

Sacramento City Unified School District
Board of Education Meeting

September 17, 2020 Public Comments

Name:	Alison French-Tubo
Comment:	I am confident that Rose Ramos and board members such as Lisa Murawski will provide an intelligent and meaningful presentation and discussion on these unaudited actuals, to help us understand the difference between expenses delayed by covid-19 vs. expenses truly decreased, and changes in amounts and timing of revenue streams. From the comments I see in various public formats I know one piece many of us need help understanding is why it is that the cash-flow projection now shows going into the red in May 2021, instead of February 2021, is not bad news, but still not a happy story. So many of us seem to struggle with comprehending that continually drawing down on reserves is not sustainable. Another question that immediately comes to mind reading this is: why are the benefits not broken out by classified and certificated as the salaries are? Better yet, why are salaries and benefits not broken out by bargaining unit?

Speaking as: Parent/Guardian

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Comments by David Fisher, President of the Sacramento City Teachers Association (SCTA) to the Sacramento City Unified School District (SCUSD) Board of Education, Nikki Milevsky and Cindee Stewart have yielded their time for item 9.3

September 17, 2020

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

In the immortal words of Yogi Berra, this feels like déjà vu all over again.

According to the District's recently released Unaudited Actuals, SCUSD ended 2019-20 with a surplus of \$22,719,265. Let's call it \$23 million.

In July 2019, SCUSD projected to end 2019-20 with a \$12.3 million deficit. Even as late as May 2020, SCUSD projected a deficit of \$6.5 million. In short, the District was off on its projections somewhere between \$29 and \$36 million.

Just like last year, when the District projected a \$35 million deficit and then broke even. The magic number with this leadership team appears to be take the District's projection, add approximately \$35 million to it, and you will arrive at the District's actual financial performance.

But let's take a deeper look into the projections for this current fiscal year, 2020-21.

In 2019-20, SCUSD spent \$530,835,167. In 2020-21, the District claims it will spend \$631,390,632, an increase of \$101 million. To repeat, an increase of \$101 million.

And where will that increased spending occur? According to the District, in 2019-20, SCUSD spent \$11.1 million on books and supplies. In previous board meetings, Chief Business Officer Rose Ramos informed us that the District typically uses this line item as a placeholder which contains otherwise unbudgeted spending. Some would say this is where the District tries to hide dollars that could be used to improve services to today's students.

But in 2020-21, the District takes this to a whole new level. The District has budgeted \$73.3 million for books and supplies, an increase of \$62 million, or 558%. To repeat, an increase of 558%.

Are we really to believe that the District intends to spend \$73.3 million on books and supplies in 2020-21, or \$1833 per student, enough to buy every Sac City student 6 Chromebooks?

Moreover, the District's questionable budgeting includes ending this school year with a \$40.4 million deficit. Applying the \$35 million annual underestimation factor, that means that it is much more likely the District will end 2020-21 with a \$5 million deficit. But based on our analysis of the budget, the District's projections will be even more wildly inaccurate. In fact, if the District spent the same on books and supplies in 2020-21 as it did in 2019-20, the District would have another \$23 million surplus.

And this does not take into account decreased spending if Distance Learning continues, or increased revenue based on federal legislation that is currently being negotiated in Washington D.C.

In fact, a more accurate way to describe SCUSD's financial performance over the last eight years is not that the District has a structural deficit, but rather that the District has a structural surplus.

On Thursday, September 17, as we sit here today, the District has a reserve fund of \$93 million, the highest in SCUSD history. The state minimum is 2%, or roughly \$11 million. The District's reserve fund percentage is 17%.

Unfortunately, Sacramento County Office of Education Superintendent Dave Gordon is blissfully unaware of the District's financial performance. He continues to talk about deficit spending and insolvency as if he hasn't taken the time to review the District's unaudited actuals.

Despite having his own Fiscal Advisor directly involved in developing the SCUSD budget and evaluating its financial performance, Mr. Gordon's oversight has done nothing to provide more prudent fiscal management over the District's finances. In fact, it was on Dave Gordon's watch with his hand-selected Fiscal Advisor in place that SCUSD failed to count five schools in 2019, resulting in a \$24 million budgeting mistake.

On Dave Gordon's watch since August 2018, he and the SCUSD administrators and the school board have misled the community that the District was on the brink of insolvency. And yet here we are with the District sitting on the largest reserve fund in its history.

Dave Gordon and SCUSD said the District was about to run out of money and would have a \$35 million deficit in 2018-19. The District broke even.

Dave Gordon and SCUSD said the District was about to run out of money and would have a \$12.3 million deficit in 2019-20. The District had a \$23 million surplus.

Dave Gordon and SCUSD now say that the District is about to run out of money and will have a \$40 million deficit in 2020-21.

Is it hard to understand why neither Dave Gordon nor this school board has any credibility when it comes to fiscal accountability and transparency?