

SFUSD Board of Education FY 2022-23 Proposed Budget & Multi-Year Projections

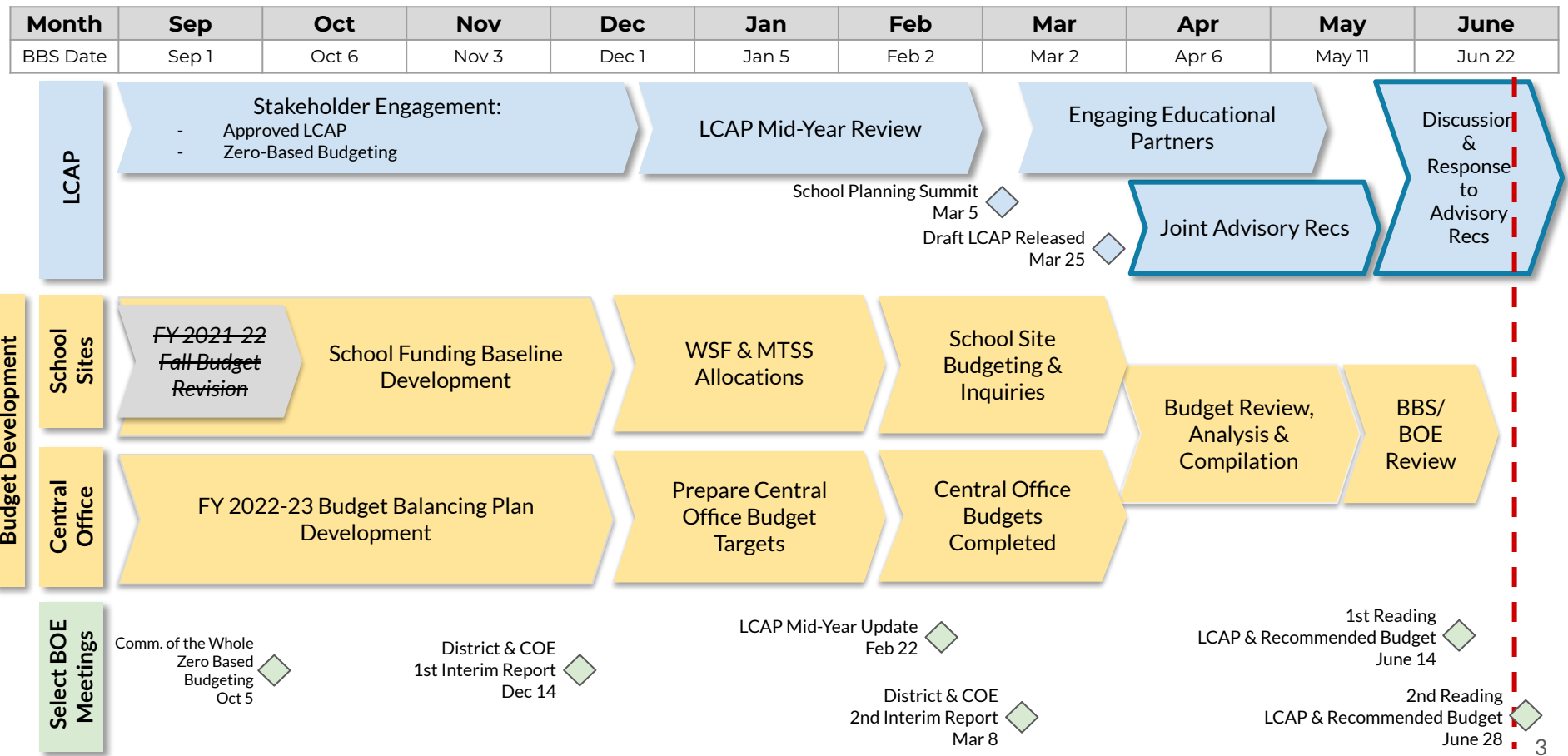


June 22, 2022

Item Objectives

- Review budget development timeline, key budget planning factors, and balancing measures
- Overview of the proposed Fiscal Year (FY) 2022-23 San Francisco Unified School District (SFUSD) and San Francisco County Office of Education (SFCOE) budgets
- Consider budget trade offs to consider in the event of increased ongoing and one-time revenues
- Look ahead to next steps in the budget approval and FY 2022-23 budget update process

Budget Development Timeline



Timeline subject to change. An asterisk (*) indicates a date that has not yet been finalized.

Budget Planning Factors

District and County Office of Education

Planning Factor	2022-23	2023-24	2024-25
<u>Cost of Living Adjustment (COLA)</u>			
LCFF COLA	6.56%	5.38%	4.02%
Special Education COLA	6.56%	5.38%	4.02%
<u>Employer Benefit Rates</u>			
CalSTRS	19.10%	19.10%	19.10%
State Unemployment Insurance	0.50%	0.50%	0.50%
<u>Lottery</u>			
Unrestricted per ADA	\$163	\$163	\$163
Prop. 20 per ADA	\$65	\$65	\$65
<u>Mandated Block Grant</u>			
K-8 per ADA	\$34.54	\$35.79	\$35.79
9-12 per ADA	\$66.54	\$68.94	\$68.94
Enrollment	48,284	47,287	47,287
Unduplicated Pupil Percentage	58%	58%	58%
Average Daily Attendance (ADA)	45,227	44,292	43,776

Budget Balancing Plan

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Category		2022-23 Original	2022-23 Adopted	Change	Notes
Site Based Budgets		-\$50m	-\$15m	+\$35m	Restored all but \$15M to weighted student formula due to declining enrollment.
Central Budgets	Direct Service	-\$10m	-\$3.9m	+\$6.1m	Restored direct services
	Indirect Service	-\$14.1m	-\$12.6m	+\$1.5m	Reduced supports to direct service programs, such as TSAs
	Operations	-\$12.4m	-\$12.4m	-\$0.0m	Reductions to operating programs, such as Transportation, Nutrition, Technology, and Custodial services at sites
	Administration	-\$3.5m	-\$5.1m	-\$1.6m	Reduced administrative support to school sites and central services, such as managerial positions, clerical staff
	Central Total	-\$40m	-\$34.0m	+\$6.0m	Direct, Indirect, Operations, Administration
Total Expenditures		-\$90m	-\$49.0m	+\$41.0m	
Sources, New		\$35m	\$76.0m	+\$41.0m	New state grants, prior/current year savings
Budget Shortfall Addressed		-\$125m	-\$125m	-\$0m	\$125m total budget measures

County - All Resources

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Decline in revenue due to end of one-time federal sources

Reduction in expenditures due to shift transportation costs to District

Short term deficit spending to draw down available fund balance

Category (in Millions)	FY 2021-22 Projected	FY 2022-23 Proposed	FY 2023-24 Projected	FY 2024-25 Projected
Beginning Fund Balance	\$ 4.9	\$ 5.1	\$ 3.4	\$ 1.3
Revenues	\$ 23.2	\$ 13.5	\$ 14.3	\$ 16.4
Expenditures	\$ 23.0	\$ 15.2	\$ 16.4	\$ 16.4
Certificated Salaries	\$ 4.7	\$ 4.9	\$ 5.0	\$ 5.0
Classified Salaries	\$ 1.0	\$ 5.1	\$ 5.1	\$ 5.2
Benefits	\$ 5.9	\$ 4.2	\$ 4.2	\$ 4.1
Non-Personnel	\$ 11.4	\$ 1.0	\$ 2.1	\$ 2.1
Net Surplus/ (Shortfall)	\$ 0.2	\$ (1.7)	\$ (2.1)	\$ -
Ending Fund Balance	\$ 5.1	\$ 3.4	\$ 1.3	\$ 1.3
Economic Uncertainty Reserve	\$ 0.5	\$ 0.3	\$ 0.3	\$ 0.3
Restricted	\$ 4.6	\$ 3.1	\$ 1.0	\$ 1.0
Undesignated/ (Deficit)	\$ -	\$ -	\$ -	\$ -

District - All Resources

Increase in revenue from new state programs, like the Expanded Learning Opportunity Program (ELOP)



New revenue streams will be programmed out in FY 2022-23, which will reduce projected restricted fund balance



Category (in Millions)	FY 2021-22 Projected	FY 2022-23 Proposed	FY 2023-24 Projected	FY 2024-25 Projected
Beginning Fund Balance	\$ 126.2	\$ 218.4	\$ 227.6	\$ 206.8
UGF Revenue	\$ 1,337.3	\$ 1,117.1	\$ 1,129.6	\$ 1,146.2
UGF Expenditures	\$ 1,245.1	\$ 1,107.9	\$ 1,150.4	\$ 1,160.2
Operating Expenses	\$ 1,241.1	\$ 1,096.7	\$ 1,143.3	\$ 1,152.8
Interfund Transfers Out	\$ 4.0	\$ 11.2	\$ 7.1	\$ 7.4
Contributions (SpEd, Facilities)	\$ -	\$ -	\$ -	\$ -
Net Surplus/ (Shortfall)	\$ 92.2	\$ 9.2	\$ (20.8)	\$ (14.0)
Ending Fund Balance	\$ 218.4	\$ 227.6	\$ 206.8	\$ 192.8
Stores and Revolving Fund	\$ 1.5	\$ 1.5	\$ 1.5	\$ 1.5
Budget Stabilization Reserve	\$ 87.0	\$ 65.0	\$ 40.0	\$ 5.9
Rainy Day Reserve	\$ 40.0	\$ 40.0	\$ 40.0	\$ 40.0
Economic Uncertainty Reserve	\$ 22.3	\$ 22.3	\$ 22.3	\$ 22.3
Restricted	\$ 67.6	\$ 98.8	\$ 103.0	\$ 123.1
Undesignated/ (Deficit)	\$ -	\$ -	\$ -	\$ -

District - Unrestricted General Fund (UGF)

Decline in revenue due to one-time sources in FY '21-22



Growth in expenditures due to shift from federal stimulus to UGF



Ongoing deficit spending / supported by high fund balance that declines over time



The Budget Stabilization Reserve will be mostly drawn down by FY 2024-25



Category (in Millions)	FY 2021-22 Projected	FY 2022-23 Proposed	FY 2023-24 Projected	FY 2024-25 Projected
Beginning Fund Balance	\$ 41.3	\$ 150.8	\$ 128.8	\$ 103.8
UGF Revenue	\$ 747.1	\$ 655.9	\$ 651.3	\$ 652.0
UGF Expenditures	\$ 637.5	\$ 677.9	\$ 676.3	\$ 686.1
Operating Expenses	\$ 490.5	\$ 512.4	\$ 506.3	\$ 511.8
Interfund Transfers Out	\$ 1.6	\$ -	\$ -	\$ -
Contributions (SpEd, Facilities)	\$ 145.4	\$ 165.5	\$ 170.0	\$ 174.3
Net Surplus/ (Shortfall)	\$ 109.6	\$ (22.0)	\$ (25.0)	\$ (34.1)
Ending Fund Balance	\$ 150.8	\$ 128.8	\$ 103.8	\$ 69.7
Stores and Revolving Fund	\$ 1.5	\$ 1.5	\$ 1.5	\$ 1.5
Budget Stabilization Reserve	\$ 87.0	\$ 65.0	\$ 40.0	\$ 5.9
Rainy Day Reserve	\$ 40.0	\$ 40.0	\$ 40.0	\$ 40.0
Economic Uncertainty Reserve	\$ 22.3	\$ 22.3	\$ 22.3	\$ 22.3
Undesignated/ (Deficit)	\$ -	\$ -	\$ -	\$ -

FY 2022-23 Overview (UGF)

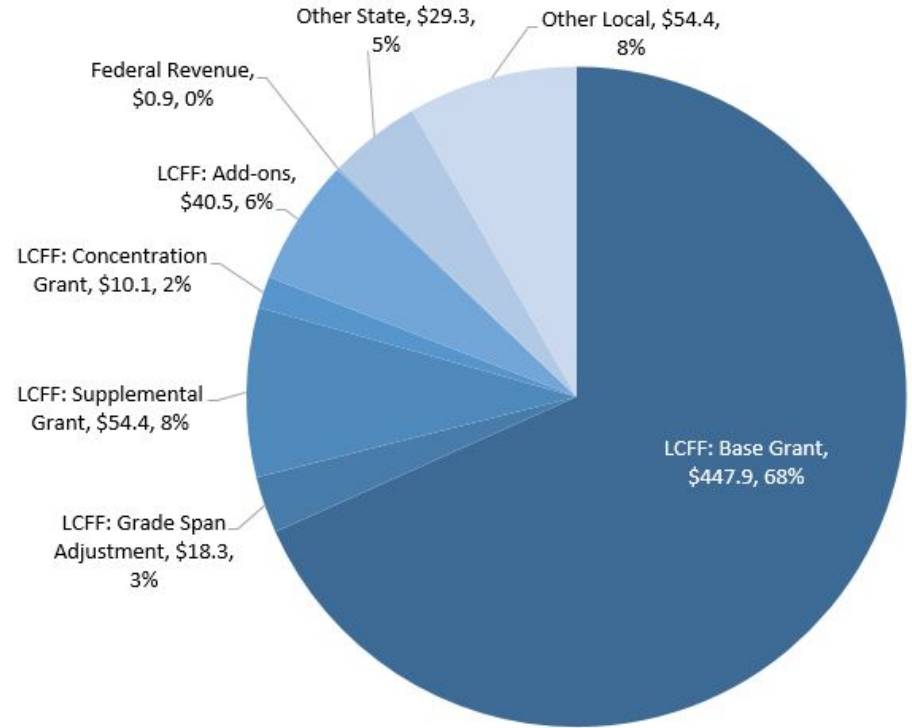
\$655.9M Revenues

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The primary funding source is the Local Control Funding Formula (LCFF).

2022-23 projection = \$571M

- 6.56% Base Grant COLA, as proposed by Governor Newsom; driven by improved State revenues
- Average Daily Attendance (ADA) reflects average of the prior three fiscal years
- Unduplicated Pupil Percentage increased from 56.9% to 58.34% based on a rolling 3-year average



Revenue Assumptions

Unrestricted General Fund

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Assumption	Governor's January Budget	Governor's May Revision	Legislature's Budget	Type	Assumed in 1st Reading?
Cost of Living Adjustment	5.33%	6.56%/ +\$2M	6.56%/ +\$2M	Ongoing	Yes
Current Year ADA Protection	NA	FY '19-20 ADA to Enrollment / +\$11M	Rejected	Ongoing	No
LCFF Augmentation	NA	\$2.1B/ +\$16M	\$6.2B/ +\$50M<	Ongoing	No
Discretionary Block Grant	NA	\$8B flexible use/ +\$67M	\$9B with more restrictions over 7-years/ +\$70M<	One-Time	Partially: \$20M

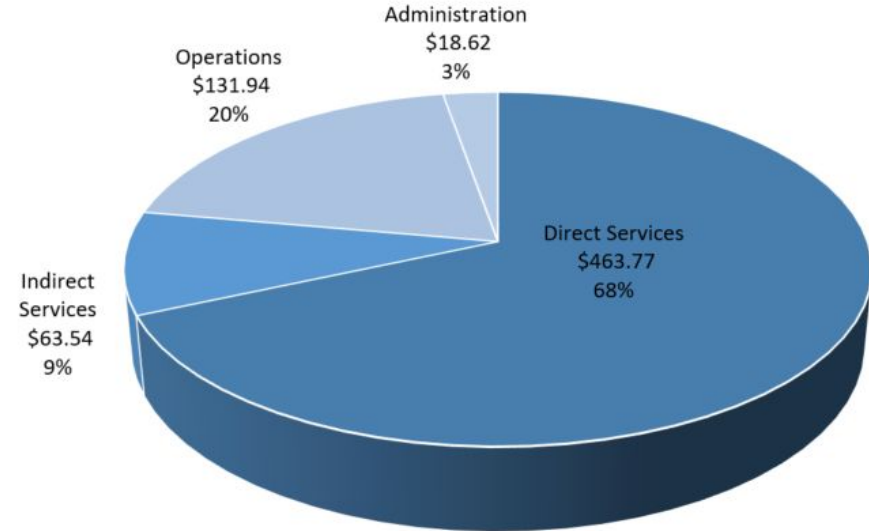
FY 2022-23 Overview (UGF)

\$677.9M Expenditures

FY 2022-23 Budgeted Expenditures (UGF)

2022-23 Recommended Budget

Direct Services	\$	463,765,975
General Education Instruction	\$	296,885,224
Support to Special Education	\$	133,800,000
Guidance and Counseling	\$	13,461,208
Attendance and Social Work	\$	10,857,202
Health/Nursing	\$	3,133,616
Other Pupil Services	\$	5,628,725
Indirect Services	\$	63,542,743
Instructional Supervision and Administration	\$	15,237,145
Instructional Library, Media, and Technology	\$	626,496
School Administration	\$	47,679,102
Operations	\$	131,943,457
Pupil Transportation	\$	28,849,337
Food Services	\$	320,868
Centralized Data Processing	\$	19,317,122
Plant Services (Maintenance, Operations, Security, Facilities)	\$	83,456,130
Administration	\$	18,623,671
Pupil Testing Services	\$	3,172,308
Board and Superintendent	\$	10,385,651
Business Services	\$	6,137,446
Personnel and Human Resources	\$	6,738,930
Other Administration	\$	6,038,511
Transfer of Indirect Costs	\$	(13,849,174)
Total Unrestricted General Fund Expenditures	\$	677,875,846



2022-23 Budget Book, Exhibit 5

FY 2022-23 Proposed Budget Assumptions

- \$19.9M anticipated Discretionary Block Grant supports immediate commitments and needs
 - \$9.6M EMPowerSF Deferred Net Pay (DNP) MOU
 - \$4.0M EMPowerSF Contracts, Staffing & MOU Obligations
 - \$3.0M Cybersecurity and Other Common Core Costs
 - \$2.0M Health & Safety Contract Budget
 - \$1.3M Staffing Stabilization MOUs
 - \$0.8M LCAP/ County Office staffing
- Additional Revenue Assumptions must consider
 - Fiscal Sustainability options:
 - Use ongoing funds to support current ongoing operations and reduce deficit spending = \$20-30M
 - Use one-time sources for one-time uses, such as technology system upgrades
 - Staffing Stabilization options:
 - Use ongoing sources to support COLAs
 - Use one-time sources for one-time compensation

Budget Trade Offs

Scenarios of Ongoing vs. One-Time

SFUSD has a **wide range of both Ongoing and One-time needs.**

It will take time for the state budget to be completed - while the deadline is July 1st, **trailer bills will hold the details.**

The District should begin planning now, but pace itself and **take a holistic approach with using new funding.**

	RANGE OF COSTS (\$ millions)			Type of Expense	
	Low	Medium	High		
Reduce Deficit Spending	\$15.0	\$20.0	\$25.0	Core	Ongoing
Certificated Compensation	\$10.0	\$15.0	\$25.0	Core	One-time or Ongoing
Classified Compensation	\$5.0	\$10.0	\$20.0	Core	One-time or Ongoing
Technology / Other Systems	\$5.0	\$10.0	\$20.0	Core	One-time or Ongoing
Health & Safety	\$2.0	\$5.0	\$10.0	Core/ Priority	One-time or Ongoing
Board Resolutions	\$2.0	\$5.0	\$10.0	Priority	Ongoing
Direct Services & Program Support	\$1.0	\$3.0	\$5.0	Priority	One-time or Ongoing
POTENTIAL ADDITIONAL COST:	\$40.0	\$68.0	\$115.0		
LCFF Protection/ Augmentation	\$11.0	\$16.0	\$50.0		Ongoing
Block Grant	\$10.0	\$60.0	\$70.0		One-time
POTENTIAL ADDITIONAL REVENUE:	\$21.0	\$76.0	\$120.0		

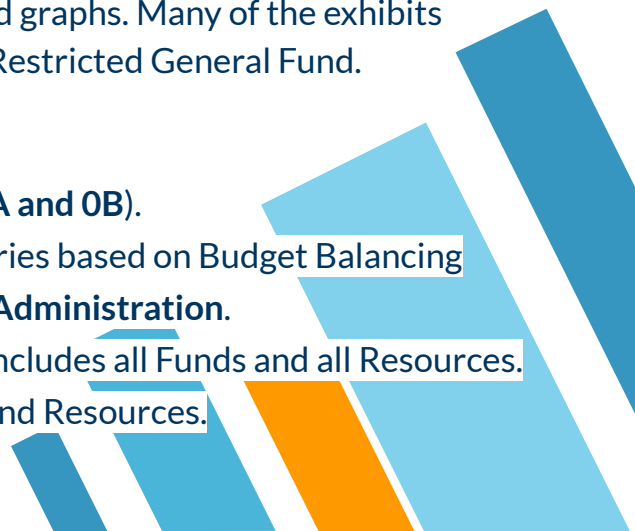


2022-23 Recommended Budget Overview, or "Budget Book"

The Budget Book is a compilation of the entire District & County budget.

- The **narrative (pages 1-27)** includes:
 - Overview of SFCOE and SFUSD
 - Details about revenue sources and drivers
 - Structure of our budget
 - Specific notes about various programs, initiatives, and funding sources.
- The **exhibits (pages 28-59)** display budget data visually in charts, tables, and graphs. Many of the exhibits segment our budget according to District and County or Unrestricted and Restricted General Fund.

Important updates to the Budget Book Exhibits this year:

- The exhibits begin with an overview of District Operating Funds (**Exhibit 0A and 0B**).
 - **Exhibit 5 (Unrestricted General Fund) has been reorganized** to use categories based on Budget Balancing Discussions in the fall: **Direct Services, Indirect Services, Operations, and Administration**.
 - **Exhibit 9A** is the District and County Budgets by Division and Function. It includes all Funds and all Resources.
 - **Exhibit 9B** compares 2022-23 to 2021-22 by Division, including all Funds and Resources.
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Summary of Staffing Changes at School Sites

SFUSD School Site Budgets - Year to Year Position Count by Job Code (School Detail)

Includes Site-Based Staffing, Multi-Tiered System of Supports, and Central Office-Managed Allocations

Notes:

2021-22 site-based positions are documented as of June 1, 2021. 2022-23 site-based positions are documented as of June 7, 2022.

Blank cells = 0.00 FTE.

For Central allocations with multiple possible job codes (e.g., R20, R20C, R20S), a common job code was chosen (e.g., R20).

Special Education, Nutrition, and Custodial allocations are not included in this report.

SUM of FTE		School Year		
Org-Name	Job Classification & Title (Simplified)	2021-22	2022-23	Year to Year Change
404-GIANNINI MS	0462-Principal, Middle School	1.00	1.00	0.00
	0562-Assistant Principal, Middle School	2.00	2.00	0.00
	0700-Regular Classroom Teacher	41.80	42.80	1.00
	0729-40-Arts/Music Teacher	3.60	3.60	0.00
	0796-Head Counselor	1.00	1.00	0.00
	0831-Librarian Teacher	1.00	1.00	0.00
	0923-Counselor	3.00	3.00	0.00
	0925-Social Worker	1.00	1.00	0.00
	0932-Nurse	1.00	1.00	0.00
	1426-Senior Clerk Typist	3.00	2.50	-0.50
	T10-Security-Campus	2.64	2.63	-0.02
404-GIANNINI MS Total		61.04	61.53	0.49
405-LINCOLN HS	0461-Principal, High School	1.00	1.00	0.00
	0561-Assistant Principal, High School	3.00	3.00	0.00
	0700-Regular Classroom Teacher	78.00	72.10	-5.90
	0729-40-Arts/Music Teacher	1.80	1.80	0.00
	0734-ROTC Teacher	2.00	2.00	0.00
	0735-ESL Teacher	2.00	2.00	0.00
	0796-Head Counselor	2.00	3.00	1.00
	0811-Dept Head / Classroom Teacher	6.20	6.20	0.00
	0813-Peer Resource Teacher	1.00	1.00	0.00
	0831-Librarian Teacher	1.00	0.50	-0.50
	0920-Wellness Counselor	1.00	1.00	0.00
	0923-Counselor	7.00	7.60	0.60
	0925-Social Worker	0.00	0.00	0.00
	0932-Nurse	1.00	1.00	0.00
	1093-IT Oper Supp Admin III	1.00	0.50	-0.50
	1424-Clerk Typist	2.00	4.00	2.00
	1426-Senior Clerk Typist	3.00	2.00	-1.00
	1840-Junior Management Assistant		0.80	0.80

- Comparison of positions at school sites from one Recommended Budget to another (June 1, 2021 → June 7, 2022)

- Includes FTEs in Exhibit 8:
 - Weighted Student Formula
 - Multi-Tiered System of Supports
 - Central Office-Managed Allocations

Does not include Special Education, Nutrition, and Custodial staffing

- Considerations and takeaways
 - Overall reduction of 132.21 FTE at school sites, in alignment with \$15M enrollment-based budget reductions
 - Excludes \$1.2M paraeducator positions funded centrally
 - Average Student-Adult ratio = 1 to 13.3
 - Lowest = 1 to 4.2
 - Highest = 1 to 19.2

FY 2022-23 Proposed Budget

Next Steps & Recommendations

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- **June 22nd** - Informational discussion
 - Gather input from the Board of Education and the public
- **June 23-14th** - Update the budget to reflect final input
- **June 28th** - Second Reading of the Budget & LCAP
- **July 1st** - Deadline for state budget adoption
- **July 1st - early August** - Analyze state budget and trailer bills, considering one-time vs. ongoing funding and alignment with investments
- **August Revision** - Within 45-days of state budget adoption

A photograph of three students in a library. Two boys are sitting on the floor, looking at a tablet together. One boy is pointing at the screen. A girl is sitting next to them, also looking at a tablet. The background is filled with bookshelves. The image has a blue tint.

Thank you

Interactive Tableau Budget Dashboard

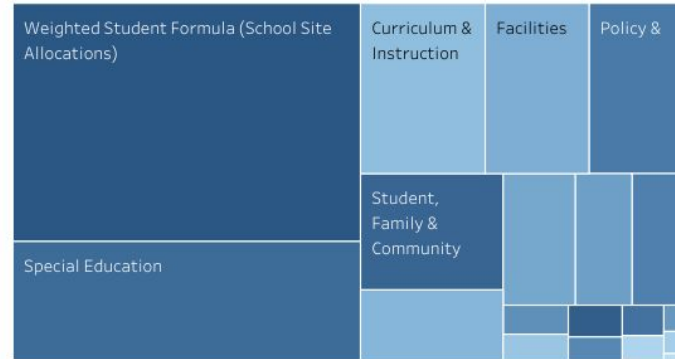


2021-22 Recommended Budget Dashboard with 2-Year Comparison Data

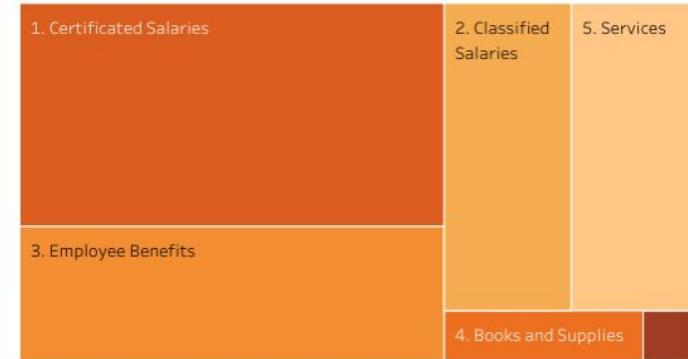
2021-22 Budget Total:
\$1,162,869,172

Division School/De... Fund Resource (...)

2021-22 Budget By Division



2021-22 Budget by Major Expenditure Type



Division	School/Department	Fund	Resource (Funding Source)	Budget Amount		FTE	
				2020-21	2021-22	2020-21	2021-22
Weighted Student Formula (School Site Allocations)	404-A P Giannini Middle	01-General Fund	00000-Unrestricted Resources	\$6,031,637	\$6,352,983	50.70	50.98
			07091-SCG-English Learners	\$50,741	\$38,850	0.40	0.33
			07940-Targeted Instructional Improvement	\$221,570	\$240,470	2.00	2.00
			32120-ESSER II and III		\$160,451		2.63
			65001-SpEd - WSF School Site Allocation		\$12,963		
			74250-Expanded Learning Opportunities		\$100,000		
			90551-PEEF:Prop H, Physc Edu Support	\$14,436	\$14,292	0.00	
			90552-PEEF:Prop H, Arts & Music	\$24,060	\$23,820	0.00	
			90592-PEEF:Sports, Lib, Arts & Music	\$73,747		0.00	
			05-County School.. 65001-SpEd - WSF School Site Allocation	\$13,625		0.00	