



# Superintendent's Budget Advisory Committee Meeting

March 13, 2024

Facilitated by  
Enikia Ford Morthel, Superintendent  
Pauline Follansbee, Assistant Superintendent of Business Services

Excellence • Equity • Engagement • Enrichment



**ENIKIA FORD-MORTHEL**

*Superintendent*  
Berkeley Unified School District

**BOARD OF EDUCATION**



**ANA VASUDEO**

*Board President*  
Berkeley Unified School District



**JENNIFER SHANOSKI**

*Director*  
Berkeley Unified School District



**LAURA BABITT**

*Director*  
Berkeley Unified School District



**KADIJAH BROWN**

*Board Vice-President*  
Berkeley Unified School District



**MIKE CHANG**

*Director*  
Berkeley Unified School District

## Participation

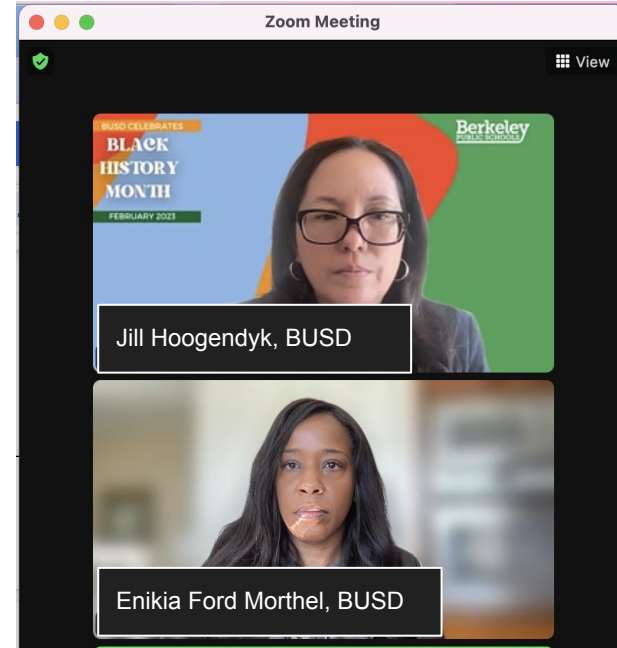
- Screen on, if at all possible
- [RE]name your screen to reflect your name & group

## Discussions/Chat

- Only SBAC Voting representatives & BUSD staff can engage in discussions
  - Raise Hand via Zoom, if you would like to speak
- Only SBAC voting members and participating staff can use the chat
  - Chat should only be used when asked specific for agenda topic/task
- Meeting participants/audience can only speak during Public Comments

## Voting

- Only SBAC representatives can vote



# SBAC Purpose, Roles and Responsibilities



The Superintendent's Budget Advisory Committee shall serve the Berkeley Unified School District in an advisory capacity on matters pertaining to District finances. The functions of the Superintendent's Budget Advisory Committee shall be:

1. To review the budget, procedures or any specific study items as requested by the Superintendent or at the committee's initiative.
2. To provide written recommendations to the Superintendent.
3. To provide any oral presentations to the Board of Education at the Superintendent's request or at the committee's initiative.

# Our Mission

Enable and inspire our diverse student body to achieve academic excellence and make positive contributions to our world.

Excellence

Equity

Engagement

Enrichment



## Welcome and Member Roll Call

- Public Comments

## Budget Update

- *Preview Highlights of 2nd Interim Budget Report*

## Moving Towards the Target

- *Review Proposed Budget Target*

## Evaluate Budget Reduction Strategies

- *Review BUSD Budget Reduction Strategies*
  - *Update on Implementation of Initial Strategies*
- *Analyze Budget Reduction Proposals*

## Closing Moves

- *Preview Next Steps*

## Session Appendix

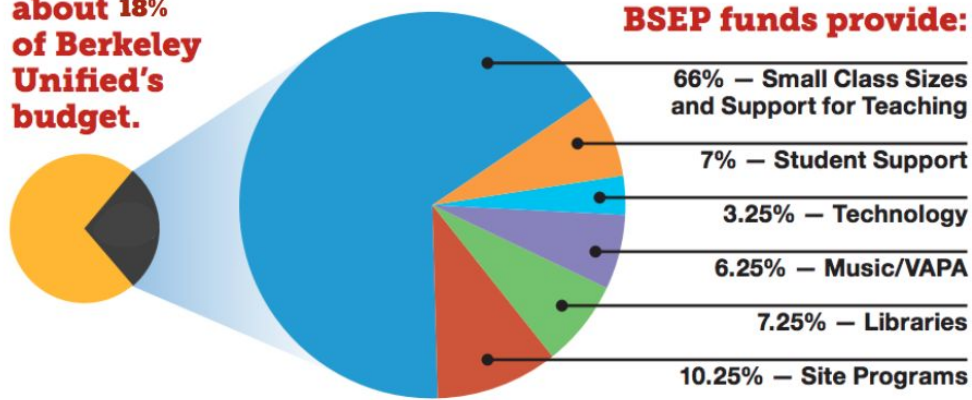
<div> <div> <b>Berkeley</b> PUBLIC SCHOOLS <small>Excellence • Equity • Engagement • Enrichment</small> </div> <div>KEY TERMS</div> </div>	
Unaudited Actuals	How much the district actually spent in expenditures and earned in revenue for the year ended June 30, 2022
Estimated Actuals	What the District budgeted for expenditures for the year ended June 30, 2022, as of June 29, 2022 when the budget was adopted. We update the Adopted budget three times a year.
Fund Balance	Cumulative balance of funds available for the year.
Unrestricted General Funds (UGF)	Funds that are not restricted for a particular purpose - the district's operating revenue.
Reserve	Funds set aside for economic uncertainties.
May Revise	The district issues budget updates three times during the year. In January he issues the initial budget. The budget is revised in May (May Revise), and the final or enacted budget is issued in June.
Variance Report	Variance Report compares the difference between the Estimated Actuals and the Unaudited Actuals

# **Follow-up from February 28, 2024 Meeting**

# BSEP ★ Excellence!

BUSD can continue  
its strive towards  
EXCELLENCE for  
our babies because  
of you!

**BSEP is  
about 18%  
of Berkeley  
Unified's  
budget.**



**Thank you Berkeley  
Voters!!!**



# BUSD Fiscal Forecast: 2024-25 Budget Landscape

Pauline Follansbee  
Assistant  
Superintendent of  
Business Services



Emily Mayer  
Executive Director of  
Fiscal Services

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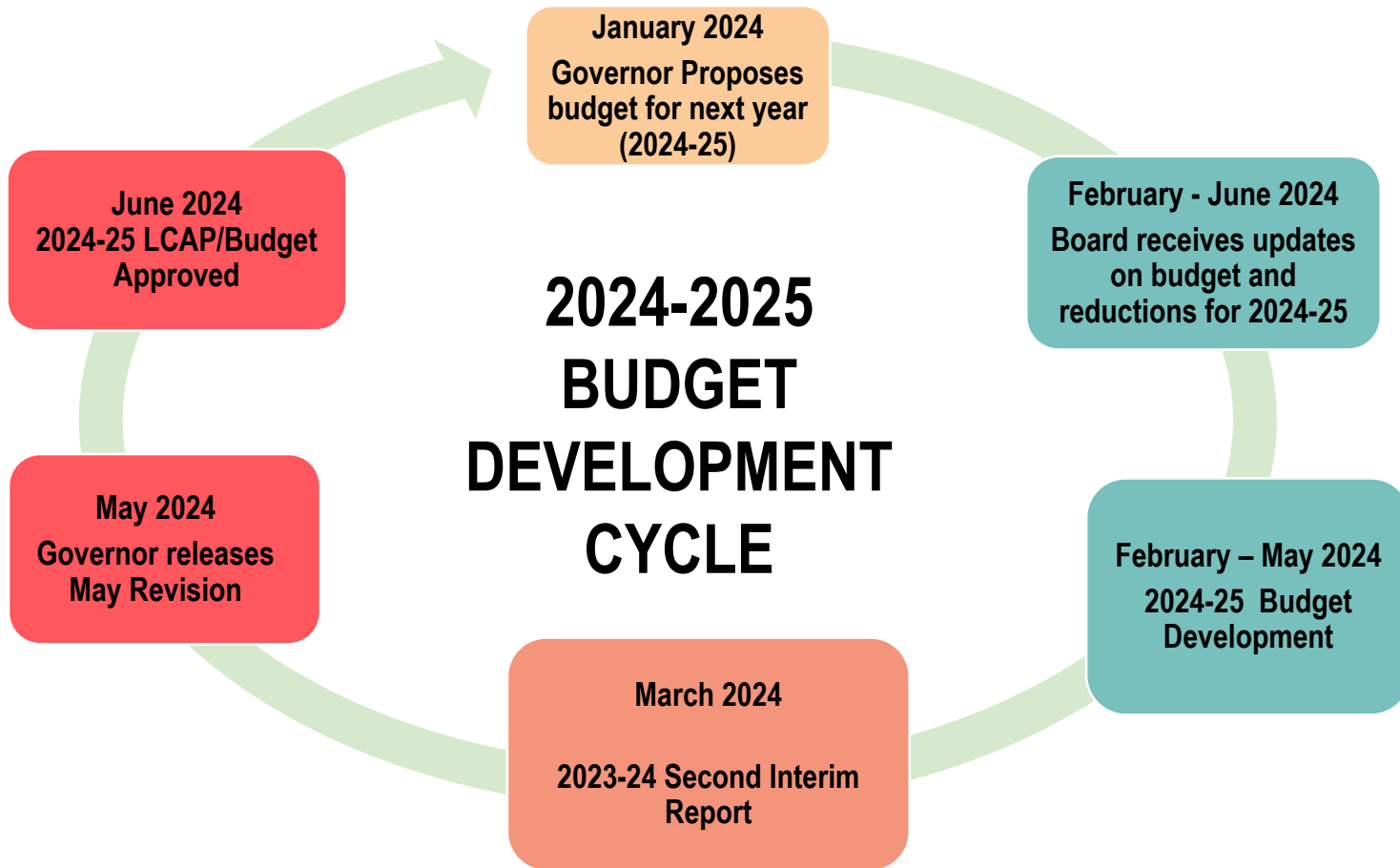
# 2nd Interim Report

2nd Interim Board Presentation 3/06/24

# Budget Highlights

- ❑ Positive Certification. BUSD is maintaining a positive ending fund balance for the current year and two subsequent years. However, budget reductions are necessary to have a positive certification.
- ❑ Alameda County Office of Education is requiring formal recognition of the budget reductions by the board
- ❑ Additional budget reductions will be necessary to address the District's structural deficit
- ❑ Increased Unduplicated Pupil Count, reduced enrollment based CALPADS

# NAVIGATING THE **BUDGET CYCLE** PROCESS



# Moving Towards the Target

*Multi-Year Plan - Identifying the Target*

# Multi-Year Projections Unrestricted General Fund

Unrestricted General Fund (in millions)	2023-24	2024-25	2025-26
<b>Expenditures</b>	-111.3	-113.3	-116.1
<i>Budget Adjustments</i>		6.0	8.6
<b>TOTAL EXPENDITURES</b>	-111.3	-107.3	-107.5
<b>TOTAL SOURCES AND USES</b>	-9.9	-11.0	-11.0
Change in Fund Balance	-2.5	-1.7	0.6
Beginning Fund Balance	7.2	4.7	3.0
<b>Ending Fund Balance</b>	<b>4.7</b>	<b>3.0</b>	<b>3.6</b>
Revolving Cash	-0.1	-0.1	-0.1
Assignment for Supplemental Grant LCAP	-1.0	-1.0	-1.0
Fund 01 share of 3% reserve	-1.0	-1.0	-0.6
<b>Ending Fund Balance - Undesignated</b>	<b>2.6</b>	<b>0.9</b>	<b>1.9</b>

# Moving Towards the Target

*Addressing the Structural Deficit*

# Unrestricted General Fund - Reducing the Structural Deficit

Unrestricted General Fund (in millions)	2023-24	2024-25	2025-26
<b>Expenditures</b>	-111.3	-113.3	-116.1
<i>Budget Adjustments</i>		<b>6.0</b>	<b>8.6</b>
<b>TOTAL EXPENDITURES</b>	-111.3	-107.3	-107.5
<b>TOTAL SOURCES AND USES</b>	-9.9	-11.0	-11.0
Change in Fund Balance	-2.5	-1.7	0.6
Beginning Fund Balance	7.2	4.7	3.0
<b>Ending Fund Balance</b>	<b>4.7</b>	<b>3.0</b>	<b>3.6</b>
Revolving Cash	-0.1	-0.1	-0.1
Assignment for Supplemental Grant LCAP	-1.0	-1.0	-1.0
Fund 01 share of 3% reserve	-1.0	-1.0	-0.6
<b>Ending Fund Balance - Undesignated</b>	<b>2.6</b>	<b>0.9</b>	<b>1.9</b>

Strategy:  
Structural deficit \$1.7 million

Reduce the deficit to \$.6 million (\$1.1 million change)

Revised Target - \$6 million PLUS \$1.1 million or **\$7.1 million**

# Multi-Year Projections Unrestricted General Fund

Unrestricted General Fund (in millions)	2023-24	2024-25	2025-26
Expenditures	-111.3	-113.3	-116.1
<i>Budget Adjustments</i>		6.0	8.6
<b>TOTAL EXPENDITURES</b>	-111.3	-107.3	-107.5
<b>TOTAL SOURCES AND USES</b>	-9.9	-11.0	-11.0
Change in Fund Balance	-2.5	-1.7	0.6
Beginning Fund Balance	7.2	4.7	3.0
<b>Ending Fund Balance</b>	<b>4.7</b>	<b>3.0</b>	<b>3.6</b>
Revolving Cash	-0.1	-0.1	-0.1
Assignment for Supplemental Grant LCAP	-1.0	-1.0	-1.0
Fund 01 share of 3% reserve	-1.0	-1.0	-0.6
<b>Ending Fund Balance - Undesignated</b>	<b>2.6</b>	<b>0.9</b>	<b>1.9</b>

## 2024-25 Strategy to reduce the Structural Deficit

*2nd Interim Presentation (this table):*

**\$6.0m** budget adjustment

→ \$1.7m structural deficit

*Proposal (next slide):*

Reduce structural deficit to \$0.6m

→ **\$1.1m change**

Revised 24-25 budget adjustment =

**\$7.1m**

→ (\$6m + \$1.1m)

# Impact of Target on Multi-Year Projections

Unrestricted General Fund (in millions)	2023-24	2024-25	2025-26
<b>Expenditures</b>	-111.3	-113.3	-116.1
<b>Budget Adjustments</b>		6.0	8.6
<b>Additional Budget Adjustments - structural deficit</b>		1.1	1.1
<b>TOTAL BUDGET ADJUSTMENT -TARGET</b>		7.1	9.7
<b>TOTAL EXPENDITURES</b>	-111.3	-106.2	-106.4
<b>TOTAL SOURCES AND USES</b>	-9.9	-11.0	-11.0
Change in Fund Balance	-2.5	-0.6	1.7
Beginning Fund Balance	7.2	4.7	4.1
<b>Ending Fund Balance</b>	4.7	4.1	5.8
Revolving Cash	-0.1	-0.1	-0.1
Assignment for Supplemental Grant LCAP	-1.0	-1.0	-1.0
Fund 01 share of 3% reserve	-1.0	-1.0	-0.6
<b>Ending Fund Balance - Undesignated</b>	2.6	2.0	4.1

The background of the slide is a dense, overlapping pattern of US dollar bills, primarily \$100 bills, in a dark red color. The bills are oriented in various directions, creating a textured, financial backdrop.

# Moving Towards the Target

*Budget Reduction Strategies*

# BUSD Budget Reduction Strategies



**Evaluate and Remove Vacant Positions\***



**Truing up Program Costs: Evaluate Program Costs and make sure allocation matches true cost**



**Eliminate Expenses covered in other funding sources**



**Evaluate Annual Unexpended Funds**



**Look for inefficiencies: Identify Examples (programs and positions) where we duplicate efforts**

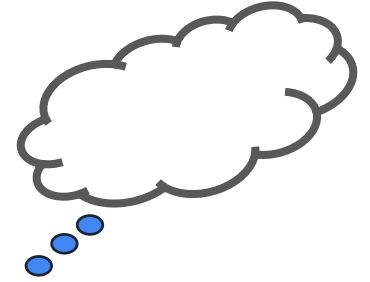


**Transfer Expenses to other funding sources**

**Consolidate and Reduce (Positions and Programming)**

# Today's Team Task

- Review BUSD Budget Reduction Strategies
  - Update on Implementation of Initial Strategies
- Analyze Budget Reduction Proposals



## Proposed Budget Reductions List

### Budget Reduction List

- Initial Considerations for Budget Reductions
- Phase 1 of Budget Reduction Proposals

C

### Strategies applied to:

- New Revenue
- 'Transfer In' Revenue\*
- Staffing Formula
- Operations



# Process

...for each budget reduction proposal



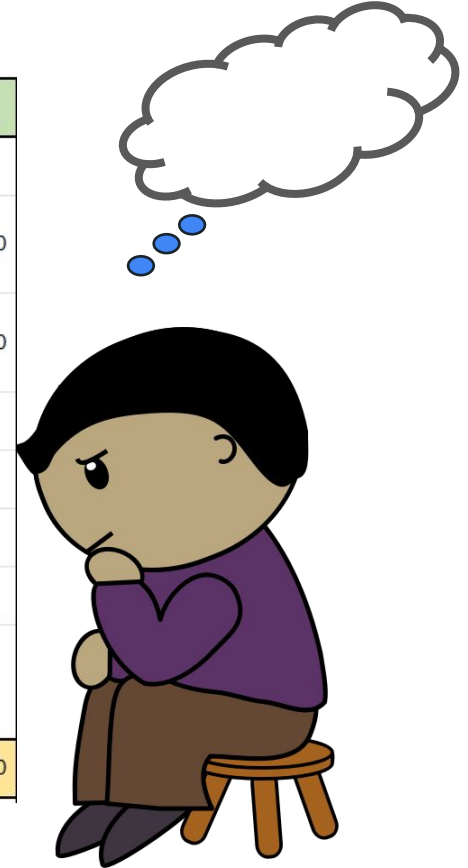
Review Proposed  
Reduction(s)

Discussion and  
Questions

SBAC Vote:  
Yes, No, Not Yet

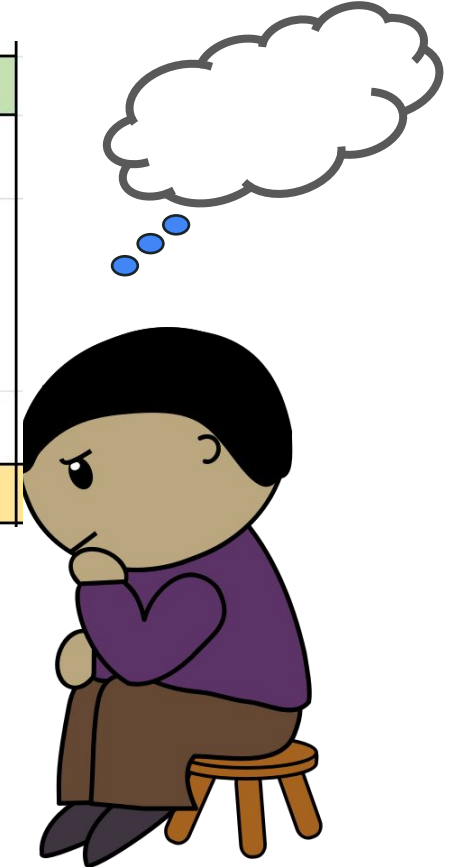
Proposed Budget  
Reductions List

GROUP	Staff Considerations	Justification	Considerations	Ongoing GF Cuts or Increased	One-time GF Cuts or Increased
REVENUE/ TRANSFER IN OPTIONS					
	Suspend retiree benefit rate for one year for the Unrestricted GF and transfer the savings from Fund 20	BUSD is pay as you go for retiree benefits. Current balance in Fund 20 can provide funding for 1 year	628,000		628,000
	Transfer in additional amount from Fund 20	BUSD is pay as you go for retiree benefits. Current balance in Fund 20 can provide funding for 1 year	1,500,000		1,500,000
Carryover Funds					
	Pre K - one time	Carryover	350,000		
	State LEA Covid resource 7388 - No expiration	Carryover	135,000		
New Funding					
	<a href="#">Prop 28 funding</a>	Cannot identify a way that is funding can be used to relieve expenses in the Unrestricted General Fund	1,209,181	-	-
TOTAL REVENUE AND TRANSFERS IN			3,822,181	-	2,128,000



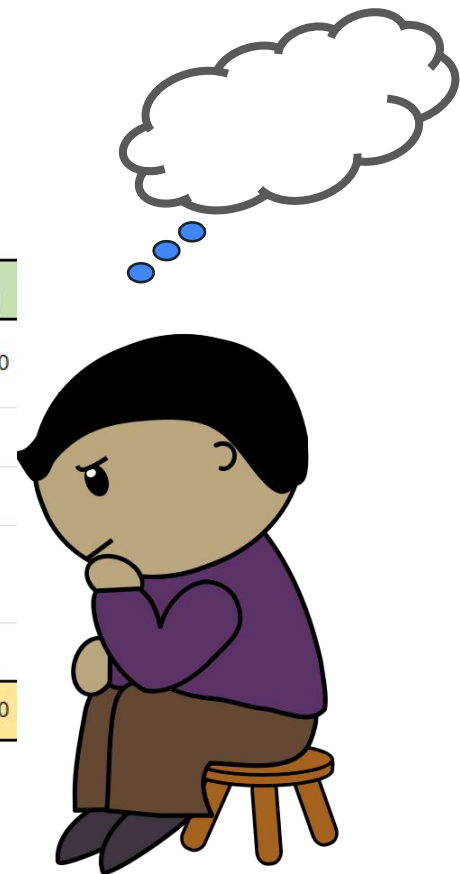
Proposed Budget  
Reductions List

STAFFING FORMULA CONSIDERATIONS	Justification	Considerations	Ongoing GF Cuts or Increased	One-time GF Cuts or Increased
Reduction in classroom teachers based on 2024-25 Teacher Template	5.6 FTE less classroom teachers required due to Teacher Template	711,200	711,200	
Projected increase in enrollment/ada based on 2024-25 projections from enrollment office	Enrollment for 2024-25 at second interim was projected at 9,077. 2024-25 projected enrollment by Admissions (TT) is 9,219 - an increase of 142 students. Enrollment:ADA ratio 95.14% so ADA is 135. LCFF per ADA is 12,724	1,717,740	1,717,740	
Staffing school sites based on the formula	3.05 fte	180,626	180,626	
SUBTOTAL STAFFING FORMULA CONSIDERATIONS		2,609,566	2,609,566	-



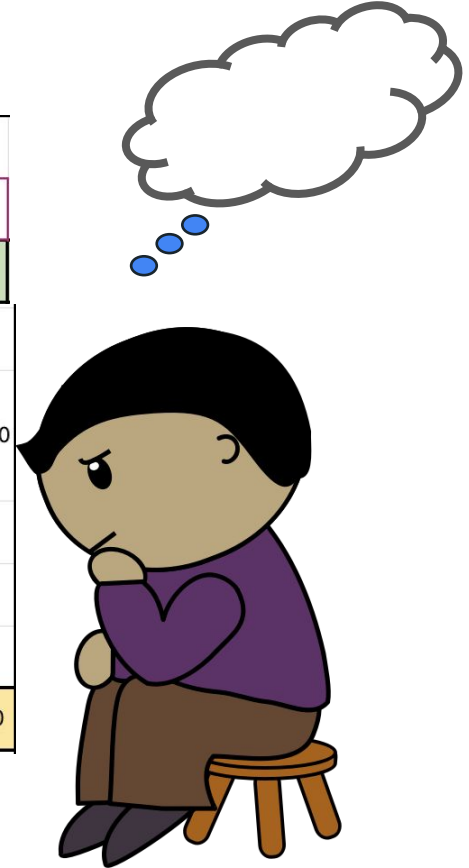
Proposed Budget  
Reductions List

STAFFING CONSIDERATIONS		Justification	Considerations	Ongoing GF Cuts or Increased	One-time GF Cuts or Increased
	Transportation Department continue to Freeze bus driver positions	Bus driver hours have been increased. Managers are required to drive due to absenteeism	120,000		120,000
	Purchasing - transfer .5 FTE driver to NS		38,000	38,000	
	District TSA Per Hand out specific positions	TSAs back to the sites - by specific job descriptions			
	Vacancy Reduction/Eliminations	TBD			
SUBTOTAL STAFFING CONSIDERATIONS			158,000	38,000	120,000



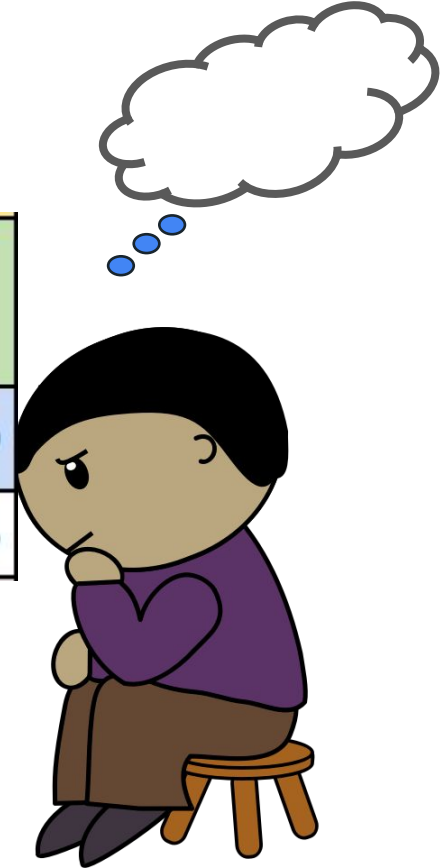
Proposed Budget  
Reductions List

	FY 2024-25				
				General Fund	
GROUP	Staff Considerations	Justification	Considerations	On Going GF Cuts or	One-time GF Cuts or
OPERATIONS					
	Indirect Cost	Increase indirect cost for 2024-25 - or consider impact on increased expenses eg BSEP TT and other costs	\$60,000		\$60,000
	IT - reduce budget for elevator lines		\$125,000	\$125,000	
	Zoom	Move to google meet for district meetings, zoom for hybrid meetings	\$30,000	\$30,000	
SUBTOTAL OPERATIONS			215,000	155,000	60,000



Proposed Budget  
Reductions List

	Considerations	Ongoing GF Cuts or Increased Revenue (Increased Expenses)	One-time GF Cuts or Increased Revenue (Increased
TOTAL	6,804,747	2,802,566	2,308,000
	Total Ongoing and One-time		5,110,566





# Berkeley PUBLIC SCHOOLS

## Questions & Discussion

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# SBAC Voting

*Proposed Budget Reduction  
Strategies*

# Next Steps

Provide board an update from today's meeting



## Next Meeting

**March 27, 2024**

**4:00 - 6:00 pm**

- Share BUSD Phase 2 preliminary proposals for Budget Reductions/Solutions
- Explore Budget Reduction Possibilities specific to legal costs, contracts and programs (as well as vacancy update)
- Get input from SBAC on proposals

~~December 13~~

~~January 31~~

~~February 14 - N/A~~

~~February 28~~

~~March 13~~

March 27

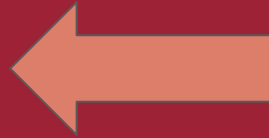
April 3

April 24

May 1

May 15

## **SBAC Meeting Dates - will add Meetings as needed**



**4:00 - 6:00 pm**

# Superintendent's Budget Advisory Committee



# Appendix

SBAC Resources  
Key Vocabulary/Terms

SBAC Resources

EXCELLENCE

EQUITY

ENGAGEMENT

ENRICHMENT

# Core Values of Resource Allocation



## Equity

We allocate resources to create the conditions to realize our district mission, address inequities and remove barriers that hinder that mission from being realized



## Transparency

We believe it essential that the community understands the criteria and conditions that inform the allocation of resources



## Excellence

We engage in continuous improvement - reflecting on resource allocation decisions, progress monitoring and using data to inform and evaluate implementation and impact



## Engagement

We believe that context matters and that those closest to the work with the deepest understanding must have input in the decisions to leverage resources and meet student needs.




## Sustainability


We allocate resources responsibly, planning not just on how to start programming but also considering staff, time, and resources required to sustain those initiatives.



## Stability

Unaudited Actuals	How much the district actually spent in expenditures and earned in revenue for the year ended June 30, 2022
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# KEY TERMS

 <p><b>LCFF Base</b></p>	<p>The Local Control Funding Formula (LCFF) is hallmark legislation that fundamentally changed how all local educational agencies (LEAs) in the state are funded, and provides funding based a per pupil grant allocation for each grade span.</p>
<p><b>LCFF Supplemental</b></p>	<p>Equal to 20 percent of the adjusted base grant multiplied by ADA and the unduplicated percentage of targeted disadvantaged pupils. Targeted pupils are those classified as English learners (EL), meet income requirements to receive a free or reduced-price meal (FRPM), foster youth, or any combination of these factors (unduplicated count).</p>
<p><b>Services and Operating Expenses</b></p>	<p>Expenditures for professional services, instructional and non-instructional services &amp; consultants, sub-agreements for services, legal services, field trip costs, printing, advertising, catering, and computer software licenses &amp; subscriptions.</p>
<p><b>Direct Costs</b></p>	<p>Transfer of costs for services between departments and programs include services provided such as printing, transportation for field trips, catering, maintenance &amp; repair, and technology expenses.</p>
<p><b>Indirect Costs</b></p>	<p>Transfer of indirect costs between programs and funds. Indirect costs are district-wide general management costs. It consists of administrative activities necessary for the general operation of the district, as as accounting, budgeting, payroll preparation, personnel services, purchasing, centralized data processing.</p>

# KEY TERMS

Average Daily Attendance (ADA)	Total ADA is defined as the total number of days of student attendance divided by the total number of days in the school year. Absent students are not counted in the daily count. A student attending every day would equal one ADA. ADA is not the same as enrollment, which is the number of students enrolled in district.
Unduplicated Pupil	Unduplicated of pupils are students who (1) are English learners, (2) meet income or categorical eligibility requirements for free or reduced-price meals under the National Schools Lunch Program, or (3) are foster youth.
Cost of Living Allowance (COLA)	An increase in funding for schools from the state or federal government due to inflation. The funded COLA for FY 2022-23 is 6.56%
Fund 20: Special Reserve Fund for Postemployment Benefits	Fund 20 is a fund districts many use to account for amounts the LEA has earmarked for the future cost of postemployment benefits but has not contributed irrevocably to a separate trust for the postemployment benefit plan. Amounts accumulated in this fund must be transferred back to the general fund for expenditure

# Advisory Committee Purpose, Roles and Responsibilities



Advisory committees serve the Berkeley Unified School District in an *advisory* capacity on matters pertaining to various aspects of the district plans and budgets in collaboration with district staff and other committee members. The scope of which varies depending on committee (see [District Training Committee Resource Website](#))

- ❑ Liaison and represent your school communities, etc on the committees
  - ❑ Share Information
- ❑ Focus on advisement and collaboration with district staff
- ❑ Review and monitor implementation of respective plans, budget and implementation/impact metrics
- ❑ Provide recommendations (to principals, district staff, and/or the Superintendent), as appropriate

The background of the slide is a dense, overlapping pattern of US dollar bills, including \$100 and \$500 bills, rendered in a dark red color. The bills are scattered across the entire frame, creating a textured, financial backdrop.

# Big Ideas and TakeAways

From 2022 SBAC Committee

*“We can do anything but we can’t do everything”*



# Berkeley

## PUBLIC SCHOOLS

# Questions

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