



SFUSD SAN FRANCISCO
PUBLIC SCHOOLS

PRESS RELEASE
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SFUSD Board of Education adopts 2017-18 budget

Budget prioritizes employee compensation and services for highest-need students

June 28, 2017 (San Francisco, CA) - The SF Board of Education has adopted its annual budget and Local Control Accountability Plan (LCAP) for the San Francisco Unified School District.

In the 2017-2018 LCAP and budget, SFUSD prioritizes accelerating achievement for its most vulnerable students and the schools that serve them. Additionally, SFUSD recognizes one of the most direct levers for influencing student achievement is its staff. Therefore, the budget also prioritizes further increasing staff salaries and benefits.

Revenue is slowing and mandatory expenditures are growing

The primary revenue for California public schools is from the state's Local Control Funding Formula (LCFF). The district's total unrestricted revenues are projected to increase by \$7 million, from \$561 million to \$568 million.

However, SFUSD officials are projecting that expenditures will outpace revenues in the next three years, primarily due to increases to mandatory employee pension contributions and salaries.

"In reviewing the fiscal landscape, it is clear that trade-offs will be necessary to meet our priorities," said Reeta Madhavan, Chief Financial Officer. "Mandatory expenditures are expected to grow at rates that nearly negate projected increases in revenue growth."

Important trade-offs to balance the budget

Some trade-offs are required to cover expenditures. The adopted budget reduces or re-assigns central office staff to fill teacher positions in schools. In addition, it will scale back existing programs and hold off on implementing new programs.

The district will increase school site allocations, but reduce centralized support services in order to achieve a balanced budget. Total Unrestricted General Fund expenditures for 2017-18 amounts to \$578 million, half of which will go directly to school sites. Other expenditures will be operational support (12%), instructional support (6%), central administration (3%).

Additional uncertainties in federal and state revenues may result in further cuts; district officials say that federal budget reductions alone could potentially result in estimated cuts of \$11M.

"Though we've seen improvement in recent years, the State of California remains at the bottom in per pupil spending and the amount we get to operate thriving schools in San Francisco simply doesn't stack up," said Board President Shamann Walton. "We are being thoughtful and strategic with the resources we have and aiming them toward our highest-need students and schools as well as our employees who are vital to our students' success."

About the SFUSD and SF County Office of Education LCAP

The 2017-20 Local Control and Accountability Plan (LCAP) reflects the five strategies encompassed in the State's priority areas, including: Teaching & Learning, Safe & Supportive Schools, Family Empowerment, Talent & Culture and Resource Management. The LCAP combines actions with data and dollars along with student, parent and community input.

The combined feedback and reflection gathered from school site plans, community conversations and data review reinforced SFUSD's priorities and highlighted key areas, particularly social-emotional supports, academic supports for focal students (particularly English Learners and African American students) and the need for continued investments in professional development among staff.

Data driven budgeting

Across grade levels from preschool to postsecondary, staff are supporting students to make gains toward being college and career ready. Yet, significant gaps remain in achievement and opportunity. Indicators that declined or continue to show gaps in achievement include reclassification rates for English Learners, standardized test scores in ELA and Math among focal students, and graduation rates among students with disabilities.

In regard to social-emotional indicators, while many families rank their school's culture climate as positive, other indicators continue to reveal gaps in access to education, including high rates of chronic absenteeism among African American and Pacific Islander students.

Community Input

Across the majority of conversations with parents, social-emotional and behavioral supports were a consistent priority. While acknowledging the fundamental need for academic resources, parents felt many students cannot successfully access the curriculum without having social-emotional and behavior supports in place. And where conversation participants chose to prioritize academic supports, they were focused on English Learners, and discussion centered on concerns about how to improve rates for students to be reclassified as Fluent English Proficient.

Increasing employee salaries

However, the budget does not include salary increases that are expected to take effect when labor negotiations are completed.

This is because SFUSD is in the midst of bargaining with all represented employees, including the teachers union and the unions that represents cafeteria workers, custodians, administrative assistants, technology staff and architects and the building trades. All represented groups are asking for significant raises.

A one percent raise for teachers costs approximately \$4.2 million. For other all other employees, a one percent raise will cost an additional \$1.7 million.

Additionally each year the district's CalSTRS contribution (the teachers' retirement fund) goes up by about 1.85 percent which is about an incremental \$4.5M in expenditures.

SFUSD anticipates future cuts upwards of seven percent to reach projected salary increases.

"We are committed to maintaining and improving our competitiveness in compensation, to recruit and retain our dedicated employees. In order to do this, we need to make several difficult trade-offs," said Deputy Superintendent Myong Leigh.

Until the fiscal forecast improves, SFUSD will return to structural deficits and budget shortfalls by the 2018-19 school year.

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