

SAN FRANCISCO
UNIFIED SCHOOL
DISTRICT
FY 2014-15 FIRST
READING

Board of
Education
June 10, 2014

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

RECAP OF JUNE 3RD COMMITTEE OF THE WHOLE

- The Board of Education met on June 3rd 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

LOCAL CONTROL ACCOUNTABILITY PLAN

- 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

FY 2014-15 PROPOSED BUDGET REVENUE HIGHLIGHTS

- 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)

STATE BUDGET UPDATES

- 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

BUDGET BOOK HIGHLIGHTS

- 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)

NEXT STEPS

- 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