



**OFFICE OF THE SUPERINTENDENT**

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*Jorge A. Aguilar, Superintendent*

**BOARD OF EDUCATION**

April 2, 2019

*Jessie Ryan  
President  
Trustee Area 7*

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*Darrel Woo  
Vice President  
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David Fisher, President  
Nikki Milevsky, First Vice President  
John Borsos, Executive Director  
Sacramento City Teachers Association  
5300 Elvas Avenue  
Sacramento, CA 95819

*Michael Minnick  
2<sup>nd</sup> Vice President  
Trustee Area 4*

*Lisa Murawski  
Trustee Area 1*

Re: District Response to SCTA March 29, 2019 Letter and Agreement to Continue Discussions with SCTA to Avert a Strike

*Leticia Garcia  
Trustee Area 2*

Dear Mr. Fisher, Ms. Milevsky, and Mr. Borsos:

*Christina Pritchett  
Trustee Area 3*

Thank you for your letter of March 29, 2019 following up on our discussions during the confidential mediation session to address District practices with a facilitator from the State Mediation and Conciliation Service on March 28, 2019. I appreciate SCTA leaders taking the time to meet with District representatives to discuss concerns about the District's practices and we are encouraged that you are open to continuing these critical discussions in order to avoid a strike and a state takeover.

*Mai Vang  
Trustee Area 5*

*Rachel Halbo  
Student Board Member*

Your March 29, 2019 letter outlines the terms of your proposed "Interim Agreement" that SCTA believes are necessary to avoid a strike. As I have stated repeatedly, a strike would be devastating to our students, parents, employees, and our community. I am committed to doing what I can to avoid a strike that would hurt our students the most. However, in my efforts to avoid a strike, I also cannot risk sacrificing the District's immediate or long-term fiscal health as this would also hurt our students today and for many years into the future. My commitment to fixing our financial challenges is largely driven by the fact that our District serves [the neediest students in the Sacramento Region](#). As such, the Board of Education and I are committed to working with SCTA and our other four labor partners to transform Sacramento City Unified School District into a high-poverty, high-performing district similar to districts such as [Long Beach](#) and [Sanger Unified](#) School Districts.

I am also convinced that the solutions to our problems lay within thoughtful and collaborative dialogue that explores the interests of everyone, most importantly our students. Your letter proposes three terms for an interim agreement between SCTA and the District. I respond to each of these terms and offer the District's own terms below.

### **Avoiding Insolvency**

First, the District certainly agrees to work with SCTA to avoid fiscal insolvency. These discussions started in January and continued last week and we look forward to further discussions. To that end, I am prepared to review the District's multi-year budget projections, address any questions that exist about those projections, discuss areas that may be available for savings, and evaluate whether there are any ideas proposed by SCTA that could be implemented. We will then work with the Sacramento County Office of Education (SCOE) to review and analyze those proposals since the role of the SCOE fiscal advisor does not include mediations and/or negotiations. We have already taken seriously the ideas previously suggested by SCTA leadership related to reduction in the costs of administrators and, scrutiny and reduction of District expenses, both of which were part of the [Save Our Schools Resolution adopted by the Board on March 7, 2019](#). We believe there are many ideas that can and must be considered as we continue to work toward resolving our budget crisis. We suggest that such discussions be scheduled for the week of April 8, 2019 and be conducted with the assistance of Mr. Joseph Rios from the State Mediation and Conciliation Service.

### **SCTA allegations of District "unfair practices"**

Moreover, the District also agrees to your request to commence discussions with SCTA leadership also facilitated by Mr. Rios to address SCTA's concerns with identified District practices that you feel are unfair. We hope that these discussions will include areas that the District has requested to discuss with SCTA leadership since at least spring 2018, including any negotiable impacts of the District's proposals to SCTA leaders about [student assessments](#), use of [continuous improvement](#), [elementary athletic programs](#), and the [2020-21 school calendar](#). We believe these items are critical to our shared interest in improving services to our students and becoming a high-poverty, high-performing urban school district. We suggest that these discussions begin as soon as possible and that we schedule meetings prior to spring break.

### **Health Plan Savings**

Finally, you ask that the District honor the signed agreement on health plan savings. As you know, as part of the 2017 Tentative Agreement between the District and SCTA, teachers received a 7.5% salary increase which totals approximately \$17 million of ongoing costs to our budget (2.5% salary increases for each of the 2016-17, 2017-18, and 2018-19 school years). This 7.5% salary increase has already been implemented as well as additional elements, including:

- Credit all employees with their full years of experience on the salary schedule;
- Increased stipend amounts for Athletic Directors, Induction Support Providers, and those holding a doctorate degree;
- Addition of two school psychologist positions;
- Hired additional preparation teachers to support Special Day Class special education teachers;

- Established consistent maximum caseloads for special education teachers; and
- Additional professional development sessions for teachers participating in co-teaching or inclusive practices settings.

Moreover, in order to avert the strike threatened by SCTA in 2017, we agreed to a salary restructure beginning with the 2018-19 school year with a maximum cost to the District of 3.5%. This amounts to approximately \$7 - \$8 million per year toward salary increases to primarily benefit teachers in the B and C columns. As you know, we disagree with SCTA over the interpretation of that provision and are waiting for an arbitrator to decide the issue. The District and Board of Education has and remains committed to providing for a salary restructure that does not exceed the District's budgeted 3.5% cost for 2018-19 and have [repeatedly](#) stated this.

I agree that health plan savings are an essential part of saving our schools and ensuring that we redirect dollars back into the classroom rather than continue to have only nine cents (\$.09) of every dollar go to our students and programs while the remaining ninety-one cents ([\\$.91](#)) is [spent on employee benefits and salary](#). Four of our labor partners have begun negotiations with the District and are discussing ideas around achieving health plan savings. We have offered SCTA leadership [over twenty-four dates](#) to come to the bargaining table to begin these important discussions and to date you have not agreed to meet to begin successor contract negotiations.

With respect to the District "honoring" the signed written agreement regarding health plan savings, we have been seeking to work with you to honor the agreement as we understand it. As you know, that agreement required SCTA leaders and the District to meet and "[to effectuate on or before July 1, 2018 changes to the health plan](#)" in order for those savings to be returned to the SCTA bargaining unit. Plan changes by July 1, 2018 would have allowed the District to realize significant cost savings estimated at approximately \$11-\$16 million dollars during the 2018-19 school year. However, no plan changes occurred by July 1, 2018. This inaction on health savings has only resulted in the hastening of the District's financial decline and inability to remain fiscally solvent for our students and families.

At this point in the time, we need to negotiate health cost savings going forward into the 2019-2022 collective bargaining agreement. With the clock ticking to submit a balanced budget proposal that would avoid state takeover, we are again on the brink of losing the opportunity to implement health plan changes prior to the July 1 anniversary date. This is due in part to SCTA leaders' March 29, 2019 email to the California Education Coalition for Health Care Reform (CECHCR) indicating that you would not meet with CECHCR representatives to review plan options that could achieve savings to our District. This means that significant savings will once again go unrealized for the 2019-20 school year and that more catastrophic cuts may be necessary to avoid state takeover.

The District is committed to working with SCTA to discuss health plan savings through plan changes and/or other means as well as effectuating such changes to maximize the savings and resources that can be used to improve student services, while ensuring that we can also save our

schools from a state takeover. A [state takeover will be devastating to our students and community](#) and we must do everything to avoid it. The consequences of a state takeover include:

- Paying interest on a state loan(s) for decades. For example, [Oakland Unified School District has already lost over \\$53 million in principal and interest payments](#) through July 2013 and is expected to fully pay back a \$100 million loan until 2024; the loan was issued in 2003;
- Local control would be lost as the District would have to turn over all its authority to an outside administrator appointed by the [Sacramento County Office of Education, not the State Superintendent of Public Instruction](#);
- Student programs that are not required by law are likely to be significantly reduced if the District receives a state loan because the unrestricted dollars that flow into the District will be re-directed to pay off the state loan and interest.

We again request that SCTA leaders meet with the District to begin contract negotiations on or before April 12, 2019 in order to work toward submitting a balanced budget to the Sacramento County Office of Education at our June 20, 2019 Board of Education meeting. Our fiscal crisis requires us to continue to look at every option available to save our schools. While I understand that the relationship between the District and SCTA is fractured, our students deserve an earnest commitment from both parties to diligently work together.

Please tell the SCTA representative council that I fully intend to work with you and Mr. Rios with the goal of rebuilding our relationship and developing and collaborating on workable solutions to address our fiscal crisis, avoid a takeover, and most important, give our students every educational opportunity that they need and deserve. Let us work together to ensure that adult problems do not continue to be our students' problems.

Sincerely,

A handwritten signature in blue ink, appearing to read 'Jorge A. Aguilar', with a large, stylized flourish at the end.

Jorge A. Aguilar  
Superintendent