

From: Michael Fine <mfine@fcmat.org>
Sent: Thursday, March 7, 2019 7:33 PM
To: Jessie Ryan; Jorge Aguilar
Cc: Darrell Steinberg; Dave Gordon (dgordon@scoe.net)
Subject: RE: Some thoughts

Jesse

The superintendent emailed much of the same response to me earlier and I responded point by point. He indicated that your Plan B would be incomplete without negotiations. As I've indicated to you in the past, negotiations require two parties and the board only controls one of the parties. Thus a Plan B that depends on hope that the other parties to your labor agreements will agree to different terms is an incomplete Plan B. Hope is not an acceptable plan. As I did with Jorge earlier, let me clarify that no one shared what was discussed or what happened in your closed sessions. I am not privy to that information, and the county's fiscal advisor only affirmed to me that a closed session was held and much of the information shared was a bit of a surprise. I don't know the nature of that information – I assume it is budget (and will gladly admit when I'm wrong) - and no details of any discussion has been shared. I've done this work for 30 years and I am not accustomed to boards discussing budget details in closed session; in fact I have seen reprimands written by district attorneys when such discussions are challenged by a member of the public.

I sincerely desire that I am one hundred percent wrong in my assessment. The outcome of tonight's discussion and decisions will ultimately begin to enlighten us all on the course ahead. I will be supportive of your efforts to close the budget gap in a meaningful and timely fashion that restores fiscal stability to the district. I will be your biggest cheerleader on the proper course to that goal.

Mike

From: Jessie Ryan <Jessie-Ryan@scusd.edu>
Sent: Thursday, March 7, 2019 4:05 PM
To: Michael Fine <mfine@fcmat.org>; Jorge Aguilar <JAguilar@scusd.edu>
Cc: Darrell Steinberg <DSteinberg@cityofsacramento.org>; Dave Gordon (dgordon@scoe.net) <dgordon@scoe.net>
Subject: RE: Some thoughts

Mr. Fine,

As you can imagine, your email was very troubling.

Let me be clear, we have a shared goal and interest in wanting the District to be successful so we can meet our students' needs. This is ever-present in my mind as I make any decision in my role as Board President. Furthermore, I wholeheartedly agree that going down the road to a state receivership is not in the best interest of our District, our students, our employees, or our community.

I hear that you are distressed by what you understand to be recent developments related to our District. I believe that you have inaccurate and incomplete information and I hope to address that-- with the knowledge I have-- with this email.

First, you say that it is March 7 and we do not have a Plan B that has been vetted in public. We have on our agenda for tonight additional reductions that will be considered and acted on by the Board in open session. I

agree with you that process is as important as the final decision. As we have done in the past, we have included the layoff resolutions in our agenda packet (which was publicly posted on March 1) and staff will bring the actual positions to be eliminated to the Board tonight to discuss in open session before action. We consider these "preliminary lay off notices" that meet the deadline but can be rescinded in the coming months. We have few alternatives.

As to the second interim report, SCOE has assured me that its' assigned fiscal advisor has fully vetted the District's second interim that will be presented to the Board tonight . In the course of the vetting process, I understand that the fiscal advisor raised some concerns about the District's cash flow report. As soon as the Superintendent learned of these issues, we removed the cash flow report and directed staff to work with the fiscal advisor to address her concerns. Ultimately, it was determined that additional time was needed for that report to be fully vetted and the District and SCOE agreed that the District will submit that portion of the second interim report to SCOE by March 22.

Additionally, I realize that questions have been raised, and you seem to have these same questions, about our staff capacity to provide the necessary information in a timely and accurate manner. I am aware of these concerns and have and will continue to take appropriate action to address any legitimate issues. Our Superintendent and our lead negotiator have and will continue to engage fiscal experts in addition to our fiscal advisor to assist in vetting information as we go into negotiations and work to address our fiscal crisis. As such, our negotiations team is working with experts (School Services and a retired CFO) to ensure all of our information is accurate.

Aside from the cash flow portion of that report, County Superintendent Gordon has not informed us that the second interim report has not been vetted or is of concern to him or his team. I trust his judgement. I also am not aware of any feeling by Superintendent Gordon that our District has disconnected from him, his team, or otherwise rejected SCOE's assistance in this process. Rather, I understand that Superintendent Aguilar speaks with Superintendent Gordon weekly, as do I, and the board values the work and resources that he has committed to our District.

Finally, the fact that you heard anything about what was discussed in our District's closed session is deeply disturbing, not because the District is doing anything improper in closed session but because there are clearly closed session attendees who are not understanding the confidentiality that attaches to closed session discussions. As you know, our District is facing a serious fiscal crisis. Many of the critical solutions to this crisis rest in our negotiations with our labor partners. To that end, District staff has worked diligently to identify areas for budget reduction that have negotiable impacts. We have met in closed session with our labor negotiators, as allowed by law, to develop our negotiations strategies and to examine any alternatives or other impacts of these strategies.

As you would expect, Superintendent Aguilar and I consult legal counsel related to negotiations and in developing our Board agendas and understanding the parameters of what may be discussed in closed session. As President of the Governing Board I take this very seriously and only work with our Superintendent on developing the Board meeting agendas. I take very personally any suggestion or allegation that the District is violating the Brown Act. I also wonder where you are getting your information. I can assure you that all of our closed session discussions are properly within the scope of the Brown Act and will continue to be.

I agree that our Superintendent and my colleagues on the Board and I hold the keys to moving this process forward in a positive direction. We are working tirelessly to do just that and will continue that work.

We hope we can count on your continued support during this process. I would encourage you to call me directly as I am very accessible and could have easily clarified some of these misassumptions.

Warm regards. Jessie

From: Michael Fine [mfine@fcmat.org]
Sent: Thursday, March 07, 2019 11:41 AM
To: Jorge Aguilar; Jessie Ryan
Cc: Darrell Steinberg; Dave Gordon (dgordon@scoe.net)
Subject: Some thoughts

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Jorge and Jessie-

I would normally not weigh in with a district's leadership without being officially engaged in the district by the district or the state. But I have been engaged, both formally or informally, and so I am going to weigh in on where I see things at this point. My goal and interest is unchanged. I want the district to be successful so it can serve its students' needs. Continuing down the road to a state emergency appropriation is not in the best interest of the Sacramento community and its students. Having said that, I need to let you know I'm distressed by a number of recent developments.

It is March 7. You have not properly or sufficiently vetted a Plan B in public. Time is of the essence. Process is as important as the final decision.

You are scheduled to consider the second period interim report tonight. I have no confidence in much of the data presented there. The cash flow is completely wrong; although some new data implies your cash is improving. How do you consider cash flow that doesn't reflect your circumstances or correlate to the budget data and MYP data? It appears to me your staff has again demonstrated that they don't have the capacity or willingness to produce accurate data. That may seem like a strong statement, but I need you to hear me clearly so I'm being direct. It appears they load data in a system and then press the print button and add it to the board agenda without reviewing it, analyzing it, etc. They must take responsibility for that and you must hold them accountable for that. You will be held accountable for their work; especially since you have notice of the concerns. You are past due to deal with this capacity issue that has been raised by us and the county superintendent several times. Your own colleagues on the board observe and know this is a critical issue.

Inaccurate information means the board isn't in a position to act appropriately. I've said it before and I repeat it here, the board needs to act. Action is overdue, everyday delayed makes your job to balance the budget more difficult. However, if you approve your second interim report cash flow or any other aspect of the report that is incorrect and not been fully vetted I would encourage the county superintendent to immediately stay or rescind your decision. Someone needs to step up and confront the data accuracy issue, and if you refuse then the county superintendent must.

From my view, the second interim data and your draft "Plan B" have not been adequately reviewed and vetted by the county before they were published, publicly or privately. It would appear that the district has disengaged with the county office and is now not vetting their data through the county before making it public. This was your course before and the result was a inaccurate and misleading data being disseminated. It appears you have reverted back to this practice. I can't express in strong enough terms that the county superintendent is your partner in this process and you must work with them. I said this to you in December. I, nor others in my position, have no confidence in the district's data without the county superintendent's review and analysis. To disconnect from the county at this critical time makes no sense and is detrimental to the district moving forward.

I'm further concerned about what I hear coming out of closed session. Let's be frank, the district has no credibility. To hide behind closed session when discussing the budget, stabilization plan, and options is simply wrong, and depending on the details, likely illegal and will ultimately do more damage than what you believe the value may be of secrecy. You

are conducting the people's business and you need to do so in public. Inviting your stakeholders to participate is critical to a successful stabilization plan. Again, process is important.

I have regular discussions with administration and legislative staff. I will be testifying before the legislature twice in the coming weeks. I am certain I will be asked questions about Sacramento City USD. I will be blunt in my assessment. You have the opportunity tonight to take the right steps – call out staff and demand accurate information, direct the superintendent to take corrective action, defer your action on the second interim if you don't believe it is correct, discuss openly and honestly your Plan B options. I would love to tell the legislature that the district is stepping up. But based on what I know and I'm hearing, I can't do that right now.

You hold the keys to moving this process forward in a positive direction. I urge you to do so tonight.

Mike