



Facts About “State Takeover*” of Our Schools

Sacramento City Unified Schools are projected to run out of cash in November. Unless significant spending cuts are made by June to balance the budget and meet state required reserve levels, the district will be taken over. These facts explain what insolvency and takeover would mean for our students.

❖ **There would be less money to spend on students.**

When an insolvent school district gets taken over, a state loan is obtained to pay its bills. State loans charge an interest rate on the borrowed money. Therefore, in addition to making cuts to pay its bills, the District would need to make even more cuts to pay back the state loan with interest. This will result in less money available for our students.

❖ **An Administrator takes over. Local control is lost.**

An Administrator would be appointed and the local school board would lose its decision-making authority. Part of the Administrator’s responsibilities is to identify cuts to balance the budget and repay the state loan with interest. Valuable student programs, services and schools could be cut out of the budget.

❖ **Recovery could take 10 or more years.**

According to experts from the State’s Fiscal Crisis Management Assistance Team (FCMAT), school districts in California that have experienced a takeover take about 10 or more years to recover. It could be many years before parents and local community members in Sacramento would regain local control of our schools.

❖ **Experts agree a takeover would be bad for our students.**

Experts from FCMAT presented to the Sacramento City Unified Board of Education on December 13, 2018 and warned District leaders that a takeover would not be in the best interest of our students. FCMAT has encouraged the District and its labor partners to work together to identify the cost savings necessary to avoid a takeover.

Sign up for budget alerts and to receive our plan to save our schools by visiting:
www.scusd.edu

*While this process has traditionally been referred to as “state takeover”, [recent legislation](#) made several changes to the state’s system for intervening in fiscally distressed school districts. Among the changes, takeover responsibilities shifted from the state to the county level.