



May 23, 2019

Superintendent Jorge Aguilar
Sacramento City Unified School District
5735 47th Avenue
Sacramento, CA 95824

Re: Meeting with SCUSD and State Superintendent Tony Thurmond

Dear Mr. Aguilar:

We are in receipt of your May 21, 2019 letter. On May 16, 2019, we announced that we would be postponing our strike as a gesture of good will, and as an effort to initiate a positive step forward.

Unfortunately, your letter of May 21, 2019, suggests that the District is not prepared to reciprocate; we hope that is not the case.

Honoring the Agreement:

First, your letter makes it clear that you still have no intention of honoring our agreement. Although there have been some discussions about implementing the agreed-upon salary schedule (only after being ordered to do so by an arbitrator), it still has not, in fact, been implemented. You also write: "The District's position on the remaining issue, including the switching of health benefit providers, has been expressed to SCTA through several communications." That position, if we understand it correctly, is that the District refuses to abide by the Mayor's Framework Agreement and Article 13.1.1. of the collective bargaining agreement. And it is that very issue (among others) that the California Public Employment Relations Board (PERB) recently issued a complaint, making an initial determination that the District has acted unlawfully. It is important to note here, that SEIU Local 1021, the union that represents approximately fifteen hundred classified employees, has expressed its support for our position on health plan changes and has urged you to honor the contract (See the attached Frequently Asked Questions for SEIU 1021 to SCUSD classified employees, and the SEIU 1021 Letter to you, dated April 11, 2019).

The recent 6% reduction in HealthNet rates as well as the \$5 million saved in health insurance benefits earlier this year are also addressed in Article 13.1.1 which requires the District to apply additional health plan savings to lower class sizes and improve services to students, not just savings from potential health plan savings going forward. That is to say, your assertion that no health plan savings have been achieved is inaccurate.

In addition, because of your refusal to honor the current collective bargaining agreement, we continue to believe negotiations for a successor agreement would be fruitless. Considering that

wages, benefits and staffing are perhaps the three biggest issues in any negotiations, resolving those issued before commencing negotiations on a successor agreement would be the logical process for those committed to having a positive relationship built on trust. It is noteworthy that you appear to compound your unlawful effort to evade your contractual obligation by attempting to simply skip to the next contract, as if our current contract is not in full force and effect.

To complicate matters further, the District has resorted, once again, to taking frivolous legal actions against its own teachers by filing an unfair labor practice charge with PERB regarding our alleged refusal to meet to negotiate a successor agreement. We should note that by our estimate the District wasted at least \$200,000 of taxpayer dollars that should have been spent on students instead fighting the implementation of the salary structure that you personally agreed to in November 2017. Since the District chose to address this “new issue” through another frivolous legal maneuver, we think it is prudent to delay discussion regarding a successor contract until the matter has reached its legal conclusion.

Nevertheless, we continue to express our willingness to address the implementation of our current collective bargaining agreement, including potential health plan changes, as well as to give the District the opportunity to cure the District’s more than 30 unfair labor practices and unlawful actions (see the attached list).

Fiscal Summit: With regard to a Fiscal Summit, recent developments impact that discussion. On March 29, 2019 (see attached), in an effort to avoid the April 11 strike, SCTA proposed in writing to you a meeting “with SCTA and the Fiscal Advisor appointed by the Sacramento County Office of Education (SCOE) and the CEO of the FCMAT (or his designee) to evaluate the SCTA Students First Budget Re-balancing Proposal and other SCTA ideas to fix the District budget.”

After the strike, as part of a purported new approach, you responded on April 23, 2019 with a proposal regarding a Fiscal Summit (see attached):

“To ensure that no option to fix our budget challenges has been overlooked, the District proposes a fiscal summit with SCTA based on the following term:

The District and SCTA will meet as soon as possible at the Serna Center with representatives from SCTA, the District, and District and SCTA selected fiscal experts to review the District’s budget and SCTA’s ideas for addressing the District budget deficit and exploring ideas for cost savings that are viable and have not yet been implemented by the District, including those proposed by SCTA.”

On May 10, 2019, we wrote State Superintendent Tony Thurmond asking him to convene a meeting along the outlines you proposed above. But rather than immediately agree to meet, the District appears to be avoiding such a meeting, including a strange public communication from School Board President Jessie Ryan and Board Member Lisa Murawski about the District’s participants.

Even more troubling is the refusal of both you and Board President Ryan to take any responsibility for creating a region-wide climate of panic regarding an “immediate threat of state takeover.” As we pointed out for months, the District was undercounting its enrollment/ADA numbers, a fact finally confirmed just last week when the District belatedly released its Third Interim Budget. The result—the District made a \$16 million mistake in its budget projections by undercounting 700 students in its enrollment/ADA data. Overnight, insolvency is no longer imminent.

SCTA presented our concerns about the District’s enrollment/ADA error to the Budget Committee on February 14, 2019 and various school board meetings since then (see the attached [video #1](#) & [video#2](#)). Perhaps most significantly, as we previously indicated to the District (e.g., see the attached March 30, 2019 email), approximately 170 certificated and 200 classified positions were eliminated due to the District’s faulty numbers. (See also the attached transcript of Gloria Chung’s March 24, 2019 testimony at the layoff hearing, and statement of the District’s outside counsel, March 25, 2019, from the layoff hearing regarding the use of faulty numbers.) Simply reviewing the videos of the February 21, 2019 and March 7, 2019 school board meetings demonstrate that District decision-makers relied on the faulty budget numbers to justify this unjustifiable decision. But rather than take responsibility for the mistake and address your role in fueling an unnecessary panic, you blame the “oversight” on a subordinate and continue to foment anti-teacher sentiment.

Moreover, you and the school board appear to be creating a new “crisis” by doubling the “recommended” reserve from the 2% minimum required by the state that was part of First Interim (December 2018) and Second Interim (March 2019) Budget projections (See attached). In doing so, you exaggerate an easy-to-address deficit spending of approximately \$4 million per year over three years to one that is triple in size, \$34 million, as an attempt to leverage public sentiment and your own unlawful effort to nullify our contract.

It is also noteworthy to point out that your Third Interim Budget indicates the viability of one of SCTA’s proposed budget fixes--temporarily using the overfunding of retiree health benefits to address the short-term financial stresses—a position also strongly supported by SEIU Local 1021. As stated in the Third Interim Budget notes: “Since the District is in negative certification, the District could choose to reduce this district contribution to the actual current year retiree health costs (pay as you go).” We have heard from numerous sources (including you) that the District supports the redirection of those dollars, which would result in an estimated \$8 million per year of additional resources for use in improving services to our students today. Still, the District refuses to incorporate these savings into its budget projections as it continues to mislead the public about the state of the District’s finances, part of a concerted anti-union campaign to unlawfully nullify our contract. And as Mike Fine of FCMAT explained to the school board at its meeting on December 13, 2018, “In the situation [the District] is in right now, I wouldn’t put O[ther] E[m]ployee P[ost] E[m]ployment B[enefits] at the top of your list to solve, you’ve got some far more basic issues you need to solve first.” Like honoring the contract.

In short, SCTA has stated repeatedly that we believe that we should work together to avoid insolvency. We have also stated that if, as an absolute last resort, there was no other way to avoid state takeover, we would consider re-opening our contract, including the use of health plan savings.

It turns out, however, that the District is not on the brink of insolvency. In all likelihood, it never was. That is not to say that structural changes should be avoided: an intervention program should be implemented, the district is top heavy, health plan savings can be achieved (with savings re-directed to the classroom as required by our contract) and contracts with outside vendors and service providers (including legal counsel) should be revisited. But from our perspective, that conversation begins with the District honoring its legally enforceable contract with educators thereby keeping our collective promise to our students.

We hope that you take advantage of the District's much brighter fiscal outlook and the offer of intervention from State Superintendent Thurmond as an opportunity to engage in a more constructive approach with the District's hard-working and dedicated educators. Our students deserve nothing less.

Sincerely,



David Fisher
President



Nikki Milevsky
First Vice-President



John Borsos
Executive Director

FREQUENTLY ASKED QUESTIONS



Teachers represented by SCTA have announced a 1-day Unfair Labor Practice Strike for Wednesday, May 22nd. Below is an FAQ for SEIU 1021 Sacramento City Unified School District members who may have questions about the ongoing labor dispute between SCTA and the District.

What is the dispute between the SCTA and SCUSD about?

In November 2017, SCTA (Sacramento Teachers Association) and SCUSD (Sacramento City Unified School District) reached an agreement with the help of Mayor Darrell Steinberg that, among other things, set forth goals on class size reductions and a way to pay for it with savings from the SCTA member's own health benefits.

The language of the 2017 agreement between SCTA and the District is very clear that, if health care benefit cost savings were achieved from their bargaining unit, those dollars would go back to their bargaining unit for the purpose of funding "class size and other staffing goals" and that "if the funds are not sufficient to meet the goals the parties will negotiate priorities." But that hasn't happened.

Now, SCUSD is backing away from that agreement and wants to renegotiate what it can do with the teachers' benefit dollars. In his April 23rd letter to the SCTA, Superintendent Aguilar proposed that if "plan changes are negotiated and effectuated prior to July 1, 2019 for the 2019-20 fiscal year and savings result from that change, the District and SCTA agree to meet and discuss how those savings can be used." The District's proposal was dead on arrival because it did not present a viable path forward toward ending the dispute. Subsequently, SCTA announced another one-day Unfair Labor Practice (ULP) strike to be held May 22nd.

What is SEIU Local 1021's position on the dispute?

We are here, first and foremost, to ensure that Sacramento's kids get a quality education. We believe that interest is best served by union labor, that the differences between labor and management should be negotiated in good faith, and that negotiated agreements must be followed by both sides.

Our union has urged Superintendent Aguilar to uphold and extend the agreement he reached with SCTA in 2017. That agreement was negotiated in good faith and as a matter of principle, we cannot support the employer discarding it. If an employer can do that to one group, they can do it to another and pretty quickly our agreements aren't worth the paper they're printed on.

The agreement between SCTA and the District clearly states that if any health savings are found, they go back to that unit and not back to the District as a whole. Now the District and SCTA need to come to the table and discuss the priorities of how they would like to do that and agree upon a plan.

Affirming the SCTA agreement is the only way to bring the dispute to a swift end. Then, we could all work together to identify other important savings. No worker should be facing layoff nor any student program cuts, while millions of dollars are being unnecessarily slated to pre-pay retiree health care obligations.

continued on the back of this flyer →

SEIU 1021 has had a good working relationship with the District and Superintendent; did that change?

We continue to have a respectful, collegial relationship with Superintendent Aguilar and his staff as well as Board President Ryan. Sometimes, when a respected colleague gets it wrong, you've got to tell them and that's what we've done here.

First in a small meeting prior to the teachers' strike and then in a letter that was distributed to members, we expressed to Superintendent Aguilar that he should affirm and extend the November 2017 agreement and that a refusal to do so was a recipe for a protracted conflict that would ultimately leave classified staff in the crosshairs for deep cuts as we draw closer to the budget deadlines. That result is unacceptable and he has the power to end the dispute.

SEIU 1021 has not had a very good working relationship with the SCTA; has that changed?

We've taken initial steps to open dialogue with SCTA and its leadership. Earlier this year SEIU 1021 SCUSD Chapter President Karla Faucett sent SCTA a letter inviting them to the labor consortium meetings. SCTA did not want to attend at that time, but asked for a meeting of SCTA and SEIU 1021 leaders. In April, we followed through on that request and our leadership met with SCTA's. Since that time, SCTA's Executive Director has engaged in a continuing dialogue with our Executive Director and our Chapter President Karla Faucett spoke on the program of the one-day strike. Both unions have expressed a desire to continue working to rebuild the trust and collaborative approach that once existed between the unions, but understand it's a work in progress.

If you have additional questions, please contact:

Karla Faucett, SEIU 1021 SCUSD Chapter President

karla.faucett@seiu1021.org

Mike Breverly, SEIU 1021 SCUSD Chapter Vice President

mike-breverly@scusd.edu

Ian Arnold, SEIU 1021 Field Representative

ian.arnold@seiu1021.org



Roxanne Sanchez
President

Sunny Santiago
VP Region A (North Central)

Tom Popenuck
VP Region B (North Coast)

Yeon Park
VP Region C (East Bay)

Joseph Bryant
VP Region D (San Francisco)

Marcus Williams
VP Region E
(Amador/Calaveras/San Joaquin)

Jan Schardt
Secretary

Amos Eaton
Treasurer

Theresa Rutherford
VP of Representation

Gary Jimenez
VP of Politics

Ramses Teon-Nichols
VP of Organizing

Executive Board

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John Arantes
Akbar Bibb
Derrick Boutte
Lorraine Bowser
Monique Broussard
Norlissa Cooper
Gregory Correa
Felipe Cuevas
Evelyn Curiel
Karla Faucett
Al Fernandez
Geneva Haines
Dellfinia Hardy
Dan Jameyson
Cynthia Landry
Sandra Lewis
Jessica Nila
Mercedes Riggelman
Mary Sandberg
Eric Stern
Robert Taylor
Angel Valdez
Sandra Wall
Jim Wise
Janice Wong

**Executive Board &
Budget & Finance
Committee**

Rhea Davis
Tina Diep
Mary Duncan
Peggy LaRossa
Julie Meyers
Cristin Perez

President Jessie Ryan
Superintendent Jorge A. Aguilar
5735 47th Avenue
Sacramento, CA 95824

April 11, 2019

Dear President Ryan and Superintendent Aguilar:

We are writing to express our growing concern over the District's current dispute with SCTA and what appears to be an unwillingness to affirm the existing agreement with SCTA to identify healthcare savings that will pay for critically important programs and class-size reductions.

Given the precarious state of the district's finances, we cannot understand why you would not seek to affirm *and extend* that agreement now. We understand that the District and the SCTA did not effectuate health care savings in 2018, however that is not a good reason to abandon your agreement. Now more than ever, the teachers' willingness to dedicate healthcare savings from their bargaining unit to class-size reduction and programs is critical. We call upon you to affirm and extend this agreement immediately. That act of good faith is a clear requisite for deescalating the present dispute.

We realize that tensions have risen beyond a comfortable level and there are different points of view, the mudslinging from our own district is hurting our community and our employees and distracting from the real issues. We believe that treating each other with respect and trying to listen would go a long way to resolving the dispute and re-establishing the trust we will all need to tackle the bigger challenges we must face together.

Sincerely,

Karla Faucett
Chapter President
Localwide Education Industry Chair

Mike Breverly
Chapter Vice-President

Unfair Labor Practices Engaged* in by
The Sacramento City Unified School District
April 2, 2019

1. The District is refusing to honor the contract by failing to implement class size reductions and other improvements in services to students with savings from mutually-agreed upon health plan savings.
2. The District has unlawfully noticed more than 150 certificated teachers for layoff without justification and through decisions made in violation of the Brown Act.
3. The District backtracked on the contract to implement the mutually-agreed upon salary structure and even sued teachers to prevent them arbitrating as required by the contract.
4. The District has refused to negotiate the implementation of a multi-tiered system of support (MTSS) that would provide much needed interventions for students, particularly those with special needs.
5. The District has refused to negotiate the implementation of improvement to Special Education set forth in the Council of Great City Schools audit and citations from the California Department of Education.
6. The District has refused to negotiate the implementation of an expanded arts program.
7. The District has refused to negotiate the implementation of an elementary sports program.
8. The District has refused to negotiate the implementation of a restorative practices program.
9. The District has refused to negotiate the implementation of the Low Performing Student Block Grant.
10. The District has unlawfully, unilaterally and discriminatorily implemented a spending freeze policy for teachers and students.
11. The District has subcontracted out the services of school nurses, language speech and hearing specialists, and psychologists.
12. The District has refused to negotiate making Career and Technical Education (CTE) permanent as set forth in the collective bargaining agreement.
13. The District is dismantling its Child Development program without bargaining, and is subcontracting Child Development services.
14. The District has unlawfully and unilaterally changed its tutoring rate of pay.
15. Certain administrators have discriminated against SCTA worksite leaders engaged in protected concerted activity.

16. The District has engaged in direct dealing regarding changes to Child Development.
17. The District has refused to negotiate in good faith changes to wages and working conditions as a result of the implementation of its Continuous Improvement program.
18. The District has unlawfully and unilaterally changed the union leave provisions set forth in the contract.
19. The District has unlawfully refused to meet with committees representing teachers of their own choosing.
20. The District has refused to bargain in good faith by not including members of the District's team who have the authority to make decisions on behalf of the District.
21. The District has refused to sign grievance settlements when the resolution of those grievances are reduced to writing.
22. The District has unlawfully and unilaterally changed the Tax-Sheltered Annuity provider of represented employees.
23. The District has refused to discuss or implement a memorandum of understanding reached between the staff and administration regarding the implementation of an advisory period at Sam Brannan Middle School.
24. The District has non-re-elected a staff member because of her personal grief and for discriminatory reasons.
25. The District has failed to deduct dues properly and refuses to correct systemic issues.
26. The District has allowed a third-party vendor to charge a service fee to substitute teachers for an app to secure teaching assignments.
27. The District has unlawfully and unilaterally changed the wages and working conditions of substitute teaching staff in response to a potential work stoppage.
28. The District has colluded with other bargaining units in an effort to force concessions on health care in the parties' current collective bargaining agreement, including publicity stunts.
29. The District has repeatedly and systematically refused to provide information to the Association that is necessary and relevant for representation of certificated staff.
30. The District unlawfully discriminated against educators engaged in protected concerted activity by blocking them from posting and responding on the District social media outlets.

*This list is not necessarily exhaustive.



March 29, 2019

Superintendent Jorge Aguilar
Sacramento City Unified School District
5735 47th Avenue
Sacramento CA 95824

Re: SCUSD Obligation to Use Health Plan Savings to Improve Student Services and Agreement to Meet and Confer Regarding SCTA Students First Budget Re-balancing Proposal

Dear Mr. Aguilar:

As a follow-up to yesterday's unsuccessful mediation session, SCTA proposes the attached "Interim Agreement" as an initial step toward remedying the massive unfair labor practices and unlawful action the District has and continues to undertake.

District Honors Signed, Written Agreement on Health Plan Savings Going to Improve Student Services: In short, our proposed "Interim Agreement" simply ensures that the District meets its obligation to abide by the current collective bargaining agreement including honoring the parties' agreement to use any savings from health plans **to lower class sizes and improve services to students** including additional school nurses, counselor, psychologists and other professional support staff. The health savings language and the staffing goals are contained Mayor Steinberg's Framework Agreement which you personally signed on behalf of the District on November 5, 2017.

District Agrees to Work With SCTA to Avoid Fiscal Insolvency: Our proposal also includes a request to meet with the District, the Fiscal Advisor appointed by the Sacramento County Office of Education, and CEO of the Fiscal Crisis Management Assistance Team to evaluate and discuss the implementation of SCTA's Student First Re-balancing Budget Proposal.

Our proposed "Interim Agreement" also includes two other significant provisions.

1. **SCTA Commitment to Work to Avoid State Takeover:** If, after meeting with the District, Fiscal Advisor, and FCMAT, we are convinced that District's fiscal status and our budget solutions are such that insolvency is unavoidable and there are no other viable alternatives, then the Association would consider re-opening our contract to discuss possibilities to avoid state takeover.

2. **SCTA Agreement Not To Strike Provided District Ends Unlawful Conduct:** SCTA agrees not to strike for the duration of the proposed "Interim Agreement," provided that discussions commence within five (5) days of this agreement, remain productive, and the District does not engage in additional unlawful behavior. SCTA is also willing to continue to work with state mediator Joseph Rios during these discussions.

As you know, educators in Sac City Unified have voted overwhelmingly to strike to protest the massive unfair labor practices committed by you and your administration. The feelings of betrayal among educators as a result of your refusal to honor agreements that you personally signed and the District's repeated, massive unfair labor practices and unlawful actions. Nevertheless, in the interests of students, parents and educators throughout the District, we are willing to take additional steps to avoid a work stoppage and ultimately a state takeover.

Finally, we have a meeting with our representative council and bargaining team scheduled for Tuesday, April 2, 2019 at 4 p.m. where we will be sharing any response that you provide as we determine next steps to ensure that District honors our contract and obeys the law.

Sincerely,



David Fisher
President



Nikki Milevsky
First Vice-President



John Borsos
Executive Director

Interim Agreement
By & Between
The Sacramento City Teachers Association (SCTA)
&
The Sacramento City Unified School District (SCUSD)

In order to avoid a potential work stoppage regarding SCTA's allegations that the District has committed numerous and substantial unfair labor practices, the parties agree to the following interim agreement:

1. **SCUSD Expressed Agreement to Honor Agreement to Use Health Plan Savings to Improve Services to Students:** The District declares its unequivocal obligation to abide by the parties' existing collective bargaining agreement on health plan savings specifically the Mayor's Framework Agreement and Article 13.1.1 that ensures the any savings from health plans will be applied to the bargaining unit and used to achieve the goals set forth in the Mayor's Framework agreement. Those goals set forth include reductions in class sizes and the addition of school nurses, psychologists and other support staff consistent with agreed-upon SCTA-SCUSD staffing goals. If the funds are not sufficient to meet the goals, the parties will negotiate priorities as to the order in which goals will be addressed. The parties further need to discuss the amount of health plan savings that may have already been saved, 2018 by virtue of their joint work with CECHR. If it is determined that health plan savings have been achieved through our joint work with CECHR, those funds will also be applied to the staffing goals (or any other mutually agreed upon alternative) as set forth in the Mayor's Framework Agreement.
2. **Meet and Confer Over SCTA's Students First Budget Re-balancing Proposal to Avoid Fiscal Insolvency:** The District will begin meeting no later than five (5) working days after the signing of this interim agreement with SCTA and the Fiscal Advisor appointed by the Sacramento County Office of Education (SCOE) and the CEO of FCMAT (or his designee) to evaluate the SCTA Students First Budget Re-balancing Proposal and other SCTA ideas to fix the District budget.
3. **Alternatives to Fiscal Insolvency:** The parties agree that every reasonable effort should be made to avoid the District devolving into fiscal insolvency and that a state takeover is not in the long-term interests of students, parents and educators. If, as result of the meet and confer set forth in #2 above, it has been proven beyond SCTA's doubt that there is no viable alternative to a state takeover, the SCTA will consider reopening its contract as a last resort to avoid state takeover.
4. **Remedies to Other Outstanding Unfair Labor Practice Allegations:** The parties agree to continue to negotiate over the cure and remedy to the numerous unfair labor practices alleged to have been committed by the District. The parties agree to use the services of state mediator Joe Rios to facilitate the continued discussions.
5. **No Strike For the Duration of this Agreement:** SCTA agrees that while good faith discussions are occurring during the term of this agreement to cure and remedy those alleged unfair labor practices that have occurred, the SCTA will agree not to strike. This section is waived, however, if the District engages in a new unlawful act.

6. **Duration of Agreement:** This agreement commences with the signatures of both parties and expires on April 30, 2019, unless extended in writing by mutual agreement of the parties.

For SCTA:

Date

For SCUSD:

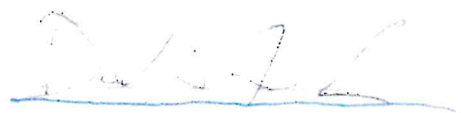
Date

This agreement is
subject to the approval
of the city school board
and the SOTA bargaining team.

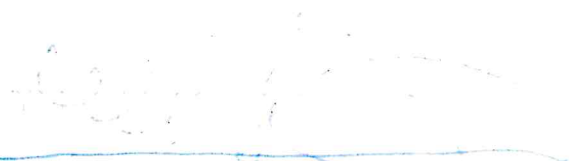
11/5/17



Jorge Aguilar
Superintendent



David
Fisher
President
SOTA



Darrell Stenberg
Mayor

expansion of the Committee to include other labor partners, leading community based organization leaders, and other community representatives. The Committee's ~~with~~ recommendations are advisory to the School Board.

④ ~~The Union~~ Other Committees

The subject of other committees as proposed by the Union will be addressed by applicable law.

⑤ The Class Size and other staffing goals

The parties agree to the following non-binding goals for

U.S. 2A
27

(4)

class size and other statutory
ratios.

A)

Class size maximums

(1) Elementary
primary (K-6) 24-1

(2) 7th & 8th grade 24-1

(3) 9, 10, 11th grade For English, math,
social science, and science
28-1, for
all other subjects
35-1

B)

Special Day class

Elementary 12-

SVC middle to senior elementary 8-

SVC secondary 12-

(C) School Nurse

1 per 750 Students

(D) Librarians

1 for every secondary school
except opportunity schools.

(E) Program Specialists

1 per 500 Students

(F) Psychologists

1 per 1,000 students
with no more than 2 schools
per psychologist

(G) Behavioral Specialist

No more than 5 schools
per specialist

D2

The partners agree that the application of the savings as set forth in the partnership

tentative article 13 agreement will determine the available funds to achieve the agreed upon goals. If the funds are not sufficient to meet the goals, the partners will negotiate priorities.

(6)

CTE

The partners, with the hope to ~~move the partnership~~ agree to negotiate for more funds for the CTE program.

ARTICLE 13 - EMPLOYEE BENEFITS

13.1 Health Insurance

13.1.1 The District and SCTA agree to negotiate in good faith on or before July 1, 2018, potential changes to the health plan consistent with this section. The Board shall provide all eligible employees with a choice of the Kaiser Plan and a mutually agreed upon alternative plan(s), which is currently HealthNet Health-Net-EW. Summary plan descriptions of the health plans will be included in Appendix X. The level of benefits of the plan (e.g. out of pocket maximums, co-payments, services covered, network scope, etc.), when evaluated in the aggregate, may not be reduced, and the providers may only be changed through mutual agreement of the parties. The parties agree that any savings that result from making changes to health plans or in the reduction of health plan costs will be applied to the certificated bargaining unit. The parties will negotiate how to apply to the bargaining unit any such savings achieved by the District. Savings shall be defined as any total amount per plan that is lower on an actual cost basis. The annual anniversary date for health plan changes will be July 1st.

~~a. The Health-Net-T2 program shall be eliminated as an offering effective November 1, 2003. The members in the T2 program shall transfer to the EW program effective November 1, 2003, per the switching program. The District and SCTA shall work cooperatively to ensure a smooth transition for the affected members.~~

~~All active and retired members in the Health-Net-T2 health plan shall be transferred to Health Net "EW" plan per Health-Net "switching" program. The parties shall work cooperatively to ensure a smooth transition for the affected members.~~

13.1.1.1 The Board shall fully pay the cost of the above health insurance plans for eligible employees, and will pay one-hundred percent (100%) of the premium cost for those dependents, including domestic partners and spouses, covered by the plans. In the event that a unit member has a spouse or domestic partner who is also employed by the District, the District shall pay only for one plan to cover the unit member and his/her spouse/domestic partner, provided that the benefits for any individual teacher are not reduced.

13.1.1.2 ~~Teachers selecting single coverage shall receive a monthly cash refund (subject to taxes) effective 07/01/02 as follows:~~

~~2004-05 * 2005-06 *~~
~~Kaiser Singles \$65.51~~
~~Health-Net-EW \$45.07 / \$52.49~~
~~Health-Net-T2~~

~~* Rates shown MONTHLY (12thly)~~

~~These amounts shall be adjusted in future years by the amount of the negotiated salary increase. The single coverage refund shall be increased 1.75% effective July 1, 2004.~~

~~The parties agree that the single stipend for the members enrolled in EW shall be maintained at the \$52.49 rate, provided that the District determines that the appropriate~~



OFFICE OF THE SUPERINTENDENT

5735 47th Avenue • Sacramento, CA 95824

(916) 643-9000 • FAX (916) 399-2058

Jorge A. Aguilar, Superintendent

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Leticia Garcia
Trustee Area 2

Christina Pritchett
Trustee Area 3

Mai Vang
Trustee Area 5

Rachel Halbo
Student Board Member

April 23, 2019

Sent via email to dfisher@saccityta.com

David Fisher, President
Sacramento City Teachers Association (SCTA)
5300 Elvas Avenue
Sacramento, CA 95819

RE: Interim Agreement Proposal

Dear Mr. Fisher:

As I indicated in my letter sent to you yesterday, the fiscal crisis we are facing calls for us to work together to resolve our differences. It is crucial that the District and SCTA leadership come together and find a resolution because the consequences of a state takeover would be devastating to our students, staff, families and community. Because our past two mediation sessions have not led to progress in resolving our differences, we would like to articulate in writing a proposal for SCTA's consideration. We believe this new approach can provide a path forward to begin resolving our differences.

Our attached proposal to SCTA includes three elements:

- 1) A fiscal summit to provide a forum for the District to share budget information with SCTA and respond to any questions that SCTA leaders pose;
- 2) A proposal to resolve our differences on health benefits; and
- 3) A commitment to identify and work toward resolution of alleged SCTA and District unlawful practices.

Again, it is my sincerest hope that in providing these documents we can move discussions forward in order to do the hard work that is necessary to save our schools from state takeover.

I would like to once again request that we meet and have a personal conversation to discuss how we as leaders of each of our respective organizations – you as SCTA president and me as superintendent, rebuild trust with one another. I understand that before agreeing to meet you want affirmation of a “willingness to abide by the contract” and “willingness to abide by California labor law”. As I stated previously, we believe that we have abided by the contract and California law just as much as you believe that we have not – we simply have different interpretations of the contract language at issue. I am simply asking for a one-on-one meeting to help break the gridlock and allow us to move forward and do the critical work our students need.

Please let me whether you agree with the attached proposal as well as your availability to meet as leaders of our respective organizations to discuss how we can put our differences aside in the interest of our students.

Sincerely,

Jorge A. Aguilar
Superintendent

APRIL 23, 2019 INTERIM AGREEMENT PROPOSAL
Sacramento City Unified School District to Sacramento City Teachers Association

Below is the District's proposed Interim Agreement to the Sacramento City Teachers Association (SCTA) made in an attempt to resolve our differences. The term of this Interim Agreement is from April 23, 2019 through June 30, 2019. This proposed Interim Agreement was developed with the following principle in mind: *the District and SCTA must work together to ensure the fiscal solvency of the District and that our students are afforded every educational opportunity possible.*

Fiscal Summit

To ensure that no option to fix our budget challenges has been overlooked, the District proposes a fiscal summit with SCTA based on the following term:

The District and SCTA will meet as soon as possible at the Serna Center with representatives from SCTA, the District, and District and SCTA selected fiscal experts to review the District's budget and SCTA's ideas for addressing the District budget issues with a goal of reaching general consensus on the state of the District's budget deficit and exploring ideas for cost savings that are viable and have not yet been implemented by the District, including those proposed by SCTA.

Health and Welfare Benefits

The District and SCTA previously agreed to the following term in December 2017 related to health and welfare benefits:

The District and SCTA agree to negotiate in good faith to effectuate on or before July 1, 2018 changes to the health plan consistent with this section.... The parties agree that any savings that result from making changes to the health plans or in the reduction of health plan costs will be applied to the certificated bargaining unit. The parties will negotiate how to apply to the bargaining unit any such savings achieved by the District.

The District and SCTA did not effectuate changes to health plans for 2018-2019. In an effort to resolve an area of disagreement between the District and SCTA, the following is proposed:

The District and SCTA will meet as soon as possible with the California Education Coalition for Health Care Reform (CECHCR) representatives to review options for health plan changes. If plan changes are negotiated and effectuated prior to July 1, 2019 for the 2019-20 fiscal year and savings result from that change the District and SCTA agree to meet to discuss how those savings can be used.

Unfair Practices

The District and SCTA agree to submit to one another a list of the unfair practices alleged to have been committed by both the District and SCTA by April 30, 2019 so that each party can consider the status and possible resolution of each alleged unfair practice.

Borsos, John

From: Borsos, John
Sent: Saturday, March 30, 2019 10:39 AM
To: Cancy-McArn@scusd.edu; JAguilar@scusd.edu
Cc: Raoul-Bozio@scusd.edu; Fisher, David; nmilevsky@saccityta.com; Curtis, Beth [GLS]
Subject: One stop staffing information

Cancy and Mr. Aguilar:

For weeks we have been trying to get the information related to one stop staffing and the district's absurd assertion that "staffing to the contract" justifies a reduction of approximately 163.5 FTEs of scta represented positions.

Based on your refusal to provide this information we believe the offered justification is a complete fabrication.

From its first interim budget (December 2018) to its second interim budget (March 2019) for example the district projects an INCREASE in its ADA for 2019-20.

We reiterate our request from one stop staffing any other source that supports the district justification for the staffing reduction.

We further request the specific work site and grade level or assignment from which each and every proposed cut will occur.

We also want to see that the district is taking every effort to avoid split classes as required by the contract.

Since this is information that we have previously requested and since the one stop process was supposed to have been completed by February 1st, please provide the information by the close of business Wednesday, April 3.

Finally because we believe that justification is a fabrication and because the decision to approve the layoffs was primarily made in closed session in violation of state law, we demand that the layoffs be rescinded.

1 A. So that was -- that is the teacher FTE after
2 one-stop. That's particular school, school by
3 school.

4 Q. And when you say "at the end of one-stop,"
5 I'm assuming -- did the District actually make any
6 enrollment -- did it make any immediate staffing
7 change right after the one-stop meeting?

8 MS. FLOWERS: I'm going to object. Lacks
9 foundation.

10 ALJ ROWAN: My confusion is, when you say --
11 asking her what the District did, are you -- I'm
12 confused about for whom she's speaking. If you're
13 talking about what the budget office is recommending,
14 that seems different.

15 MS. CURTIS: And, Your Honor, I am happy to
16 rephrase the question.

17 BY MS. CURTIS:

18 Q. Is this total teacher FTE the FTE that the
19 budget office was recommending for the '19/'20 school
20 year following the one-stop process?

21 A. Yes.

22 Q. Okay. Thank you.

23 So the "difference" column, is that
24 representing the difference between the December 20th
25 FTE and the FTE that the budget office was

1 the district are dependent charter schools?

2 A. About six.

3 Q. And are the other charter schools within the
4 district independent?

5 A. Yes.

6 Q. And when you calculate the District's
7 enrollment, do you know whether these DecisionInsite
8 numbers included the dependent charter schools, the
9 six that you described?

10 A. They included some of them.

11 Q. And was there a reason, if you know, that
12 this report includes only some of them?

13 A. I do not know the exact reason.

14 Q. Do you know which dependent charter schools
15 of the six you just said were not included in this
16 report?

17 A. I do not remember off the top of my head. I
18 have to look.

19 Q. Do you know if New Tech High is a dependent
20 charter school?

21 A. They are.

22 Q. And do you know if New Tech High is included
23 in this report?

24 A. May I look?

25 Q. Yes, absolutely.

1 recommending for the '19/'20 school year?

2 A. Yes. This is for the general fund.

3 Q. Okay. Thank you.

4 And was it your testimony that you, in
5 creating this document, used the DecisionInsite
6 enrollment estimates?

7 A. Yes.

8 Q. And if I could ask you to turn to those
9 DecisionInsite enrollment estimates. I believe those
10 are the District's Exhibit 12.

11 And do you know whether these enrollment
12 estimates included all schools in the district?

13 A. It included the charters as well.

14 MS. FLOWERS: So I'm going to object on
15 clarifying point dependent/independent charter.

16 MS. CURTIS: I'm happy to ask some questions
17 clarifying that, Your Honor.

18 ALJ ROWAN: That would be good.

19 BY MS. CURTIS:

20 Q. Are you aware of which charter schools
21 within the district are considered dependent charter
22 schools?

23 A. Yes.

24 Q. And without giving me the names,
25 approximately how many of the charter schools within

1 A. No, they're not included.

2 Q. Okay. And do you know if Capital City
3 Independent Study is a dependent charter school?

4 A. No. They're independent study.

5 Q. Was that enrollment included in this report?

6 A. No, it was not.

7 Q. And I understand you're not -- I'm just
8 asking if you know.

9 Do you know why Capital City Independent
10 Study would not have been included in the report?

11 A. Because independent study schools -- my
12 understanding is independent study schools, they
13 fluctuate. There are a lot of fluctuations. It's
14 hard to project a trend, is my understanding.

15 Q. Are you aware of whether the John Morris
16 site is included in this report?

17 A. I do not believe they are.

18 Q. And do you have any knowledge as to whether
19 the John Morris site was not included in the report?

20 A. John Morris is special education; so I don't
21 believe.

22 ALJ ROWAN: What was that answer? Is it
23 included, or is it not?

24 MS. CURTIS: I believe the answer is it is
25 not included and it's a special education only site.

<p style="text-align: right;">Page 238</p> <p>1 THE WITNESS: Correct.</p> <p>2 BY MS. CURTIS:</p> <p>3 Q. Are special education students that are from</p> <p>4 the other sites included in --</p> <p>5 (Record interruption.)</p> <p>6 ALJ ROWAN: What is happening?</p> <p>7 MS. NGUYEN: They're trying to get the</p> <p>8 battery, and they accidentally turned the mic on.</p> <p>9 ALJ ROWAN: Thank you.</p> <p>10 I lost my place. So we were talking about</p> <p>11 John Morris and then the special ed?</p> <p>12 MS. CURTIS: Yes, Your Honor. I believe the</p> <p>13 witness -- and I'll ask a question to clarify.</p> <p>14 BY MS. CURTIS:</p> <p>15 Q. Had you just testified that John Morris is a</p> <p>16 special education only school?</p> <p>17 A. Yes.</p> <p>18 Q. And do you have any knowledge as to why that</p> <p>19 would make it a school that was not included in this</p> <p>20 enrollment report?</p> <p>21 A. I do not.</p> <p>22 Q. Do you know if the accelerated academy is</p> <p>23 included in this report?</p> <p>24 A. No, it is not.</p> <p>25 Q. And do you know why that site is not</p>	<p style="text-align: right;">Page 240</p> <p>1 report?</p> <p>2 A. Not that I recall.</p> <p>3 ALJ ROWAN: Can I just follow up real</p> <p>4 quickly and interrupt you?</p> <p>5 MS. CURTIS: Yes, Your Honor.</p> <p>6 ALJ ROWAN: Regarding a school that is only</p> <p>7 special education, is that an ADA school?</p> <p>8 THE WITNESS: Charter and ADA, Your Honor.</p> <p>9 ALJ ROWAN: And is it a general fund school?</p> <p>10 It sounded like -- it sounded like independent</p> <p>11 charter --</p> <p>12 THE WITNESS: Sorry. Sorry, Your Honor.</p> <p>13 They are funded out of our special education funds.</p> <p>14 ALJ ROWAN: So it's not necessarily a</p> <p>15 general fund school, but they do get ADA funds?</p> <p>16 THE WITNESS: Yes.</p> <p>17 ALJ ROWAN: Thank you.</p> <p>18 MS. CURTIS: And perhaps it might help as</p> <p>19 well for me to ask a few more clarifying questions</p> <p>20 about dependent versus independent charters.</p> <p>21 BY MS. CURTIS:</p> <p>22 Q. For a dependent charter school, does the</p> <p>23 District receive the ADA funds for the students</p> <p>24 attending that school?</p> <p>25 A. No. The charter does.</p>
<p style="text-align: right;">Page 239</p> <p>1 included in this report?</p> <p>2 A. They do not have a CVS code.</p> <p>3 Q. When you say "CVS code," can you -- I'm not</p> <p>4 sure what that acronym means. Can you say that for</p> <p>5 me?</p> <p>6 A. I don't -- I can't remember the exact --</p> <p>7 what it stands for, but each school applies for an</p> <p>8 identifying number.</p> <p>9 Q. Is that a number with the California</p> <p>10 Department of Education?</p> <p>11 A. Yes.</p> <p>12 Q. And what does that number signify? Or what</p> <p>13 would not having a CVS code signify, in your mind?</p> <p>14 A. In my mind, it's a program.</p> <p>15 Q. So are those -- does the District receive</p> <p>16 ADA for those students?</p> <p>17 A. Yes.</p> <p>18 Q. So the District receives funds for the</p> <p>19 average daily attendance of those students?</p> <p>20 A. Yes.</p> <p>21 Q. Are there any other -- we've listed four</p> <p>22 schools: New Tech High, Cap City, John Morris, and</p> <p>23 The Accelerated Academy.</p> <p>24 Are you aware of any other schools that are</p> <p>25 not included in this DecisionInsite enrollment</p>	<p style="text-align: right;">Page 241</p> <p>1 Q. So let's --</p> <p>2 ALJ ROWAN: Ms. Curtis, I'm sorry.</p> <p>3 Independent or dependent?</p> <p>4 MS. CURTIS: Dependent.</p> <p>5 ALJ ROWAN: Dependent, the charter itself</p> <p>6 receives the ADA funds?</p> <p>7 THE WITNESS: Yes, Your Honor.</p> <p>8 BY MS. CURTIS:</p> <p>9 Q. So in the District's second interim budget</p> <p>10 report, does the District have a special category or</p> <p>11 a separate budget for ADA funds coming in from its</p> <p>12 dependent charter schools?</p> <p>13 A. Can you say that again, please?</p> <p>14 Q. Yes. So I understand the District has a</p> <p>15 general fund; is that correct?</p> <p>16 A. Correct.</p> <p>17 Q. Does the District have a separate fund for</p> <p>18 revenues coming in from attendance at the six</p> <p>19 dependent charter schools?</p> <p>20 A. Yes.</p> <p>21 Q. And is that revenue to the tune of</p> <p>22 approximately \$16 million?</p> <p>23 A. I do not know off the top of my head.</p> <p>24 Q. All right. So would the second interim</p> <p>25 budget report reflect the revenue that's coming in</p>

<p style="text-align: right;">Page 242</p> <p>1 for those six dependent charter schools?</p> <p>2 A. Yes, in the charter fund.</p> <p>3 Q. Okay. And I understand that you're budget,</p> <p>4 not human resources, but if you know, does the</p> <p>5 District include the expenses for the teachers of</p> <p>6 those six dependent charter schools in its</p> <p>7 certificated salaries?</p> <p>8 A. Can you say that again, please?</p> <p>9 Q. Yes. Actually, this might help if I asked</p> <p>10 you to look at an exhibit. If you can turn to</p> <p>11 Exhibit RR in Respondents' binders.</p> <p>12 Do you know if -- do you know if the board</p> <p>13 approved the second interim financial report at its</p> <p>14 March 7th board meeting?</p> <p>15 A. Yes.</p> <p>16 Q. And did you create that report?</p> <p>17 A. Yes.</p> <p>18 Q. And so if I could ask you to turn to the</p> <p>19 third page of the exhibit, Bates-stamped 00410.</p> <p>20 A. Okay.</p> <p>21 Q. Is that a page that you created?</p> <p>22 A. Yes.</p> <p>23 Q. And is that page part of the second interim</p> <p>24 budget report?</p> <p>25 A. Yes.</p>	<p style="text-align: right;">Page 244</p> <p>1 A. It is approximately 94.5 percent.</p> <p>2 Q. Okay. So if you multiply the enrollment by</p> <p>3 94.5 percent, that should be, most of the time, the</p> <p>4 district's average daily attendance; is that correct?</p> <p>5 MS. FLOWERS: I'm just going to object to</p> <p>6 the line of questioning. I'm not sure -- we're</p> <p>7 getting very in the weeds on financials and that sort</p> <p>8 of thing. There's no testimony presented the second</p> <p>9 interim was considered as a basis for the PKS; so I</p> <p>10 just don't -- you know, I just think we're going very</p> <p>11 far afield.</p> <p>12 ALJ ROWAN: Yeah, I'm curious. I mean, it</p> <p>13 seems like with an ADA reduction that would be</p> <p>14 different.</p> <p>15 MS. CURTIS: Your Honor, so the PKS is</p> <p>16 actually referenced in the second interim. There's a</p> <p>17 specific staffing number for '19/'20 that's</p> <p>18 referenced in the second interim; so I wanted to lay</p> <p>19 a foundation. The District has put out budget and</p> <p>20 enrollment as reasons for the layoff. I don't want</p> <p>21 to spend a lot of time on the budget, but I do simply</p> <p>22 want to get to the PKS and enrollment numbers, and I</p> <p>23 want to establish this witness's familiarity with and</p> <p>24 creation of this document.</p> <p>25 ALJ ROWAN: Okay. I think it might be a</p>
<p style="text-align: right;">Page 243</p> <p>1 Q. And in the middle of the page, when it says</p> <p>2 LCFF entitlement factors and there's 2017/2018 base</p> <p>3 grants and there's a number under K-3, 4-6, 7-8,</p> <p>4 9-12, are those LCFF funds that the District receives</p> <p>5 for a student?</p> <p>6 A. Yes.</p> <p>7 Q. And then you said there are also</p> <p>8 supplemental grants, and there's percentages below</p> <p>9 the additional percentages that the District receives</p> <p>10 for those students?</p> <p>11 A. For qualifying students.</p> <p>12 Q. Okay. And so the 2018/2019 adjusted base</p> <p>13 grants, there's numbers: 8235, 7571, 7796, 9269.</p> <p>14 Again, are those funds that the District</p> <p>15 receives per student?</p> <p>16 A. Per ADA.</p> <p>17 Q. So when we say "ADA," are you referring to</p> <p>18 average daily attendance?</p> <p>19 A. Yes.</p> <p>20 Q. And is there a standard a ratio? So I</p> <p>21 understand some students are sick more than others,</p> <p>22 but is there a standard ratio of average daily</p> <p>23 attendance to enrollment?</p> <p>24 A. For our district?</p> <p>25 Q. Yes.</p>	<p style="text-align: right;">Page 245</p> <p>1 good time to break, and we'll start in the morning</p> <p>2 with a few budget questions. Sound good? I do want</p> <p>3 to limit it.</p> <p>4 MS. CURTIS: That's fine.</p> <p>5 ALJ ROWAN: Let's go off the record.</p> <p>6 (Off the record at 5:00 p.m.)</p> <p>7</p> <p>8</p> <p>9</p> <p>10</p> <p>11</p> <p>12</p> <p>13</p> <p>14</p> <p>15</p> <p>16</p> <p>17</p> <p>18</p> <p>19</p> <p>20</p> <p>21</p> <p>22</p> <p>23</p> <p>24</p> <p>25</p>

MS Flowers is SCUSD Legal Council from Lozano Smith
ALJ = Admin. LAW Judge Rowan
MS. Curtis is SCTA Legal Council

Reduction in Force of: Certain Certificated Employees
Vol 2 Hearing, 04/25/2019

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1 issue in this layoff.
2 ALJ ROWAN: Is that the same nonreelection
3 document that we talked about yesterday that's already in
4 the exhibits?
5 MS. FLOWERS: Correct, a redacted version. I
6 think that's one of respondent's exhibits.
7 ALJ ROWAN: Is there any other list that was
8 attached to these?
9 MS. CURTIS: As long as we agree -- if the list
10 for the temporary certificated employees is also the same
11 one we talked about with the roughly 300 long-term subs
12 and the 10 temporary employees, then I don't object. I
13 just want to make sure that it is the same.
14 MS. FLOWERS: It is.
15 MS. CURTIS: Okay. Then I don't object.
16 ALJ ROWAN: Which exhibit was that? Was that
17 one of yours?
18 MS. CURTIS: I believe so.
19 ALJ ROWAN: Okay.
20 MS. CURTIS: I believe that was Exhibit X.
21 ALJ ROWAN: And what was the redacted
22 nonreelection list?
23 MS. CURTIS: Exhibit Z was the nonreelection
24 list, and at least in my binder, I still have the
25 redacted version.

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1 ALJ ROWAN: Z as in zebra?
2 MS. CURTIS: Yes.
3 ALJ ROWAN: Okay. So do you have objections to
4 five now that we've clarified that?
5 MS. CURTIS: No. Thank you.
6 ALJ ROWAN: Exhibit 5 is admitted.
7 (District Exhibit 5 was admitted into
8 evidence.)
9 MS. FLOWERS: Exhibit 6, Resolution No. 3058.
10 ALJ ROWAN: Any objections?
11 MS. CURTIS: No objection.
12 ALJ ROWAN: Six is admitted.
13 (District Exhibit 6 was admitted into
14 evidence.)
15 MS. FLOWERS: Exhibit 7, Resolution No. 3063.
16 MS. CURTIS: No objection.
17 ALJ ROWAN: Seven is admitted.
18 (District Exhibit 7 was admitted into
19 evidence.)
20 MS. FLOWERS: Exhibit 8, Resolution No. 3064.
21 MS. CURTIS: No objection.
22 ALJ ROWAN: Eight is admitted.
23 (District Exhibit 8 was admitted into
24 evidence.)
25 MS. FLOWERS: Exhibit 9, March 21st fiscal

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1 recovery plan recommendation.
2 MS. CURTIS: Is this a complete -- okay. No, I
3 don't object to this Exhibit 9.
4 ALJ ROWAN: Exhibit 9 is admitted.
5 (District Exhibit 9 was admitted into
6 evidence.)
7 MS. FLOWERS: And I don't recall if we've had
8 testimony on 10 yet but we will be discussing it.
9 I believe you have a similar document, although
10 ours may have a few more people on it.
11 MS. CURTIS: Yeah, I don't object to 10.
12 ALJ ROWAN: Is this the retirement notices that
13 have already been received?
14 MS. FLOWERS: Correct, as of 3/14/19.
15 ALJ ROWAN: Okay. If we didn't have testimony
16 on it, I think that it was referred to.
17 I don't mind entering it now if there's no
18 objection.
19 Ten is admitted.
20 (District Exhibit 10 was admitted into
21 evidence.)
22 MS. FLOWERS: Exhibit 11, the 1920 staffing
23 allocation.
24 MS. CURTIS: No objection.
25 ALJ ROWAN: Exhibit 11 is admitted.

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1 (District Exhibit 11 was admitted into
2 evidence.)
3 MS. FLOWERS: Exhibit 12, DecisionInsite
4 enrollment projections.
5 ALJ ROWAN: 12?
6 MS. CURTIS: I object to this to the extent
7 there's been no foundation laid by anyone who produced
8 this.
9 I understand people testified -- we have one
10 witness from the business department testify this is what
11 she used.
12 ALJ ROWAN: I'm curious about this document,
13 too. I mean we have it -- it's labeled DecisionInsite.
14 Do you have a response to the objection?
15 MS. FLOWERS: Well, the district hires
16 DecisionInsite to prepare this document and they receive
17 this document from DecisionInsite. I believe Ms. Chung
18 testified to that.
19 It's also mentioned in the second interim
20 report, I believe.
21 ALJ ROWAN: Yeah. Is there any reason that I
22 wouldn't accept it as administrative hearsay?
23 MS. FLOWERS: I mean frankly as to the basis for
24 the PKS, I don't think the DecisionInsite data is
25 dispositive on anything. It was just the numbers used

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1 and the numbers relied on in making staffing allocations.
2 So you can use it for however you want to. It's a
3 document that was used and relied on by the district.
4 Recognizing we don't have an employee of DecisionInsite
5 here to say how they prepared it, the district did
6 receive it from DecisionInsite and relied upon it.
7 ALJ ROWAN: Ms. Curtis, do you have any
8 objection to my admitting this as administrative hearsay?
9 MS. CURTIS: No.
10 MS. FLOWERS: In addition, it has now become a
11 district business record so --
12 ALJ ROWAN: Other than the testimony saying that
13 the employee relied on it, I'm not sure that I have a
14 foundation that it became a business record.
15 If what you're saying is it doesn't matter how I
16 use it because it's not the document, I think that we can
17 admit it as administrative hearsay and move on; right?
18 MS. FLOWERS: Yeah, unless you take issue with
19 us relying on the projections received and saying we
20 don't know if these are accurate, we don't know anything
21 because we didn't have someone verify how they actually
22 prepared it, but I don't think the FKS analysis for
23 determining whether the board had the authority to do so
24 gets into that detail.
25 It's just whether it was arbitrary and

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1 capricious.
2 ALJ ROWAN: Right, which Exhibit 12 might
3 provide some insight on, but is not the primary
4 foundation on which I'd make any finding.
5 MS. FLOWERS: Sure. Sure. Understood.
6 ALJ ROWAN: Okay. Then that is what I will do
7 with Exhibit 12.
8 13?
9 MS. FLOWERS: Yes, general fund budget
10 allocations.
11 MS. CURTIS: I don't have any objection to this.
12 ALJ ROWAN: 13 is admitted.
13 (District Exhibit 13 was admitted into
14 evidence.)
15 MS. FLOWERS: 14, the seniority list information
16 change request memo enclosures.
17 ALJ ROWAN: Any objection?
18 MS. CURTIS: No.
19 ALJ ROWAN: So this Document 14 looks like it
20 has each employee's -- I realize this is an example of
21 one school. Is this one that would be subject to either
22 redaction or protective order?
23 MS. CURTIS: Your Honor, I would request a
24 protective order of this specific exhibit to the extent
25 we do have home addresses on it.

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1 ALJ ROWAN: They look like home addresses to me.
2 MS. CURTIS: As well as home phone numbers.
3 ALJ ROWAN: Well, it's up to you because I'm not
4 going to take the time to redact it. So if you don't
5 want to redact it yourselves, then I will include it in a
6 protective order.
7 MS. FLOWERS: That's fine.
8 MS. CURTIS: Thank you.
9 ALJ ROWAN: 14 is admitted.
10 (District Exhibit 14 was admitted into
11 evidence.)
12 MS. FLOWERS: Exhibit 15, the sample notice of
13 intent to lay off and statement of reduction in force.
14 ALJ ROWAN: Any objection?
15 MS. CURTIS: Well, yeah, Exhibit 15 does not
16 have the actual resolutions in it. So, for example, I
17 don't see the tiebreaking criteria, Exhibit A.
18 So I just have a question if this is a complete
19 copy of what was served on the teachers.
20 MS. FLOWERS: It is not. The teachers were
21 served with the resolutions listed enclosures. We can
22 add that to it. I think when we supplied this to OAH,
23 this is what was used, but what was actually served did
24 include the resolutions. We can update it.
25 MS. CURTIS: Thank you.

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1 ALJ ROWAN: Are you saying that the attachments
2 are missing?
3 MS. CURTIS: Yes, Your Honor. I'm asking that
4 this -- if this is representing what was served on the
5 teachers, I'd like an actual copy of what was served on
6 the teachers. I don't believe this is complete.
7 ALJ ROWAN: So we can accomplish that by
8 Ms. Flowers you supplementing this particular exhibit?
9 MS. FLOWERS: Yes.
10 ALJ ROWAN: I'm going to hold off on admitting
11 it so that we remember to come back to it.
12 This is the first page. Is this a school
13 address or a home address?
14 MS. FLOWERS: It's a home address.
15 ALJ ROWAN: Okay. I would just like to redact
16 that if that works.
17 16?
18 MS. FLOWERS: Yes. 16's the summary layoff data
19 sheet that was prepared for basically in the process of
20 sending out layoff notices and receiving requests and
21 just keeping everything in order.
22 ALJ ROWAN: Okay. And for the record, this
23 morning, we supplemented Exhibit 16 with an updated
24 certificated layoff data sheet that is dated 4/24/19.
25 Any objections to Exhibit 16?

Unrestricted Multi-Year at First Interim

Unrestricted General Fund As of 10/31/2018			
	FY 2018-19	FY 2019-20	FY 2020-21
Beginning Fund Balance	\$ 60,277,000	\$ 38,162,500	\$ (3,855,000)
Deficit Spending	\$(22,114,000)	\$(42,018,000)	\$(50,470,000)
Ending Fund Balance	\$ 38,163,000	\$ (3,855,500)	\$ (54,325,000)
Less: Assignments and Reserves	\$ 6,546,000	\$ 545,500	\$ 545,000
2% Reserve for Economic Uncertainty	\$ 11,222,000	\$ 11,423,000	\$ 11,794,000
Remaining Shortfall to Balance	\$20,395,000	\$(15,824,000)	\$(66,664,000)

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Unrestricted Multi-Year Projection Second Interim

Multi-Year Forecast Unrestricted			
Unrestricted Description	FY 2018-19	FY 2019-20	FY 2020-21
Revenues and Other Sources	\$ 330,444,534	\$ 321,324,550	\$ 311,523,589
Budgeted Expenditures and Transfers Out*	\$ 351,212,249	\$ 351,068,116	\$ 359,095,930
Net Change Fund Balance	\$ (20,767,715)	\$ (29,743,566)	\$ (47,572,341)
Anticipated Ending Fund Balance	\$ 39,508,920	\$ 9,765,353	\$ (37,806,987)
Reserve For Economic Uncertainties	\$ 11,281,539	\$ 11,423,295	\$ 11,794,011
Total Anticipated Unappropriated Balance	\$ 21,682,381	\$ (2,234,938)	\$ (50,145,998)

*2018-19 Routine Repair and Maintenance (RRM) contribution is \$12.4M. RRM must be fully funded at 3% in 2019-20, an increase of \$4.9M and ongoing. 2018-19 Special Education contribution is \$84.4M; Increasing Special Education support in 19-20 by \$9.4M and 2020-21 by \$10.4M.

**Health increase for 2019-20 and 2020-21 at \$2.3M and \$2.4M, respectively; STRS increase for 2019-20 and 2020-21 at \$1.3M and \$1.6M respectively; PERS increase for 2019-20 and 2020-21 at \$1.1M and \$1.1M respectively.

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