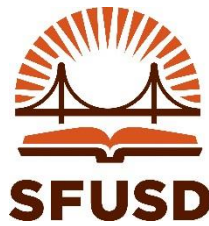


# **2016-19 LOCAL CONTROL & ACCOUNTABILITY PLAN (LCAP) & 2016-17 PROPOSED BUDGET**

Board of Education  
Regular Meeting  
June 28<sup>th</sup>, 2016

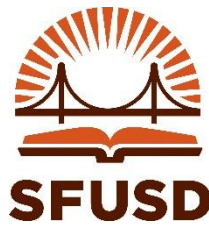
# Objectives



- Overview of Changes Since 1<sup>st</sup> Reading and COW
- Recap of Key Highlights Regarding Budget & LCAP
- Updates on the State Budget
- Next Steps
- Acknowledgements

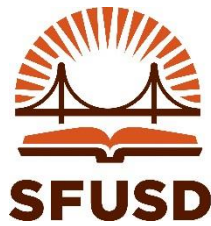
# **OVERVIEW OF CHANGES SINCE 1<sup>ST</sup> READING & COMMITTEE OF THE WHOLE**

# Responses to Board Recommendations & Questions



- Incorporated recommendation regarding adding staff support for Visitacion Valley Middle School in support of the African American Achievement & Leadership Initiative (PEEF)
- Incorporated additional Health Education staff to help pilot implementation of curricula for Health Education in middle grades (PEEF)
- Responded to additional budget and LCAP questions and comments (Q&A document, PEEF Amendment document)

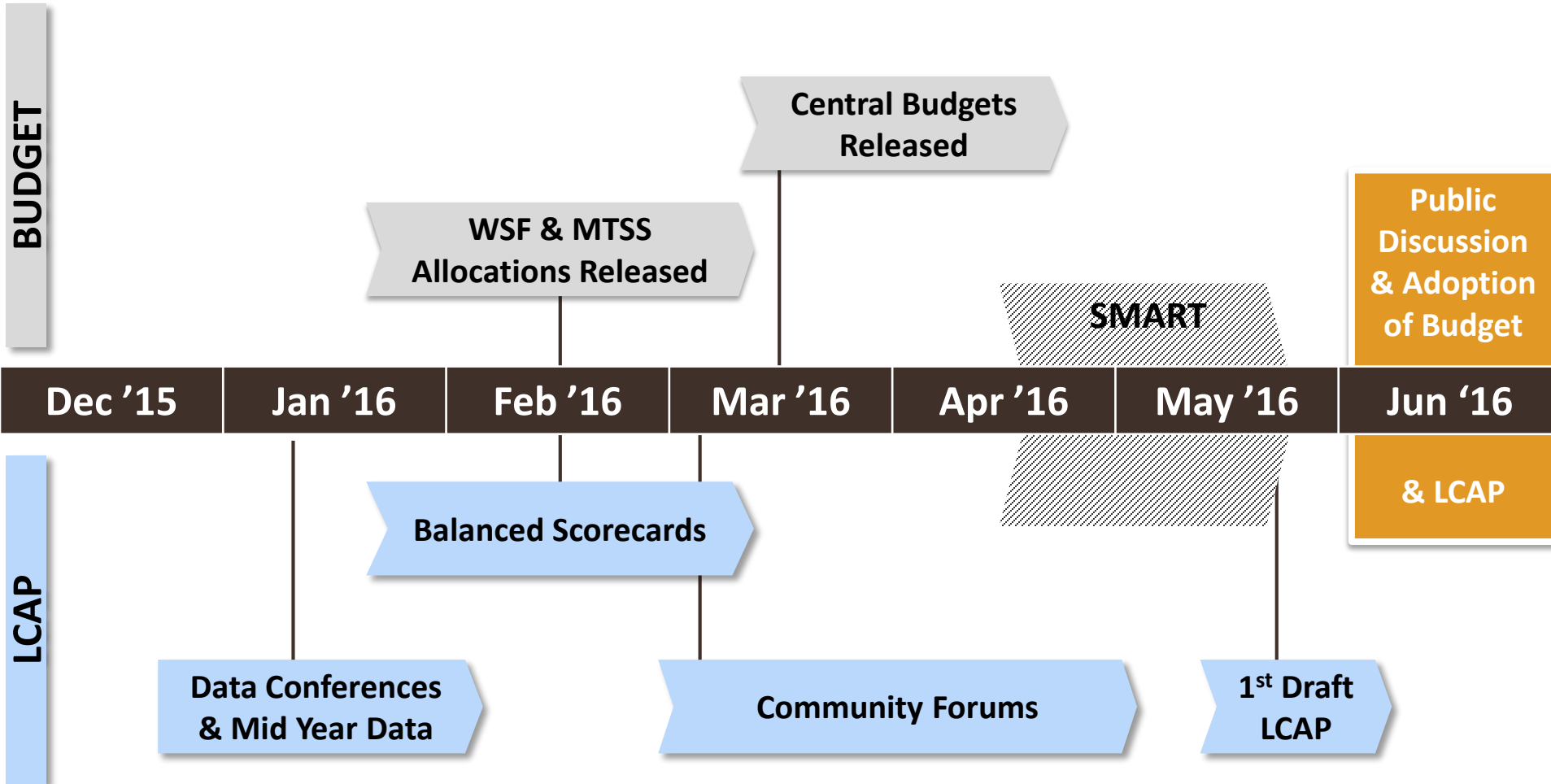
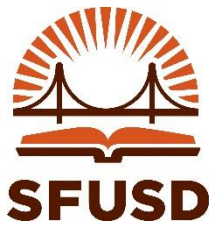
# Highlights to Note



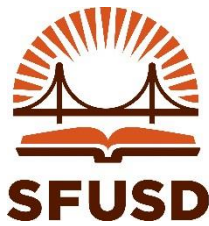
- LCAP for SFUSD and SFCOE (Volume 1)
- Details on Additional Funding for Priorities available
- Adopted Budget in Standardized Account Code Structure (SACS) for SFUSD and SFCOE

# **RECAP OF KEY HIGHLIGHTS REGARDING BUDGET & LCAP AND STATE BUDGET UPDATE**

# LCAP and Budget Development Process



# Unrestricted General Fund Proposed Budget & Multi-Year Projections

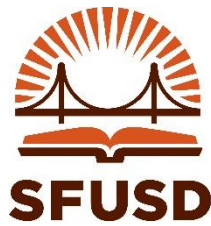


Category (in Millions)	(A) FY 2015-16 Estimated Actuals	(B) FY 2016-17 Proposed Budget	(C) FY 2017-18 Projected Budget	(D) FY 2018-19 Projected Budget	Variance (B) – (A)	Variance (C) – (B)	Variance (D) – (C)
Total Revenues (mostly LCFF)	\$555.3	\$558.5	\$564.9	\$568.4	\$3.2	\$6.4	\$3.5
Total Expenditures	\$532.3	\$566.0	\$577.5	\$585.2	\$33.6	\$11.5	\$7.7
Net Increase/(Decrease) in Fund Balance	\$23.0	(\$7.5)	(\$12.6)	(\$16.8)	(\$30.4)	(\$5.1)	(\$4.2)
Beginning Fund Balance	\$36.4	\$59.4	\$52.0	\$39.4	\$23.0	(\$7.4)	(\$12.6)
Ending Fund Balance	\$59.4	\$52.0	\$39.4	\$22.6	(\$7.4)	(\$12.6)	(\$16.8)
Designated Fund Balance	\$24.1	\$21.6	\$17.2	\$16.3	(\$2.5)	(\$4.4)	(\$0.9)
Undesignated Fund Balance	\$35.2	\$30.3	\$22.2	\$6.3	(\$4.9)	(\$8.2)	(\$15.9)

Note: Values may be impacted by rounding; MYPs updated per May Revise; additionally, these projections assume no salary increases and expenditure reductions would be needed to meet designated reserves



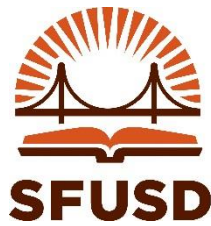
# Unrestricted General Fund Expenditure Increases



Increased Expenditures for Commitments Made to Date and New Programs	Amount (\$ Millions)
Negotiated Salary Increases (all units, including increase in contributions to all funds)	\$11.1
Increased Cal STRS contribution	\$5.1
Increased Contribution to Transportation	\$1.9
Increased Contribution for Special Education	\$2.9
Increased Contribution to Routine & Restricted Maintenance	\$1.3
Increased Contribution to County Office of Education	\$1.0
Increased Site Allocations	\$4.5
Increased Multi Tiered System of Supports (MTSS)	\$0.5
New-Increased Investment in HR/Budget/IT Software Upgrades	\$1.8
New-Acceleration of 5% increase on restricted programs salaries	\$1.0
<b><i>Funding for New Priorities</i></b>	<b>\$2.6</b>
<b>TOTAL:</b>	<b>\$33.6</b>



# Increased Expenditures for FY 2016-17

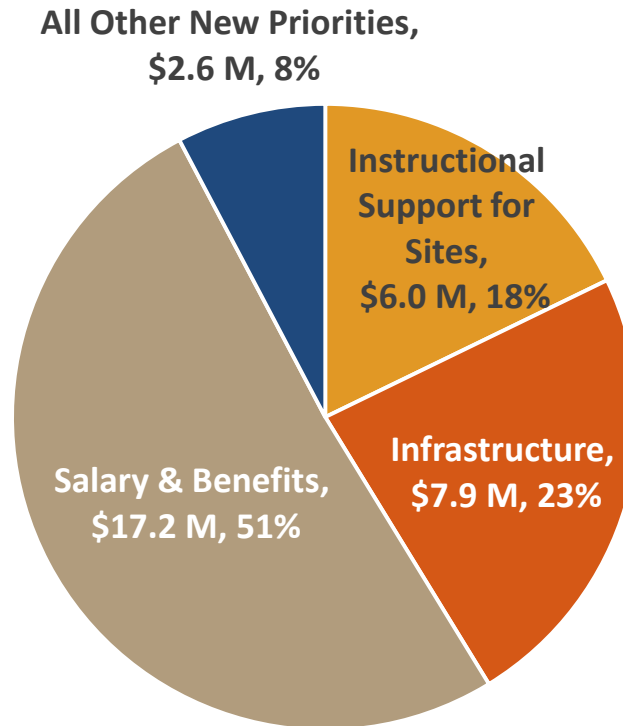


## All Other New Priorities: \$2.6 million

- SMART approved requests for additional funding

## Salary & Benefits: \$17.2 million

- Negotiated salary increases
- 5% acceleration
- STRS contributions



## Instructional Support for Sites: \$6.0 million

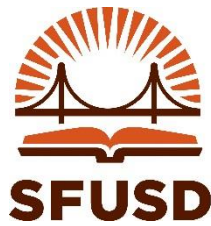
- Site allocations
- MTSS
- Special Education contribution

## Infrastructure: \$7.8 million

- Transportation
- Routine & Restricted Maintenance
- County Office of Education contribution
- HR/Budget/IT software upgrades

**Total Expenditure  
Increases-\$33.6 Million**

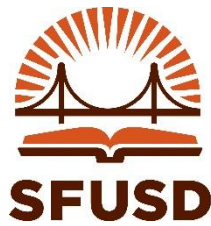
# Additional Supports for New Priorities



Strategy Alignment	Unrestricted Resources	UGF ONE TIME FUNDING	TIIG	TITLE I	CEIS	QTEA	PEEF	Grand Total
<b>TEACHING &amp; LEARNING (\$1.0 M)</b> • (BOE) – Expansion of Arabic & Vietnamese Pathways (\$60K); AAALI Support at Vis Valley Middle School (\$95K)	\$ .4M			\$ .2M		\$ .1M	\$ .3M	\$ 1.0M
<b>SAFE &amp; SUPPORTIVE SCHOOLS (\$1.4 M)</b> • (BOE) – Youth with Incarcerated Parents & Homeless Youth Support (\$85K); Health Education Support (\$95K)	\$ .7M	\$ .1M	\$ 30K		\$ .4M		\$ .2M	\$ 1.4M
<b>FAMILY EMPOWERMENT (\$0.5 M)</b>	\$ 5K	\$ .2M					\$ .3M	\$ .5M
<b>TALENT &amp; CULTURE (\$0.6 M)</b> • (BOE) – Internship Support (\$220K)	\$ .4M						\$ .2M	\$ .6M
<b>RESOURCE MANAGEMENT &amp; IMPACT (\$0.3M)</b>	\$ .2M	\$ .1M					\$ .1M	\$ .3M
<b>CORE OPERATIONS &amp; OTHER (\$1.0 M)</b> • (BOE) OCOF Service Inventory (\$130K)	\$ .5M	\$ .1M					\$ .4M	\$ 1.0M
<b>GRAND TOTAL</b>	<b>\$ 2.2M</b>	<b>\$ .4M</b>	<b>\$ 30K</b>	<b>\$ .2M</b>	<b>\$ .4M</b>	<b>\$ .1M</b>	<b>\$ 1.5M</b>	<b>\$ 4.8M</b>

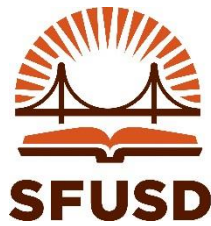
Note: Some values impacted by due to rounding

# Additional Supports for New Priorities (continued)



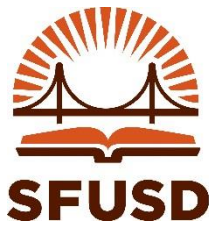
- Teaching & Learning (\$1.0M)
  - Additional supports for Math, including Algebra Placement exams and additional translation of core curriculum (\$55K UGF // \$50K PEEF)
  - Increased extended hours for development and administration of assessments (\$285K UGF)
  - Additional McAuley classroom and resources for Non Public School / Agency support (\$108K UGF)
  - Support for Tech Lead Program, a stipend-based program to help site staff effectively integrate technology for classroom learning environments (\$125K QTEA)
  - Additional AAALI Program Coordinators and continuing support for AAALI Special Assistant (\$166K PEEF // \$160K Title I)
  - Expansion of Arabic & Vietnamese Pathways (BOE, \$60K PEEF)
- Safe & Supportive Schools (\$1.4M)
  - Additional School Health Supports, including resources for increased Vision & Hearing screenings, training and stipends for staff who provide specialized healthcare services (\$23K UGF)
  - Increased materials for Student Advisory Council (\$27K UGF)
  - Additional resources and materials for Custodial services (\$310K UGF)
  - Additional supports for focal student populations including resources and materials for Mentoring for Success (\$7K PEEF), Caminos (support for unaccompanied minors) (\$52K UGF), Youth Risk Behavior Survey (\$35K UGF), Safety Care Program training (\$401K CEIS), additional Psychologists (\$354K UGF), support for Youth with Incarcerated Parents and Homeless Youth/Youth in Transition (BOE, \$85K PEEF), and Health Education pilot (\$95K PEEF)

# Additional Supports for New Priorities (continued)

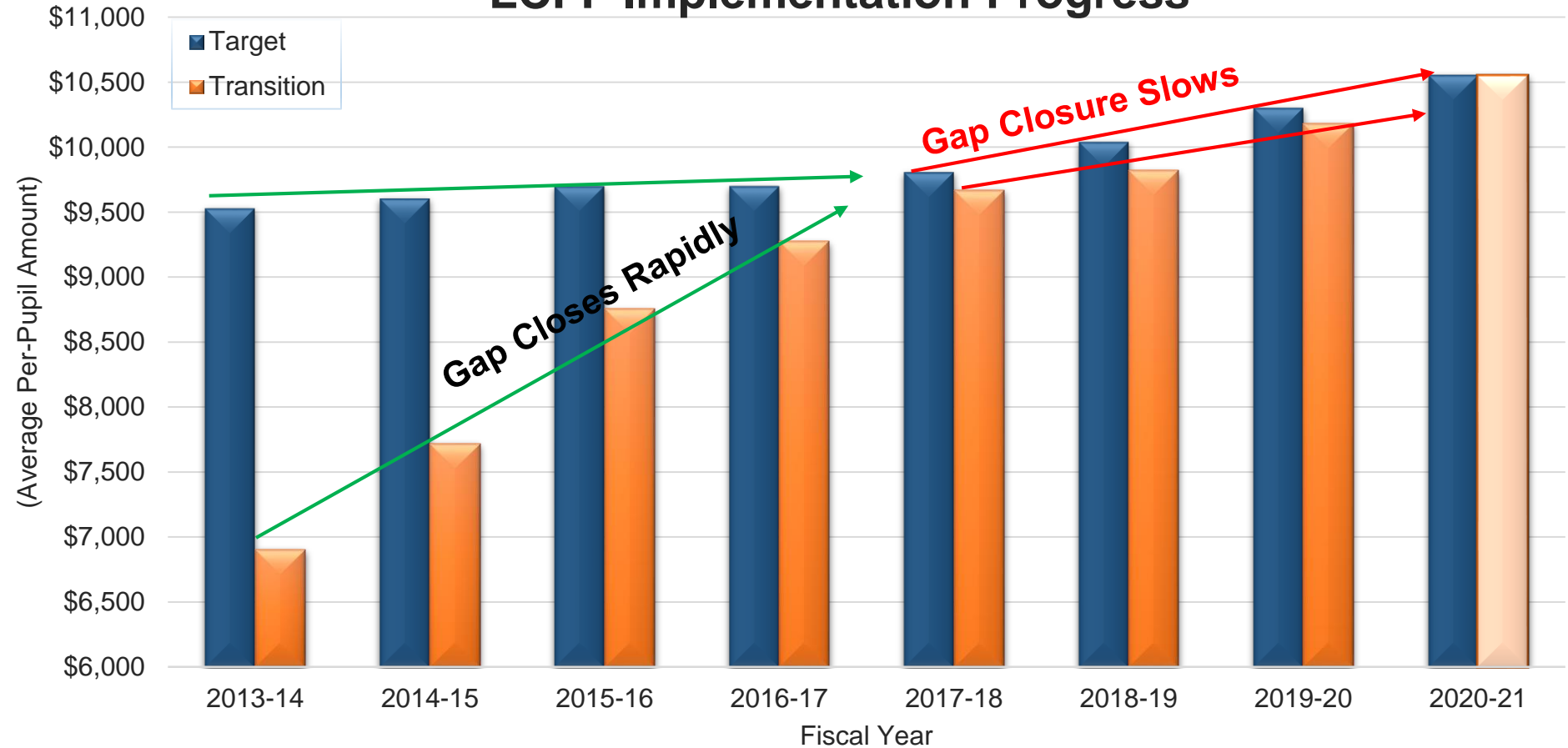


- **Family Empowerment (\$0.5M)**
  - Implementing the Parent Portal in Synergy, the Student Information System (SIS) (\$193K UGF)
  - Hiring translation staff and increased supports for SpEd IEP translations (\$321K PEEF)
- **Talent & Culture (\$0.6M)**
  - Increase in talent development support (\$352K UGF)
  - Increased professional development for Legal Services (\$23K UGF)
  - Work Based Learning & Internships (BOE, \$220K PEEF)
- **Resource Management & Impact (\$0.3M)**
  - Data systems support for Business Services to build greater accessibility and efficiency of financial systems (\$198K UGF)
  - One-time increased supports for Education Placement Center to transition leadership positions (\$62K UGF)
  - Data analysis support for AAALI to review fidelity of implementation and impact of initiatives (\$80K PEEF)
- **Core Operations & Other (\$1.0M)**
  - Technology support for upgrading the public web site and improving the Employee Portal (\$154K UGF)
  - Support for recruitment resources and hiring application software (\$47K UGF)
  - Facilities Deputy Director position to support transition of leadership (\$216K UGF)
  - Technology upgrades for Board Room, including online agendas, and support for elections (\$43K UGF)
  - Support for the Executive Director of Arts & Creativity and OCOF Service Inventory (\$352K PEEF)
  - Additional infrastructure supports for warehouse (\$50K UGF)

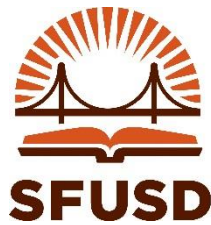
# At 95.7% of Full Implementation, funding growth slows



## LCFF Implementation Progress



# Long-Term Planning and Context Beyond 2016-17



- Unless the fiscal forecast improves, we will return to structural deficits and budget shortfalls by FY 2018-19
  - Slow revenue growth is not expected to keep pace with projected expenditure increases
  - Investments in compensation for teachers and other employees and other strategic priorities are needed but will intensify our budget challenges
- We will have to take steps to balance budgets and/or repurpose our resources, such as:
  - Scale back existing programs, especially those showing questionable impact
  - Hold off on implementing new programs
  - Reduce positions
  - Consolidate portfolio of schools
  - Seek additional voter-approved funding
- In the meantime, the recommended budget includes modest investments in several strategic priorities
- In some cases, the Superintendent recommends taking measured steps to explore or implement a policy objective prior to full and immediate implementation. This reflects:
  - The need to balance limited resources across many competing priorities
  - A desire to learn and adapt along the way

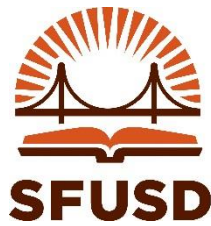
- Legislature passed a budget on 6/15/16 (meeting their constitutional deadline) and forwarded this to the Governor's desk
- Governor signed the State Budget on 6/27/16 along with a dozen trailer bills. Unlike as in previous years, the Governor did not exercise his line-item veto authority and generally agreed with the Legislature on all substantive aspects of the State Budget
- State budget focuses on investing more on education, programs for fighting poverty and homelessness, and increasing the state reserves and paying down debt by continuing to make contributions to the State Rainy Day Fund
- Appropriates \$200 million in one-time Proposition 98 funds for the **College Readiness Block Grant**
  - Funds will be allocated to school districts, county offices of education and charter schools on a per ADA basis of high school students (grades 9-12 inclusive) who are English Learners, foster youth, or are free and reduced price meal eligible (the unduplicated pupil count)



- Uses of the **College Readiness Block Grant** include, but are not limited to, professional development for educators on improving college readiness and increasing college-going rates, enhancing counseling services on requirements for college admissions, and implementing partnerships between high schools and postsecondary institutions to support student matriculation and transitions
- An additional change in the State Adopted Budget is the reduction in the one-time discretionary funds for prior year mandate reimbursements. Funding is reduced from \$237 per ADA as proposed in the May Revise to \$214 per ADA, a loss of approximately \$1.2 million in revenue for SFUSD
  - This reduction is currently not reflected in the SFUSD recommended budget but will be incorporated as part of the First Interim
- The Early Education Block Grant (EEBG) that the Governor had proposed in both the January budget proposal and the May Revise has been abandoned

## **NEXT STEPS**

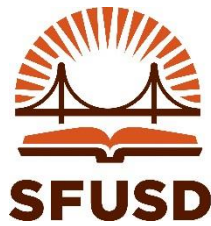
# Next Steps



- Staff will analyze the final State Adopted Budget and the impact on District budget and recommend changes as appropriate
- School sites revise final budgets – September / October
- Close books for FY15-16
- Unaudited actuals – October
- Audited financial statements - December
- First Interim Report for FY16-17 - December

# ACKNOWLEDGEMENTS

# Acknowledgements



## **LEADS**

### **Business Services**

Reeta Madhavan

### **Budget Services**

Thu Cung

John Chen

Courtney Graham

Jennifer Schuster

### **Department of Technology**

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Eddie Ngo

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### **Office of Family Empowerment**

Ruth Grabowski

### **Policy & Operations**

Myong Leigh

### **Superintendent's Office**

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### **Translation & Interpretation Unit**

Lehmann Sio

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Thu Cung

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Ritu Khanna

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Raymond Ng

Lin Qiu

Jennifer Schuster

### **Budget Services (continued)**

Andrew Wong

Jason Wong

Teresa Wong

Ann Yau

### **Numerous Department Heads & Staff**

### **ADVISORY COUNCILS**

#### **District English Learner Advisory Council (DELAC)**

Lucia Barrow

#### **LCAP Task Force**

#### **Parent Advisory Council (PAC)**

Georgia Williams-Bratt

#### **Student Advisory Council (SAC)**

Salvador Lopez-Barreras

Cyrus Quan