

David W. Gordon
Superintendent

November 20, 2019

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

SUBJECT: Deficit Reduction Plan

Dear Superintendent Aguilar:

In our letter dated October 10, 2019, the Sacramento County Office of Education disapproved Sacramento City Unified School District's 2019-2020 re-adopted budget. Pursuant to Education Code sections 42127.1 through 42127.3, the district was directed to submit a viable board-approved budget and multi-year expenditure plan that reverses the deficit spending with the 2019-2020 First Interim Report. The budget and expenditure plan are due on December 16, 2019. Because the district opted to waive the Education Code requirement of the formation of a Budget Review Committee, a balanced budget must be adopted by December 31, 2019.

We recognize that the district has already identified more than \$30 million in on-going budget reductions; therefore, finding additional budget reductions not subject to negotiations will be extremely difficult. The current goal of the district is to cut an additional \$27 million of on-going costs from the budget in order to eliminate the structural deficit.

During the past year, additional expenditure reductions were carefully analyzed and considered by the district in addition to the above-mentioned \$30 million in cuts. For each area of possible budget reduction, impact statements were submitted, and the district found, in some instances, that any possible budget savings would be inconsistent with the district's budget balancing priorities, and have unintended financial consequences. Many of the reductions already considered were paid for with restricted funds, supplemental funds, concentration funds, or fees generated by self-sustaining programs. Eliminating any of these programs considered would negatively impact student services without providing the necessary budget savings to the General Fund. Therefore, unless circumstances have changed, we agree with the district's analysis, and we suggest that the



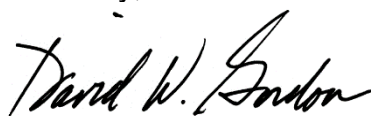
following programs no longer be considered as part of the district's budget balancing plan:

- Athletics
- Music Equipment
- Instructional Technology
- PSAT/SAT Test Fees
- AP Test Fees
- College and Career Visits
- Student Interventions for students not demonstrating grade readiness
- Leadership Positions for:
 - Master Schedule and Instruction
 - Social/Emotional Learning
 - Innovative Schools
 - GATE/AP Programs
 - Research and Data
 - New Teacher Induction

It appears that most, if not all, non-negotiable items have been identified and acted upon, making continued savings from non-negotiable items extremely limited. It is unlikely that \$27 million in cuts will be achieved without solutions that require negotiations. With the First Interim Budget Report, the district should include a plan outlining the budget reduction solutions being considered to accomplish the \$27 million savings needed to eliminate the deficit spending. The plan should identify achievable savings, and include both non-negotiable and negotiable items, along with an estimated timeline for accomplishing both the non-negotiable and negotiable portion of the budget balancing plan.

Please feel free to contact Tamara Sanchez at 916-228-2551 with any questions.

Sincerely,



David W. Gordon
Sacramento County Superintendent of Schools

DWG/TS/dw

cc: Jessie Ryan, Board President, SCUSD
Rose Ramos, Chief Business Officer, SCUSD
Dr. Al Rogers, Deputy Superintendent, SCOE
Tamara Sanchez, Associate Superintendent, SCOE
Debra Wilkins, District Fiscal Services Director, SCOE
Terri Ryland, Fiscal Advisor, SCOE