Date: December 7, 2021

Topic: Recommendations to the SFUSD Board of Education in order to maintain fiscal solvency

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We have reviewed a large number of documents and reports including by not limited to:

1. Interim reports for the past several years
2. Budgets and actuals
3. Position control files
4. Documents sent to FCMAT as part of the FHRA (Fiscal Health Risk Analysis)
5. Enrollment data
6. School site budgets
7. SABRE and CADIE reports by School Services

Our initial recommendations are that there are a number of short term, midterm and long-term corrections and changes that the district must do in order to return to and remain in “going concern” status and long term budget stability.

Tonight, we are recommending steps that must be taken by 15 December in order to correct the immediate budget shortfall.

1. We have reviewed with staff in detail the Budget Stabilization being presented to the Board. We recommend you approve the recommended Budget Stabilization Plan as presented.
2. Align staffing at all levels with student enrollment
   a. Reassign site staff in accordance with district standard staffing allocation formulas
   b. Approve the recommended formula for increasing the Base allocations and reducing MTSS and WSF
   c. Prepare to take necessary actions for a reduction in force
   d. Consider offering a Supplemental Early Retirement Incentive
3. Freeze hiring for all non-essential positions
4. Freeze all non-essential expenditures
5. Review site level contracts to vendors
6. Utilize new one-time funds (Proposition G and ERAF forgiveness) to offset long-term OPEB obligations and replenish the Rainy-Day Fund. Utilizing a portion of these funds for immediate budget stabilization

7. Develop plan for manage OPEB obligations, not addressing this ongoing obligation will exacerbate solvency in future budgets

The following are midterm recommendations:

1. Analyze the Fiscal Health Risk Analysis and Special Education study to be completed by FCMAT
2. Review WSF, MTSS formulas, and district resolutions to align with unduplicated LCFF enrollments and your LCAP
3. Explore options for staffing smaller schools
4. Explore options to continue to pay OPEB obligations
5. Analyze Position Control and budget monitoring systems
6. Analyze district office staffing and assign staff the task coming up with any recommendations for additional cuts or reassignment to school
7. Analyze the division of responsibility between the County Office and School District.

Long term recommendations:

1. Do a comparative analysis of other combined district and county districts
2. Utilize your County Office functions to provide an internal accountability system
3. Analyze curriculum and instructional practices including the division of responsibility between sites and the district office to determine if there are cost saving measures available by optimizing economies of scale