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David W. Gordon  
Superintendent

January 14, 2021

OFFICE OF THE SUPERINTENDENT  
Sacramento City Unified School District

**Board of Education**

Joanne Ahola  
President

Jorge A. Aguilar, Superintendent  
Sacramento City Unified School District  
5735 47<sup>th</sup> Avenue

Vice President

Sacramento, CA 95824

O. Alfred Brown, Sr.

**SUBJECT: 2020-2021 First Period Interim Report**

Heather Davis

Dear Superintendent Aguilar:

Harold Fona, MSW

[REDACTED]

The district's cash flow projections submitted with the First Period Interim Report project a positive cash balance through April 2021, but beginning in May 2021, the

[REDACTED]

negative cash balance of \$26.4 million in May 2021 and end the year with a negative

[REDACTED]

\$25 million on June 30, 2021. The district plans to manage temporary cash shortages through interfund transfers, temporary short-term borrowings, and has submitted a written request of the appointment deferrals

[REDACTED]

To avoid a fiscal crisis, the district must implement budget reductions no later than July 2021 to avoid running out of cash. However, many of the items included in the Fiscal

[REDACTED]

Recovery Plan require reductions in force or must be negotiated with the district's labor partners. As a result, the district's board must act on the Fiscal Recovery Plan expeditiously, the district must include in its March 15 layoff notices all of the reductions necessary to implement the plan, and the district and its labor partners must immediately begin meeting to negotiate budget solutions

[REDACTED]

