

**San Francisco Unified School District
San Francisco, California**

**First Reading – Regular Board of Education Meeting of June 6, 2023
Second Reading - Regular Board of Education Meeting of June 20, 2023**

Subject: **Superintendent's Proposal, Fiscal Year 2023-2024 Recommended Budget**

REQUESTED ACTION:

The following Board approvals are requested:

1. That the Superintendent's Recommended Budget for the San Francisco Unified School District and the San Francisco County Office of Education be submitted for Second Reading as the Budget for Fiscal Year 2023-24 and be placed in the official files of the Secretary of the Board of Education; that the Superintendent is authorized to make any transfers necessary to correct erroneous account classifications or to effect any changes in accounts made necessary by changes in the method of expenditures within the purpose of the appropriation.
2. That in accordance with the California Education Code, the Superintendent is hereby authorized to convert the budget approved on School District forms to the official State forms prescribed by the State Superintendent of Public Instruction in accordance with California Education Code §§ 33129 and 42127 for legal adoptions and processing, and to transmit the Fiscal Year 2023-24 Budgets for the San Francisco Unified School District and the San Francisco County Office of Education to the Office of the State Superintendent of Public Instruction within five days of adoption of the budgets by the Board of Education or by July 1, 2023, whichever occurs earlier (Education Code § 42127).
3. That the Board eliminates \$32 million of identified expenses (Exhibit A) from the Unrestricted General Fund and will fund those expenses in identified Restricted Resources for a minimum period of two years or as long as eligible Restricted Resources are available. The Board authorizes the Superintendent to identify additional Unrestricted General Fund Expenses to be eliminated or shifted to Restricted Resources during FY 2023-24. The Board will be notified of any additional shifts or eliminations as part of official budget reporting periods.
4. That \$40 million is committed to a Rainy Day Reserve, in accordance with the May 28, 2019 Board of Education action to withdraw funds from the City and County of San Francisco Reserve. The May 2019 action directed the restoration of funds to the Rainy Day Reserve should the eventual outcome of the Proposition G litigation allow the funds to be authorized for expenditure. The Board of Education may approve, by majority vote, a draw from the School Reserve of up to 50 percent of the current balance in the School Reserve but no more than the shortfall in inflation-adjusted per-pupil discretionary revenues, as determined by the SFUSD Board of Education.
5. That \$20 million is committed to a Systems Reserve for the purpose of future investments in financial and personnel systems.
6. That, of the \$65 million Budget Stabilization Reserve established by the Board of Education in 2022, \$15.9 million be released and incorporated into the 2023-24 Recommended Budget and \$49.1 million remain committed to balance the District's multi-year projections in 2024-25 and 2025-26. The Board of Education may approve, through adoption of its budget, the release and use of funds to stabilize the Unrestricted General Fund in Fiscal Year 2024-25, Fiscal Year 2025-26, and beyond.

7. That transfers between major budget classifications shall be made in accordance with Board of Education Policy 3110, transfers between subsidiary accounts within a single major classification may be made by the Superintendent; where the Board of Education has authorized a lump sum appropriation for a program or a project, transfers to subsidiary appropriations as required by the City or State budgetary practices may be made by the Superintendent.
8. That in accordance with the California Education Code, the California School Accounting Manual and Governmental Accounting Standards Board (GASB) Statement No. 10, *Accounting and Financial Reporting for Risk Financing and Related Insurance Issues*, the Superintendent is authorized to establish a separate general ledger Internal Service Fund to account for self-insurance activities including workers' compensation, general liability, property insurance and dental insurance (Education Code § 17566).

Submitted by:

Approved by:

Anne Marie Gordon
Interim Head Financial Officer

Dr. Matt Wayne
Superintendent of Schools