

Agenda Item 9.1

Comments by David Fisher, President of the Sacramento City Teachers Association (SCTA), to the Sacramento City Unified School District (SCUSD) Board of Education, Public Comment (Report of SCTA)

January 14, 2021

In July 2018, Superintendent Jorge Aguilar submitted a budget that was rejected in August 2018 by the Sacramento County Office of Education (SCOE). Since then, Superintendent Aguilar and other District administrators have been telling the public continuously that the District is on the verge of insolvency.

In 2018-19, District administrators projected SCUSD would end the year with a \$35 million deficit and it ended the year with a nearly \$1 million surplus.

In 2019-20, District administrators projected SCUSD would end the year with a \$12.3 million deficit and it ended the year with a \$23.1 million surplus.

The District ended its 2019-20 fiscal year with a reserve fund of \$93 million, the largest reserve fund in the history of SCUSD.

Inexplicably while “being on the brink of insolvency,” the District somehow built its largest reserve fund ever.

In addition, in its 2020-21 budget, the District had so much excess revenue that it parked \$101.3 million in its “Books and Supplies” budget, approximately \$90 million more than has been spent on books and supplies on average over the past eight years.

On December 10, 2020, the previous SCUSD school board approved the District’s First Interim Budget, a budget that includes a reserve fund of \$93 million AND still has \$89 million in its books and supplies line item. The District’s First Interim Budget meets the criteria for a qualified budget and yet Superintendent Aguilar with the support of Dave Gordon, the SCOE Superintendent, made the political decision to erroneously classify the District’s budget with a “negative certification,” further perpetuating the false narrative that the District is on the verge of fiscal insolvency.

The passage of the second COVID relief package by the federal government and the State Budget proposed by Governor Gavin Newsom last Friday should put an end to that narrative once and for all.

The COVID relief package will mean \$66.2 million in additional revenue for SCUSD. Those dollars can be used to immediately expand services to students with special needs, which for unexplained reasons the District has resisted.

Governor Newsom's budget will increase LCFF funding to SCUSD by \$15.7 million in 2021-22, and by \$24.4 million in 2022-23. It will also provide an additional \$4 million to the SCUSD through a reduced contribution to employees' pension funds. Governor Newsom's budget also includes potentially millions more to Sac City through state categorical funds, as well as another potential \$30 million in reopening and extended learning opportunities.

Considering only the Governor's increased LCFF funding and pension contribution reduction, this school board will be able to pass a Second Interim Budget that has a "Positive Certification," in March putting an end to the SCOE fiscal oversight and an end to the narrative that SCUSD is on the brink of insolvency.

In short, the State Budget gives this new school board an opportunity to create a new, constructive optimistic path forward for our District.

Unfortunately, Superintendent Aguilar continues to cling to the past. Rather than using this opportunity to move the District in a positive direction, he continues his campaign against his own teachers, while threatening to cut services to students, like the IB, Waldorf and dual immersion programs, in an effort to create bargaining leverage, by trying to scare students and parents.

Mr. Aguilar continues to demand enormous reductions in the take-home pay for teachers while he himself takes a pay raise that he publicly promised all of us that he would not take.

Although he does not come to the bargaining table himself, Mr. Aguilar has instructed his bargaining team to demand concessions in health insurance that would result in massive pay cuts for teachers and classified staff.

Under Mr. Aguilar's proposal, every single certificated employee represented by SCTA would have their take-home pay reduced from 2% to 34.6%.

Let's look at just one example:

A newly hired second grade teacher who has a family and who has Sutter Health, UC Davis or Dignity Health as her health care provider would see her take-home pay reduced from \$47,988 per year to \$31,372, or a pay cut of \$16,616. That take-home pay of that teacher will now be \$3000 less than the Superintendent Aguilar's recent \$34,126 pay increase. And I guess maybe if you make over \$320,000 per year, with another \$750 per month for expenses with no questions asked, and (until recently) had a second job at UC Merced, paying an additional \$16,000 might not be a catastrophe. But if you're a new teacher, or worse yet, a classified employee barely making above minimum wage the demand is devastating.

Sac City already has a recruitment and retention problem among certificated staff. The years of fiscal mismanagement and the sustained attack on certificated educators has kept many great educators away from Sac City and caused others to flee.

Moreover, the Superintendent's effort to shift costs to employees has created unprecedented conflict with both SCTA and SEIU. And toward what end?

What does Mr. Aguilar want to do with the nearly \$20 million he is demanding in cost-shifting from employees? According to the researchers at PACE, Mr. Aguilar's primary motivation is to build up the District's reserve fund.

How does having a reserve fund that exceeds \$100 million help today's students?

In addition, as analysts have already pointed out, if California budget surpluses continue, the State's Prop 98 Rainy Day fund triggers will kick in, requiring school districts to cap their reserve funds at 10%. The SCUSD current reserve fund is 17.5% of last year's expenditures, far above that cap and almost nine times more than what is required by law.

Is it ethical to deprive today's students of much needed resources, to exacerbate a staffing crisis that already has left thousands of Sac City students without a fully credentialed teacher in the classroom and to perpetuate labor conflict in order to build a bigger reserve fund?

As we said at the last school board meeting, there is a tremendous opportunity to set a new path for our District. The recent developments regarding the budget based both on federal and state initiatives create an even greater opportunity.

Based on Governor Newsom's Budget proposal, the Second Interim budget that you are asked to approve in March will be one with a "Positive" certification. Now is the time to move our District in a new direction, one that seeks to work with, rather than against, the hard-working and dedicated certificated and classified staff, and create a true environment for Equity, Access, and Social Justice.