



November 2, 2021

The Budget Balancing Plan and the assignment of a Fiscal Expert are major steps required by the California Department of Education (CDE)

Balancing Plan: By December 15, submit a Board approved fiscal stabilization plan for FY 2022-23 and 2023-24 as part of its First Interim Report to CDE.

Fiscal Expert: State Superintendent of Public Instruction (SSPI) has assigned a fiscal expert, Elliott Duchon, to assist the District in identifying budget reductions and advise the District on its financial issues.

Fiscal Health Risk Analysis: The District is working with the Fiscal Crisis and Management Assistance Team to complete a Fiscal Health Risk Analysis (FHRA), estimated completion of mid-December.

Labor Negotiations: Before the Board takes action on a proposed collective bargaining agreement, the SSPI must be given 10 working days to review and comment on any proposed labor agreements and to render an opinion on whether the agreement would endanger the District's fiscal well-being.

Additional Recommendations:

1. Freeze all unrestricted general fund discretionary expenditures unless operationally necessary.
2. Implement a hiring freeze on all positions that do not provide direct services to students.

Budget Balancing Process

Tonight:

- introduce a Budget Balancing Plan
- begin to develop a shared understanding of the proposal

Over the next six weeks (including tonight):

- examine and discuss specific areas of the plan
- staff will:
 - ask the Board and public to raise clarifying questions
 - provide information that will help get us closer to final recommendations and decision making
- continue family & community engagement work, e.g. surveys to inform current & future budget planning

December 14th Regular Meeting:

- approval of the Budget Balancing Plan and 1st Interim Report for the December 15th submission to CDE

Budget Balancing Plan

Information & Decisions Timeline

Step 1 - Plan Introduction - Shared Learning

November 2	Committee of the Whole	Overview, School Sites, Direct Services
November 9	Regular Meeting	Indirect Services, Operations, Administration
November 17	Budget & Business Services (Off-Cycle)	Additional Clarification & Background

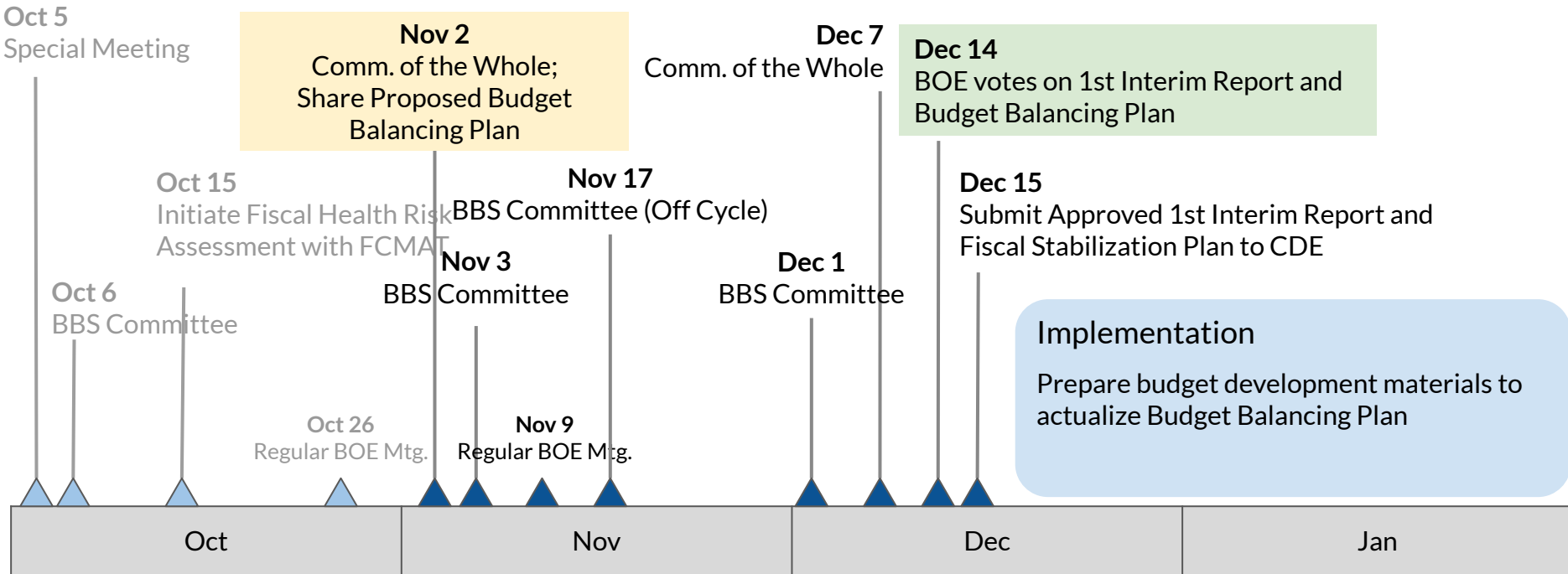
Step 2 - Discussion, Specific Feedback, and Iteration As Needed

December 1	Budget & Business Services	Discuss tradeoffs and identify potential changes
December 7	Committee of the Whole	Finalize draft Budget Balancing Plan

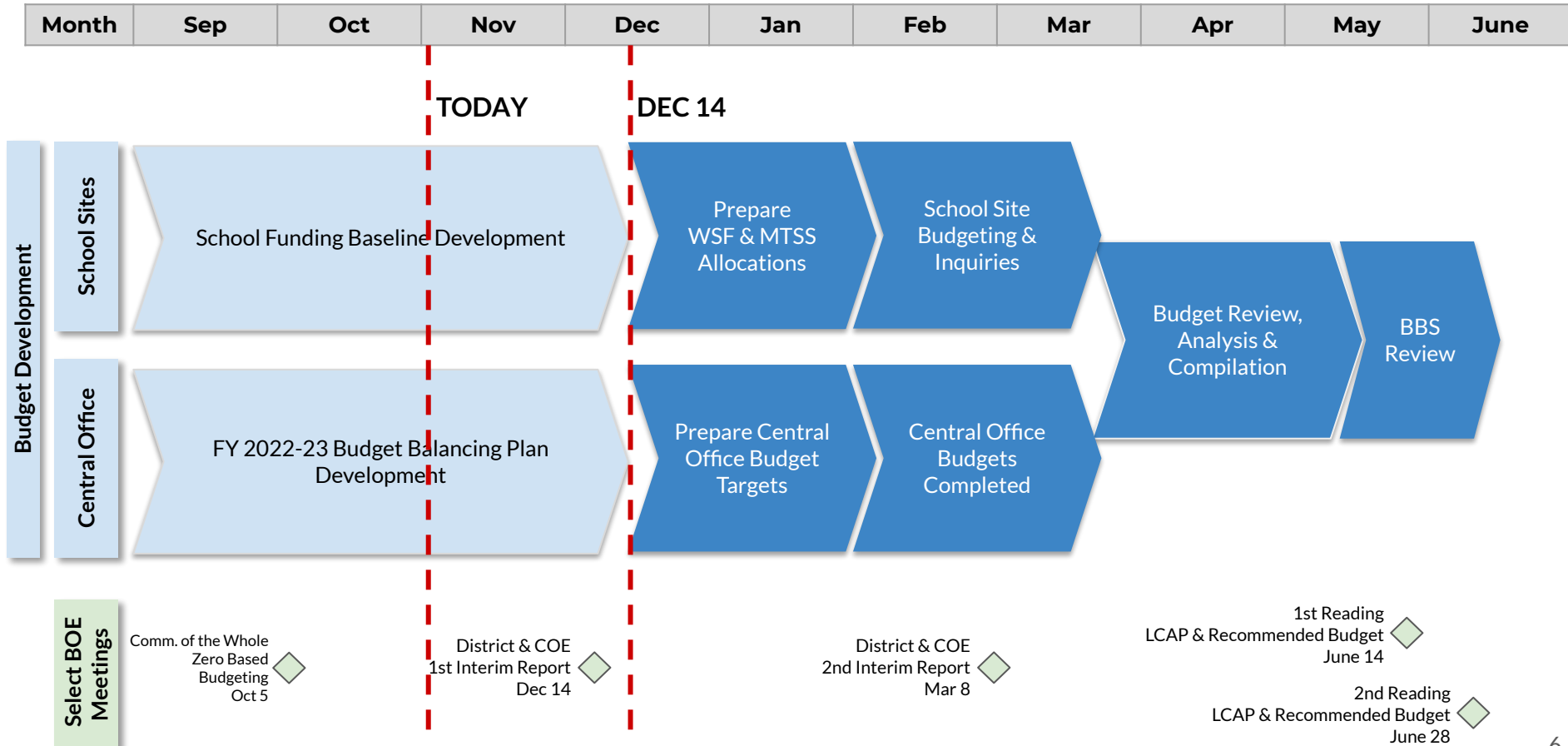
Step 3 - Vote & Adopt Budget Balancing Plan

December 14	Regular Meeting	Adopt with the 1st Interim Report, due to CDE on December 15th
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ZBB Process Timeline



FY 2021-22 Budget & LCAP Overview



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

Projections Will Evolve Beyond December

- Financial projections will continue to be updated after the Budget Balancing Plan is adopted.
- The Governor's proposed budget for FY 2022-23 will be released by January 10th.
 - SFUSD and other districts are advocating for Local Control Funding Formula (LCFF) protections from the state-wide impact of less enrollment, additional Special Education funding, and other priorities.
 - State revenues are exceeding the enacted budget for the current year, which is encouraging.
- SFUSD's official budget for FY 2022-23 needs to be approved in June (as always).
- Meanwhile, a Budget Balancing Plan based on current assumptions must be adopted and submitted to CDE.

Budget Balancing Process & Rationale

Budget Balancing Plan

Phases of Development

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Process

Confirm decision-making group, timeline, and required data to meet December 2021 target

Vision

Establish a common vision for a balanced budget in FY 2022-23

Analysis

Compile and evaluate costs, evidence of effectiveness, and comparative analysis for programs, services, and activities in SFUSD's 2021-22 budget

Proposal Options

Identify opportunities for cost-savings and discuss/explore impacts among communities

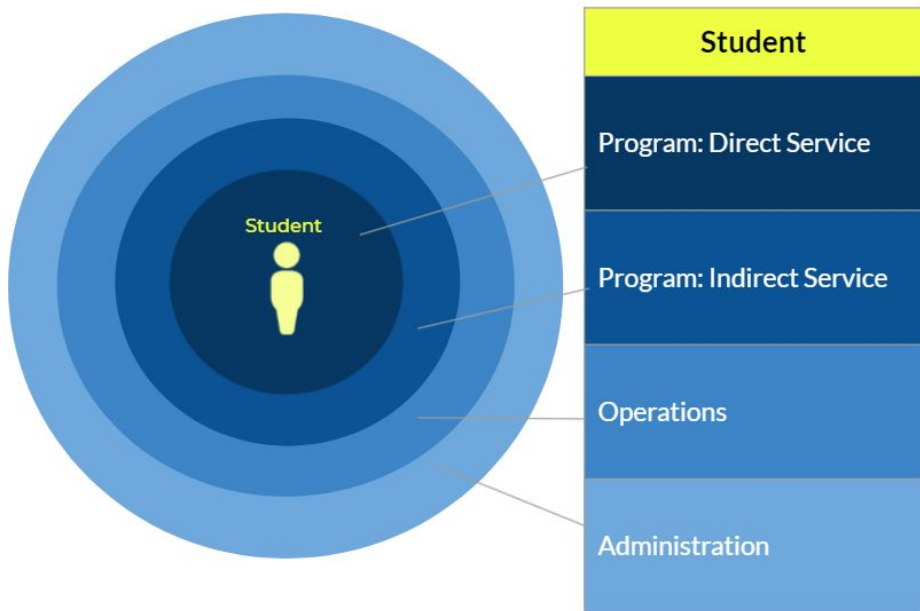
Decisions

Develop a package of strategies to ensure a balanced budget in FY 2022-23

Budget Balancing Plan

Lenses for Prioritizing Investments

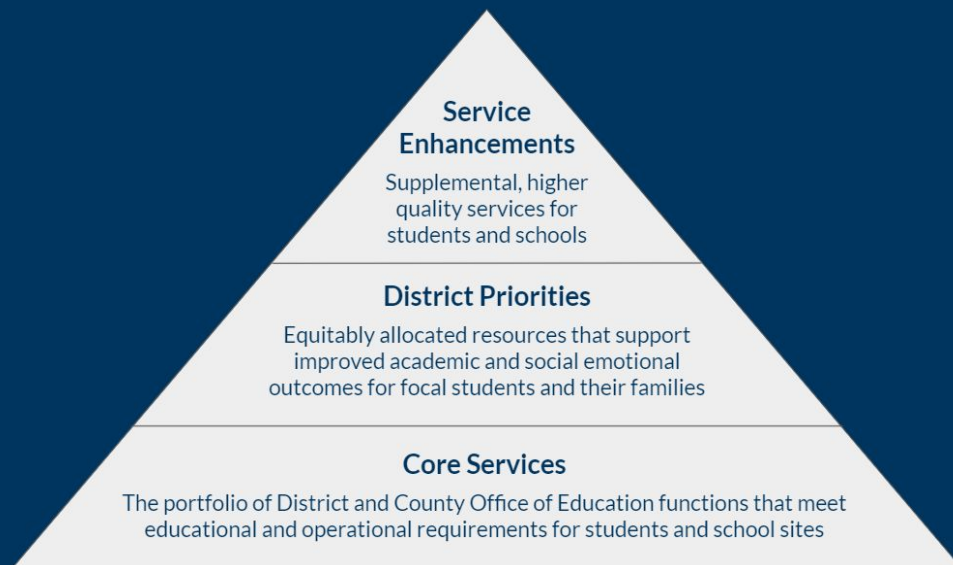
Lens 1: Proximity to the Student



SAN FRANCISCO UNIFIED SCHOOL DISTRICT

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Lens 2: Zero Based Budgeting



We created a more nuanced set of categories to organize our budget for Zero-Based Budgeting:

Program: Direct Service

Services closest to the student experience. Consists of staff who work directly with students and families, and services and materials used by students and families. Programs include instructional, social-emotional, and extracurricular.

Program: Indirect Service

Services one level removed from the student and family experience, but linked to the implementation of direct service programs. Consists of staff who support the staff providing direct service; training and extra hours for staff working directly with students; program materials.

Operations

Services that create the environment students operate in. Consists of the staff and materials to bring students to/from school (transportation), feed them (nutrition), and run school buildings (utilities, technology, etc.).

Administration

Services two levels or more removed from the student experience. Consists of staff who manage those providing Indirect Service as well as the functions of managing a school district such as human resources, finance, and legal.

Categorization informed by function, object, and job codes

Budget Balancing

Operating Expenses by Major Category

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Category		Current Budget	% of Total	FTE	Notes	
Site Based Budgets		\$404m	32%	3,431	WSF, Grants, & (some) MTSS	62% Site Budgets & Direct Service
Central Budgets	Direct Service	\$384m	30%	2,579	Central allocations; (some) MTSS; SPED allocations; QTEA	
	Indirect Services	\$107m	8%	265	Supports for Direct Service programs, including TSAs	38% Indirect and Other Services
	Operations	\$238m	19%	638	Includes Transportation, Nutrition, Technology, and Custodial services at sites	
	Administration	\$144m	11%	771	Includes clerks and managerial positions; Business Services; HR; Legal	
	Central Total	\$872m	68%	4,254		
Total Expenditures		\$1,277m	100%	7,685		
Budget Shortfall		-\$125m	-10%	FTE		

Rationale & Guiding Principles

- **Scale back service enhancements** across central functions
- Identify programs that **serve low numbers of students**, both as a result of (and beyond) declining enrollment districtwide
- **Reduce duplicative investments** (e.g., services managed by multiple divisions)
- Identify **one-off allocations and legacy programs**
- Identify **programs without strong evidence of student impact**

FY 2022-23 Budget Balancing Plan Introduction

Proposed FY 2022-23 Budget Balancing Plan

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Category		2022-23 Current	2022-23 Proposed	Ongoing Change	Notes
Site Based Budgeting		\$404m	\$354m		
Central Budgets	Direct Service	\$384m	\$374m		
	Indirect Service	\$107m	\$97m		
	Operations	\$238m	\$223m		
	Administration	\$144m	\$139m		
	Central Total	\$873m	\$833m		
Total Expenditures		\$1,277m	\$1,187m		
Sources, New		\$0m	\$35m		
Budget Shortfall		-\$125m	\$0m		

Proposed FY 2022-23 Budget Balancing Plan

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Category		2022-23 Current	2022-23 Proposed	Ongoing Change	Notes
Site Based Budgeting		\$404m	\$354m	-\$50m	-\$39M Weighted Student Formula (WSF), -\$11M MTSS
	Direct Service	\$384m	\$374m	-\$10m	Reductions focused on programs with declining enrollment, providing service enhancements, and scaling back allocations that are less systems-oriented
Central Budgets	Indirect Service	\$107m	\$97m	-\$10m	Since FY 2018-19, investments across these categories have been cut by approx. \$29M. More details across indirect, operations, and administration will be shared at a future meeting.
	Operations	\$238m	\$223m	-\$15m	
	Administration	\$144m	\$139m	-\$5m	
	Central Total	\$873m	\$833m	-\$40m	Direct, Indirect, Operations, Administration
Total Expenditures		\$1,277m	\$1,187m	-\$90m	
Sources, New		\$0m	\$35m	\$35m	New state grants, prior/current year savings
Budget Shortfall		\$125m	\$0m	-\$125m	\$125m total budget measures

Proposed Budget Balancing Plan

Detailed Reduction Proposals

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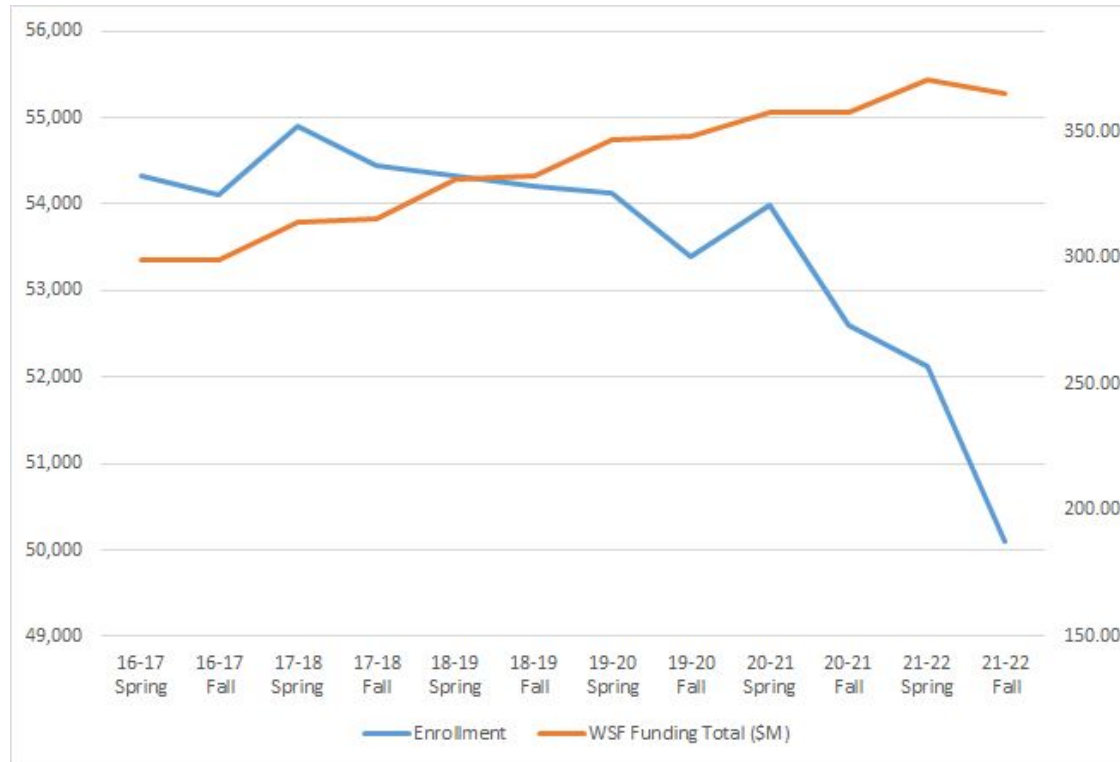
Detailed Items	FY 2022-23 Current	FY 2022-23 Proposed	Ongoing Change	FTEs Change	Explanation of Change, Detailed alignment with ZBB Lens
SITE BASED BUDGETS	\$404m	\$354m	-\$50m	360	
Weighted Student Formula	\$358m	\$319m	-\$39m	270	-\$15m due to declines in enrollment -\$34m equity weights (Priority) +\$10m increase in Baseline (Core)
Multi-Tiered System of Supports (MTSS)	\$30m	\$19m	-\$11m	90	-\$7m shifted to WSF (Core) supports -\$4m reducing (Priority) staffing

- Weighted Student Formula (WSF) allocates funding to schools on a per-pupil basis according to enrollment and other individual student attributes.
- Enrollment has been declining for several years, but stability and continuity of supports has been an ongoing priority for budget development. When allocations have shifted into WSF (e.g. Family Liaisons) to give sites more control over their resources, the funds for those positions were also transferred to site budgets.
- Weighted Student Formula revisions include an enrollment true-up, an increase to the baseline that guarantees a minimum level of funding, and a reduction in additional funding for differentiated weights.

Historical Trends for WSF Enrollment & Allocations (Spring vs. Fall)

SFUSD's enrollment has been declining since 2017-18, with a more drastic drop in the past 2 years.

WSF funding has steadily grown to accommodate increases in salary & benefits costs.



Proposed Revisions to Weighted Student Formula

(1) Baseline Component	(2) Current Baseline
Principal	1.0 FTE Principal
Admin Partner	0.5 FTE Asst. Principal if enrollment < 400 (ES) 1.0 FTE Asst. Principal if > 400 (ES) 1.0 FTE Asst. Principal K-8, MS & HS
Clerk / Office Manager	1.0 FTE Senior Clerk
Teachers	K-3 = 22 / 4-5 = 30 / 6-12 = 28
Social-Emotional Support	0.5 FTE Social Worker
Counselor	-
Supplies + other non-FTE	\$50 per pupil
Time to build capacity in addition to negotiated days	3 extended days per teacher
Total Cost	Baseline: \$269M Equity Weights: \$74M Enrollment Buffer: \$15M Total: \$358M
# Schools Supplemented	14 sites

Proposed Revisions to Weighted Student Formula

(1) Baseline Component	(2) Current Baseline	(3) Proposed Baseline
Principal	1.0 FTE Principal	1.0 FTE Principal
Admin Partner	0.5 FTE Asst. Principal if enrollment < 400 (ES) 1.0 FTE Asst. Principal if > 400 (ES) 1.0 FTE Asst. Principal K-8, MS & HS	1.0 FTE Asst. Principal (Adjusted)
Clerk / Office Manager	1.0 FTE Senior Clerk	1.0 FTE Senior Clerk ES & K-8 2.0 FTE Senior Clerk MS & HS (Adjusted)
Teachers	K-3 = 22 / 4-5 = 30 / 6-12 = 28	K-3 = 22 / 4-5 = 30 / 6-12 = 28
Social-Emotional Support	0.5 FTE Social Worker	0.5 FTE Social Worker
Counselor	-	1.0 FTE Counselor K-8, MS & HS (NEW)
Supplies + other non-FTE	\$50 per pupil	\$50 per pupil
Time to build capacity in addition to negotiated days	3 extended days per teacher	21 extended hours per teacher
Total Cost	Baseline: \$269M Equity Weights: \$74M Enrollment Buffer: \$15M Total: \$358M	Baseline: \$279M (+\$10M) Equity Weights: \$40M (-\$34M) Enrollment Buffer: \$0M (-\$15M) Total: \$319M (-\$39M)
# Schools Supplemented	14 sites	TBD

Proposed Revisions to Weighted Student Formula

(1) Baseline Component	(3) Proposed Baseline
Principal	1.0 FTE Principal
Admin Partner	1.0 FTE Asst. Principal (Adjusted)
Clerk / Office Manager	1.0 FTE Senior Clerk ES & K-8 2.0 FTE Senior Clerk MS & HS (Adjusted)
Teachers	K-3 = 22 / 4-5 = 30 / 6-12 = 28
Social-Emotional Support	0.5 FTE Social Worker
Counselor	1.0 FTE Counselor K-8, MS & HS (NEW)
Supplies + other non-FTE	\$50 per pupil
Time to build capacity in addition to negotiated days	21 extended hours per teacher
Total Cost	Baseline: \$279M (+\$10M) Equity Weights: \$40M (-\$34M) Enrollment Buffer: \$0M (-\$15M) Total: \$319M (-\$39M)

- The proposed revisions increases the cost of the baseline by **\$10M**, ensuring a higher minimum across all schools.
- However, **this leaves less funding for equity weights**, which are allocated for English Language Learners, students who qualify for Free-and Reduced-Price Meals, students in foster care, students residing in public housing, unhoused students, and incoming proficiency in secondary grades.
- **\$15M of these reductions are calculated on the basis of enrollment declines alone.**
- **The impacts of these changes would vary site to site.** However, not all sites will necessarily lose funding, particularly if they have experienced enrollment growth in recent years.

Proposed Budget Balancing Plan

Detailed Reduction Proposals

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Detailed Items	FY 2022-23 Current	FY 2022-23 Proposed	Ongoing Change	FTEs Change	Explanation of Change, Detailed alignment with ZBB Lens
SITE BASED BUDGETS	\$404m	\$354m	-\$50m	360	
Weighted Student Formula	\$358m	\$319m	-\$39m	270	-\$15m due to declines in enrollment -\$37m Equity weights (Priority) +\$10m increase in Baseline (Core)
Multi-Tiered System of Supports (MTSS)	\$30m	\$19m	-\$11m	90	-\$7m shifted to WSF (Core) supports -\$4m reducing (Priority) staffing

- MTSS was envisioned as a comprehensive set of interventions, touching on all of Bryk's 5 Essentials. This broad range of strategies has greatly enhanced the non-instructional staffing supports in place at schools.
- The broad Theory of Action was implemented inconsistently over time, resulting in a higher level of investment in MTSS without adherence to the original vision.
- Although MTSS has returned to a consistent and clear framework, there is not strong evidence that MTSS has led to improved student outcomes since it began 9 years ago.

Proposed Revisions to Multi-Tiered System of Supports (MTSS)

(1) MTSS Tiers	(2) Current Staffing by Tier	(3) Change	(4) Proposed
Tier 1	0.5 FTE Social Worker 0 or 0.5 FTE Nurse (1.0 FTE HS) 1.0 FTE Counselor (HS)	- - <i>Shift to WSF Baseline</i>	0.5 FTE Social Worker 0 or 0.5 FTE Nurse (1.0 FTE HS) -
Tier 2	1.0 FTE Social Worker 0.5 FTE Nurse (1.0 FTE HS) 1.0 FTE IRF or Literacy Coach 1.0 FTE Counselor (MS, HS) Transition Policy, 1-year hold harmless	- - Decrease 1.0 FTE Instructional Support <i>Shift to WSF Baseline</i> Remove outliers & transition policy	1.0 FTE Social Worker 0.5 FTE Nurse (1.0 FTE HS) - - -
Tier 3	1.0 FTE Social Worker 0.5 FTE Nurse (1.0 FTE HS) 2.0 FTE AP, IRF or Literacy Coach 1.0 FTE ARTIF (ES) 1.0 FTE Counselor (K-8, MS, HS)	- - Decrease 1.0 FTE Instructional Support, <i>AP shifted to WSF Baseline</i> - <i>Shift to WSF Baseline</i>	1.0 FTE Social Worker 0.5 FTE Nurse (1.0 FTE HS) 1.0 FTE IRF or Literacy Coach 1.0 FTE ARTIF (ES) -
	\$30m Total MTSS	-\$11m -\$4m Reduction -\$7m Shifts to WSF	\$19m Proposed

AP = Assistant Principal

IRF = Instructional Reform Facilitator

ARTIF = Academic Response to Intervention Facilitator

Proposed Revisions: WSF Baseline + MTSS

	Weighted Student Formula	Multi-Tiered System of Supports (MTSS)		
Component	Proposed Baseline	Tier 1	Tier 2	Tier 3
Principal	1.0 FTE Principal	-	-	-
Admin Partner	1.0 FTE Asst. Principal (Adjusted)	-	-	Shifted to WSF
Clerk / Office Manager	1.0 FTE Senior Clerk ES & K-8 2.0 FTE Senior Clerk MS & HS (Adjusted)	-	-	-
Teachers	K-3 = 22 / 4-5 = 30 / 6-12 = 28	-	-	-
Counselor	1.0 FTE Counselor K-8, MS & HS (NEW)	Shifted to WSF	Shifted to WSF	Shifted to WSF
Social-Emotional Support	0.5 FTE Social Worker	0.5 FTE Social Worker	1.0 FTE Social Worker	1.0 FTE Social Worker
Nurse	NA	0.5 FTE Nurse (1.0 FTE HS)	0.5 FTE Nurse (1.0 FTE HS)	0.5 FTE Nurse (1.0 FTE HS)
Instructional Support	-	-	-	1.0 FTE IRF or Literacy Coach 1.0 FTE ARTIF (ES)
Supplies + other non-FTE	\$50 per pupil	-	-	-
Time to build capacity in addition to negotiated days	21 extended hours per teacher	-	-	-
Total Cost	\$318m	\$19m		

Proposed Budget Balancing Plan

Summary of Direct Services in Central Budgets

Detailed Items	2022-23 Current	2022-23 Proposed	Ongoing Change	FTEs Change	Explanation of Change, Detailed alignment with ZBB Lens
DIRECT SERVICE	\$384m	\$374m	-\$10m	-55.3	

Proposed Budget Balancing Plan

Summary of Direct Services in Central Budgets

Detailed Items	2022-23 Current	2022-23 Proposed	Ongoing Change	FTEs Change	Explanation of Change, Detailed alignment with ZBB Lens
DIRECT SERVICE	\$384m	\$374m	-\$10m	-55	
Centrally Allocated: Special Education	\$178m	\$174m	-\$4m	TBD	Reduce allocations in alignment with enrollment declines
Centrally Allocated: Other Divisions	\$40m	\$34m	-\$6m	-55	Reductions focused on programs with declining enrollment, providing service enhancements, and scaling back allocations that are less systems-oriented
Centrally Allocated: MTSS	\$13m	\$13m	na	-	No impact to centrally budgeted MTSS allocations (Nurses & Social Workers)
Early Education	\$30m	\$30m	na	-	Budget adjustments for Early Education will be shared at a future meeting.
FWEA & QTEA	\$54m	\$54m	na	-	The use of these funds are mostly agreed upon via MOU to increase educator salaries
Other	\$64m	\$64m	na	-	
County	\$5m	\$5m	na	-	County programs will be examined and budgeted according to required County functions & revenue.

~\$231M Centrally-Managed Allocations by Division (\$178M SpEd, \$53M All Other)

Curriculum & Instruction (FTEs)	Student & Family Support (FTEs)	Other (FTEs)
Career Technical Education (19.80)	HS Wellness Centers:	JROTC (5.40)
Ethnic Studies (8.00)	- Wellness Coordinator (19.00)	AAALI programs
Arts & Instrumental Music (92.20)	- Nurse (15.50)	Noontime monitors
Equity in the Arts Resolution requires additional \$2.5M ongoing	- CHOW (20.00)	Secondary School Redesign (3.10)
Libraries (73.10)	Peer Resources (9.60)	SpEd staffing allocations (1,595.00)
Physical Education (47.40)	Americorps Interns (11.25)	
MS Math Class Size Reduction (5.10)	T10s (117.60)	
Computer Science (2.80)	Enhanced SE Supports (4.50)	
Multilingual Pathways (25.60)	Community Schools Coordinator (2.0)	

Numbers noted in the table above refer to staff Full Time Equivalent (FTE).

\$10M Proposed Reduction to Centrally-Funded Allocations

Division	Centrally-Funded FTE	Rationale	FTE	Amount (\$M)
Student and Family Support Division (SFSD)	Enhanced Social-Emotional Supports	This program is a service enhancement to sites with SOAR programs. It has already been communicated that funding will not be provided centrally for these allocations beginning in FY 2022-23.	5.5	\$0.7m
	Community Schools Coordinators	Community Schools funding and planning should take place at a systems level moving forward, rather than as a one-off, limited request.	2.0	\$0.3m
	Peer Resources	Enrollment in Peer Resources is low and has been declining for several years.	9.6	\$1.1m
Curriculum & Instruction Division (C&I)	MS Math Class Size Reduction	These small allocations (0.1 or 0.2 FTE) should be considered in the school baseline staffing calculation.	5.1	\$0.6m
	Multilingual Pathways, under-enrolled	These staffing needs should be considered in school baseline staffing calculations and for possible pathways consolidations & merges.	25.6	\$2.9m
Leadership Equity Achievement Design (LEAD)	Secondary School Redesign	Staffing needs for this initiative should be considered in the school baseline staffing calculation.	2.1	\$0.3m
	JROTC	This program is not a shared priority of school sites and, for many students, does not serve our equity vision. Further, enrollment in JROTC programs remains low and for almost all sites below the levels necessary to justify the cost of the program.	5.4	\$0.5m
Special Education	Staffing Allocations	The aim is to reduce allocations in alignment with enrollment declines	TBD	\$3.6m
Total			55.3	\$10.0m

Note: Reductions to Direct Services will lead to reductions in Indirect Services, which will be presented in upcoming meetings.

Central funding to be reduced (-\$10.0M)

Community Schools Coordinators
Enhanced Social-Emotional Supports
JROTC (\$500k UGF; \$300k federal match)
MS Math Class Size Reduction
Multilingual Pathways Low enrollment
Peer Resources
Secondary School Redesign
\$4M of SpEd Staffing Allocations
Associated Indirect Supports

Central funding to be maintained (\$221.0M)

AAALI
AmeriCorps Interns*
Arts & Instrumental Music**
Career Technical Education*^
Ethnic Studies^
Libraries**
Noontime monitors
Physical Education**
Special Education
T10s
Wellness Staffing

* Grant Funded

** PEEF-SLAM

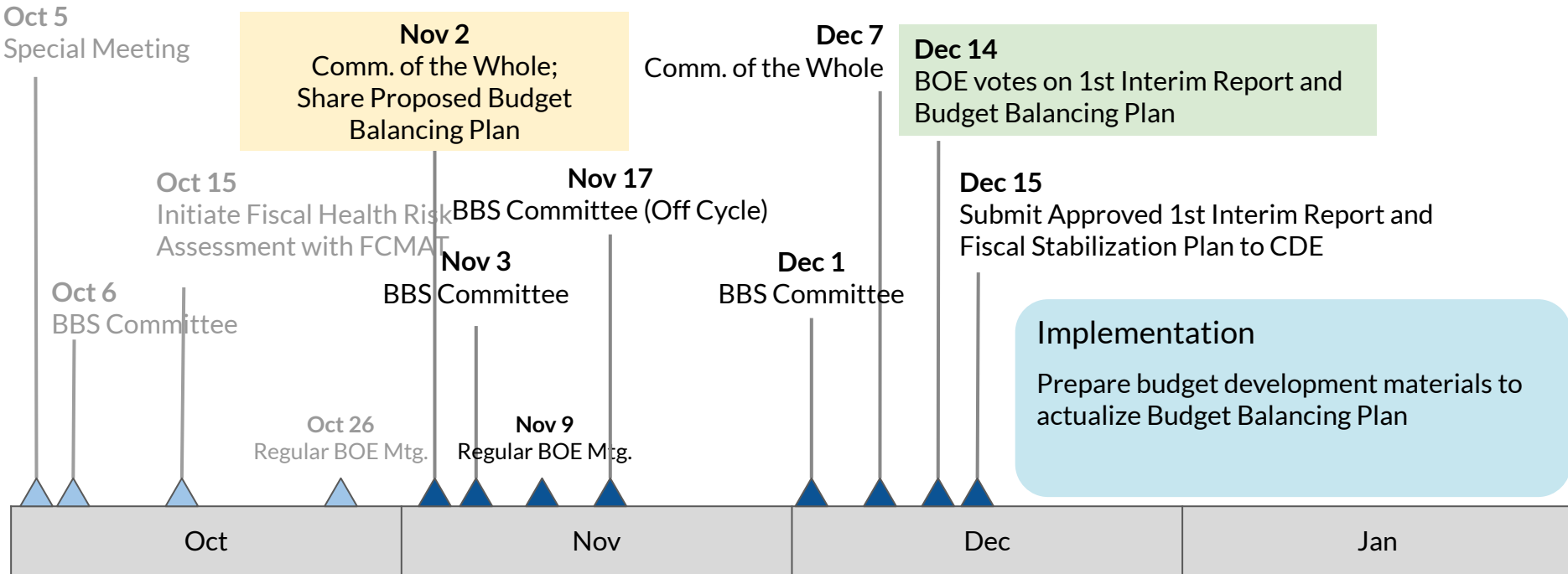
^ Graduation requirement

Proposed FY 2022-23 Budget Balancing Plan

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Sources, New		\$0m	\$35m	\$35m	New state grants, prior/current year savings
Budget Shortfall		\$125m	\$0m	-\$125m	\$125m total budget measures

ZBB Process Timeline



Reminder

1. This is a proposed Budget Balancing Plan
2. This and the next two meetings are opportunities to develop a shared understanding of all the proposal details, from school site funding to various aspect of central services.
3. Our work is driving us towards our CDE's mandated deadline of December 15, 2021

We welcome your input and clarifying questions on this first round of information.

Thank You