



May 3, 2021

Superintendent Jorge Aguilar &
President Christina Pritchett
Sacramento City Unified School District
5735 47th Avenue
Sacramento, CA 95819

Board President Pritchett and Superintendent Aguilar:

During the April 22 school board meeting, the Sacramento City Teachers Association expressed its appreciation for the majority of the Sacramento City Unified School District Board of Education for rejecting the recommendation of Superintendent Aguilar, Chief Business Officer Rose Ramos, and Sacramento County Office of Education Superintendent Dave Gordon in certifying the SCUSD Second Interim Budget as “negative.” Instead, a majority of the school board voted to certify the budget as “qualified.”

The decision of the majority to certify the budget as “qualified,” was, as you know, itself a conservative determination since the Second Interim Budget met the standard to be certified as “positive,” because the District will meet its ending unrestricted reserve fund balance in the current budget year, and the subsequent two years. To meet the standard for a “qualified” certification, a District “**may** be unable to meet its financial obligations for the current fiscal year or two subsequent fiscal years.” [Emphasis added.] [The District’s 2020-21 Second Interim Budget projects](#) SCUSD meeting its financial obligations for the current year and subsequent two years.

Since the SCUSD budget was first rejected in August 2018, the SCUSD school board has approved thirteen budgets (2018-19: Revised, First Interim, Second Interim, Third Interim; 2019-20: Original, Revised, First Interim, Second Interim, Third Interim; 2020-21: Original, Revised, First Interim, Second Interim) and received two end-of-year unaudited actual reports (2018-19, 2019-20). Despite projecting imminent fiscal insolvency throughout 2018-19, the District ended the year with a nearly \$1 million surplus. The year 2019-20 repeated the same inaccurate budgeting: the District projected a \$12.3 million deficit in unrestricted fund spending, while actually ending the year with a \$23.6 million surplus. This year the projections have been even more inaccurate—the Original budget in July projected a \$75 million deficit, the Second Interim budget now projects a \$4.8 million surplus.

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More significantly, since its Third Interim Budget in 2018-19, SCUSD has submitted 10 budgets each of which met the standard to be certified as “qualified,” rather than “negative.” As mentioned above the 2020-21 budget met the standard to be certified as “positive.” And yet in every instance, Superintendent Aguilar, with the support of the SCOE Superintendent Gordon, has chosen to certify those budgets as “negative.”

In SCTA’s comments on April 22, we expressed our appreciation to the majority of the board for providing a more accurate description of SCUSD’s financial status and asked how Superintendent Aguilar and the three board members who voted against the majority could justify continuing to mislead our community regarding the soundness of the SCUSD budget.

To our surprise, Board President Pritchett not only defended misleading the public, but went on further to reveal that SCOE had taken the extraordinary step of reversing the decision of the majority of the SCUSD Board of Education [by unilaterally certifying the budget as “negative.”](#) Such an unprecedented action by SCOE to overturn a sound and defensible decision of a majority of the School Board certainly should have warranted a public discussion and we would have expected that the School Board would have exercised its authority to appeal Superintendent Gordon’s decision to the State Superintendent Tony Thurmond, as provided by Education Code.

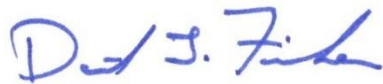
Superintendent Gordon’s April 12, 2021, letter reversing the decision of the majority of the SCUSD Board of Education to certify the budget as “qualified,” was not disclosed to the public, and was not made public or discussed as an agenda item at either the April 15 or April 22 school board meetings.

Upon learning of the letter via President Pritchett’s extemporaneous comment, SCTA made a public records act request (PRA). Our PRA revealed that in sharing Superintendent Gordon’s April 12, 2021, letter, Superintendent Aguilar’s [previously undisclosed “Board Communication”](#) made no mention of the District’s right to appeal Superintendent Gordon’s reversal. Moreover, the Board President’s off-handed reference to Gordon’s letter **occurred after the timeline for making such an appeal had already lapsed.**

The query made on April 22, 2021 still stands. How do Superintendent Aguilar, Chief Business Officer Ramos, and three members of the school board who voted against certifying the budget as “qualified,” justify misleading the public about the true status of the SCUSD budget? And if the same group has such confidence in the financial acumen of the District’s current administration, why is it willing to support actions that perpetuate oversight from SCOE, reinforcing the public perception that SCUSD cannot be trusted to manage its own finances, as well as spending hundreds of thousands of unrestricted general fund dollars on SCOE’s oversight costs, rather than being spent on students.

After a decade of inaccurate budgets that project deficit spending, SCUSD has generated unprecedented surpluses, resulting in a \$93 million reserve fund, the largest in SCUSD history. In addition, SCUSD is receiving **\$313 million in additional state and federal funding** related to COVID relief. Today, SCUSD has a once-in-a-generation opportunity to work with SCTA and SEIU to make Sac City into the Destination District our community deserves. Withholding critical information and creating a false impression of the District's finances does not serve our community well.

Sincerely,



David Fisher
President,
Sacramento City Teachers Association



Karla Faucett
President,
Service Employees International Union Local 1021

Cc: Tony Thurmond, State Superintendent, CDE
Lisa Constancio, Deputy Superintendent, CDE
Michael Fine, FCMAT
Betty Yee, California State Controller
SCUSD School Board
Dave Gordon, SCOE