

TO: BUSD Board of Education  
FROM: BSEP Planning & Oversight Committee  
DATE: May 14, 2014  
SUBJECT: Looking ahead at the Class-Size Reduction (CSR) Fund

### **P&O Statement Regarding CSR Funds beyond 2014-15**

On April 15, the P&O Committee voted to approve the District's proposal for the CSR 2014-15 budget, but with concerns about the future of this resource. Pressures on the sustainability of this resource include enrollment growth, increased staffing, and salary increases. To reduce the impact of these increases, the district has committed General Fund dollars to ensure that the CSR resource does not end FY 2014-15 with a budget deficit. However, there will be two additional years under Measure A, and the P&O Committee is dedicated ensuring that BSEP funds deliver on the promise to the voters for the life of the measure. The P&O Committee views the \$200,000 from the General Fund as a temporary solution. We would like to see the staff present a plans that will maintain a positive fund balance through school year 2016-17.

Increases in state allocations for education, and increasing enrollment in the district mean that the General Fund will benefit from increased revenues from the state over the next few years. Unfortunately BSEP funds do not increase in response to enrollment growth or a larger state budget. Thanks to those increasing state dollars, the district can consider providing salary increases to our hardworking, dedicated staff. But because BSEP Class Size Reduction dollars pay for roughly a third of all teachers in BUSD, as those salaries increase, the amount of CSR funds available for other programmatic investments decreases.

In the 2013-14 school year, in addition to funding class size reduction, CSR funds also provide for counselors at the middle schools, Expanded Course Offerings (ECO) at the middle and high schools such as AP augmentation and music, as well as elementary literacy coaches, and RtI<sup>2</sup> teachers at the elementary and middle schools. With increased enrollment and pending salary increases growing the cost of class-size reduction, the committee recognizes that BSEP's contributions to additional programs will have to diminish. In fact, the 2014-15 plan already includes reductions, specifically

elimination of additional class-size reduction for middle and high school math classes, which BSEP has provided for the last 5 years. With the proposed cuts, the projected ending fund balance for 2014-15 is less than \$40,000, roughly a quarter of one percent of the fund's total budget for this year.

Therefore, the P&O wishes to respectfully remind the Board that in order to meet the obligations of the Measure through the end of 2016-17, the BSEP CSR fund will have to reduce its contributions to programs beyond class size reduction. For example, over the prior three years, during a period when the district faced severe recession-related budget restrictions, the BSEP CSR fund provided program support for several core programs, including support for RtI<sup>2</sup> teachers. If it is the district's priority to maintain these programs after 2014-15, the district's General Fund would need to provide expanded support for the programs in order to avoid depleting the CSR resource. We thank you for your demonstrated commitment to BSEP and for your support of the responsible use of BSEP resources per the measure and the voters.