Presentation of the Sacramento City Teachers Association to the Sacramento City Unified School District Community Advisory Committee

March 25, 2021

Recent COVID relief efforts by the Biden administration and the Newsom administration here in California provide an unprecedented opportunity to make long-term improvements to how the Sacramento City Unified School District (SCUSD) provides services to student with disabilities.

Very few educators and parents are satisfied with how students with disabilities are educated in SCUSD. Many believe that SCUSD overidentifies students as special needs, and that is especially true of students of color and those from less-privileged backgrounds. Many also believe that SCUSD needs to significantly improve its capacity for providing interventions for students, including implementing a robust multi-tiered system of support (MTSS).

An overhaul, most importantly, would ensure that struggling students receive the support they need and deserve.

The need for significant improvements to services for student with disabilities was well-documented in 2017 when the Council of Great City Schools released its report on the Sacramento City Unified School District. To our great disappointment, the District did little to implement the recommendations from that report, particularly the implementation of an MTSS framework. The District even rejected our proposal to work together on implementing MTSS in our 2016-17 contract negotiations, and since then. Our most recent proposals to the District can be viewed here, here, here and here.

The District also rejected the proposal we developed with the Black Parallel School Board to implement a bottom-up Restorative Practices framework to address concerns about implicit bias in the District, and the high suspension rates of students of color, particularly African-American males.

But the need to make changes remains.

Such an overhaul would also ensure that SCUSD makes the most efficient use of tax-payer dollars to provide the services that students need. In December 2018, the California Fiscal Crisis and Management Team (FCMAT) released its Fiscal Health Risk Analysis of the Sacramento City Unified School District (SCUSD). Based on budget and audit documents provided by the District, the FCMAT analysis found that SCUSD spent more general fund dollars on special education, 68.52% of total general fund expenditures for special education; the statewide average is 64.5%. This correlates with the SCUSD identification rate of 14.5% of students with disabilities versus a statewide average of 11.5%. (FMCAT Health Risk Analysis, December 2018, pp. 22-23).

In short, it is our perception that for the last decade, if not longer, the District's "model" for providing services to students with special needs has been what can be described as more of a Compliance Model. We think the District's current budget situation, particularly with the more than $300 million that District is receiving from both the federal and state governments in COVID relief funds, provide a once-in-lifetime opportunity to implement this much-needed overhaul to improve student outcomes for the next generation of SCUSD students.

Earlier this school year, the California Collaborative on Educational Excellence (CCEE) released a new report that like the Council of Great City Schools report before it, that further details the need for significant and immediate improvements in how the District provides services to students with disabilities. We discuss some of the conclusions of the CCEE report in a subsequent section.

Recent Memoranda of Understanding on Special Education Assessments And Safely Reopening Schools to In-Person Instruction

In the last four weeks, we have successfully negotiated two critically important memorandum of understanding with the District. The first we discussed when we met with the CAC Executive Committee on March 2. The second we reached early in the morning on March 20.

The agreement ranks among the best in California in protecting the safety of students and staff.

The highlights of the agreement include:

Our three pillars to safely reopen:

1. Vaccinations: Staff will have the opportunity to be fully vaccinated before in-person instruction resumes.
2. Low Community Spread: Sacramento County is in the red tier.
3. Ventilation and Other Mitigation: Classrooms will be equipped with MERV 13 filters or portable HEPA filters, with CO2 monitoring.

The agreement also addresses a number of our other health and safety concerns:

- Subject to availability, each school site will be staffed with a trained Medical Assistant to assist with daily health screenings and to staff Care Rooms for students who may begin to show symptoms of COVID;
- Social distancing of a minimum of six feet between people;
- Adequate PPE;
- Expanded COVID testing;
- The creation of a Health and Safety Committee to address health and safety concerns in a timely way.
- Easily accessible and supplied sanitation stations

The agreement also addresses staff who may have health conditions, or who have dependent family members who may have health conditions, which prevent them from returning to in-person instruction. With a doctor's recommendation, affected staff will be provided accommodations, which may include the ability to work remotely.

The District also agreed to work with us and the City of Sacramento to explore the possibility of childcare centers throughout the district, with a priority placed on addressing the needs of SCUSD staff. We had a meeting with SCUSD and the City of Sacramento on Tuesday to begin these discussions.

We agreed to the District's proposed Concurrent Instructional Model, which is included as an appendix to the agreement. In-person instruction will occur Tuesday through Friday for three hours per day.

The District accepted teacher input to modify the hybrid model from AB/AB to AA/BB, which preserved the rotation currently in place in secondary schools.

By March 25, teachers at worksites will work with principals to finalize start times, taking into account transportation and nutrition schedules.

SDC classes will be on the same schedule as general education. After three weeks, two Special Education work groups (elementary and secondary) will meet to review attendance, parental feedback and other factors and then determine whether classes should transition to a 4-day per week model.

The California Collaborative for Educational Excellence
Systematic Instructional Review (SIR)

In 2016, the State of California amended the Educational Code to create a School Dashboard that monitored the progress of student subgroups. If three or more pupil subgroups fail to meet priority outcomes three out of four consecutive years, a district is eligible for support from the CCEE. CCEE identifies itself as "a statewide agency that works to strengthen California's public-school system so [districts] can build their capacity to improve student outcomes." CCEE specializes "in instructional practices targeting students with disabilities (SWD), English learners (EL), low-income students and foster youth." SCUSD met the criteria for assistance in three areas: foster youth, students experiencing homelessness, and students with disabilities.

As it relates to students with disabilities, the report offered these key findings:

- "There continues to be a lack of inclusive educational environments and quality instruction and support for students with disabilities." (p. 19).
- "The special education department's organization is not staffed or structured for maximum effectiveness. This continues to be a significant area of need." (p. 22).
- "Families indicated there is a need for a clearer understanding of the process and steps for special education, including more specific information about what parents need to know to seek out special education services for their child. A few families spoke of the "top down" approach they perceive is present at the district level. They believe the superintendent is making decisions and not taking into account parent feedback. Families also feel that they receive mixed messages and communication. Families spoke about the perceived conflict in districtwide decision-making between an expressed focus on equity and the sense that there is the same approach for all schools, instead of differentiation to meet the needs." (p. 37).
- "There is a lack of leadership and accountability to ensure students with disabilities and foster and homeless youth are provided services and support so they are not disproportionately suspended, chronically absent, and/or at risk for failure." (p. 45)

- "The current district organizational structure and climate do not support the urgent need to provide equitable support to schools and robust instruction and educational experiences for all students. Some interviewees shared a perception that requests for assistance get addressed by the central office staff based on relational power and portrayed the district as top down with little room for collaboration, input, or feedback on initiatives underway or in development." (p. 11)"There is a lack of leadership and accountability to ensure students with disabilities and foster and homeless youth are provided services and support so they are not disproportionately suspended, chronically absent, and/or at risk for failure. (p. 45)
- "There is a general sense that principals try to understand and support special education and other high-need student groups." (p. 46).
- "There is a strong and urgent desire to provide professional learning opportunities throughout the district." (p. 51)
- "Top-down management structure and expectations limit collaborative decision-making and shared responsibility for attaining success on district goals." (p. 58)
- "Work collectively with the district leadership to continue efforts to strengthen trust and develop a shared commitment, in principle, with labor partners that places improved student learning and closing achievement gaps as an explicit priority and develops the professional foundation for teaching and teacher leadership." (p. 63)

The CCEE Systematic Instructional Review also made several specific recommendations, including:

1. CCEE identifies the importance of implementing a robust Multi-tiered System of Support for student interventions, something we have been advocating for several years.
2. Together with MTSS, CCEE recommends developing a comprehensive professional learning program and student assessments that support this work.
3. CCEE also identifies the need for there to be a more constructive relationship between SCTA and the District.

On all these points, we agree.

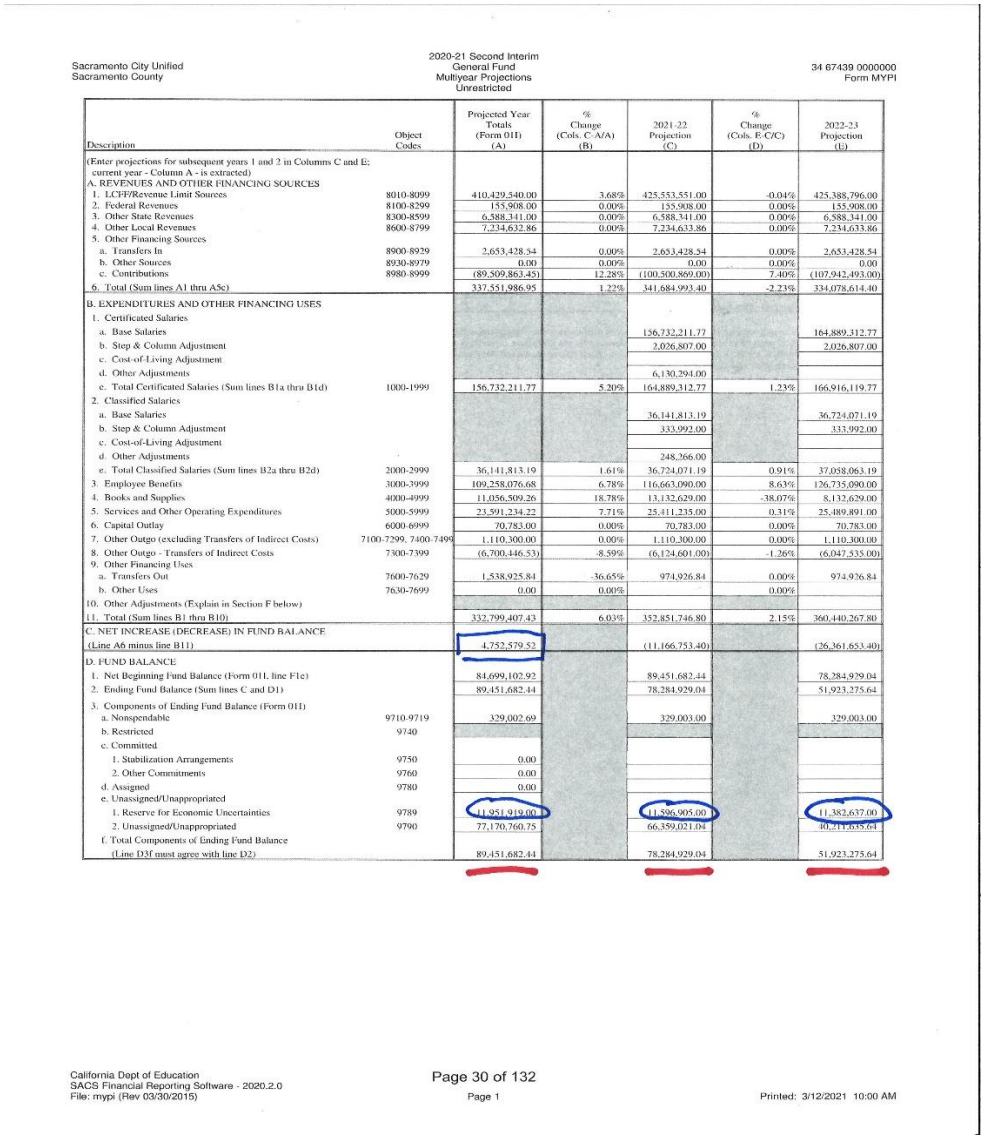
Working Together On MTSS as a Path Forward?

As suggested by the CCEE, working together to implement a robust MTSS framework may be a path forward to implement the long-needed improvements in SCUSD.

To be successful, MTSS needs to have the input and buy-in of educators. MTSS also requires the allocation of significant resources to provide the multi-tiered layers of intervention for all students in the district. Educators must be provided the appropriate initial and on-going professional development to support this important work. Additionally, beginning with universal screening, there needs to be curriculum-based student assessments that enhance, rather than detract, from learning.

The SCUSD Budget Provides the Opportunity for Significant Allocation of Resources to Improve Services to Students with Disabilities.

The District's Second Interim Budget approved on March 18, 2021, together with the hundreds of millions in new COVID relief dollars makes it clear that now is the time to act. We greatly appreciate the school board rejecting the recommendation of both District and SCOE staff to inaccurately certify the budget as "negative," when, in fact, it meets the standard to be certified "positive." The unrestricted balance sheet can be found here.



Sacramento City Unified
Sacramento County

2020-21 Second Interim
General Fund
Multiyear Projections
Unrestricted

34 67439 0000000
Form MYPI

Description	Object Codes	Projected Year Totals (Form 01I) (A)	% Change (Cols. C-A/A) (B)	2021-22 Projection (C)	% Change (Cols. E-C/C) (D)	2022-23 Projection (E)
(Enter projections for subsequent years 1 and 2 in Columns C and E; current year - Column A - is extracted)						
A. REVENUES AND OTHER FINANCING SOURCES						
1. LCFF/Revenue Limit Sources	8010-8099	410,429,540.00	3.68%	425,553,551.00	-0.04%	425,388,796.00
2. Federal Revenues	8100-8299	155,908.00	0.00%	155,908.00	0.00%	155,908.00
3. Other State Revenues	8300-8599	6,588,341.00	0.00%	6,588,341.00	0.00%	6,588,341.00
4. Other Local Revenues	8600-8799	7,234,632.86	0.00%	7,234,633.86	0.00%	7,234,633.86
5. Other Financing Sources						
a. Transfers In	8900-8929	2,653,428.34	0.00%	2,653,428.34	0.00%	2,653,428.34
b. Other Sources	8930-8979	0.00	0.00%	0.00	0.00%	0.00
c. Contributions	8980-8999	(89,509,863.45)	12.28%	(100,500,869.00)	7.40%	(107,942,493.00)
6. Total (Sum lines A1 thru A5c)		337,551,986.95	1.23%	341,684,993.40	-2.23%	334,078,614.40
B. EXPENDITURES AND OTHER FINANCING USES						
1. Certificated Salaries						
a. Base Salaries				156,732,211.77		164,889,312.77
b. Step & Column Adjustment				2,026,807.00		2,026,807.00
c. Cost-of-Living Adjustment						
d. Other Adjustments				6,130,294.00		
e. Total Certificated Salaries (Sum lines B1a thru B1d)	1000-1999	156,732,211.77	5.20%	164,889,312.77	1.23%	166,916,119.77
2. Classified Salaries						
a. Base Salaries				36,141,813.19		36,724,071.19
b. Step & Column Adjustment				333,992.00		333,992.00
c. Cost-of-Living Adjustment						
d. Other Adjustments				248,266.00		
e. Total Classified Salaries (Sum lines B2a thru B2d)	2000-2999	36,141,813.19	1.61%	36,724,071.19	0.91%	37,058,063.19
3. Employee Benefits	3000-3999	109,258,076.68	6.78%	116,663,090.00	8.63%	126,735,090.00
4. Books and Supplies	4000-4999	11,056,509.26	18.78%	13,132,629.00	-38.07%	8,132,629.00
5. Services and Other Operating Expenditures	5000-5999	23,591,234.22	7.71%	25,411,235.00	0.31%	25,489,891.00
6. Capital Outlay	6000-6999	70,783.00	0.00%	70,783.00	0.00%	70,783.00
7. Other Outgo (excluding Transfers of Indirect Costs)	7100-7299, 7400-7499	1,110,300.00	0.00%	1,110,300.00	0.00%	1,110,300.00
8. Other Outgo - Transfers of Indirect Costs	7300-7399	(6,700,446.53)	-8.59%	(6,124,601.00)	-1.26%	(6,047,535.00)
9. Other Financing Uses						
a. Transfers Out	7600-7629	1,538,925.84	-36.65%	974,926.84	0.00%	974,926.84
b. Other Uses	7630-7699	0.00	0.00%		0.00%	
10. Other Adjustments (Explain in Section F below)						
11. Total (Sum lines B1 thru B10)		332,799,407.43	6.03%	352,851,746.80	2.15%	360,440,267.80
C. NET INCREASE (DECREASE) IN FUND BALANCE (Line A6 minus line B11)		4,752,579.52		(11,166,753.40)		(26,361,653.40)
D. FUND BALANCE						
1. Net Beginning Fund Balance (Form 01I, line F1e)		84,699,102.92		89,451,682.44		78,284,929.04
2. Ending Fund Balance (Sum lines C and D1)		89,451,682.44		78,284,929.04		51,923,275.64
3. Components of Ending Fund Balance (Form 01I)						
a. Nonspendable	9710-9719	329,002.69		329,003.00		329,003.00
b. Restricted	9740					
c. Committed						
1. Stabilization Arrangements	9750	0.00				
2. Other Commitments	9760	0.00				
d. Assigned	9780	0.00				
e. Unassigned/Unappropriated						
1. Reserve for Economic Uncertainties	9789	11,951,919.00		11,596,905.00		11,382,637.00
2. Unassigned/Unappropriated	9790	77,170,760.75		66,359,021.04		40,211,635.64
f. Total Components of Ending Fund Balance (Line D3f must agree with line D2)		89,451,682.44		78,284,929.04		51,923,275.64

California Dept of Education
SACS Financial Reporting Software - 2020.2.0
File: mypi (Rev 03/30/2015)

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And the budget news continues to get better and better. Earlier this week, the state of California reported that state revenues were $14.3 higher than Governor Newsom estimated in January. Newsom's January spending called for the highest spending on K-12 education in California history. The Governor's May Revise is expected at increase even further funding to K-12 education.

In 2012-13, the State of California introduced a new way of financing K-12 education with the introduction of the Local Control Funding Formula (LCFF). It was implemented beginning in the 2013-14 school year.

A look at the budget projections of the Sacramento City Unified School District (SCUSD) one year prior to the implementation of LCFF, and the seven years since, demonstrates SCUSD's clear and consistent pattern of grossly inaccurate budget projections.

In California, school districts are required by law to submit three budgets during a fiscal year. The Original Budget is submitted in July, the First Interim Budget in December, and the Second Interim Budget in March. At the conclusion of the year, a district's actual performance is released in September as its "Unaudited Actuals." Chart 1 looks at the SCUSD Original, July 1, budgets for 2012-13 and compares them to Unaudited Actuals for that same year.

School districts of the size of SCUSD are also required to have a minimum Unrestricted Cash Balance Reserve of 2% of its expenditures. For 2020-21, the 2% represented $11.95 million.

It is worth noting, that in the last nine years, SCUSD ended with a deficit only in 2017-18.

	Original Budget Unrestricted Fund Projection (+/-)	Unaudited Actual End of Year	Difference	End of Year Unrestricted Fund Balance
2012-13	-$1,000,000	+$184,790	+$1,184,790	$12,762,450
2013-14	-$1,882,791	+$17,005,301	+$18,888,092	$30,427,751
2014-15	+$2,335,274	+$9,899,022	+$7,563,748	$40,326,773
2015-16	+$1,108,329	+$28,042,466	+$26,934,137	$68,369,239
2016-17	+$132,952	+$4,770,279	+$4,637,327	$73,139,518
2017-18	-$16,693,420	-$12,862,883	+$3,830,537	$60,276,635
2018-19	-$26,937,063	+$857,200	+$27,794,263	$61,133,834
2019-20	-$12,344,417	+$23,565,268	+$35,909,685	$84,699,103
2020-21	-$75,373,163	+$4,752,380*	+80,125,543	$89,451,622
			+$206,868,122	

Ironically, in December of that same year, the Sacramento County Office of Education strongly advised District administrators to reduce expenses by $15.7 million during the remainder of that school year. SCUSD ignored the SCOE recommendation, and instead actually increased its unbudgeted unrestricted fund spending including on the following:

- A $6 million unbudgeted vacation buyout for top administrators;
- An unbudgeted Summer School Program;
- The addition of 18 unbudgeted administrative positions;

This led to SCOE rejecting the SCUSD 2018-19 budget, the first time in SCOE's history a Sacramento County school district has had its budget rejected. Since then, SCOE has rejected three additional SCUSD budgets.

Throughout 2018-19, SCUSD claimed to be on the brink of insolvency. It ended 2018-19 with an unrestricted fund surplus. Again in 2019-20, SCUSD still claimed to be on the brink of insolvency, projecting a $12 million deficit for the year. It ended the year with a $23.6 surplus, **a difference of $35.9 million**.

This year, 2020-21 is even more extreme. SCUSD started the fiscal year projecting a $75.3 million deficit in its unrestricted funding. It is now projecting a $4.8 million surplus. We believe that surplus will grow between now and when the books close.

The District claims it has a structural deficit. But since 2012-13, the District has ended the year in every year except 2017-18. To have a structural deficit, a district must first have a deficit. Since 2012-13, the District's unrestricted reserve fund has grown from $12.7 million to $89.5 million, 7.5% higher than the state required minimum.

Significantly, as discussed below, the unrestricted funds do not include the more than $300 million in COVID relief from the federal and state governments.

COVID Relief Funds Exceed $300 million

Even more notably, this $4.8 million surplus does not include the $147 million in new funding from the Biden Administration., or the $67 million from the ESSER legislation that was passed in December 2020. Moreover, the District still has approximately $15 million unspent from the first CARES Act from mid-2020.

CARES Funds

Funding Overview

Resource	Description	Allocation	Expiration Date
3220	CR	34,085,392	5/31/2021
7420	GF	3,497,424	6/30/2021
3210	ESSER	15,770,510	9/30/2022
3215	GEER	2,950,972	9/30/2022
3212	ESSER II	67,636,765	9/30/2023
NA	ESSER III*	147,157,259	9/30/2023

*ESSER III funds are estimated per Ed Source and pending official notification.

Source: SCUSD presentation to SCUSD School Board, March 18, 2021.

This additional funding to the District **does not include** the $28,585,878 SCUSD will receive from the California Extended Learning Opportunity funds or the $7,612,413 in State COVID Reopening Relief Fund for reopening schools to in-person instruction prior to May 15.

In total, SCUSD is receiving more than $300 million in COVID relief funds.

Increases to LCFF Funding and the Unrestricted Reserve Fund Cap

As mentioned briefly above, Governor Newsom's budget also includes significant increases to the on-going Local Control Funding Formula, particularly for large urban school districts like SCUSD, which have a large percentage of students who are in poverty, English language learners and foster youth.

By the District's conservative estimates, its LCFF funding in the next three years will increase by approximately $100 million in total dollars.

Often overlooked, the California budget is so robust that the State Legislative Analyst Office (LAO) recently noted that the Governor's Budget will exceed the 3% threshold in the Proposition 98 reserve fund for state K-12 financing in 2021-22. As a result, school district reserve funds will be automatically capped at 10% in 2022-23. Sac City's reserve fund is currently $93 million, or 17%, which means SCUSD would be required to spend down approximately $28 million in its reserve fund, in addition to the more than $225 million in new revenue from the state and federal government.

To put things into perspective, according to the Legislative Analysts Office, there are 1037 school districts in California. But only 130 school districts currently have reserve funds that exceed 10%. SCUSD is one of those 130 districts.

Now is the time to act.

We look forward to working with the CAC to make significant improvements to services to students with disabilities.