

BSEP PLANNING & OVERSIGHT STEERING COMMITTEE MINUTES

September 17, 2019

BUSD Offices –Technology Room 126
2020 Bonar Street, Berkeley, CA 94702

P&O Committee Members Present:

Tamara Perkins, *Early Childhood Education*

Jonathan Weissglass, *Emerson*

Jane Tunks Demel, *Malcolm X*

Weldon Bradstreet, *Rosa Parks*

Heather Flett, *Washington*

Terry Pastika, *King Middle School*

Bruce Simon, *Berkeley High*

Felicia Bellows, *Independent Study*

P&O Steering Committee Members Absent:

Orville Jackson, *Jefferson*

Aaron Glimme, *Berkeley High*

Josh Irwin, *Berkeley High*

Shauna Rabinowitz, *Berkeley High*

Visitors, School Board Directors, Union Reps, and Guests:

Cathy Campbell, *Berkeley Federation of Teachers*

Laura Menard, *Public*

BUSD Staff:

Dr. Brent Stephens, *Superintendent of Schools*

Baje Thiara, *Associate Superintendent of Educational Services*

Natasha Beery, *Director of BSEP and Community Relations*

Danielle Perez, *BSEP Program Specialist*

1. Call to Order and Introductions

At 7:06 p.m. Chairperson Bradstreet called the meeting to order. The meeting began with introductions around the table.

2. Public Comment

Laura Menard, community member, asked to alert the committee to the existence of two different databases that the City uses to determine taxable square footage for properties in Berkeley; one in the Planning and Zoning Department and another in Finance Department. She and other local taxpayers have found discrepancies between what the county records show for square footage and the square footage on file with the City Finance Department. She stated that the City has known about this issue since at least 2004-2005 citing a city audit. She advised that community members would continue to pursue actions against the city for these errors and encouraged BUSD to shift the basis of school taxes from square footage to valuation.

[note from Director Beery: Proposition 13 prohibits special school district taxes from being based on valuation]

3. Chairperson's Comments

Chairs Bradstreet and Pastika welcomed members back to a new school year.

4. BSEP Director's Comments

Natasha Beery, Director BSEP & Community Relations

Director Beery welcomed and thanked attendees, members and staff for joining in the extra work of the Steering Committee. Particularly she expressed enthusiasm that the new Associate Superintendent Baje Thiara and the new Superintendent Brent Stephens are present to begin to get an understanding of the work that the P&O does to oversee BSEP, which comprises 20% of the overall district budget, and which provides so much for our students. P&O members take this role very seriously, and collectively the group has a lot of work ahead. Each year brings new challenges, this coming year is the possibility this year of a new parcel tax, which will be discussed later in the meeting.

5. Superintendent's Comments

Brent Stephens, Superintendent of Schools

Dr. Stephens greeted the group, and shared that he has enjoyed interactions with Berkeley community. He also appreciated the history of involvement he sees in BUSD, recognizing that active community members are a huge asset to our students and the city. He plans to stay in community-meeting mode until about December, and is working on bringing in lots of new teammates. New team include Baje Thiara, as well as the new PIO Trish McDermott, the BREA team, and the new Assistant Superintendent of HR. This relatively new team is in learning mode, learning issues and forming plans to offer contributions.

6. Discussion: Review of BSEP Projected Fund Balance and Permitted Uses; Draft Revised Guidelines for Plan Changes to Large Budgets

Natasha Beery, Director of BSEP of BSEP and Community Relations

Director Beery began by distributing:

- Approved uses and proposed spending for Measure E1
- Approved uses and proposed spending for Measure A

Director Beery explained that the job of the Committee is to make sure that when plans and expenditures are made they are in line with the measure(s), which is also the work of the BSEP Office. These documents were created last year, but will give the members an idea of what these funds have been used for in the past, and how much remains in the resources. There are always more needs than can be achieved using available General Fund resources, which are particularly considered when there is a fund balance available in BSEP.

Director Beery asked members to review the Measure A document, for example, in which any remaining funds must be used for purposes outlined in the document. Ongoing reports come to this committee about approved uses of these funds, such as the VAPA plans and updates to expend the available fund balance in that resource for one-time purchases and projects.

Beery noted the color coding for both pages are in sync, to help identify uniform purposes across both measures. Measure E1 is projecting a fund balance, pending the outcome of negotiations and the impact on employee costs. There may be up to \$4 million in fund balance, which was intentionally built up against the rising costs anticipated as the measure matures, to avoid a

similar situation that occurred at the end of Measure A, which ran out of resources toward its expiration and required shifting costs into the General Fund. The upcoming proposed special tax will look at improving compensation, and that could also impact the BSEP budget, as it impacts cost of teachers.

The goal is to use funds to address student and district needs, teachers and principals are asking for different uses and new leadership might push the choices in new directions to which we will have an open mind.

Director Beery then asked to segue to Item 7, the information item about a change that has just happened and guidelines about approval of changes in the P&O, to help illustrate the thinking she would like the group to start on the topic.

7. Information: Update on BSEP 2019-20 Expenditure at Thousand Oaks

Natasha Beery, Director of BSEP and Community Relations

Director Beery Distributed:

- Update to P&O: 2019-20 Expenditure at Thousand Oaks Elementary
- P&O Guidelines for Budget Revisions

This expenditure of .4 FTE at Thousand Oaks elementary provides bilingual classroom support in grades 2 and 3, and support for Spanish instruction in grades 4 and 5, as the bilingual program at that site is being phased out. Previous Associate Superintendent Scuderi had agreed that this support was reasonable to pay for, but it did not make it into the original plan. Last year, edits and additions were made at the end of the year either due to new needs, because of GF cuts, or being omitted from Plan documents.

When such changes happen, Director Beery has to evaluate whether she needs to bring the changes to the group or whether it falls into the same purposes and needs in the original plan and is permissible without committee review. In a similar situation, as most of the BREA staff have left BUSD, and to fulfill existing needs in this office, we will be paying for a contractor to fill the gap. The contractor will require the same amount of cost to fulfill the same purpose. We are always careful about replacing staff with a contractor, but this is a temporary and emergency situation.

This brings up a larger issue: when we are applying these guidelines about whether changes must be brought to the P&O, how do we apply that criteria? Now that the HQI bucket is so substantial, it is very hard to meet 10% of that overall budget. However, does it better fit the spirit of the guidelines to evaluate changes based on the smaller purposes contained in the larger budgets? Director Beery asked for thoughts on appropriate amendments to address this. These guidelines were written before Measure A and E1 with their larger buckets.

Chair Pastika suggested that maybe it should be relative to a specific line item. For example expenses for PD, Program Support, etc. Rep. Weissglass suggested perhaps a straight dollar amount, regardless of percentage relative to the larger resource. Rep. Perkins asked if there were many changes over \$100,000. Director Beery answered that amount is rare, the largest change

was the cumulative PD budget and plan revision last June, but individual components were each less. Chair Pastika asked if there was any ballpark average of changes. Director Beery answered roughly between \$20,000 and \$60,000. Rep. Simon expressed that line items are tough because what is significant to one budget is not a significant amount to another. Director Beery added that Classroom Support has gone down and up significantly year to year, which started her thinking about directly charged expenses as a whole. Rep. Weisglass asked if there could be a set figure OR 10%, whichever is triggered first. Excluding teacher compensation, Rep. Simon added; teacher compensation comes to the P&O as a plan and then at the end of the year as a total cost, but really only a change in FTE would be required would come to P&O. Rep. Pastika suggested using the top end of the range in changes as the trigger point.

8. New Special Tax Feedback

Brent Stephens, Superintendent of Schools

Looking at overall school funding in California, the state was receiving increased revenue through around 2016, but the state has contributed all it intends to and we will be living on Cost of Living Adjustments (COLAs) moving forward. Those COLAs are very modest, which does nothing to compensate for increased costs in transportation, energy, retirement, and health benefits; costs continue to climb while revenue stays basically level. The local economy is making it harder and harder to live in the city of Berkeley, and compensation for teachers isn't keeping up with increased cost of actual living in Berkeley. BSEP funds cannot be used for compensation increases across the district. Salaries for BUSD educators are falling behind other districts in Alameda County, our teachers are paid at the bottom rankings for County. Looking at combined compensation plus benefits, in some ranges our district is 14th out of 15. Teachers are leaving, particularly in hard to staff areas like SpEd. Without additional state revenue we won't be able to keep up with what we want to do and what educators deserve. The Board is having conversations about a special tax for educator recruitment and retention. This tax could help with the problems we're facing: benefitting both teachers and classified staff. A portion of revenues might go to specialised programs targeting hard-to-staff positions like differentials, pipelines, pathways for classified staff to transition to certificated, and support for teachers of color. The aim is to keep pace with inflation and with counterparts around the Bay Area. The September 4th Board meeting saw presentation sunlighting thinking on how this might work, and Stephens and Beery will come back to the next Board meeting with more details around a potential timeline and implementation.

Dr. Stephens stated that there are many months of work ahead. The district expects a decision some time in November, and would then as with BSEP and Measure H, community members will step up to run the measure support campaign. The Board has yet to decide on timing, but the new measure will most likely appear on the March ballot.

Rep. Perkins noted that the child care bill for Alameda County will be on the March ballot as well, which will be half-cent tax. She asked what the amount of the proposed BUSD tax would be. Dr. Stephens answered that the amount is yet to be determined. Director Beery added that the public commenter for earlier in the meeting misspoke about how the BSEP tax works: BSEP and Measure H taxes are calculated based on square footage, and school property taxes cannot be based on valuation per state statutes. Bonds are based on valuation (and BUSD does have a bond

renewal for facilities upcoming as well). The Alameda tax Rep. Perkins mentioned will be a sales tax at a flat dollar amount. Pollsters working for BUSD will ask about what Berkeley voters value, and how much is a reasonable amount for various school district needs; 18 specific questions are to be asked. Rep. Tunks Demel shared that she was called during that poll, and of course she supports school taxes, but seeing the overall total and how they add up it gave her pause, particularly knowing that PTAs pay for a lot of academic support. She wants to then find out what this new tax will pay for and weigh how much homeowners will be paying to fund those priorities.

Rep. Simon commented that while BSEP does not pay for all district-wide compensation increases, it does pay additionally when teacher compensation [and other staff paid by BSEP] increases, so he is thinking about the impact that a new tax would have on BSEP. The community is very supportive, but this would be adding on to an already large amount of school taxes. Voters are already supporting reducing class sizes and now we're also asking to support better compensation. Rep. Pastika asked why this discussion is being brought to the P&O. Director Beery answered that the district is in a moment of public comment, and the Board wants lots of opportunity for existing thoughtful groups like the P&O to have time to think and comment; this same information will go to the PAC as well. Additionally, should this new tax come to pass, it will need oversight and she would guess that this committee might also oversee this, hopefully more simple, budget as well. Rep. Weisglass felt that down the road it would make sense to wrap this new tax into BSEP/P&O, but that two campaigns in three years doesn't make sense. Also, it is difficult to tell if this would generally increase compensation or if the new tax would only fund certain types of salaries. Dr. Stephens clarified that a majority of the new revenue would be general, and a smaller portion would focus funds on places of particular need.

Rep. Pastika asked if the concept is that the new tax revenue would not fund retirement, which the district is already contributing to. In that case, systemic deficiencies in the district budget over the past two years won't be impacted by this tax revenue. Dr. Stephens confirmed that is correct, this would only resolve making teacher salaries more competitive. Rep. Pastika asked if the union and district negotiate and determine raises first, and then that would determine the cost passed along to taxpayers, or if the district decides how much to agree to pay based on what's available given a set tax rate. Dr. Stephens responded that it is the Board's responsibility to bargain with the overall district budget in mind, with revenues available. Rep. Pastika asked, from a public employee standpoint, for other employees in Berkeley like city and fire department staff, how different is teacher experience to those employees? And, what makes Berkeley so different as opposed to Albany or other close neighbors? She proposed that these are some of the questions that come to mind and should be discussed. She also asked if the district will put out documentation reviewing how much the increases over the life of the measure would actually cost homeowners. People will want to know those types of numbers.

Dr. Stephens noted that the stability of our teaching force and their experience is unique; other districts have average tenures of 4-5 years and you see that reflected in students' school experience. In Berkeley schools, you see veteran teachers who know what they're doing. This is our single biggest asset, and it's relatively stable but as more teachers face difficult choices about how far away to live, etc. we're starting to see this spreading into our district.

Rep. Simon shared that in working at Cal State University East Bay, in the teaching program they are seeing dwindling enrollment in hard to fill programs. This is a looming crisis. Conversations about this have happened through many cycles of negotiations, trying to bring compensation up to median. Part of the reason we have a veteran teaching force in Berkeley is because we've already attracted teachers from other districts.

Ms. Campbell asked if Director Beery can share the presentation made to the Board the previous week. Director Beery will share all the documents with P&O and post on the BUSD website. Other factors to point out are what we pay for all told is a lot, but what BUSD is doing that other districts don't have are all the "goodies." Many of these districts have larger class sizes, and also concentration dollars from the state that BUSD doesn't receive because our demographics don't have the same number of unduplicated students. 55% or more unduplicated students in a district equal "Concentration" dollars, and districts use that extra money in many cases to fund higher relative compensation. BUSD can offer great working conditions and PD and other perks, but teachers still can't pay their bills if we don't increase compensation. Ms. Campbell added that when the Board presentation is shared, they will see that surrounding districts have parcel taxes dedicated to recruitment and retention, and Berkeley is unique in not having that.

Rep. Perkins asked if the district gets to have more focus with this tax on compensation, could that then free up money in the General Fund to support benefits costs, or do we still need to have a separate pool of money to support those other pieces? Dr. Stephens responded that BUSD will continue to face cost increases from state-mandated retirement contributions, Special Ed costs, transportation, etc.. We will experience this pressure even if the new tax is passed, and we still need the state to step up funding for public education. Director Beery added that the per pupil amount paid by the state of CA has crept up to 37th in the nation [from 44th, adjusted for regional cost of living], but stays far below the national median. That ranking doesn't take into account BSEP contributions here in Berkeley, so people do like to say that we are a "rich" district, and ask why that money isn't going toward compensation. But tax money for BSEP and facilities are restricted to explicit purposes of each measure, and BSEP pays proportionally toward compensation and retirement contributions, but otherwise BSEP funds cannot be swept for any other, non-approved purposes. The board presentation packet to be shared includes examples of districts in our immediate area with compensation taxes. Rep. Pastika asked if the district will continue to look at teacher housing investments. Dr. Stephens responded that the housing conversation is adjacent but different, we need to continue to explore it but housing won't address compensation for the district's overall workforce.

Rep. Pastika inquired about accountability provisions, asking how that would work, as it is important and would need to be included. Additionally, at some point the district would have to have a conversation about which they would choose if forced, compensation or BSEP tax support. Rep. Simon agreed, advising that we need to ask ourselves what we value the most. Berkeley voters and taxpayers have already been generous supporters, and maybe it's unlimited, but that seems unlikely. Rep. Perkins asked if there might be a way to combine compensation into BSEP, to not put BSEP at risk. Director Beery noted that this would be a question of the term of the new measure. Rep. Perkins proposed expanding purposes or diverting from other resources within BSEP in its next renewal rather than risking its renewal as a separate tax from the compensation and recruitment measure.

Dr. Stephens responded that his sense is that the Board needs to act with more urgency than merging with BSEP would allow, but they could think about any potential merger after a shorter term tax. Rep. Flett noted that when E1 was on the ballot, although there were differences in commercial and residential rates, the selling point was to continue to support and provide what the community loves about BUSD schools. However, now there seems to be a contradiction between lower class sizes and higher pay: as a taxpayer, we've paid for other things that we feel a connection to, like lower class sizes, but teachers also need to be paid more. Having these separate goals in two separate measures feels competitive. She wondered if it would be possible to package the compensation increase as a substantive and incremental addition to something with which we're already comfortable (BSEP). Director Beery responded that this sounds like similar messaging to what was publicized in 2004, when the economic downturn created the need for a "bridge" measure to prevent losing programs and purposes; then when both measures were up for renewal in the same year they were combined into one measure that promised nothing new in taxes or purposes, just maintaining what had already been approved and established with the previous measures.

Rep. Perkins asked if there was a way to open up restrictions so that fund balance from BSEP could aid compensation; would that relieve some of the ask. Director Beery responded that the fund balance is not sufficient to satisfy that ongoing need, even if it were possible to somehow expand the approved purposes. Rep. Pastika added that expanding or changing BSEP purposes would feel less transparent and clear to the public; for someone who is less savvy it's harder to follow. Rep. Simon asked, given that BFT is in negotiations with BUSD now, is the timing of this measure proposal conflicting with negotiation outcomes for this year? Dr. Stephens answered that what happens at the bargaining table is separate. Negotiations are in progress but the Board recognizes that to do right at the table we have to also do something with our revenue. Rep. Simon stated that as an SBAC rep from the P&O for the past two years he has seen cut proposals from the Board; asked if there is a feeling that more cuts are coming again this year? Dr. Stephens answered that he is guessing, but wouldn't be surprised if there are reduction targets come November even if this new measure ends up on the next ballot.

Rep. Perkins asked if enrollment is holding steady. Dr. Stephens answered yes, as the district picked up only 30 students overall in a population of about 9,000 last year.

9. P&O Planning for 2019-20

Director Beery directed members to refer to the 2019-20 P&O calendar, printed out at the meeting and also available in a continually updated version on the BSEP website. The new 2019-20 BSEP Committee group comes in at the October 29 meeting. Our November meeting will see the election of (co) chair and representative positions to other committees such as the Superintendent's Budget Advisory Committee (SBAC). The BSEP Office will send google calendar subscription info to all members.

10. Adjournment

Meeting was adjourned by acclamation at 8:39 p.m.