
From: Steve Johns
Sent: Tuesday, January 26, 2021 12:07 PM
To: SCUSD Public Comment
Cc: Pam Johns
Subject: Board Agenda Items 7.1 and 7.2 January 26
Attachments: SCUSD Letter 01 26 21.docx

Warning! This message originates from OUTSIDE the District's email system. Please verify the sender and contents before opening attachments or clicking any links.

Attached please find a letter to the Board of Education for Items 7.1 and 7.2 on its January 26 Agenda.

Thank you,

Steve Johns

--
Steve Johns

Steve and Pam Johns

January 26, 2021

Board of Education
Sacramento City Unified School District
publiccomment@scusd.edu

Re: January 26 Board Special Meeting, Items 7.1 and 7.2:
Recognition of Structural Deficit and Budget and Recovery Plan Update

President Ryan and Board Members,

We are parents to a third grade student at Caleb Greenwood IB World School. We continue to be significantly concerned with the District's grave financial condition. While we are not able to access the substantive materials for Board Agenda Items 7.1 or 7.2, we agree that the District has a structural budget deficit that must be addressed with the Board and its labor partners at the table to resolve. Any recovery plan cannot rely on program cuts alone and should evaluate any potential cuts to ensure that they do not result in the loss of revenue.

On the first point, the District's financial condition must be addressed – going into receivership is not a viable option. Oakland Unified School District went into receivership in 2003 and was required to accept a \$100 million loan from the state. The burden of carrying the loan and paying interest has not benefitted Oakland Unified. It has had average annual budget deficits between \$20 and \$30 million dollars. One in five Oakland public schools scores in the bottom 5% statewide in math and English language arts proficiency. And, as of 2018, the District still had \$20 million left in the loan to repay. (See 2017-2018 Alameda County Grand Jury Final Report, "Oakland Unified School District: Hard Choices Needed to Prevent Insolvency.") Sacramento City Unified School District needs to resolve the financial condition to avoid this from happening here.

On the second point, Caleb Greenwood is an International Baccalaureate (IB) World School offering the Primary Years Program. This successful program was established several years ago through a collaboration of the school, its families, and the community in response to Caleb's decreasing enrollment due to students attending

school elsewhere. I was engaged with many of the community members and parents during these discussions, and they were eager to establish a program that would provide their families with an alternative to private school.

The IB program has been enormously successful and is recognized throughout the region. With the program in place, Caleb Greenwood's enrollment has increased from 401 students in 2013/2014 to 559 students in 2019/20. This 39% increase is significant – not only does the annual revenue from increased enrollment cover the costs associated with IB program, but it also provides additional revenue to the district. Decimating programs such as the IB World School program at Caleb won't resolve the structural budget deficit. It will, in fact, cost the District additional revenue.

The proposed Fiscal Recovery Plan considered last December would have eliminated the IB Coordinator position Caleb Greenwood, which would prevent the school from being re-authorized as an IB World School. This will likely affect Caleb's, and the District's, future success.

The District has a structural budget deficit that must be addressed. Any recovery plan cannot rely on program cuts alone and should evaluate potential cuts to ensure that they do not actually result in the loss of revenue.

Sincerely,

Steve and Pam Johns

From: SCTA <scta@saccityta.com>
Sent: Tuesday, January 26, 2021 11:28 AM
To: SCUSD Public Comment
Cc: David Fisher; Nikki Milevsky; John Borsos; Raoul Bozio
Subject: SCTA Comments for School Board Meeting 1/26
Attachments: SCTA comments to SCUSD 1-26-21.pdf

Warning! This message originates from OUTSIDE the District's email system. Please verify the sender and contents before opening attachments or clicking any links.

Hello,

Please see the attached comments from SCTA for this evening's board meeting:

- 7.1 comments by David Fisher with combined time from David, Nikki Milevsky and Cindee Stewart

Thank you,

Nichole Burke
Sacramento City Teachers Association

January 26, 2021

Combined comments from David Fisher, Nikki Milevsky, and Cindee Stewart of the Sacramento City Teachers Association to the Sacramento City Unified School District Board of Education, regarding Agenda Item #7.1

Good evening. I am David Fisher, president of the Sacramento City Teachers Association.

Here we go again. At the last school board meeting, we suggested that the election of three new school board members along with very encouraging budget news from the State of California was an opportunity for SCUSD to turn the page on its unprecedented attack on its certificated and classified staff and an opportunity for a constructive discussion to improve services to students. Instead, the District staff under the leadership of Superintendent Aguilar continues down the path of divisiveness and misinformation.

Since Mr. Aguilar became the SCUSD superintendent the District's budget has been rejected by the Sacramento County Office of Education for the first time in the history of the Sacramento City Unified School District (and five additional times since then). At the same time, SCUSD currently has the largest reserve fund in its history, \$93 million.

Since the District's budget was rejected for the first time in August 2018, and Superintendent Aguilar with the support of the school board stated to the public that the District was months away from fiscal insolvency and state takeover, the District has operated at a significant surplus:

- In 2018-19, the District's original budget projected unrestricted general fund deficit spending of \$26,937,063 only to end the year with an \$857,200 surplus;
- In 2019-20, the District's original budget projected unrestricted general fund deficit spending of \$12,344,417 only to end the year with a \$23,565,268 surplus.
- In addition to the \$93 million reserve fund, the SCUSD 2020-21 original budget included **an additional** \$101.3 million in its books and supplies line item, a placeholder that the SCUSD Chief Business Officer Rose Ramos explained as this way: "The Books and Supplies category is used to balance restricted budgets when funding is known but exact expenditure plans are not. Once decisions are made as to the type of expenditures, the budget will be moved to the appropriate line item." In 2019-20, the District spent \$11.1 million on books and supplies.

The District has purposefully misrepresented the findings of various third parties, including State Auditor Elaine Howle.

- In her report issued in December 2019, the State Auditor stated explicitly: "We did not validate the district's budget data." (p. 63). "In its attempt to summarize the findings of our audit, Sacramento Unified selectively presents our key findings" (p. 63). Repeatedly, the state auditor calls our District "disingenuous," "misleading," and even concludes that the District acted "in violation of state law."

(pp. 27, 65-66). And also, notably the Auditor stated on page 63, “we identified significant variances between the district’s budget and actual expenditures.” A pattern we have pointed out for years and a practice the district continues to this day.

- FCMAT’s CEO Mike Fine has stated explicitly that the District lacked fiscal credibility and that he has “no confidence” in the SCUSD leadership.
- The District commissioned a report from the Policy Analysis of California Education (PACE) in 2019, an entity where Superintendent Aguilar serves on the advisory board. The report was immediately denounced by Princess Moss, the Secretary-Treasurer of the National Education Association: “Across the country, we’ve seen these same tactics using twisted data to justify a political agenda. I was at the bargaining table in Sacramento, so I have seen first-hand how this administration has mismanaged fiscal priorities – putting raises for administrators over the needs of students and communities. As educators, our core truth is first and foremost seeing to the needs of our students. This report serves the political will of its patrons in the district, rather than the interests of Sacramento’s students.” Toby Boyd, the President of the California Teachers Association, was even more direct: “The students of SCUSD deserve a quality public education and have been waiting far too long for school district officials to put their needs first. By failing to report the gross fiscal mismanagement by district officials, the PACE/PIVOT report perpetuates the failure to serve Sacramento’s students and communities as they should be and as our students deserve. The objectivity and research methods led to skewed findings that clearly only serve one person: SCUSD Superintendent Jorge Aguilar.”

CTA President Boyd’s comments were prescient. In March 2019, SCUSD promised the community and the school board passed a resolution reiterating the promise that the Superintendent would not take a pay increase until the school board passed a budget that had either a positive or qualified certification. As confirmed by Superintendent Aguilar in his sworn testimony before PERB on December 15, 2020, while no such budget has been approved, Superintendent Aguilar still accepted a pay increase, resulting in a \$34,000 increase in his total annual compensation. (The transcript of Superintendent’s Aguilar’s testimony can be found here, in particular, pp. 69-70.) This increase alone is more than the total annual salary of the majority of the classified staff.

A little over two weeks ago, Governor Newsom unveiled his proposed state budget for 2021-22 that included the largest amount of spending for K-12 education in California history. Using the numbers in the SCUSD First Interim Budget as a baseline, Governor Newsom’s budget will generate more than \$100 million new dollars to the District in the next three years. Together with the SCUSD’s revised calculations regarding the unduplicated student numbers, the District’s Second Interim Budget should be “positively” certified.

As of the most recent figures provided by the District, SCUSD currently has more than 111 certificated vacancies. The nation faces a critical teaching shortage, that will make recruitment and retention even harder in coming months.

With this vastly improved budget news, how does Sac City propose to address the teaching shortage? By cutting the take-home pay of every certificated educator by 2% to 34.6% through massive health insurance takeaways. That's right, Sac City's solution to a massive recruitment and retention crisis among certificated educators is to slash their take-home pay and cost shifting \$20 million from teachers and into the District's overflowing reserve fund. Ironically, projections regarding the state budget in 2022-23 anticipate that California will meet the threshold that will place a cap on what a school district may hold in its reserve at 10%. Sac City's reserve fund is currently over seventeen percent.

Continuing to stick millions of dollars into the District's reserve fund does nothing to address the suspension rates of African-American students or improve services to students with special needs. Neither does raising the pay for the superintendent while demanding massive cuts in take-home pay to certificated and classified staff.

It's time to stop playing games with the budget projections and get down to the hard work of educating our students by ensuring that every student in the Sacramento City Unified School District has a fully credentialed teacher in the classroom who reflects the diversity of our district, and that staff have the resources to create the best learning environment possible.

From: G A Tubo
Sent: Tuesday, January 26, 2021 11:31 AM
To: SCUSD Public Comment
Subject: comment on 7.1 for 1/26/21

Warning! This message originates from OUTSIDE the District's email system. Please verify the sender and contents before opening attachments or clicking any links. Contact the Technology Services Help Desk at 916-643-9445 with any questions.

Regarding this item, I share the frustrations of many at how the District was managed, by previous Boards and staff appointed by Boards, to allow a deficit structure to accumulate over many years, but the students today and tomorrow should not be penalized for the failures of adults. It's easy to point fingers at elected and appointed leaders, but all stakeholders--including myself-- share in the ownership of this problem because blitheness to the warnings of a yellow status from SCOE for years are not an excuse for our collective failure to take action to address the deficit structure before it impacted cash flow projections and brought the specter of potential loss of local control--the fiscal crisis. That the resolution of the fiscal crisis has been delayed several times does not mean that the crisis has been solved.

I welcome the votes of Trustees to approve this resolution and in doing so acknowledge that the fiscal crisis is real and that it is the responsibility of the Board to address it through measures that protect the needs of the students for whom the district exists to serve. Failing to approve the resolution won't change the facts but will indicate a lack of focus on the needs of students.

Alison French-Tubo, parent