

File No. 120997

Committee Item No. _____

Board Item No. 7

COMMITTEE/BOARD OF SUPERVISORS

AGENDA PACKET CONTENTS LIST

Committee _____ Date _____

Board of Supervisors Meeting

Date 12/11/12

Cmte Board

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| <input type="checkbox"/> | <input type="checkbox"/> | Motion |
| <input type="checkbox"/> | <input type="checkbox"/> | Resolution |
| <input type="checkbox"/> | <input checked="" type="checkbox"/> | Ordinance |
| <input type="checkbox"/> | <input type="checkbox"/> | Legislative Digest |
| <input type="checkbox"/> | <input checked="" type="checkbox"/> | Budget Analyst Report |
| <input type="checkbox"/> | <input type="checkbox"/> | Legislative Analyst Report |
| <input type="checkbox"/> | <input type="checkbox"/> | Introduction Form (for hearings) |
| <input type="checkbox"/> | <input type="checkbox"/> | Department/Agency Cover Letter and/or Report |
| <input type="checkbox"/> | <input type="checkbox"/> | MOU |
| <input type="checkbox"/> | <input type="checkbox"/> | Grant Information Form |
| <input type="checkbox"/> | <input type="checkbox"/> | Grant Budget |
| <input type="checkbox"/> | <input type="checkbox"/> | Subcontract Budget |
| <input type="checkbox"/> | <input type="checkbox"/> | Contract/Agreement |
| <input type="checkbox"/> | <input type="checkbox"/> | Award Letter |
| <input type="checkbox"/> | <input type="checkbox"/> | Application |
| <input type="checkbox"/> | <input type="checkbox"/> | Public Correspondence |

OTHER

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| <input type="checkbox"/> | <input checked="" type="checkbox"/> | <u>Amended in Board</u> |
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Completed by: L Espinoza
Completed by: _____

Date 12/5/12
Date _____

An asterisked item represents the cover sheet to a document that exceeds 20 pages. The complete document is in the file.

1 [Appropriating, ~~\$3,000,000~~ ~~\$2,705,000~~ ~~\$2,255,000~~ for the San Francisco Unified School
2 District - FY2012-2013]

3 **Ordinance appropriating ~~\$3,000,000~~ ~~\$2,705,000~~ ~~\$1,205,000~~ ~~\$1,293,000~~ \$843,000 of State
4 Reserves and ~~\$1,500,000 from the Rainy Day Fund~~ \$1,412,000 from School District Set-
5 Aside funds for the San Francisco Unified School District for FY2012-2013.**

6
7 Note: Additions are *single-underline italics Times New Roman*;
8 deletions are ~~*strikethrough italics Times New Roman*~~.
9 Board amendment additions are double underlined.
10 Board amendment deletions are ~~strikethrough-normal~~.

11 Be it ordained by the People of the City and County of San Francisco:

12 Section 1. Findings

13 (a) The San Francisco Unified School District (SFUSD) is committed to ensuring
14 that every public school student in San Francisco graduates high school ready for college and
15 career in this 21st century economy.

16 (b) SFUSD is the highest achieving urban school district in California, yet has the
17 largest achievement gap between different ethnic groups of students in SF public schools.

18 (c) Success in this economy and society requires students to have a mastery of a
19 rich, diverse and rigorous curriculum and a healthy development of both mind and body.

20 (d) The health and long-term vitality of our city is critically dependent on an
21 educated citizenry and workforce.

22 (e) A strong and robust school system is an essential component to San Francisco
23 that contributes to its economic and cultural vitality and the overall quality of life for
24 all citizens.
25

1 (f) Graduation from SFUSD high schools and readiness for college or the workforce
2 requires multiple milestones including completion of high school coursework and successfully
3 passing the CA High School Exit Exam (CAHSEE).

4 (g) Beginning with SFUSD's graduating class of 2014, all SFUSD students will be
5 required to complete the A-G course sequence in order to receive a high school diploma.

6 (h) A significant number of SFUSD students, beginning with the class of 2014, are
7 challenged to successfully complete the A-G course sequence and meet the exit exam
8 requirements.

9 (i) SFUSD has the expertise and structures to employ multiple interventions and
10 different strategies designed to address the diverse needs of its students that can include the
11 using Early Warning Indicators, providing CAHSEE support structures and increasing
12 SFUSD's portfolio of credit earning options.

13 (j) The state of California has dramatically reduced funding to education and this
14 has been reflected in the multi-year cuts to SFUSD's budget.

15 (k) The severe cuts experienced by the district over multiple years have affected
16 SFUSD's ability to implement these effective strategies designed to address the needs of SF
17 public school students.

18 (l) The leadership and citizens of San Francisco have a long and proud tradition of
19 supporting SFUSD's public schools through such measures as the Rainy Day Fund and the
20 Public Education Enrichment Fund.

21 Section 2. The sources of funding outlined below are herein appropriated to reflect the
22 funding available in Fiscal Year 2012-2013.

1 **SOURCES Appropriation**

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Fund	Index/Project Code	Subobject	Description	Amount
1G AGF AAA (GF- NON-PROJECT- CONTROLLED)	995031	48990	State Revenue Loss Reserve	\$3,000,000 \$2,705,000 \$1,293,000 <u>\$843,000</u>
<u>2S CHF USD</u> (PUBLIC EDUCATION SPECIAL FUND - SFUSD)	<u>PCH007</u>	<u>230012</u>	<u>School District Set- Aside Funds</u>	<u>\$1,412,000</u>
Total Sources Appropriation				\$3,000,000 \$2,705,000 <u>\$2,255,000</u>

Section 3. The uses of funding outlined below are herein appropriated in FY 2012-2013 in Subobject 03801 (Community Based Organization Services).

1 **USES Appropriation**

Fund	Index/Project Code	Subobject	Description	Amount
2SCHFUSD	235122/PCH012 00	03801	Community Based	<u>\$3,000,000</u>
(PUBLIC			Organization	<u>\$2,705,000</u>
EDUCATION			Services	<u>\$2,255,000</u>
SPECIAL FUND)				
Total USES Appropriation				<u>\$3,000,000</u>
				<u>\$2,705,000</u>
				<u>\$2,255,000</u>

12 Section 4. The Controller is authorized to record transfers between funds and adjust
 13 the accounting treatment of sources and uses appropriated in this ordinance as necessary to
 14 conform with Generally Accepted Accounting Principles.

16 Section 5. Monitoring

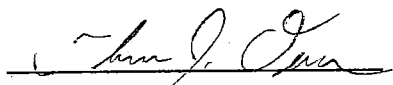
17 As a condition of accepting these funds, the ~~The~~ San Francisco Unified School District
 18 shall present an initial progress report on the successful implementation of the credit recovery
 19 program to the Board of Supervisors in June of 2013, and come back in the fall of 2013 to
 20 present a final report. The presentations shall include, but not be limited to:

- 21 (a) Enrollment and attendance data for afterschool programming
- 22 (b) Revised A-G graduation track data, broken down by high school, afterschool
 23 program and ethnicity

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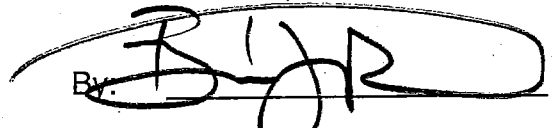
APPROVED AS TO FORM:

DENNIS J. HERRERA, City Attorney

By: 
Deputy City Attorney

FUNDS AVAILABLE


Ben Rosenfield, Controller

By: 

Date: ~~September 24, 2012~~
December 4, 2012

Ben Rosenfield
ControllerMonique Zmuda
Deputy Controller**MEMORANDUM**

TO: Mayor Edwin Lee
Members of the Board of Supervisors

FROM: Ben Rosenfield, Controller 

DATE: November 28, 2012

SUBJECT: Unaudited Financial Report for Fiscal Year 2011-12

In accordance with Charter Section 3.105, I have attached the City's unaudited financial statements for fiscal year (FY) 2011-12 that ended June 30, 2012. I expect that the audited Comprehensive Annual Financial Report (CAFR) will be available within the next several weeks. While these statements have a considerable amount of information reported in various ways, below are some of the key points regarding the budgetary impact of the City's General Fund position, which is typically the focus of much of our attention.

Summary Points

- The City's ending available budget-basis fund balance improved versus the prior year, rising by \$52 million to \$220 million. This represents a significant improvement from the low of \$95 million in FY 2008-09 and has now exceeded our pre-recession peak. The majority of this expected balance has been appropriated as a source in the City's adopted budget for the coming two fiscal years, with \$12 million available above the amount appropriated.
- Total budgetary fund balance – including restricted, committed and assigned reserves for capital, encumbrances, and other reserves – has similarly improved to near pre-recession levels. The ending total fund balance of \$557 million is up \$129 million from the prior year and approaching the City's pre-recession peak of \$563 million in FY 2006-07.
- The City's reserve position, eroded heavily during the recession given budget shortfalls, has improved during this most recent fiscal year. The Budget Stabilization Reserve, adopted two years ago by the Mayor and Board of Supervisors, has grown. During FY

2011-12, historic transfer tax receipts and better than anticipated year-end fund balance have driven the deposit of an additional \$47 million to the reserve, which ended the year with a balance of \$74 million. Final revenue growth for FY 2011-12 triggered a \$6 million deposit to the City's Rainy Day Reserve Economic Stabilization Account, of which \$1.5 million is available for appropriation to the San Francisco Unified School District beyond the level assumed in the City's adopted current year budget.

- The local economy showed remarkable strength in FY 2011-12, fueling significant growth in local tax revenues versus the prior year. Hotel, sales, payroll, utility, and transfer tax receipts in FY 2011-12 exceed pre-recession peaks. Property tax receipts declined marginally versus the prior year despite an increase in the assessment of the property tax roll, due to a reduction in revenue received from prior year assessments. Overall revenue growth was stronger than we projected in our most recent status report, contributing to the better-than-anticipated available fund balance reported above and also to increased Charter-required baseline contributions to the Municipal Transportation Agency, Public Libraries, the School District, and other voter-adopted requirements.
- The higher tax results evident in these FY 2011-12 statements should lead to revenue improvement versus the City's adopted budget for the current year as well. We are working with the Mayor's Budget Office on revised projections for the current and upcoming fiscal years, which will be issued with budget instructions in the coming weeks.
- The attached schedules do not include financial information on the Redevelopment Agency or its successor organization. The dissolution of the Redevelopment Agency and the distribution of its assets and liabilities is highly complex and has not yet been completed. Final audited numbers will be included in the CAFR, scheduled for release in coming weeks.

If you have any questions, please feel free to contact me at (415) 554-7500.

cc: Department Heads
Labor Organizations

CITY AND COUNTY OF SAN FRANCISCO
Budgetary Comparison Statement - General Fund
Year ended June 30, 2012
(In Thousands)

	Original Budget	Final Budget	Actual Budgetary Basis	Variance Positive (Negative)
Budgetary Fund Balance, July 1	\$ 172,142	\$ 427,886	\$ 427,886	\$ -
Resources (Inflows):				
Property taxes.....	1,028,677	1,028,677	1,059,211	30,534
Business taxes.....	389,878	389,878	435,316	45,438
Other local taxes:				
Sales tax.....	106,566	106,766	117,071	10,305
Hotel room tax.....	165,864	165,864	188,665	22,801
Utility users tax.....	85,590	85,590	91,676	(3,914)
Parking tax.....	71,973	71,973	76,645	4,672
Real property transfer tax.....	162,262	162,262	277,244	114,982
Licenses, permits, and franchises:				
Licenses and permits.....	8,614	8,614	9,239	625
Franchise tax.....	15,723	15,723	15,783	60
Fines, forfeitures, and penalties.....	7,710	7,710	8,444	734
Interest and investment income.....	6,050	6,050	10,485	4,435
Rents and concessions:				
Garages - Recreation and Park.....	10,094	10,094	10,744	650
Rents and concessions - Recreation and Park.....	10,665	10,665	12,641	1,976
Other rents and concessions.....	2,135	2,135	3,267	1,132
Intergovernmental:				
Federal grants and subventions.....	208,783	204,949	196,358	(8,591)
State subventions:				
Social service subventions.....	114,151	100,428	67,043	(33,385)
Health / mental health subventions.....	142,792	112,623	104,651	(7,972)
Health and welfare realignment.....	143,703	176,838	210,191	33,353
Public safety sales tax.....	69,089	69,089	76,565	7,476
Motor vehicle in-lieu - county.....	1,711	1,711	776	(935)
Motor vehicle in-lieu - city.....	-	-	-	-
Other grants and subventions.....	4,489	13,848	19,401	5,553
Allowance for state revenue reduction.....	(6,341)	-	-	-
Other.....	-	-	-	-
Charges for services:				
General government service charges.....	46,728	46,828	48,458	1,630
Public safety service charges.....	22,628	22,638	23,735	1,097
Recreation charges - Recreation and Park.....	12,085	12,102	13,385	1,283
MediCal, MediCare and health service charges.....	72,105	72,110	60,298	(11,812)
Other financing sources:				
Transfers from other funds.....	157,199	160,187	117,602	(42,585)
Repayment of loan from Component Unit.....	589	589	-	(589)
Other resources (Inflows).....	18,254	19,232	15,496	(3,736)
Subtotal - Resources (Inflows)	3,089,767	3,095,173	3,270,390	175,217
Total amounts available for appropriation.....	<u>3,261,909</u>	<u>3,523,059</u>	<u>3,698,276</u>	<u>175,217</u>

(Continued)

The notes to the financial statements are an integral part of this statement.

CITY AND COUNTY OF SAN FRANCISCO
Budgetary Comparison Statement - General Fund (Continued)
Year ended June 30, 2012
(In Thousands)

	Original Budget	Final Budget	Actual Budgetary Basis	Variance Positive (Negative)
Charges to Appropriations (Outflows):				
Public Protection				
Adult Probation.....	\$ 13,259	\$ 16,023	\$ 14,307	\$ 1,716
District Attorney.....	34,218	34,968	34,682	286
Emergency Communications.....	38,151	41,001	40,994	7
Fire Department.....	274,278	276,352	276,352	-
Juvenile Probation.....	32,129	29,235	29,197	38
Police Department.....	393,194	399,745	399,745	-
Public Defender.....	25,730	28,126	26,126	-
Sheriff.....	150,827	135,508	134,210	1,298
Superior Court.....	32,847	32,882	32,882	-
Subtotal - Public Protection	<u>984,633</u>	<u>991,840</u>	<u>988,495</u>	<u>3,345</u>
Public Works, Transportation and Commerce				
Board of Appeals.....	925	922	739	183
Business and Economic Development.....	17,832	18,933	16,169	764
Clean Water.....	-	-	-	-
General Services Agency - Public Works.....	32,831	35,955	35,610	345
Hetch Hetchy.....	-	1	1	-
Municipal Transportation Agency.....	-	65	64	1
Water Department.....	-	2	2	-
Subtotal - Public Works, Transportation and Commerce	<u>51,588</u>	<u>53,878</u>	<u>52,585</u>	<u>1,293</u>
Human Welfare and Neighborhood Development				
Children, Youth and Their Families.....	28,444	29,555	28,169	1,386
Commission on the Status of Women.....	3,311	3,294	3,273	21
County Education Office.....	116	116	116	-
Environment.....	46	428	409	19
Human Rights Commission.....	934	1,075	1,075	-
Human Services.....	639,984	640,361	590,027	50,334
Mayor - Housing/Neighborhoods.....	1,915	3,124	3,124	-
Subtotal - Human Welfare and Neighborhood Development	<u>674,750</u>	<u>677,953</u>	<u>626,193</u>	<u>51,760</u>
Community Health				
Public Health.....	575,446	573,970	545,962	28,008
Culture and Recreation				
Academy of Sciences.....	4,023	4,023	3,995	28
Art Commission.....	7,981	7,076	7,070	6
Asian Art Museum.....	7,215	7,172	7,172	-
Fine Arts Museum.....	11,537	11,789	11,789	-
Law Library.....	751	754	807	147
Recreation and Park Commission.....	69,232	68,948	66,948	-
Subtotal - Culture and Recreation	<u>100,739</u>	<u>99,762</u>	<u>99,581</u>	<u>181</u>

(Continued)

The notes to the financial statements are an integral part of this statement.

CITY AND COUNTY OF SAN FRANCISCO
Budgetary Comparison Statement - General Fund (Continued)
Year ended June 30, 2012
(In Thousands)

	Original Budget	Final Budget	Actual Budgetary Basis	Variance Positive (Negative)
General Administration and Finance				
Assessor/Recorder.....	\$ 19,141	\$ 18,039	\$ 16,448	\$ 1,591
Board of Supervisors.....	10,626	11,002	10,420	582
City Attorney.....	7,828	8,567	8,567	-
City Planning.....	21,182	22,171	22,171	-
Civil Service.....	514	545	545	-
Controller.....	11,281	12,583	11,037	1,546
Elections.....	14,908	14,925	14,393	532
Ethics Commission.....	8,349	4,234	4,052	182
General Services Agency - Administrative Services.....	64,590	56,225	55,512	713
General Services Agency - Telecomm. and Info. Services.....	1,439	1,792	1,786	6
Health Service System.....	167	153	88	65
Human Resources.....	9,603	12,156	12,123	33
Mayor.....	4,020	4,288	4,084	204
Retirement Services.....	764	810	810	-
Treasurer/Tax Collector.....	22,682	22,504	20,664	1,840
Subtotal - General Administration and Finance	<u>197,095</u>	<u>190,014</u>	<u>182,720</u>	<u>7,294</u>
General City Responsibilities				
General City Responsibilities.....	86,226	99,988	93,225	6,761
Other financing uses:				
Debt Service.....	3,604	-	-	-
Transfers to other funds.....	528,328	567,706	552,418	15,288
Budgetary reserves and designations.....	49,500	10,400	-	10,400
Total charges to appropriations.....	<u>3,261,909</u>	<u>3,265,509</u>	<u>3,141,179</u>	<u>124,330</u>
Total Sources less Current Year Uses	<u>\$ -</u>	<u>\$ 257,550</u>	<u>\$ 557,097</u>	<u>\$ 299,547</u>
Budgetary fund balance, June 30 before reserves and designations			\$ 557,097	
Reserves and designations made from budgetary fund balance, June 30			336,820	
Net Available Budgetary Fund Balance, June 30			<u>\$ 220,277</u>	
Sources/inflows of resources				
Actual amounts (budgetary basis) "available for appropriation".....			\$ 3,698,276	
Difference - budget to GAAP:				
The fund balance at the beginning of the year is a budgetary resource but is not a current year revenue for financial reporting purposes.....			(427,886)	
Property tax revenue - Teeter Plan net change from prior year.....			(3,087)	
Change in unrealized gain/(loss) on investments.....			5,228	
Interest earnings / charges from other funds assigned to General Fund as interest adjustment.....			(5,453)	
Interest earnings from other funds assigned to General Fund as other revenues.....			3,379	
Grants, subventions and other receivables received after 120-day recognition period.....			1,556	
Pre-paid lease revenue, Civic Center Garage.....			(1,416)	
Transfers from other funds are inflows of budgetary resources but are not revenues for financial reporting purposes.....			(117,602)	
Total revenues as reported on the statement of revenues, expenditures, and changes in fund balance - General Fund.....			<u>\$ 3,153,115</u>	
Uses/outflows of resources				
Actual amounts (budgetary basis) "total charges to appropriations".....			\$ 3,141,179	
Difference - budget to GAAP:				
Capital asset purchases funded under capital leases with Finance Corporation and other vendors.....			3,682	
Recognition of expenditures for advances and imprest cash.....			3,079	
Transfers to other funds are outflows of budgetary resources but are not expenditures for financial reporting purposes.....			(552,418)	
Total expenditures as reported on the statement of revenues, expenditures, and changes in fund balances - General Fund.....			<u>\$ 2,595,522</u>	

Unaudited

CITY AND COUNTY OF SAN FRANCISCO

**Balance Sheet
Governmental Funds**

June 30, 2012

(with comparative total financial information as of June 30, 2011)

(In Thousands)

	General Fund		Other Governmental Funds		Total Governmental Funds	
	2012	2011	2012	2011	2012	2011
ASSETS						
Deposits and investments with City Treasury.....	\$ 530,443	\$ 386,246	\$ 1,142,214	\$ 938,304	\$ 1,672,657	\$ 1,324,550
Deposits and investments outside City Treasury.....	635	860	77,569	116,317	78,204	117,177
Receivables (net of allowance for uncollectible amounts of \$128,739 in 2012; \$95,441 in 2011):						
Property taxes and penalties.....	47,374	45,278	8,454	7,943	55,828	53,221
Other local taxes.....	211,788	186,137	16,246	14,869	228,034	201,006
Federal and state grants and subventions.....	186,838	162,130	140,479	132,200	327,317	294,330
Charges for services.....	43,435	39,884	16,326	12,814	59,761	52,698
Interest and other.....	808	805	1,626	4,358	2,434	5,163
Due from other funds.....	47,210	27,833	5,149	8,753	52,359	36,586
Due from / advance to component unit.....	18,408	16,253	10,705	11,413	29,113	27,666
Loans receivable (net of allowance for uncollectible amounts of \$559,893 in 2012; \$530,590 in 2011).....	157	-	66,973	71,346	67,130	71,346
Deferred charges and other assets.....	3,829	6,620	5,757	4,348	9,586	10,868
Total assets.....	\$ 1,090,925	\$ 871,946	\$ 1,491,498	\$ 1,322,665	\$ 2,582,423	\$ 2,194,611
LIABILITIES AND FUND BALANCES						
Liabilities:						
Accounts payable.....	\$ 108,407	\$ 89,882	\$ 141,326	\$ 115,476	\$ 249,733	\$ 205,358
Accrued payroll.....	99,721	81,547	22,637	19,400	122,358	100,947
Deferred tax, grant and subvention revenues.....	113,684	116,330	82,741	66,184	196,425	182,514
Due to other funds.....	1,212	750	49,593	41,550	50,805	42,300
Deferred credits and other liabilities.....	312,176	255,431	101,271	112,976	413,447	368,407
Bonds, loans, capital leases, and other payables.....	-	-	196,834	167,519	196,834	167,519
Total liabilities.....	635,200	643,940	594,402	523,105	1,229,602	1,067,045
Fund balances:						
Nonspendable.....	19,588	20,501	192	192	19,790	20,693
Restricted for rainy day.....	34,109	33,439	-	-	34,109	33,439
Restricted for other purposes.....	-	-	1,004,831	831,269	1,004,831	831,269
Committed for budget stabilization.....	74,330	27,183	-	-	74,330	27,183
Committed for recreation and parks.....	4,946	6,248	-	-	4,946	6,248
Assigned.....	305,413	240,635	28,010	27,522	333,423	268,257
Unassigned.....	17,329	-	(135,937)	(59,523)	(118,608)	(59,523)
Total fund balances.....	455,725	328,006	897,096	799,560	1,352,821	1,127,566
Total liabilities and fund balances.....	\$ 1,090,925	\$ 871,946	\$ 1,491,498	\$ 1,322,665	\$ 2,582,423	\$ 2,194,611

The notes to the financial statements are an integral part of this statement.

CITY AND COUNTY OF SAN FRANCISCO
Statement of Revenues, Expenditures and Changes
in Fund Balances
Governmental Funds
Year ended June 30, 2012
(with comparative total financial information as of June 30, 2011)
(In Thousands)

	General Fund		Other Governmental Funds		Total Governmental Funds	
	2012	2011	2012	2011	2012	2011
Revenues:						
Property taxes.....	\$ 1,056,143	\$ 1,090,776	\$ 296,714	\$ 289,580	\$ 1,352,857	\$ 1,380,356
Business taxes.....	435,316	391,057	2,362	722	437,678	391,779
Sales and use tax.....	117,071	106,302	81,164	75,172	198,235	181,474
Hotel room tax.....	188,665	158,927	50,902	51,035	239,567	209,962
Utility users tax.....	91,676	91,683	-	-	91,676	91,683
Other local taxes.....	353,889	251,285	-	-	353,889	251,285
Licenses, permits and franchises.....	25,022	25,252	14,748	10,725	39,770	35,977
Fines, forfeitures and penalties.....	8,444	6,868	21,646	4,902	30,090	11,770
Interest and investment income.....	10,262	5,910	20,939	11,131	31,201	17,041
Rents and concessions.....	24,932	21,943	56,446	57,052	81,378	78,995
Intergovernmental:						
Federal.....	198,642	218,394	217,421	266,310	416,063	484,704
State.....	480,166	438,815	108,366	142,304	588,532	581,119
Other.....	-	29	33,182	31,988	33,182	32,017
Charges for services.....	145,797	146,631	119,249	111,384	265,046	258,015
Other.....	17,090	10,377	62,862	86,817	79,952	97,194
Total revenues.....	3,153,115	2,964,249	1,086,001	1,139,122	4,239,116	4,103,371
Expenditures:						
Current:						
Public protection.....	991,275	950,548	87,928	80,633	1,079,203	1,031,181
Public works, transportation and commerce.....	52,815	25,508	198,064	201,412	250,879	226,920
Human welfare and neighborhood development.....	626,194	610,063	268,215	260,028	894,409	870,091
Community health.....	545,962	493,939	107,301	101,283	653,263	595,222
Culture and recreation.....	100,246	99,156	210,910	211,236	311,156	310,392
General administration and finance.....	182,898	175,381	20,453	16,250	203,351	191,641
General City responsibilities.....	96,132	85,329	18	134	96,150	85,463
Debt service:						
Principal retirement.....	-	-	167,465	148,231	167,465	148,231
Interest and fiscal charges.....	-	93	103,706	101,623	103,706	101,716
Bond issuance costs.....	-	-	5,386	2,161	5,386	2,161
Capital outlay.....	-	-	270,094	214,817	270,094	214,817
Total expenditures.....	2,595,522	2,440,017	1,439,540	1,337,818	4,035,062	3,777,835
Excess (deficiency) of revenues over (under) expenditures.....	557,593	524,232	(353,539)	(198,696)	204,054	325,536
Other financing sources (uses):						
Transfers in.....	120,449	108,072	215,155	196,610	335,604	304,682
Transfers out.....	(553,190)	(502,378)	(189,529)	(128,247)	(742,719)	(630,625)
Issuance of bonds and loans:						
Face value of bonds issued.....	-	-	804,090	232,965	804,090	232,965
Face value of loans issued.....	-	-	4,359	1,813	4,359	1,813
Premium on issuance of bonds.....	-	-	89,336	16,799	89,336	16,799
Payment to refunded bond escrow agent.....	-	-	(480,958)	(142,458)	(480,958)	(142,458)
Other financing sources-capital leases.....	3,682	6,302	8,622	13,467	12,304	19,769
Total other financing sources (uses).....	(429,059)	(388,004)	451,075	190,949	22,016	(197,055)
Special item:						
Extraordinary gain/(loss) from dissolution of the Redevelopment Agency.....	(815)	-	-	-	(815)	-
Net change in fund balances.....	127,719	136,228	97,536	(7,747)	225,255	128,481
Fund balances at beginning of year.....	328,006	191,778	799,560	807,307	1,127,566	999,085
Fund balances at end of year.....	\$ 455,725	\$ 328,006	\$ 897,096	\$ 799,560	\$ 1,352,821	\$ 1,127,566

The notes to the financial statements are an integral part of this statement.

CITY AND COUNTY OF SAN FRANCISCO
Statement of Net Assets - Proprietary Funds
June 30, 2012
(with comparative total financial information as of June 30, 2011)
(In Thousands)

Business-type Activities - Enterprise Funds

	Major Funds										Other Fund		Total		Governmental Activities-Internal Service Funds			
	San Francisco International Airport		San Francisco Water Enterprise		Hetch Hetchy Water and Power		Municipal Transportation Agency		General Hospital Medical Center		San Francisco Waste-water Enterprise		Port of San Francisco		Laguna Honda Hospital		San Francisco Market Corporation	
	2012	2011	2012	2011	2012	2011	2012	2011	2012	2011	2012	2011	2012	2011	2012	2011	2012	2011
ASSETS AND DEFERRED OUTFLOWS																		
Assets:																		
Current Assets:																		
Deposits and investments with City Treasury.....	\$ 343,341	\$ 78,960	\$ 199,660	\$ 425,196	\$ 61,886	\$ 55,586	\$ 92,408	\$ 1,257,037	\$ 1,114,318	\$ 33,639	\$ 28,899							
Deposits and investments outside City Treasury.....	10	162	10	4,033	10	204	5	10,066	9,387	10	-							
Receivables (net of allowance for uncollectible amounts of \$44,315 and \$31,498 in 2012 and 2011, respectively):																		
Federal and state grants and subventions.....	-	342	62	76,944	8,015	1,693	7,219	94,275	78,080	-	-							
Charges for services.....	40,754	51,181	10,906	5,025	44,938	35,642	3,255	238,658	233,294	119	134							
Interest and other.....	1,337	12,317	128	3,722	60,168	555	7,669	85,896	70,663	643	701							
Loans receivable.....	-	-	2,207	14,741	271	28	274	21,985	49,683	-	-							
Due from other funds.....	-	194	-	-	-	-	-	-	-	-	58							
Due from component unit.....	113	7,882	296	54,781	7,174	3,265	1,032	75,700	75,570	-	-							
Deferred charges and other assets.....	2,226	-	4,940	355	-	-	150	7,699	10,451	-	-							
Restricted assets:																		
Deposits and investments with City Treasury.....	47,198	-	-	-	-	-	41,534	164,752	147,470	-	-							
Deposits and investments outside City Treasury.....	54,613	81,129	-	-	-	-	3,282	164,045	129,156	13	-							
Grants and other receivables.....	12,916	-	-	-	-	-	-	12,916	12,303	-	-							
Total current assets.....	502,508	232,167	218,209	584,797	182,462	96,973	156,808	2,133,229	1,930,433	5,662	55,224	48,718						
Noncurrent assets:																		
Deferred charges and other assets.....	28,753	42,485	325	1,608	-	4,815	1,745	79,731	69,396	-	4,655	4,789						
Loans receivable.....	-	-	17,059	-	-	-	-	17,059	4,027	-	-	-						
Advance to component unit.....	-	-	-	-	-	-	-	-	-	-	-	-						
Restricted assets:																		
Deposits and investments with City Treasury.....	70,522	1,596,856	21,479	3,740	7,805	54,102	-	1,746,699	1,328,362	-	-	-						
Deposits and investments outside City Treasury.....	309,009	358,309	3,252	10,630	-	23,348	-	713,935	666,179	286	-	66,529	77,505					
Grants and other receivables.....	10,840	5,656	260	3,488	-	5,201	53	25,498	19,644	-	-	-	-					
Capital assets:																		
Land and other assets not being depreciated.....	-	1,411,250	72,296	-	38,314	158,959	149,621	1,834,137	1,892,041	2,772	-	-						
Facilities, infrastructure, and equipment, net of depreciation.....	3,734,426	1,822,916	263,099	2,115,706	33,893	1,375,178	145,097	10,046,640	8,944,225	3,358	5,471	6,132						
Total capital assets.....	3,734,426	3,234,166	335,395	2,115,706	72,307	1,534,137	294,716	11,880,777	10,936,266	6,130	5,471	6,132						
Total noncurrent assets.....	4,153,550	5,237,472	377,770	2,135,172	80,112	1,621,603	296,463	14,463,699	13,023,874	6,425	329,582	350,109						
Total assets.....	4,656,058	5,469,639	595,979	2,719,969	262,574	1,718,576	453,271	16,596,928	14,954,307	12,107	384,806	398,827						
Deferred outflows on derivative instruments.....	98,979	-	-	-	-	-	-	98,979	63,382	-	-	-						
Total assets and deferred outflows.....	4,755,037	5,469,639	595,979	2,719,969	262,574	1,718,576	453,271	16,695,907	15,017,689	12,107	384,806	398,827						

Unaudited

CITY AND COUNTY OF SAN FRANCISCO
Statement of Net Assets - Proprietary Funds (Continued)
June 30, 2012
(With comparative total financial information as of June 30, 2011)
(In Thousands)

	Business-type Activities - Enterprise Funds										Governmental Activities-Internal Service Funds				
	Major Funds					Other Fund					2012	Total	2011	2012	2011
	San Francisco International Airport	San Francisco Water Enterprise	Hatch Heliport and Power	Municipal Transportation Agency	General Hospital Medical Center	San Francisco Water Enterprise	Port of San Francisco	Laguna Honda Hospital	San Francisco Market Corporation		2012	Total	2011	2012	2011
LIABILITIES															
Current liabilities:															
Accounts payable.....	\$ 29,162	\$ 8,490	\$ 19,628	\$ 77,348	\$ 30,262	\$ 21,480	\$ 13,516	\$ 11,378	\$ 570	\$ 211,834	\$ 167,102	\$ 7,544	\$ 5,699		
Accrued payroll.....	13,533	9,355	2,793	33,022	24,261	5,323	2,341	9,734	-	100,364	81,024	2,323	1,965		
Accrued vacation and sick leave pay.....	7,943	6,182	1,634	16,328	11,634	2,986	1,200	5,401	-	53,308	49,624	1,475	1,485		
Accrued workers' compensation.....	993	1,403	433	14,806	3,845	734	425	2,586	-	25,230	24,547	183	156		
Estimated claims payable.....	503	2,899	529	13,411	3,845	2,231	1,276	-	-	20,849	38,972	-	-		
Due to other funds.....	-	3,695	214	3,731	1,440	3,057	311	18,454	64	30,902	37,168	2,821	6,803		
Deferred credits and other liabilities.....	57,622	7,396	66	138,630	87,131	5,468	15,235	14,043	-	325,655	225,845	65,684	73,632		
Accrued interest payable.....	-	35,164	429	98	122	6,946	829	-	-	43,588	37,205	1,758	1,764		
Bonds, loans, capital leases, and other payables.....	315,153	221,936	1,277	3,575	2,113	31,938	805	108	-	576,905	342,627	19,390	17,545		
Liabilities payable from restricted assets:															
Bonds, loans, capital leases, and other payables.....	25,393	-	-	1,241	-	-	-	5,105	-	31,739	24,348	-	-		
Accrued interest payable.....	28,837	-	832	-	-	7,484	-	1,879	-	30,716	30,191	-	-		
Other.....	36,909	143,907	-	-	-	87,657	-	690	-	189,822	143,642	-	-		
Total current liabilities.....	516,055	440,427	27,835	302,190	160,798	87,657	35,938	69,378	634	1,640,912	1,200,293	101,178	109,049		
Noncurrent liabilities:															
Accrued vacation and sick leave pay.....	7,686	6,361	1,450	11,961	9,261	2,712	1,114	4,345	-	44,880	40,939	1,604	1,559		
Accrued workers' compensation.....	4,077	6,561	1,888	73,033	18,150	3,193	2,372	9,952	-	119,226	123,639	812	718		
Other postemployment benefits obligation.....	75,824	73,009	14,302	153,369	142,198	26,513	13,390	53,612	-	552,217	448,968	15,380	12,906		
Estimated claims payable.....	829	6,196	2,142	20,320	-	6,307	380	-	-	36,144	61,465	-	-		
Deferred credits and other liabilities.....	3,743,055	4,577,999	1,032	23,850	-	571	27,346	-	135	53,525	66,732	-	-		
Bonds, loans, capital leases, and other payables.....	116,859	4,577,999	34,678	39,776	22,816	491,270	37,285	151,171	-	9,098,090	8,014,877	255,896	264,988		
Derivative instruments liabilities.....	3,948,370	4,670,777	55,492	322,299	192,425	530,566	81,857	219,080	135	10,020,941	8,824,922	273,692	280,171		
Total noncurrent liabilities.....	4,464,425	5,111,144	83,327	624,489	353,223	618,223	117,795	288,458	789	11,661,853	10,025,215	374,870	389,220		
NET ASSETS															
Invested in capital assets, net of related debt.....	4,150	301,267	309,640	2,072,355	55,160	1,070,097	277,619	553,560	6,130	4,650,218	4,481,404	4,652	4,873		
Restricted:															
Debt service.....	25,711	27,213	-	-	-	1,027	-	67,931	-	53,951	62,421	-	-		
Capital projects.....	71,109	13,865	14,282	-	-	19,787	16,193	1,956	307	202,967	161,580	-	-		
Other purposes.....	189,602	16,350	188,730	6,508	-	9,442	41,464	(203,180)	4,901	18,880	18,741	-	-		
Unrestricted (deficit).....	\$ 290,612	\$ 358,495	\$ 512,652	\$ 2,095,480	\$ (90,649)	\$ 1,100,353	\$ 335,476	\$ 420,297	\$ 11,338	\$ 5,034,054	\$ 4,992,474	\$ 9,936	\$ 9,607		

The notes to the financial statements are an integral part of this statement.

CITY AND COUNTY OF SAN FRANCISCO
Statement of Revenues, Expenses, and Changes in Fund Net Assets
Proprietary Funds

Year ended June 30, 2012
(with comparative total financial information as of June 30, 2011)
(In Thousands)

	Business-type Activities - Enterprise Funds											Total	2011	2012	Governmental Activities-Internal Service Funds
	Major Funds						Other Fund								
	San Francisco International Airport	San Francisco Water Enterprise	Hetch Hetchy Water and Power	Municipal Transportation Agency	General Hospital Medical Center	San Francisco Waste-water Enterprise	Port of San Francisco	Laguna Honda Hospital	San Francisco Market Corporation						
Operating revenues:	\$ 374,767	\$ 324,169	\$ 127,066	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 374,767	\$ 340,812	\$ -	\$ -
Aviation.....	-	-	-	-	-	-	-	-	-	-	-	-	451,235	411,167	-
Water and power service.....	-	-	-	-	-	-	-	-	-	-	-	-	200,972	190,181	-
Passenger fees.....	-	-	-	200,972	-	-	-	-	-	-	-	-	733,847	714,867	-
Net patient service revenue.....	-	-	-	-	600,871	-	-	-	-	-	-	-	233,628	220,586	-
Sewer service.....	-	-	-	-	-	233,628	-	-	-	-	-	-	199,313	183,041	-
Rents and concessions.....	122,366	9,398	243	6,617	2,887	-	57,802	-	-	-	-	230,719	210,213	-	
Parking and transportation.....	104,254	-	-	109,306	-	-	17,159	-	-	-	-	3,905	4,343	97,266	101,398
Other charges for services.....	-	-	-	2,233	-	-	-	-	1,672	-	-	124,167	124,342	-	
Other revenues.....	67,285	8,534	-	31,336	3,638	10,527	2,299	548	-	-	-	2,552,553	2,399,552	97,266	101,398
Total operating revenues.....	668,672	342,101	127,309	350,464	607,396	244,155	77,260	133,524	1,672	-	-	2,552,553	2,399,552	97,266	101,398
Operating expenses:															
Personal services.....	238,382	114,337	44,575	599,944	433,060	82,709	32,318	172,850	226	-	-	1,718,401	1,586,041	43,465	42,182
Contractual services.....	56,165	14,838	5,816	66,190	189,417	13,267	5,347	7,282	611	-	-	358,903	333,043	29,727	31,123
Light, heat and power.....	20,096	-	21,539	-	-	-	2,111	-	-	-	-	43,746	40,560	-	-
Materials and supplies.....	14,130	12,140	2,902	86,443	70,265	8,921	1,051	14,516	5	-	-	210,373	200,052	15,041	13,920
Depreciation and amortization.....	167,309	64,595	13,855	118,518	5,230	44,799	15,070	15,293	288	-	-	444,957	419,071	1,691	1,970
General and administrative services provided by other departments.....	1,657	49,257	36,099	30,369	777	12,879	3,518	-	8	-	-	134,564	66,394	385	398
Other.....	12,555	49,395	5,824	54,294	36,359	33,292	16,395	8,873	-	-	-	216,987	204,786	5,331	5,777
Total operating expenses.....	543,063	304,562	130,610	966,695	735,108	195,657	70,540	218,814	1,138	-	-	3,156,387	2,909,820	96,344	100,266
Operating income (loss).....	125,609	37,539	(3,301)	(606,231)	(127,712)	48,298	6,720	(85,290)	534	-	-	(603,834)	(510,268)	922	1,112
Nonoperating revenues (expenses):															
Operating grants:															
Federal.....	-	2,199	2,581	21,432	-	1,979	4,675	291	-	-	-	33,157	28,034	-	-
State / other.....	-	-	-	106,571	59,917	-	-	-	-	-	-	166,488	176,119	-	-
Interest and investment income.....	32,353	33,450	3,463	5,983	570	2,975	2,659	1,177	3	-	-	82,533	42,299	6,475	6,462
Interest expense.....	(203,547)	(126,886)	(99)	(2,393)	(121)	(18,736)	(1,766)	(519)	-	-	-	(353,867)	(325,093)	(6,005)	(6,059)
Other, net.....	64,682	29,320	29	113,723	-	4,557	(3,174)	83,497	-	-	-	292,634	214,993	124	-
Total nonoperating revenues (expenses).....	(106,512)	(61,717)	5,974	245,316	60,366	(9,225)	2,294	84,446	3	-	-	220,945	136,352	594	423
Income (loss) before capital contributions and transfers.....	19,097	(24,178)	2,673	(360,915)	(67,346)	39,073	9,014	(844)	537	-	-	(382,889)	(373,916)	1,516	1,535
Capital contributions.....	14,538	-	-	216,514	-	-	16,955	-	-	-	-	248,007	225,112	-	-
Transfers in.....	-	1,500	14,071	289,010	128,578	-	-	19,771	-	-	-	452,930	462,732	29	1,018
Transfers out.....	(33,993)	(15,085)	-	(10,049)	(81,030)	(1)	-	(136,310)	-	-	-	(276,468)	(137,348)	(1,216)	(459)
Change in net assets.....	(358)	(37,763)	16,744	134,560	(19,798)	39,072	25,969	(117,363)	537	-	-	41,580	176,580	329	2,094
Net assets (deficit) at beginning of year.....	290,970	398,258	495,908	1,960,920	(70,851)	1,061,281	309,507	537,680	10,801	-	-	4,992,474	4,815,894	9,607	7,513
Net assets (deficit) at end of year.....	290,612	358,495	\$ 512,652	\$ 2,096,480	\$ (60,649)	\$ 1,100,353	\$ 335,476	\$ 420,297	\$ 11,338	-	-	\$ 5,034,054	\$ 4,992,474	\$ 9,936	\$ 9,607

The notes to the financial statements are an integral part of this statement.

CITY AND COUNTY OF SAN FRANCISCO

**Combining Balance Sheet
Nonmajor Governmental Funds**

June 30, 2012

(In Thousands)

	Special Revenue Funds	Debt Service Funds	Capital Projects Funds	Permanent Fund Bequest Fund	Total Nonmajor Governmental Funds
ASSETS					
Deposits and Investments with City Treasury.....	\$ 490,640	\$ 65,664	\$ 578,410	\$ 7,500	\$ 1,142,214
Deposits and Investments outside City Treasury.....	10,850	29,600	37,119	-	77,569
Receivables:					
Property taxes and penalties.....	3,529	4,925	-	-	8,454
Other local taxes.....	16,246	-	-	-	16,246
Federal and state grants and subventions.....	132,686	-	7,793	-	140,479
Charges for services.....	16,324	-	2	-	16,326
Interest and other.....	1,079	205	339	3	1,626
Due from other funds.....	2,288	-	2,861	-	5,149
Due from / advance to component unit.....	10,601	-	104	-	10,705
Loans receivable (net of allowance for uncollectibles).....	66,973	-	-	-	66,973
Deferred charges and other assets.....	5,721	-	36	-	5,757
Total assets.....	\$ 756,937	\$ 100,394	\$ 626,664	\$ 7,503	\$ 1,491,498
LIABILITIES AND FUND BALANCES					
Liabilities:					
Accounts payable.....	\$ 96,320	\$ 2	\$ 44,930	\$ 74	\$ 141,326
Accrued payroll.....	19,773	-	2,853	11	22,637
Deferred tax, grant and subvention revenues.....	77,754	4,270	643	74	82,741
Due to other funds.....	40,378	-	9,215	-	49,593
Deferred credits and other liabilities.....	81,229	15,414	4,588	40	101,271
Bonds, loans, capital leases and other payables.....	152,044	-	44,790	-	196,834
Total liabilities.....	467,498	19,686	107,019	199	594,402
Fund balances:					
Nonspendable.....	192	-	-	-	192
Restricted.....	353,936	80,708	562,883	7,304	1,004,831
Assigned.....	28,010	-	-	-	28,010
Unassigned.....	(92,699)	-	(43,238)	-	(135,937)
Total fund balances.....	289,439	80,708	519,645	7,304	897,096
Total liabilities and fund balances.....	\$ 756,937	\$ 100,394	\$ 626,664	\$ 7,503	\$ 1,491,498

CITY AND COUNTY OF SAN FRANCISCO
Combining Statement of Revenues, Expenditures, and
Changes in Fund Balances
Nonmajor Governmental Funds

Year ended June 30, 2012

(In Thousands)

	Special Revenue Funds	Debt Service Funds	Capital Projects Funds	Permanent Fund Request Fund	Total Nonmajor Governmental Funds
Revenues:					
Property taxes.....	\$ 116,792	\$ 179,922	\$ -	\$ -	\$ 296,714
Business taxes.....	2,362	-	-	-	2,362
Sales and use tax.....	81,164	-	-	-	81,164
Hotel room tax.....	50,902	-	-	-	50,902
Licenses, permits and franchises.....	14,748	-	-	-	14,748
Fines, forfeitures and penalties.....	6,293	15,353	-	-	21,646
Interest and investment income.....	10,144	2,186	8,483	126	20,939
Rents and concessions.....	54,019	732	320	1,375	56,446
Intergovernmental:					
Federal.....	214,797	-	2,624	-	217,421
State.....	96,389	771	11,206	-	108,366
Other.....	27,217	-	5,965	-	33,182
Charges for services.....	119,249	-	-	-	119,249
Other.....	57,979	4,058	493	332	62,862
Total revenues.....	852,055	203,022	29,091	1,833	1,086,001
Expenditures:					
Current:					
Public protection.....	87,928	-	-	-	87,928
Public works, transportation and commerce.....	198,064	-	-	-	198,064
Human welfare and neighborhood development.....	268,195	-	-	20	268,215
Community health.....	107,301	-	-	-	107,301
Culture and recreation.....	209,490	-	-	1,420	210,910
General administration and finance.....	20,453	-	-	-	20,453
General City responsibilities.....	18	-	-	-	18
Debt service:					
Principal retirement.....	-	167,465	-	-	167,465
Interest and fiscal charges.....	2,779	94,721	6,206	-	103,706
Bond issuance costs.....	-	2,294	3,092	-	5,386
Capital outlay.....	-	-	270,094	-	270,094
Total expenditures.....	894,228	264,480	279,392	1,440	1,439,540
Excess (deficiency) of revenues over (under) expenditures.....	(42,173)	(61,458)	(250,301)	393	(353,539)
Other financing sources (uses):					
Transfers in.....	121,302	75,500	18,353	-	215,155
Transfers out.....	(108,832)	(12,752)	(67,927)	(18)	(189,529)
Issuance of bonds and loans:					
Face value of bonds issued.....	4,320	425,955	373,815	-	804,090
Face value of loans issued.....	4,359	-	-	-	4,359
Premium on issuance of bonds.....	-	62,361	26,975	-	89,336
Payment to refunded bond escrow agent.....	-	(480,958)	-	-	(480,958)
Other financing sources-capital leases.....	871	-	7,751	-	8,622
Total other financing sources (uses).....	22,020	70,106	358,967	(18)	451,075
Net change in fund balances.....	(20,153)	8,648	108,666	375	97,536
Fund balances at beginning of year.....	309,592	72,060	410,879	6,929	799,560
Fund balances at end of year.....	\$ 289,439	\$ 80,708	\$ 519,645	\$ 7,304	\$ 897,096

Unaudited

Item 12 File 12-0997	Department: San Francisco Unified School District (SFUSD)
EXECUTIVE SUMMARY	
Legislative Objectives	
<p>The proposed ordinance would appropriate \$3,000,000 in State Revenue Loss Reserve funds to the San Francisco Unified School District (SFUSD) to fund services to assist students who will graduate in June 2014 to meet high school graduation requirements. The goal is to maximize the total number of students who are on-track to graduate high school.</p>	
Key Points	
<ul style="list-style-type: none"> • The Board of Supervisors appropriated \$15,000,000 to the State Revenue Loss Reserve in FY 2012-13 to provide for shortfalls resulting from future State funding cuts and realignment of program responsibilities. Because the impact of the State's FY 2012-13 budget on State funding to the City is not yet known, the City has not drawn on FY 2012-13 State Revenue Loss Reserve funds to backfill reductions in State funding to City programs. • The requested \$3,000,000 appropriation would be allocated to the SFUSD to fund services to assist students in the Class of 2014 to meet requirements to graduate high school. These funds would pay for programs from January 2013 through June 2013, including (a) after school programs provided by SFUSD and community-based organizations to allow students to earn missed course credits required for graduation; (b) centralized evening schools provided by SFUSD at three community locations to allow students to earn missed course credits required for graduation; (c) three community-based satellite centers provided by community-based organizations with computers and related equipment to allow students to work on required courses; (d) extended hours for SFUSD counselors and community-based organizations to assist students in meeting graduation requirements; (d) targeted support provided by community-based organizations to tutor students in course work and life skills; and (e) program administration provided by SFUSD. 	
Fiscal Impacts	
<ul style="list-style-type: none"> • Approval of the proposed ordinance would appropriate \$3,000,000 of the City's \$15,000,000 State Revenue Loss Reserve, resulting in a remaining balance of \$12,000,000. Because the impact of potential FY 2012-13 State budget reductions on City programs receiving State funds is not yet known, the impact of appropriating \$3,000,000 to the SFUSD in State Revenue Loss Reserve funds on other City programs that may lose State funding is not known. 	
Recommendations	
<ul style="list-style-type: none"> • Amend the proposed ordinance to require SFUSD to submit monthly written reports to the Board of Supervisors on program performance and expenditures, including (a) course descriptions and materials for each program; (b) detailed program budgets and actual expenditures; (c) number of students participating in each program; and (d) pre-and post-evaluation of participating students who are on-track or off-track to graduate. • Approval of the proposed ordinance, as amended, is a policy matter for the Board of Supervisors. 	

MANDATE STATEMENT

Charter Section 9.105 requires that amendments to the Annual Appropriation Ordinance be subject to approval by ordinance of the Board of Supervisors, and may not be adopted unless the Controller certifies the availability of funds.

BACKGROUND

The Board of Supervisors appropriated \$15,000,000 to the State Revenue Loss Reserve in FY 2012-13 to provide for shortfalls resulting from State funding cuts and realignment of program responsibilities. Because the impact of the State's FY 2012-13 budget on State funding to the City is not yet known, the City has not drawn on State Revenue Loss Reserve funds to backfill reductions in State funding to City programs.

DETAILS OF PROPOSED LEGISLATION

The proposed ordinance would appropriate \$3,000,000 in State Revenue Loss Reserve funds to the San Francisco Unified School District (SFUSD). The requested \$3,000,000 would be allocated to the SFUSD to fund services to assist students in the Class of 2014 (i.e., students who entered high school as freshmen in 2010) to meet requirements to graduate high school. The goal is to maximize the total number of students who are on-track to graduate high school.

For students to be on-track to graduate high school, they must complete 230 course credits in at least seven subject areas ("A-G credits"). To graduate, students must pass the California High School Exit Exam and the SFUSD Swimming Proficiency Test. According to Mr. Chris Armentrout, SFUSD Director of Development and Local Government Relations, nearly one-half of students in the Class of 2014 are not on track to graduate.

SFUSD has identified the students who are in need of support to complete the required course credits and has developed an action plan to support these students in completing the course credits. Table 1 shows the SFUSD action plan and proposed budget for the requested \$3,000,000 supplemental appropriation.

Table 1
SFUSD Proposed Action Plan

Activity	Description	Proposed Budget
School Site Support	<p>Currently, SFUSD allows students to earn missed credits through afterschool programs. However, most schools do not offer the full range of services necessary for students to earn missed credits. SFUSD has lost federal Department of Education 21st Century Community Learning Centers funds, which funded non-school hours learning centers. SFUSD received approximately \$1.5 million over a one-year period in 21st Century Community Learning Centers funds, which terminated in June 2012. Carry forward funds were used to fund some programs through December 2012.</p> <p>The proposed funds would replace programs to assist students to make up missed credits, previously funded the 21st Century Community Learning Center funds.</p>	\$1,575,000
Central Evening School	The proposed funds would create centralized evening schools at 3 locations to provide options for students to earn missed credits that do not lend themselves to individual site options, such as physical education, foreign languages, and laboratory sciences. Funding would pay for extended hours for teachers, program planning, administrative coverage, and curriculum materials.	500,000
Community-based Satellite Centers	The proposed funds would pay for community-based organizations to set up 3 satellite centers to allow students to work on required courses. The funds would pay for approximately 10 computers and 3 printers at each site, curriculum materials, and staff to oversee the satellite center.	400,000
Coordination and Monitoring	The proposed funds would pay for (1) one program administrator to oversee development, management and implementation of the program; and (2) one teacher to assist with implementation of on-line options. These two positions would be included in the FY 2013-14 SFUSD budget.	150,000
Student Counseling and Individual A-G Plans	The proposed funds would pay for (1) counseling and development of plans to assist students to earn missed credits; (2) development and promotional materials for graduation requirements; and (3) extended hours for counselors to work at 5 community-based sessions during the evenings and on Saturday.	75,000
Targeted Support	The proposed funds would pay for community-based organizations to work with targeted groups of students to provide services, including extra support to pass classes, earning missed credits, and life skills.	300,000
Total		\$3,000,000

According to Mr. Armentrout, the requested \$3,000,000 would fund programs from January 2013 through June 2013 serving up to an estimated 2,000 SFUSD high school students. As shown in Table 2 below, services would be provided by either SFUSD staff or community-based organizations (CBOs).

Table 2
SFUSD Proposed Program Providers and Students Served
January 2013 to June 2013

Program	Possible Providers	Budget for Requested State Revenue Loss Reserve Funds	Other SFUSD Funds in FY 2012-13
School Site Support	SFUSD staff, CBOs for some sites	\$1,575,000	Approximately \$1,100,000 for existing afterschool programs (5 high schools)
Central Evening School	SFUSD staff	500,000	-
Community-based Satellite Centers	CBOs	400,000	-
Coordination and Monitoring	SFUSD administration	150,000	-
Student Counseling & Individual A-G Plans	SFUSD staff, CBOs	75,000	Approximately \$150,000 for existing counseling focused on graduation requirements
Targeted Support	CBOs	300,000	-
Total		\$3,000,000	Approximately \$1,250,000

Selection and Monitoring of Community-based Organizations

SFUSD will select CBOs to provide services through a Request for Qualifications (RFQ) process. The CBOs responding to the RFQ will be reviewed by a panel composed of staff from SFUSD, Department of Children, Youth and Their Families (DCYF), Department of Public Health (DPH), or other City staff. Applicants that meet the minimum qualifications of the program will be eligible to provide services to SFUSD students. Based on the RFQ results, SFUSD principals will select the specific CBOs to provide services at their school site.

SFUSD will enter into a contract with each CBO. As part of the contract, SFUSD will evaluate the CBOs performance from January 2013 to June 2013 based on attendance records, site observations, stakeholder surveys and students' successful completion of courses and earned credits.

CBOs will be required to have administrative systems in place to ensure that program staff comply with SFUSD's compliance and fiscal policies. All CBO finances are subject to review and audit by SFUSD staff.

Reporting on Program Performance

Reporting on Program Performance

Program performance will be reported as a routine item to the Curriculum Committee and full SFUSD Board of Education. Program success will be measured by the number of students who graduate or move to "on-track" status to graduate as a result of program participation.

If the Board of Supervisors approves the proposed ordinance, the Board of Supervisors should require SFUSD to submit monthly written reports to the Board of Supervisors on program performance and expenditures, including:

- (a) course descriptions and materials for each program;
- (b) detailed program budgets and actual expenditures;
- (c) number of students participating in each program; and
- (d) pre- and post-evaluation of participating students who are on-track or off-track to graduate.

FISCAL IMPACTS

Approval of the proposed ordinance would appropriate \$3,000,000 of the City's \$15,000,000 State Revenue Loss Reserve, resulting in a remaining balance of \$12,000,000. Because the impact of potential FY 2012-13 State budget reductions on City programs receiving State funds is not yet known, the impact of appropriating \$3,000,000 to the SFUSD in State Revenue Loss Reserve funds on other City programs that may lose State funding is not known.

RECOMMENDATIONS

1. Amend the proposed ordinance to require SFUSD to submit monthly written reports to the Board of Supervisors on program performance and expenditures, including (a) course descriptions, and materials for each program; (b) detailed program budgets and actual expenditures; (c) number of students participating in each program; and (d) pre-and post-evaluation of participating students who are on-track or off-track to graduate.
2. Approval of the proposed ordinance, as amended, is a policy matter for the Board of Supervisors.

