

BSEP PLANNING & OVERSIGHT COMMITTEE MINUTES

January 29, 2013

Malcolm X School Library
1731 Prince St., Berkeley

P&O Committee Members Present:

Amelia Archer, <i>Berkeley High</i>	Keira Armstrong, <i>Washington (Co-Rep)</i>	Juliet Bashore, <i>Rosa Parks (co-Rep)</i>
Lea Baechler-Brabo, <i>Oxford (Alt)</i>	Maria Einaudi, <i>Ind. Study</i>	Aaron Glimme, <i>Berkeley High</i>
Larry Gordon, <i>Berkeley High (Alt)</i>	Patrick Hamill, <i>Thousand Oaks</i>	Elisabeth Hensley, <i>King (co-Chair)</i>
Catherine Huchting, <i>Malcolm X</i>	Melissa Kaprelian, <i>Thous.Oaks (Alt)</i>	Catherine Lazio, <i>Berkeley High</i>
Chris Martin, <i>LeConte (co-Chair)</i>	Danielle Perez, <i>Pre-K (co-Rep)</i>	Boyd Power, <i>Emerson</i>
Shauna Rabinowitz, <i>Jefferson</i>	Margot Reed, <i>Longfellow</i>	Bruce Simon, <i>King</i>
Greg Wiberg, <i>Oxford</i>		

P&O Committee Members Absent:

Lee Bernstein, <i>Arts Magnet</i>	Moshe Cohen, <i>Pre-K (co-Rep)</i>	Shannon Cunningham, <i>B-Tech</i>
Ila Deiss, <i>LeConte (Alt)</i>	Rhonda Jefferson, <i>Berkeley High</i>	John Lavine, <i>Berkeley High (Alt)</i>
Leslie Lippard, <i>Cragmont</i>	Brittini Milam, <i>Washington (Co-Rep)</i>	Emily Newman, <i>Emerson (Alt)</i>
Dawn Paxson, <i>Willard</i>	Cecilie Rose, <i>John Muir</i>	James Shultz, <i>Rosa Parks (co-Rep)</i>
Abigail Surasky, <i>Longfellow</i>	Ellen Weis, <i>Longfellow (Alt)</i>	Hugo Wildmann, <i>John Muir (co-Rep)</i>
Representative, <i>Willard</i>		

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

Javetta Cleveland, <i>Co-Superintendent</i>	Josh Daniels, <i>School Board</i>
Pauline Follansbee, <i>Director of Fiscal Services</i>	Jay Nitschke, <i>Director of Technology</i>

BSEP Staff:

Natasha Beery, <i>BSEP Director</i>	Elizabeth Karam, <i>BSEP Senior Budget Analyst</i>
Mark Coplan, <i>Public Information Officer</i>	Mary Hurlbert, <i>Administrative Coordinator</i>
Liz O'Connell-Gates, <i>Staff Support</i>	

1. Call to Order & Introductions

At 7:15 p.m. Co-chair Chris Martin called the meeting to order by welcoming attendees and by asking P&O members to introduce themselves and to report on School Governance Council activity at their sites.

2. Establish the Quorum / Approve Agenda

The quorum was approved with 15 voting members present and the agenda was unanimously approved.

3. Chairs' Comments

Chris Martin & Elisabeth Hensley

Co-Chair Martin said that he had attended the Superintendent's Budget and Advisory Committee (SBAC) meeting immediately prior to the P&O meeting. He said that the SBAC

had focused on the Governor's new budget and had also discussed the recent sale of Hillside School, a BUSD-owned property, for \$1.7 million.

Martin added that he and Co-Chair Elisabeth Hensley were considering forming a P&O subcommittee to examine the BSEP Site Discretionary budgets. The goal would be to clarify which funds were paying for core services, such as playground supervision, BSEP, the General Fund, and/or other funds. Hensley added that the idea was to find out where school site expenditures fit into the bigger picture across the District. The Co-Chairs invited interested P&O members to join this proposed subcommittee.

4. BSEP Manager's Comments

Natasha Beery, BSEP Director

Beery said the evening's agenda included: an orientation on BSEP's Class-Size Funds and the "Teacher Template," an overview of BUSD's First Interim Budget Report – 2012-13 by Director of Fiscal Services Pauline Follansbee, and an presentation of BSEP's First Interim Budget Report – 2012-13 by Senior Budget Analyst Elizabeth Karam.

5. Public Comment

Josh Daniels, School Board Member & Former Board Liaison to the P&O Committee

Daniels thanked P&O members for volunteering to serve on this important committee. He encouraged P&O members to come to Board meetings any time. He said the April 10th Board Meeting would tentatively feature a BSEP item and he invited everyone to come. Next he said that Alameda City Unified School District had passed a split-roll parcel tax, like Berkeley's, in 2008. The split roll meant that the rate per square foot charged for residential properties was lower than that charged for commercial properties. He told the Committee that an appellate court had recently struck this tax measure down as unfair. Daniels said that, as a result of this ruling, the Alameda City tax rate was being dropped to the lower of the two rates. Daniels said a similar outcome in Berkeley would result in \$2-3 million per annum in lost revenue. He said this ruling would not likely apply to Berkeley and it could be nullified when it goes before the state Supreme Court. Nevertheless, Daniels cautioned that BUSD would have to keep this ruling in mind when it takes BSEP to the voters next time.

6. BUSD First Interim Budget Report – 2012-2013

Pauline Follansbee, Director of Fiscal Services

Using handouts and a PowerPoint presentation, Follansbee gave an overview of BUSD's *First Interim Budget Highlights for 2012-13*. She explained that BUSD had earned a positive certification of financial solvency by meeting the state's 3% reserve requirement for this year and for the subsequent two years. She explained that the state set this requirement to help prevent districts from going bankrupt. She said no backfill was needed from parcel tax dollars to have this 3% reserve, and this was watched closely by Board members and the public. Follansbee said BUSD projected deficit spending and added that the District's expenses exceeded its revenues by a one-time amount of \$1.1 million and an ongoing \$1.3 million. She stated that in FY 12-13 the total operating budget for Funds 01-08 totaled \$120.2 million. Follansbee noted that despite the passage of Proposition 30, BUSD had identified no new funding sources. She said that as of yet there had been no layoffs at the District, but many challenges lay ahead. Follansbee clarified that the District's Unrestricted

General fund came primarily from three sources: Average Daily Attendance (ADA), state monies, and local revenues. Follansbee said BUSD had not lost as many students to the REALM charter school as had been anticipated. She said the projected increase in ADA since First Interim was 58 students, with most of those enrolling in kindergarten or middle school. Follansbee explained that a one-time, 1% pay increase to staff accounted for an \$888,313 transfer out from the Unrestricted General Fund. Follansbee discussed BUSD's projected 2.0% COLA and also addressed the \$1.7 million sale of BUSD's Hillside property.

7. BSEP First Interim Budget Report – 2012-2013

Liz Karam, Senior Budget Analyst and Natasha Beery

Beery said that some of the numbers just reported by Pauline Follansbee would reappear in *BSEP's 2012-13 First Interim Report*. Karam said that the BSEP First Interim Report, which shows adjustments made to the nine BSEP Resources, uses the same format as the BUSD First Interim Report. For a basis of comparison they included the 2011-12 Unaudited Actuals, the Adopted Budget for 2012-13, the First Interim Budget for 2012-13, and the difference between the latter two columns. She said there was no change in revenue projection, which showed an increase due to a 3.17% Cost of Living Adjustment (COLA). Karam said the impact of the 1% bonus to staff, given last fall, would be evident throughout the report. She explained that the Indirect Cost rate was lower this year than last, at 6.39%. She said that projected revenue was \$24,390,000 while projected expenditures totalled \$25,938,543. She explained that three main reasons accounted for changes to the Budget since its adoption: 1) Revised salary and benefit projections as staff was hired or placed in open positions, 2) carryover monies from FY 2011-12, and 3) the 1% one-time bonus paid to staff.

8. P&O Orientation - BSEP Class Size Funds and the "Teacher Template"

Natasha Beery and Pauline Follansbee

Follansbee distributed the BSEP "Teacher Template," explaining that it was a tool used to calculate how many teachers (and how many BSEP dollars) would be needed to achieve the BSEP class size goals of 20:1 for Kindergarten-3rd grade, 26:1 for grades 4-5, and 28:1 for grades 7-12. She noted that the BSEP class size goals are district-wide averages, not a cap on individual classes. The "Teacher Template" was adjusted at first interim, with the biggest change from the adopted budget being the adjustment of the average teacher compensation to reflect the 1% bonus. She noted that the "Teacher Template" showed projected enrollment and staffing by grade level. She said that each year she inserts the projected enrollment into the Teacher Template, and the projected Average Teacher Compensation (salary and benefits), and that the outcomes are formula-driven. She noted that teacher release time and illness substitutes are also factored in. By way of example, she said that 741 Kindergarten students were projected for this year, that the General Fund and the State K-3 Class Size Reduction funds provided enough dollars for Kindergarten class sizes of 34. Then BSEP provided additional teachers, sufficient to "buy down" the class size to the goal of 20:1. Follansbee noted that, without BSEP and without the state CSR funds, our Kindergarten classes would be much larger than 34.

9. Recommendation for the Expenditure of BSEP Books & Materials (Fund 6 Carryover monies in FY 13 from BSEP Measure B of 1994)

Mary Hurlbert, Administrative Coordinator

Hurlbert distributed a document showing Co-Superintendent Neil Smith's request to spend the remainder of the old BSEP Books and Educational Materials Fund (Fund 6 from Measure B of 1994). She explained that \$141,175 remained in this "extinct" fund 6, which no longer received revenue. Fund 6 was earmarked in Measure B of 1994 for books and educational materials and equipment and could not be combined with funds from the current measure. She explained that this spring the Co-Superintendent wanted to spend out the money in the fund for enriching educational materials, including: 1) \$100,000 for K-6 nonfiction reading materials for the Columbia Teachers College Reading and Writing Program, and 2) \$20,000 for technology for the Berkeley High School Bridge Program. The remaining \$21,175 would be used for educational materials and equipment for a variety of programs, including High-Five pre-Kindergarten classrooms. Hurlbert said this item would be up for action on February 12th.

10. Approval of Minutes – January 15, 2013

MOTION CARRIED (Glimme/Hamill): To approve the minutes of the January 15, 2013 P&O Committee meeting.

The motion was approved by a voice vote.

11. Additional Items for Discussion

Director of Technology Jay Nitschke reiterated that the administration holds the P&O Committee and the opinion of its members in high esteem. One P&O member stressed that P&O members appreciated knowing the outcomes of programs they voted for.

12. Adjournment

The meeting was adjourned by acclamation at 9:15 p.m.