

Comments from Nikki Milevsky, First Vice-President of the Sacramento City Teachers Association (SCTA) to the Sacramento City Unified School District Board of Education, March 18, 2021.

Agenda item# 9.1

Good evening Members of the Board,

It is simply unheard of to see a district self-certify its budget as Negative when its projected budgets show its ending fund balance in the 3rd year out to be 52 million dollars (almost 4 times what is required by law.)

A Negatively Certified Budget means the President of the Governing Board, with your approval, signs a document that testifies that “I certify that based upon the current projections this district will be unable to meet its financial obligations for the remainder of this current fiscal year or for the subsequent fiscal year.”

In the very same document that President Pritchett will sign, if you vote to approve it, the district’s budget projections show that:

- This fiscal year SCUSD is projected to have an ending Fund Balance of 89.45 M Unrestricted + 11.46 M Restricted = 100.9 M total Ending Fund Balance
- The Subsequent Fiscal year SCUSD is projected to have an Ending Fund Balance of 78.28 M Unrestricted + 0 M Restricted = 78.28 M total Ending Fund Balance
- The 3rd Fiscal year SCUSD is projected to have an Ending Fund Balance of 51.92 M Unrestricted + 0 M Restricted = 51.92 M total Ending Fund Balance

These projections do not even include the new COVID dollars the district is expected to receive from the state and federal level.

All objective reality says you can’t possibly be unable to meet your financial obligations in a year that you are ending with over 100 million dollars in your Ending Fund Balance nor can you say that when you have 78 million in your Ending Fund Balance in 2021-22.

As board members, you need to not only push back on staff trying to tell you that “up” is “down” and to not believe what your own eyes see in the documents before you, but you also need to ask questions about what this Negative Certification means to the district, to its functionality, to its reputation, and to its budget.

Did you know that the district has already paid over \$625,000 to SCOE Fiscal Services/Terri Ryland, Fortson Consulting and Jacquie Canfield since January 2019 due to Negative Certification?

You've paid Terri Ryland and Jacquie Canfield over \$180,000 for the first 6 months of this year alone. For what? For them to help your staff present a First Interim Budget in December that said the district was deficit spending 30.4 million dollars only to present a Second Interim budget to you in March that shows an almost 7.9 million surplus this year? To create budget projections that swing 38 million dollars in 3 months you need a CBO, an Assistant Superintendent, a full complement of Business Services staff AND two paid consultants?

If you compare the 1st Interim Budget they presented to you side-by-side with what your staff is presenting to you tonight, you can see the overwhelming majority of that budget swing was due to 40 million dollars in over-estimated projections of expenditures.

It is embarrassing and damaging to our district's reputation to continue this false narrative of a negative budget certification.

But it also costs our district money. Continuing the Negative Certification farce means you continue to pay outside consultants due to the Negative Certification.

The same staff and consultants that are telling you that you can't spare even a few hundred thousand dollars in expenditures so you have to demolish the Adult Ed Parent Participation Preschool program and cut CTE programs when the Student Advisory Council just came to your meeting to plea for more career training opportunities for students are also telling you to negatively certify a budget that clearly meets the qualifications to be certified as positive. How can they not tell you that this self-certification means you will be paying hundreds of thousands of dollars to SCOE Financial Services and Jacquie Canfield to consult and check your own highly paid business office? Your business office, by the way, added a new Assistant Superintendent position this year for a minimum of \$156,000 in salary alone.

Please refuse to approve this budget as negatively certified. Isn't 625,000 dollars paid to consultants enough? Please, direct this money to support services for students. In reality, with a budget that looks like this and the prospect of over 100M in additional COVID dollars not included in the 2nd Interim projections for next year, you could rescind every single certificated and classified layoff notice right now.

Attached you will find:

- District's report of payments made to SCOE Financial Services/Terri Ryland which SCTA received from an RFI
- District's report of payments made to Jacquie Canfield which SCTA received from an RFI
- District's report of payments made to Fortson Consulting which SCTA received from an RFI
- SCTA created document putting together expenditures on these consultants by fiscal year
- SCTA created spreadsheet of the progression of SCUSD 2020-21 budgets side-by-side

SCOE Financial Services - Terri Ryland

Pymt Type	Pay To Name	Invoice #	Invoice Date	Payment Amt	Reference #	Status	On Hold	Batch	Scheduled City	Final Pymt	Comment
AP	SACRAMENTO COUNTY OFFICE :191599		1/9/2019	31,140.00	CS19-00357	Paid	No	4957	2/28/2019 SACRAMENTO	No	FISCAL ADVISOR SERVICES (75% OF FEE)
AP	SACRAMENTO COUNTY OFFICE :191817		2/13/2019	20,250.00	CS19-00357	Paid	No	4957	2/28/2019 SACRAMENTO	No	FISCAL ADVISOR SERVICES (75% OF FEE)
AP	SACRAMENTO COUNTY OFFICE :192297		4/12/2019	43,950.00	CS19-00357	Paid	No	5011	4/29/2019 SACRAMENTO	No	FISCAL ADVISOR SERVICES (75% OF FEE)
AP	SACRAMENTO COUNTY OFFICE :192625		5/28/2019	9,930.00	CS19-00357	Paid	No	5070	6/14/2019 SACRAMENTO	No	FISCAL ADVISOR SERVICES (75% OF FEE)
AP	SACRAMENTO COUNTY OFFICE :192701		6/12/2019	12,390.00	CS19-00357	Paid	No	5081	6/25/2019 SACRAMENTO	No	FISCAL ADVISOR SERVICES (75% OF FEE)
AP	SACRAMENTO COUNTY OFFICE :200048		7/11/2019	9,870.00	CS19-00357	Paid	No	5107	7/17/2019 SACRAMENTO	Yes	FISCAL ADVISOR SERVICES (75% OF FEE)
AP	SACRAMENTO COUNTY OFFICE :201310		11/8/2019	38,580.00	CS20-00035	Paid	No	5293	11/19/2019 SACRAMENTO	No	FISCAL ADVISOR SERVICES (75% OF FEE)
AP	SACRAMENTO COUNTY OFFICE :201643		12/19/2019	9,930.00	CS20-00035	Paid	No	5293	1/28/2020 SACRAMENTO	No	FISCAL ADVISOR SERVICES (75% OF FEE)
AP	SACRAMENTO COUNTY OFFICE :201749		1/8/2020	6,810.00	CS20-00035	Paid	No	5293	1/28/2020 SACRAMENTO	No	FISCAL ADVISOR SERVICES (75% OF FEE)
AP	SACRAMENTO COUNTY OFFICE :202032		2/13/2020	8,100.00	CS20-00035	Paid	No	5333	3/3/2020 SACRAMENTO	No	FISCAL ADVISOR SERVICES (75% OF FEE)
AP	SACRAMENTO COUNTY OFFICE :202251		3/11/2020	13,830.00	CS20-00035	Paid	No	5366	4/7/2020 SACRAMENTO	No	FISCAL ADVISOR SERVICES (75% OF FEE)
AP	SACRAMENTO COUNTY OFFICE :202355		4/13/2020	8,010.00	CS20-00035	Paid	No	5392	5/5/2020 SACRAMENTO	No	FISCAL ADVISOR SERVICES (75% OF FEE)
AP	SACRAMENTO COUNTY OFFICE :202453		5/11/2020	6,540.00	CS20-00035	Paid	No	5406	5/28/2020 SACRAMENTO	No	FISCAL ADVISOR SERVICES (75% OF FEE)
AP	SACRAMENTO COUNTY OFFICE :210004		7/11/2020	22,740.00	CS20-00035	Paid	No	5466	7/30/2020 SACRAMENTO	No	FISCAL ADVISOR SERVICES (75% OF FEE)
AP	SACRAMENTO COUNTY OFFICE :210470		8/13/2020	15,600.00	CS21-00081	Paid	No	5566	11/10/2020 SACRAMENTO	No	FISCAL ADVISOR SERVICES (75% OF FEE)
AP	SACRAMENTO COUNTY OFFICE :210576		9/15/2020	10,620.00	CS21-00081	Paid	No	5565	11/6/2020 SACRAMENTO	No	FISCAL ADVISOR SERVICES (75% OF FEE)
AP	SACRAMENTO COUNTY OFFICE :210653		10/8/2020	14,250.00	CS21-00081	Paid	No	5565	11/6/2020 SACRAMENTO	No	FISCAL ADVISOR SERVICES (75% OF FEE)
AP	SACRAMENTO COUNTY OFFICE :210814		11/9/2020	10,110.00	CS21-00081	Paid	No	5576	12/2/2020 SACRAMENTO	No	FISCAL ADVISOR SERVICES (75% OF FEE)
AP	SACRAMENTO COUNTY OFFICE :211007		12/14/2020	9,690.00	CS21-00081	Paid	No	5593	1/5/2021 SACRAMENTO	No	FISCAL ADVISOR SERVICES (75% OF FEE)
Total											
302,340.00											

Jacquie Canfield Expenditures

Pay To Name	Invoice Date	Payment Amt	Reference #	Status	On Hold	Batch	Scheduled City	Final Pymt	Comment
JACQUIE CANFIELD	7/3/2019	33,649.03		Paid	No	5098	7/3/2019 FRESNO	No	PROFESSIONAL SERVICES 5-24 6-28-19
JACQUIE CANFIELD	8/15/2019	26,744.20	CS20-00074	Paid	No	5172	8/29/2019 FRESNO	No	JACQUIE CANFIELD CONSULTING - 7.1.19 - 9.30.19
JACQUIE CANFIELD	9/11/2019	30,863.07	CS20-00074	Paid	No	5183	9/12/2019 FRESNO	No	JACQUIE CANFIELD CONSULTING - 7.1.19 - 9.30.19
JACQUIE CANFIELD	9/30/2019	30,593.26	CS20-00074	Paid	No	5244	10/4/2019 FRESNO	Yes	JACQUIE CANFIELD CONSULTING - 7.1.19 - 9.30.19
JACQUIE CANFIELD	10/31/2019	6,611.10	CS20-00074	Paid	No	5259	12/4/2019 FRESNO	No	JACQUIE CANFIELD CONSULTING - 7.1.19 - 9.30.19
JACQUIE CANFIELD	11/30/2019	16,695.90	CS20-00074	Paid	No	5263	12/17/2019 FRESNO	No	JACQUIE CANFIELD CONSULTING - NOV2019
JACQUIE CANFIELD	1/7/2020	17,587.06	CS20-00074	Paid	No	5282	1/16/2020 FRESNO	No	JACQUIE CANFIELD CONSULTING - 7.1.19 - 9.30.19
JACQUIE CANFIELD	3/10/2020	4,500.00	CS20-00074	Paid	No	5351	3/24/2020 FRESNO	No	JACQUIE CANFIELD CONSULTING - 7.1.19 - 9.30.19
JACQUIE CANFIELD	9/30/2020	30,600.00	CS21-00115	Paid	No	5548	10/21/2020 FRESNO	No	JACQUIE CANFIELD CONSULTING - 8.24.20 - 6.30.21
JACQUIE CANFIELD	10/1/2020	25,200.00	CS21-00115	Paid	No	5560	11/3/2020 FRESNO	No	JACQUIE CANFIELD CONSULTING - 8.24.20 - 6.30.21
JACQUIE CANFIELD	11/30/2020	15,600.00	CS21-00115	Paid	No	5574	12/1/2020 FRESNO	No	JACQUIE CANFIELD CONSULTING - 8.24.20 - 6.30.21
JACQUIE CANFIELD	1/5/2021	4,200.00	CS21-00115	Paid	No	5597	1/6/2021 FRESNO	No	JACQUIE CANFIELD CONSULTING - 8.24.20 - 6.30.21
		242,843.62							

All Three Consultants SCOE Negative Certification

2020-21 Negative Budget Consultants

AP	SACRAMENTO COUNTY OFFICE	210004	7/1/2020	22,740.00
AP	SACRAMENTO COUNTY OFFICE	210470	8/13/2020	15,600.00
AP	SACRAMENTO COUNTY OFFICE	210576	9/15/2020	10,620.00
AP	SACRAMENTO COUNTY OFFICE	210653	10/8/2020	14,250.00
AP	SACRAMENTO COUNTY OFFICE	210814	11/9/2020	10,110.00
AP	SACRAMENTO COUNTY OFFICE	211007	12/14/2020	9,690.00
AP	JACQUIE CANFIELD	SCUSD-7	1/7/2020	17,587.06
AP	JACQUIE CANFIELD	SCUSD-8	3/10/2020	4,500.00
AP	JACQUIE CANFIELD	SCUSD-20-21-1	9/30/2020	30,600.00
AP	JACQUIE CANFIELD	SCUSD-20-21-2	10/1/2020	25,200.00
AP	JACQUIE CANFIELD	SCUSD-20-21-3	11/30/2020	15,600.00
AP	JACQUIE CANFIELD	SCUSD-20-21-4	1/5/2021	4,200.00
Total 2020-21 7/1 to 1/1/2020				180,697.06

AP	SACRAMENTO COUNTY OFFICE	200048	7/11/2019	9,870.00
AP	SACRAMENTO COUNTY OFFICE	201310	11/8/2019	38,580.00
AP	SACRAMENTO COUNTY OFFICE	201643	12/19/2019	9,930.00
AP	SACRAMENTO COUNTY OFFICE	201749	1/8/2020	6,810.00
AP	SACRAMENTO COUNTY OFFICE	202032	2/13/2020	8,100.00
AP	SACRAMENTO COUNTY OFFICE	202251	3/11/2020	13,830.00
AP	SACRAMENTO COUNTY OFFICE	202355	4/13/2020	8,010.00
AP	SACRAMENTO COUNTY OFFICE	202453	5/11/2020	6,540.00
Direct	JACQUIE CANFIELD	SCUSD-1	7/3/2019	33,649.03
AP	JACQUIE CANFIELD	SCUSD-2	8/15/2019	26,744.20
AP	JACQUIE CANFIELD	SCUSD-3	9/11/2019	30,863.07
AP	JACQUIE CANFIELD	SCUSD-4	9/30/2019	30,593.26
AP	JACQUIE CANFIELD	SCUSD-5	10/31/2019	6,611.10
AP	JACQUIE CANFIELD	SCUSD-6	11/30/2019	16,695.90
Total in 2019-20				246,826.56

2018-19 Negative Budget Consultants

AP	FORTSON CONSULTING LLC	1903	5/3/2019	38,280.00
AP	FORTSON CONSULTING LLC	1903E	5/17/2019	7,575.69
AP	FORTSON CONSULTING LLC	1904	6/5/2019	33,437.76
AP	FORTSON CONSULTING LLC	1905	6/11/2019	1,200.00
AP	SACRAMENTO COUNTY OFFICE	191599	1/9/2019	31,140.00
AP	SACRAMENTO COUNTY OFFICE	191817	2/13/2019	20,250.00
AP	SACRAMENTO COUNTY OFFICE	192297	4/12/2019	43,950.00
AP	SACRAMENTO COUNTY OFFICE	192625	5/28/2019	9,930.00
AP	SACRAMENTO COUNTY OFFICE	192701	6/12/2019	12,390.00
Total in 2018-19				198,153.45

SCUSD 2020-21 Budgets Side by Side

SCUSD 2020-21 Budgets

	September	June	October	December	March	May	September	Increase/Decrease from Last years actuals to this years 1st Interim projections for 21-22
	2019-20 Unaudited Actuals Sac city	Original 2020-21 budget	Revised 2020-21 budget	2020-21 First Interim Budget Sac City	2nd Interim 2020-21 budget	3rd interim 2020-21 budget	2021-22 First Interim Budget Sac City	
Summary								
Total Revenue R/UR	\$ 553,948,589.00	\$ 536,052,844.00	\$ 616,453,659.00	\$ 610,459,571.00	\$ 608,117,926.00			\$0.00
general fund budget expenditures R/UR	\$ 530,835,166.00	\$ 605,055,871.00	\$ 642,857,601.00	\$ 640,938,482.00	\$ 600,249,376.00			\$0.00
Total Reserve	\$ 93,048,610.00	\$ (5,199,762.00)	\$ 66,644,668.00	\$ 62,569,698.00	\$ 100,917,160.00			\$0.00
Details								
Certificated Salaries	\$ 209,808,826.00	\$ 222,966,513.00	\$ 215,532,887.00	\$ 218,893,288.00	\$ 211,883,991.00			\$0.00
Classified Salaries	\$ 60,163,620.00	\$ 61,523,686.00	\$ 58,460,974.00	\$ 60,528,334.00	\$ 58,703,098.00			\$0.00
Benefits	\$ 175,948,150.00	\$ 189,105,956.00	\$ 181,174,973.00	\$ 179,796,195.00	\$ 176,981,518.00			\$0.00
Books and Supplies	\$ 11,145,788.00	\$ 45,965,174.00	\$ 101,259,537.00	\$ 89,053,316.00	\$ 67,747,514.00			\$0.00
Outside Contracts Operating Exped	\$ 65,548,238.00	\$ 84,131,400.00	\$ 84,002,764.00	\$ 87,512,348.00	\$ 79,933,934.00			\$0.00
capitol outlay	\$ 8,361,222.00	\$ 1,453,058.00	\$ 484,435.00	\$ 3,008,426.00	\$ 3,297,667.00			\$0.00
Other outgo	\$ 1,153,517.00	\$ 5,000.00	\$ 1,105,000.00	\$ 1,110,300.00	\$ 1,110,300.00			\$0.00
transfers of indirect costs	\$ (1,294,197.00)	\$ (1,130,544.00)	\$ (1,144,835.00)	\$ (945,590.00)	\$ (947,575.00)			\$0.00
other financing	\$ (394,157.00)	\$ 1,035,627.00	\$ 1,981,863.00	\$ 1,981,863.00	\$ 1,538,925.00			\$0.00
total expenditures	\$ 530,835,166.00	\$ 605,055,871.00	\$ 642,857,601.00	\$ 640,938,482.00	\$ 600,249,376.00			\$0.00
Net Increase (Decrease)	\$ 23,113,422.00	\$ (69,003,027.00)	\$ (26,403,941.00)	\$ (30,478,911.00)	\$ 7,868,549.00			\$0.00
Beginning Fund Balance	\$ 70,329,345.00	\$ 63,803,265.00	\$ 93,048,610.00	\$ 93,048,610.00	\$ 93,048,610.00			\$0.00
Ending Fund Balance	\$ 93,048,610.00	\$ (5,199,762.00)	\$ 66,644,668.00	\$ 62,569,698.00	\$ 100,917,160.00			\$0.00