



Board Workshop: Resource Alignment

August 29, 2023



Agenda

August 29 BOE Workshop

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BOE Workshop

Why Now?

Frame the context and purpose of the Portfolio Alignment discussion

Key Drivers Shaping Resource Alignment

Discuss and synthesize most critical issues impacting SFUSD's portfolio planning.

Guiding Principles

Agree on guiding principles to shape the Superintendent's proposals for the Board of Education

The Roadmap Ahead

Review suggested timeline and process for the year ahead

SFUSD Resource Alignment

Why Now?

Why and Why Now?

VISION

All SFUSD students will graduate as **independent thinkers** with a sense of agency who have attained academic and creative skills to lead productive lives and contribute to our community.

VALUES

S Student-Centered
We put students' needs first with a focus on the whole child.

F Fearless
We persist through challenges with humility, transparency, and a growth mindset.

U United
We celebrate and build on each other's strengths and differences to collectively achieve excellence as a district.

S Social Justice
We stand with those who are most impacted by systems of oppression and actively change those systems within our district.

D Diversity-Driven
We respect and seek to understand each person to be an inclusive and anti-racist district.

GOALS

Third-grade literacy



The percentage of ALL third-grade students reading at grade level as measured by state tests (SBAC ELA) will increase from 52% proficiency rate in October 2022 **to 70% proficiency** by October 2027.

8th-grade math



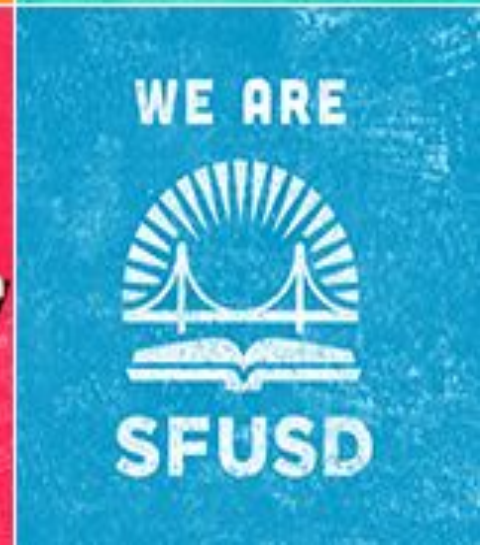
The percentage of ALL eighth-grade students performing math at grade level as measured by the state tests (SBAC Math) will increase from 42% proficiency rate in October 2022 **to 65% proficiency** by October 2027.

College/career readiness



The percentage of all high school 12th graders who are "college/career ready" as defined by the California Department of Education will increase from 57.5% in June 2020 **to 70%** by June 2027.

Guided by
Core
Values

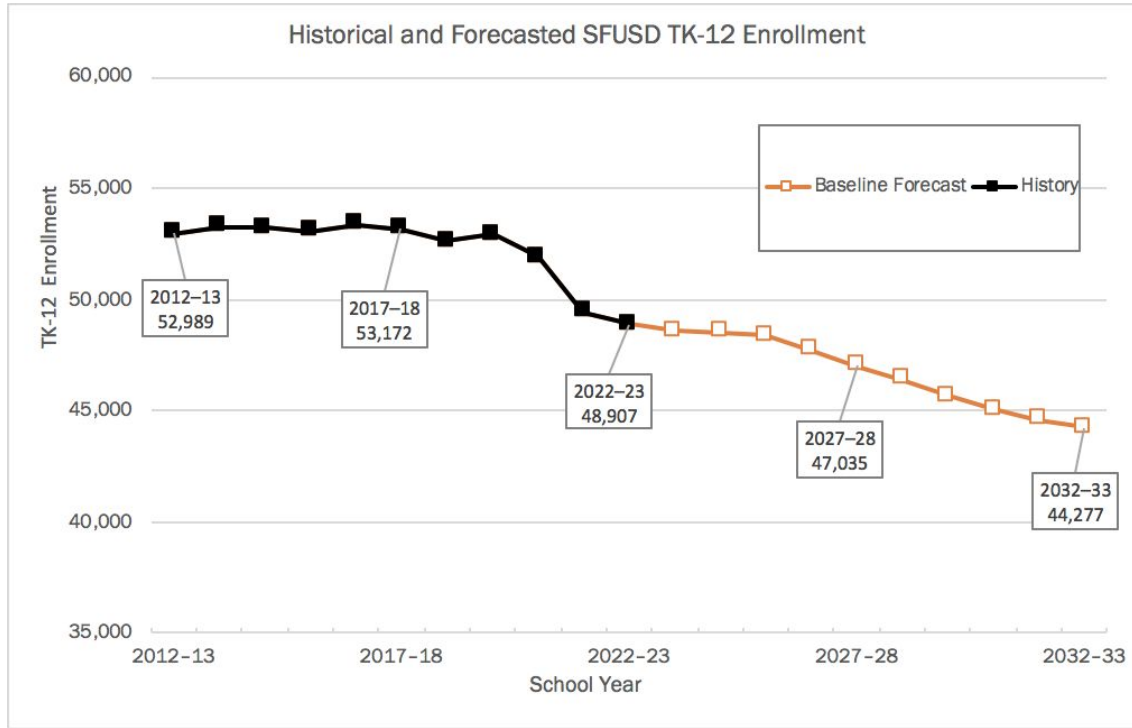


Key Drivers Shaping SFUSD's Resource Alignment

10 Drivers Shaping SFUSD's Resource Allocation

1. Enrollment has declined, and will continue to decline.
2. SFUSD is struggling to staff classrooms.
3. Teacher compensation schedule does not incentivize long term teacher retention.
4. Changes in enrollment mean that schools are not full.
5. We have spread under-enrollment across the district.
6. School size does not predict student outcomes.
7. There is a mismatch between where students live and where they apply.
8. Current school site capacity is not aligned with where students live.
9. Many school sites are in poor physical condition.
10. The District's finances are impacted by declining enrollment.

Enrollment has declined... and will continue to decline.



SFUSD enrollment has decreased by over 4,000 students since SY2012-13.

Demographic trends such as declining birth rates indicate that **SFUSD will lose 4,600 additional students by 2032.**

Source

SFUSD California Basic Educational Data System 2022-23 report.
FLO Analytics 2023-24 to 2032-33 forecasts.

21%

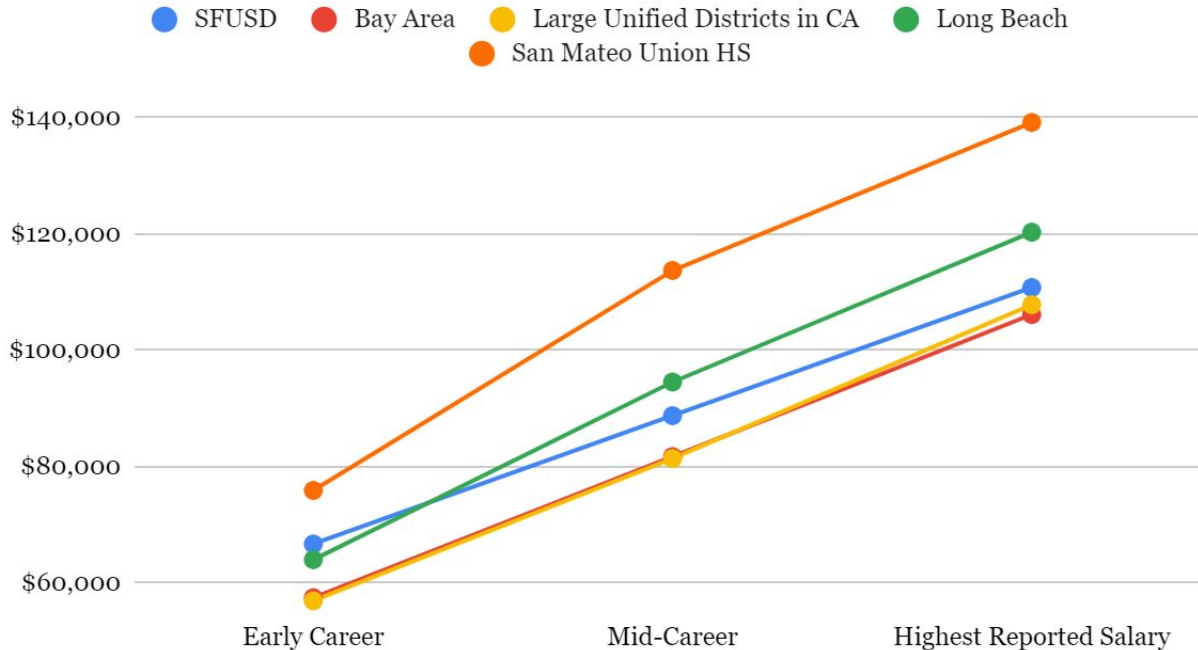
Shortage of Classroom Staffing positions
As of August 12, 2023

Staffing Challenges across the District

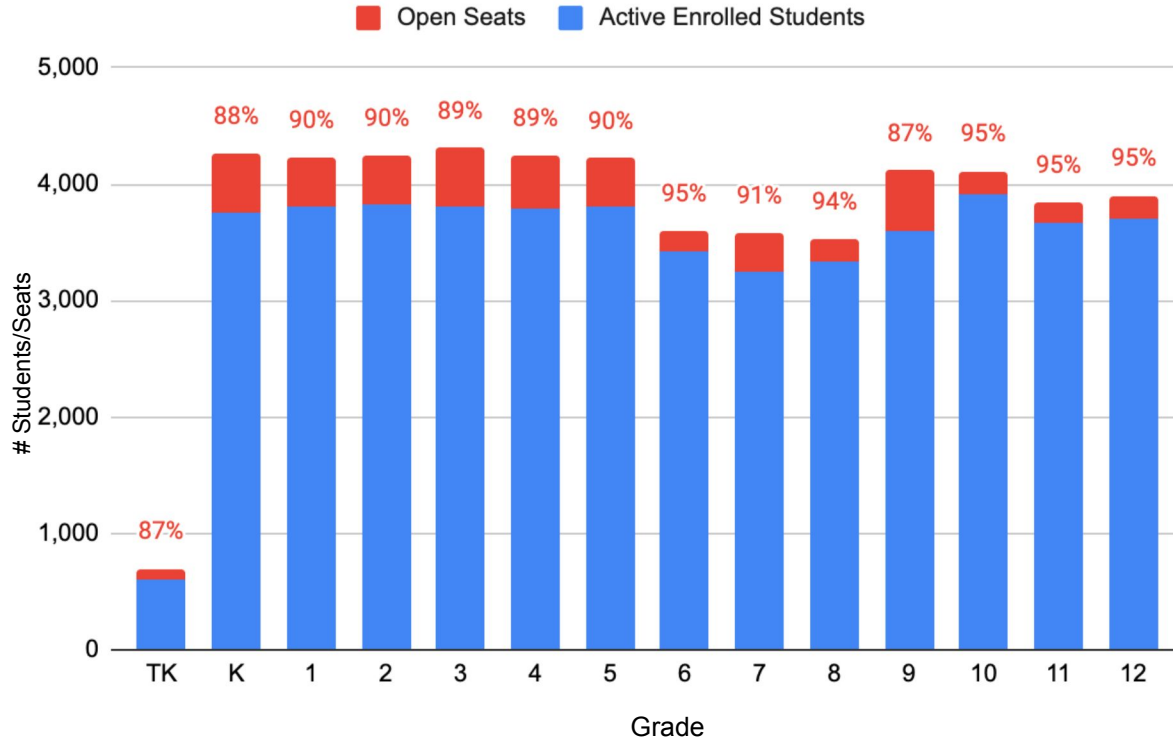
- In 2022-23, at least 15% classrooms were staffed by substitute teachers or teachers on special assignment. This is also the case at the start of 2023-24.
- Custodial Services running a staffing deficit of close to 25% for the past year.
- SNS unable to staff all shifts to serve food to students the last week of prior school year; 25% vacancy rate over the past year.
- Buildings & Grounds cannot attract or retain enough qualified staff to fill vacant positions; 50% vacant in heating and ventilation shop.

SFUSD's teacher compensation schedule does not incentivize long term teacher retention.

Salary Table Comparisons: Bay Area and Peer Districts



Changes in enrollment mean that schools are not full.

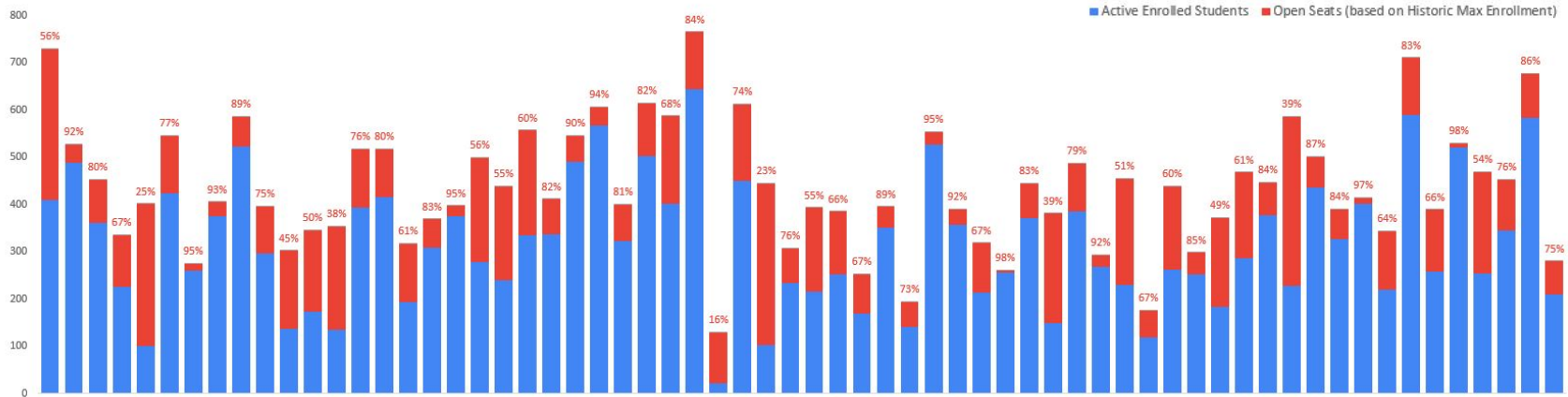


The accepted standard is to enroll schools to 95% of enrollment capacity. SFUSD was 91% full in 22-23, and elementary schools were 89% full.

This is *after* we reduced capacities by more than 100 classrooms for SY 2022-23.

We have spread under-enrollment across the district.

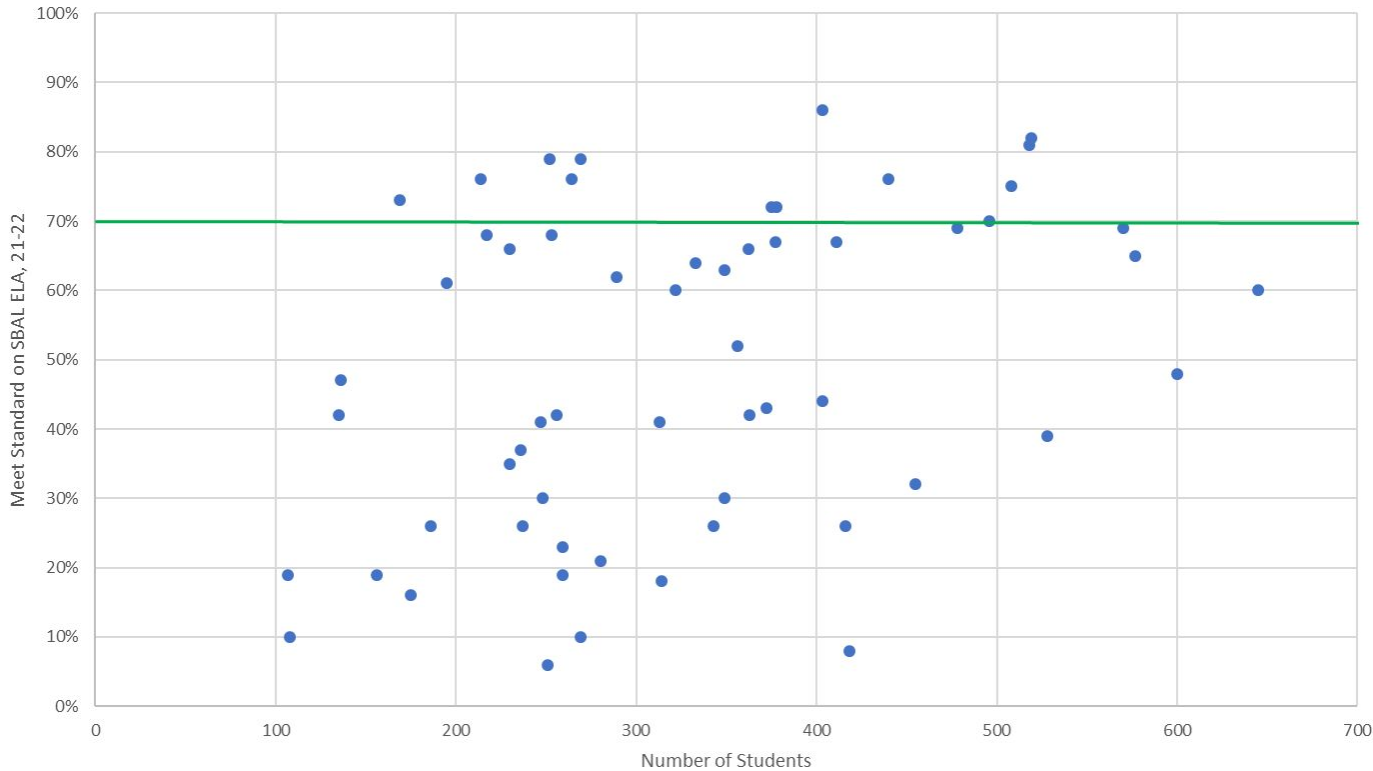
As a result, we need a holistic approach to aligning capacity with declining enrollment. Exclusively addressing the most severe outliers will do little to mitigate the negative impacts of declining enrollment for the District as a whole.



Source: 22-23 SFUSD enrollment data

School size does not predict student outcomes.

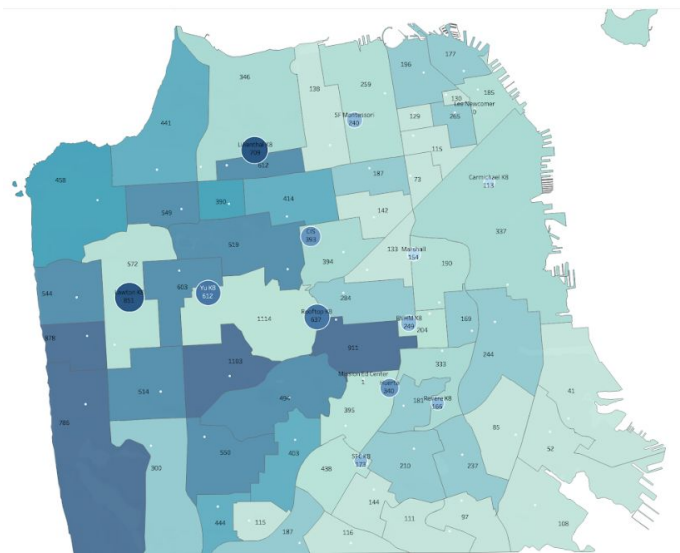
SFUSD Elementary Schools by Enrollment & % Meet Standard in SBAC ELA 21-22



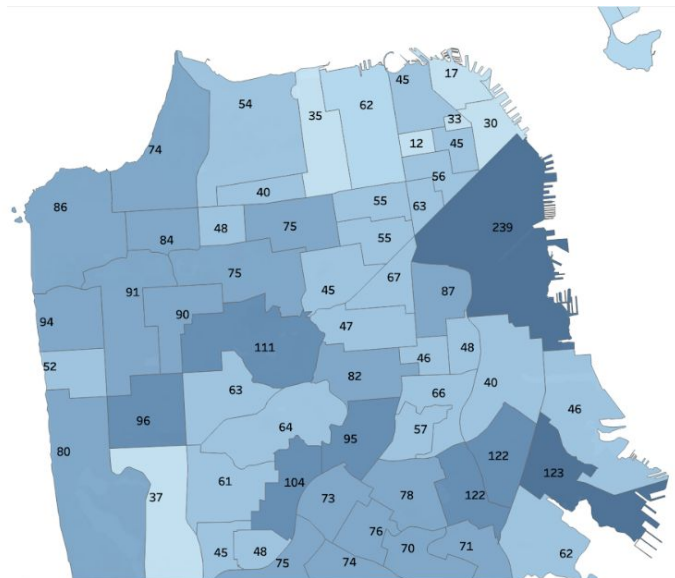
70% ELA proficiency:
SFUSD goal for 3rd
grade literacy by
October 2027

Source: SFUSD analysis of 2022
SBAC ELA and enrollment data

There is a mismatch between where students live and where they apply.



Where students apply: Count of 2023-24 Kindergarten applications to each SFUSD school

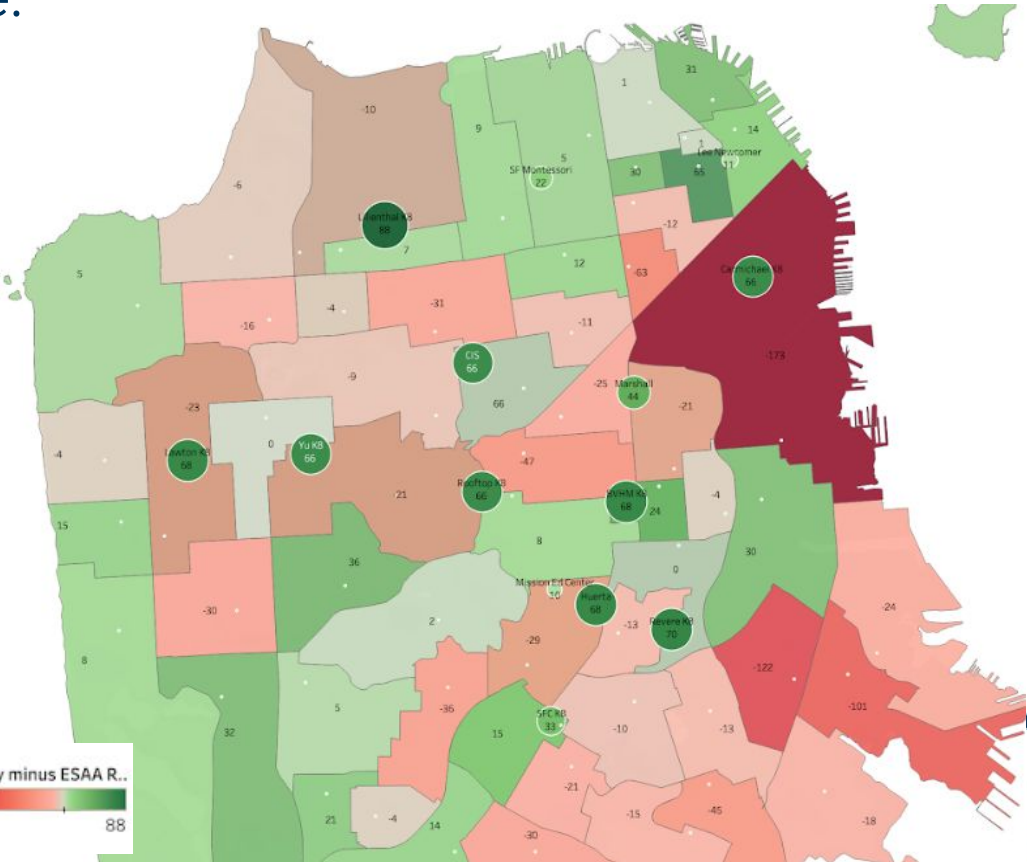


Where students live: Count of 2023-24 Kindergarten applications to SFUSD, by family residence

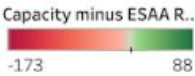
School site capacity does not match where students live.

Declining population of children in some elementary school attendance areas means that it is impossible to fill the school with neighborhood residents (green). In other neighborhoods, there are not enough seats for residents to attend their local school (red).

At right: Count of surplus or deficit of 2023-24 Kindergarten seats vs. attendance area residents.



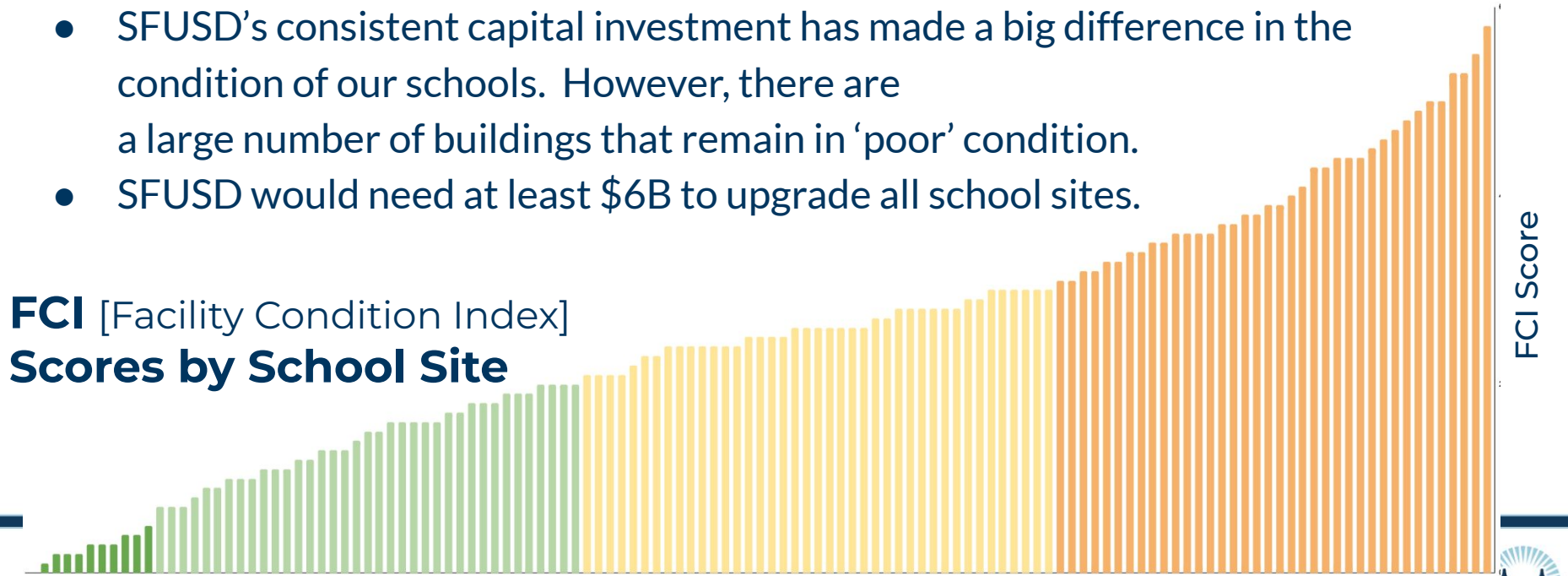
Additional seats at Citywide schools, not assigned to any neighborhood



SFUSD's Facilities range from excellent to poor condition.

- SFUSD's consistent capital investment has made a big difference in the condition of our schools. However, there are a large number of buildings that remain in 'poor' condition.
- SFUSD would need at least \$6B to upgrade all school sites.

FCI [Facility Condition Index] Scores by School Site



SAN FRANCISCO UNIFIED SCHOOL DISTRICT

SFUSD School Sites*

*specific school site data can be found [here](#).



The District's finances are impacted by declining enrollment.

	San Francisco Unified School District 2023-24 Recommended Budget	2023-24 Adopted Budget	2024-25 Projected Budget	2025-26 Projected Budget
	Unrestricted General Fund (Scenario)			
A	Beginning Fund Balance	\$ 174,706,778	\$ 137,059,761	\$ 111,666,641
B	Total Revenues	\$ 706,427,489	\$ 710,131,112	\$ 717,421,003
C	Total Expenditures	\$ 744,074,506	\$ 735,524,232	\$ 747,366,494
D	Net Surplus / (Shortfall)	\$ (37,647,017)	\$ (25,393,120)	\$ (29,945,491)
E	Total Ending Fund Balance	\$ 137,059,761	\$ 111,666,641	\$ 81,721,150
	Nonspendable	\$ 1,876,150	\$ 1,876,150	\$ 1,876,150
	Rainy Day Reserve & Systems Reserve	\$ 60,000,000	\$ 60,000,000	\$ 60,000,000
	Budget Stabilization Reserve (FY '23 Budget)	\$ 51,483,611	\$ 25,890,491	\$ -
	Economic Uncertainty Reserve (2%)	\$ 23,700,000	\$ 23,900,000	\$ 24,100,000
	Restricted Fund Balance	\$ -	\$ -	\$ -
	Unassigned Ending Fund Balance	\$ -	\$ -	\$ (4,255,000)

This Multi-Year Projection illustrates the impact of a \$50 million increase to the budget beginning in 2023-24.

As enrollment declines persist, SFUSD's Local Control Funding Formula will stagnate, then decline - beginning with an anticipated \$5M reduction to LCFF revenue by 2025-26 but growing to as much as \$30M over time.

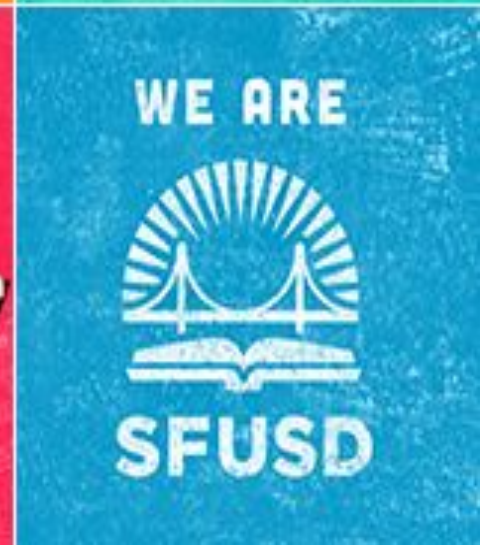
Additional investments, including salary increases, will not be feasible within the District's financial means.

What does this information mean for SFUSD?

- It's time to align our Core Resources to create stable, sustainable SFUSD schools with equitable access to the basics and necessary supports
- Our approach must be holistic; addressing any one of these levers separately from the others leads to disjointed outcomes and experiences

Guiding Principles for Portfolio Conversation

Guided by
Core
Values



Guardrails

The community's specific non-negotiables that must be honored while implementing the goals



Effective Decision- Making

Guardrail 1: Effective decision-making

The superintendent will not make major decisions without utilizing a process – that includes meaningful consultation with the parents/guardians, students, and staff who will be impacted by those decisions – at the inception, adoption, and review.

The district is developing [tools](#) to support meaningful community engagement.



SFUSD SAN FRANCISCO
PUBLIC SCHOOLS

Community Engagement Guide



Meaningful consultation in SFUSD

For each major decision, we will have different levels of engagement. The community should expect the following:

- A **lead committee** that represents various constituents and works on recommendations with staff about the decision (e.g. a District Advisory Committee)
- Direct **engagement with labor partners**, particularly when the decision is subject to bargaining
- **Engagement with schools** through School Site Councils, school teams, or other forums
- Broader **opportunities for families, staff, and community** members to share their perspectives on a decision (e.g. through surveys, town halls, or other forums)
- Connections with **specific constituents based on the decision topic** (e.g. City of San Francisco or Community Based Organizations)



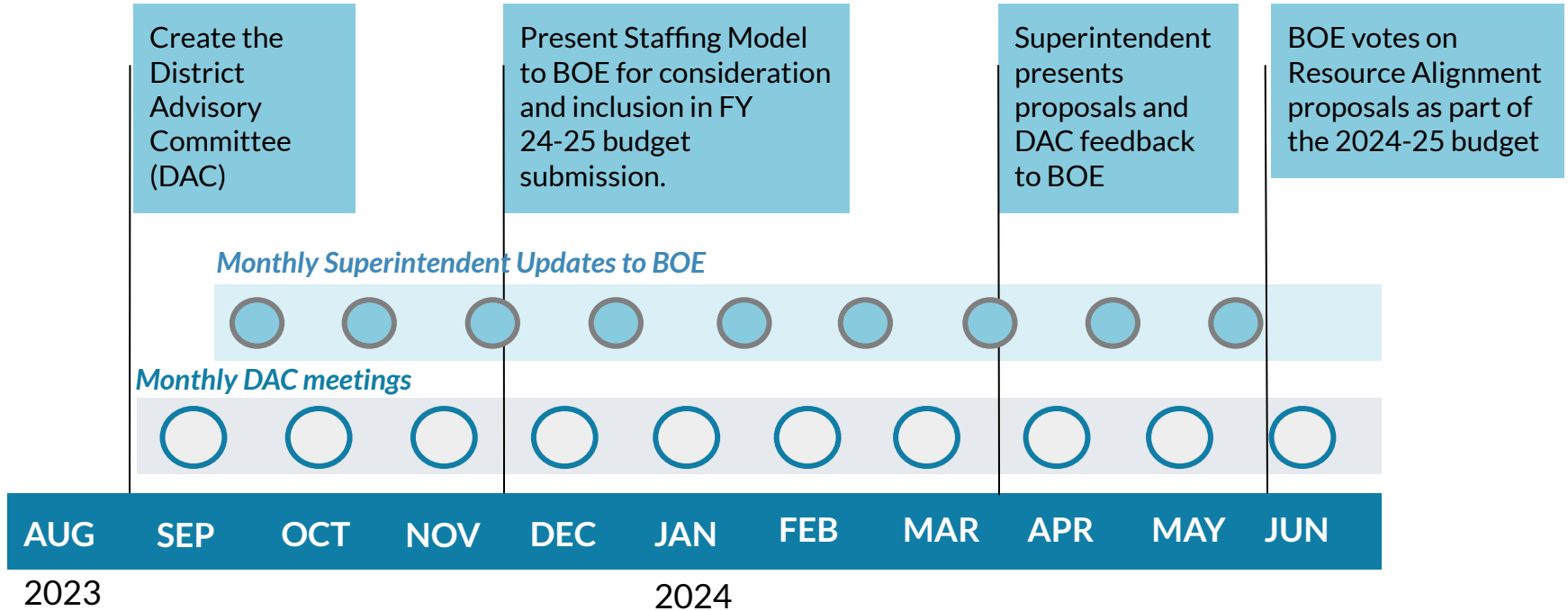
Guiding Principles

As we evaluate our portfolio, these are the requirements for a meaningful recommendation:

- Money will follow students. Schools should have predictable services that all students receive based on student enrollment.
- SFUSD will plan to operate at-scale based on student enrollment. Schools and classrooms will be operating at full capacity to provide the best instruction and learning experience.
- SFUSD will allocate resources to programs aligned with positive student outcomes. Improving student outcomes requires strategic abandonment.
- SFUSD will approach the development of any proposed school portfolio changes with an equity lens to explicitly evaluate disproportionate racial equity impacts. This approach will be consistent with state statute, best practices, and with an understanding of SF's history of racial segregation.

Roadmap for the Year

SFUSD Resource Alignment Timeline



Composition of District Advisory Committee

- Administrators
- Teachers
- SFUSD Families
- Labor
- CBO Partners
- Land Use Experts
- Business Community
- Representative of SFUSD's
demographic composition

District Advisory Committee Next Steps

- BOE creates the District Advisory Committee (DAC) in September
 - Approves the structure of the DAC, including seats represented
- Members appointed by the Superintendent

Next Steps and Board Discussion

Workshop Goals

The Superintendent **will develop bold proposals actionable within one year to:**

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1. Establish a school staffing model so that each school is staffed based on each school's enrollment and student characteristics
2. Restructure District-wide services to serve students and sites more effectively and efficiently
3. Explore opportunities to leverage the District's property to generate more value for District students
4. Prioritize resourcing programs that have demonstrated success toward positive student outcomes
5. Recommend additional measures to align the District's operations with current and projected enrollment; including criteria for potential mergers, co-locations, or closures of school sites

The District will convene an **Advisory Committee to meet on an at least monthly basis to deliberate and provide public feedback** on each of the above proposals.

Part II: School Staffing

In June, staff presented new budgeting principles to guide the District's financial planning.

New Budgeting Principles

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Leverage restricted funds first	Align capacities, budget, and staffing expectations to enrollment
Reduce redundancies between positions, vacancies, and supplemental support	Make meaningful commitments to our employees within our financial means

We have begun to take action on these principles for 2023-24 and will continue to enact them over the next several years.

We discussed the current state of SFUSD's enrollment, staffing, and programs.

Current State

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Compared to other districts* in California:



SFUSD has one of the lowest staff to student ratios



SFUSD has more schools and smaller schools for our student population



SFUSD has more specialized programs in which students can enroll (i.e. language programs, small high schools)

Key Takeaways:

- In spite of these investments, SFUSD does not have the highest student achievement.
- These expenses limit our ability to invest in compensation for our employees and other working conditions

The Board committed to take action to address the District's structural deficit over the next three years.

Supplemental Certification: Commitment to Expenditure Reduction

SAN FRANCISCO UNIFIED SCHOOL DISTRICT

NOW, THEREFORE, BE IT RESOLVED that in accordance with Board Policy 3460, the Board:

- Commits to take action or actions to ensure that the school district meets the State minimum reserve for economic uncertainty and eliminates the school district's unrestricted general fund structural deficit in 2023-24, 2024-25 and 2025-26.
- Shall hold a Budget Workshop in August 2023 to provide additional direction on the 2023-24 Budget as it relates to the 45-Day Budget Revision process after receiving information on the impacts of the 2023-24 State of California's Final Budget from June 2023 has on the finances of the district.
- Prior to any collective bargaining agreement approval, the Board shall review the budget impact of these agreements and identify budget balancing solutions by action of the Board prior to the approval of any collective bargaining agreement.
- Prior to any collective bargaining agreement approval, the Superintendent shall submit all agreements to the California Department of Education and to the fiscal experts 10 days prior to board approval.

BE IT FURTHER RESOLVED, that the Board:

- Hereby directs the Superintendent to initiate all steps necessary to implement a balanced budget consistent with meeting the minimum reserve of the Unrestricted General Fund including (without limitation) statutory notices relating to layoff or reassignment, and to incorporate the General Fund solutions in the 45-Day Budget Revision for Fiscal Year 2023-2024 District Budget and its fiscal impact to the related multi-year budget projections for the subsequent two (2) fiscal years to be adopted by Board not later than August 30, 2023; and

BE IT FURTHER RESOLVED, if new one-time funds are identified at or after the closing of the books, or at any other time prior to December 2023, the Board directs the Superintendent to utilize the funds in a manner that feasible and consistent with Board Policies an an effort to ensure fiscal stabilization; and

BE IT FURTHER RESOLVED, the Board,

- directs the Superintendent to identify the revenue generating strategies and to present the Board with an implementation plan for each strategy on each no later than September 2023.

And we established long term actions to align school staffing with enrollment.

Long Term Actions

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- June 20, 2023** Board adopts a resolution committing to taking action to eliminate the structural deficit
- August 2023** Board workshop on aligning our VVGGs and our budget
- September 2023 and beyond** Engage in a process to align staffing to enrollment
Present recommendations to centralize and right size staffing
Align school portfolio and programs to our student population

Guardrail 4: Resource allocation

The superintendent will not allow resources to be allocated without transparently communicating how the allocations are baseline sufficient to operate all schools while addressing inequitable inputs and creating more equity and excellence in student outcomes.

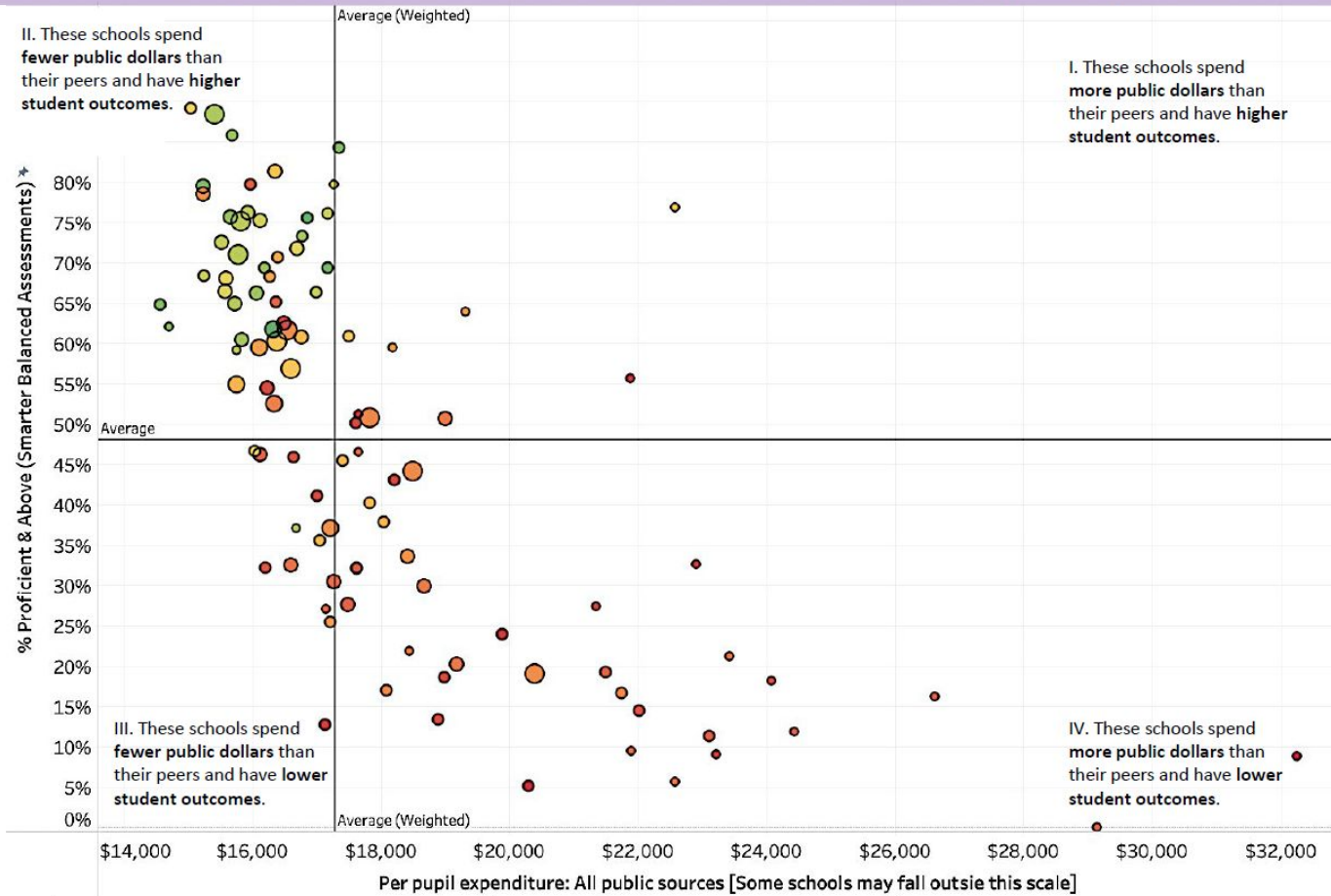


Guardrail 4.2: Identify the ideal staffing model for each grade level band by February 2024 for the 2024-25 school year and beyond

Our current school funding approach creates a wide range of funding levels across schools, resulting in uneven experiences for students and families.

Spending vs. outcomes for all schools in San Francisco Unified (2018-19)*

In addition to uneven experiences for students and families, our current funding strategies are not yielding the student outcomes we desire - despite being in alignment with our equity vision.



*Economics added \$7,959.55 per pupil per school based on differences between state ESSA and F33 data.

Weighted Student Formula (WSF) and Multi-Tiered System of Supports (MTSS) allocations create a wide range of funding per student across SFUSD schools.

Some of this variability reflects our equity vision; some reflects high costs of operating small schools.

School Level	Revenue	Budget Allocations to Schools	
	Approx. Revenue Per Student (State and select Local)	Min. Funding Per Student	Max. Funding Per Student
Elementary	\$8,499	\$7,225	\$23,815
K-8	\$8,141	\$7,471	\$13,019
Middle	\$8,102	\$6,371	\$17,702
High	\$9,843	\$7,264	\$19,951

Classroom Teacher to Student Ratios

	Average Teacher-Student Ratio	Lowest Teacher-Student Ratio	Highest Teacher-Student Ratio
Elementary	1 : 18.47	1 : 13.47*	1 : 23.45
K-8	1 : 20.48	1 : 16.58	1 : 24.41
Middle	1 : 20.67	1 : 13.25	1 : 26.04
High	1 : 18.80	1 : 12.24	1 : 22.47

These numbers do not parse out differences due to program offerings and other nuances, but they reflect a variety of decisions, values, and commitments across our system.

*Excludes outlier data

School Staff to Student Ratios

	Average Staff-Student Ratio	Lowest Staff-Student Ratio	Highest Staff-Student Ratio
Elementary	1 : 11.77	1 : 5.33	1 : 17.24
K-8	1 : 13.03	1 : 9.47	1 : 16.18
Middle	1 : 12.54	1 : 6.09	1 : 19.36
High	1 : 12.60	1 : 7.61	1 : 16.85

These numbers include staff funded by Weighted Student Formula, Multi-Tiered System of Supports, and Central Allocations. They do not include Special Education, Custodians, or Student Nutrition Services staff.

Multi-Tiered System of Supports allocations do not adjust with school size.

This means that the same set of staffing supports are allocated to a school regardless of size and with little variation by school level.

MTSS Tier	Additional Staffing Support	School Size
3	2.5 - 5.0 FTE	97 - 602
2	2.5 - 4.5 FTE	124 - 1,063
1	0.5 - 2.0 FTE	22 - 2,580

Theory & Plan of Action

If we...	allocate District resources in a manner that establishes a consistent foundation of services and builds a system that supports all SFUSD students and their schools
Then...	we can expect student outcomes to improve.

What We're Doing

- Define core & supplemental expenditures, services, and staffing
- Align our revenue to our definitions of core & supplemental as well as enrollment so that we become more effective/efficient

How We're Doing It

- Establish a school staffing model for 2024-25

A school staffing model will clearly articulate the staffing and services allocated to each school. It will be rooted in our equity vision and tie to criteria, eligibility, and funding.

Core / Foundation Allocations

Staffing

Funding

Program Allocations

Staffing

Funding

Focal Student Allocations

Staffing

Funding

SFUSD Resource Alignment Timeline

