

Is CCSF misspending Prop A monies? What about oversight?

The CCSF Parcel Tax (Prop A), approved by 73% of San Francisco voters in November 2012, was to provide CCSF with funds “the State cannot take away; offset budget cuts; prevent layoffs; provided an affordable, quality education for students; maintain essential courses...”

Imagine our surprise when we learned that *not one dollar* of Prop A revenues in 2014-15 was spent on classroom instruction and not one dollar budgeted in 2015-16 to “maintain essential courses.”

Despite receiving \$45 million in Parcel Tax revenues over three years, faculty pay was cut as were classes. In fact, the District has begun a phased-in plan to cut 26% of the instructional program.

Where did the money go?

In 2014-15, out of \$15 million in Prop A revenues, \$3.7 million went to reserves, \$8 million was spent on classified staff, and \$3 million on academic salaries—all to noninstructional faculty, e.g. librarians and counselors. In 2015-16, the District budgeted more on academic salaries--\$9.4 million—but nothing was budgeted for classroom instruction.

Why are none of Prop A monies going to the classroom?

Our Union has learned that what is driving this decision has nothing to do with Prop A or the intent of the voters. Rather, it has to do with administrative machinations to comply with the state’s “50% law,” which mandates that a minimum of 50% of General Fund expenditures must be spent on classroom instruction. In 2014-15, the District claims it spent 50.25% on the salaries and benefits of classroom teachers.

The District includes Prop A money with the Unrestricted General Fund money in its overall budget but then excludes that same money from 50% law calculations, sidestepping the law and effectively increasing the amount of money it can spend on non-instructional costs—like administrative salaries, for instance. By spending all parcel tax funds on *noninstructional* expenditures, it can “off load” these millions from the General Fund in its 50% law reporting.

Got it? Basically, not only are they *not spending* these funds as promised: they are *using parcel tax monies to cut classes and keep faculty salaries low*.

How does this shell game with Prop A monies operate?

The District may budget Prop A monies for instruction in a given year, then later account for them under a noninstructional “shell.” For example, in 2014-15, 5.4 million was budgeted for Academic Salaries but only 2.9 million was spent—none of it on classroom instruction. Most recently, we learned that administrators actually designated specific courses funded by Prop A in Fall 2015, but is now reporting these monies in its “working budget” as spending on librarians and counselors—again, none of it on classroom instruction. It appears the District may once again move these monies from the classroom to noninstructional purposes in its attempt to avoid violating the 50% law.

How are Parcel Tax funds accounted for?

Even though the District reports Prop A as a *restricted* account to the State, it includes Prop A revenues and expenditures in its *Unrestricted* General Fund budget. Prop A revenues appear in line item 8819B. However, expenditures of Prop A were not delineated or made distinguishable from other expenditures in CCSF’s General Fund budget documents, or at least not until very recently in the proposed 2016-17 Tentative Budget, discussed below. The District has failed to maintain generally accepted accounting procedures, including a detailed

accounting regarding Prop A expenditures, as required by the State Chancellor's Office as well as the Prop A measure voters approved. (See Oct. 27, 2005 letter from Robert Turnage.)

Has the District properly budgeted and accounted for Prop A funds?

CCSF Board Policy 2.11 states that the CCSF Board of Trustees "shall annually establish funding priorities and approve all allocations in accordance with the terms of the Measure..." In the last two years, the amounts of *budgeted* expenditures for Prop A were wildly different from the *actual* expenditures. For example, in 2014-15, \$5.4 million was budgeted for academic salaries, but \$2.9 million spent. \$4.8 million was budgeted for classified salaries, while \$8.2 million was spent. What accounts for these huge variances?

Our Union received a document from the District entitled "CCSF – Parcel Tax Funded Credit Classes – Fall 2015." It consists of a long list of courses and the amounts of faculty salary attached to each class. Despite this, the District's May 21, 2016 "Special Revenue (Parcel Tax) Fund Detail Summary (page 67, 2016-17 Tentative Budget) shows that *no* Prop A monies were budgeted for classroom instruction!

What we know about Prop A funds:

- What is budgeted is not what is spent
- No Prop A funds went to classroom instruction in 2014-15
- No Prop A funds budgeted for classroom instruction in 2015-16
- No detailed accounting of Prop A funds occurred in 2013-14 thru 2015-16
- No Citizens' Oversight Committee for 3 years
- No Board-approved priorities
- Millions of Prop A funds have gone unspent and bloated reserves

What happened to the "annual review" by a Citizen's Oversight Committee as called for in Prop A?

It hasn't happened. Finally, after 3 years of receiving Prop A funds (\$45 million), the Board of Trustees has appointed committee members and the District is finally convening a first meeting on June 23, 2016.

Documents:

- 1 – Prop A Parcel Tax measure
http://sfgov2.org/ftp/uploadedfiles/elections/candidates/Nov2012/Nov2012_ParcelTax.pdf
- 2 – Ballot measure info on Prop A – League of Women Voters
<http://www.smartvoter.org/2012/11/06/ca/sf/prop/A/>
- 3 – Spreadsheet of Prop A revenues/expenditures 2013-14 thru 2015-16 by AFT 2121
- 4 – Letter to West Valley-Mission CC from Robert Turnage, Oct. 27, 2005
- 5 – CCSF Parcel Tax Funded Classes – Fall 2015; Banner system report
- 6 – SFCCD Policy Manual 2.11 Parcel Tax Oversight Committee
http://www.ccsf.edu/Policy/Manuals/2/bp2_11.pdf
- 7 – "Special Revenue (Parcel Tax) Fund Detail," 2016-17 Tentative CCSF Budget
http://www.ccsf.edu/BOT/2016/May/5'26'16/2016-17%20Tentative%20Budget%20CCSF_1.pdf
- 8 – Voter Information Pamphlet SF 2012: Prop A pp. 59-61, Legal Text pg. 118
http://www.sfgov2.org/ftp/uploadedfiles/elections/ElectionsArchives/2012/November/Nov2012_VIP_Web_EN.pdf