

David W. Gordon
Superintendent

September 17, 2018

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Chris Evans, Superintendent
Natomas Unified School District
1901 Arena Boulevard
Sacramento, CA 95834

SUBJECT: 2018-2019 LCAP and Adopted Budget Report

Dear Superintendent Evans:

In accordance with Education Code sections 52070 and 42127, the Sacramento County Office of Education has reviewed the Local Control Accountability Plan (LCAP) and adopted budget of the Natomas Unified School District for fiscal year 2018-2019.

Education Code requires the County Superintendent to approve the LCAP for each school district after determining the following:

- The LCAP adheres to the template adopted by the State Board of Education.
- The budget includes expenditures sufficient to implement the specific actions and strategies included in the LCAP.
- The LCAP adheres to the expenditure requirements for funds apportioned on the basis of the number and concentration of unduplicated students pursuant to sections 42238.02 and 42238.03.

Based on our review, your LCAP is **approved** with the following comment:

- We commend you and the Natomas Unified School District staff for their efforts to continuously improve the achievement of all students. The 2018 California School Dashboard will support your continued evaluation of the effectiveness of the LCAP actions and will help to inform your stakeholders of the progress the district is making toward meeting its goals. In the 2019-2020 LCAP, incorporate any new actions the district will take to address identified areas for improvement based on the 2018 California School Dashboard.



Education Code requires the County Superintendent to approve, conditionally approve, or disapprove the adopted final budget for each school district after doing the following:

Examine the adopted budget to determine whether it complies with the standards and criteria established pursuant to section 33127 and identify any technical corrections needed to bring the budget into compliance with those standards and criteria.

- Determine whether the adopted budget will allow the district to meet its financial obligations during the current fiscal year and is consistent with a financial plan that will enable the district to satisfy its multi-year financial commitments.
- Determine whether the adopted budget includes the expenditures necessary to implement the LCAP.

Based upon our review of the adopted budget, the adopted budget has been **approved** as submitted with the following comments:

- Based on the multi-year projections and assumptions provided by the district, it appears the district will meet its 3% unrestricted reserve requirement for the current fiscal year and two subsequent fiscal years.
- The district is projecting a decrease of \$2,930,578 in the unrestricted General Fund balance for 2018-2019, a decrease of \$4,421,152 in 2019-2020, and a decrease of \$634,417 in 2020-2021. In addition, the district will fall short by approximately \$1.1 million in meeting its district board policy reserve requirement of maintaining a reserve of 9% in 2018-2019; by approximately \$3.5 million in 2019-2020; and by approximately \$3.7 million in 2020-2021.
- It is noted that the classified salary negotiations have not been settled for 2018-2019.

We are requesting that the district provide the following:

- Before the district's board of education takes any action on a proposed collective bargaining agreement, the district must meet the public disclosure requirements of Government Code section 3547.5 and the California Code of Regulations Title V, section 15449. **Please submit the public disclosure of the collective bargaining agreement to the county office for review at least ten (10) working days prior to the date the governing board will take action on the proposed bargaining agreements.** This form must also be available to the public at least ten (10) working days prior to the date the governing board will take

action on the proposed bargaining agreements. Also, as provided by the State Criteria and Standards, when labor contract negotiations are settled after the adoption of the district's budget, the district must analyze the budget to determine the effect of the settlement, and the governing board must certify to the validity of the analysis within 45 days of the final settlement. Within this 45-day period, the District Superintendent must also send the County Superintendent any revisions to the district's current budget necessary to fulfill the terms of the agreement.

- Notify us immediately, and provide for our review, any changes to the budget.
- Continue to closely monitor future enrollment trends and inform us of budget adjustments should enrollment trends fluctuate.
- With the Local Control Funding Formula (LCFF) being fully implemented, the district should be prepared to share information with its stakeholders about the impact on the district's budget, the budget development process, and the expectations for the LCAP.

If you have any questions about the LCAP, please contact Dr. Al Rogers, Deputy Superintendent, at (916) 228-2226. If you have any questions about the adopted budget, please contact Tamara Sanchez, Assistant Superintendent of Business Services, at (916) 228-2551.

We appreciate the time and effort that you have put in to the development of your LCAP and budget. This has been an enormous effort and we look forward to working with you this year as you implement your LCAP and budget.

Sincerely,



David W. Gordon
Sacramento County Superintendent of Schools

DWG/TS/dw

cc: Scott Dosick, Board President, NUSD
Bill Young, Deputy Superintendent, NUSD
Javetta Cleveland, Deputy Superintendent, NUSD
Vina Guzman, Budget and Accounting Director, NUSD
Dr. Al Rogers, Deputy Superintendent, SCOE
Tamara Sanchez, Assistant Superintendent, SCOE
Debra Wilkins, District Fiscal Services Director, SCOE
Crowe Horwath, LLP, Auditor