

**May 19, 2010**

**Sacramento City Unified School District**

**Last Chance to Put Children First**

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**Grand Jury reports are based on documentary evidence and the testimony of sworn or admonished witnesses, not on conjecture or opinion. However, the Grand Jury is precluded by law from disclosing such evidence except upon the specific approval of the Presiding Judge of the Superior Court, or another judge appointed by the Presiding Judge (Penal Code Sections 911, 924.1 (a), and 929). Similarly, the Grand Jury is precluded by law from disclosing the identity of witnesses except upon an order of the court for narrowly defined purposes (Penal Code Sections 924.3 and 929.)**

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## **Last Chance to Put Children First**

### **Background**

Since the 1980's the Sacramento City Unified School District (SCUSD) has been plagued with difficulties relating to educational programs, fiscal integrity and governance. Over the years, eleven superintendents (interim, acting, and appointed) and many short-term board members have attempted to address these difficulties, trying any number of different solutions. None have been found which satisfied the school community—parents, teachers, employees and students—or resolved the problems. Frequent changes of governing boards, superintendents, and staff have not proven effective. In fact, changes have added to the inconsistency which thrives in the district.

One constant continuing force has not changed in the district—the Sacramento City Teachers Association (SCTA). SCTA backs candidates for school board at all elections and their endorsements have an enormous impact on who are elected. Also, leadership from the state California Teachers Association (CTA) has played a continuous active role in the district's negotiations, grievance discussions, and Public Employment Relations Board hearings. The district, on the other hand, has changed negotiators and negotiating positions as frequently as superintendents and board members have changed. The views of the superintendent and the board have not always been in concert.

Time has not changed or resolved the issues facing the district. Now time is running out. The district faces a financial crisis which presents it with a last chance to save itself. However, SCUSD will only survive if everyone involved faces the reality of the present situation and works together to find a way to survive. Ignorance and community apathy will be fatal. Should the district continue on the dead-end road that it followed in the past, the consequences for the district will be disastrous. The SCUSD school board, superintendent, teachers, unions, parents and community are all accountable for the continued existence of the district and are responsible for providing an excellent education for children. Self interests must be set aside so that SCUSD makes decisions that permit it not just to survive but to thrive.

This year SCUSD has a new Superintendent, Jonathan Raymond. Since he arrived in September 2009, he has worked to identify the financial and educational problems facing the district and to develop a plan to solve those problems. In order to proceed effectively, he has

surveyed his total school community and has prepared a plan of action which presents a set of priorities for teaching and learning. While he has a limited ability to solve the financial problems, he has taken quick action to protect funds intended only for the classroom (Title I funds for disadvantaged youth) and to model ways staff can join in further savings. For example, in the SCUSD, furlough days are becoming the norm among all employees except those belonging to SCTA. The superintendent's pursuit of excellence will be affected by his relationship with the school board, teachers and employees as well as by fiscal problems.

In this report, the Sacramento County Grand Jury outlines the major points in Superintendent Raymond's plan, commends him on his outreach, enthusiasm and hard work, and encourages all parties to join him in implementing his plans to renew the district and offer the best possible education for its students. The grand jury then reviews the financial problems and indicates how those problems affect the district.

### **Approach**

Data gathered for this report included sworn testimony from key stakeholders, attendance at board meetings and research from a wide variety of district documents.

### **Discussion**

During the first 100 days in his position, the new superintendent demonstrated a remarkable determination and commitment to improving the educational program in SCUSD. In September 2009, he announced his vision, "Putting Children First."

In the past, the community has complained that it was difficult to get the attention of the district and communicate with it. Raymond wanted to address that complaint. He immediately began engaging with and listening to the school community, parents, teachers, students and staff. He attended school with the children, rode the school bus and ate in the cafeteria. He held meetings with parents, public officials and the media. He communicated with the community in public forums and by e-mail. He met with experts, and convened and met with study groups. He used input from all parties to develop plans to improve teaching and learning. Permeating all of his activities was his key belief that children must be put first.

Superintendent Raymond conducted two surveys that were the first ever conducted in the district, "The Budget Shortfall Survey" and "The Strategic Plan Survey."<sup>1</sup> Data from the surveys was collected and analyzed and used to draft a plan to implement the superintendent's vision. This plan will guide the district's educational philosophy, aspirations for student achievement, fiscal decision making and operational focus. In preparing his plan, the superintendent asked what could be done to bring change to the district so that children were always put first.

Specifically he addressed the question: How can the district spread its good programs and practices across the district? He recommended that the district:

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<sup>1</sup> The complete results and analysis can be found on the SCUSD web site, [www.scusd.edu](http://www.scusd.edu).

- Increase literacy rate by launching a literacy campaign using all resources available
- Establish eight task forces to address specific programs with narrow goals and restricted funding
- Turn around chronically low and under-performing schools by replicating successful programs in order to ensure equal access and opportunity

He recognized that, in order to achieve his goals, it was necessary to:

- Access, reorganize, and realign various site and central office leaders.
- Provide quality teaching in every classroom, promote and support professional development, and establish a Title 1 task force to examine the district's use of funds
- Use data to achieve accountability through the systemic use of quantitative and qualitative data to drive instructional decisions, transparency, and evaluation
- Connect schools to neighborhoods, increase parent and community involvement through forums and focus groups and insure the availability of necessary resources

Superintendent Raymond has an excellent plan to resolve longstanding educational problems in the district and needs the support of the community to accomplish his goals. However, the plans will fail unless the community first faces its financial problems.

Fiscal concerns have arisen in two areas. One, the State of California has failed to meet its funding obligation under state law. Two, school boards have failed to recognize the unimagined long-term impacts of previous contractual agreements, such as the cost to the district for retiree health plans. SCUSD's current unfunded liability for this item is \$560 million dollars—certainly unsustainable in future years. At the current payment rate of a million dollars per year, it would take at least 560 years to pay off the obligation.

In the last several months, Raymond has held budget workshops so that the community is aware of the financial problems it faces and he has begun work on a strategic plan to address those problems. The superintendent must present a balanced budget to the school board. Because of financial issues out of his control, such as state contributions and escalating expenses for salaries and benefits, the district does not have the income to match its expenses. The district faces a \$30.6 million budget shortfall for 2010-11. The district has until June to present to the Sacramento County Office of Education a budget that meets state standards. If it fails to do so, it could lose local control of future budget decisions. Examples of cost reductions the superintendent can propose are:

- Reduce school hours
- Close schools

- Eliminate extra-curricular activities
- Increase class size
- Reduce elective programs
- Reduce maintenance and other services
- Eliminate transitional kindergarten
- Reduce adult education
- Incorporate furlough days

In addition, the district could ask the unions to make concessions on salary or benefits. However, none of these are easy or popular choices.

The district has reallocated \$15 million from categorical Tier III funds to fill \$15 million of the deficit. However, much more remains to be done in order to avoid cutting vitally important educational services and programs.

As with most school districts, 80% of the budget goes for salaries and benefits leaving only 20% for all other expenses such as books, buildings and grounds, utilities, maintenance, transportation, etc. Five employee groups have agreed to take at least three furlough days in 2010-11. The district may soon face mediation with its teachers' union. The district is presenting the SCTA a formal proposal to reopen negotiations on concessions. In years past, the district and unions negotiated salaries and benefits, such as the retiree health benefits, without a true understanding of the potential cost. The true actuarial costs were not understood and few anticipated the present recession. Now those benefits must be reevaluated. SCTA's budget cutting proposals are inadequate and unrealistic in relation to the size of the deficit. It must be willing to work with the district and community to do its share.

A continued unwillingness to modify some contractual agreements will result in district bankruptcy. With a school district bankruptcy, law dictates that all contractual agreements become null and void. This benefits no one. It is time for unions to become more of an advocate for children.

The superintendent has sought to create a program to improve educational quality. He cannot implement this program if he has to cut services to students such as the length of the school day or limit access to technology so desperately needed.

### **Conclusion**

Superintendent Raymond has an enormous challenge of addressing an inherited accumulation of issues along with managing a fiscal crisis. The Sacramento County Grand Jury supports the superintendent's mission of improving student achievement and closing the budget shortfall. On the journey to these desired outcomes, the roadblocks of budget constraints will demand that the board and all staff negotiate, be accountable, and step up to share the responsibilities and sacrifices in order to avoid disaster. This could be the district's last chance to put children first.

