

BERKELEY UNIFIED SCHOOL DISTRICT

TO: Planning and Oversight Committee

FROM: Brent Stephens, Superintendent
Natasha Beery, Director of BSEP and Community Relations

DATE: April 13, 2020

SUBJECT: Recommendation for Expenditure of BSEP Funds for Support for Teaching in FY 2021-22

BACKGROUND INFORMATION

According to Measure E1 of 2016, “sixty-six percent (66%) of the Available Revenues shall be dedicated annually to reducing class sizes at all District-operated K-12 schools, and may also be allocated to provide funding for professional development, classroom support, program evaluation, and expanded course offerings.” These purposes, of reducing class sizes and supporting excellence in teaching, are together referred to as the High Quality Instruction (HQI) budget for BSEP Measure E1.

Class Size Reduction and the Teacher Template

The contribution of BSEP Class Size Reduction (CSR) Funds for classroom teachers is estimated using a planning tool known as the “Teacher Template”. The Teacher Template calculates student enrollment and staffing for class size ratios to be paid for by General Fund (GF) resources, and then calculates additional staffing to be paid for by BSEP funds to determine the total number of teacher staffing, expressed as Full Time Equivalent (FTE).

The Teacher Template for 2021-22 was presented separately to the P&O at the 2/09/2021 meeting and approved at the 2/23/2021 meeting. The Board approved the Teacher Template at its regularly scheduled 3/10/2021 meeting. The projected CSR costs associated with the Teacher Template are included in the full HQI budget summary in this document, along with the costs of the plans for the “Support for Teaching” purposes, so that the full budget can be seen in context.

PROGRAM SUMMARY - Support for Teaching

In addition to the Class Size Reduction goal, which is achieved through the aforementioned transfer of funds from BSEP to the General Fund, this resource supports a number of expenses in support of high quality instruction, as permitted by the Measure. Unlike the “teacher transfer” which is calculated at the end of the year, these expenses are “directly charged” at the time the actual costs for the programs are incurred.

An initial budget for this resource begins with the proposed costs of the Teacher Template transfers to the General Fund to achieve the class size reduction targets. For 2021-22, this calculation, together with the fund balance from the first years of the measure, is projected to provide sufficient funding to support significant program elements, as summarized below, while reserving some fund balance for future needs. At the same time, it is important to note that this “planned deficit spending” approach means that over the final three years of the measure, reductions to expenditures must be made in order to ensure that funds are sustainable to the end of the measure, and by the final year,

Professional Development

The full proposal for Professional Development for 2021-22 is provided as Appendix A.

The Professional Development (PD) Department works to build and sustain teacher capacity. The District’s PD Coordinator oversees and coordinates professional learning in all core subject areas at district-wide events, and at teacher-led Wednesday staff meetings throughout BUSD. The Professional Development Department also plays a leadership role in support for three student groups that have historically been underserved in the district: English Learners, students with disabilities, and African American students. In the coming year, the Professional Development department will also play a lead role in support for expanded educational experiences related to healthy relationships, consent, and positive gender identity.

In addition, the PD funds support the development of professional learning community (PLC) work and protocols at all levels of the District. A particularly important support funded through this budget is the district’s K-5 Lead Literacy Coach who both supports students and supports the teachers working with students who face the largest and most pronounced literacy challenges. At Berkeley High, the budget also forms the core of a teacher-led professional development team that works on curriculum as well as culturally-responsive teaching.

Program Evaluation

The full proposal for the Program Evaluation plan for 2021-22 is provided as Appendix B.

As the District implements numerous educational programs designed to improve student achievement, staff must be able to assess the effectiveness of these programs in meeting their goals. Equity-driven and data-driven decision-making is critical to student success, and therefore, the District established the Berkeley Research, Evaluation, and Assessment (BREA) office to provide needed expertise.

BREA's evaluations improve the ability of the School Board, staff, School Site Councils (SSCs) and the public to make informed decisions about the effectiveness of programs in order to maximize the use of resources to meet the needs of students, and in particular our most underserved students. BREA develops and maintains a central data warehouse of district and state mandated assessments which may be analyzed at the site, classroom, case-management or student levels to identify students who should be engaged through the intervention model.

Expanded Course Offerings (ECO) and Classroom Support

The full proposal for Expanded Course Offerings and Classroom Support plans are provided in Appendix C.

Expanded Course Offerings (ECO)

This funding provides Middle and High School students with a wide variety of options for before-school and after-school elective and enrichment classes that are not available within the master schedule. For example, ECO classes at Berkeley High include Advanced Placement (AP) augmentation classes, providing access to AP coursework for students who might not otherwise have such access, as well as AVID class, science labs, yearbook and music.

The proposal for 2021-22 is to have BSEP continue to provide 7.8 FTE, as follows:

- 0.4 FTE Longfellow Middle School
- 0.4 FTE Willard Middle School
- 0.8 FTE King Middle School
- 6.2FTE Berkeley High School

Classroom Support

This resource provides additional FTE for special programs in need of support beyond that provided through the Teacher Template calculation. For 2021-22, a wide range of programs across multiple district sites total 15.2 FTE. Of these positions, 11.6 FTE represent positions that are new to BUSD since the inception of Measure E1, and 3.6 FTE are positions that were previously funded through other means - through LCAP or the General Fund.

Resource Summary for High Quality Instruction 2021-22 BSEP Measure E1, Resource 0741

In 2019-20, a “Direct Support” contribution from BSEP was recalculated, based on the increased costs associated with the classrooms needed for class size reduction, and this provided a yearly \$200,000 increase in the transfer from BSEP to the General Fund. In 2020-21, an adjustment of the GF’s contributions to Class Size in the Teacher Template provided nearly \$1.2M in additional transfer to the GF.

These increased costs, along with the additional FTE provided through Classroom Support, are being supported through the additional revenues provided through the Measure E1 special tax. The allowed COLA increases of 2.9% and 4.5%, in the second and third years of the Measure, have provided revenue to mitigate some of the reductions in expenditures needed in the General Fund. Initial budget models for the Measure had been conservatively predicated on lower COLA increases, as in the four years prior to Measure E1, there had been COLAs averaging less than 1%. Given the experience of the 10 year BSEP Measure A, which had been challenged by low COLAs in the face of rising costs, the budgeting models and measure language for Measure E1 allowed for the possibility of building a fund balance in case of flattening revenues and/or increased costs.

The current fund balance is not only due to the higher COLA revenues, but also because some planned expenses did not materialize - most strikingly, the 5 FTE planned for 2020-21 for additional Special Education staffing.

For 2021-22, the 2.0% COLA is not projected to keep pace with rising costs. It should also be noted that for 2021-22, the amount of FTE being charged to BSEP for elementary school teachers (based on the Teacher Transfer) is likely to be lower than in future years, as we are still in the transition from the class size goals of Measure A to those of Measure E1, which means there are larger 5th grade classes currently, requiring fewer teachers for

those grades. While there is an overall projected 4% decline in enrollment for 2021-22, as with many public school districts during the COVID pandemic, with a resultant reduction in classroom FTE of about 2.6% (11.37 FTE), the reduction in costs is felt in the General Fund, not in BSEP, because of the way “Necessary FTE” for class size reduction is calculated. BSEP is in fact carrying slightly more FTE (.75 FTE) for class size reduction than the prior year.

A Note about Planned Deficit Spending

The 2021-22 School Year will be the fifth year of the BSEP E1 eight year measure. The planned budget continues to draw down upon the significant fund balance in the HQI resource, but it will be necessary to make adjustments for the coming years, as even were COLAs to increase once again, it is unlikely that increased revenue will keep pace with the cost of programs currently funded.

At the current rate of expenditure, this resource could end with a fund balance that will be sufficient to meet costs as well as the 3% reserve requirement, which will allow a new measure to end with a reserve without drawing upon the General Fund to launch the next measure. However, reduction in deficit spending will be necessary in order to achieve a balanced budget by the end of measure. The reduction necessary will depend upon the interaction of COLA increases, enrollment and costs. It is likely that for the remaining three years of the measure, a reduction in discretionary spending of about 5% of the budgets (around \$300,000/year in total) may be needed to achieve a balanced budget with no deficit spending at the end of Measure E1. This is not to say that the fund balance may not be used, but should be looked upon for one-time expenditures, rather than as a source for continued staffing and key programs.

Budget Summary for High Quality Instruction 2021-22
Measure E1, Resource 0741

	<u>2021-22</u>
Revenue	\$ 21,221,046
Transfers	
Teacher Compensation	\$ 14,262,400
Direct Support	\$ 571,700
Sub Compensation	\$ 256,800
Total Transfers to the General Fund	<u>\$ 15,090,900</u>
Net Revenue	\$ 6,130,146
Directly Charged Expense	
Professional Development	\$ 2,112,699
Program Evaluation	\$ 707,494
ECO	\$ 880,172
Classroom Support	\$ 1,758,184
Unallocated Reserve	\$ 163,756
Total Directly Charged Expense	<u>\$ 5,622,305</u>
Indirect Cost	\$ 1,122,656
Total Expense	\$ 6,744,961
Total Transfers and Expense	\$ 21,835,861
Revenue Less Transfers and Expense	\$ (614,815)
Beginning Fund Balance	\$ 3,206,148
Net Increase/(Decrease) in Fund Balance	\$ (614,815)
Ending Fund Balance	2,591,333