



Proposal to Make Sac City
The Destination District for California
June 6, 2019

The Sacramento City Teachers Association (SCTA), the Sacramento City Unified School District (SCUSD), the Sacramento County Office of Education (SCOE), the State Superintendent of Public Instruction Tony Thurmond and Sacramento County Supervisor Phil Serna all share an interest in providing the highest quality education to Sac City students while considering the long-term financial stability of SCUSD.

To develop a new, more constructive pathway moving forward, SCTA proposes the following:

1. **Increased Services to Students:** SCTA and the District have previously agreed that lowering class sizes and improving services to students is a common interest both parties share. As part of the collective bargaining agreement, the parties agreed to the following staffing goals:

Commencing the 2019-20 school year, the following shall apply:

A. Class Size Maximums

- (1) Primary (K – 6) 24:1
- (2) 7th & 8th grade 24:1
- (3) 9, 10, 11, 12th grade
 - a. For English, Math, Social Science and Science 28:1
 - b. All other subjects 35:1

B. Special Day Class

- (1) Elementary 12:1
- (2) SDC Moderate to Severe – elementary 8:1
- (3) SDC Secondary 12:1

- 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 Specialists
No more than 5 schools per specialist

In order to accomplish this, the District will begin by rescinding the layoffs of the certificated employees represented by SCTA. Vacant positions that remain after those rescissions have occurred will be filled according to provisions of the collective bargaining agreement.

Separate and apart from the certificated staffing provisions set forth above, SCTA also proposes the rescission of the layoff notices to the classified employees represented by SEIU Local 1021 because of the adverse effects classified cuts have on the learning conditions of our students.

2. **Health Plan Changes/Savings:** SCTA and the District both agree that District dollars would be better spent on improving services to students rather than going to a for-profit insurance company. The parties will together with the California Education Coalition on Healthcare Reform transition the purchase of health insurance for SCTA-represented employees through the California Public Employees Retirement System (CalPERS) effective September 1, 2019, or as soon as possible thereafter, consistent with Article 13.1.1 of the collective bargaining agreement. Together with the implementation of Section 1 Above, “Increased Services to Students,” agreement on this section will resolve outstanding issues related to retroactive application of Article 13.1.1 that is currently before the California Public Employment Relations Board and a pending grievance.

3. **Additional Budget Solutions:** SCTA and the District agree that learning conditions for students will be enhanced if the District is in a stable fiscal status. Toward that end, the following Budget Changes will be incorporated into Initial 2019-20 Sac City Budget (July 1, 2018).

a. **Temporary Suspension of Retiree Health Overfunding:** According to the Third Interim Budget, the District current budgets \$8.5 million per year over and above the pay-as-you-go costs of retiree health insurance. As noted in the 2019-20 Sac City Executive Summary Draft (June 5, 2019 p.15): “Since the District is in negative certification, the District could choose to reduce the District contribution to the actual current year retiree health costs (pay-as-you-go).” If that change were implemented in this current year (2018-19), and the result would be that the District would end this year with a slight (approximately \$2.3 million) surplus rather than a \$6 million deficit. The result in the three years of the new 2019-20 budget would be as follows:

	2019-20	2020-21	2021-22
2% Reserve	\$10,949,967	\$11,433,730	\$11,692,183
Proposed Reserve	\$52,601,683	\$34,055,012	\$12,981,080

In short, with the temporary solution, on July 1, 2018, the District could submit a budget that has a **POSITIVE CERTIFICATION**.

b. **20% Reduction in Pay for Those Administrators Making More than \$120,000 per year:** There are currently 66 administrators who make more than 20% more than the highest paid certificated teacher. By reducing the pay of only those administrators by 20% would save the District \$2,176,205 per year. The impact on the bottom line is shown here:

	2019-20	2020-21	2021-22
2% Reserve	\$10,949,967	\$11,433,730	\$11,692,183
Proposed Reserve	\$54,777,888	\$38,407,422	\$19,509,695

c. **10% Reduction in Costs for Outside Services/Contracts:** The District currently spends approximately \$27 million in general fund dollars on outside contracts, including but not limited outside law firms and other

items. A reduction in those costs by 10% results in the following additional impact:

	2019-20	2020-21	2021-22
2% Reserve	\$10,949,967	\$11,433,730	\$11,692,183
Proposed Reserve	\$57,429,264	\$44,250,194	\$29,122,228

- d. **Over-costing the Expense of Step and Column:** As least as it relates to the certificated bargaining unit, the District has historically overbudgeted for the cost of step and column increases for the certificated bargaining unit. Based on an analysis over the past three years, the cost of step and column increases has been surpassed by the savings through attrition. The District has had a turnover of between 150 to 225 certificated employees per year. The average employee has separated from the District with 11 years of experience, and an average annual salary of approximately \$80,000. The average new employee has been hired in at \$47,992—a savings of \$32,000 per employee, not including statutory benefits. The District estimates the cost of step and columns differently depending on which part of the budget one considers. But if 125 teachers are turning over in the District, that means a savings of \$4 million. When statutory benefits are included that number grows to \$4.8 million, more than the cost of the Step and Column. That adjustment to the budget has the following impact:

	2019-20	2020-21	2021-22
2% Reserve	\$10,949,967	\$11,433,730	\$11,692,183
Proposed Reserve	\$57,429,264	\$46,139,548	\$32,933,055 (5.63%)

4. **Additional Revenue Solutions:** Because these solutions cannot be immediately calculated, they cannot be included in the quantifiable budget solutions, however, we believe they would have a true, positive impact on future revenues prospectively, and, perhaps as importantly, would result in shared efforts to improve services to the students. Additional revenue solutions include:

- a. **Implementation of a Multi-tiered System of Support (MTSS):** With lower class sizes and additional resources to students, the parties can implement a robust intervention program that will ensure that those students are struggling receive the intervention services they need, while at the same time reducing the number of students who may be overidentified

as special education. Sac City has a higher proportion of students in special education than both state and federal averages, which harms students and adds greater costs to the District. By implementing a robust intervention program, students get the services they need, while the District resources are used where they are appropriate and needed.

- b. **Restorative Practices:** Investing in restorative practices, a comprehensive program of behavioral intervention (with much-needed culturally-sensitive, trauma-informed professional development) which encourages cooperation and social and emotional learning over punitive disciplinary measures which have disproportionately impacted African-American students. Keeping students in the classroom is not only sound for student outcomes, but it also will improve the District's finances by maintaining a high Average Daily Attendance (ADA) which drives reimbursement from the state. The current ADA is 94.5 % of enrollment. If the attendance is improved by 1% that would result in an increase of \$4.6 million per year in additional revenue to the District.

- c. **Regional Employer-based Magnet Schools:** As the State Capital, there are thousands of people who work in the geography of the school district who do not reside in the school district. Employers include but are not limited to the various state office agencies, Kaiser, Sutter Health, and other employers in DOCO and others downtown and others like UC Davis Medical Center outside of downtown. Through a systematic outreach which might include employer sponsored before- and after-school programs, we believe many of those commuting parents could be persuaded to enroll their students in Sac City schools. This initiative can begin with existing district sites that currently have capacity with the ability to expand out from there.

- d. **Expanded Dual Immersion Schools:** The District's dual immersion programs are continuously in high demand. By expanding those programs, additional students may be encouraged to enroll in Sac City schools. It is well-known that the independent charter the Language Academy that operates in the District historically has a waiting list, students who could be enrolled in Sac City schools.

- e. **2020 Parcel Tax:** Finally, the parties reiterate their commitment to work with Mayor Steinberg “to sponsor a 2020 ballot initiative that will enable the District to provide arts and music, restorative practices and other enhancements designed to enrich students’ academic and cultural experiences, including summer school programs, to encourage students to stay in school to give all students the opportunity to graduate with the greatest number of post-secondary choices from the widest array of options.” With eighteen months of positive, constructive engagement together with a well-organized coordinated election campaign, we believe that we can successfully pass a parcel tax in November 2020.