

# 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
<ul> <li>□ Information Item Only</li> <li>□ Approval on Consent Agenda</li> <li>□ Conference (for discussion only)</li> <li>□ Conference/First Reading (Action Anticipated:)</li> <li>□ Conference/Action</li> <li>□ Action</li> <li>Background/Rationale</li> </ul>
: 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

## Boardof Education Executive Summary

Busines Services
First Interim Fiscal Recovery Plan
February 6, 2020

### I. OVERVIEW/HISTORY:

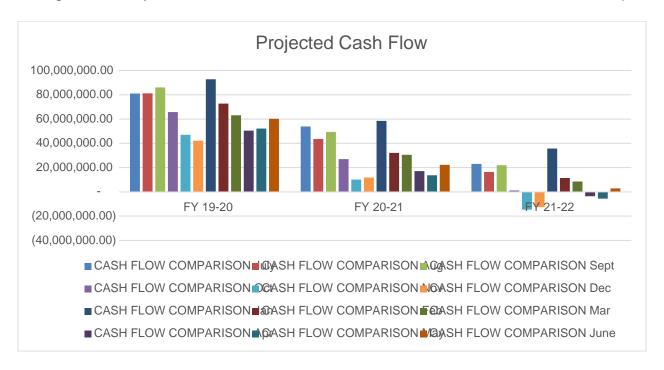
On October 32019 he Sacramento City Unified School District's ("Distri**Bt**") and approved the 201290 revised adopted budget which as disapprove by the Sacramento County Office of Education (SCOE) due to the projected neg.22r5so0 Td ()Tj -0(he)3() atie unpba.003 Tw 12.56 0 Td [(w)68.4-2(ard)-4la(ie)90.003 Tw 12.56 0 Td [w)68.4-2(ard)-4la(ie)90.003 0 Td [w)68.4-2(ard)-

{srBusines:Services 1

## Boardof Education Executive Summary

Busines Services
First Interim Fiscal Recovery Plan
February 6, 2020

through thefuture years 202021 and 202122 as of the 201920 First Interim Financial Report



## BudgetReductionsImplemented

Over the past year, the District has identified and implemented necthan \$30 million iron-going non-negotiable budget reductions identifying further savings from norm egotiable items will be extremely limited or adversely affect student achievement headditional nonnegotiable items considered or 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

The District's prior reductions also included pointions at the District ffice, administrator level and

(SPB usinges Services 2

## Boardof Education Executive Summary

Busines Services
First Interim Fiscal Recovery Plan
February 6, 2020

- statusof the district for the period ending October 31 All reports required shalbe in a format or on forms prescribed by the Superintendent of PublicInstruction.
- x EducationCodesection 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. Certification shall be based on the Board's assessment of the district budget. Certification shall be classified as positive, qualified or negative. This education code section also outlines the role of the County Office of Education.
- x EducationCodesection42131(3)(e) directs districts tprovide additional reports to the County Office of Educationas of June1st, if a Qualified or NegativeCertification is reported as of the Secondnterim Report.

#### III. BUDGET:

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

## IV. Goals, Objectives and Measures:

Follow the timeline, identify all budget cuts and savings, take actimimplement 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 Plandate presented at the February, 2020BoardMeeting identifies potential saving to achieve the \$27 million budget reduction

{SrBusines:Services 5