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

Board of Education
Regular Meeting
June 28th, 2016
Objectives

• Overview of Changes Since 1st Reading and COW

• Recap of Key Highlights Regarding Budget & LCAP

• Updates on the State Budget

• Next Steps

• Acknowledgements
OVERVIEW OF CHANGES SINCE 1ST 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

Dec '15
- Data Conferences & Mid Year Data

Jan '16
- WSF & MTSS Allocations Released

Feb '16
- Balanced Scorecards

Mar '16
- Central Budgets Released

Apr '16
- Community Forums

May '16
- SMART

Jun '16
- Public Discussion & Adoption of Budget & LCAP

1st Draft LCAP
## Unrestricted General Fund Proposed Budget & Multi-Year Projections

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

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

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

**TOTAL:** $33.6
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

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

*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 Heath 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)

Note: Some values impacted due to rounding
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)

Note: Some values impacted due to rounding
At 95.7% of Full Implementation, funding growth slows
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
State Budget Update

• 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
Shannon Lee
Eddie Ngo
Jason Wong

Office of Family Empowerment
Ruth Grabowski

Policy & Operations
Myong Leigh

Superintendent’s Office
Jill Hoogendyk

Translation & Interpretation Unit
Lehmann Sio

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Abram Jimenez
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Orla O’Keeffe
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Reeta Madhavan
Brent Stephens
Kevin Truitt
Monica Vasquez

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