



San Francisco Unified School District, 555 Franklin Street, San Francisco, California 94102

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## MEMORANDUM

**TO:** Board of Education

**FROM:** Thu Cung, Executive Director, Budget Services

**DATE:** June 26, 2018

**RE:** Superintendent's Proposal 186-12Sp1 - Annual Update of the Fiscal Year 2018-19 LCAP for SFCOE & SFUSD & Superintendent's Proposal 186-12Sp2 - Fiscal Year 2018-19 Recommended Budget

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Following First Reading and the Committee of the Whole discussion regarding the 2018-19 Recommended Budget and Local Control and Accountability Plan (LCAP), staff have compiled a summary of highlights, key questions and responses and next steps for the Board of Education.

For the 2018-19 Recommended Budget, staff had highlighted changes agreed to by state legislation as of June 15, 2018. These assumptions include a 3.7% Cost of Living Adjustment (COLA), up from 3.0% COLA in the May Revise, and one-time discretionary funding at \$168 per Average Daily Attendance (ADA), which is a decrease from \$344 per ADA in the May Revise. For Second Reading, the 2018-19 recommended budget revenues for the Unrestricted General Fund (UGF) reflect these figures for a total of \$594.4M, an increase of \$516 per ADA from 2017-18.

Expenditure assumptions remain level compared to First Reading. The District's Operating Budget totals nearly \$890M, and this includes both unrestricted and restricted funding sources. For detailed information regarding restricted funding sources and operating funds, please see Volume II, Exhibits 7 and 9. The Unrestricted General Fund expenditures remain at \$611.0M, which outpaces total UGF revenues above by more than \$16M.

In 2018-19, the District implemented critical planning assumptions to meet expenditure obligations. Salary increases for staff, including teachers, paraprofessionals and all other bargaining units, were included as part of projected expenditures. Additionally, since site allocations yield direct impact to schools and students, the District held site allocations at level funding, including the Weighted Student Formula, Multi-Tiered System of Supports and Special Education staffing allocations. Schools that moved from Tier 3 to Tier 2 and Tier 2 to Tier 1 had their allocations sustained -- one school saw a reduction, and staff are planning to work with the site to review potential adjustments in Fall. Beyond direct school site allocations, there are several critical areas of need either losing funding or that have growing needs, including ExCel afterschool programming, translation and special needs nursing supports, ethnic studies; these received funds to sustain program needs. And funds were also set aside



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to ensure Board resolutions received support as well, including those in support of Native Hawaiian and Pacific Islanders, Drivers' Education for continuing education students, and recommendations from the Formative Assessments committee. To balance the budget, the District maximized restricted funding sources where possible, and central office administrative UGF budgets were reduced by 5.25%. These reductions comprised a decrease of more than 30 FTE positions and further detail on these reductions can be found in the responses to the Board's Committee of the Whole discussion. While staff sought to minimize the impact of these reductions to schools and students as much as possible, services will be impacted with the reduction in funding. Looking ahead, additional reductions are projected at this time to balance the budget in the out years.

LCAP stakeholder feedback continues to emphasize the need to invest in implicit bias and cultural competency training in support of focal students and also highlights the need to elevate best practices already happening at schools and build consistency in delivering best practices across all sites. Additionally, Student Voice recommendations called for the need to elevate leadership opportunities for students as well as stronger integration of arts programming. Staff recognize the urgency of these needs and will be working to build capacity across schools and departments to more consistently deliver services to reach students.

For detailed responses to LCAP stakeholder recommendations, including those made on behalf of Student Voice, as well as additional information to the questions from the Committee of the Whole on June 19, 2018, visit <http://www.sfusd.edu/en/about-sfusd/budget/overview.html>. Here you'll also find an refreshed version of Tableau, an interactive tool that gives a detailed two-year comparison of school and department budgets.

The culmination of the 2018-19 recommended budget and LCAP represent conversations and planning efforts from across the district, and we thank and acknowledge the thoughtful voices that contributed to the development of the budget and LCAP. Key leaders also played critical roles in ensuring the 2018-19 recommendations captured critical needs while still meeting fiscal obligations.

In terms of next steps, the Governor is slated to enact the state budget by June 30th. Following adoption, we will be sending the 2018-19 recommended budget and LCAP to the state by June 29th.

cc: Jill Hoogendyk  
Myong Leigh  
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## ***Acknowledgements***

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