



CALIFORNIA STATE AUDITOR'S ASSESSMENT ON THE OCTOBER 2020 UPDATE FROM SACRAMENTO CITY UNIFIED SCHOOL DISTRICT

To provide clarity and perspective, we are commenting on Sacramento City Unified School District's (Sacramento Unified) October 2020 update letter.

Sacramento Unified's continued failure to address the recommendations from our December 2019 audit puts its ability to provide a quality education to the students it serves at risk. We recommended that the district develop a comprehensive plan to address its financial challenges by March 2020. Now in October 2020 the district says it is updating its fiscal recovery plan. Its initial fiscal recovery plan from February 2020 included one option to reduce costs—changing the health benefits the district offers. The district needs to develop a comprehensive plan that considers a range of options so that the district can have a guide to help it address its challenges.

The district also says that it has just now asked another district for its multiyear projection methodology to address another recommendation we made. This request is something the district could have done in January. Further, despite recently receiving a methodology from another district, Sacramento Unified believes it will take until December 2020—one year after our report release—to adapt the methodology to its district, all while it publicly projects that it will experience cash challenges in May 2021. Sacramento Unified needs to act more quickly to ensure it has a sound methodology particularly when it projects an inability to meet its financial needs.

We are very concerned that the district is not taking what actions it can to address its financial condition. Although the district reported experiencing significant cost savings as a result of school closures due to the COVID-19 pandemic, the district must not waste this opportunity to make lasting changes to avoid the need for state assistance. State assistance means the loss of local control, fewer funds for teachers, and fewer funds for students.