

HIGH QUALITY INSTRUCTION
Class Size Reduction, Support for Teaching and Learning
BSEP Measure E1, Resource 0741
BSEP Measure A, Resource 0841

ANNUAL REPORT: FY 2021-22
UPDATE: FY 2022-23

Measure E1 Purpose

...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.¹

Budget Managers: Jill Hogendyk, Associate Superintendent for Educational Services

BACKGROUND INFORMATION

According to Measure E1 of 2016, High Quality Instruction (HQI), “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.”²

Under the prior BSEP measures, elementary class size averages were calculated district-wide, allowing for significant variation among schools, and the K-3 and 4-5 class averages had different goals of 20:1 and 26:1. Since the inception of BSEP Measure E1 in 2017, the average class sizes are being gradually adjusted, with the aim of achieving school-wide K-5 averages of 23:1. This exceeds the State class-size reduction goal of 24:1 for K-3 both in class size and grade span. The BSEP class size goals for grades 6-12 remain as under prior measures, with district-wide averages of 28:1, and are further reduced to below 18:1 for the continuation high school.

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 class size reduction costs to be paid for by BSEP funds. This calculation is based on the average actual cost of classroom teachers and release time, along with the average costs of substitute teachers, and a “direct support” calculation that provides for the costs of the additional classrooms that must be maintained to achieve lower class sizes. This contribution to the General Fund by BSEP is known as the “Teacher Transfer.”

In 2019-20, a \$2.0 million cut target drove a search for reductions in costs, increases in revenues, and alternative funding sources. Nearly 10% of that goal was met by increasing the amount transferred to the General Fund from BSEP through a revised calculation of “Direct Support” costs, which are permitted under the terms of Measure E1 as “costs associated with the opening or maintaining of classrooms to reduce class sizes.” The “Direct Support” rate had not been recalculated since the

¹ BSEP Measure E1 of 2016 Section 3.A

² BSEP Measure E1 of 2016, Section 3.A

inception of Measure A, and has been increased by a factor aligned with the costs of maintenance and utilities.

Further, in 2020-21, the general fund contribution ratio used to calculate paid for by General Fund (GF) resources was changed from 34:1 to 36:1. This resulted in an increase in the amount of the BSEP contribution to achieving class sizes goals.

After Class Size Reduction targets are met through the Teacher Template calculation, the Measure allows for discretionary expenditures in support of teaching and learning, including such purposes as professional development, classroom support, program evaluation, and expanded course offerings. These expenditures are directly charged to the Measure.

REPORT ON EXPENDITURES 2021-22

The HQI programs Professional Development, Program Evaluation, Expanded Course Offerings and Classroom Support are described in more detail in their respective reports in appendices.

In 2020-21, Measure A funds were not budgeted nor expended in 2021-22.

Below is the Revenue and Expenditure summary report for 2021-22 for expenditure of BSEP funds towards Class Size Reduction and additional purposes included in this resource.

2021-22 CLASS SIZE REDUCTION FUND – REVENUE AND EXPENDITURES

Class size goals were met through this resource, as detailed in the Class Size Reduction report to the Board of Education, October 12, 2022.

The initial Teacher Template Calculations for the coming year are developed in the spring and are reviewed and approved by both the Planning and oversight Committee and the Board of Education. The approved Teacher Template is an estimate of anticipated costs to achieve the class size reduction targets for the coming year and are adjusted as necessary as financial information becomes known. The amount of the approved Teacher Template can change at budget adoption and also at closing of the fiscal year due to unanticipated increases to annual costs. See the Revenue and Expenditures Comparison Report FY 2021-22 in this report for further detail.

The following is a summary of the changes to the 2021-22 Teacher Template changes:

	P&O / Board of Ed. Approved March 10, 2021	Adopted Budget as of 7/01/21	Unaudited Actuals as of 6/30/21
BSEP Contribution	14,389,000	15,264,800	16,013,178
BSEP Direct Support	576,800	576,800	576,564
BSEP Substitute Contribution	259,100	275,800	382,284
Total	15,224,900	16,117,400	16,972,026

RESOURCE SUMMARY

Plans for FY 2021-22 for this resource included additional program-related costs that were intended to draw down upon the fund balance and further relieve the General Fund. These new additions to the HQI budget include program support funds and a 1.0 FTE Teacher on Special Assignment for the Ethnic Studies program, funding to support math coaching at Berkeley High School to improve instructional practices in 9th and 10th grade, a 0.6 FTE Teacher on Special Assignment increase for Program Evaluation to expand department capacity, an increase of 0.2 FTE for Berkeley High School for Expanded Course Offerings to provide smaller class sections in Chemistry, and a 1.2 FTE (shifted from LCAP) for Math Support at Longfellow, Sylvia Mendez and Thousand Oaks. The following table shows the Adopted Budgeted and Unaudited Actuals for each HQI program:

HQI Program	Adopted Budget as of 7/01/21	Unaudited Actuals as of 6/30/22
Professional Development	2,581,188	1,955,354
Program Evaluation	707,494	562,426
Expanded Course Offerings	880,172	987,851
Classroom Support	1,758,184	1,623,566

Expenditures from HQI Program were lower than initially budgeted primarily due to savings in employee benefits and the unused Unallocated Reserve. The program savings accrue to the overall HQI Fund Balance.

The fund balance for this resource at close of 2021-22, the fifth year of the eight year measure, is \$5,407,651, which is a \$975,057 decrease from the ending fund balance for 2020-21. The reduction of the ending fund balance was driven largely by the increase in the Teacher Transfer cost. 2021-22 Revenue was \$866,165 more than projected and a \$236,840 in revenue true-up was received for the prior year 2020-21. The following table shows the Adopted Budgeted and Unaudited Actuals for HQI:

2021-22	Adopted Budget as of 7/01/21	Unaudited Actuals as of 6/30/22	Adopted Budget vs. Unaudited Actuals 2021/22
Revenue	21,221,046	22,324,051	1,103,005
HQI Expenditures			
Teacher Transfer	16,117,400	16,972,026	854,626
HQI Programs (Includes Indirect Costs)	7,077,219	6,327,083	(750,136)
HQI Expenditures Total	23,194,619	23,299,109	104,490
Change to Fund Balance	(1,973,573)	(975,057)	998,516

At the time of planning for Measure E1, it was projected that a significant fund balance would be necessary in the first years of the measure in order to adequately address rising costs. Even with this BSEP resource taking on additional expenses, the fund balance in this resource has continued to grow, particularly due to COVID related underspending in 2020-21 and increased revenues. This pattern was seen in the early years of Measure A of 2006 as well, but as enrollment, employee costs and program costs rose, that fund balance decreased sharply.

Update FY 2022-23 for BSEP High Quality Instruction Budget

Plans for FY 2022-23 for this resource included one additional program-related cost over the prior year, which was an increase of 0.2 FTE in the Literacy Coach in the Professional Development budget to assist with the Literacy Action Plan. Other changes include increases in costs associated with staffing and professional development and training activities (e.g. hourly pay for workshops).

As noted in the First Interim Report for 2022-23, The cost of the Teacher Transfer for Class Size reduction increased over the adopted budget by \$925,900. This increase is due to an increase in the average teacher cost resulting from the negotiated salary increase of 6%.

BERKELEY UNIFIED SCHOOL DISTRICT
BERKELEY SCHOOLS EXCELLENCE PROGRAM (BSEP)
HQI (Measure E1/ Resource 0741)
Revenue and Expenditures
Comparison Report 10//31/22

Purpose: 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

Budget Manager: Jill Hoogendyk, Associate Superintendent of Educational Services

	Adopted Budget 2020/21 as of 07/01/20	Audited Actuals 2020/21 as of 06/30/21	Adopted Budget 2021/22 as of 07/01/21	Unaudited Actuals 2021/22 as of 06/30/22	Adopted Budget 2022/23 as of 07/01/22	1st Interim 2022/23 as of 10/31/2022
REVENUE						
Parcel Tax Revenue	20,941,424	21,132,765	21,221,046	22,087,211	22,158,906	22,158,906
BSEP Contribution	(14,431,300)	(14,672,337)	(15,264,800)	(16,013,178)	(15,152,600)	(16,061,700)
BSEP Direct Support	(580,000)	(576,473)	(576,800)	(576,564)	(584,900)	(584,900)
BSEP Substitute Contribution	(260,500)	(258,870)	(275,800)	(382,284)	(279,600)	(296,400)
Parcel Tax Revenue-Prior Year		207,046	0	236,840		
Net Revenue	5,669,624	5,832,132	5,103,646	5,352,025	6,141,806	5,215,906
EXPENDITURES						
Professional Development	1,892,400	1,571,295	2,581,188	1,955,354	2,331,940	2,374,194
Program Evaluation	668,500	506,242	707,494	562,426	770,975	929,381
Expanded Course Offerings	843,675	801,689	880,172	987,851	920,374	920,374
Classroom Support	1,589,876	877,630	1,758,184	1,623,566	1,866,420	1,874,819
Unrestricted	1,516,220	916,992	1,150,181	1,197,886	1,427,424	1,410,627
TOTAL EXPENDITURES	6,510,671	4,673,848	7,077,219	6,327,083	7,317,133	7,509,395
NET INCREASE (DECREASE)	(841,047)	1,158,283	(1,973,573)	(975,057)	(1,175,327)	(2,293,489)
FUND BALANCE ANALYSIS						
Beginning Fund Balance	4,528,733	5,224,425	3,206,148	6,382,708	6,382,708	5,407,649
Net Increase (Decrease) in Fund Balance	(841,047)	1,158,283	(1,973,573)	(975,057)	(1,175,327)	(2,293,489)
Ending Fund Balance	3,687,686	6,382,708	1,232,575	5,407,651	5,207,381	3,114,160