



SACRAMENTO CITY UNIFIED SCHOOL DISTRICT BOARD OF EDUCATION

Agenda Item# 8.1

Meeting Date:

Frequently asked questions (FAQs) regarding the recommended school closures are posted at <http://www.scusd.edu/post/frequently-asked-questions-2>.

Final action on school closures, effective for the 2013-14 school year, is scheduled for the February 21 Board of Education meeting.

Financial Considerations: Despite the passage of Proposition 30, the District expects to once again be confronted with a substantial deficit for the 2013-14 school year caused by rising costs and declining enrollment. Due to substantial cuts in recent years to certificated and classified employees such as teachers, counselors, custodians, plant managers, librarians, school nurses and assistant principals, central office staff and cuts to programs like home-to-school transportation and adult education, no more viable options exist to balance our budget.

Failure to submit a balanced budget to the Sacramento County Office of Education would result in a “negative certification”, which is a financial rating that will expose the District to the risk of a state takeover. A “negative certification” would also adversely affect the marketing and sale of bonds approved as Measures Q & R. It would quite possibly reduce the number of potential investors and increase the interest rate that the District would pay for the bonds. Additionally, the District will end the year in a negative cash position if we are unable to issue Tax Revenue Anticipation Notes (TRANS). The Sacramento County Office of Education (SCOE) must review our financial situation and offer assurance that the District will be in a financial position to repay the Notes. If SCOE cannot provide that assurance, the District’s budget will be negative as of June 30, 2013. The proposal to right-size the District is projected to save the District approximately \$2.5M per year in ongoing savings.