

BSEP PLANNING & OVERSIGHT COMMITTEE MINUTES

November 18, 2014

BUSD Offices –Technology Room 126
2020 Bonar Street, Berkeley, CA 94702

P&O Committee Members Present:

Moshe Cohen, <i>Pre-K/Malcolm X</i>	Mimi Leinbach, <i>Washington</i>
Sergio Duran, <i>Arts Magnet</i>	Elisabeth Hensley, <i>King (co-Chair)</i>
Bill Fleig, <i>Cragmont</i>	Bruce Simon, <i>King</i>
Dawn Paxson, <i>Emerson/Willard</i>	Jenny Orland, <i>Longfellow</i>
Shauna Rabinowitz, <i>Jefferson</i>	Alma Prins, <i>Longfellow (Alt)</i>
Danielle Perez, <i>John Muir</i>	Catherine Huchting, <i>Willard</i>
Alanda Esteva, <i>LeConte (co-Rep)</i>	Max Cramer, <i>Berkeley High Student Rep</i>
Chris Martin, <i>LeConte (co-Chair)</i>	Larry Gordon, <i>Berkeley High (Alt)</i>
Lea Baechler-Brabo, <i>Oxford</i>	John Lavine, <i>Berkeley High</i>
Laura Babitt, <i>Rosa Parks</i>	Catherine Lazio, <i>Berkeley High</i>
Patrick Hamill, <i>Thousand Oaks</i>	John Fike, <i>BTA/B-Tech</i>
	Louise Harm, <i>Independent Study</i>

P&O Committee Members Absent:

Lily Howell, <i>Pre-K (Alt)/Malcolm X</i>	Marian Bradley-Kohr, <i>King (Alt)</i>
Martin de Mucha Flores, <i>Cragmont (Alt)</i>	Juliet Bashore, <i>Longfellow</i>
Shilen Patel, <i>Cragmont (Alt)</i>	Kim Sanders, <i>Longfellow (Alt)</i>
Octavio Munist, <i>LeConte (co-Rep)</i>	Aaron Glimme, <i>BHS</i>
Radha Seshagiri, <i>Thousand Oaks (Alt)</i>	Rhonda Jefferson, <i>BHS (Alt)</i>
	Christine Staples, <i>BHS (Alt)</i>

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

Mark Coplan, *BUSD Public Information Officer*
Liz Karam, *BSEP Senior Budget Analyst*

BSEP Staff:

Natasha Beery, *BSEP Director*
Valerie Tay, *BSEP Program Specialist*
Linda Race, *BSEP Staff Support*

1. Call to Order, Introductions & Site Reports

At 7:04 p.m. Co-chair Elisabeth Hensley called the meeting to order by welcoming attendees and asking them to introduce themselves.

2. Establish the Quorum/Approve Agenda

The quorum was approved with 20 voting members initially present, with 23 total voting members present later in the meeting. 13 voting members are required for a quorum.

MOTION CARRIED (Perez/Simon): To approve the agenda of the November 18, 2014

P&O Committee Meeting. **The motion was approved with a showing of 18 hands, with 0 objections, and 2 abstentions.**

3. Orientation and Preview of 2014-15 Year

Natasha Beery, *BSEP Director* and Liz Karam, *BSEP Senior Budget Analyst*

Beery provided the following packet containing:

- *SGC Elections*
- *BSEP Planning & Oversight Committee Calendar 2014-15*
- *BSEP P&O Committee Orientation PowerPoint Slides, dated November 18, 2014*
- *BSEP Budget Planning and Reporting Timeline, dated 11/18/14*
- *BSEP Measure Planning Timeline Rev 11-5-14*
- The *BSEP Annual Plan Binder for 2014-15* was distributed

Beery thanked both continuing and new P&O members for their high turnout at the orientation. Beery and Karam began their presentation with an overview of the P&O Committee Orientation. Karam went over the outlines of state and local funding for BUSD. She noted that BSEP funds are supplementary to state aid and kept separate from other funding sources provided to the district. BSEP local property taxes are remitted to the district three times per year, and the net BSEP revenue is allocated according to percentages as defined in the BSEP Measure.

Beery went over the history of the BSEP Measure, its beginnings, influences, continuity and changes from 1986 through the current 2006 measure which expires in 2016. Beery noted that the BSEP Annual Plan FY 2014-15 binders contains the specific language of the BSEP Measure and suggested that the committee members become familiar with it the terms of the measure, and noted that BSEP funds provide about 20% of BUSD budget.

Beery explained that the BSEP monies are gathered from a special parcel tax based on square footage of improvements to commercial and residential properties. The revenue to BSEP increases in two ways – with a tax rate increase, which under the current measure can be adjusted by a Cost of Living Adjustment (COLA), or if there is an increase in the square footage of properties, as when new buildings are constructed.

Karam, in referring to the **BSEP Revenue Allocation 2014-15** slide, noted that the monies are collected centrally, then fees are paid to the City of Berkeley and Alameda County for preparing taxes, providing auditors and other costs, and then 2.0% of the net budget goes to Public Information Office and the Planning & Oversight support and then that net amount is distributed. This year's budget allocation totals \$24,773,586. Karam noted that BSEP also pays for "indirect costs" of 7.22% (or \$1,634,844), which are overhead costs that the district incurs as a result of the program (payroll, business services, custodial, all based on a state formula for actual expenses). The total net after overhead is accounted for is \$23,138,742. Karam stated that in addition to the safeguard of having BSEP money is in its own fund (separate from the General Fund and Maintenance Fund), BSEP is also audited separately to insure that the money is spent according to the terms of the Measure.

Per the **P&O Function** slide, the P&O Committee provides oversight of the BSEP Funds by reviewing program budgets, the Annual Report, and The BSEP Audit. The P&O Committee hears from each budget resource for the year and reviews their presentation and budget information to ensure that the budget complies with the BSEP Measure and supports district goals. The budget is a blueprint for the year's activities and is a basis for financial decision-making and management. The P&O Committee works across multiple budget years simultaneously, in that the previous year's budget and expenditures are reported, while

the current budget/plan implemented, while planning and budgeting for the next school year is also underway. Beery shared the *BSEP Budget Planning and Reporting Timeline* which indicates the overlapping process of yearly budget cycles. Karam stated that the timeline is driven by statutes on a calendar established by law (for instance the 1st interim budget is October 31st and the School Board has to approve it by November 15th). (Refer to **Budget Cycle for 2015-16** slide.)

Karam reviewed a typical program budget that the P&O Committee would see in the Spring proposals. (Refer to **Sample Financial Summary: Technology** slide.) She noted that the budget was “fund accounting” (modified accrual) that starts with revenue that takes out expenditures and leaves a fund balance. If the money is not used in one year, it carries over to the next year as “fund balance.” Karam noted in this sample that the fund balances are added to the next year, but when there was more spending in the year FY11/12, there was a deficit expenditure. “Deficit spending” is not a value judgment; it just explains the difference between revenue and expense. Karam said that a phrase that is often heard is “planned deficit spending” and explained that the district is in year 8 of the Measure and have two more years to go, planned deficit spending can use up the fund balance. She noted that an important element of the conversation that the committee will have will be around how much of fund balance there is and what can we afford to spend.

Beery confirmed that the budget managers will present their budget plans to the P&O Committee and based on the Committee’s review and the managers’ possible adjustments to the budgets, the P&O Committee will approve and make recommendations to the School Board. Karam and Beery confirmed that the fund balances could not be shifted between budgets, except that Measure A allowed for the flexibility between the “9% budget” which is allocated for Technology, Professional Development and Program Evaluation, and Library and Music budgets can shift but as dictated by the Measure, only by 10%. With regards to CSR, after the class size reductions are met, remaining funds can be spent on expanded course offerings in the secondary schools, middle school counseling and program support. Karam stated that each of the budgets is its own separate “resource.” Hensley stated that in order to pay for the teachers to reduce class size, funds from BSEP are transferred into the General Fund.

Beery confirmed that BSEP is interwoven into the district and even though the accounting is kept separate, many of the programs are also funded in other ways by the district, e.g., LCFF, Supplemental Funding as well as other funding streams.

Beery confirmed that the way the Measure was written, the P&O Committee is supposed to review all the plans. It is possible that the P&O Committee could approve a plan that the School Board could reject and the P&O could reject a plan that the School Board could amend, but that has never happened. Beery stated that the Board takes the P&O Committee’s recommendations very seriously, as do the budget managers. Karam noted that very often the P&O’s input can modify the plan proposal. Beery stated that as a Board-sanctioned advisory committee, the P&O has time during public comment that is of 5-minute duration to make statements on behalf of the whole committee. Any member of the public, including a P&O member, may make a public comment of 3-minutes that represents a personal opinion, but may not speak on behalf of the committee unless the P&O has discussed the statement in advance.

Beery noted that the BSEP Measure Process Planning calendar was located on the bottom portion of the *BSEP Budget Planning and Reporting Timeline* (noted in gray). This represents a calendar and a process to prepare for the next BSEP Measure vote on the 2016 ballot. Beery referred to the handout *BSEP Measure Planning Timeline Rev 11-5-14* and

noted that the process was beginning and some of the questions and items being proposed and framed are:

- Look at each of the budget resources for what is working
- Are expenditures being made more quickly and if so, why?
- Does the resource have a strong fund balance and if so, why?
- Does the resource seem to be meeting the needs of the students educationally?
- Are there other resources that could fund a particular purpose?
- What would happen if the monies were cut or expanded?

Beery asked the committee members to direct any additional questions and comments to her if questions remained after this presentation. She noted that by the summer of 2015, a community process will begin with public workshops and a public opinion survey. Some of the issues that have come up with budgets are around CSR and Music/VAPA funding. The issues include funding streams, evolving needs and how growth is taking place.

Beery stated that the split roll tax will become an issue during the coming year. (See **Split Roll Tax Rates** slide.) Taxes are gathered from the residential and commercial properties that are kept on a split roll, based on the square footage of the developed properties (approx. 61million residential sq. ft. and 18million commercial sq. ft. in Berkeley). A commercial property owner filed suit against the Alameda school district claiming that it was unconstitutional to treat residential and commercial properties differently. The suit was successful and retroactive to recently passed parcel taxes, but not to BSEP at that point. However, unless something changes at the state level by 2016, residential and commercial properties must be taxed a “uniform” rate, which would mean a possible loss of nearly \$2.6million, or more than 10% of what is currently being brought in (\$24.7million). Unless the tax rate is increased significantly, the revenue stream for BSEP would be decreased.

Karam noted that there are resources to understand school funding that can be reviewed by the committee members and are listed on the **Additional Resources** slide.

4. Nomination/Election of Chairperson(s) for 2014-15

Beery acknowledged the work of the co-Chairs Chris Martin and Elisabeth Hensley, who are stepping down. Hensley will continue as a member of the P&O Committee. Various members of the committee extended their appreciation to Martin and Hensley in their leadership of the committee.

Hensley nominated Bruce Simon and Danielle Perez as co-Chairs for the committee and offered to provide help in the transition.

MOTION CARRIED (Paxon/Hamill): To elect Danielle Perez and Bruce Simon as P&O Committee Co-Chairpersons. **The motion was approved with a showing of 20 hands, with 0 objections, and 3 abstentions.**

5. Nomination/Selection of P&O Reps to Superintendent’s Budget Advisory Committee/SBAC for 2014-15

Gordon briefed the committee on what the SBAC committee did. There is not a calendar out for the committee yet, but it will likely meet in January 2015.

Lazio nominated Gordon to serve on the SBAC.

MOTION CARRIED (Lazio/Hensley): To elect Danielle Perez and Bruce Simon as P&O Committee Co-Chairpersons. **The motion was approved with a showing of 22**

hands, with 0 objections, and 1 abstention.

6. Public Comment

Max Cramer was acknowledged and introduced by Lazio as the BHS Student Representative to the P&O Committee. He is a Junior in the Academic Choice Learning Community.

7. Approval of P&O Minutes of October 28, 2014

MOTION CARRIED (Simon/Babitt): To approve the meeting minutes of the October 28, 2014 P&O Committee Meeting. **The motion was approved with a showing of 21 hands, with 0 objections, and 2 abstentions.**

8. Chairperson's Comments

Co-Chairs Bruce Simon and Danielle Perez

No comments were made.

9. BSEP Director's Comments

Natasha Beery, *BSEP Director*

Beery provided the following handouts:

- *BSEP Measure Planning Timeline, Rev 10-27-14*

Beery reminded the P&O Committee that it is a Brown Act committee, and she will provide more information to the committee about that as well as Robert's Rules. The purpose of the Brown Act is to ensure there is access to public meetings.

The BSEP Public Awareness Committee met to talk about the next Measure, although it will not be campaigning for the next Measure but will provide information about what BSEP is to the public. The committee will also help with increasing awareness of how BSEP funds are used in our schools. Beery noted that flyers with talking points were sent to the school principals.

Beery stated that Suzanne McCulloch, Visual and Performing Arts Program Supervisor invites members of the P&O to attend the next meeting of the Music/VAPA subcommittee on December 2, 2014 at 7:00pm at the VAPA Office (Willard Middle School Room D 19C, 2425 Stuart St., Berkeley 94705, Phone 510-644-8831. The Office is at the back/East side of the school). Beery noted that meetings are also listed on the *BSEP Planning & Oversight Committee Calendar 2014-15*. (To include an item on the agenda, please notify bsep@berkeley.net or call 644-8749.)

The next meeting of the P&O meeting is December 9, 2014, which will include the BSEP Annual Report for FY 2013-14 with the Budget Managers.

Beery stated that the guidelines for budget managers to use when they needed to make adjustments to their plan/budget after it has been approved or changed will be brought back for discussion at a later meeting.

Beery announced that the Annual Kindergarten Information Fair will be Saturday, December 6, from 10am-1pm at LeConte Elementary, 2241 Russell Street, Berkeley. She requested help to raise BSEP awareness at a table to be provided at the event.

10. SGC Elections and Training Report

Natasha Beery, *BSEP Director* and Valerie Tay, *BSEP Program Specialist*

Beery stated that she gave a preliminary report on the SGC Elections as part of “Friday notes to the Board” and presented an outline of issues for the SGC elections. (See handout *SGC Elections*.) Comments that were made included:

- Discussion regarding the inclusion of staff at SGC meetings and the difficulty of finding staff who wouldn’t be considered to have a conflict of interest due to funding by BSEP
- District SGC surveys are being developed Debbi D’Angelo, Director of Evaluation and Assessment.
- Valerie Tay added that having templates for outreach, elections, and surveys would provide a resource for the schools. There is also an idea being discussed for making the SGC training concurrent with all sites’ first SGC meetings to streamline the process for participants.
- Members commented that spring elections may be helpful and begin in June. This has not happened because the thinking was that it would exclude new families that could participate in the elections. Martin noted that there might be a night in the fall where the school administration should be mandated to discuss SGCs, BSEP etc. Hensley noted that King Middle School passes out flyers at the end of the school year to begin planning for the next year and getting that information to new families. She noted that several people spoke at the back-to-school night and felt that really worked for them. Harm added that she felt the district could mandate and support that SGC/BSEP information be included on back to school night agendas. Rabinowitz stated that she felt that what was needed was an “elevator speech” that was sharp and interesting. Beery stated that a brochure was put together in English and Spanish and noted that a paragraph “elevator speech” could be developed. Outreach was brought up as a way to reach new families even they may not be ready to commit.
- BSEP awareness needs to be raised across the board and built in to the education of the families in the school district. This will benefit the process for the new Measure.
- It was mentioned that with online media, a simple campaign like “BSEP Yes” with a link to more details, could start gradually and much earlier and may help with BSEP Awareness.
- Paxson agreed it would be great to have something built in to help the principals. she also noted that the SGC and the P&O are well-functioning committees to be involved with, and that could be included in the “elevator pitch.”
- It was noted that SGCs are not becoming more diverse and that the message should encourage the recruitment of all families that represent the students in the Berkeley schools.
- Duran noted that there were a lot of acronyms in the brochure and added that the brochure needs to look more like the programs the parents would support.

11. Additional Items/For the Good of the Order

No comments were made.

12. Adjournment

The meeting was adjourned by acclamation at 9:00 p.m.

The next P&O meeting will be held December 9, 2014.

Minutes submitted by Linda Race, BSEP Staff Support