SAN FRANCISCO UNIFIED SCHOOL DISTRICT
FY 2014-15 FIRST READING
OBJECTIVES

• Recap the June 3rd Committee of the Whole meeting
• Summarize the process to refine and finalize the Local Control Accountability Plan (LCAP)
• Discuss the 1st Reading of the District’s budget
• Share updates on the State budget
• Review next steps
The Board of Education met on June 3\textsuperscript{rd} to discuss the LCAP and budget.

Specific topics included:

- Draft LCAP
- Governor’s May Revision FY14-15 budget proposal
- CAL-STRS funding proposal and fiscal impact to SFUSD
- Unrestricted General Fund summary (comparing FY13-14 estimated actuals to FY14-15 recommended budget)
- UGF history and multi-year projections
- Special education
- Legislative process and topics of focus

Presentation materials are available on sfusd.edu
• Second draft LCAP was provided at the June 3rd COW meeting and is posted on sfusd.edu

• Parent Advisory Council (PAC) and District English Learner Advisory Council (DELAC) are developing feedback to second draft

• Third draft LCAP will be provided at the June 17th COW meeting

• Final LCAP will be recommended for second reading and adoption at the June 24th regular Board meeting

• In addition to the LCAP process, staff can meet with PAC and DELAC and other organizations to respond to questions and engage further on various topics

• LCAP itself will be refined in future annual updates and continuously improved
• LCFF revenue is based on the growth factors projected by the Department of Finance.
  • LCFF revenue is projected to increase by $38.4 MM, representing a growth funding rate of 28.05% for closing the gap toward target funding
  • Multi-year projections are now based on DOF estimates
• Lease and rental income is projected to increase by $1MM reflecting higher revenue from 1235 Mission Street
• Sales Tax is projected to increase by about $1.5 million or 5% in keeping with the City’s projections for sales tax revenue growth
• All Other Local Revenue is projected to increase by $515K due to a one-time settlement payout from PARS
• Note: Rainy Day Reserve appears to be increasing, which will provide some security in the future, especially if DOF projections do not materialize
FY 2014-15 PROPOSED BUDGET
EXPENDITURE HIGHLIGHTS

- Increases in FY 2014-15 expenditure budget include:
  - Salary and related benefits increases / collective bargaining ($10.0 MM)
  - Increased WSF and other site-based budget allocations ($5.3 MM)
  - Investments in centrally budgeted supports to sites (MTSS) ($4.4 MM)
  - Increasing classified retirement and other benefits costs ($4.3 MM)
  - Higher contribution to Special Education ($4.1 MM)
  - Increased employer contribution for CAL-STRS based on the Governor’s proposal ($3.0 MM)
  - Step and column increases ($2.3 MM)
  - Elimination of revenue reallocation from QTEA ($2.2 MM)
  - Expanding transitional kindergarten classrooms ($1.1 MM)
Last week the Legislature’s Budget Conference Committee began reconciling differences between the spending plans proposed by the Assembly and Senate, as well as the Administration.

Major topics include:
- Revenue assumptions
- LCFF funding
- Common Core funding
- Mandate reimbursements
- CAL-STRS
- Child care and pre-school funding
- Career technical education funding

Negotiations are reportedly taking place among the Governor and Legislative leadership, while the Committee has been awaiting call of the committee chair.

If a deal is reached, the Committee will convene quickly to act.

Once approved by the Committee, the proposed budget would go to both houses for consideration and action.

The constitutional deadline to pass a budget is June 15th.
In effort to continue increasing transparency and accessibility to our District’s budget, this year’s Budget Book includes the following major highlights:

- District strategies and description of tiered supports (p.9)
- Summary of LCAP and LCFF updates (p. 11 and 16, respectively)
- Summary of Common Core State Standards Implementation Funds (p.28)
- Exhibit detailing the multi-tiered system of support allocations to school sites (p.72)
- Division summaries and department budget details

As always, the Budget Book is available on sfusd.edu (in a searchable format)
• Committee of the Whole on LCAP and Budget – June 17th
• Second reading of LCAP and Budget – June 24th
• Governor signs / state adopts budget – Date TBD
• SFUSD staff analyzes final state budget – Summer
  – Determine variances from current assumptions
  – Analyze impact on school site budgets
  – Recommend appropriate adjustments to adopted budget
• School sites revise final budgets – Sept. / October
• Close books for FY 2013-14
  – Unaudited Actuals – October
  – Audited Financial Statements – December
• First Interim Report for FY 2014-15 – December