20/18	1,063,118.05

Administrative Costs (Function 7xxx) Per Escape Fiscal Reports

Objt Code	Description	2016/17 Actuals	2017/18 Actuals	2018/19 Revised Budget	2018/19 Actuals with Encum	Change in Budget from Prior Year
1331	SuptReg	366,727	304,000	304,001	304,000	1
1341	AdminReg	1,845,563	2,218,548	1,828,268	1,842,801	(390,280)
1343	AdminTemp	3,323	-	-	-	-
2221	OpsReg	134,574	97,652	108,211	121,625	10,559
2222	OpsSub	23,707	7,230	277	1,110	(6,953)
2223	OpsTemp	9,637	6,139	839	838	(5,300)
2224	OpsOT	-	47	-	-	(47)
2301	ClsfdAdReg	1,882,883	2,531,672	2,269,219	2,116,465	(262,453)
2302	ClsfdAdSub	-	16,116	-	-	(16,116)
2303	ClsfdAdTem	59,023	65,188	63,235	38,429	(1,953)
2321	ClsfdSprRe	303,574	326,274	336,939	255,886	10,665
2401	ClericReg	4,960,793	5,212,054	5,301,015	5,237,873	88,960
2402	ClericSub	66,222	75,082	12,984	37,392	(62,098)
2403	ClericTemp	112,590	113,249	105,607	43,194	(7,642)
2404	ClericOT	23,310	25,161	23,000	11,513	(2,161)
3101	STRSCert	354,744	381,425	402,726	282,242	21,301
3102	STRSClsfd	10,959	360	6,733	-	6,373
3201	PERSCert	-	45,816	53,283	53,283	7,467
3202	PERSClsfd	961,329	1,181,282	1,445,624	1,379,026	264,342
3301	SSCert	-	18,032	7,961	8,240	(10,071)
3302	SSClsfd	432,790	506,361	468,248	445,874	(38,113)
3311	MediCert	28,893	37,738	30,458	30,620	(7,280)
3312	MediClsfd	106,852	122,409	116,071	111,436	(6,339)
3352	AltSSClsfd	3,469	2,610	651	1,240	(1,959)
3401	HlthCert	28,772	28,428	93,196	81,062	64,767
3402	HlthClsfd	1,204,894	1,335,788	1,430,271	1,407,138	94,483
3411	DentalCert	7,007	5,584	7,296	6,796	1,712
3412	DentalClsf	129,777	133,295	125,550	121,226	(7,745)
3431	VisCert	1,107	882	1,182	1,074	300
3432	VisClsfd	15,278	15,957	14,882	14,545	(1,075)
3501	UnempCert	-	1,371	1,056	1,054	(315)
3502	UnempClsfd	14	4,195	4,019	3,826	(175)
3601	WCCert	37,223	46,870	35,829	36,066	(11,041)
3602	WCClsfd	127,287	145,594	136,998	132,120	(8,595)
3701	OPEBAICer	64,646	58,884	58,925	58,405	41
3702	OPEBAICls	493,064	515,080	503,337	496,670	(11,743)
3752	OPEB,ActCl	-	175,418	-	-	(175,418)
3901	LifeCert	2,093	1,928	1,925	1,912	(3)
3902	LifeClsfd	6,264	6,784	6,887	6,820	103
4320	NonInstMat	287,308	472,385	476,841	291,231	4,456
4327	Instr Matl Lab	-	427	6,093	165	5,665
4333	Tires	-	-	752	-	752
4334	Gas	24,550	43,954	17,030	25,000	(26,924)
4350	Warehse Ov	400	7,910	-	-	(7,910)
4410	Equip 500+	249,359	390,525	540,545	(67,858)	150,020
5210	InDistMile	5,246	5,936	18,431	1,840	12,495
5211	InDistCont	-	-	6,313	-	6,313
5220	OutDistMil	517	598	14,649	61	14,051
5230	Travel	119,831	117,042	98,356	71,984	(18,687)
5235	NonEmpTrvl	-	-	1,808	671	1,808
5310	DuesMembr	107,688	119,162	118,128	115,869	(1,034)
5440	Pupillns	-	-	1,460	-	1,460
5450	Othlns	1,512,824	1,422,949	1,640,950	1,699,825	218,001

Administrative Costs (Function 7xxx) Per Escape Fiscal Reports

Objt Code	Description	2016/17 Actuals	2017/18 Actuals	2018/19 Revised Budget	2018/19 Actuals with Encum	Change in Budget from Prior Year
5610	EquipRen	39,461	69,314	47,366	41,800	(21,948)
5690	OthCont	74,016	108,006	204,729	158,956	96,724
5717	Fingerprinting	(16,779)	(33,558)	(63,945)	(16,091)	(30,387)
5731	OthTrans	-	-	476	476	476
5745	DuplSvcs	(458,150)	(598,874)	(306,923)	(59,906)	291,951
5750	CafeMeals	397	(832)	424	-	1,256
5751	CharterSer	-	-	(842,137)	-	(842,137)
5757	Fingerprinting	(1,269)	(3,149)	-	(470)	3,149
5775	DuplSvcs	(73,369)	(79,529)	(96,728)	(31,874)	(17,199)
5800	OthCont	5,855,554	6,612,959	7,512,068	5,807,461	899,109
5810	Tckt/Fees	290,884	23,801	8,443	30,012	(15,358)
5811	BusTkns	7,946	5,680	15,000	720	9,320
5825	HldHarmTchr	1,202	-	-	-	-
5826	HldHarm NonTchr	1,449	-	-	-	-
5910	OthComm	258	523	1,400	1,200	877
5911	Postage	191,893	216,123	229,351	223,542	13,229
5930	Tele/Cell	926,815	572,353	730,286	720,000	157,933
6490	Eq \$5000+	159,502	153,514	5,265	(145)	(148,249)
6510	EqRep\$5000	5,419	-	241	-	241
		23,121,340	25,397,722	25,693,374	23,706,272	295,653

EXHIBIT K



OFFICE OF THE SUPERINTENDENT

5735 47th Avenue • Sacramento, CA 95824

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Jorge A. Aguilar, Superintendent

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March 4, 2019

Sent Via E-mail: dfisher@saccityta.com

David Fisher
President, Sacramento City Teachers Association
5300 Elvas Avenue
Sacramento, CA 95819

Re: Commencing Negotiations on Successor (2019-22) Contract

Dear Mr. Fisher:

Thank you for your letter dated February 20, 2019 regarding SCTA's position on commencing negotiations on a successor (2019-22) contract. The District has been asking SCTA to agree to commence bargaining on the successor contract since November 2018. We were hopeful that after SCTA presented its initial proposals for negotiations at our February 7, 2019 Board of Education Meeting, that this process would finally begin. However, your letter appears to once again delay our negotiations process.

With the threat of state takeover looming, the stakes for our students and families could not be higher. They are depending on us to come together to save our schools by beginning negotiations as soon as possible. It appears from your letter that you are not willing to begin negotiations on a successor contract unless and until the District agrees to meet with SCTA, and the SCOE fiscal advisor, to discuss SCTA's ideas for the District's budget. We believe this meeting has already occurred.

If you are ready to come to the table to negotiate with the District, we reiterate that we are available to meet on any of the following dates and times: March 11, 12, and 15, 2019, all day, and March 13, 2019, until 3 P.M. We also reiterate the requests made in our four prior letters that you provide the names of all of the members of SCTA's bargaining team for the current round of negotiations. We also request that you provide the District with SCTA's position on use of a neutral facilitator for negotiations, scheduling full day negotiations to allow us to work through more issues during each session, and selection of a neutral location for negotiations. Please let me know by March 7, 2019, which of the above dates work to begin negotiations.

For a detailed response to the various allegations in your letter, please see the attached. We look forward to partnering with you throughout this process.

Sincerely,

Jorge A. Aguilar
Superintendent

Response to Specific Allegations

In your letter, you repeat claims that I have caused strain in the District's relationship with SCTA by backtracking on the framework agreement signed in November 2107. I disagree with your claims that I backtracked on the framework agreement reached with Mayor Steinberg in November 2017. As you know, we have implemented all of the agreements memorialized in our tentative agreement, including:

- The 7.5% salary increase for all SCTA members;
- Awarding of unlimited experience credit;
- Athletic Director Stipends

We have also attempted to implement the provisions of the framework agreement related to school calendar. We have reiterated the District's commitment to adjust the certificated employee salary schedule consistent with the District's agreement to a maximum district expenditure of 3.5%. Given SCTA's different understanding of that agreement, we requested that the Sacramento Superior Court determine whether there is a valid contract subject to arbitration. This was not a failed lawsuit. Rather, it provided the necessary guidance from the court that the issue of contract formation is appropriately considered by the arbitrator. The District looks forward to presenting its case on March 7 and 8 to the arbitrator. Typically, arbitrators allow for closing briefs that are due anywhere between thirty to forty-five days after the arbitration hearing. The arbitrator's decision then typically follows thirty to sixty days later. Thus, your speculation that had the District agreed to a January 7 arbitration hearing, the issue would have been resolved by this date is without any factual foundation.

We have agreed to the March 7 and 8 dates offered by the arbitrator and have requested that if any other March dates open up for the arbitrator he notify the parties so that we can hold an additional day if needed for the hearing. Our attorneys have also reached out to SCTA's attorney to discuss evidentiary issues and timelines for providing materials to the arbitrator in order to move the hearing process along, including agreement to start the arbitration at an early time and continue the arbitration late into the days as needed.

While I appreciate your interest in hearing from the California Education Coalition for Healthcare Reform (CECHCR) on health plan options, the District and SCTA are able to move forward with negotiations proposals without that information. We remain very interested in receiving the information from CECHCR and working with all of our labor partners to look at benefit plan options when that information is available.

Further, you claim that the District has refused to meet with SCTA to discuss your proposals that "are specifically designed to 'avoid state takeover and save our schools.'" This is not the case. As you may recall, we agreed to meet with you on January 9, 2019, but you showed up to the meeting location late after having entered into an unlocked room and set up that room without our awareness. We did receive your "10 Facts" document at that meeting and told you that we would follow up with any questions. Along with President Ryan, I attended a meeting on January 18, 2019 with SCTA, Mike Fine from FCMAT, and Mayor Steinberg during which you were provided an opportunity to share your ideas to address the District's financial challenges. After you presented your ideas/proposal and following that meeting, FCMAT provided a list of your questions to the Sacramento County Office of Education (SCOE) and their responses were sent to you on February 14, 2019. Question 6 from SCTA specifically asked for SCOE to

provide an analysis of certain SCTA suggested budget adjustments. In response, SCOE recommended against SCTA's proposal to change the District's contributions to post-employment benefits. Further, SCOE pointed out an error in SCTA's projected savings about reducing central office administrators. SCOE's analysis demonstrated that SCTA's budget ideas would not adequately address the structural fiscal deficit faced by the District.

Finally, we are working as diligently as we can - even on holidays - to save our schools from a state takeover. Nevertheless, in response to a separate request from you, we will attempt to avoid asking for future responses from SCTA on days that fall on state or federal holidays.