SFUSD SAN FRANCISCO PUBLIC SCHOOLS

Office of the Superintendent
555 Franklin Street, Third Floor | San Francisco, CA 94102
PH: (415) 241-6121 | FAX: (415) 241-6012 | www.sfusd.edu

DATE: September 1, 2023

To: Honorable Judge Massullo
             400 McAllister Street,
             San Francisco, California, 94105-4512
             CGrandJury@sftc.org

Fr: Dr. Matt Wayne, Superintendent of Schools

cc: San Francisco Unified Board of Education

Re: 2022-2023 Civil Grand Jury Report

Dear Hon. Massullo:

On behalf of my Office and the San Francisco Unified School District ("SFUSD" or "District"), please accept this response to the 2022-2023 Civil Grand Jury Report ("Report") issued on June 15, 2023. On July 20, 2023, the District sent you correspondence respectfully seeking an extension for both my, and the District's Board of Education's response. We thank you for this additional time to address the Civil Grand Jury's recommendations and findings. This extension was needed to research and analyze the data set forth in the Report while simultaneously planning for the 2023-24 school year and is much appreciated.

As a starting point, the District has experienced substantial challenges over the past decade which in turn has had unacceptable negative impacts on our students. From declining enrollment[1], staffing shortages, and the fiscal emergency, SFUSD has had more than its fair share of setbacks. The Report accurately begins by highlighting student outcomes as the primary benchmark by which all District operations should be measured. Based on some of those benchmarks, the District must do better.

The Report focuses on the past several years, and during this time there has been recent positive investments that have started the process of change within the District. New Commissioners have been seated on the Board of Education and the newly constituted Board has recommitted to good governance practices.[2] I was appointed as the new Superintendent in summer of 2022, and I have regularly updated the public on the progress regarding the economic state of emergency.[3] Several critical leadership positions have been filled after experiencing turnover.[4] Most recently, the new Associate Superintendent of Human Resources started her position on July 25, 2023. This critical position was filled specifically to address the staffing issues of the District.

However, the teacher shortage crisis does not belong to SFUSD alone. As recently as December 2022, the Commission on Teacher Credentialing issued a report regarding the teacher shortage that has

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[1] See Board Agenda item titled "Resource Alignment: Budget, Staffing, and School Portfolio Planning" on August 29, 2023.
[2] On August 22, 2023, the Board conducted a public self-evaluation noting goals and areas of improvement so as to facilitate good governance practices.
[3] See Board Agenda items titled "Superintendent's Report, Including Empower Update from A&M" on October 25, 2022; and "Payroll State of Emergency Update" on November 15, 2022 (Exhibit A);December 13, 2022; January 24, 2023 (Exhibit B); February 21, 2023 (Exhibit C); April 11, 2023 (Exhibit D); May 9, 2023 (Exhibit E); and August 8, 2023 (Exhibit F).
[4] See Board Agenda items titled, "Employment Contracts for District Executive Employees" on April 11, 2023, May 9, 2023, and June 20, 2023.

plagued all of California for the past several years.[5] In April of 2023, Superintendent of Public Instruction, Tony Thurmond noted that the teacher shortage has negatively impacted all of California in such a way that the state legislature must implement new laws to assist local school districts.[6] California's Legislative Analyst Office noted in its February 2022 report that hundreds of millions of dollars have been, and will be, spent *specifically* on a teacher shortage crisis that has been documented by the U.S. Department of Education and the state of California going back to the early 1990's.[7]

Although the District does not necessarily agree with some of the Report's numbers or assumptions, what is important are the concepts that are conveyed in the Report. The District gets the gist of the concerns expressed by the Civil Grand Jury, and we see value in addressing the bigger picture. Therefore, it with the understanding that the Civil Grand Jury shares the District's value of student outcomes that we respond to the following findings and recommendations.

RESPONSES TO FINDINGS

Finding 1 – Insufficient Credentialed Teachers: By assigning 26% fewer clear credentialed teachers to classroom roles and 56% more misassigned teaching positions than school districts statewide, the San Francisco Unified School District does not employ an adequate number of credentialed teachers to afford a quality education to all San Francisco students.

- **Response to Finding 1**: The District agrees that all SFUSD students deserve a high-quality education, and that to achieve this goal, the District must employ an adequate number of credentialed teachers. As stated in this response, and its related exhibits, the District is committing resources in the form of funding, staffing, materials and the difficult decisions around resource realignment in order to address the local impacts of the statewide teacher shortage.[8]

Finding 2 - Low Pay: The San Francisco Unified School District's starting salary for credentialed teachers of $54,289 is both lower than the United States Department of Housing and Urban Development's limit for affordable housing in the San Francisco Bay Area, and lower than the starting salary for credentialed teachers in many other Bay Area school districts, which can negatively affect SFUSD's recruitment and retention of credentialed teachers.

- **Response to Finding 2**: The District agrees that the cost of living in the Bay Area is a serious problem for most residents. The cost of food, real estate and necessities are rising beyond the control of the District. The District strongly agrees that teachers, and staff, ought to be compensated in a manner that encourages recruitment and retention. Therefore, the District has committed to the increase of compensation of teachers and is currently negotiating a higher salary for this group.

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[5] See CTC "*Report to the Legislature on the California Classified School Employee Teacher Credentialing Program*" (<https://www.ctc.ca.gov/docs/default-source/commission/reports/classified-program-annual-report-2022.pdf?sfvrsn=3a8926b1_9>, Last viewed on August 30, 2023.)

[6] See "*State Superintendent Tony Thurmond Leads Efforts to Confront the California Teacher Shortage*" (<https://www.cde.ca.gov/nr/ne/yr23/yr23rel25.asp>, Last viewed on August 30, 2023.)

[7] See "*The 2022-23 Budget - Educator Workforce Proposals*" (<https://lao.ca.gov/Publications/Report/4556>, Last viewed on August 30, 2023.)

[8] See Letter from the Superintendent to all SFUSD Staff titled "*Resource Alignment Discussion*" dated August 30, 2023, <https://www.sfusd.edu/announcements/2023-08-30-resource-alignment-discussion>, Last viewed on August 30, 2023.)

Finding 3 - Insufficient Publicity of Competitive Benefits: The San Francisco Unified School District's competitive pension benefits and San Francisco's subsidy programs for teacher housing are not broadly publicized, which can negatively affect SFUSD's recruitment and retention of credentialed teachers.

- **Response to Finding 3**: The District agrees that it can do better in broadcasting the benefits associated with District employment. Therefore, the District is committed to improving how it advertises all of the benefits of District employment.

Finding 4 – Ineffective Payroll Administration: The San Francisco Unified School District's failures to correctly administer teacher and staff payroll can negatively affect SFUSD's recruitment and retention of credentialed teachers.

- **Response to Finding 4**: The District has long acknowledged that the payroll crisis is unacceptable and has been one of the most damaging issues of the last several months. To this end, the District has prioritized the remediation of the District's payroll system. The public has received several updates on the fiscal emergency which outlines the corrective measures taken to date, and the related timelines which are hereby incorporated by reference. (See Exhibits A-F.)

Finding 5 – Lack of Employee Data: The San Francisco Unified School District's lack of data about candidates who decline SFUSD job offers and credentialed teachers who leave SFUSD jobs impairs its ability to understand and remediate its shortage of credentialed teachers.

- **Response to Finding 5**: The District agrees that it lacks robust data concerning people who never become District employees. While such data may be instructive, the challenge of accurately capturing such information may lead to an incomplete picture, thus inappropriately transmuting colloquial feedback into research quality data.

Finding 6 - Non-Responsive Administrators: Some SFUSD administrators initially did not assist the Jury's investigation because they were unfamiliar with our institution and their responsibility to respond to our requests. These delays slowed our examination of the District's shortage of credentialed teachers.

- **Response to Finding 6**: It is difficult to respond to this finding for several reasons. First, staff in the educational field do not normally expect to be contract by the Civil Grand Jury, who may have interactions with the District once every decade or so. Second, when an education employee is contacted, the Civil Grand Jury instructs the employee not to discuss or disclose the contact. Given this requirement of secrecy, education employees are ill-equipped to understand the need to comply, in a timely manner, with demands for documentation and deposition. This confusion is magnified due to the prohibition from seeking assistance. Nevertheless, the District will do its best to advise employees to be compliant with all lawful requests by the Civil Grand Jury

RESPONSES TO RECOMMENDATIONS

Recommendation 1: Prior to the start of the 2024–2025 school year, the San Francisco Board of Education should direct the Superintendent of schools to prepare an annual public report on SFUSD's efforts to recruit and retain credentialed teachers.

- **Response to Recommendation 1**: My office will regularly update the Board of Education regarding the recruitment and retention of credentialed teachers. I will also abide by any instruction given by the Board of Education.

Recommendation 2.1: Prior to the start of the 2024–2025 school year, the San Francisco Board of Education should direct the Superintendent of schools to prepare an annual public report on SFUSD's credentialed teacher salaries relative to United States Department of Housing and Urban Development (HUD) Income Limits.

- **Response to Recommendation 2.1**: My office will regularly update the Board of Education regarding the salaries of credentialed teachers. I will also abide by any instruction given by the Board of Education.

Recommendation 2.2: Prior to the start of the 2024–2025 school year, the San Francisco Board of Education should direct the Superintendent of schools to prepare an annual public report on SFUSD's credentialed teacher salaries relative to those of other school districts in the San Francisco Bay Area.

- **Response to Recommendation 2.2**: My office will regularly update the public regarding the salaries of credentialed teachers. I will also abide by any instruction given by the Board of Education.

Recommendation 3: By December 30, 2023, the San Francisco Board of Education should direct the Superintendent of schools to expand its promotion of SFUSD's pension and benefits programs and San Francisco's teacher housing subsidies in its recruiting materials.

- **Response to Recommendation 3**: My office will promote the benefits of becoming a credentialed teacher in SFUSD. I will also abide by any instruction given by the Board of Education.

Recommendation 4.1: By September 30, 2023, the Mayor should request that the San Francisco Controller's Office prepare a public report that performs a root-cause analysis of the San Francisco Unified School District's purchase and implementation of EMPowerSF.

- **Response to Recommendation 4.1**: To the extent I am asked, I will continue to work collaboratively with the Mayor and her team. I will also abide by any instruction given by the Board of Education.

Recommendation 4.2: By September 30, 2023, the Mayor should request that the San Francisco Controller's Office prepare a public report that performs a root-cause analysis of the San Francisco Unified School District's failure to correctly report staff tax withholdings to the California Franchise Tax Board.

- **Response to Recommendation 4.2**: To the extent I am asked, I will continue to work collaboratively with the Mayor and her team. I will also abide by any instruction given by the Board of Education.

Recommendation 5.1: By December 30, 2023, the San Francisco Board of Education should direct the Superintendent of schools to incorporate the appropriate training, protocols, and software tooling to record the reasons credentialed teachers do not accept job offers in SFUSD, and prepare an annual summary report analyzing these factors.

- **Response to Recommendation 5.1**: My office will endeavor to collect information as to why credentialed teachers turn down employment with SFUSD, and update the Board as to those findings. I will also abide by any instruction given by the Board of Education.

Recommendation 5.2: By December 30, 2023, the San Francisco Board of Education should direct the Superintendent of schools to incorporate the appropriate training, protocols, and software tooling to record the reasons credentialed teachers leave SFUSD—for example, exit interviews—and prepare an annual summary report analyzing these factors.

- **Response to Recommendation 5.2**: My office will endeavor to collect information as to why credentialed teachers leave SFUSD, and update the Board as to those findings. I will also abide by any instruction given by the Board of Education.

Recommendation 6: By December 30, 2023, the San Francisco Board of Education should direct the Superintendent of schools to direct all SFUSD employees to cooperate with Civil Grand Jury investigations.

- **Response to Recommendation 6**: My office will inform staff to follow all laws, which includes those compelling cooperation with the Civil Grand Jury. I will also abide by any instruction given by the Board of Education.

EXHIBIT A

EMPowerSF
State of Emergency

Superintendent Update
Board of Education Regular Meeting
November 15, 2022

SFUSD

EMPowerSF State of Emergency

- State of emergency declared on November 7, 2022

- SFUSD will take extraordinary corrective action to fix EMPowerSF

- SFUSD is committed to

  - Making our staff whole

  - Transparency

  - Accountability

What has happened since declaring a state of emergency?


SAN FRANCISCO UNIFIED SCHOOL DISTRICT

- Reassigned ~20 FTE number of SFUSD staff to the Command Center. This increases SFUSD fully devoted to EMPowerSF from 5 FTE to ~25 FTE.

- Provided full day training on the Corrective Action Plan for reassigned staff with all of our partners.

- Communicated to all 4500+ employees who have a ticket that we will be starting our case management process and they will be assigned a case manager.

- Published an EMPowerSF website: sfusd.edu/EMPowerSFUpdates

- SAP moved SFUSD to "global escalation" status to receive additional support

EMPowerSF Resolution Dashboard

EMPowerSF Resolution Dashboard

The EMPowerSF implementation has been challenging for SFUSD and disruptive for our employees. The district has called a payroll state of emergency to take extraordinary corrective action to make employees whole. In response to this payroll emergency, the district is developing an EMPowerSF Resolution Dashboard to transparently communicate our progress in fixing the system.

VIEW DASHBOARD
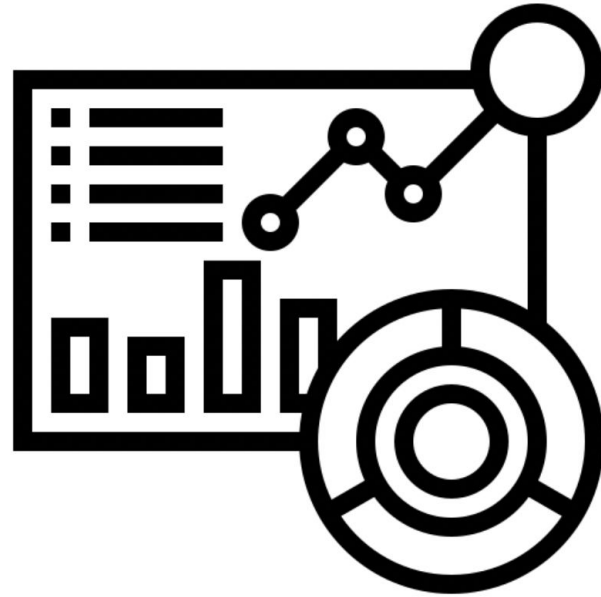
EMPowerSF Resolution Dashboard

Info for Employees

EMPowerSF ⌃

EMPowerSF Resolution Dashboard

Benefits & Insurance Resources

Salary

Labor Relations ⌄

This dashboard reports on our progress in fixing our EMPowerSF payroll system. The system is "fixed" when our employees do not have on-going payroll issues. Progress is defined by minimizing the impact of our employees until the system is fixed. The district has identified Key Performance Indicators (KPIs) to track our progress.

Our first two KPI reports are about closing payroll tickets and reducing the number of impacted employees. In the coming weeks, we will establish benchmarks to assess our effort toward fixing our system.

This dashboard will evolve as we continue to gather data on our progress and identify additional KPIs. Most importantly, will be establishing a timeline for fully fixing EMPowerSF once we have more data on what it takes to resolve issues

SAP Participation at SFUSD Command Center

- SAP has placed SFUSD into the highest level of escalation with visibility to the SAP Executive Board

- The escalation will be led by an escalation manager who is empowered to break down any barriers that impact resolution

- The SAP escalation team is comprised of functional and technical experts from across the SAP ecosystem

- Members of the escalation team have joined the command center to support SFUSD and Infosys with the resolution of the payroll issues.

- The escalation manager provides transparency to all stakeholders (SFUSD, Infosys and SAP) on the progress of the issues using a fact based methodology on a regular basis.

- The escalation remains engaged until the top issues impacting payroll have been resolved. These top issues will be mutually aligned between SFUSD and SAP.

SAP SuccessFactors ♡

SAP SuccessFactors ♡

SAP has a long and successful track record of partnering with public sector organizations like San Francisco Unified School District and we are fully committed to ensuring our customers realize the value of their digital investments.

We are working diligently with SFUSD leadership and SFUSD-selected implementation partners to address these issues as quickly as possible so the School District can deliver a positive outcome for its employees.

EMPowerSF Ongoing Support

- Benefits, Leaves, and Payroll Call Center: **415-463-1550**

- Redesign of HR and Business Services Online Service Center (Zendesk)

- Timesheet Office Hours for Supervisors and Clerks

- Tax-Sheltered Annuities In-Person Clinic

SFUSD

EXHIBIT B

EMPowerSF Stabilization

January 24th, 2022

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Corrective Action Program

SFUSD

A&M

Presentation Overview

1. What are our major accomplishments since declaring a state of emergency?

2. What does it mean to "fix" EMPowerSF?

3. What is the path forward to stabilize EMPowerSF over the next 90 days?

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EMPowerSF Corrective Action Plan | Major Accomplishments

- **Resolved highest priority issues**
  - Health benefits
  - 403b contributions
  - Payments for staff on parental leave
  - Off-cycle checks
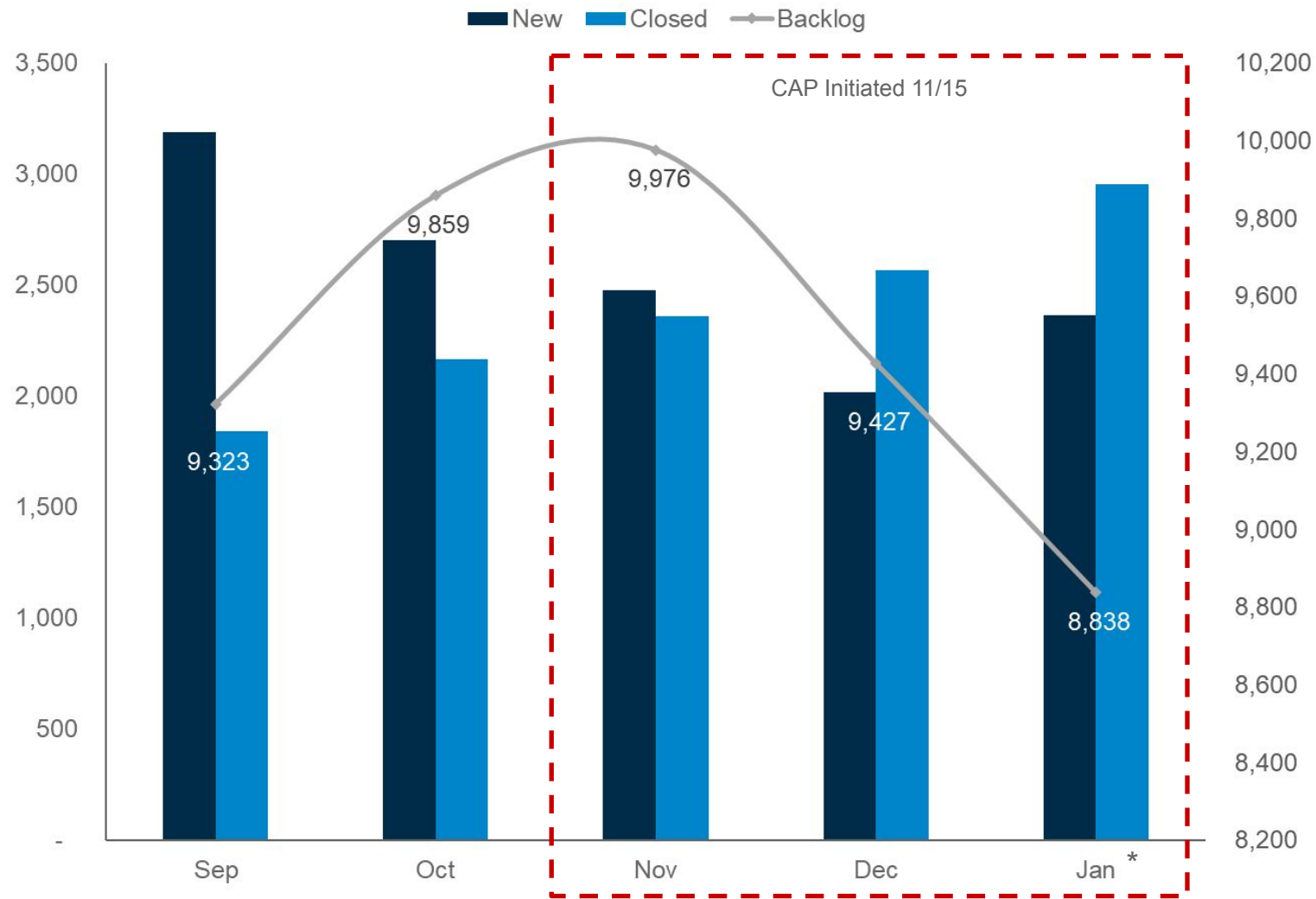
- **Executed high priority tasks**
  - 6% salary increase to UESF members
  - Established the process and timeline to follow through on previous agreed upon salary increases
  - End-of-year close out and set up for 2023 of more than 10,000 employees
  - W-2 implementation

- **Fully implemented Command Center**
  - Established case management team and reduced the overall backlog of tickets
  - Identified 40 unique root causes of payroll related issues

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Major Accomplishments | CAP Payroll Tickets and Trends

Although new ticket volumes remain high, increased CAP capacity is forecasting a backlog of 8,828 at the end of January down from a high of 10,514 in mid-November

Legend: New, Closed, Backlog

Chart data (Backlog line labels): Sep 9,323; Oct 9,859; Nov 9,976; Dec 9,427; Jan 8,838

CAP Initiated 11/15

Key Takeaways

❶ The cumulative impact of the Command Center is "bending the curve" in reducing the backlog of tickets

❷ Case Management is consistently closing more tickets than receiving on a week-to-week basis

❸ Process improvements, system fixes and payroll processing error reductions are contributing to the slight reduction in new tickets

* Note: January results are forecasted based on MTD results

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A "Fixed" EmpowerSF | Defining the End Game

Key Indicators of Success

❶ Less than 25 payroll errors per payroll cycle [1]

❷ All new payroll issues are resolved within one payroll cycle

❸ Business Services, Human Resources, and Technology are fully staffed

❹ Consulting and contract support limited to technical assistance

[1] Benchmark is based on Council of Great City Schools KPI Report for comparable school districts. See p. 23 for payroll error rates reported in the Council of Great City Schools KPI report. Operations KPI Report 2022.pdf (cgcs.org)

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What Went Wrong Leading into the Launch of EmpowerSF | Our Understanding

A&M did not conduct an audit or detailed analysis of the EMPowerSF platform requirements, data conversions, configuration and implementation; This represents our understanding of 'what went wrong' based on document artifacts, observation of current problem manifestations and participant conversations with us over the course of our work

❶ EMPowerSF was deployed without sufficiently defining requirements, testing, and training to support the broad variety and complexity of payroll and benefits use cases that occur throughout the calendar year.

❷ As a result, the complexities of the district operating model were not adequately configured into the EMPowerSF platform. These complexities stretched the capabilities of the native systems, and in many cases, required custom configurations. In addition, data management and systems integration with outside providers that support SFUSD HR and payroll operations were not designed correctly and are a source of persistent errors.

❸ The District did not have robust contingency plan or the needed resources to rollback to the previous system as they were focused on implementation and supporting the new platform.

❹ Notwithstanding, the implementation complexity was also compounded by COVID-19 - the District was focused on COVID, not EMPowerSF.

❺ The post implementation support capabilities was (and is) understaffed; and did not have the necessary skills to address the volume, diversity and complexity of trouble tickets; At the point of implementation, SFUSD operational teams experienced staffing shortages resulting in response delays that were compounded by a peak of 10,514 tickets over the first 11 months of operation.

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A "Stable" EmpowerSF | Upcoming Key 90 Day Milestones

	Near Term Milestones	Target
Case Management	- Fully staffed and operational Case Management function - Overall employee tickets backlog reduced by half - Org design and staffing requirements for steady state operations	April 2023
Root Cause	- Comprehensive documentation of Root Cause Tree - New root causes for payroll related issues are no longer being identified	Feb 2023
Payroll Corrections	- Payment correction claims triaged and audited - Process and timeline for resolution of employee payment correction claims	Feb 2023
Process	- 90-day roadmap of prioritized initiatives along with pipeline of additional follow-on initiatives - Multiple work plans drafted based on specific use-cases to address root cause(s) of payroll issues - Staffing plan to fill critical resource gaps in key functions such as Payroll, Benefits, and HR	May 2023
Systems	- 90-day roadmap and release plan of prioritized systems changes and fixes to address root causes - Documentation of key resource gaps and staffing plan required to support EMPowerSF platform	May 2023
Analytics	- Availability of automated reports and dashboards to provide status and insight on employee tickets - Ability to tie impacted ticket volume/employees to various root causes	Feb 2023

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What are we accountable to accomplish in the next 90 days to stabilize EMPowerSF?

Key Indicators of Success

❶ Overall employee ticket backlog is reduced by half

❷ All root causes are identified and resolution is mapped out with a timeline

❸ Key vacancies in business services, technology, and human resources are filled

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Appendix

EMPowerSF Corrective Action Plan | Nov 15 to Dec 15 Accomplishments

✔ Deployed a comprehensive Corrective Action Plan consisting of six closely linked and integrated full-time and co-located teams (Command Center), coordinated through a streamlined and efficient governance and program management process. The overall team of 50+ resources deployed on the program includes key staff and leaders from SFUSD, Infosys, SAP, A&M, and other contractors

✔ Onboarded a dedicated team of 15+ Case Managers consisting of experienced SFUSD staff and external contractors to stabilize the ticket backlog which stands at 9,548 tickets as of December 6th, compared to a backlog of 10,082 tickets on November 7th (this backlog was on a continuous uptrend since January 2022)

✔ Established Case Management operations center with Zendesk as the primary tool to record payroll related tickets, replacing multiple issue trackers, and deployed a dashboard to monitor daily movements and trends in closed and opened tickets

✔ Executed 6% raise and 403b contribution updates leveraging a higher level of focus on key upcoming payroll related events/actions that impact large groups of employees to proactively mitigate issues and minimize payroll related tickets

✔ Conducted detailed root cause analysis of 447 random sample tickets to develop better insights on key drivers of tickets and develop strategies and timing for achieving steady level of ticket volume and backlog in 2023

✔ Initiated quick action closure of aged tickets with no activity since July 2022, by moving tickets to a closed status and requesting employees to resubmit tickets if issues are still unresolved to segregate tickets that still require action from those that are open due to ticket administration process gaps

✔ Reviewed existing document repository for EMPowerSF training and guidelines, mapped end-to-end hire to retire activities, and documented known issues

✔ Initiated consolidation of known issues into 30+ work packages that require process, policy, and/or systems related actions to address the underlying root cause of payroll related issues

EMPowerSF Corrective Action Plan | Dec 15 to Jan 20 Accomplishments

✔ Developed and implemented case management team operating model (e.g., targeted ticket queues for case managers, ticket resolution groups based on subject matter expertise and skill levels, SME hand-offs, high priority ticket handling, and SLAs) to drive ticket resolution efficiency

✔ On-boarded additional call center agents and contractors to Case Management team to expand capacity for reduction of ticket backlog, and conducted targeted training sessions on Benefits, Payroll, Leaves, and Timesheets for faster resolution of high priority tickets

✔ Developed focused campaigns to reduce ticket backlog using data analytics to identify quickly closeable tickets

✔ Developed 30+ work packages by consolidating over 300 items from EMPowerSF issues tracker to organize effort for classification and identification of root causes and for input into the development of 90-day roadmap

✔ Developed detailed root cause list based on multiple data sources including EMPowerSF issues tracker, SAP reports, payroll errors, complex tickets to serve as input for high impact Process and Systems initiatives

✔ Conducted cross-functional workshops and detailed work plan to address payroll issues related to retroactive role changes (six unique use cases covering (1) Day-to-day Substitute to CSF, (2) Para-educator to CSF, (3) Admin to Management, (4) Temporary Summer School assignments, (5) CSE to Management, (6) CSF to Admin) that could impact up to 2,500 annual tickets

✔ Organized a payroll audit team composed of resources from SFUSD, Robert Haff, Infosys, and A&M to audit of over 1,200 employee payroll claims associated ~$4.3M in overpayments (A/P checks, tax withholdings, 403b adjustments, and other overpayments)

✔ Systems team continued resolution of known issues related to payroll processing while supporting multiple contractually mandated and year end activities (6% salary increase, off-cycle paychecks, Child-bonding LOA pay differentials, 2023 benefits rate changes, Stipends, W2, etc.)

✔ Launched change management effort to identify immediate and ongoing communication needs associated with CAP (team design, change management strategy, communication protocols for various stakeholder groups, intake process, knowledge transfer)

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Major CAP Accomplishments | Activities and Outcomes

Nov 15-30, 2022	Dec 1-31, 2022	Jan 1-20, 2023
Key Activities		
✔ Corrective Action Plan team setup ✔ Case Management agent onboarding and training ✔ Process Team onboarding and project scoping ✔ Detailed analysis of sample tickets (5% of all open tickets)	✔ Established Case Management Operating Model ✔ Onboarded additional Case Management staff ✔ Rolled out the updated Zendesk platform and unified all inbound issue management ✔ Developed process improvement initiatives related to retroactive role changes ✔ Initiated audit of payroll correction claims	✔ Increased focus on classification and resolution of high priority tickets ✔ Identified and documented ~40 payroll error root causes ✔ Began rollout of process changes related to retroactive roll changes ✔ Developed plan for recovery of overpayments ✔ Initiated change management activities
Outcomes		
★ CAP team charters, roles & responsibilities, team interaction model ★ Queue based ticket management ★ Initial insights on ticket composition	★ Expanded capacity for ticket resolution ★ Public Dashboard of Ticket Backlog and Impacted Employees for improved visibility ★ Consolidated work packages to organize and prioritize corrective actions ★ Audited 200+ payroll correction claims	★ Reduction of high priority ticket backlog ★ Root Cause definitions and characteristics ★ Detailed execution plan for initial Process Change initiatives ★ Proactive communications to select group of impacted employees

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EMPowerSF Corrective Action Plan | Major Accomplishments

Operationalized Command Center

- Deployed a comprehensive Corrective Action Plan consisting of six integrated and co-located teams wt our Command Center, consisting of 50+ staff SFUSD, Infosys, SAP, A&M, and other contractors

  - Identified 40 unique root causes of payroll-related issues. Root causes will be used to prioritize high-impact initiatives for process and systems teams, preventing future payroll issues

-

- Improved the payroll ticket resolution process through the creation of a dedicated case management team, reducing the overall backlog from a peak of ~10,500 tickets to ~9,000 tickets

- Executed 6% raise and 403b contribution updates leveraging a higher level of focus on key upcoming payroll-related events and payroll close

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Ongoing Challenges

- The EmpowerSF issues continue to be complex. As previously stated, it will take 1+ year to remediate.

- Full-time commitment of SFUSD employees to the Command Center remains challenging. Staffing shortages and high reliance on a limited number of individuals with unique skillset continue to slow progress

- Heavy reliance on IT and Infosys to run payroll continues to be a hindrance to making progress on critical system fixes

FIXED THE HIGHEST PRIORITY ISSUES:

403B CONTRIBUTIONS

HEALTH BENEFITS BEING DROPPED

CHILD BOND LEAVE (EXPLAIN IN KEY WORDS)

EXECUTED THE HIGHEST PRIORITY TASKS

6% IMPLEMENTATION W-2

NEXT HIGH PRIORITY TASKS - ADDITIONAL SALARY INCREASES

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EXHIBIT C

Payroll State of Emergency Update

February 21, 2022

A "Fixed" EmpowerSF | Defining the End Game

Key Indicators of Success

❶ Less than 25 payroll errors per payroll cycle [1]

❷ All new pay related issues are resolved within one payroll cycle

❸ Business Services, Human Resources, and Technology are fully staffed

❹ Consulting and contract support limited to technical assistance

[1] Benchmark is based on Council of Great City Schools KPI Report for comparable school districts. See p. 23 for payroll error rates reported in the Council of Great City Schools KPI report. Operations KPI Report 2022.pdf (cgcs.org)

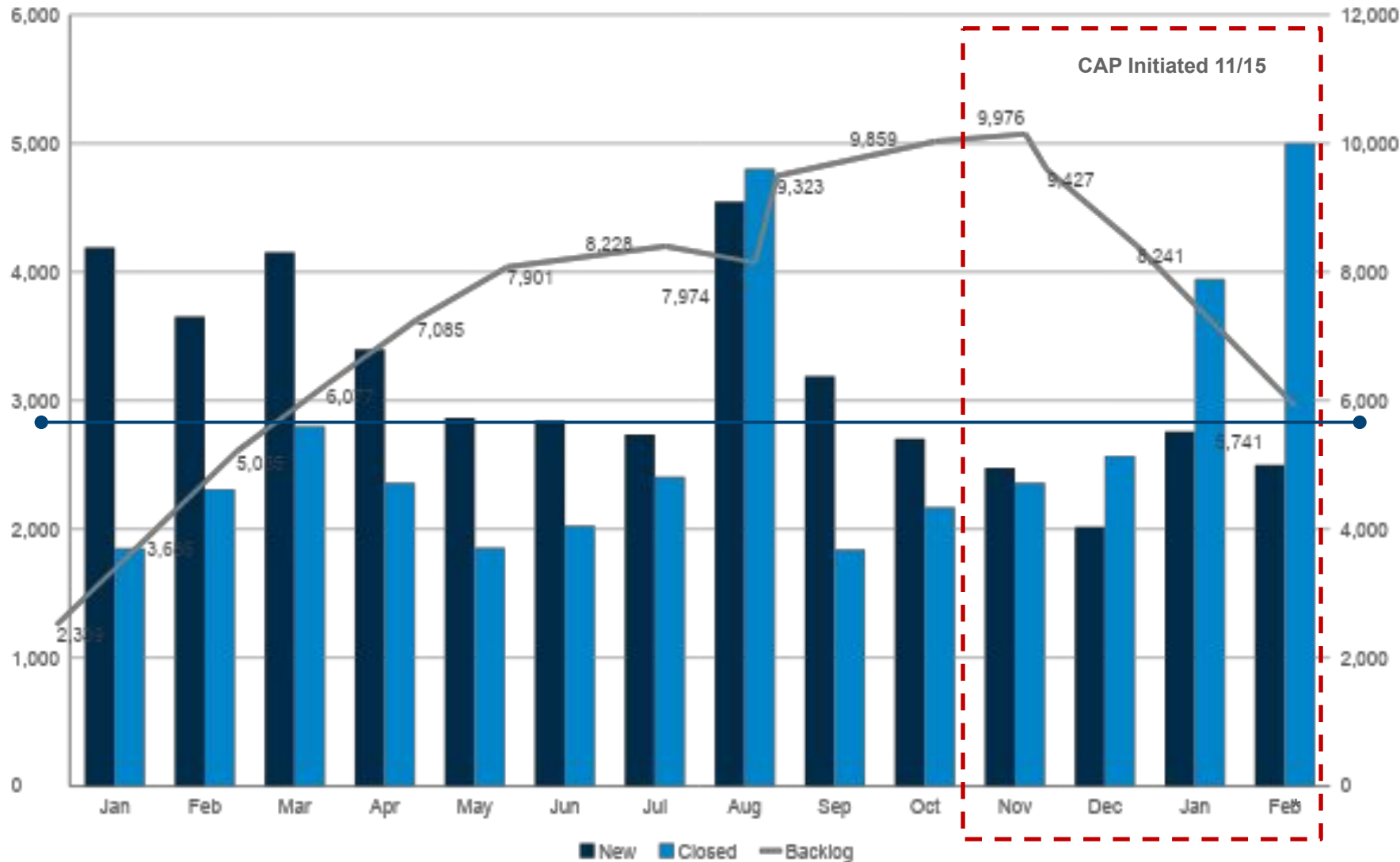# Command Center 90 Day Focus*

Key Indicators of Success

❶   Overall employee ticket backlog is reduced by half

❷   All root causes are identified and resolution is mapped out with a timeline

❸   Key vacancies in business services, technology, and human resources are filled

* The 90 day focus refers to the time from January 15 to April 15, 2023

Major Accomplishments | CAP Payroll Tickets and Trends

Although new ticket volumes remain high, increased CAP capacity is forecasting a backlog of 5,741 at the end of February down from a high of 10,514 in mid-November

CAP Initiated 11/15

9,976

9,859

9,427

9,323

8,241

8,228

7,974

7,901

7,085

6,017

5,741

5,036

3,686
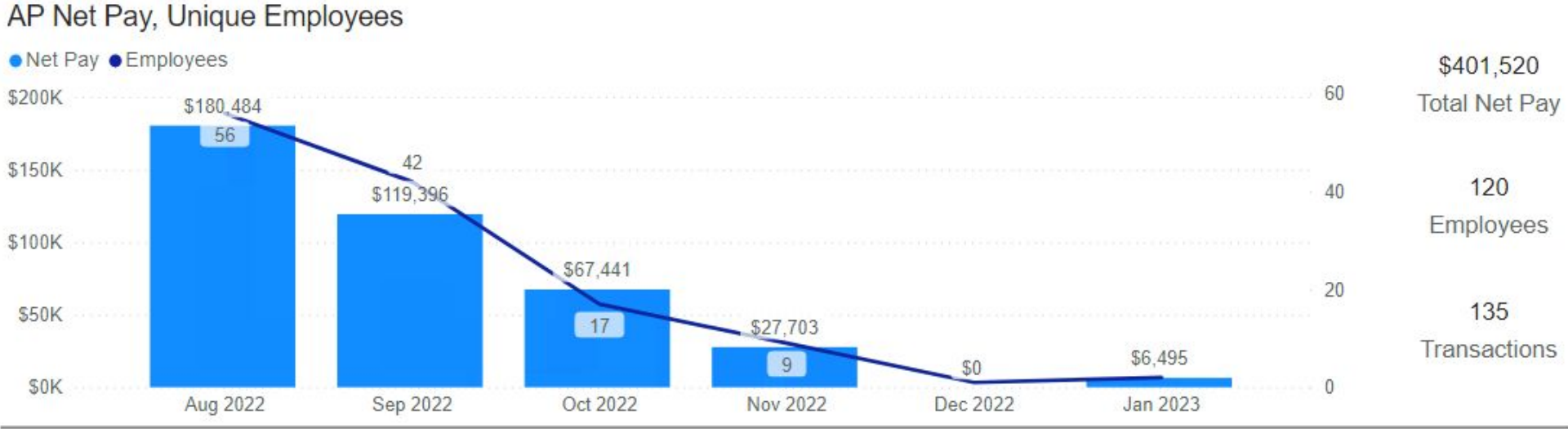
2,369

New **Closed** **Backlog**

Key Takeaways

1 The cumulative impact of the Command Center is "bending the curve" in reducing the backlog of tickets

2 Case Managers have accelerated ticket closure rates due to increased specialization and added capacity, significantly closing more tickets than are opened each week

3 Process improvements, system fixes and payroll processing error reductions are contributing to the reduction in new tickets

* Note: February results are forecasted based on MTD results

AP & Off-cycle Payments

This is the current snapshot of AP & Off-cycle payments. These represent the number of people and $value of AP and Off-cycle payments by period. These metrics reflect remediation activities for payroll corrections and related errors (i.e., making employee's whole) and are key performance indicators for payroll stabilization. We would expect these payments to decline over time as process and systems fixes are implemented.

AP Net Pay, Unique Employees

● Net Pay ● Employees

Month	Net Pay	Employees
Aug 2022	$180,484	56
Sep 2022	$119,396	42
Oct 2022	$67,441	17
Nov 2022	$27,703	9
Dec 2022	$0	
Jan 2023	$6,495	

$401,520 Total Net Pay

120 Employees

135 Transactions

Offcycle Net Pay, Unique Employees

● Net Pay ● Employees

Month	Net Pay	Employees
(Blank)	$120,585	71
Jan 2022	$966,137	547
Feb 2022	$1,238,369	664
Mar 2022	$1,484,140	664
Apr 2022	$1,071,534	592
May 2022	$913,707	521
Jun 2022	$751,603	429
Jul 2022	$622,654	408
Aug 2022	$1,006,843	572
Sep 2022	$622,654	394
Oct 2022	$494,866	374
Nov 2022	$370,835	323
Dec 2022	$563,328	246
Jan 2023	$217,508	322
Feb 2023		119

$2,602,863 Total Net Pay

1,233 Employees

1,512 Transactions

Long-Term Staffing Approach

Training of Current Staff	Increase Access to External Support	Hiring
- Payroll - Human Resources - Information Technology - Site/Department staff - Accounting - Budgeting	- Subject matter experts identified to support EMPowerSF implementation while hiring full-time SFUSD staff - RFP has been released for temporary staff providers - Increase use of temporary staff to support - Payroll/Human Resources - Data testing - Case management - Call Center - System support - Process documentation - Training - System Integrations	- We now have more clarity on what positions are needed to sustain the EMPowerSF ecosystem - Approval has been given to hire all needed staff for Payroll, IT, Accounting, Budgeting and HR

Issues on the Horizon

- Continued reliance on Infosys

- Overpayments

- Tax season

Appendix

A "Stable" EmpowerSF | Upcoming Key 90 Day Milestones

Near Term Milestones   **Target**

Case Management	- Fully staffed and operational Case Management function - Overall employee tickets backlog reduced by half - Org design and staffing requirements for steady state operations	April 2023
Root Cause	- Comprehensive documentation of Root Cause Tree - New root causes for payroll related issues are no longer being identified	Feb 2023
Payroll Corrections	- Payment correction claims triaged and audited - Process and timeline for resolution of employee payment correction claims	Feb 2023
Process	- 90-day roadmap of prioritized initiatives along with pipeline of additional follow-on initiatives - Multiple work plans drafted based on specific use-cases to address root cause(s) of payroll issues - Staffing plan to fill critical resource gaps in key functions such as Payroll, Benefits, and HR	May 2023
Systems	- 90-day roadmap and release plan of prioritized systems changes and fixes to address root causes - Documentation of key resource gaps and staffing plan required to support EMPowerSF platform	May 2023
Analytics	- Availability of automated reports and dashboards to provide status and insight on employee tickets - Ability to tie impacted ticket volume/employees to various root causes	Feb 2023

EXHIBIT D

Payroll State of Emergency Update

April 11, 2023

A "Fixed" EmpowerSF | Defining the End Game

Key Indicators of Success

❶ Less than 25 payroll errors per payroll cycle [1]

❷ All new pay related issues are resolved within one payroll cycle

❸ Business Services, Human Resources, and Technology are fully staffed

❹ Consulting and contract support limited to technical assistance

[1] Benchmark is based on Council of Great City Schools KPI Report for comparable school districts. See p. 23 for payroll error rates reported in the Council of Great City Schools KPI report. Operations KPI Report 2022.pdf (cgcs.org)

Corrective Action Plan 90 Day Focus*

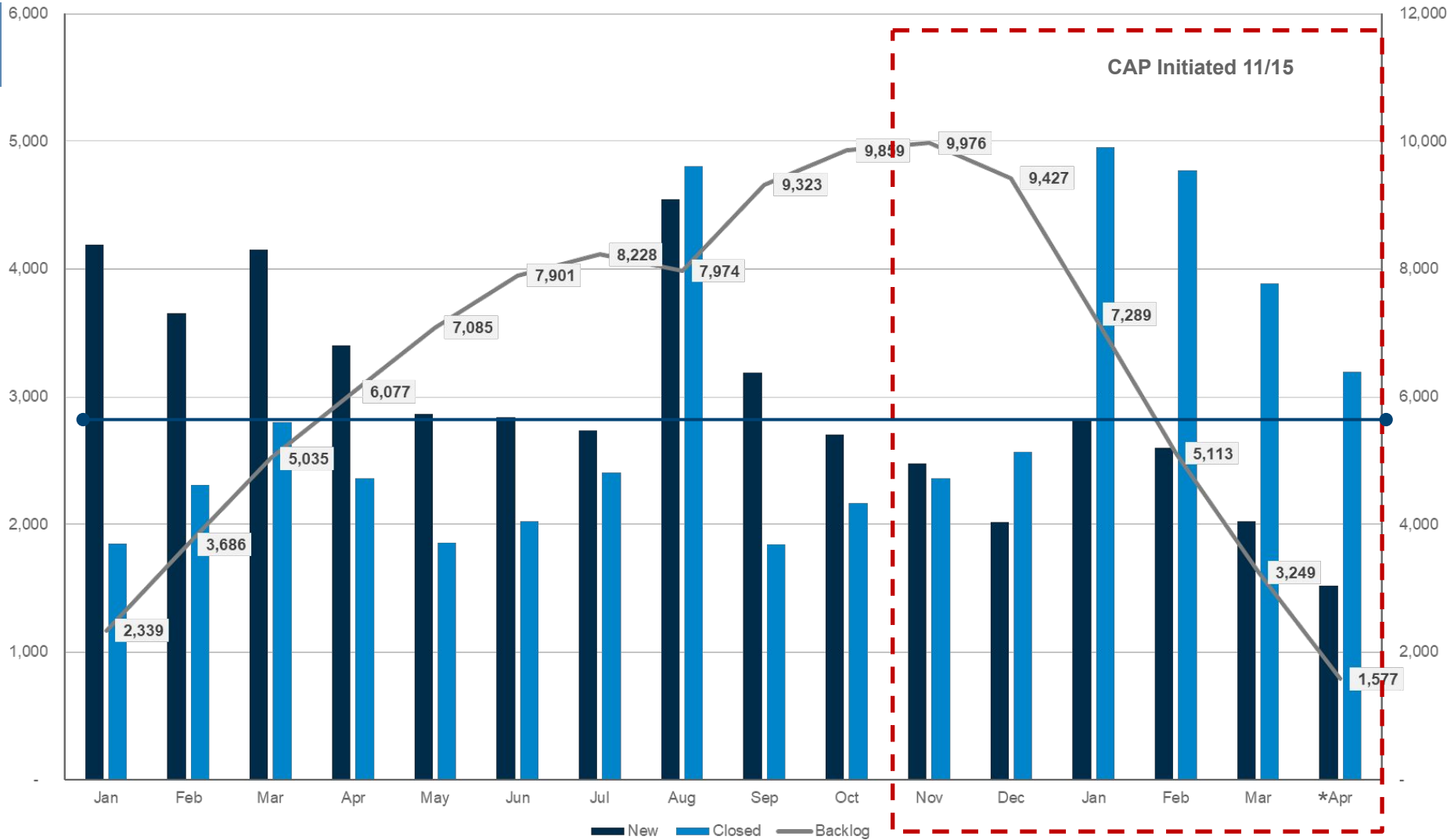| Key Indicators of Success	Progress
❶ Overall employee ticket backlog is reduced by half	🟢➕
❷ All root causes are identified and resolution is mapped out with a timeline	🟢✔️
❸ Key vacancies in business services, technology, and human resources are filled	🔴➖
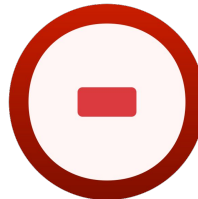
* The 90 day focus refers to the time from January 15 to April 15, 2023

Major Accomplishments | CAP Payroll Tickets and Trends

Although new ticket volumes remain high, CM specialization contributes to a forecasted backlog of 1,577 at the end of April down from a high of 10,514 in mid-November
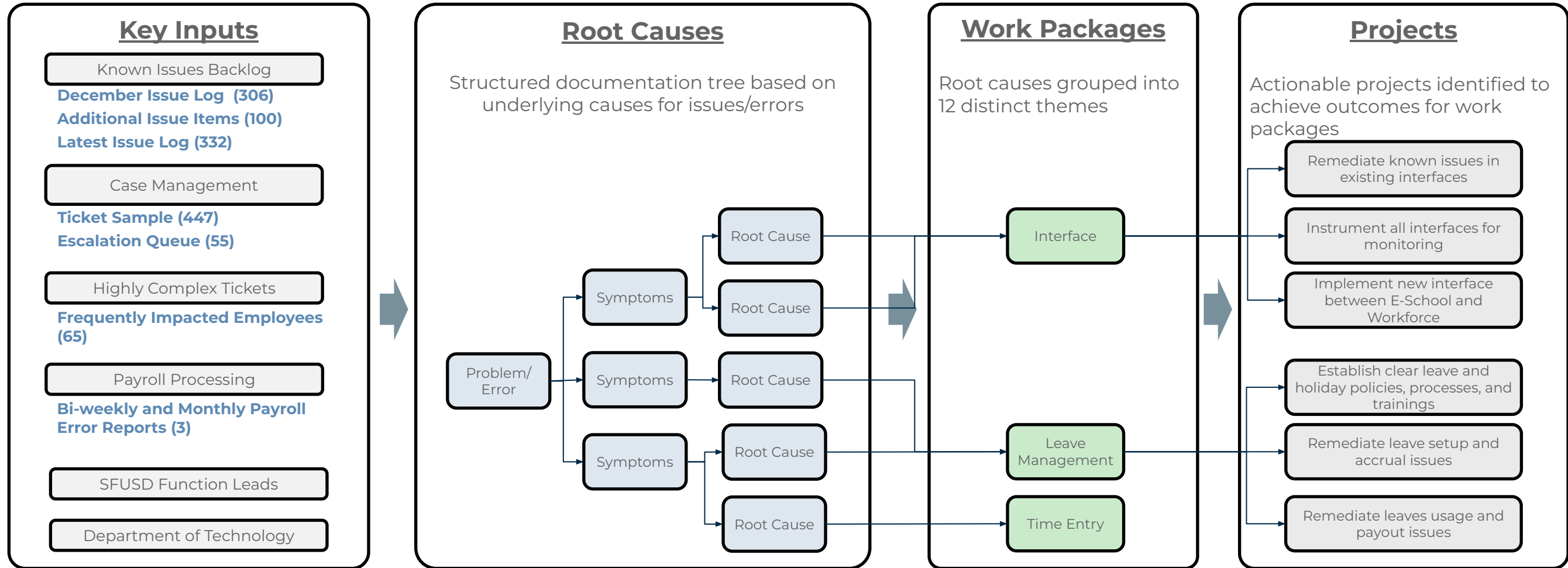

CAP Initiated 11/15

Data labels on backlog line: 2,339 · 3,686 · 5,035 · 6,077 · 7,085 · 7,901 · 8,228 · 7,974 · 9,323 · 9,859 · 9,976 · 9,427 · 7,289 · 5,113 · 3,249 · 1,577

Legend: New · Closed · Backlog

Months: Jan · Feb · Mar · Apr · May · Jun · Jul · Aug · Sep · Oct · Nov · Dec · Jan · Feb · Mar · *Apr

Key Takeaways

1. The cumulative impact of the Command Center is "bending the curve" in reducing the ticket backlog

2. Case Managers have accelerated ticket closure rates due to increased specialization, significantly closing more tickets than are opened each week

3. High priority tickets have reduced from 840 to 300 by integrating functional teams into the ticket closing process

4. Process improvements, system fixes and payroll processing error reductions are contributing to the reduction in new tickets

* Note: April results are forecasted based on MTD results

From Issues to Root Causes to "Work Packages"

Key Inputs

Known Issues Backlog

December Issue Log (306)
Additional Issue Items (100)
Latest Issue Log (332)

Case Management

Ticket Sample (447)
Escalation Queue (55)

Highly Complex Tickets

Frequently Impacted Employees (65)

Payroll Processing

Bi-weekly and Monthly Payroll Error Reports (3)

SFUSD Function Leads

Department of Technology

Root Causes

Structured documentation tree based on underlying causes for issues/errors

Problem/Error

- Symptoms
  - Root Cause
  - Root Cause
- Symptoms
  - Root Cause
- Symptoms
  - Root Cause
  - Root Cause

Work Packages

Root causes grouped into 12 distinct themes

- Interface
- Leave Management
- Time Entry

Projects

Actionable projects identified to achieve outcomes for work packages

- Remediate known issues in existing interfaces
- Instrument all interfaces for monitoring
- Implement new interface between E-School and Workforce

- Establish clear leave and holiday policies, processes, and trainings
- Remediate leave setup and accrual issues
- Remediate leaves usage and payout issues

SAN FRANCISCO UNIFIED SCHOOL DISTRICT

- The root cause inventory was derived largely from reviewing ~800 randomly selected Zendesk tickets submitted by SFUSD users and ~500 issues logged in the Issues Tracker by various CAP team members in calendar year 2022. Root Causes were developed while assessing and analyzing users' experiences described in the Zendesk tickets, and the issues' definitions in the Issues Tracker.
- Root causes grouped into 12 distinct work packages based on themes. Projects identified to realize outcomes for each work package.

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Work Packages Prioritization

#	Work Package
1	Interface
2	Time Entry
3	Leave Management
4	Employee / Payroll Data Management
6	Pay Rules Management
8	Pay Statement Accuracy and Transparency
9	Termination and Retirements
10	Stipend
12	Overpayment Recoupment
13	Workflow
14	Operational KPI and Reporting
15	Benefits Management
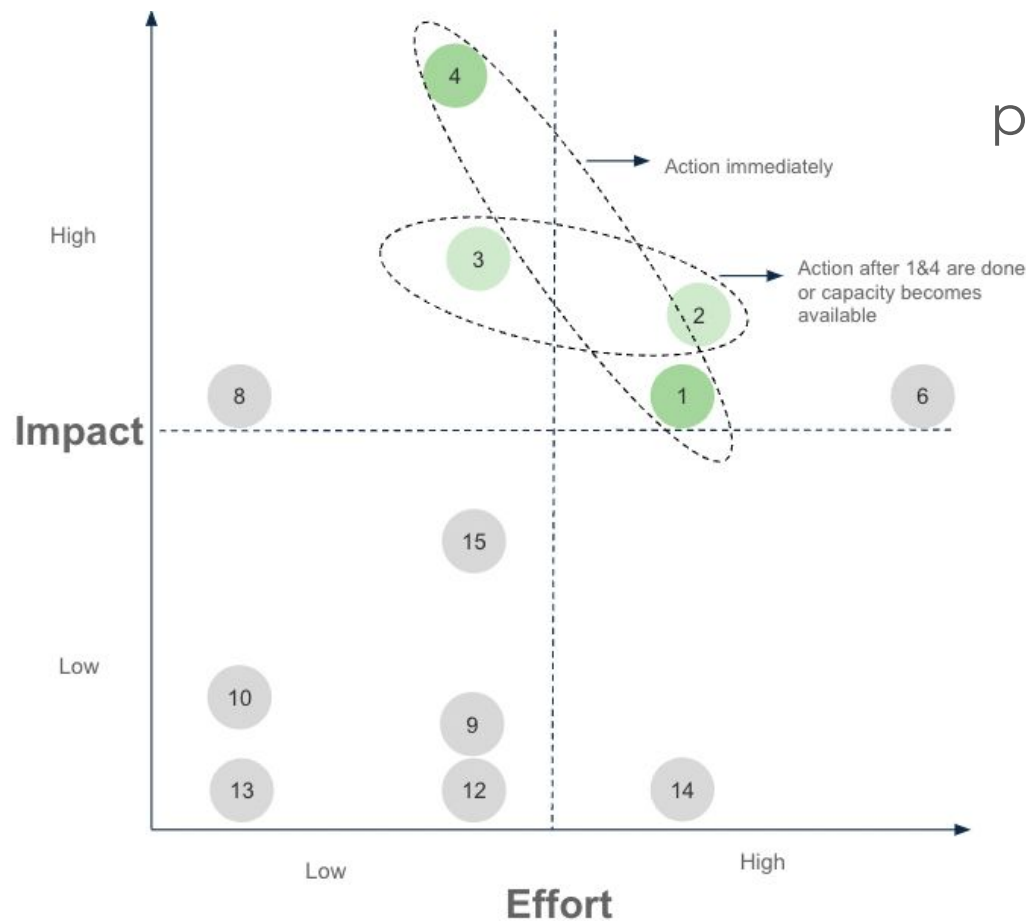
High impact work packages have been assigned a higher prioritization

Work Package | Project Stages

Illustrative project lifecycle stages for work package implementation; Each project will conform to these stages, tasks and deliverables; Teams are chartered and staffed according to required skills and resource requirements; Controls are established to measure $ burn rates against deliverable per project timeline (actual hours booked to each project measured against deliverables); Payments are tied to outcomes (deliverables);

Discovery	Planning	Design	Build	Test	Deploy	Support
Tasks						
• Confirm business drivers and objectives / outcomes • Determine work scope (process, policy, system defects/enhancements, data) • Define list of projects within each work package • Determine project priority	• Determine project scope (process, policy, system defects/enhancements, data) • Identify project roles & responsibilities • Create project charter • Create project management / execution plan • Define project communication plan • Obtain charter sign-off	• Document current business process (as-is) • Review identified defects / enhancements • Identify and document business requirements • Align business requirements with SAP best practices • Document proposed business (to-be) • Develop functional requirements documentation • Define use cases for testing • Conduct QA, obtain sign-off on documentation	• Capture technical requirements • Configure SAP SuccessFactors • Build customizations, reports • Update / develop interfaces • Conduct unit testing • Conduct proof of concept (POC) walk-throughs • Document configuration, customizations • Document unit testing results • Conduct QA, obtain sign-off on documentation	• Conduct integration testing • Conduct UAT testing • Conduct regression testing • Obtain business sign-off on testing results • Conduct training as needed • Issue communications announcing upcoming changes • Obtain authorization for moving changes to production	• Move changes to production • Conduct smoke test • Obtain business confirmation that changes are working as designed • Conduct lessons learned to be applied to next work package / project • Transition ongoing support to application support team	• Monitor KPI's • Address identified defects • Knowledge transfer from remediation to support team
Deliverables						

• Work package project list	• Project charter(s)
	• Project plan(s)
	• Project communication plan(s)
		• Business requirements documents (BRD)
		• Functional requirements documents (FRD)
		• Requirements Traceability Matrix (RTM)
			• Documentation for:
			  • Technical requirements
			  • Configuration
			  • Customizations
			• Unit testing results
				• Documented testing results & sign-off
				• Training material
				• Communications
					• Documented lessons learned	• KPI Reports (issues, tickets, payroll errors, etc.)

SAN FRANCISCO UNIFIED SCHOOL DISTRICT

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Staffing | Progress During 90 Day Plan

As of 4/6/23, 12 out of 44 immediate need positions are filled (27%)

Function	Total Positions	Progress as of 4/6	
HR	22	**+9**	**11**
Technology	10	**+2**	**8**
Business Services	10	**+1**	**9**
Labor	1	-	**1**
Superintendents Offices	1	-	**1**
Total	**44**	**+12**	**32**

Progress on Temporary Staffing

- Increased Robert Half Employees Providing Support

  - Case management

  - Salary Team

  - Payroll Support

  - HR Support

- Expanding Pool of Temporary Staff

  - An RFP identified 10 qualified contractors

  - Focus on additional support in the areas noted above as well as increased technical expertise to address systems issues (i.e. testing)

Tax Withholding Update

- Submitted all corrections to the state Franchise Tax Board

- Currently auditing federal data submitted to the IRS to reconcile any anomalies

- Collaborated with the City of San Francisco to offer financial advice to all employees

- Engaged with a tax preparation firm to provide tax services for those who received a W-2c and Overpayment Letter

Corrective Action Plan Next 90 Day Focus*

Key Indicators of Success

❶ Overall employee ticket backlog is less than 1,000

❷ New tickets are resolved within 10 days (or better)

❸ Reduce by half (11 FTE) the key vacancies in business services, technology, and human resources

❹ Work package timeline is established so a stabilization date is identified

`* The next 90 day focus refers to the time from April 15 to July 15, 2023

EXHIBIT E

Payroll State of Emergency Update

May 9, 2023

A "Fixed" EmpowerSF | Defining the End Game

Key Indicators of Success

❶ Less than 25 payroll errors per payroll cycle [1]

❷ All new pay related issues are resolved within one payroll cycle

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Corrective Action Plan Next 90 Day Focus*

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Ticket Backlog

Case Management | Daily Open & Closed Tickets (since 11/15/22)

Closed tickets since the start of the CAP is **22,021**; Backlog Reduction is **-8,662**; Remaining Backlog is **2,566**
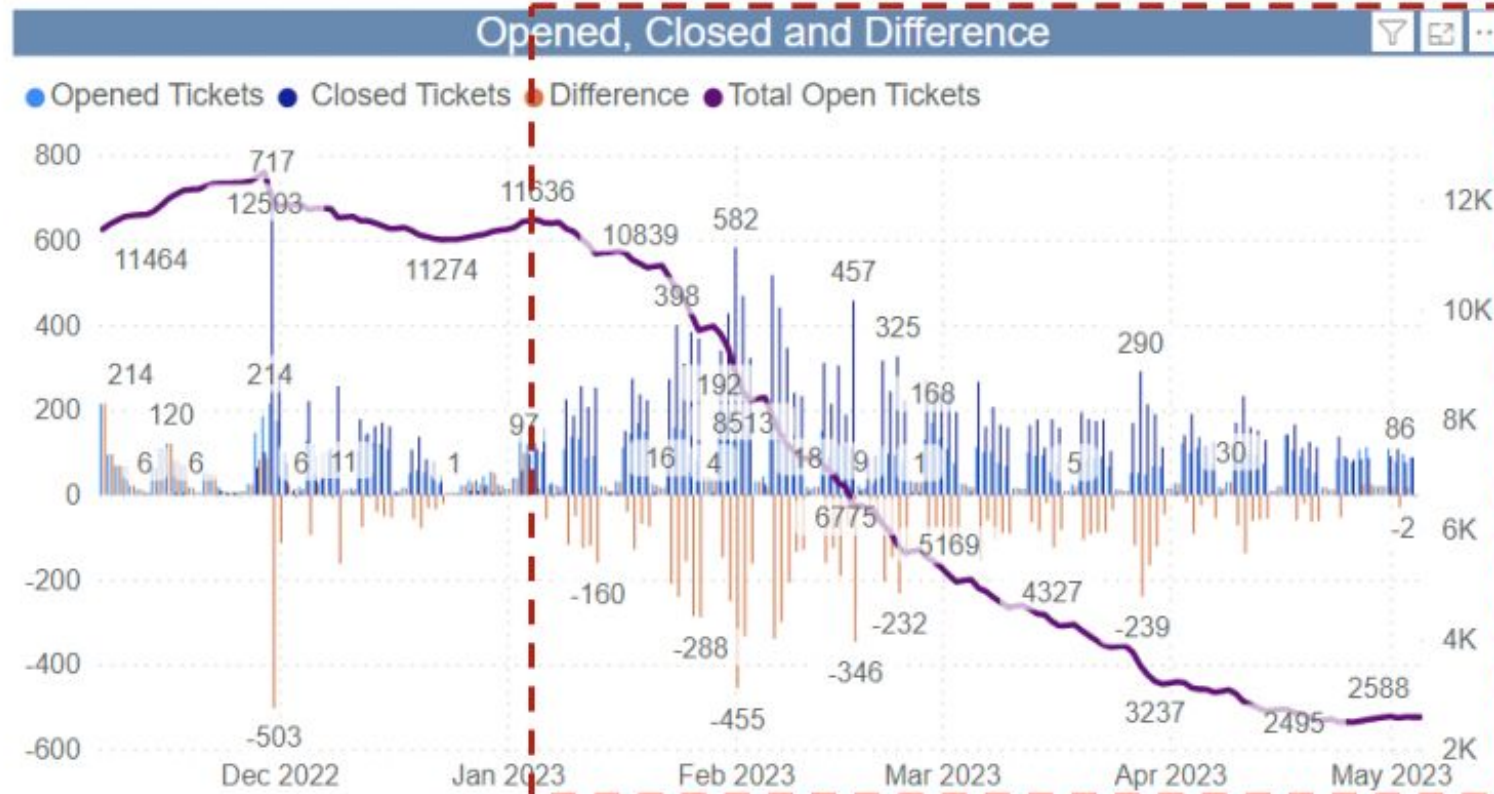
Date	Opened Tickets	Closed Tickets	Difference	Ending Open Tickets
5/5/2023				2588
5/4/2023	86	88	-2	2588
5/3/2023	94	76	18	2590
5/2/2023	77	106	-29	2572
5/1/2023	108	90	18	2601
4/30/2023	20		20	2583
4/29/2023	19		19	2563
4/28/2023	111	85	26	2544
4/27/2023	106	83	23	2518
4/26/2023	76	82	-6	2495
4/25/2023	91	86	5	2501
4/24/2023	83	136	-53	2496
4/23/2023	11		11	2549
4/22/2023	17		17	2538
Total	**13,359**	**22,021**	**-8662**	**2588**

Ticket Backlog
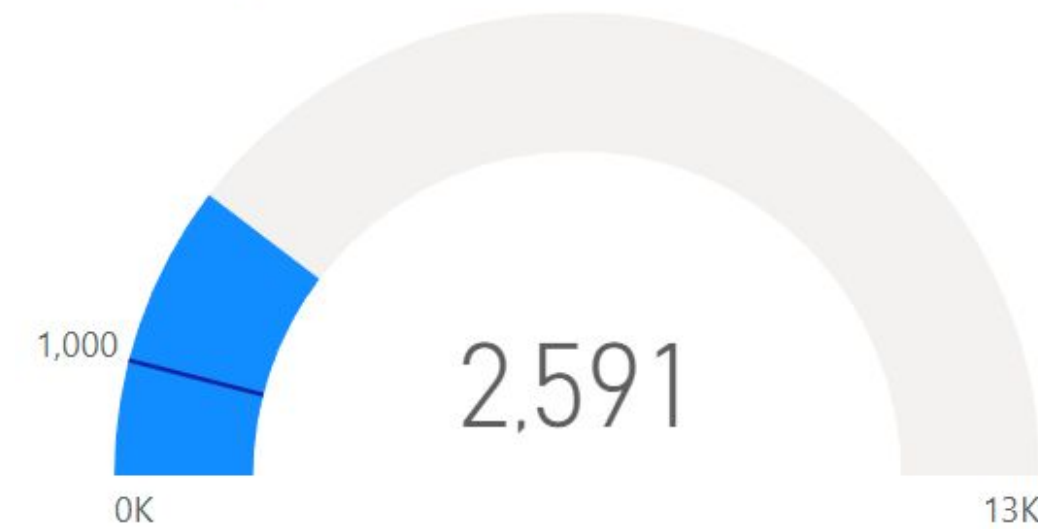
1,591
Backlog - Target Difference

-94
Weekly Backlog Difference

61%
Backlog - Target Difference (%)

17
Weeks to Stabilization

2,591

1,000

0K

13K

Backlog by Queue

Group	Count of Ticket
* Salary	613
* Leaves	324
* SME - Payroll	275
* HR General	252
* SME - Benefits	231
* Payroll Monthly	211
* Benefits	203
* Payroll Bi-Weekly	165
* Deductions	105
* W2	86
* EMPowerSF General	70
* SME - General	38
* Root Cause	18

Tax Withholding Update

- Submitted all corrections to the state Franchise Tax Board

- Audited Federal data submitted to the IRS to reconcile any anomalies

- Collaborated with the City of San Francisco to offer financial advice to all employees

- Engaged with a tax preparation firm to provide tax services for those who received a W-2c and Overpayment Letter

Looking Forward: Risks and Opportunities

- State penalties

- Staffing

- Labor negotiations

- A&M Transition

Approved and **implemented** salary increases:
- UESF
- UESF Para Stipends
- UASF
- Local 21
- Local 6
- Unrepresented Management/Board Designated Managerial

Pending due to negotiations and final Board approval:

- SEIU

- Common Crafts

- *Local 6 "me too" after Common Crafts final negotiations

- Unrepresented Non-Management (follows SEIU once the SEIU agreement is reached)

EXHIBIT F

b

Payroll State of Emergency Update
8.8.2023

EMPowerSF

# Stabilization KPIs

1   **Less than 25 payroll errors per paycycle**

2   **All new payroll issues are resolved within one payroll cycle**

3   **Business Services, Human Resources, and Technology are fully staffed**

4   **Consulting and contract support limited to technical assistance**

SFUSD

90-Day KPIs*

| Key Performance Indicators (KPIs)	Progress
New tickets are resolved within 10 days (or better)	🔴➖
Overall employee ticket backlog is less than 1,000	🟡✔️
Reduce by half (11 FTE) the key vacancies in business services, technology, and human resources	🟢➕
Work package timeline is established so a stabilization date is identified	🔴➖

*May 1 - July 31, 2023

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Ticket Resolution
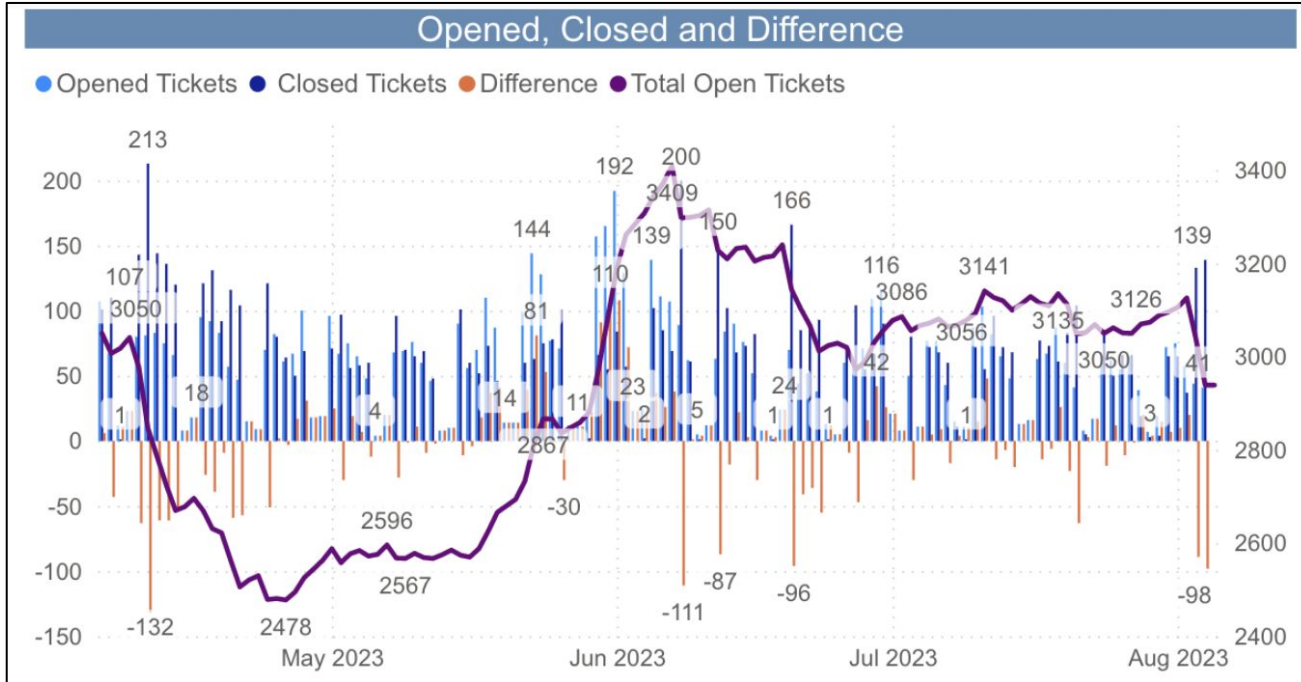
Key Vacancies

Hiring Status (Current Week and Previous Week)

Department	Positions Posted	# Positions Filled	% Positions Filled
Business Services	10	6	70.00%
HR	22	20	90.91%
Technology	13	2	20.00%
Total	45	28	60.30%

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Reflections
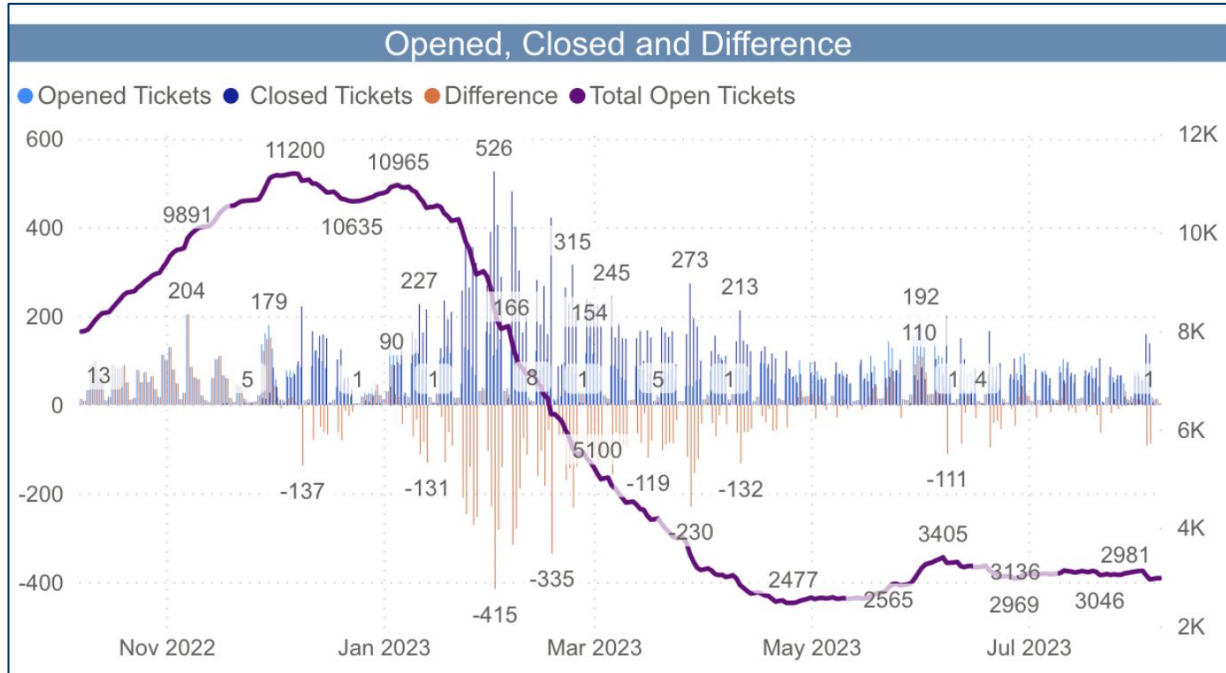
Staff Support

Exception Based-Pay

Transitioning to exception-based timekeeping for certificated staff ▶ Inbox ×

EMPowerSF <empowersf@sfusd.edu>   Wed, Jun 21, 3:34 PM
to PangH ▾

Dear SFUSD leaders,

We are excited to announce a significant update in our timekeeping practices that will boost time entry efficiency and reduce errors in certificated educators' pay. Effective June 21, 2023, certificated employees will have contractual work hours pre-populated for the days they are scheduled to work. Similar to administrators, if they are present and working on a day they are scheduled to work, they no longer have to type 7.00 hours (for a 1.0 FTE) in the timesheet.

You will see this in your certificated employee's timesheet when you login to EMPowerSF Time & Attendance and select **Edit Employee Time**.

What is exception-based timekeeping?

The shift to an exception-based pay system marks an important milestone in our ongoing efforts to improve our EMPowerSF processes and better align with best practices in other school districts. In a positive-pay system, which we've had since the launch of EMPowerSF, employees are required to record both work and absence hours accurately to ensure they are paid correctly. An exception-based pay system takes the opposite approach: scheduled hours will be assumed as worked unless an exception is made, i.e. an absence, time off, or additional work hours beyond the schedule are entered in the timesheet.

What will change for you?

For your 1.0 certificated FTEs: Nothing; there is no change in the managerial responsibilities over timesheets. Managers still need to approve time off requests and timesheets by the time the employee submits them at the end of each pay period.

For your part-time certificated FTEs: You will need to ensure that the certificated employee's schedule in Time & Attendance accurately reflects their days and hours worked. For part-time and/or split-site assignments, work schedules may vary from site to site, so this update is necessary to ensure proper auto-population of hours worked, time off, and absences—all of which are key factors in determining accurate compensation.