



SACRAMENTO CITY UNIFIED SCHOOL DISTRICT BOARD OF EDUCATION

Agenda Item# 9.2

Meeting Date : February 6, 2020

Subject : Approval of First Interim Fiscal Recovery Plan

- Information Item Only
- Approval on Consent Agenda
- Conference (for discussion only)
- Conference/First Reading (Action Anticipated: _____)
- Conference/Action
- Action

Background/Rationale

_____ : The current financial status as of the 2019-20 First Interim Financial Report projects that on-going reductions of twenty-seven million dollars (\$27,000,000) are required in order to balance the budget, satisfy the state-mandated 2% reserve and avoid the fiscal crisis (State takeover).

Financial Considerations : The total proposed budget solutions to achieve \$27,000,000.

LCAP Goal(s) : Family and Community Empowerment; Operational Excellence

Documents Attached:

1. Executive Summary

Estimated Time: 5 Minutes Submitted by : Rose Ramos, Chief Business Officer Approved by : Jorge A. Aguilar, Superintendent
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Board of Education Executive Summary

Business Services

First Interim Fiscal Recovery Plan

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I. OVERVIEW/HISTORY:

On October 3, 2019, the Sacramento City Unified School District's ("District") Board approved the 2019-20 revised adopted budget which was disapproved by the Sacramento County Office of Education (SCOE) due to the projected negative impact on the District's financial position.

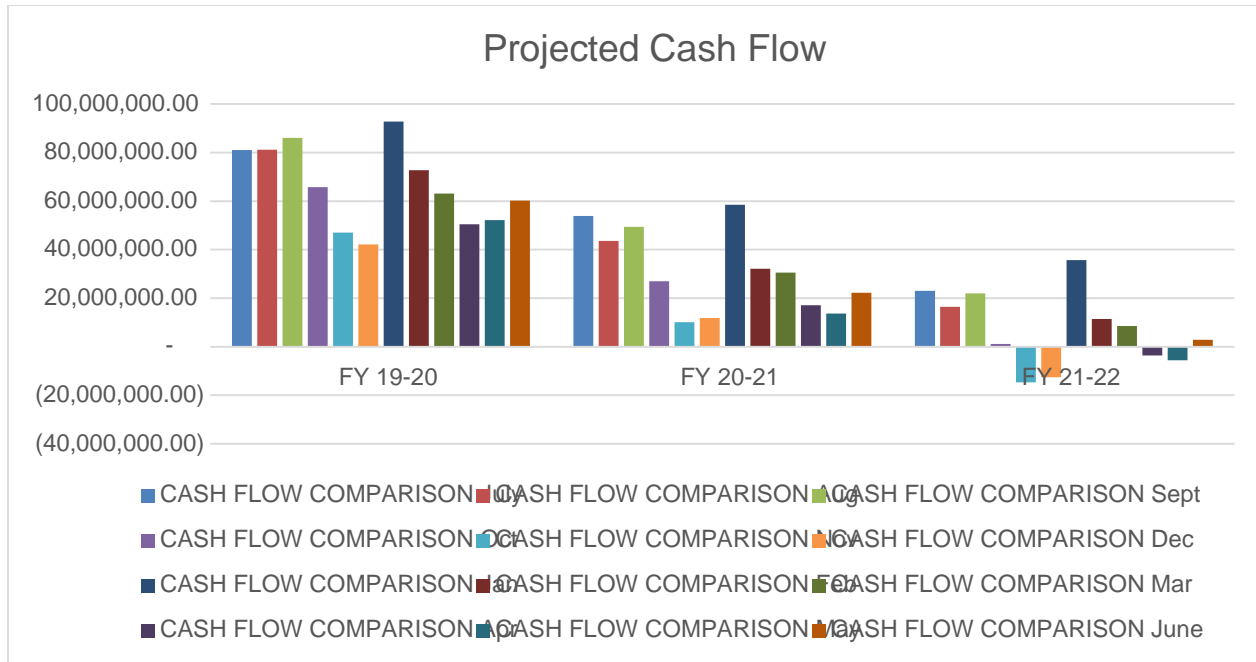
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through the future years 2020-21 and 2021-22 as of the 2019-20 First Interim Financial Report



Budget Reductions Implemented

Over the past year, the District has identified and implemented more than \$30 million in non-going non-negotiable budget reductions. Identifying further savings from non-negotiable items will be extremely limited or adversely affect student achievement. The additional non-negotiable items considered for budget reductions revealed that any possible budget savings would be inconsistent with the District's budget balancing priorities and would also result in unintended financial consequences. SCOE supported the District's conclusion that eliminating any of these programs would negatively impact students and therefore, should no longer be considered to be part of the budget balancing plan.

The District's prior reductions also included positions at the District office, administrator level and





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status of the district for the period ending October 31. All reports required shall be in a format or on forms prescribed by the Superintendent of Public Instruction.

- x Education Code section 42131 requires the Board of Education to certify, in writing, whether the district is able to meet its financial obligations for the remainder of the fiscal year and, based on current forecasts, for the subsequent two fiscal years. Certifications shall be based on the Board's assessment of the district budget. Certifications shall be classified as positive, qualified or negative. This education code section also outlines the role of the County Office of Education.
- x Education Code section 42131(3)(e) directs districts to provide additional reports to the County Office of Education as of June 1st, if a Qualified or Negative Certification is reported as of the Second Interim Report.

III. BUDGET:

The Board must take action on all necessary budget adjustments for 2019-20, 2020-21 and 2021-22, and the District must maintain its required 2% reserve for economic uncertainties. The Fiscal Recovery Plan identifies areas for potential savings to achieve a \$27 million solution.

IV. Goals, Objectives and Measures:

Follow the timeline, identify all budget cuts and savings, take action to implement such savings as required by law, District policy, and applicable bargaining agreements.

V. Major Initiatives:

Approve the Fiscal Recovery Plan presented at the February 6, 2020 Board Meeting to achieve the total proposed \$27 million budget solution.

VI. Results:

The Fiscal Recovery Plan presented at the February 6, 2020 Board Meeting identifies potential savings to achieve the \$27 million budget reduction.