

February 14, 2019

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

Dear Mr. Fisher:

Enclosed in this packet are responses to the inquiries presented on January 18, 2019 during your meeting with the Fiscal Crisis & Management Assistance Team, Sacramento City Unified School District, and Mayor Darrell Steinberg.

Sincerely,

A handwritten signature in black ink, appearing to read "David W. Gordon", is written over a grey rectangular redaction box.

David W. Gordon
Sacramento County Superintendent of Schools

DWG/TS/ds

Enclosures

cc: Michael H. Fine, Chief Executive Officer, FCMAT
Darrell Steinberg, Mayor, City of Sacramento
Jorge Aguilar, Superintendent, SCUSD

**Information requested from SCUSD and SCOE in Support of
Continuing Conversations with SCTA**

(All questions are based on data from the First Interim Report, December 2018)

1. Affirm the three -year (2018-2019, 2019-2020 and 2020-2021) deficit values.

Answer 1 . As presented on December 6, 2018, the following chart summarizes deficit spending and projected fund balances as of First Interim 2018-2019:

UNRESTRICTED General Fund Multi-Year Projection
Per First Interim Report 10/31/18

2. Based on updated information from the Governor's January 10, 2019 budget proposal and the district's recently received enrollment projections, please detail the changes to the affirmed deficit values (#1) for the three- year MYP period (e.g., projected COL A, projected STRS relief, projected impacts from updated enrollment from DecisionInsight).

Answer 2. With COLA changes per the Governor's Proposed Budget, enrollment projections per DecisionInsite, and the impact of a proposed buy-down of \$5.9 (54,325,000) 6.6 (9Te)2 (1(c)8.8(ed)on)6 (t)-5.

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 Surplus/(Shortfall) to Balance	20,395,000	(15,824,000)	(66,664,000)	

changing retiree costs, the pay-as-you-go amount could increase (i.e. currently, an implicit subsidy exists, and the decision to reduce the subsidy from active employees could make retiree costs increase). Until decisions are made on staffing and health care plans, decisions on budgeting OPEB contributions should be delayed.

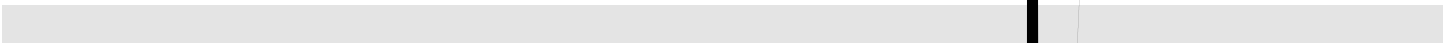
A graph of this information shows increasing costs for pay-as-you-go premiums, leaving fewer dollars to put toward the Actuarial Determined Contributions that address meeting the continually increasing OPEB.

Answer 6d. Within the central support functions of the district (Function 7xxx), total unrestricted administrator (certificated and classified) salary and benefit costs are less than \$8M. A 20% reduction to this amount generates \$1.6M in savings, significantly less than the \$8.7M that SCTA has identified.

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