

REVISED: 06/09/03

**BERKELEY UNIFIED SCHOOL DISTRICT
2134 Martin Luther King Jr. Way
Berkeley, CA 94704-1180
Phone: (510) 644-8764 Fax: (510) 540-5358**

SPECIAL MEETING OF THE BOARD OF EDUCATION - AGENDA

Wednesday, June 11, 2003

Call to Order The Presiding Officer will Call the Meeting to Order at 6:00 p.m. **The Board will recess to Closed Session immediately following the public meeting.**

Roll Call President Joaquin J. Rivera
 Vice President John T. Selawsky
 Director Terry S. Doran
 Director Shirley Issel
 Director Nancy Riddle
 Student Director Andy Turner*

Administration Superintendent Michele Lawrence, Secretary

Prior to Closed Session (Government Code Sections 3549.1(d), 54956.9(a) and 54957) and Education Code Section 48918(c)

- a) Conference with Legal Counsel—Existing Litigation
- b) Consideration of Student Expulsion
- c) Collective Bargaining
- d) Public Employee Discipline/Dismissal/Release
- e) Public Employment Appointments
- f) Liability Claims
- g) Property Acquisition

*The Student Director does not attend Closed Session.

Report Closed
Session Action Motion_____ Second_____ Vote_____

Approve Agenda Approve the Special Meeting Agenda of June 11,
2003
Motion_____ Second_____ Vote_____

PUBLIC HEARING – 6:00 P.M.

Persons wishing to speak during the **Public Hearing** should fill out a card located on the table by the door and submit the completed card to the Board Recorder. Speakers will be selected by lottery.

REPORTS Union Representatives' Report
Advisory Councils'
Superintendent's Report
Board Members' Reports

CONFERENCE

These items are submitted for advance planning and to assist the Board in establishing future agenda items. The Board may, however, take action on the following:

Business and Operations

4.1-I Staff Recommendation:
Preliminary Budget Review and Discuss the 2003-2004
2003-2004 Preliminary Budget as proposed

PUBLIC TESTIMONY

Persons wishing to address the Board at this time should fill out a card located on the table by the door and submit the completed card to the Board Recorder. (Public Testimony is limited to a maximum of 30 minutes—3 minutes per speaker.)

RECESS TO CLOSED SESSION

REPORT ACTION FROM CLOSED SESSION

ANNOUNCEMENT

Schedule of Board of Education Meetings for 2003:

June 11, 2003
June 18, 2003
July 2, 2003
August 20, 2003
September 3, 2003
September 17, 2003
October 1, 2003
October 15, 2003
November 5, 2003
November 19, 2003
December 3, 2003
December 17, 2003

ADJOURNMENT: Time _____

**Board of Education Meetings are broadcasted live on KPFB/FM 89.3
Cable Television Channels 25 and Berkeley's Government Access Channel
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GUIDELINES FOR SPEAKERS

You are invited to participate in Meetings of the Board of Education and make your views known at these meetings.

WHEN YOU WANT TO TALK ABOUT AN AGENDA ITEM OR A NON-AGENDA ITEM:

Please fill in a **REQUEST TO ADDRESS THE BOARD OF EDUCATION CARD** (located on the side of the Speaker's Stand) and give it to the Board Recorder. Speakers will be selected by lottery. Your card must be submitted before the Presiding Officer calls for the item—**PUBLIC TESTIMONY**.

You will be called on to speak by the Presiding Officer.

A speaker has three minutes in which to make his/her remarks. (The Presiding Officer will extend the time allocation for those with special speech needs.)

Any subject related to the District or its educational programs may be discussed at Board of Education Meetings **except matters pertaining to individual employees of the Berkeley Unified School District**. There is an established procedure for making such complaints. You may obtain information about this procedure from a school or from the Superintendent's Office.

Measure BB

BERKELEY UNIFIED SCHOOL DISTRICT COMPARISON REPORT (BB)									
SACS		Old	Audited Actuals 2001-02	Adopted Budget 2002-03	Second Interim 2002-03	Third Interim 2002-03	Preliminary Budget 2003-04	Prelim. Bdgt vs. Third Int.	% Variance
Objects	Description	Codes	As of 6/30/02	Revised 8/7/02	As of 1/31/03	As of 5/9/03	As of 6/11/03		
CLASSIFIED SALARIES									
2202	Classified support monthly sal	2202		1,515,826	1,365,132	1,365,132	1,571,537	206,405	15.12%
2212	Classified support overtime	2212		50,000	72,000	72,000	15,000	-57,000	-79.17%
2216	Class support hrly/daily subs	2216		62,000	105,503	105,503	18,000	-87,503	-82.94%
2250	Cash in lieu of benefits				2,392	2,392		-2,392	-100.00%
2200	Subtotal		200,844.27	1,627,826	1,545,027	1,545,027	1,604,537	59,510	3.85%
2302	Class super & admin monthly sal	2302	102,913.66	352,581	204,625	204,652	209,742	5,090	2.49%
2300	Subtotal		102,913.66	352,581	204,625	204,652	209,742	5,090	2.49%
2402	CleriCal teCh & ofC staff sal	2402		221,369	128,195	128,195	129,250	1,055	0.82%
2412	CleriCal teCh & ofC staff overtime	2412		12,000	12,000	12,000		-12,000	-100.00%
2416	CleriCal hrly dialy subs other	2416		26,000	26,000	26,000		-26,000	-100.00%
2400	Subtotal		957,344.97	259,369	166,195	166,195	129,250	-36,945	-22.23%
???????	Classified personnel salaries								
	Subtotal		1,261,102.90	0	0	0	0	0	#DIV/0!
	Total		2,522,205.80	2,239,776.00	1,915,847.00	1,915,874.00	1,943,529.00	27,655.00	#DIV/0!
EMPLOYEE BENEFITS									
3202	PubliC empl. ret. sys, Classif	3202		64,819	51,864	51,864	200,787	148,923	287.14%
3302	OASDI/MediCare/alt. Classifpos	3302	80,085.18	171,342	141,057	141,057	150,973	9,916	7.03%
	MediCare - Non InstruCtional	3340	19,130.76					0	#DIV/0!
	Health & Welfare Benefits Non-Instructional	3340	125,302.04					0	#DIV/0!
3402	Health & welfare bene.Classif	3402	8,130.72	315,306	335,818	335,818	362,045	26,227	7.81%
3502	State unemployment ins. Classi	3502	1,174.43	2,688	2,261	2,261	5,930	3,669	162.27%
3602	Workers' Compensation ins.Clss	3602	39,721.75	95,192	83,904	83,904	94,874	10,970	13.07%
3802	PERS reduCtion, Classified pos	7270	153,691.18	226,801	187,128	187,128	50,308	-136,820	-73.12%
	Subtotal		427,236.06	876,148	802,032	802,032	864,917	62,885	7.84%
BOOKS AND SUPPLIES									
4300	Materials and supplies	4300		40,000	31,000	31,000	20,000	-11,000	-35.48%
4350	Other supplies	4350	185,401.60	360,000	345,000	370,000	200,000	-170,000	-45.95%
4400	Equipment \$500 to \$5,000	4400		100,000	88,000	88,000	155,000	67,000	76.14%
	Subtotal		185,401.60	500,000	464,000	489,000	375,000	-114,000	-23.31%
SERV., OTHER OPER. SUPP.									
5200	Travel and ConferenCes	5200	360.00	3,000	3,000	3,000			
5600	Rentals, leases, and repairs	5600	105,255.52	120,000	348,600	353,600	475,000	121,400	34.33%
5714	Proj billing inter program	5714		-88,930	-44,000	6,000			
5750	Dir. Costs for interfund svCs	5750	40,833.33						
5754	ProjeCt billing interfund	5754		-30,402	-30,402	-80,402	25,000	105,402	-131.09%
5800	Prof/Consulting svCs & opr exp	5800	730,656.40	644,000	451,400	451,400	25,000 / 03	-426,400	-229.41%

Measure BB

BERKELEY UNIFIED SCHOOL DISTRICT COMPARISON REPORT (BB)									
			Audited Actuals	Adopted Budget	Second Interim	Third Interim	Preliminary Budget		
SACS		Old	2001-02	2002-03	2002-03	2002-03	2003-04	Prelim. Bdgt	%
Objects	Description	Codes	As of 6/30/02	Revised 8/7/02	As of 1/31/032	As of 5/9/03	As of 6/11/03	vs. Third Int.	Variance
5829	Legal Fees				0				
5930	Telephone				0		5,400	5,400	#DIV/0!
	Subtotal		877,105.25	647,668	728,598	733,598	530,400	-203,198	-27.70%
	CAPITAL OUTLAY								
6100	Sites & Improvement				50,000	50,000	50,000	0	0.00%
6200	Buildings & improvement of bldgs	6200	22,751.56					0	#DIV/0!
6400	Equipment	6400	33,434.11	100,000	255,000	295,000	250,000	-45,000	-15.25%
	Subtotal		56,185.67	100,000	305,000	345,000	300,000	-45,000	-13.04%
	TOTAL EXPENDITURES		2,807,031.48	4,363,592	4,215,477	4,285,504	4,013,846	-271,658	-6.34%
8621	ParCel taxes	8621	3,587,295.21	4,105,000	4,105,000	4,105,000	3,928,846	-176,154	-4.29%
8650	Leases and rentals	8650		25,000	25,000	25,000		-25,000	-100.00%
8660	Interest	8660		150,000	104,000	104,000	75,000	-29,000	-27.88%
8699	All other loCal revenue	8699	22,500.00	10,000	10,000	10,000	10,000	0	0.00%
	TOTAL REVENUE		3,609,795.21	4,290,000	4,244,000	4,244,000	4,013,846	-230,154	-5.42%
	EXCESS/(DEFICIT)		802,763.73	-73,592	28,523	-41,504	0	41,504	-100.00%
	BEGINNING FUND BALANCE				802,764	802,764	902,113	99,349	12.38%
9793	Audit Adjustment - A/R for parcel taxes					140,853			
9791	ENDING FUND BALANCE		802,763.73	-73,592	831,287	902,113	902,113	0	0.00%
	3% Economic Uncertainties				126,464	128,565	120,415	-8,150	-6.34%
	Net ENDING FUND BALANCE				\$704,822	\$773,548	\$781,698	8,150	1.05%

BERKELEY UNIFIED SCHOOL DISTRICT									
COMPARISON REPORT (excludes BB and BSEP)									
General Fund - Unrestricted - with Salary Increase									
			Audited Actuals	Adopted Budget	Second Interim	Third Interim	Preliminary Budget		
SACS		Old	2001-02	2002-03	2002-03	2002-03	2003-04	Prelim. Bdgt	
Objects	Description	Codes	As of 6/30/02	Revised 8/7/02	As of 1/31/03	As of 5/9/03	As of 6/11/03	vs. Third Int.	% Variance
CERTIFICATED SALARIES									
11xx	Teachers' Salaries		25,861,141.75	25,430,659	25,280,964	25,442,499	21,718,488	(3,724,011)	-14.64%
12xx	Certificated Support Salaries		2,286,411.01	1,003,792	815,363	817,933	692,664	(125,269)	-15.32%
13xx	Supervisors' salaries		305,876.53	3,320,501	3,622,254	3,598,098	2,994,834	(603,264)	-16.77%
	Librarians' Salaries	1400	242,814.83		0			0	
	Guidance, Welfare & Attendance	1500	596,817.71		0			0	
	Physical and Mental Health Sal.	1600	66,718.44		0			0	
	Superintendents' salaries	1700	481,128.68		0			0	
	Administrative Personnel Sal	1800	91,018.84		0			0	
	Other Certificated Salaries	1900	6,868.92	91,806	92,984	92,984	64,878	(28,106)	-30.23%
	<i>Subtotal</i>		29,938,796.71	29,846,758	29,811,565	29,951,514	25,470,864	(4,480,650)	-14.96%
CLASSIFIED SALARIES									
21xx	Instructional Aides' Salaries		177,298.89	112,912	171,206	177,271	133,369	(43,902)	-24.77%
22xx	Classified Support Salaries		1,017,014.06	3,536,112	3,338,917	3,320,623	3,022,783	(297,840)	-8.97%
23xx	Classified Super. & Admin Sal		2,968,221.34	895,861	920,068	920,068	772,528	(147,540)	-16.04%
24xx	Clerical, Tech & Off. Staff Sal.		2,537,048.22	2,819,993	2,660,268	2,680,146	2,836,527	156,381	5.83%
	Food Services Salaries	2500	179.47						
	Transportation Salaries	2600	61.23						
29xx	Other Classified Salaries		1,860,683.50	18,038	207,381	204,394	142,416	(61,978)	-30.32%
	<i>Subtotal</i>		8,560,506.71	7,382,916	7,297,840	7,302,502	6,907,623	(394,879)	-5.41%

BERKELEY UNIFIED SCHOOL DISTRICT									
COMPARISON REPORT (excludes BB and BSEP)									
General Fund - Unrestricted - with Salary Increase									
		Old	Audited Actuals	Adopted Budget	Second Interim	Third Interim	Preliminary Budget		
SACS	Description	Codes	2001-02	2002-03	2002-03	2002-03	2003-04	Prelim. Bdgt	
Objects	Description	Codes	As of 6/30/02	Revised 8/7/02	As of 1/31/03	As of 5/9/03	As of 6/11/03	vs. Third Int.	% Variance
EMPLOYEE BENEFITS									
3101	STRS - Certificated	3110	1,965,548.20	2,465,071	2,424,712	2,424,089	2,121,944	(302,145)	-12.46%
3102	STRS - Classified	3120	329,193.87						
3201	PERS - Certificated	3201	(1,635.39)		2,846	3,931		(3,931)	-100.00%
3202	PERS - Classified	3202	(5,826.43)	188,236	173,493	176,641	636,126	459,485	260.12%
3301	OASDI/Medicare - Certificated	3301	91,338.73	432,740	460,278	464,835	396,266	(68,569)	-14.75%
3302	OASDI/Medicare - Classified	3302	577,498.38	542,309	550,567	556,808	538,199	(18,609)	-3.34%
	Medicare - Instructional	3330	276,889.99						
	Medicare - Non Instructional	3340	139,453.89						
3401	Health & Welfare - Certificated	3401	2,549,015.80	2,615,828	2,638,919	2,615,738	3,560,603	944,865	36.12%
3402	Health & Welfare - Classified	3402	149,126.11	1,132,971	1,218,135	1,205,297	1,193,907	(11,390)	-0.94%
	Health & Welfare - Non Instruct.	3420	2,699,547.35						
	Health & Welfare - Non Instruct.	3421	38,830.91						
3501	SUI - Certificated	3501	62,919.85	35,941	55,713	55,901	77,582	21,681	38.78%
3502	SUI - Classified	3502	38,130.79	8,250	8,766	9,093	21,472	12,379	136.14%
3601	Workers Comp. - Certificated	3601	778,769.19	1,275,721	1,643,174	1,651,243	1,441,300	(209,943)	-12.71%
3602	Workers Comp. - Classified	3602	376,969.75	291,706	609,385	618,981	543,356	(75,625)	-12.22%
3701/3901	Retiree & other Ben. - Certificated	3701	37,639.39	1,150,360	950,360	958,600	860,000	(98,600)	-10.29%
3702/3902	Retiree & other Ben. - Classified	3702	22,619.31	1,056,640	881,640	881,640	410,000	(471,640)	-53.50%
3801	PERS Reduction - Certificated	3801			972	4,013		(4,013)	-100.00%
3802	PERS Reduction - Classified	3802		598,240	741,546	708,313	168,117	(540,196)	-76.27%
	<i>Subtotal</i>		10,126,029.69	11,794,013	12,360,506	12,335,123	11,968,872	(366,251)	-2.97%
BOOKS AND SUPPLIES									
4100	Apprv. Texts & core curr. Mat'l	4110	0.00	1,600	1,600	1,600		(1,600)	-100.00%
	Text Books - Grades K-8	4140	943.11						
	Text Books - State Instruct. Mat'l	4150	0.00						
4200	Books - Other reference materials	4210	6,149.74	303	300	300	300		0.00%
	Books - Other Grades K-8	4240	0.00						
	Books - Other Grades 9-12	4250	0.00						
4300	Instructional Materials	4310	114,774.32	54,797	265,161	152,593	160,216	7,623	5.00%
	Instructional Materials - K-8	4340	0.00					0	
	Instructional Materials - 9-12	4350	0.00					0	
4350	Other Supplies	4500	485,045.51	614,938	687,260	705,408	413,615	(291,793)	-41.37%
	Pupil Transportation Supplies	4600	0.00						
4400	Equipment \$500 to \$5,000	4400	0.00	51,586	60,418	170,418	85,700	(84,718)	-49.71%
	Food	4710	0.00						
	<i>Subtotal</i>		606,912.68	723,224	1,014,739	1,030,319	659,831	(370,488)	-35.96%
SERVICES, OTHER OPERATING SUPPLIES									

BERKELEY UNIFIED SCHOOL DISTRICT									
COMPARISON REPORT (excludes BB and BSEP)									
General Fund - Unrestricted - with Salary Increase									
		Old	Audited Actuals	Adopted Budget	Second Interim	Third Interim	Preliminary Budget		
SACS		Old	2001-02	2002-03	2002-03	2002-03	2003-04	Prelim. Bdgt	
Objects	Description	Codes	As of 6/30/02	Revised 8/7/02	As of 1/31/03	As of 5/9/03	As of 6/11/03	vs. Third Int.	% Variance
	Instructional Personal Services	5110	40,770.19						
	BSEP - Unallocated Exp Reserve	5880	0.00						
5200	Travel & Conferences	5200	51,167.68	64,114	59,549	57,972	41,550	(16,422)	-28.33%
5300	Dues and Memberships	5300	37,278.27	40,166	48,955	48,839	29,310	(19,529)	-39.99%
5400	Insurance	5450	272,215.04	400,000	531,850	531,850	535,000	3,150	0.59%
5510	Water / Sewage	5500	2,264,055.29	1,991,498	262,000	262,000	262,000	0	0.00%
5520	Natural Gas				221,425	221,425	220,000	(1,425)	-0.64%
5540	Garbage				292,104	292,104	312,000	19,896	6.81%
5550	Electricity				1,105,969	1,105,969	1,100,000	(5,969)	-0.54%
5560	Laundry Service	5560		3,030	1,515	1,515	1,200	(315)	-20.79%
5570	Alarm Service	5570		90,000	90,000	90,000	90,000	0	0.00%
5600	Rental, Leases & Repairs	5600	806,510.70	173,787	209,835	209,332	138,600	(70,732)	-33.79%
5620	Maintenance Contracts				205,820	205,820	226,345	20,525	9.97%
5710	Interprog. Dir. Costs/field trips	5710	46,916.34	128,104	33,174	33,174	40,000	6,826	20.58%
5750	Interfund Direct Costs	5750	(167,072.40)	(16,853)	(181,471)	(181,471)	(71,097)	110,374	-60.82%
5800	Contract Services	5800	3,670,004.88	2,178,831	2,389,375	1,958,973	873,765	(1,085,208)	-55.40%
5813	FCMAT	5813		330,000	99,289	292,652	55,835	(236,817)	-80.92%
5814	QSS support/ training	5814		38,000	38,000	38,000	36,000	(2,000)	-5.26%
5810	Non-public School costs	5810	0.00					0	
5950	Postage - interfund	5816				(3,350)		3,350	-100.00%
5820	Outside Printing	5820		20,000	105,073	107,283	98,250	(9,033)	-8.42%
5829	Legal Fees	5829				418,000	385,000	(33,000)	-7.89%
5910	Postage/mailing	5910		(12,226)	104,838	90,138	79,000	(11,138)	-12.36%
5920	Cell Phone	5920			500	500	3,500	3,000	600.00%
5930	Telephone	5930	0.00	362,100	339,500	346,850	344,900	(1,950)	-0.56%
	Subtotal		7,021,845.99	5,790,551	5,957,300	6,127,575	4,801,158	(1,326,417)	-21.65%
CAPITAL OUTLAY									
6100	Sites & Improvement of Sites		0.00	0	0	15,000	0	(15,000)	-100.00%
6200	Building & improvement of Bldg.		235,370.90		0			0	
6400	Equipment		197,635.14		30,465	30,315	0	(30,315)	-100.00%
6500	Equipment Replacement		0.00		0			0	
	Subtotal		433,006.04	0	30,465	45,315	0	(45,315)	-100.00%
OTHER OUTGO									
7140	State Special Schools		0.00	0	0				
7190	Other Tuition, Excess Costs		0.00		0			0	
7270	PERS Reduction fr. R/L		1,121,448.75		0			0	
	Subtotal		1,121,448.75	0	0	0	0	0	
DIRECT SUPPORT/INDIRECT COSTS									

BERKELEY UNIFIED SCHOOL DISTRICT									
COMPARISON REPORT (excludes BB and BSEP)									
General Fund - Unrestricted - with Salary Increase									
SACS		Old	Audited Actuals	Adopted Budget	Second Interim	Third Interim	Preliminary Budget		
Objects	Description	Codes	2001-02	2002-03	2002-03	2002-03	2003-04	Prelim. Bdgt vs. Third Int.	% Variance
			As of 6/30/02	Revised 8/7/02	As of 1/31/03	As of 5/9/03	As of 6/11/03		
7310	Interprogram Direct Supp. Costs		(694,803.00)	(67,173)	0			0	
7340	Interprogram Indirect Costs		(531,385.61)	(254,354)	(729,003)	(915,764)	(335,255)	580,509	-63.39%
7350	Interfund Direct Supp. Costs		(117,762.23)	(286,854)	(280,435)	(275,137)	(297,360)	(22,223)	8.08%
7390	Interfund Indirect Costs		(593,888.81)	(545,342)	(549,001)	(584,264)	(859,002)	(274,738)	47.02%
7438/7439	Debt Service interest/principal		0.00		0			0	
	Subtotal		(1,937,839.65)	(1,153,723)	(1,558,439)	(1,775,165)	(1,491,617)	283,548	-15.97%
INTERFUND TRANSFERS OUT									
7619	To: Adult Ed - lottery		0.00	150,000	150,000	150,000	150,000	0	0.00%
7615	To: Deferred Maintenance Fund		0.00		0			0	
7616	To: Cafeteria Fund		0.00	350,000	0			0	
7619	To: Self Insurance Fund			575,738	575,738	1,075,738	687,738	(388,000)	-36.07%
7619	Other Authorized Transfers Out		899,410.96						
	Subtotal		899,410.96	1,075,738	725,738	1,225,738	837,738	(388,000)	-31.65%
USES									
7639	Other Debt Service		0.00		0			0	
7699	All Other Uses - payback State		0.00	0	119,552	0	0	0	
Total 7s			83,020.06	(77,985)	(713,149)	(549,427)	(653,879)	(104,452)	19.01%
	TOTAL EXPENDITURES		56,770,117.88	55,459,477	55,759,266	56,242,921	49,154,469	(7,088,452)	-12.60%
REVENUE LIMIT SOURCES									
8011	State Aid - current year		18,669,902.00	19,310,187	18,572,157	18,552,260	15,820,540	(2,731,720)	-14.72%
8019	State Aid - prior years		(290,224.00)	(312,915)	(193,363)	(119,552)	(22,691)	96,861	-81.02%
8021	Homeowners' Exemptions		203,786.49	217,872	203,786	203,786	203,786	0	0.00%
8030	Trailer Coach Fees		0.00					0	
8041	Secured Roll Taxes		12,781,980.88	12,203,994	12,781,981	12,781,981	12,973,711	191,730	1.50%
8042	Unsecured Roll Taxes		1,113,647.36	1,062,024	1,113,647	1,113,647	1,130,352	16,705	1.50%
8043	Prior Years' Taxes		44,904.79	42,330	44,905	44,905	45,000	95	0.21%
8044	Supplemental Taxes		664,043.93	370,362	664,044	664,044	664,044	0	0.00%
8045	Education Rev.Aug. Fund (ERAF)		10,731,282.47	10,894,926	10,731,282	10,731,282	10,731,282	0	0.00%
8047	Prop 13 - Other Taxes		0.00						
8049	Property Tax Collection Fees		0.00						
8082	Other In-Lieu Taxes		0.00						
8091	Special Education ADA Transf.		(174,839.58)	(345,717)	(345,717)	(345,717)	(193,316)	152,401	-44.08%
8092	PERS Reduction Transfer		1,699,467.00	1,429,580	1,743,304	1,734,309	1,530,000	(204,309)	-11.78%
8094	Transfer to Adult Ed Fund		0.00					0	
8097	Propert Tax Transfers		0.00					0	
8099	All Other Transfers - meals needy		(424,482.05)	(435,000)	0			0	
	Subtotal		45,019,469.29	44,437,643	45,316,026	45,360,945	42,882,708	6/9/03 (2,478,237)	1:21 PM -5.46%

BERKELEY UNIFIED SCHOOL DISTRICT									
COMPARISON REPORT (excludes BB and BSEP)									
General Fund - Unrestricted - with Salary Increase									
			Audited Actuals	Adopted Budget	Second Interim	Third Interim	Preliminary Budget		
SACS		Old	2001-02	2002-03	2002-03	2002-03	2003-04	Prelim. Bdgt	
Objects	Description	Codes	As of 6/30/02	Revised 8/7/02	As of 1/31/03	As of 5/9/03	As of 6/11/03	vs. Third Int.	% Variance
FEDERAL REVENUES									
8160	ECIA?ESEA/IASA	3010	0.00	0	0			0	
8181	Special Ed Entitlement		0.00	0	0			0	
8182	Discretionary Grants	various	0.00	0	0			0	
8190	EESA/Math & Science	4010	0.00	0	0			0	
8210	Drug/Alcohol/ Tobacco Funds	3710	0.00	0	0			0	
8140	Education Prof. Dev Act		0.00	0	0			0	
8240	Voc. & Applied Technology	3550	0.00	0	0			0	
8290	Other Federal Revenues		0.00	0	0			0	
	<i>Subtotal</i>		<i>0.00</i>	<i>0</i>	<i>0</i>	<i>0</i>	<i>0</i>	<i>0</i>	
OTHER STATE REVENUES									
8321	Special Ed - current year		0.00						
8329	Special Ed - prior years		0.00					0	
8331	Gifted & Talented pupils	7140	0.00					0	
8341	Driver Training		0.00					0	
8342	Home to School Transportation	7230	0.00					0	
8344	School Improvement Program	7260	0.00					0	
8346	Economic Impact Aid	7090/709	0.00					0	
8347	Spec. Aid Transportation	7240	0.00					0	
8414	Demo program, intensive Instret.	7050	0.00					0	
8415	Instructional Mat'l - Elementary	7155/718	0.00					0	
8416	Instructional Mat'l - Secondary	7160	0.00					0	
8417	Instructional Mat'l - Other		0.00					0	
8418	Voc. Ed., Handicapped Students	3405	0.00					0	
8419	Staff Development	7315	0.00					0	
8421	Tenth Grade Counseling	7375	0.00					0	
8422	Mentor Teaching	7270	0.00					0	
8424	Education Technology Asst. Gts.	7120	0.00					0	
8434	Class Size Reduction - K-3		2,319,456.00	2,379,476	2,366,472	2,366,472	2,215,170	(151,302)	-6.39%
8435	Class Size Reduction - 9-12	1200	0.00	267,840	204,258	204,258	0	(204,258)	-100.00%
8490	Other Instructional Allowances		0.00		0			0	
8520	Child Nutrition Programs	5380	0.00		0			0	
8550	Mandated Costs Reimbursements		520,554.00	492,142	492,142	0	0	0	
8560	State Lottery Revenue		1,343,632.85	1,241,305	1,270,835	1,270,835	1,155,081	(115,754)	-9.11%
8580	Drug/Alcohol/ Tobacco Funds	6670/666	0.00					0	
8581	Healthy Start	6240/624	0.00					0	
8551	Voluntary Integration		4,232,856.00	4,277,242				0	
8590	All Other State Revenues		747,104.71	109,778	113,258	336,273	735,750	6/9/03 399,477	1:21 PM 118.80%

BERKELEY UNIFIED SCHOOL DISTRICT									
COMPARISON REPORT (excludes BB and BSEP)									
General Fund - Unrestricted - with Salary Increase									
SACS		Old	Audited Actuals	Adopted Budget	Second Interim	Third Interim	Preliminary Budget		
Objects	Description	Codes	2001-02	2002-03	2002-03	2002-03	2003-04	Prelim. Bdgt	% Variance
			As of 6/30/02	Revised 8/7/02	As of 1/31/03	As of 5/9/03	As of 6/11/03	vs. Third Int.	
	<i>Subtotal</i>		9,163,603.56	8,767,783	4,446,965	4,177,838	4,106,001	(71,837)	-1.72%
OTHER LOCAL REVENUES									
8621	Parcel Taxes		0.00						
8677	Interagency Services		0.00			15,101	15,000	(101)	-0.67%
8650	Leases and Rentals		346,454.44		0	400,000	400,000	0	0.00%
8660	Interest		1,379,551.82	1,007,860	400,000	400,000	50,000	(350,000)	-87.50%
8671	Children's Centers Fees		0.00		0			0	
8631	Sale of Equipment & Supplies		0.00		0		1,000	1,000	
8710	Tuition		0.00		0			0	
8721	SELPA Transfers in From districts		0.00		0			0	
8722	SELPA Transfers in From County		0.00		0			0	
8689	All Other Fees and Contracts		27,132.93		0			0	
8699	All Other Local Revenues		276,897.87	150,873	162,373	162,842		(162,842)	-100.00%
	<i>Subtotal</i>		2,030,037.06	1,158,733	562,373	977,943	466,000	(511,943)	-52.35%
OTHER FINANCING SOURCES									
8914	Interfund Transfers - Bond Redem.		0.00						
8919	Other Authorized Transfers In		0.00					0	
8935	School Facilities Apportionments		0.00					0	
8951	Proceeds from Sale of Bonds		0.00					0	
8953	Proceeds from Sale of Land/Bldg.		0.00					0	
8981	BSEP Contribution		4,588,266.78	5,954,084	5,954,084	5,712,000	5,790,470	78,470	1.37%
8980	Contribution fr. Unrestricted - Transp.		(3,744,763.53)	(8,553,740)	(1,628,979)	(1,628,979)	(2,019,334)	(390,355)	23.96%
8980	Contribution fr. Unrestricted - Special Ed				(8,222,802)	(7,193,604)	(9,363,320)	(2,169,716)	
8980	Contribution fr. Unrestr. - others				(14,623)	(37,564)	(19,586)	17,978	
8990	Contribution from Restricted - TIIG		0.00		4,399,262	4,400,442	4,363,878	(36,564)	-0.83%
	<i>Subtotal</i>		843,503.25	(2,599,656)	486,942	1,252,295	(1,247,892)	(2,500,187)	-199.65%
TOTAL REVENUES			57,056,613.16	51,764,503	50,812,306	51,769,021	46,206,817	(5,562,204)	-10.74%
EXCESS									
(DEFICIT)			286,495.28	(3,694,974)	(4,946,960)	(4,473,900)	(2,947,652)	1,526,248	-34.11%
BEGINNING FUND BALANCE			\$1,933,606	\$1,933,606	\$4,055,041	\$4,055,041	(\$418,859)	(4,473,900)	-110.33%
9635	Restricted Fund Balance		0.00						
9611	Revolving Cash Fund Reserve		100,000.00	100,000	100,000	100,000	100,000	0	0.00%
9612	Stores/ Inventory Reserve		49,256.58	55,151	55,151	55,151	55,151	0	0.00%
9613	Prepaid Expense Reserve		258,875.00					0	
9640	Legally Restricted Balances		0.00					6/9/03	0

BERKELEY UNIFIED SCHOOL DISTRICT									
COMPARISON REPORT (excludes BB and BSEP)									
General Fund - Unrestricted - with Salary Increase									
			Audited Actuals	Adopted Budget	Second Interim	Third Interim	Preliminary Budget		
SACS		Old	2001-02	2002-03	2002-03	2002-03	2003-04	Prelim. Bdgt	
Objects	Description	Codes	As of 6/30/02	Revised 8/7/02	As of 1/31/03	As of 5/9/03	As of 6/11/03	vs. Third Int.	% Variance
9710	Designated For Economic Uncert.		2,764,804.62	2,559,907	2,623,638	2,647,697	2,316,683	24,059	0.91%
9720	Other Designations							0	
9723	One-Time Carryovers		0.00					0	
9735	Unrestricted Fund Balance		0.00					0	
9770	Designated for BB		0.00					0	
9770	Designated for BSEPs		0.00					0	
9790	Undesignated Amount		0.00					0	
								0	
	ENDING FUND BALANCE							0	
9791			(952,834.92)	(4,476,426)	(3,670,708)	(3,221,707)	(5,838,345)	449,001	-13.94%
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BERKELEY UNIFIED SCHOOL DISTRICT						
Cafeteria Fund						
Year-to-year Comparison						
		Audited	Audited	Audited	3rd	
		Actuals	Actuals	Actuals	Interim	
DESCRIPTION	SACS CODE	1999-2000	2000-2001	2001-2002	Projected	Preliminary
		2002-2003	2003-2004			
REVENUE:						
Revenue Limit Sources	8099	\$406,729.11	\$469,688.92	\$424,482.05	\$0.00	\$0.00
Federal Reimbursement	8220	907,917.98	942,899.88	858,690.20	857,820.00	1,263,976.00
State Reimbursement	8520	56,400.29	60,543.58	53,558.71	52,863.00	93,687.00
Other State Reimbursement (PMP)	8590	0.00	0.00	0.00	0.00	0.00
Student Meals & A La Carte	8634	398,526.46	399,624.25	447,967.41	378,420.00	494,615.00
Interest	8660	24,024.85	17,076.42	(16,045.15)	0.00	0.00
Interest	8660	0.00	18,143.38	0.00	0.00	0.00
Child Development	5755	231,029.74	228,966.34	208,192.18	275,000.00	340,000.00
District Catering	5755	8,813.02	5,262.00	1,623.60	0.00	0.00
Other Local Income	8699	13,155.24	10,237.08	30,021.15	34,700.00	39,000.00
Charter School	8699	62,046.14	239,333.33	0.00	0.00	0.00
Subtotal Revenue		2,108,642.83	2,391,775.18	2,008,490.15	1,598,803.00	2,231,278.00
Interfund Transfer	8919.00-00	0.00	0.00	166,000.00	0.00	0.00
TOTAL REVENUE		\$2,108,642.83	\$2,391,775.18	\$2,174,490.15	\$1,598,803.00	\$2,231,278.00
EXPENDITURES:						
Administrators Salary	2302	\$109,185.81	\$136,766.77	\$195,154.47	\$177,500.00	\$190,160.00
Administrators Hourly	2316	701.06	5,482.60	0.00	0.00	0.00
Clerical Salary	2402	75,706.69	92,140.91	67,970.08	41,000.00	39,996.00
Clerical Overtime	2412	327.84	374.60	2,492.63	0.00	0.00
Clerical Hourly	2416	0.00	0.00	5,793.36	1,000.00	0.00
Drivers Salary	2202	88,554.98	94,320.78	125,785.48	125,000.00	124,737.00
Drivers Overtime	2212	786.05	2,291.43	689.35	750.00	750.00
Drivers Hourly	2216	4,603.19	16,239.69	3,857.52	3,800.00	
Drivers Stipends	2217	180.00	60.00	240.00	240.00	
Food Workers Salary	2202	471,144.32	557,846.61	568,437.32	550,000.00	563,178.00
Food Workers Overtime	2212	332.98	1,082.33	4,494.03	500.00	500.00
Food Workers Hourly	2216	104,416.62	120,294.77	107,308.77	40,000.00	43,800.00
Food Workers Stipends	2217	1,560.00	1,800.00	1,500.00	1,740.00	
Student Workers Hourly		432.06	50.00	0.00	0.00	0.00
Retirement Benefits					18,000.00	18,000.00
PERS	3202	1.38	0.00	0.00	29,000.00	99,827.00
FICA	3302	53,511.01	63,454.57	64,217.98	58,500.00	71,276.00
Medicare	3302	12,566.05	14,938.89	15,751.84	13,500.00	
Health & Dental	3402	119,941.70	152,957.91	148,917.87	235,000.00	251,336.00
Health in lieu (TSA)	2450	8,741.10	9,810.22	7,211.86	6,758.00	
SUI	3502	381.98	460.56	825.71	3,714.00	3,022.00
Workers Comp	3602	26,013.94	30,909.68	32,593.43	42,600.00	46,452.00
Supplies	4500	8,153.17	28,343.27	32,244.27	6,000.00	6,000.00
Equipment	4400				1,895.00	0.00
Food Items	4710	598,941.50	768,721.86	731,549.80	770,000.00	1,003,000.00
Food Items	4710				0.00	0.00
Non- food Items	4790	39,670.10	19,311.21	12,571.06	33,500.00	45,287.00
Travel / Conference	5200	7,345.38	8,153.74	4,421.41	1,500.00	0.00
Telephone	5500.30-00	3,586.18	3,784.65	0.00	0.00	0.00
Rental, Lease & Repairs	5600	6,436.34	5,630.28	18,761.91	15,000.00	15,000.00
Rental, Lease & Repairs	5600	0.00	5,660.00	0.00	0.00	0.00
Maintenance Agreements	5620				5,768.00	9,000.00
Reprographics & Mailing	5910	175.55	235.05	1,136.27	1,000.00	500.00
Other Expenses	5800	33,168.11	82,235.98	83,462.16	50,000.00	17,000.00
Cell Phone	5920				3,000.00	3,000.00
Equipment (New)	6400	77,365.28	88,625.20	82,249.64	50,000.00	20,000.00
Equipment (New)	6400	0.00	58,800.00	188,104.06	0.00	0.00
Equipment (replacement)	6500	39,956.38	0.00	31,252.63	0.00	0.00
PERS Reduction	3802	0.00	0.00	0.00	0.00	25,413.00
Direct Support Cost	7350	115,720.21	134,400.26	117,762.23	100,000.00	100,000.00
Indirect Support Cost	7390	85,056.32	104,506.13	99,443.44	148,038.00	171,571.00
TOTAL EXPENDITURES		2,094,663.28	2,609,689.95	2,756,200.58	2,534,303.00	2,868,805.00
Excess/ (deficiency) of Revenue ove		13,979.55	(217,914.77)	(581,710.43)	(935,500.00)	(637,527.00)
BEGINNING BALANCE		1,051,357.63	1,065,337.18	847,422.41	265,713.55	(645,165.45)
ENDING BALANCE		\$1,065,337.18	\$847,422.41	\$265,711.98	(\$669,786.45)	(\$1,282,692.45)
AUDIT ADJUSTMENT - INVESTMENT INTEREST					24,621.00	0.00
ADJUSTMENT - PERS REDUCTION						25,413.00
ADJUSTED ENDING BALANCE					(645,165.45)	(1,257,279.45)

BERKELEY UNIFIED SCHOOL DISTRICT						
Adult Education - Fund 11						
Year-to-year Comparison						
		Audited	Audited	Audited	3rd	
	SACS	Actuals	Actuals	Actuals	Interim	Preliminary
DESCRIPTION	CODE	1999-2000	2000-2001	2001-2002	Projected	2003-2004
REVENUE:						
Revenue Limit Sources	8011	\$0.00	\$0.00	\$0.00	\$3,767,409.00	\$3,751,106.00
All other Federal Revenue	8290	0.00	0.00	0.00	730,677.00	334,268.00
All other State Revenue	8590	0.00	0.00	0.00	61,606.00	30,851.00
Leases & Rentals	8650	0.00	0.00	0.00	50,000.00	50,000.00
Interest	8660	0.00	0.00	0.00	60,000.00	50,000.00
Adult Education Fees	8671	0.00	0.00	0.00	237,572.00	356,942.00
Adult Ed Interagency Fees	8978	0.00	0.00	0.00	115,560.00	0.00
Subtotal Revenue		0.00	0.00	0.00	5,022,824.00	4,573,167.00
Other Authorized Transfer In	8919	0.00	0.00	0.00	150,000.00	150,000.00
TOTAL REVENUE		\$0.00	\$0.00	\$0.00	\$5,172,824.00	\$4,723,167.00
EXPENDITURES:						
Certificated Salaries:						
Teachers' Monthly Salaries	1102	\$0.00	\$0.00	\$0.00	\$178,012.00	\$195,991.00
Substitute Teachers Illness	1103	0.00	0.00	0.00	2,728.00	600.00
Hourly Adult Ed Teaching	1104	0.00	0.00	0.00	1,840,226.00	1,855,156.00
Hrly Extra duty/ curr dv/ Adult	1106	0.00	0.00	0.00	281,572.00	74,042.00
Tchr hourly/ daily / subs	1116	0.00	0.00	0.00	172,321.00	153,201.00
Cash in lieu benefits	1150	0.00	0.00	0.00	43,393.00	37,925.00
Certificated Pupil supp. Mthly sal	1202	0.00	0.00	0.00	76,220.00	51,990.00
Certificated Supr & Admin sal	1302	0.00	0.00	0.00	325,669.00	280,411.00
Adm & Supv sick leave	1303	0.00	0.00	0.00	4,393.00	2,000.00
Adm & Supv hourly sal	1304	0.00	0.00	0.00	0.00	10,000.00
Adm & Supv Extra duty	1306	0.00	0.00	0.00	2,405.00	2,000.00
Adm & Supv subs	1316	0.00	0.00	0.00	5,367.00	0.00
Subtotal		0.00	0.00	0.00	2,932,306.00	2,663,316.00
Classified Salaries:						
Instructional Aides mthly sal	2102	0.00	0.00	0.00	60,125.00	57,271.00
Classified Support mthly sal	2202	0.00	0.00	0.00	129,553.00	139,958.00
Classified Support overtime	2212	0.00	0.00	0.00	25,000.00	23,500.00
Class support hrly / daily subs	2216	0.00	0.00	0.00	2,350.00	1,500.00
Clerical tech & Off staff sal	2402	0.00	0.00	0.00	530,976.00	477,760.00
Clerical tech & Off staff overtime	2412	0.00	0.00	0.00	14,464.00	16,000.00
Clerical hrly daily subs other	2416	0.00	0.00	0.00	6,618.00	6,600.00
cash in lieu of benefits	2450	0.00	0.00	0.00	0.00	8,000.00
Stipend / student workers	2917	0.00	0.00	0.00	26,500.00	0.00
Subtotal		0.00	0.00	0.00	795,586.00	730,589.00
Employee Benefits:						
State teachers retirement system	3101	0.00	0.00	0.00	242,395.00	216,598.00
PERS	3202	0.00	0.00	0.00	8,986.00	70,333.00
OASDI / Medicare Certificated	3301	0.00	0.00	0.00	54,560.00	38,072.00
OASDI / Medicare Classified	3302	0.00	0.00	0.00	56,213.00	55,280.00
Health & welfare - Certifiated	3401	0.00	0.00	0.00	24,711.00	66,197.00
Health & welfare - Classified	3402	0.00	0.00	0.00	112,368.00	130,858.00
SUI - Certificated	3501	0.00	0.00	0.00	3,743.00	7,877.00
SUI - Classified	3502	0.00	0.00	0.00	988.00	2,169.00
W / C - Certificated	3601	0.00	0.00	0.00	106,471.00	126,020.00
W / C - Classified	3602	0.00	0.00	0.00	27,700.00	34,686.00
PERS Reduction - Classified	3802	0.00	0.00	0.00	60,304.00	17,550.00
Subtotal		0.00	0.00	0.00	698,439.00	765,640.00
Books and Supplies:						
Apprv Texts & Corr materials	4100	0.00	0.00	0.00	45,297.00	11,500.00
Textbooks for resale	4150	0.00	0.00	0.00	9,500.00	10,000.00
Materials & supplies	4300	0.00	0.00	0.00	36,766.00	2,500.00
Other supplies	4350	0.00	0.00	0.00	47,404.00	28,000.00
Equipment \$500 to \$5000	4400	0.00	0.00	0.00	49,853.00	25,595.00
Subtotal		0.00	0.00	0.00	188,820.00	77,595.00

BERKELEY UNIFIED SCHOOL DISTRICT						
Adult Education - Fund 11						
Year-to-year Comparison						
		Audited	Audited	Audited	3rd	
	SACS	Actuals	Actuals	Actuals	Interim	
DESCRIPTION	CODE	1999-2000	2000-2001	2001-2002	Projected	Preliminary
					2002-2003	2003-2004
Services, Other Operating Supplies:						
Travel & conference	5200	0.00	0.00	0.00	15,845.00	2,500.00
Travel / training	5220	0.00	0.00	0.00	497.00	0.00
Local Travel	5230	0.00	0.00	0.00	500.00	0.00
Dues & memberships	5300	0.00	0.00	0.00	835.00	0.00
Water / sewage	5510	0.00	0.00	0.00	10,000.00	10,000.00
Natural gas	5520	0.00	0.00	0.00	8,000.00	8,000.00
Garbage	5540	0.00	0.00	0.00	5,000.00	5,000.00
Electricity	5550	0.00	0.00	0.00	46,000.00	46,000.00
Alarm Service	5570	0.00	0.00	0.00	1,800.00	1,800.00
Rentals, leases & repairs	5600	0.00	0.00	0.00	77,978.00	59,000.00
Maintenance contracts	5620	0.00	0.00	0.00	0.00	25,000.00
Prof / consulting services / opr svc	5800	0.00	0.00	0.00	80,927.00	21,844.00
Instr Personal Serv (gen)	5805	0.00	0.00	0.00	8,000.00	0.00
Workability II Match	5810	0.00	0.00	0.00	59,900.00	60,000.00
Carryover funds	5890	0.00	0.00	0.00	37,350.00	0.00
Outside Printing	5820	0.00	0.00	0.00	0.00	4,000.00
Postage	5910	0.00	0.00	0.00	13,069.00	0.00
Telephone	5930	0.00	0.00	0.00	13,105.00	8,000.00
Subtotal		0.00	0.00	0.00	378,806.00	251,144.00
Capital Outlay:						
Equipment	6400	0.00	0.00	0.00	5,000.00	0.00
Direct Support - interfund	7350	0.00	0.00	0.00	1,378.00	0.00
Indirect Cost - interfund	7390	0.00	0.00	0.00	199,448.00	234,883.00
TOTAL EXPENDITURES		0.00	0.00	0.00	5,199,783.00	4,723,167.00
Excess/ (deficiency) of Revenue over Ex		0.00	0.00	0.00	(26,959.00)	0.00
BEGINNING BALANCE		0.00	0.00	0.00	122,943.00	95,984.00
ENDING BALANCE		\$0.00	\$0.00	\$0.00	\$95,984.00	\$95,984.00
AUDIT ADJUSTMENT - INVESTMENT INTEREST					0.00	0.00
ADJUSTMENT - PERS REDUCTION						25,413.00
ADJUSTED ENDING BALANCE					95,984.00	121,397.00

BERKELEY UNIFIED SCHOOL DISTRICT

2003-2004 Budget Development Assumptions

ITEMS IN THE BUDGET – General Fund

1. ENROLLMENT:

Berkeley USD is a declining enrollment district and has the option to recognize the higher of prior year's P-2 or current year's ADA (excluding Adult Ed ADA). Therefore, 2002-03's P-2 ADA will be used to project 2003-04 Revenue Limit income, i.e. 8,497.92 ADA.

A history of the District's ADA is provided.

	<u>ADA</u> <u>2000-01</u>	<u>ADA</u> <u>2001-02</u>	<u>ADA</u> <u>2002-03</u>	<u>ADA</u> <u>2003-04</u>	<u>CBEDS</u> <u>October</u> <u>2002</u>	<u>ADA 2002/03</u> <u>% OF CBEDS</u>
First Period (P-1)	9,222.55	8,998.21	8,426.67		9,060	93.00%
Second Period (P-2)	9,103.40	8,881.15	8,497.92		9,060	93.80%
Annual	9,056.32	8,840.81	8,497.92			
Revenue Limit	9,104.63	9,112.11	8,881.15	8497.92		

2. REVENUE:

A. Revenue Limit projections:

The District is projecting a deficit of 1.2% for the 2003-04 Revenue Limit and a zero percent "0" COLA increase for ADA.

	<u>2002-03</u>	<u>2003-04</u>
Based Revenue Limit		
Per ADA	\$4,917.83	\$5,010.83
Inflation increase	<u>93.00</u>	
Revenue Limit	\$5,010.83	
Reduction of 1.2%		(<u>59.01</u>)
Revenue Limit FY04		\$4,951.73
Inflation increase		<u>0.00</u>
Revenue Limit		\$4,951.73
P-2 ADA	<u>8,884.01</u>	<u>8,497.92</u>
Projected Revenue Limit		
	\$44,516,264	\$42,079,405

A reduction of \$2,436,859 in revenue from 2002-03 of which \$1,911,813 is attributed to declining enrollment: (FY 2002-03 \$8884.01 ADA minus FY 2003-04 8497.92 ADA = 386.09 ADA multiplied by \$4951.73 revenue limit per ADA). The rest is due to declining State revenue limit per ADA and other revenue sources.

B. In lieu of the across the board reductions to State funded categorical programs that were proposed by the Governor in January of this year, the May Revise proposes targeted categorical reductions in the following areas:

Program	Reduction	BUSD 2003-2004
Deferred Maintenance	67%	0%
Instructional Materials	41%	0%
Teacher as a Priority (TAP)	100%	N/A
Supplemental Grants	33%	N/A
SIP	10%	10%
Miller Unruh	100%	N/A
Summer School (K-4 Reading)	100%	100%
Summer School (7-8 Algebra)	100%	N/A
Summer School Core Cap Reduced from 7% to 5%		TAKEN

Please see attached Excel spreadsheet for details.

C. Federal Income - we have included in the 2003-04 Preliminary Budget appropriate dollars per grant letters and deferred income from 2002-03. However, Federal Special Education has not budgeted to include any COLA increase.

D. State Income - we have included in the 2003-04 Preliminary Budget appropriate dollars per grant letters reflecting the Governor's proposed reductions per the May Revise. We have included deferred income from 2002-03 when applicable.

- i) **State Mandated Cost**
The May Revise proposes deferring mandated costs reimbursements for the 2003-04 fiscal year. Since income will not be recognized within ninety days of the close of the 2003-04 fiscal year this represents a net loss of income to the district. As a result, we have reduced projected mandated cost reimbursement revenue from a projected \$500,000 to \$0 for the 2003-04 fiscal year.
- ii) **State Lottery**
We have included in the 2003-04 Preliminary Budget \$113.00 per ADA at estimated 10,221.96 2002-03 Annual ADA (includes Adult Education) for the Unrestricted General Fund and \$12.00 per ADA at 10,221.96 ADA for Proposition 20 instructional materials fund.
- iii) **Targeted Instruction Improvement Program (Desegregation)**
The May Revise did not result in an across the board reduction of 12.10 % to State funded categoricals. As a result, the proposed 2003-04 budget will be adjusted to reflect a 0% cut to the Targeted Instruction Improvement Program and a reinstatement of \$521, 986 in revenue.
- iv) **Staff Development Buy Back Days.** The May Revise does not propose to either reduce or eliminate Staff Development Buy Back Buys. As a result, we have budgeted \$436,350 accordingly.
- v) **K-3 Class Size Reduction.** We projected at the same level as 2002-03 \$2,215,170 (2445 eligible pupils @ \$906 per pupil.)
- vi) **Inter-agency Contracts.** Projected income from inter-agencies at \$299,400.

E. Local Income

- i) **Special Tax of the Berkeley Schools Excellence Project (BSEP)** – increased by a percentage equal to the annual percentage increase of the Consumers Price Index of 1.9%.

BSEP *

	2000-01	2001-02	<i>% OF INCREASE (NET COLLECTI ONS</i>	2002-03	<i>% OF INCREASE (NET COLLECTI ONS</i>	2003-04	<i>% OF INCREASE (NET COLLECTIO NS</i>
Parcel Tax	\$9254	\$9697	4.8%	\$10,174	4.9	10,364	1.9%

***IN THOUSANDS**

- ii) Measure BB – increased by a percentage equal to the inflation increase applied by the State to average Revenue Limit as defined in Education Code Section 42238.1(b).

MEASURE BB *

	221-02	2002-03	<i>% OF INCREASE (NET COLLECTI ONS</i>	2003-04	<i>% OF INCREASE (NET COLLECTI ONS</i>
Parcel Tax	\$3728	\$4105	10.10	\$3929	-4.3%

***IN THOUSANDS**

- iii) Leases and Rentals – We have budgeted \$400,000 for rental income in General Fund Unrestricted.

LEASES AND RENTALS

	2000-01	2001-02	2002-03	2003-04	<i>% OF INCREASE</i>
Rental Income		\$346,454	\$400,000	\$400,000	0.00

- iv) Interest income – We have projected \$50,000 in income because the General Fund Unrestricted will be negative in cash most of the months and will not generate much interest income. BB and BSEP budgeted the interest income appropriately.

3. EXPENDITURES:

We estimated \$1.3 million on entitlement carryover (Fund Balance).
We estimated grant amounts based on what we received from the apportionment letters.

GENERAL FUND COMBINED:

FTEs for the 2003-04 Budget Development reflect the staffing allocation provided Human Resources department and approved by the Board.

A. Certificated Salaries (BFT):

- No salary increase will be budgeted
- A 1.50% of step and column will be budgeted
- Three staff development buy-back days will be included in the salary expenditures

B. Certificated Management salaries (UBA):

- No salary increase will be budgeted
- Appropriate step and column will be budgeted

C. Certificated Management (Non-represented Group)

- No salary increase will be budgeted.
- Appropriate step and column will be budgeted

D. Classified Managers No salary increase will be budgeted.

- Appropriate step and column will be budgeted

E. Classified Employees

- No salary increase will be budgeted
- An estimated 1.25% will be included for step movement.

F. Salary-driven benefits for all employees will be as follows:

Section 1.02	CERTIFICATED	
STRS		8.25%
MEDICARE		1.45%
SUI		0.30%
W/C		4.80%
RETIREES' BENEFIT RATE		4.05%

TOTAL* (for every salary dollar)	18.85%
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Section 1.03 CLASSIFIED	
PERS rate **	10.42%
PERS R/L Reduction	2.60%
OASDI	6.20%
Medicare	1.45%
SUI	0.30%
W/C	4.80%
RETIREEES' BENEFIT RATE	4.05%
TOTAL* (for every salary dollar)	29.82%

G. Health and welfare benefits – varies according to the individual but amounts to about a 20% increase over current year. The cap is projected at \$10,810.32 per full-time employee annually for all certificated employees and \$11,123.52 for classified.

H. Books and Supplies – General Fund Unrestricted — minimal increase based on the following allocations given to sites:

- K-5 \$22 per projected enrollment
- Middle Schools \$30 per projected enrollment
- High School \$50 per projected enrollment

BB and BSEP will fund the supply category as needed and per formula respectively.

I. Services and Other Operating Expenses Supplies — Minimal increase over last year's expenditures including BB and BSEP's funds.

J. Capital Outlay

- It is assumed that there will be no equipment purchases with General Fund monies. Equipment will be purchased with interest earnings on the Bond Fund per the Bond ballot language and the BSEP Fund.
- BB and BSEP budgeted these costs based on needs

RESERVE FOR ECONOMIC UNCERTAINTIES

In addition to eliminating the District's net operating deficit (defined as the difference between unrestricted general fund revenues and expenditures, and predicated on the assumption that to the extent possible, restricted programs and funds shall pay for themselves), the District's must also restore its minimum reserve for economic uncertainties. The minimum reserve requirement for the Berkeley Unified School District is three percent of total general fund expenditures, including other outgo and transfers out. Based on the budget projected for fiscal year 2003-04, it estimated that the minimum reserve requirement will be \$2,570,282. However, Measures BB and BSEP shall contribute \$120,415 and \$133,184, respectively since their expenditures increase the amount that the District must carry in reserves. Therefore, the true burden on the unrestricted General Fund is \$2,316,683.

OTHER FUNDS FOR 2003-04 BUDGET DEVELOPMENT:

1. Cafeteria Fund

This Fund is going to be in a deficit status because the District, beginning in 2002-03, retained the unrestricted meals for needy reimbursement (\$421,695) from the State and withdrew its contribution of \$350,000. This Fund will need restructuring in order to maintain its fiscal solvency.

2. Child Development Fund

The Superintendent has met with staff on many occasions to study the analyses on the Franklin Preschool and Vera Casey Center. At the Third Interim, both budgets are projected to be in deficit at the end of the fiscal year and will be for 2003-04 fiscal year. This Fund will need restructuring in order to maintain its fiscal solvency.

3. Adult Education Fund

The Adult Education Fund has made several budget adjustments and is presenting a balanced budget for the 2003-04 fiscal year.

4. Self Insurance Fund

The General Fund continues to buy down the unfunded liability to this fund. General Fund will contribute \$687,738 for FY 2003-04 to pay for insurance costs and buy down of unfunded liability.

5. Deferred Maintenance Fund

The District's match to this fund will be provided by the interest generated in the Bond Fund. The budgeted match from the Bond interest is \$300,000 for FY 2003-04.

6. Bond Fund

Anticipated to be fiscally solvent as in FY 2003.

OTHER AREAS THAT NEED TO BE DETERMINED FOR 2003-04 BUDGET DEVELOPMENT:

1. State Budget

The continuing State fiscal crisis will have significant ramifications for the District. The ramifications will not be confirmed until the legislature approves and the Governor signs the budget. As of this Preliminary Budget, all estimates are based on the May Revised.

2. Encroachment on the Unrestricted General Fund from Other Funds

There may be encroachment from the other restricted funds if the deficits identified in fiscal year 2002-03 are not fully eliminated by the start of the 2003-04 fiscal year.